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Bahrain: Reform, Security, and U.S. Policy

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Summary

After instability during the late 1990s, Bahrain undertook substantial political reforms, but lingering tensions between ruling Sunni Muslims and the Shiite majority are re-emerging in advance of October 2006 parliamentary elections. Bahrain's stability has long been a key U.S. interest; it has hosted U.S. naval headquarters for the Gulf for nearly 60 years. In September 2004, the United States and Bahrain signed a free trade agreement (FTA); legislation implementing it (H.R. 4340) was signed January 11, 2006 (P.L. 109-169). This report will be updated. See also CRS Report RS21846, *U.S.-Bahrain Free Trade Agreement*.

The Political Structure, Reform, and Human Rights¹

The Al Khalifa family has ruled Bahrain since 1783, when the family's arrival ended a century of domination by Persian settlers. Bahrain became independent from Britain in August 1971 after a 1970 U.N. referendum determined that its inhabitants preferred independence to Iranian control. Political reform has been instituted by King Hamad bin Isa Al Khalifa (about 57 years old), who succeeded his father, Shaykh Isa bin Sulman Al Khalifa, upon his sudden death on March 6, 1999. King Hamad, educated at Sandhurst Military Academy in Britain, had previously been commander of the Bahraini Defense Forces (BDF) and handled U.S.-Bahrain defense cooperation. Hamad² subsequently named his son, Salman, as Crown Prince. Salman, who is about 35 years old, is U.S.- and U.K.-educated and, as head of the "Economic Development Board," is considered a

¹ Much of the information in this section are from the following reports by the State Department: Country Reports on Human Rights Practices - 2005 (March 8, 2006); Supporting Human Rights and Democracy: The U.S. Record 2005-2006 (April 5, 2006); the Trafficking in Persons Report for 2006 (June 5, 2006); and International Religious Freedom report - 2005 (November 8, 2005), as well as a CRS visit to Bahrain during February 20-26, 2005.

² Hamad changed his title to King, from Amir, just prior to the February 2002 referendum on the new national charter.

proponent of rapid reform. The King's uncle (the brother of the late ruler), Khalifa bin Salman Al Khalifa, generally opposes dramatic reform, but he remains Prime Minister.

Since taking office, King Hamad has quieted Shiite unrest through reform, earning Bush Administration praise as a regional model. The minor political reforms under his father — the December 1992 establishment of a 30-member appointed Consultative Council to review and comment on proposed laws and its June 1996 expansion to 40 members — led to serious political Shiite unrest during 1994-1998. During that time, a coalition of Shiite and Sunni Muslims demonstrated and petitioned for a restoration of an elected national assembly, provided for under the 1973 constitution but abolished in August 1975. The unrest started out as broad based but took on a more narrow Shiite sectarian character, and became increasingly violent. Shiites are over 60% of the 465,000-citizen population, but have suffered official and economic discrimination. The far more limited reform steps by Shaykh Isa did not satisfy popular demands.

As Hamad's first step, Bahrain held a referendum (February 14, 2002) on a new "national action charter (constitution)." Elections were held in October 2002 for a 40-seat "Council of Representatives" (COR). However, some mostly Shiite opposition "political societies" (formal parties are banned), including Al Wifaq, (the largest political society, led by Shaykh Ali al-Salman), National Action, the Islamic Action Association, and the Nationalist Assembly boycotted the elections on the grounds that the appointed upper body (Shura Council) is of the same size and with powers nearly equal to the COR. The boycott lowered turnout to about 52% and caused Sunni Muslims to win two-thirds of the seats. Of those Sunnis, 12 are Islamic conservatives. Of the 170 total candidates, 6 were women; none was elected, but two received enough votes to force a runoff. King Hamad appointed six women to the Shura Council; he also appointed one Jew and one Christian. There are two female ministers — Social Affairs (Dr. Fatima al-Balushi) and Health (Dr. Nada Haffadh). Two other women, including the president of the University of Bahrain, have ministerial rank. In June 2006, a female judge was appointed to the civil court system. Twenty-one women have applied to run in the 2006 parliamentary and the municipal elections. (Thirty-one ran in the 2002 contests.)

Together, the COR and the Shura Council constitute an increasingly vibrant National Assembly, and they are gaining in scope of authority as a check on government power. The COR can propose (but not actually draft) legislation, question ministers (not in public session, however), and override the King's veto of approved legislation. It can, by a two-thirds majority, vote no-confidence against ministers and the Prime Minister. The Shura Council is largely limited to amending draft legislation and, in concert with the COR, reviewing the annual budget. The Shura Council contains generally more educated and pro-Western members and is widely viewed as a check against the more Islamist COR.

