# The Influence of Regional Players in the Interests of Iraqi - Kuwaiti relations after 2003

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#### Abstract

Iragi- Kuwaiti relations are one of the most controversial relations in the Arab Gulf region, where by these relationships encountered significant tension and instability after the removal of Saddam's System in 2003as a result of a series of political and economic problems between two countries, such as border demarcation and compensation, etc. as a result of the Iraqi occupation of Kuwait in 1991. The security and economic interests of the regional players in the Gulf region e.g., the U.S., Iran, and the Gulf Cooperation Council (GCC) determines the orientation and policy towards Iraqi -Kuwaiti relations, whether through the promotion of cooperation and work to achieve convergence of the relations between Iraq and Kuwait or vice versa . This paper investigates the observations and analyzes the effects of these diverse regional interests. This paper contributes to the literature by way of broadening the knowledge in this area of study with a model to examine the key effects of the diverse regional interests on the nature of the Iraqi-Kuwaiti relations after Saddam's regime in 2003. Finally, this paper examines and analyzes the progress made in Iraqi-Kuwaiti relations in light of the divergent interests of the regional players post-Saddam rule.

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#### Introduction

Iragi-Kuwaiti relations are one of the main issues in the Middle East generally and the Arab Gulf region in particular. It is an area that has witnessed three consecutive and devastating wars: the war between Iraq and Iran (1980 - 1988), Irag's occupation of Kuwait and the latter's liberation from Iraq (1990 - 1991), and the occupation of Iraq in 2003 by the United States of America (U.S.). The importance of this region lies in its wealth of energy resources oil. It has about 60 percent of the global reserves of oil. This has led to the regional countries to compete with each other in order to get at the economic resources. In turn, the big and powerful countries have sought to interfere in the policies and relations of these countries with each other to sustain its hegemony over the Gulf region, to ensure the safe flow of oil and reasonable prices and to prevent any local or regional power from trying to compete with its interests<sup>2</sup>.

The issue of borders can be considered as the main challenge of Iraqi-Kuwaiti relations after the demise of Saddam system. After the end of the Second Gulf War in 1991, the United Nations (UN) formed a committee to demarcate the borders between the two countries. The committee was set up in 1993 and in 1994 it issued its recommendations for the completion of the border demarcation process. The Iraqi officials felt that the border demarcation was not quite fair because it gave away more of Iraqi territories to Kuwait<sup>3</sup>.

Besides that, there was issue of debts and war reparations as a consequences of the war in 1991. Kuwait insisted on its right

<sup>2</sup>Aldlabih, A.F.(2011). The Unbalance of Power in the Middle East after the U.S. Occupation of Iraq.(Unpublished thesis Master).Middle East University, Jordan, pp 20-21.

<sup>&</sup>lt;sup>3</sup>Met'ab, M &Abd, R. (2013).Iraq's foreign relations with neighboring countries, *Tikrit University Journal*, no 5 (17), p 242.

to collect the debts which amounted to \$13 billion from Iraq. The total is inclusive of interest plus the war reparations endorsed by the UN which amounted to \$23 billion. In response to such claims, Iraqi officials dismissed the whole issue of debts, claiming that these debts were incurred at the time of Saddam rule, and therefore, the present government is not responsible for it<sup>4</sup>. These problems affected the development of relations between the two countries.

In spite of the improvement of relations between Iraq and Kuwait after 2003, tension and instability still existed. These tensions can be ascribed to the divergent regional interests e.g., the U.S. occupation of Iraq, Iran's role and the role of the GCC. The U.S. occupation of Iraq in 2003 resulted in big repercussions concerning the Iraqi-Kuwaiti relations. The U.S. presence in Iraq has led to the formation of a weak sectarian government which has led to the continual increase in the severity of internal division that Iraq has been witnessing since 2003. As a result, the Iraqi government was unable to exercise control in many areas of Iraq<sup>5</sup>.In addition, the U.S. failed to resolve the outstanding issues between Iraq and Kuwait with regards to the problem of the border, debt compensation and the removal Iraq from of Chapter VII of the UN Charter.<sup>6</sup>

In a relevant context, the U.S. interests in Kuwait have gained strategic importance and this is attributed to two important factors. Firstly, the growing importance and the

<sup>4</sup>Shayyal, A. (2009). Iraqi-Kuwaiti relations. The international Studies Center, no 11, pp 27-28.

<sup>&</sup>lt;sup>5</sup>Āl-Jumaili, M. D. & Al-kinani ,L. M.(2012).Iraqi-Kuwaiti relations and the problem of Mubarak Harbor. *Journal of International studies*, no 52, pp 8-20.

<sup>&</sup>lt;sup>6</sup>Yasin, A.H (2012). Future of relations between Iraq and the United States in the post-withdrawal of U.S troops stage in 2011. International Studies. no.53, pp 102-112.

U.S. desire to maintain the region's security and stability to ensure the flow of oil to the U.S. and other industrial powers. Secondly, it is the growing role of oil in world politics as it is the most important source of energy which has granted the Gulf region additional political weight and an indispensable strategic advantage. The U.S. seeks to achieve three objectives in the region: (a) to maintain the ability to secure oil imports (b) at reasonable prices and (c) ensure sufficient quantities to meet the growing demands of the U.S. and its friends and allies in the world<sup>7</sup>.

Iran, on the other hand, has been the primary beneficiary of the demise of Saddam rule because Iraq's weakened state has allowed Iran to emerge as the only regional power though the U.S. presence in Iraq was still an element of concern to Iran. Therefore, Iran began to exercise its influence within the new Iraqi government formed after 2003, particularly by supporting some Shiite Iraqi parties that did not favor the U.S. presence in Iraq. This situation sparked the concern of Kuwait who regards Iraq as an extension of Iran and this, in turn, certainly had an impact on the stability and development of Iraqi-Kuwaiti relations<sup>8</sup>.

As for the third regional player (GCC States), they believed that establishing a new political regime in Iraq and the formation of a government that is loyal to Iran might constitutes a real threat to the Sunni political systems in the GCC States. That is the reason for the GCC's support of Kuwait in all of its issues with Iraq<sup>9</sup>.

<sup>7</sup>Kata, S. (2010). Military presence in the Arabian Gulf: Main reasons. *Journal of International Studies*, no 45, p135,

<sup>&</sup>lt;sup>8</sup>Salameh, M &Sharah, M, (2011). Kuwait's democratic experiment: roots, reality, characteristics, challenges, and the prospects for the future. Journal of Middle Eastern and Islamic Studies in Asia, no 5 (3), pp 57-60.

