



# NOREF Report

## Consequences of the political deadlock in Bahrain on reforms in the Gulf

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### Summary

Today's unrest in Bahrain is deep-rooted and should be viewed in a local, domestic context that dates back to the "Manama Spring" of the 1990s. Despite having made undeniable progress, the top-down reformist approach adopted by King Hamad and his son, Sheikh Salman, for over ten years has failed to rein in political resentment in the country. In the Gulf, where politics is largely dominated by tribes and oil, the removal of the Al Khalifah family is nigh on impossible, and even more so after the Saudi Arabian military intervention in the country.

Fears that the unrest may spread to other Gulf states has sparked attention, particularly given the current political vacuum in Riyadh. However, although Saudi Arabia faces the same socioeconomic challenges as Bahrain, its immense wealth gives it much greater scope than Bahrain to defuse any popular discontent. There are no signs of impending change in Qatar and the UAE, whose gigantic oil and gas reserves and small populations mean they do not face the same

kinds of pressures. In Oman, although there have been unexpectedly violent protests about economic issues, the Sultan remains genuinely popular. Kuwait, where the parliament already challenges the ruling family, has seen protests around citizenship issues but these are unlikely to have an impact outside the country.

Therefore, the risk that major unrest will spill over into other Gulf Cooperation Council (GCC) countries from Bahrain is still small – although we must now be prepared to think the unthinkable. On the other hand, the Bahraini model could have a more subtle, long-term influence over the region. It is therefore important for European policy-makers to encourage reforms in Bahrain and to seize the opportunity to refocus the EU-GCC relationship away from oil security concerns and broaden dialogue with those countries to include civil and human rights.

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## Two decades of unrest and unfinished reforms

For those who have been following Bahraini politics, what is happening today is no surprise. Tyre-burning and clashes with the security forces are routine in this tiny island. They date back to the 1994-1999 uprising when opposition groups took to the streets in demand of greater political participation, an end to sectarian discrimination and better economic conditions. Just like today, the main focus of debate was constitutional reform, with 20,000 people signing a petition calling for reinstatement of the 1973 constitution (which had been suspended in 1975). It was at that time that most of today's opposition leaders emerged.

The political unrest came to an end in 1999 with the death of the former Emir, Sheikh Isa bin Salman Al Khalifa. He was succeeded by his son, King Hamad bin Isa Al Khalifa, who quickly took steps to release political prisoners and engage in dialogue with the opposition. He roused expectations of meaningful political change, partly in a populist attempt to enhance his autonomy vis-à-vis his powerful uncle, Prime Minister Sheikh Khalifa bin Salman Al Khalifa.<sup>1</sup>

However, the resulting 2002 constitution gave less power to the elected Parliament than expected and even than it had had in 1973. Since then, the opposition has been split between those who favour parliamentary participation and those who support a boycott. The Shia, who account for 70% of the population, are structurally unable to gain a majority mainly because of gerrymandering.

Political rights appear to have declined again over the past two years. In August 2010, 23 activists were arrested following a crackdown on the opposition. In addition, people routinely complain about unemployment despite economic reforms. All of this has resulted in rising political frustration and anger.

1 Steven Wright, "Fixing the Kingdom: Political Evolution and Socio-Economic Challenges in Bahrain", Center for International and Regional Studies (CIRS), Georgetown University School of Foreign Service in Qatar, Occasional Paper No. 3, 2008, [http://kms1.isn.ethz.ch/serviceengine/Files/ISN/95455/ipublicationdocument\\_singledocument/04eae4b4-a86d-438d-b959-e87be6cb01bf/en/No\\_3\\_Fixing\\_the\\_Kingdom.pdf](http://kms1.isn.ethz.ch/serviceengine/Files/ISN/95455/ipublicationdocument_singledocument/04eae4b4-a86d-438d-b959-e87be6cb01bf/en/No_3_Fixing_the_Kingdom.pdf), accessed 22 March 2011.

## Reformists versus hardliners

The above brief overview of Bahrain's recent history shows that today's unrest is simply a repetition of events from the 1990s in that it involves more or less the same people and leaders and their demands and complaints remain the same.

To a large extent, by managing limited top-down political reforms while consolidating his power within the ruling family over the past decade, King Hamad appeared to encapsulate Huntington's "King Dilemma"<sup>2</sup>. This strategy is now being seriously questioned, and the situation is highly likely to change after the uprising. Broadly speaking, the regime has had to choose between hard-line repression (which is more or less embodied in the unpopular prime minister, who controls the security forces) and engaging in dialogue once again.