Despite the reforms, Sunni-Shiite tensions remain and have been partly aggravated by the Shiite perception that a once-repressed Shiite majority is now, through elections, the predominant power in Iraq. Some Shiite anti-government protests persist, asserting that the government is backsliding on reform and that it will adjust the parliamentary election districts to ensure that Shiites do not win a majority in parliament. However, there is not nearly the level of violence seen in the 1990s. In a possible sign that some Shiite groupings want to try to empower themselves through what they still view as a flawed electoral process, Wifaq and the National Democratic Action Association say they

will participate in the October 2006 elections.³ Islamic Action Association and other factions are expected to follow suit.

Although its reforms and human rights progress remain uneven, as noted in the referenced State Department reports, Bahrain allows freedom of worship for Christians, Jews, Hindus, and Baha'is, although the constitution declares Islam the official religion. Even before the U.S.-Bahrain free trade agreement, Bahrain was credited with significant labor reforms, including a 2002 law granting workers, including non-citizens, the right to form and join unions. There are now 47 trade unions in Bahrain, and workers are permitted to conduct work stoppages. On human trafficking, Bahrain remains a "Tier 2" country (Watch List) in the 2006 "Trafficking in Persons" report because it does not "fully comply with the minimum standards for elimination of trafficking," although the report says it is making efforts to comply. The referenced State Department reports have criticized Bahrain for its September 2004 closure of the Bahrain Center for Human Rights, one of the most active human rights organizations. Several other Bahraini human rights organizations remain open. In June 2006, Bahrain shut down the first private radio station in Bahrain due to "violations" of its operating agreements. On July 20, 2006, King Hamad ratified a law passed by the National Assembly to restrict the right of public association and to provide for jail terms for organizers of unauthorized protests.

According to the State Department, the United States seeks to accelerate political reform in Bahrain through the "Middle East Partnership Initiative (MEPI)," including efforts to strengthen the institutional capacity of Bahrain's political societies. Other U.S.-funded programs included training for senior judges, women's rights, journalist training, and civic education and teacher training in Bahraini schools. Some MEPI funds have been used to fund AFL-CIO projects with Bahraini labor organizations, and to help Bahrain implement its commitments under the U.S.-Bahrain FTA. Suggesting a still difficult climate for U.S. programs, in May 2006 Bahrain revoked the visa for the resident program director of the National Democratic Institute (NDI), an implementor of some U.S. democracy programs.

Defense and Economic Relations⁴

Although U.S. relations with Bahrain are broadening on economic and political reform issues, defense issues remain a major feature of the relationship. A U.S. Embassy in Manama, Bahrain's capital, opened in September 1971. A resident ambassador was sent in 1974. In large part to keep powerful neighbors in check, Bahrain has long linked its security to the United States. February 1998 marked the 50th anniversary of a U.S. naval command presence in Bahrain; MIDEASTFOR (U.S. Middle East Force), its successor, NAVCENT (naval component of U.S. Central Command), and the Fifth Fleet (reconstituted in June 1995) have been headquartered there. The Fifth Fleet headquarters is a command facility that, after a pending expansion, will cover over 100 acres. About 3,000 U.S. personnel, mostly Navy (but from several different commands) work there; fewer than half live on the compound. Some smaller U.S. ships (minesweepers) are docked there, and the port facility is being improved to handle aircraft carriers. The

³ Elections for five municipal councils are to be held just before the parliamentary elections. No exact dates have been set for either elections.

⁴ Some of the information in this section obtained during CRS visit to Bahrain, February 2005.

headquarters currently coordinates the operations of over 30 U.S. warships performing support missions for U.S. operations in Iraq war (securing Iraqi oil platforms); preventing the seaborne movement of Al Qaeda; and interception of arms or weapons of mass destruction (WMD)-related technology, across the Arabian Sea. Most of these U.S. operations are in partnership with ships from nations contributing to the Iraq war (Britain, Italy, Australia, Canada, and Singapore) and the U.S.-led stabilization operations in Afghanistan (including ships from Germany, France, and Pakistan). According to U.S. commanders in Bahrain, the maritime mission is increasingly expanding into maritime narcotics interdiction as well. During the 1990s, the U.S.-led Multinational Interdiction Force (MIF), which enforced a U.N. embargo on Iraq, was run out of the headquarters.