<sup>&</sup>lt;sup>9</sup>Katzman, K. (2005). Kuwait: Post-Saddam Issues and U.S Policy. Washington, DC: Library of Congress, p 5.

The U.S. occupation of Iraq has changed the regional power balance in the Arab Gulf region because U.S. will not just be a partner in this balance, but it will also be the party that determines the form and type of this balance as it is the strongest party in the regional balance. The GCC's status will not be better than it was before the occupation of Iraq on the basis that the presence of the U.S. as a powerful component in this balance will be in the GCC's interests and this is represented by the ending of the security threats from Iraq. But, in turn, the Iranian role could be weakened due to the increasing pressure being applied on Iran to reduce its regional power. The GCC States do not want such a situation because this will provide the U.S. a stronger opportunity to manipulate the parties in the region so as to achieve a regional balance in the Gulf that is in its favor<sup>10</sup>.

The study of the regional player's interests and its effects on the relations between Iraq and Kuwait post- Saddam's rule helps us to understand and analyze the role these interests play in the evolution of the conflict or cooperation relations between Iraq and Kuwait.

#### Literature Review

# Overview of the Features of the Iraqi-Kuwaiti Relations

Iraq and Kuwait share an interrelated history of relations as they have a common history that dates back to as early as the 17th century. The two countries were ruled by the Ottoman Empire during the 18th and 19th centuries until they came under British influence which continued up to the 1930s when Iraq gained independence and Kuwait gained its own in 1961<sup>11</sup>.

<sup>10</sup>Qutaishat, Y.(2011). The future of the regional power balance in the Gulf-Arab .Alhewar Journal, no. 3346. Retrieved from http://www.ahewar.org/debat/show.art.asp?aid=256540 [Accessed on November 11, 2015].

 $<sup>^{11}\</sup>mathrm{Cetinsaya},$  G. (2006). Ottoman Administration of Iraq from 1890-1908 Routledge: U.S, p 75.

After the end of World War I in 1918, the victors, France and Britain divided the Arab territories which were under the control of the Ottoman Empire according to their colonial interests. As a result, most of these territories turned into colonies under the so-called "mandate", a mild political alternative for direct colonialism legislated by the League of Nations in 1919, which helped to legitimize domination and influence achieved by the victors. East Arab region, including Iraq and Kuwait, came under the British influence. For examples, only 5% of the shares of the Iraq Petroleum Company went to Iraq while almost 95% of the shares went to Britain and France. In addition to that, Britain damaged the relations between Iraq and Kuwait by isolating Kuwait from the rest of Iraq. It also displayed bias towards the issue of border demarcation between Iraq and Kuwait by giving Kuwait lands inside Iraq's border<sup>12</sup>.

The British colonial period witnessed the worst period in the history of relations between Iraq and Kuwait, because of the failed policies that were pursued by Britain during the three decades of their dominance of Iraq and Kuwait when addressing the outstanding problems between the two parties for e.g., the issues related to the demarcation of the borders and the Iraqi recognition of the State of Kuwait. It is worth mentioning here that the fear of the growing Iraqi influence in Kuwait and the stability of the situation and its threat to the British presence are the main factors that prompted Britain not to play any role in the activation of friendly relations between Iraq and Kuwait, which later led to the escalation of differences between them<sup>13</sup>.

<sup>12</sup>Al-Bazzaz,A. (1967). Iraq from the Occupation until Independence, 3rd. Baghdad, p 67.

Klein, D. (2003). Mechanisms of Western Domination: A Short History of Iraq and Kuwait. California State University, Northridge,6-1.Retrieved from <a href="http://www.csun.edu/vcmth00m/iraqkuwait">http://www.csun.edu/vcmth00m/iraqkuwait</a>, html.[Accessed February 5, 2011].

After the conclusion of the Algeria Convention between Iraq and Iran in 1975, Iraq demanded that Kuwait lease "Boubian" Island to Iraq for a period of 100 years and also cede "Warbah"Island to it in return for Iraq's recognition of the land border between the two countries. Kuwait turned down this demand. The border issues remained suspended until 1977 when bilateral relations between the two parties were resumed again to settle the border issues by the visit of some Kuwaiti officials to Baghdad. However, they only agreed on the appointment of a committee to follow up and resolve some minor border related issues such as smuggling and encroachment, and the major issues of the island and border demarcations were not agreed upon until the breakout of the Iraqi-Iranian war in December 21, 1980<sup>14</sup>.

The U.S. interests in the Gulf region have been associated with energy resources since 1975. Before 1975, the Gulf petroleum resources were not of vital importance for the U.S. because in 1973 the total amount of petroleum imported from the region did not exceed 7% of the total energy consumption in the U.S. But in 1975 the amount increased to 34%. Since then the increasing dependency of the U.S. on primary resources, markets and external trade has become a weak point in the overall American power making it very sensitive and responsive towards actual threats to the U.S. interests in the Arab region. Consequently, the securing of Arabic sea lanes became an American security interest with heightened priority and the U.S. control over transportation related issues in the Arab Gulf became an essential part of the U.S. maritime strategy<sup>15</sup>.

<sup>14</sup>AL-Khlaifat,R.M.(2014). The problems between Kuwait and Iraq -1990.Swiss Journal of Research in Business and Social Sciences, no 1 (2), pp 50-59.

 $<sup>^{15}</sup>$ Mohammed, S. S. (2009). Military and security relations between Iraq and the United States Retrieved from:

 $<sup>\</sup>frac{http://www.aljazeera.net/specialcoverage/coverage2003/2009/10/1/\%D8\%B3\%D9\%}{8A}$ 

During the Iran-Iraq war, Iraqi-Kuwaiti relations improved significantly. This improvement was attributed to Kuwait's financial support for Iraq in that period, the fear of an Iranian extension to the Arab Gulf states and in particular Iraq was leading the war on behalf of the Gulf State<sup>16</sup>.

