



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

Kenneth Katzman

Specialist in Middle Eastern Affairs

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Summary

Protests that erupted in Bahrain following the uprising that overthrew Egyptian President Hosni Mubarak on February 11, 2011, demonstrate that Shiite grievances over the distribution of power and economic opportunities were not satisfied by relatively limited efforts to include the Shiite majority in governance. Most Sunnis in Bahrain believe the Shiite majority will be satisfied with nothing less than outright rule. As protests escalated in March 2011, Bahrain's government bucked U.S. advice by inviting direct security assistance from other Gulf Cooperation Council countries, declaring a state of emergency, forcefully suppressing demonstrations, and arresting dissident leaders. Although the state of emergency ended on June 1, the continued arrests of dissidents reduced prospects for a negotiated political solution to be achieved in the course of a national dialogue, which began on July 2, 2011, and concluded later that month. The dialogue, harmed by a pullout of the main opposition political society shortly after it began, reached consensus on a few recommendations that did not satisfy the bulk of the Shiite opposition. The main opposition organization also boycotted special parliamentary elections on September 24, 2011, and the boycott widened a sectarian disparity in the elected lower house of parliament.

Possibly because of concern that a rise to power of the Shiite opposition could jeopardize the extensive U.S. military cooperation with Bahrain, the Obama Administration has not called for a change of the Al Khalifa regime and continues to meet regime leaders at high levels. Factoring into the U.S. position is a perception in the United States and in the Bahraini government that Iran seeks to take advantage of Shiite unrest in Bahrain to bring a friendly regime to power and reduce U.S. influence in the Persian Gulf. The Administration has criticized governmental use of force and widescale arrests of peaceful protesters and urged further reform, but these criticisms have been insufficient to satisfy those who believe the United States is treating Bahrain differently than it has other Middle East cases in 2011.

The U.S.-Bahrain security relationship is deep and long-standing. In exchange for a tacit security guarantee against Iran or other aggressors, Bahrain has provided key support for U.S. interests by hosting U.S. naval headquarters for the Gulf for over 60 years and by providing facilities and small numbers of personnel for U.S. war efforts in Iraq and Afghanistan. Because of the instability in Bahrain, there is concern that U.S. use of the naval headquarters facilities might become untenable, but there are no evident moves to relocate it. This facility has been pivotal to U.S. strategy to deter any Iranian aggression as well as to interdict the movement of terrorists and weapons-related technology on Gulf waterways. Beyond the naval facility, the United States signed a formal defense pact with Bahrain in 1991 and has designated Bahrain as a "major non-NATO ally," entitling it to sales of sophisticated U.S. weapons systems. Bahrain also receives small amounts of U.S. security assistance. New U.S. sales and aid are coming under criticism from human rights groups that believe the United States should not be militarily helping a government that is suppressing peaceful demonstrations. On regional issues such as the Arab-Israeli dispute, Bahrain has tended to defer to Saudi Arabia or other powers to take the lead in formulating proposals or representing the position of the Persian Gulf states, collectively.

Fueling Shiite unrest is the fact that Bahrain, having largely run out of crude oil reserves, is poorer than most of the other Persian Gulf monarchies. The country has tried to compensate through diversification, particularly with banking and some manufacturing. In September 2004, the United States and Bahrain signed a free trade agreement (FTA); legislation implementing it was signed January 11, 2006 (P.L. 109-169). The unrest in 2011 has further strained Bahrain's economy.

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The Political Structure, Reform, and Human Rights¹

The Al Khalifa family, which is Sunni Muslim and generally not as religiously conservative as the leaders of neighboring Saudi Arabia, has ruled Bahrain since 1783. The Al Khalifa family's arrival from the Saudi peninsula to take control ended a century of domination by Persian settlers. The Al Khalifa subsequently received political protection from Britain, which was the dominant power in the Gulf until the early 1970s. Bahrain became independent from Britain in August 1971 after a 1970 U.N. survey (some refer to its as a "referendum") determined that its inhabitants preferred independence to Iranian control.

Bahrain is led by King Hamad bin Isa Al Khalifa (about 61 years old), who succeeded his father, Shaykh Isa bin Sulman Al Khalifa, upon his death in March 1999. Educated at Sandhurst Military Academy in Britain, King Hamad was previously commander of the Bahraini Defense Forces (BDF). His son, Shaykh Salman bin Hamad, about 41 years old, is Crown Prince. Shaykh Salman is U.S.-and U.K.-educated and, like the King, has long been considered a proponent of reform and accommodation with Bahrain's Shiite majority—about 60%-70% of the 503,000-person citizenry.² (There are an estimated 235,000 expatriates in Bahrain, according to the Central Intelligence Agency's *World Factbook* July 2010 estimate.) About 25% of the population is age 14 or younger.