Bahrain participated in the allied coalition that ousted Iraq from Kuwait in 1991, hosting 17,500 troops and 250 combat aircraft at Shaykh Isa Air Base. Bahraini pilots flew strikes over Iraq during the war, and Iraq fired nine Scud missiles at Bahrain during the conflict, of which three hit facilities there. After the 1991 Persian Gulf war against Iraq, the United States and Bahrain signed a 10-year defense pact (October 28, 1991), renewed in October 2001. The agreement reportedly provides U.S. access to Bahraini bases during a crisis, the pre-positioning of strategic materiel (mostly U.S. Air Force munitions), consultations with Bahrain if its security is threatened, and expanded exercises and U.S. training of Bahraini forces.⁵ Bahrain hosted the regional headquarters for U.N. weapons inspections in Iraq during 1991-1998.

Bahrain provided extensive support to the recent U.S.-led wars in Afghanistan (Operation Enduring Freedom, OEF) and Iraq (Operation Iraqi Freedom, OIF), despite domestic opposition in Bahrain particularly to the war in Iraq. During major combat of OEF, Bahrain hosted about 4,000 U.S. military personnel — a major increase from the 1,300 U.S. military personnel hosted during the 1990s to contain Iraq. U.S. forces increased slightly, to about 4,500 for OIF; mostly additional U.S. Air Force personnel deployed to Shaykh Isa Air Base. Bahrain allowed the United States to fly combat missions from the base in both OEF and OIF, and it was the only Gulf state to deploy its own forces to provide humanitarian aid in Afghanistan. During OEF and OIF, Bahrain publicly deployed its U.S.-supplied frigate warship (the *Subha*) to help protect U.S. ships, and it sent ground and air assets to Kuwait in support of OIF. In recognition of the close defense relationship, in March 2002, President Bush (Presidential Determination 2002-10) designated Bahrain a “major non-NATO ally (MNNA),” a designation that will facilitate future U.S. arms sales.

U.S. Arms Transfers. Congress and successive Administrations, citing Bahrain’s limited oil income, have supported military assistance to Bahrain’s small BDF — about 11,000 personnel. It is eligible to receive grant “excess defense articles” (EDA). The United States transferred the FFG-7 “Perry class” frigate *Subha* as EDA in July 1997. Bahrain reportedly wants another EDA frigate. In 1996, the United States gave Bahrain a no-cost five-year lease on 60 M60A3 tanks; title subsequently was given to Bahrain. Foreign Military Financing (FMF) was suspended for Bahrain in FY1994, but, in appreciation of Bahrain’s support in OEF and OIF, has restarted.

⁵ Details of the U.S.-Bahrain defense agreement are classified. Some provisions are discussed in Sami Hajjar, *U.S. Military Presence in the Gulf: Challenges and Prospects* (U.S. Army War College: Strategic Studies Institute), March 2002, p.27.

U.S. Assistance to Bahrain

	FY2002	FY2003	FY2004	FY2005	FY2006 (Est.)	FY2007 (Request)
FMF (in millions \$)	28.5	90.0	24.6	18.847	15.593	15.75
IMET (in thousands \$)	395	448	600	649	644	640
NADR-ATA (in millions \$)				1.489	3.098	.955

Note: IMET = International Military Education and Training Funds, used to promote military professionalism, interoperability with U.S. forces, and to train Bahrain to maintain U.S.-provided equipment.

NADR = Non-Proliferation, Anti-Terrorism (ATA), De-Mining and Related Programs, used to sustain Bahrain's counter-terrorism training capabilities.

Despite limited funds, Bahrain has purchased some U.S. systems.⁶ Before the 1991 Gulf war, Bahrain bought M60A3 main battle tanks and older model F-5 fighter aircraft. In 1998, Bahrain purchased 10 U.S.-made F-16Cs from new production. With spare engines and armaments, the sale was worth about \$390 million. In late 1999, the Clinton Administration, with congressional concurrence, sold Bahrain 26 Advanced Medium-Range Air-to-Air Missiles (AMRAAM) to arm the F-16s. Some Members were concerned about the sale of AMRAAM's to Gulf countries on the grounds that the sale might promote an arms race in the Gulf. Section 581 of the FY1990 foreign operations appropriation act (P.L. 101-167) made Bahrain the only Gulf state eligible to receive the STINGER shoulder-fired anti-aircraft missile. (This authorization has been repeated in subsequent legislation.) The United States has sold Bahrain about 70 Stingers since 1990. Among new sales notified to Congress by the Defense Security Cooperation Agency (DSCA) are: a sale, worth up to \$42 million, of 180 "Javelin" anti-armor missiles and 60 launch units (July 21, 2006); and a sale, worth up to \$252 million, of nine UH-60M Blackhawk helicopters and associated equipment and services.