By the end of the war in 1988, Kuwait had granted Iraq zero interest loans with a value of, according to sources, ten billion dollars. Between 1983 and 1988, Kuwait allocated the revenue from about a hundred and twenty-five thousand barrels of oil per day from the oil fields located on the northern part of the Saudi - Kuwaiti neutral zone to Iraq. By 1987, Kuwait, along with Saudi Arabia, had given Iraq approximately \$50 billion. In addition to that Iraq was granted free access to Kuwaiti ports. Through these actions, Kuwait had unequivocally expressed its support to Iraq as a fraternal neighbor state<sup>17</sup>.

The occupation of Kuwait by Iraqi forces in 1990 was in the light of different excuses. The main motive for invasion was of an "economic character". In fact, economic pressure remained from the Iran-Iraq war, the refusal of Iraq's supporters (in particular Saudi Arabia and Kuwait) to forgive Iraq's debts of about \$50 billion, as well as Baghdad's accusation of Kuwait for extracting Iraqi oil at its border along with the low price of oil in the late 1980 of between \$13 and \$19, caused difficulties to Iraq and it finally persuaded Saddam Hussein to capture Kuwait's oil supplies <sup>18</sup>.

The international response was instant, a series of U.N. Security Council's resolutions were made. Significantly, some of these resolutions placed Iraq under Chapter VII of the U.N. Charter. The first of these resolutions was resolutions no. 660

<sup>16</sup>Al-Jumaili, M. D. & Al-kinani ,L. M.(2012).Iraqi-Kuwaiti relations and the problem of Mubarak Harbor. *Journal of International studies*, no 52, p 8. <sup>17</sup>-kenaee, M. (2011). The boundary dispute between Kuwait and Iraq has it

subsided. (Unpublished Master's Thesis). Lebanese American University, pp 55-56.

<sup>18</sup>Amiri, R. E., &Soltani, F. (2011).Iraqi Invasion of Kuwait as Turning Point in Iran-Saudi Relationship. *Journal of Politics and Law*, no 4(1), pp 189-190.

which was made on the same day of the invasion whereby it called for Iraq's immediate and unconditional withdrawal from Kuwait. Many resolutions followed including resolutions nos 662,664, 665, 666,669 and many others. One of the most important resolutions was resolution no. 661 which imposed economic sanctions on Iraq in the form of restrictions on financial dealings and trade. The international response was immediate and tough. These resolutions further weakened Iraq militarily and economically. Iraq became isolated from the rest of the world. Nevertheless, Iraq refused to withdraw from Kuwait<sup>19</sup>.

On the other hand, at the beginning of the crisis between Iraq and Kuwait in 1990, Iran sought to achieve several goals according to its strategic perceptions of the security in the Gulf region. Firstly, it sought to strengthen its military capabilities as a dominant power in the region without intervening as a party in the war. Since the beginning of the war, Iran had remained neutral in order to identify the impact the war can have on its national security. Secondly, Iran's aim was to prevent Iraq from becoming a strong state again so that it can not compete with Iran and thus limit its ability to extend its influence and achieve its goals in the Arab region. In other words, Iran sought to remove Iraq as a competitor so that Iran can impose it point of view on the countries of the region with regards to the security of the Gulf<sup>20</sup>. Thirdly, Iran took advantage of the crisis to settle its score with Kuwait which financially supported Iraq during its war with Iran. Therefore, this crisis represented a golden opportunity for Iran to rearrange the balance of power in the region and maintain its interests that meet the ambitions of its political system<sup>21</sup>.

<sup>19</sup>Casey, M (2007). The History of Kuwait. Greenwood Press: USA, p 106.

<sup>&</sup>lt;sup>20</sup>Fouda, M.R. (2000). Gulf Iranian relations. Paris: the Arab-European Studies Center,p 44.

<sup>&</sup>lt;sup>21</sup>Al-Jourani, M. (2013).Iraq-Kuwait relations 1990-2011. Baghdad University: (Unpublished Master Thesis), p85.

On January 17 1991, the coalition led by the U.S. began a massive aerial strike against different targets in Kuwait and Iraq which lasted for 43 days. The coalition forces eventually managed to eject the Iraqi forces and liberated Kuwait Iraq's infrastructure was destroyed and the Iraqi forces suffered heavy losses<sup>22</sup>.

In order to protect the U.S. allies in the Gulf region and avoid a sudden interruption in the supply of energy resources and to prevent the outbreak of another regional conflict like the Second Gulf War, the U.S. sought to maintain a security partnership with its key allies in the region, particularly Kuwait and Saudi Arabia, for the long-term. Thus, the U.S. kept more than 15,000 American military personnel in Kuwait after 1991 to prevent the regional neighboring states from attempting to change the strategic balance in the region which is not compatible with American interests<sup>23</sup>.

In 2000, Iraq tried to improve the relations and restored diplomatic ties with Kuwait by resorting to the mediation of the Arab League's organization in order to reconcile with Kuwait, but Kuwait repeatedly turned all of them down. At the same time there were international pressures, particularly by the U.S. and Britain, to overthrow Saddam Hussein's regime<sup>24</sup>. Soon after that, the U.S. administration announced that it will seek to achieve three objectives that are very important for the U.S. national security and they are:

- 1. The war on terrorism, which was a reaction to September 11, 2001 attacks in the heart of the U.S.
- 2. The elimination of the evil axis states as specified by the U.S. administration (North Korea, Iran, and Iraq)

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<sup>&</sup>lt;sup>22</sup>AL-Khlaifat, op.cit, pp58-59.

<sup>&</sup>lt;sup>23</sup>Yasin,op.cit, p. 110

<sup>&</sup>lt;sup>24</sup>Hussein, S. G. (2006). The means of the normalization of the Iraqi-Kuwaiti relations. Center of Arabic and International Studies, no11, p129.

which have nuclear programs or are going to possess it.

3. The creation of democratic regimes in the Middle East, starting with Iraq<sup>25</sup>.

In 2003, the U.S. threats of using military force against Iraq provided another reason for rapprochement between Iran and the Gulf States, especially Kuwait and Saudi Arabia. This facilitated and expedited rapprochement for more economic, political and security cooperation. Although Iran supported and helped the U.S. to occupy Iraq and overthrow Saddam's regime, it viewed the military build-up and occupation of Iraq as an attempt to reshape the geopolitical map in the Gulf region and weaken the regional powers<sup>26</sup>.

In addition, Iran adopted political and economic openness with the Gulf States in order to support the political and regional balance of power by means of building extended regional relations that can provide it with flexibility in political maneuvering and detach it from the international and regional isolation exercised by the U.S. in different ways because of its nuclear program and the development of its military capabilities<sup>27</sup>.