To preserve its power, the Al Khalifa family has insisted on holding onto all strategic ministry positions and at least half of all ministerial slots. Even before the unrest that has seen most senior Shiites in government resign, there were only four Shiite ministers out of 23 cabinet positions (plus one out of the four deputy prime ministers), and those ministries run by Shiites have been considered less critical. Shiites are also highly underrepresented in the security forces, serving mainly in administrative tasks.

The King's uncle (the brother of the late ruler), Prime Minister Khalifa bin Salman Al Khalifa, along with other Sunni hard-liners including Minister of the Royal Court Khalid bin Ahmad bin Salman Al Khalifa³ and Interior Minister Rashid bin Abdullah Al Khalifa, have always been skeptical of King Hamad's reforms. They believe that the concessions that King Hamad made to the Shiite majority prior to the 2011 unrest caused the Shiites to increase their political demands rather than satisfy them. Others believe that level of unrest reached in February 2011 would have been reached long ago had the King's reforms not been enacted.

King Hamad's reforms, although judged minor by the Shiite majority, are far more extensive than those made by his father Amir Isa during his rule. In December 1992, Amir Isa established a 30-member appointed Consultative Council to comment on proposed laws. In June 1996, he

¹ Much of the information in this section is from State Department reports: 2010 Country Reports on Human Rights Practices (April 8, 2011); the International Religious Freedom Report for July – December 2010 (September 13, 2011); and the Trafficking in Persons Report for 2011 (June 27, 2011). CRS has no means to independently investigate the human rights situation in Bahrain or confirm allegations of specific human rights abuses there.

² Government officials dispute that the Shiite community is as large a majority as the 70% figure used in most factbooks and academic work on Bahrain. The Shiite community in Bahrain consists of the more numerous "Baharna," who are of Arab ethnicity and descended from Arab tribes who inhabited the area from pre-Islamic times. Shiites of Persian ethnicity are less numerous, and arrived in Bahrain over the past 400 years. They speak Persian and generally do not integrate with the Baharna or with Sunni Arabs.

³ The name of this official is similar to that of the Foreign Minister, Khalid bin Ahmad bin Mohammad Al Khalifa.

expanded it to 40 members. These reforms did not come close to quieting the demands of either Shiites or Sunnis for the restoration of an elected national assembly, even though Bahrain's Sunnis are considered less hungry for "democracy" than are the Shiites. An elected assembly was provided for under the 1973 constitution but abolished in August 1975 because of fear of sectarian competition and tensions over control of the body. In the years just prior to Shaykh Hamad's accession to rulership, there was daily anti-government violence during 1994-1998, although the unrest gradually took on a Shiite sectarian character.

As Hamad's first reform steps after taking over, he changed his title to "King," rather than "Amir" and implying more accountability, and held a referendum (February 14, 2002) on a new "National Action Charter (constitution)." However, the Shiite majority population criticized the National Action Charter because it established that the elected Council of Representatives (COR) and the all-appointed *Shura* (Consultative) Council were to be of equal size (40 seats each). Together, they constitute a National Assembly (parliament) that serves as a partial check on government power. The King, through the prime minister, makes all cabinet appointments and thus exercises direct rule; the Assembly does not appoint—or have power to reject—cabinet appointments.

The COR can propose (but not actually draft) legislation and both chambers can question ministers, although not in public session. The COR can, by a two-thirds majority, vote no-confidence against ministers and the prime minister and override the King's veto of approved legislation, although none of these actions has occurred since the COR was formed. The King has the authority to dissolve the COR and amend the constitution. The Shura Council is formally limited to amending draft legislation and, in concert with the COR, reviewing the annual budget, but these powers provide the Shura Council with the ability to block action by the COR. The government has tended to appoint generally more educated and pro-Western members to the Shura Council, and it is generally more supportive of the government than is the elected COR. There is no "quota" for females in the National Assembly, as has been included in democratic constitutions in post-Saddam Iraq and post-Taliban Afghanistan.

The National Assembly has tended to address primarily economic and social issues, and not national security issues. For example, in May 2010, it voted to ban sale of alcohol to Muslims, although subject to implementing regulations made by the King, through the government. Other legislation considered in the Bahraini National Assembly in recent years included bills to combat cyber crime, regulate the pharmaceutical sector, regulate the press, create an anti-corruption body, and establish a higher council on social security. However, many of these bills stalled in the 2006-2010 parliament due to lack of consensus and broader Sunni-Shiite tensions.

Post-Charter Elections

Elections have been held every four years since 2002, each time marked by substantial tension between the government and the Shiite majority. Formal political parties are banned, but factions compete as "political societies" which serve as the functional equivalent of parties for election purposes. In the COR elections, if no candidate in a contested district wins more than 50% in the first round, a runoff is held one week later.

2002 Elections

The first elections under the Charter were held in October 2002. In the 2002 election, many Shiite opposition “political societies,” including *Al Wifaq*, (formally, the *Al Wifaq* National Islamic Society, also known as the Islamic National Accord Association—a large faction, led by Shaykh Ali al-Salman), boycotted the elections on the grounds that setting the COR and the Shura Council at the same size dilutes popular will. The 2002 boycott lowered turnout (about 52%) and helped Sunnis win two-thirds of the COR seats. Of the 170 total candidates, six were women, but none of the women were elected.