One of the more controversial sales to a Gulf state resulted from an August 2000 Bahraini request to purchase 30 Army Tactical Missile Systems (ATACMs), a system of short-range ballistic missiles fired from a multiple rocket launcher. To allay congressional concerns, the Defense Department told Congress the version sold to Bahrain would not violate the rules of the Missile Technology Control Regime (MTCR).⁷ The Administration proposed, and Bahrain accepted, a system of joint U.S.-Bahraini control of the weapon under which Bahraini military personnel do not have access to the codes needed to launch the missile. The system has been delivered to Bahrain.

Economic Relations. Bahrain is attempting to diversify its economy by emphasizing banking and services. Among the GCC states, Bahrain has the lowest oil

⁶ Information in this section was provided to CRS in an unclassified fact sheet prepared by the Defense Security Cooperation Agency. March 2004.

⁷ The MTCR commits member states not to transfer to non-member states missiles with a range of more than 300 km, and a payload of more than 500 kilograms. Turkey, Greece, and South Korea are the only countries to have bought ATACMs from the United States.

and gas reserves, estimated respectively at 210 million barrels of oil and 5.3 trillion cubic feet of gas, and the energy sector accounts for 16.5% of Bahrain's gross domestic product (GDP). At current rates of production (30,000 barrels per day), Bahrain's onshore oil reserves will be exhausted in 15 years. As of April 1996, the Saudi government has given Bahrain all revenues from the 150,000 barrels per day produced from Saudi Arabia's offshore Abu Safa field. The United States buys virtually no oil from Bahrain. To encourage further reform and signal U.S. appreciation, the United States and Bahrain signed an FTA on September 14, 2005. Legislation to implement the FTA (H.R. 4340) was passed in December 2005 and signed January 11, 2006 (P.L. 109-169). See also CRS Report RS21846, *U.S.-Bahrain Free Trade Agreement*, by Martin Weiss.

Regional Relations and Anti-Terrorism Cooperation

Iran most concerns Bahrain, particularly for Iran's ability to influence radical Shiite oppositionists. The Shia community in Bahrain is of both Arab and Persian origin, and some follow Iraq's Grand Ayatollah Ali al-Sistani. Bahrain has consistently blamed Iran for the internal unrest that took place in the 1990s. On June 3, 1996, Bahrain publicly claimed to have uncovered an Iranian plot to destabilize Bahrain, acting through a local militant Shia group called Hizbollah Bahrain-Military Wing (related to Lebanese Hezbollah, a client of Iran). Bahrain made a similar charge in December 1981, when it accused Iran of organizing a coup by Bahraini Shiites (the Islamic Front for the Liberation of Bahrain, IFLB). Bahrain's relations with Qatar have improved dramatically since a 1986 territorial clash and legal dispute, which Bahrain won at the International Court of Justice. The two have announced plans to build a causeway linking each to the other.

Arab-Israeli Issues. Bahrain has mostly followed a Gulf consensus on the Arab-Israeli peace process. During 1990-1996, Bahrain participated in the multilateral Arab-Israeli talks that addressed regional issues, and it hosted a multilateral working group conference on the environment (October 1994). However, Bahrain did not follow the lead of Oman and Qatar by exchanging trade offices with Israel. In September 1994, the Gulf states, including Bahrain, ceased enforcing secondary and tertiary boycotts of Israel, which black listed companies doing business with Israel, while retaining the ban on direct dealings (the primary boycott). The Foreign Relations Authorization Act for FY1994/1995 (P.L. 103-236, Section 564(1)) banned U.S. arms transfers to countries that maintain the Arab boycott of Israel. Successive administrations have waived the ban for Bahrain and other GCC countries on national interest grounds. In conjunction with the U.S.-Bahrain FTA, Bahrain has dropped the primary boycott and closed boycott-related offices in Bahrain, according to officials of the U.S. Trade Representative (USTR).

Anti-Terrorism Cooperation.⁸ The State Department says Bahrain provides "important support" to U.S. counterterrorism efforts. It has frozen about \$18 million in terrorist-linked funds and, in November 2004, hosted the inaugural meeting of the Middle East and North Africa Financial Action Task Force (MENA/FATF). In June 2004, Bahrain arrested six alleged Al Qaeda militants, but then released them for lack of evidence. They were re-arrested, but only after the U.S. military became alarmed and ordered military family dependents to return to the United States.

⁸ Information in this section is taken from the State Department report, *Country Reports on Terrorism 2005*, released April 2006.