The GCC States, except Saudi Arabia, are small in terms of size, population, and military capacities, but at the same time they have immense oil wealth. Their problem lies in their being in a turbulent and unstable region of the world, especially in the presence of major international and regional powers, such as U.S. and Iran, which have ambitions and goals in the region. Hence, the security issue

<sup>25</sup>Al-Qaisi, M.W. (2012) .Gulf Cooperation Council between American influence the and Iranian Challenges ,*Araa Journal*,no.90, p 41.

<sup>&</sup>lt;sup>26</sup>Mubaidin, M. (2007) Gulf-Iranian relations 1997 – 2006.*Al-Menorah Journal*.no 2 (14),p 12.

<sup>&</sup>lt;sup>27</sup>Al-Bdyri, A. A. (2008). Strategic role of Iran in the Persian Gulf: geopolitical study. *Journal of Human Sciences*, no 11 (3), p 344.

was considered to be more sensitive for these small states, particularly with the multiplicity of possible dangers and sources of threat for the security of the Gulf<sup>28</sup>.

Therefore, the establishment of the GCC as a regional rival came as a result of regional developments and challenges witnessed in the Gulf region, especially the rivalry between Iraq and Iran and their desire to expand and stretch towards the Gulf region. In spite of the military spending by the GCC countries to develop its defense capabilities, it is still unable to provide a secure environment in the region and so it had to enlist the assistance of the major powers, especially the U.S. Most of the challenges faced by the GCC States from 1981-2003 indicate a lack of security and a strategic unified vision towards Iraqi-Kuwaiti relations although the sources of threats faced by them are almost the same. This confirms that the security of the GCC States in the Gulf region could have been changed, evolved and significantly influenced by international and regional variables. In addition to that, the GCC States' role in influencing Iragi-Kuwaiti relations depends on compatibility of these relations and their security perspective of the Gulf region<sup>29</sup>.

# Key Influences of the Regional Players Interests on Iraqi-Kuwaiti Relations after 2003

This section forms the core discussion in this paper. Although there are several regional players that influence the growth or decline of Iraqi-Kuwaiti relations, however, three influences of key regional players have been identified in line with the nature of Iraqi-Kuwaiti relations,

<sup>28</sup>Al- Allaf, I.K. (2006). Iran's nuclear capabilities and security of the Middle East, Donia Al-Watan Journal, 16. . Retrieved from <a href="http://www.alwatanvoice.com/.[Accessed on October 28, 2015]">http://www.alwatanvoice.com/.[Accessed on October 28, 2015]</a>.

<sup>&</sup>lt;sup>29</sup>Giardullo, C. (2012). The Gulf Cooperation Council as a New Regional Power: Time for the EU to Propose a Strategic Partnership .UNU-CRIS, p5.

which is also supported by the game theory. These three key influences will be discussed accordingly.

## Role of the U.S. Interests

The U.S. has had several effects on Iraq-Kuwait relations. Firstly, the U.S. has influenced in a positive way the fostering of diplomatic relations between Iraq and Kuwait in order to preserve its military and political achievements in Iraq. Secondly, on the contrary, the U.S. has an adverse impact on the strengthening of Iraq-Kuwait relations. The U.S. interests requires that Iraq remains unstable and militarily weak and consequently this adversely affects Kuwait as it will always be obsessed with the security threats from Iraq. Thirdly, the U.S. had limited influence, yet effective in general, on the Iraq-Kuwait relations. The proof of this is the continued presence of some unresolved issues between Iraq and Kuwait until today.

Since its invasion of Iraq in 2003, the U.S. has played a key role in pressuring Kuwait to restore its diplomatic relations with Iraq which engendered convincing feelings to Kuwait of the need for partnership and close cooperation with Iraq at all political, security and economic levels<sup>30</sup>. The U.S. objective of achieving stability between Iraq and Kuwait was to ensure its vital and strategic interests in the region. Under the auspices of the U.S., Kuwait hosted the first conference with its neighboring countries in October, 2004. At the conference, the participants stressed on the support for Iraq's unity, security and integrity, and called for the promotion of relations between the two countries. They also signed an agreement in December 2004 whereby Kuwait committed itself to supply Iraq with gasoline and diesel in exchange for Iraqi gas and the whole agreement was valued at approximately \$ 870 million. Later, the two

<sup>&</sup>lt;sup>30</sup>Jesus,A. (2014). Mubarak port and its impact on the Iraq-Kuwait relations.Al-Mostansiriyah *Journal for Arab aninternational studies*, no.47, p 48.

sides also signed a memorandum of understanding to strengthen scientific and cultural cooperation between the two countries<sup>31</sup>.

Additionally, the U.S. encouraged security cooperation between the two countries through an agreement (protocol) signed in Kuwait in January 2011 and the objective of the agreement was to conduct joint military patrols to protect the waterways between Iraq and Kuwait. The two sides were also bound by the agreement to exchange information and to report any criminal activity in the ports, coasts, or regional waters of the two countries. This security cooperation came as a result of Kuwait's fear of the security vacuum in southern Iraq after the withdrawal of British troops from Basra in 2009 which effectively placed the Iraqis closer to Kuwait's border, making it prone to smuggling and terrorism activities<sup>32</sup>.

On its part, the U.S. administration exerted mounting pressure on Kuwait to write-off the debts owed by Iraq, to stop the reparations paid by Iraq to Kuwait and to reduce the quantum of reparations to reflect on the nature of the relations between Iraq and Kuwait. Kuwait is linked to the strategic and historical interests of the U.S. and therefore it is not in Kuwait's interest to be in conflict with the U.S. demands in any shape or form<sup>33</sup>.

Additionally, the U.S. had the biggest role in the organizing of the Madrid Conference in 2003 which called for the easing of the huge financial burdens owed by Iraq as a result of its previous debts. Its aimwas to provide financial resources that are necessary for the reconstruction process in Iraq and to achieve economic stability by

<sup>&</sup>lt;sup>31</sup>Al-Obaydee, M. (2008). Kuwait and the political changes in Iraq 2003-2006. Journal of Mosul University, no (5) 12, p 5.

<sup>&</sup>lt;sup>32</sup>Al-Jourani, op.cit, p. 128.