The reformist camp is headed by Crown Prince Sheikh Salman, a fierce political rival of the prime minister. In recent years, he has acquired greater power and extended his sphere of influence, owing largely to economic reform. In fact, these reforms have become a means to increasing his political influence and legitimacy. He notably launched an ambitious and coherent labour reform designed to find sustainable solutions to unemployment – in an attempt to ease this major source of social and political tension – under the framework of his Economic Development Board (EDB), which has become a "government within the government". When negotiating those reforms, he opted for a consensus-building approach based on extensive dialogue with civil society, although overall it remains a top-down model.

At first the Crown Prince seemed to be ahead in the game when the army – which he controls – withdrew from Manama a few hours before he personally addressed the nation and called for dialogue. However, he has since failed to engage in

2 Samuel Huntington described the dilemma faced by all modernising monarchs of conducting economic reforms without political reform and transfer of power within the country. See Samuel Huntington, *Political Order in changing societies*, Yale University Press, 1968; and Marina Ottaway and Michele Dunne, "Incumbent regimes and the King's dilemma in the Arab World", *Carnegie papers*, Carnegie Endowment for International Peace Middle East Program, No. 88, 2007, [http://carnegieendowment.org/files/cp88\\_ruling\\_parties\\_final1.pdf](http://carnegieendowment.org/files/cp88_ruling_parties_final1.pdf), accessed 27 March 2011.

dialogue with the opposition, which has continued to demand guarantees and the prime minister's dismissal. Meanwhile, the opposition has become increasingly divided between pro-constitutional monarchy demonstrators and increasingly radical anti-government protesters who are explicitly calling on the Al Khalifah family to step down.

On March 8, three of the main radical groups (al-Haq, al-Wafa and the Bahrain Freedom Movement) officially formed a coalition. The main Shia opposition party, al-Wefaq, found itself trapped between a willingness to compromise, in the hope of obtaining meaningful constitutional reforms, and a need to reject minor reforms that would be seen as too little, too late; acceptance of minor reform could damage their popular legitimacy.

The failure of a negotiation process has bolstered more hard-line options, as pro-government movements have organised themselves and grown. Indeed, a lot of Sunni citizens were genuinely alarmed by the calls to overthrow the regime. Anti-government demonstrators were accused of being under Iranian influence, although this remains totally unproven and quite unlikely considering the internal challenges faced by Teheran these days. As expected by most observers, the regime quickly reached a point of no return where compromise was no longer possible.

### **Saudi influence over Bahrain**

On 14 March, Gulf Cooperation Council (GCC) forces – the vast majority of them Saudi – entered the country and cleared the Pearl roundabout. Symbolically, they destroyed a famous monument in the square, and several activists were arrested. It should be noted that GCC security forces consist mainly of Sunnis from outside the Gulf region (recruited from Pakistan, Yemen, Syria and Jordan) who are staunchly loyal to the GCC regimes, thus the demonstrators had no real chances of resisting. In the Gulf region, the security forces in each country were created with the objective of protecting the regimes (in other words, the ruling families) from both internal and external threats.

For years, Bahrain has been economically dependent on the Saudi economy: Bahraini national oil reserves are almost depleted, but the country is allowed to exploit the Saudi-owned Abu Safaa oil field (accounting for 80% of Bahrain's oil revenues according to mainstream estimates). The recent military intervention in Bahrain highlights the risks of political interference stemming from economic subordination. Through this intervention, Saudi Arabia has shown that it intends to increase its control over Gulf politics using the GCC organisation, which has long been a strategic tool for Saudi Arabian regional diplomatic goals.

In this context of repression and increasing Saudi interference, the Bahraini opposition is trying hard to hold their ground. They have called for reopening dialogue with the government and they have compromised on preconditions, but they are clearly in a weak position. On 28 March, al-Wefaq offered to participate in a Kuwaiti-led diplomatic mediation, but this option was fiercely rejected by Bahraini officials. As the main moderate Shia party in Bahrain, al-Wefaq risks losing popular legitimacy, as it finds itself trapped between rising extremism and a poor track record in obtaining meaningful changes through political participation.

### **Upheaval unlikely in Saudi Arabia**

Right from the first days of the uprising, the GCC leaders pledged their "total support to Bahrain, because the GCC's security and stability is indivisible" in an emergency summit. It was clear from the beginning that they would do whatever they could to prevent political unrest from spreading throughout the region.

For Riyadh, the first priority is to contain the risk of rising Shiism in the region – and this is not a new threat. Fears were especially high for the eastern province of Saudi Arabia, the site of major oil infrastructure and the area in which Saudi Shias are concentrated. The Saudi Shia make up 15% of the country's population and face more or less the same problems as their Bahraini counterparts. It would not be the first time they sought greater rights<sup>3</sup> and

3 Aness Al-Qudaihi, "Saudi Arabia's Shia press for rights", BBC Online, 24 March 2009, <http://news.bbc.co.uk/1/hi/7959531.stm>, accessed 20 February 2011.