<sup>&</sup>lt;sup>33</sup>Al-Nafisi, A. (2004). The strategic harvest of the American war on Iraq. Kuwait: Al-Kashif Center for Strategic Studies, p 4.

providing financial grants and soft loans. This conference collected \$ 33 billion in support for Iraq and the contributors were as follows: \$ 20 billion from the U.S., \$ 5 billion from Japan; \$ 5 billion from the World Bank, \$ 1.5 billion from Kuwait; \$ 1 billion from Saudi Arabia, \$ 835 million from Britain; \$ 300 million from Spain and \$ 231 million from the European Union. The U.S. also contributed to the support of a resolution by the UN Security Council to create an "International Reconstruction Fund Facility for Iraq" to be administered by Britain and the U.S. The draft stipulated that the deduction rate of Iraq's oil proceeds for the benefit of Reparations Fund is to be reduced from 25% to 5% <sup>34</sup>.

However, Kuwait's position on Iraq is that Iraq must still comply with the sanctions imposed by Chapter VII despite the demise of Saddam's regime after the U.S. invasion of Iraq in 2003.Kuwait even demanded more than once that the UN Security Council should not remove Iraq from the Chapter VII list before it fulfills all its international obligations, especially on the issues of reparations and all matters under Resolution No. 833 about border demarcations between Iraq and Kuwait. Therefore, Kuwait's position created an adverse impact on the development of relations between the two countries<sup>35</sup>.

The U.S. failed to free Iraq from Chapter VII of the UN Charter in spite of some positive facts that could have contributed to the lifting of international sanctions on Iraq including:

 $^{34}$ Al-Mutairi et al (2003). The Iraq-Kuwait relations: political, economic and social dimensions. Kuwait: Kuwaiti Parliament. Retrieved from

<sup>:</sup> http://www.kna.kw/clt/run.asp?id=831#sthash.0xGm0mYW.dpbs. [Accessed on September 27, 2015].

 $<sup>^{35}\</sup>mbox{Wahib},$  H. (2010). Kuwait's position on lifting the international sanctions imposed on Iraq. AwraqDawliyya Journal, no 196, p 9.

- 1. The security agreement signed between the U.S. and Iraq pointed to the lifting of international sanctions on Iraq and that by December 13, 2008 Iraq would have regained it's international and legitimate status that it enjoyed before the invasion of Kuwait<sup>36</sup>.
- 2. The U.S. status as a permanent member in the UN Security Council is influential in the resolutions issued by the Council in relations to the situation between Iraq and Kuwait.
- 3. The U.S. is capable of carrying out successful mediation to persuade Kuwait to end its outstanding problems with Iraq (e.g., debts, reparations and border problems) or to find a way to resolve them which can then make the UN Security Council adopt a resolution to remove Iraq from Chapter VII<sup>37</sup>.

# Role of the Iranian Interests

In general, Iran is one of the most influential and active players in the Middle East and in the Gulf region in particular. It derives its power from two major factors. First, it has expansionist ambitions and tries to maintain regional supremacy. Secondly, it encounters external threats posed by the U.S. against its strategic project in the Gulf regio<sup>38</sup>.

Iranian interests play a major role in influencing Iraq-Kuwait relations as it manifests itself through some strategies pursued by Iran towards both Iraq and Kuwait. Such strategies are practiced by Iran because of its

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<sup>&</sup>lt;sup>36</sup>Abdel-Razzaq, A. (2012). Iraqi- Gulf relations after the American withdraw. *Araa Journal*, no. 89, pp 55-58.

<sup>&</sup>lt;sup>37</sup>Yasin.op.cit, p. 107

<sup>&</sup>lt;sup>38</sup>Khudair, M. Y. (2012). The security of the Gulf under the new regional shifts. International studies, no, 53, p 144.

influence as one of the powers in the Middle East generally and in the Arab Gulf region in particular.

The importance of Iranian interests in Kuwait lies in their geographical neighborhood as well as the fact that Kuwait is overlooking the Arab Gulf and it is among the states that are located close to Iran. In addition to that the existence of oil in Kuwait is a major factor in determining Iran-Kuwait relationship although Iran itself is an oil producing country<sup>39</sup>.

The fall of Saddam's regime in 2003 led to the destabilization of powers in the Arab Gulf region which contributed to the increase in Iranian influence in Iraq and stimulated sectarian conflicts especially with Iraq being ruled by "Shiite" parties which have been accused of owing allegiance to Iran by most of the Gulf States. On the other hand, Kuwait was deeply concerned at the prospects of Iran provoking sectarianism issue in its territory or Iraq's sectarian movement could adversely affect Kuwait's security<sup>40</sup>. Therefore, this situation negatively contributed to the improvement of Iraq-Kuwait relations after 2003.

The influence of Shiite parties which formed the majority of the new Iraqi government after the fall of Saddam's regime in 2003, together with the support of the Iranian government have reinforced the belief of the Gulf States, especially Kuwait, that the Shiite political elites are loyal to Iran. This is because most of those Shiite parties which were opposing Saddam during his reign of Iraq were in Iran and have received considerable support from the Iranian government and their relationships became very close. Although the leaders of a number of religious parties known in Iraq as "Da'awah" party and the Supreme

40 Mubaidin, op.cit, p. 8.

<sup>&</sup>lt;sup>39</sup>Mohammed, A. (2014).The Kuwaiti -Iranian relations. Retrieved from

<sup>:</sup> http://www.thenewkhalij.net/ar/node/2844 [Accessed on December 2, 2015].

Council of the Islamic Revolution have announced that these parties are not influenced by Iran, the Gulf States keep accusing them of being influenced by Iran. Kuwait in particular, viewed Iran as the main cause for the marginalization of Sunni political parties and obstructing their rule of Iraq<sup>41</sup>.

Iran's large population and its huge natural resources are the main factors that increase Iran's desire for expansion and hegemony in the Arab Gulf region. Simultaneously, it attempts to deny and ignore key players like the U.S. and the regional powers of the Gulf States. Iran's desire to become a key and strong regional hegemony in the region is manifested in several aspects which include taking care of extremist groups in more than one region, intervention in the affairs of neighboring countries and working on the development of its nuclear program which is the most serious threat to the countries of the region <sup>42</sup>. Therefore, Iran's ambitions of expansion and hegemony in the Gulf region have had obvious repercussions on the nature of the Iraq-Kuwait relations.

Iran's passive role in Iraqi -Kuwaiti relations was due to the American democratic project in Iraq and the region which was aimed at spreading democracy and overthrowing Saddam is due to several reasons. One of the reasons is that Iran had rejected American projects in the region since the beginning of the Islamic Revolution in 1979 and among the projects is that of the great Middle East which, as Iran believed, was to keep Iran away from its Arabic and Islamic neighbors. Iran has been eager to remove Saddam who was its greatest threat, but it could not accept that the U.S. has replaced the Iraqi political regime that was hostile

 $^{41}\mbox{Al-Rubaie,M.}$  K,(2008). Future of Iraq-Iran Relations. International Politics Journal, no. 10, p 4.

<sup>&</sup>lt;sup>42</sup>Cook, M. A. (2012). Enduring U.S. Interests in the Persian Gulf Region.Army warcoll Carlisle Barrack PA, pp5-6.

to Iran, being concerned at the enhancement of the U.S. hegemony in the region. Likewise, it could not accept the long and continued presence of the U.S. forces at its western borders. Hence, Iran resorted to two strategies:

- 1. Frustrating the U.S. occupation of Iraq by causing the greatest possible loss of U.S. troops through the use of Iraqi political forces and their militias who reject their occupation. In addition, to that, it coordinated with Syria to embrace a greater number of collaborators in order to resist the U.S. presence, open their borders for them and facilitated their training and transit through its territory into Iraq.
- 2. Advancing the development of its nuclear program that would serve as a deterrent to the U.S. and Israel if they tried to attack Iran<sup>43</sup>.

#### Role of the GCC Interests

The role of the GCC after the removal of Saddam's rule in 2003 swings between a supportive and positive role and the convergence of Iraqi-Kuwaiti relations and the weakness of the role or non-supportive of the Iraqi-Kuwaiti rapprochement and this seems to be related to the internal conditions and lack of political stability and security in Iraq as well as to the nature of the alliance and the convergence in Iranian-Iraqi relations, which seems to be obsessed with the fear of the GCC countries in general and Kuwait in particular.

The GCC share common factors, they have had a significant role in the survival of these countries within a single entity and not to separate them despite the strong differences encountered. The GCC has interests and links with Kuwait, the most important one is the political interests. Kuwait is the same as the rest of the GCC, it is a state that is ruled by a

<sup>&</sup>lt;sup>43</sup>Wahib, H. H. (2005). Syria and Iran are Project for Changing: reading in resolutions 1559 and 1995. *UAE's Gulf Journal*, no. 53, p22.

monarch which is confined to the Al Sabah family. The keeping of the current political system in Kuwait is one of the basic political interests of the GCC countries. Kuwait is the safety valve for the Arab States of the Gulf and the future of the Gulf political system is largely linked to the political system of Kuwait and the interests of the GCC countries of the Gulf are to keep the Kuwaiti political system as it is. They fear that what happened in Iraq may also happen to them as well <sup>44</sup>. When the U.S. occupied Iraq in 2003, the GCC confirmed on more than one occasion its commitment to stand with Iraq in building a new political system with the supporting role of the UN in the political process in Iraq, as described in the UN Security Council Resolution 1546 issued on June 8, 2004. Also all the Iraqi forces called for the formation of a national unity government that represents the entire spectrum of Iraq's ethnic and religious groups without discrimination and sought to establish good-neighborly relations with Kuwait. In addition to that, the GCC States sought to speed up the economic reconstruction process in Iraq, through participation in international conferences and meetings of the Regional neighbors states. The GCC has supported the International Compact with Iraq issued by the conference which was held in Sharm el-Sheikh in Egypt in 2007, which included a five-year plan which provides financial and political support for Iraq and in return the Iraqi government must apply political, security and economic reforms and improve its relations with neighboring countries, especially Kuwait <sup>45</sup>.

The thirty second session of the GCC held in Saudi Arabia in December 2011 was one of the most positive roles of the

<sup>44</sup>Al-Hariri, J.Y. (2013). The effect of changes in the Arab region for the 2011 on the Iraqi - Gulf relations. Fourteenth Annual Conference of Center for International Studies, p 4.

<sup>&</sup>lt;sup>45</sup>General Secretariat of the GCC.(2008). Support and unity, stability and sovereignty of Iraq.Retrieved from <a href="https://www.gcc-sg.org/index5dd2.html?action=Sec-Show&ID=333">https://www.gcc-sg.org/index5dd2.html?action=Sec-Show&ID=333</a> [Accessed on December 24, 2015].

GCCas it succeeded in achieving stability and encouraging cooperation between Iraq and Kuwait. During the session the GCC affirmed its support for the position of Kuwait on the construction of the port of Great Mubarak as the GCC was of the view that it was built on Kuwaiti land was within its territorial water and was also within the borders that was drawn in accordance with the UN resolutions. The Council also expressed confidence that Iraq's implementation of its international obligations towards Kuwait will confidence between the two countries, and strengthen their relations. The Council stressed on the need for Iraq to complete the implementation of all relevant Security Council resolutions, including the completion of the maintenance of border signs under resolution 833. The Council also called on Iraq to accelerate the implementation of the resolutions and to identify all Kuwaiti prisoners and missing citizens <sup>46</sup>.

one of the risks that threaten the GCC are the repercussions of sectarian strife or sectarianism in Iraq which has led to the division of Iraq due to regional and sectarian based international factors, particularly under the increasing discussions about Federalism by some Iraqi political forces that have made calls for separation. This might eventually lead to the division of Iraq into several states. This itself is a source of concern for the security and stability of GCC States because the establishment of a Shiite State in Iraq that is similar to the Islamic Republic of Iran may be a threat to these States since it might provoke the aspirations of the Shia minority in their territories to claim and obtain political and economic gains similar to what the Shiites of Iraq has achieved and to from a similarseparate state. All these concerns have prompted the GCC States to emphasize their categorical rejection of any calls that would fragment and divide Iraq based on doctrinal

<sup>46</sup>Final Statements of the GCC.(2015).Retrieved from <a href="https://www.gcc-sg.org/">https://www.gcc-sg.org/</a> [Accessed on November 28, 2015]. and sectarian grounds as it is not in their interest. Therefore, the GCC States have renewed their call to the Iraqi leaders on the necessity of maintaining the unity, independence, and sovereignty of Iraq<sup>47</sup>.