Riyadh is terrified of a Shia uprising spilling over to other areas. Yet the potential for upheaval there is a major source of uncertainty in the region and one which scholars have largely ignored. Some Saudi scholars and intellectuals called for a “day of anger” on 11 March, but these calls have had a limited echo within Saudi society so far. After the military show of force in Bahrain, it is clear that Saudi Arabia would not hesitate to use repression against any domestic unrest.

### **Saudi wealth v Bahrain’s civil society**

Saudi Arabia, a third of whose population is aged between 15 and 30, faces the same socioeconomic challenges as Bahrain (rising poverty, inflation, and youth unemployment). Some timid reforms were undertaken recently but they did not go as far as those in Bahrain. Given that King Abdullah is recuperating from his convalescence in Morocco and Crown Prince Sultan (who is also the defence minister) suffers from dementia, the current political vacuum could provide an opportunity for change. However, it also strengthens the position of other political figures, such as the interior minister, Prince Nayef, who has a reputation for being a hardliner.

In the end, there are enormous differences between the two countries. First, Bahrain has a vibrant civil society unequalled anywhere else in the GCC apart from Kuwait, with over 400 civil society organisations in operation.<sup>4</sup> Al-Wefaq, the main moderate Shia party in Bahrain, is virtually the only structured democratic party in the Gulf.

More importantly, in the case of Saudi Arabia, its immense wealth gives it greater scope to defuse anger and frustration among the population while, in the case of Bahrain, its oil reserves have almost run out. This makes things harder for the Al Khali-fah family, whose gift of \$2700 to every Bahraini family two days before the demonstrations failed to ease the tension.

### **Other GCC countries**

In Oman, there has been an upsurge of unexpectedly violent protests but the demands have been mainly economic (more public jobs, higher salaries, etc), and therefore the Rentier nature of the regime was not directly challenged. Sultan Qaboos remains genuinely popular and protests were rather easily contained by the regime despite violence.

In Kuwait, where the parliament and an active civil society already challenge the supremacy of the Emir’s rule, there have been clashes with the bidun (stateless residents demanding citizenship). However, this question is very specific to Kuwait and the issue of citizenship has been a matter of regular debate for several years. The risk of such unrest spilling over outside of Kuwait is very limited. The entire government has recently resigned, but the impact of this event should be limited, since Kuwaiti government lifespans are usually short anyway.

In Qatar and the United Arab Emirates (UAE), there are no significant signs of impending change. With gigantic oil and gas reserves and very small populations, these two countries are not subject to the same kinds of socio-economic pressure as Bahrain. In these richest of rentier states (in terms of oil revenue per citizen), there is little need for political compromise.<sup>5</sup>

### **First lessons for EU policymakers**

Even if the unrest does not spread to Saudi Arabia or other GCC countries, the Bahrain unrest will certainly have consequences for neighbouring countries. The country has already become a test case for economic and political reforms in the Gulf. The late Saudi intellectual and minister of labour, Ghazi al-Gosaibi, stated in 2005 that the labour market reform in Bahrain was more important to Saudi Arabia than to Bahrain.

4 Edward Burke, “Bahrain: reaching a threshold”, *Fride*, June 2008, <http://www.fride.org/publication/452/bahrain:-reaching-a-threshold>, accessed 21 February 2011.

5 Michael Herb, “A nation of bureaucrats: political diversification and political participation in Kuwait and the United Arab Emirates”, *International Journal of Middle East Studies*, vol 41, No. 3, 2009, pp. 375-395, <http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=5899668&fulltextType=R A&fileId=S0020743809091119>, accessed 22 March 2011.

It is important to observe whether these reforms survive the unrest, and whether the Crown Prince's consensus-building approach is maintained. If this is the case, Bahrain is likely to have a more subtle, long-term influence on Gulf regimes. The opposite scenario could hinder any liberal initiatives in the region. It is therefore important to encourage Bahrain to stay in this reformist direction: the consequences of such reforms may open up long-term opportunities for democracy and its spread within the region, notably through the expected emergence of an entrepreneurial class.

For European policymakers, this could be an opportune moment to refocus the EU-GCC relationship which is currently primarily driven by oil security concerns. The EU could be seen as a model for regional integration in the Gulf but it has to become more active diplomatically.

In terms of priorities, the EU should strengthen its partnerships and training programmes for young people, entrepreneurs and civil servants. Politically speaking, Europe should broaden its dialogue with these countries, including on issues such as civil and human rights which should not be ignored. US reports on these topics have proven to be useful resources for the opposition, while not affecting diplomatic relations or economic interests. Last, but not least, EU policymaker should obviously call for moderation in the use of force when dealing with popular unrest and for governments to avoid political repression.