On the other hand the negative role of the GCC on the rapprochement of relations with Iraq clearly highlights the concernsof Saudi Arabia, which chairs the Council, that the new Iraq would be a possible replacement for the U.S. bases located in the Gulf, especially after the U.S.declaration of its intention to adopt a new policy towards the Gulf region, based on a re-evaluation of relations and strategic ties with these countries, and its intention to build (4) U.S. military bases in Iraq may be to substitute the bases in the Gulf <sup>48</sup>.

#### Theoretical Background

In international relations the game theory is defined as "a study of strategic decision making. Specifically, it is "the study of mathematical models of conflict and cooperation between intelligent rational decision-makers<sup>49</sup>. The lexical item "game" is interchangeable with the word "problem". It requires a group of players whose interactions are regulated by a set of rules, under the premise that all participants are rational and are capable of behaving in ways to further their own self-interests, and where each player seeks to predict the other members' thoughts and actions by observing the most probable results <sup>50</sup>. Furthermore, most games do not equate to a zero-sum. In most circumstances, the gains and losses do balance and this is denoted as economic "equilibrium", which

<sup>47</sup>Kadhim, M.K. (2009). The Arabian Gulf States and security stability in Iraq.International Studies Journal, no. 42, p 84.

<sup>&</sup>lt;sup>48</sup>Awad, A.H. (2007). Iraq's new role in American strategy toward the Middle East,

pp198-199.

49Myerson,R.B. (1991). Game Theory: Analysis of Conflict. Harvard University

<sup>&</sup>lt;sup>50</sup>John C. H.( 1969). "Game Theory and the Analysis of International Conflict.in; James N. Rosenau. International Politics and Foreign Policy, NY: Free Press, pp 371-391.

describes a condition of no gain and yet no loss<sup>51</sup>. The most common applications of the game theory are based on the rule of "mutual interests", whereby each party tries to achieve the game's best potential outcome <sup>52</sup>. The game theory's core foundation is that in relation to the potential outcomes, each player possesses the ability of utility preferences. Hence, in order to choose the course of action providing the maximum utility, each of these utilities is analyzed to aid in the prediction of the course of action each contender is expected to take <sup>53</sup>. The game theory provides a medium to convey structure, analyze and understand strategic scenarios<sup>54</sup>.

This study focuses on the game theory aspect to explain the relevant influences of the regional players interests that are affecting the nature of relations between Iraq and Kuwait post-Saddam rule. The game theory serves as an analytical framework that can helpus to understand and interpret the effects of the regional players' interests (e.g., U.S., Iran, and GCC) on the relations between Iraq and Kuwait post the demise of Saddam rule. It will also help to explain the importance of the relations between Iraq and Kuwait under the influence of different regional interests, and to evaluate the political and economic relations between the two countries in the afore-mentioned period.

The game theory possesses a principal infrastructure, which postulates that the model is has an equilateral triangle with the pivot at the topmost point of the triangle with two descending

<sup>51</sup>Admin,B. (2012).Book Review: Game Theory and the Humanities: Bridging Two Worlds.Retrieved from <a href="http://eprints.lse.ac.uk/50723/1/blogs.lse.ac.uk">http://eprints.lse.ac.uk/50723/1/blogs.lse.ac.uk</a> [Accessed on Jun 16, 2014].

<sup>&</sup>lt;sup>52</sup>Steven J. B.( 2011).Game Theory and the Humanities. Cambridge :MIT Press, pp 11-13.

<sup>&</sup>lt;sup>53</sup>Anthony W. H. (2007).Game Theory as a Decision Making Tool for Leaders: An Evaluation Using Huntington's Clash of Civilization Model. (Unpublished Ph.d Thesis). Regent University,p 7.

<sup>&</sup>lt;sup>54</sup>Turocy, T. L. &Stengel ,B.V. (2001). "Game Theory".CDAM Research Report. London School of Economics, pp 4-5.

sides orwings. The core formulas governing the relationship between the pivot and the wings depends on to the type of reaction. Two of the reactions can be categorized as placed in andanother symmetrical two can be asymmetrical category. In this model, all regional actors face each otherand there are times when the parties are considered as a part of the game without even realizing it. For each player, the ideal situation is to take the central or pivotal position and then to adopt a strategy to establish cooperation with two competitors<sup>55</sup>. Linking this theory to our overall framework is essential to the understand of the main effects of the regional players interests (U.S. represents the pivot, while the Iran and GCC States represents the wings) of the bilateral relations between Iraq and Kuwait in the Arab Gulf region post-Saddam's rule.

Figure 1: Theoretical Models on influences of regional players interests on the Iraqi Kuwaiti relations.

<sup>&</sup>lt;sup>55</sup>Ghaffar, M. A. (2012). Regional and International Strategy for Gulf Security: A Perspective on the Driving Forces of Strategic Conflict and the Regional Response. (1st Edition). Bahrain, Bahrain Center for Strategic, International and Energy Studies, pp 11-26.

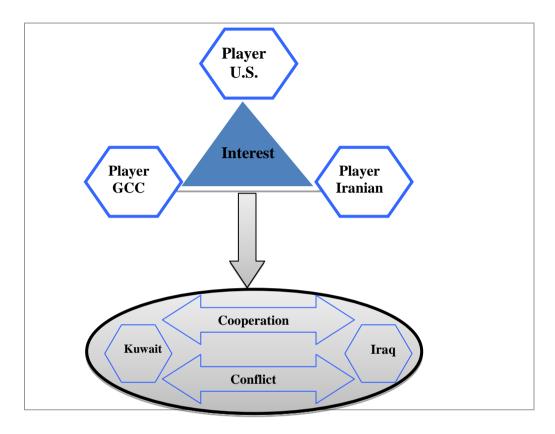


Figure 1.1: Theoretical Framework of Analysis

Source: Figure Designed by Researcher

#### Conclusion

It can be said that the development or decline of Iraqi-Kuwaiti relations in the post-Saddam era was subject to the interests of the three regional powers in Gulf region. For the U.S., the nature of the relations between Iraq and Kuwait is of great importance to their long-term strategies because it is a reflection of the political and economic interests in the Gulf region, especially the supply of power. According to game theory, the U.S. is eager to achieve a greater number of possible strategic gains and suffer lower losses at the expense of countries in the region, especially Iran, through the control future relations between Iraq and Kuwait to serve its interests. Sometimes the U.S. makes effort to develop of relations

between Iraq and Kuwait to maintain its military and political achievements in Iraq and earn Iraqi and Kuwaiti cooperation to keep them away from the influence of Iran and the Gulf states. However on other occasions the U.S. sought to destabilize relations between Iraq and Kuwait in order to destabilize the Gulf region's security. Thus, the U.S. sought to guarantee its presence in the Gulf region by stoking the fear of Iraqi threat to the Gulf countries, especially Kuwait. In spite of efforts made by the U.S. to promote better relations between Iraq and Kuwait after the overthrow of Saddam Hussein's regime, the efforts were modest and ineffective in resolving the outstanding disputes between the two countries. The disputes between them the border are demarcation. compensation and removing Iraq from Chapter VII of the UN Charter. In other words, the role of the U.S. as a major player in the Gulf region has given rise to negative connotations as failed to find a common ground for the U.S. has rapprochement between Iraq and Kuwait.

The role of Iranian interests in the relations between Iraq and Kuwait is associated with Iran's desire to exercise an expanded regional role to commensurate with its political, economic and military capabilities, as well as the geopolitical significance in the Gulf region. So Iran has adopted several strategic means to exercise this role after the U.S. occupation of Iraq, particularly in fueling sectarian conflicts, and thwarting the American democratic project in Iraq. This was in addition to the attempt to reconcile its interests and the interests of the Gulf countries through the improvement of relations with these countries which can later lead to dialogues based on mutual peace and political and economic cooperation that serve the interests of Iran in enhancing its influence and drive away threats from the U.S.. Thus, the Iranian interests led to the failure to achieve any rapprochement in relations between Iraq and Kuwait due to Iran's efforts to destabilize the Gulf region and to bargain with the U.S. on the development of its nuclear weapons program. At other times Iranian interests could play an effective role in stabilizing relations between Iraq and Kuwait, because the tension in this relationship will allow the U.S. to remain in the Gulf region and share the political and economic gains with Iran, but does not prefer this scenario. With regards to the third regional player, the concerns of the GCC are of the political changes that occurred in Iraq after 2003, and its fears that it may also occur in their countries, especially those countries that are ruled by autocratic monarchs. The concerns have affected Iraqi - Kuwaiti relations so much so that they fluctuate between sour and friendly according to the current and unstable variables of the region. The GCC especially had a direct and significant impact on Kuwait, and made it adopt specific policies towards Iraq because the political and economic common interests of the GCC countries of which Kuwait is an important member is based on their agreement to serve the member countries at all levels. In other words, the interests of the GCC was the primary factor that determines the policies to be pursued with regards the relations between Iraq and Kuwait. When the GCC sees that Iraq is stable has restored its security and is not influencedby Iran, it would then be important to maintain bilateral relations with each other and the same time encourage Kuwait to improve its relations with Iraq. But if the GCC countries see that the rapprochement between the two countries will hurt their interests, it will seek to destroy the relations between Iraq and Kuwait through the fueling of crises with the Government of Iraq according to sectarian and doctrinal perspective and interference in its internal affairs.

# تاثير مصالح اللاعبين الاقليميين في العلاقات العراقية الكويتية بعد عام ٢٠٠٣

#### الملخص العربي

العلاقات العراقية – الكويتية هي واحدة من أكثر العلاقات المثيرة للجدل في منطقة الخليج العربي، حيث واجهت هذه العلاقات التوتر وعدم الاستقرار خلال فترة الاحتلال الأمريكي للعراق ٢٠٠١–٢٠١، نتيجة مجموعة من المشاكل السياسية والاقتصادية بين البلدين. كانت الولايات المتحدة خلال تلك الفترة اللاعب الاساسي والمؤثر سلبا وايجابا على طبيعة العلاقات ما بين البلدين بما يتناسب مع طبيعة وتوجهات الولايات المتحدة في المنطقة. ايضا ان انهيار نظام الحكم في العراق بعد عام ٢٠٠٣ سمح لايران بالبروز كلاعب اقليمي في المنطقة ودخلت في مواجهة احباط المشاريع الامريكية في العراق خصوصا ومنطقة الخليج عموما. اما بالنسبة لمجلس التعاون الخليجي كقوة اقليمية ناشئة في المنطقة فكانت لديه مخاوف من اية تحالف بين النظام السياسي الجديد في العراق وايران يمكن ان يؤدي الى زعزعة الانظمة الحاكمة في الخليج لذلك كانت دول مجلس التعاون الخليجي داعمة للكويت على حساب العراق في القضايا العاقة بين العراق والكويت. وبالتالي فان مجلس التعاون الخليجي كان ايضا مؤثر في حجم تطور وركود العلاقات العراقية الكويتية خلال تلك الفترة.

ان المصالح المتباينة للاعبين الاقليمين البارزين في منطقة الخليج ( الولايات المتحدة – ايران – مجلس التعاون الخليجي) كان لها دور كبير في التاثير الايجابي والسلبي على طبيعة العلاقات العراقية العراقية الكويتية بعد عام ٢٠٠٣. هذه الدراسة تسلط الضوء على دور المصالح المتباينة للاعبين الثلاث وانعكاساتها على طبيعة الصراع والتعاون بين العراق والكويت بعد سقوط نظام صدام عام ٢٠٠٣.

### The Influence of Regional Players in the Interests of

#### Iraqi - Kuwaiti relations after 2003

Iragi- Kuwaiti relations are one of the most controversiad relations in the Arab Gulf region, where by these relationships encountered significant tension and instability after the removal of Saddam's Systemin 2003 as a result of a series of political and economic problems between two countries, such as border demarcation and compensation, etc. as a result of the Iraqi occupation of Kuwait in 1991. The security and economic interests of the regional players in the Gulf region e.g., the U.S., Iran, and the Gulf Cooperation Council (GCC) determines the orientation and policy towards Iraqi -Kuwaiti relations, whether through the promotion of cooperation and work to achieve convergence of the relations between Iraq and Kuwait or vice versa . This paper investigates the observations and analyzes the effects of these diverse regional interests. This paper contributes to the literature by way of broadening the knowledge in this area of study with a model to examine the key effects of the diverse regional interests on the nature of the Iraqi-Kuwaiti relations after Saddam's regime in 2003. Finally, this paper examines and analyzes the progress made in Iraqi-Kuwaiti relations in light of the divergent interests of the regional players post-Saddam rule.