2006 Elections

As was widely expected by experts, Sunni-Shiite tensions escalated again in the run-up to the November 25, 2006, parliamentary and municipal elections. The tension was aggravated by the Shiite perception that a once-repressed Shiite majority came to power in Iraq through U.S.-backed elections and that the Bahraini majority was entitled to a similar result. In the fall of 2006, some Shiites protested, particularly after allegations, some of which were publicly corroborated by a government adviser (Salah al-Bandar) in August 2006 in a report to an outside human rights organization, that the government was adjusting election districts so as to favor Sunni candidates. It was also alleged that the government issued passports to Sunnis in an attempt to shift the demographic balance to the Sunnis’ advantage.

In the November 2006 elections, two Shiite opposition blocs, *Wifaq* and the National Democratic Action Association, participated, raising voter turnout to 72%. *Wifaq* is avowedly Islamist in political orientation. A harder-line Shiite opposition faction, *Al Haq* (Movement of Freedom and Democracy), boycotted. The opposition, led by *Wifaq*, won 17 seats, virtually all those it contested. The Shiite opposition was therefore the largest single bloc in the COR, but it was short of a majority.

The government was heartened that Sunni Muslims won 23 total seats. Of those, eight were won by secular Sunnis and 15 were won by Islamist Sunnis (eight from the Salafists trend and seven Muslim Brotherhood members). Only one woman (Latifa al Qaoud, who was unopposed in her district) won, out of 18 female candidates (down from 31 female candidates in the 2002 elections). As evidence of continued friction, *Wifaq* boycotted the speakership contest, and incumbent COR Speaker Khalifa al-Dhahrani was reelected speaker.

The King subsequently named a new Shura Council with 20 Shiites, 19 Sunnis, and one Christian (a female). Ten women were appointed. However, the Shiites appointed were not all aligned with opposition factions, and several were considered “pro-government.” Therefore, the Shura Council was not a bastion of opposition to the government even though Shiites held half of its seats. In a nod to the increased Shiite strength as a result of the elections, the government appointed a Shiite (Jawad al-Araidh) as one of the four deputy prime ministers and another (who is close to *Wifaq*) as a minister of state for foreign affairs. Three other Shiites remained in the cabinet.

Heightened political tensions continued in between national elections. In December 2008, the government made numerous arrests of Shiite demonstrators and accused some of being part of a foreign-inspired “plot” to destabilize Bahrain. Some were accused of undergoing guerrilla or terrorist training in Syria. On January 26, 2009, the government arrested three leading Shiite activists, including the wheelchair-bound Dr. Abduljalil Alsingace and Mr. Hassan Mushaima, both leaders of *Al Haq*. They were tried during February-March 2009 but, along with other Shiite

activists, were pardoned and released in April 2009. Alsingace has visited the United States several times to highlight the human rights situation in Bahrain. (As noted below, Alsingace was arrested again in August 2010. Mushaima subsequently went into exile in Europe. Mushaima was arrested after his return and both are on trial in connection with the 2011 unrest.)

The 2010 National Assembly and Municipal Election: Prelude to the Uprising

The resentments over the 2006 election, and the still unfulfilled demand of Bahrain's Shiites for greater political power and an end to economic discrimination, carried over to the 2010 election. The election was held on October 23, 2010, with a second round runoff for some districts on October 30. There were only a limited number of international observers, primarily from various international human rights organizations. Two Bahraini human rights watchdog groups, the Bahrain Human Rights Society and the Bahrain Transparency Society, again (for the third time) reached agreement to jointly monitor the 2010 elections. Municipal elections were held concurrently.

The electorate was about 300,000 persons, voting in 40 districts spread throughout five governorates. As was the case in the 2006 elections, Shiite oppositionists accused the government of drawing district boundaries so as to prevent the election of a Shiite majority. Registration of candidates took place during September 12-16, 2010. About 200 people registered to run, of whom seven were women. However, one woman withdrew after registering, leaving a field of six female candidates. Of the six, only one was formally endorsed by a political society, the left-leaning, nonsectarian National Democratic Action Society (*Waad*, which means "promise" in Arabic). She is Munira Fakhro, a prominent Shiite woman who was exiled prior to the political reform process begun by King Hamad. In 2006, she narrowly lost to a Sunni Islamist (*Minbar*, or "platform," faction). At least four candidates in districts where there was no opposition were declared winners by September 28, 2010. One of them was a *Wifaq* member.

Wifaq, still by far the most prominent Shiite political society, fielded candidates. Its leader, Shaykh Ali Salman, was not a candidate, preferring to continue to lead the faction from the background. *Al Haq* again boycotted, as it did in 2006. In the run-up to the election, the government cracked down on Shiite activists, particularly those who supported boycotting the election. For example, on September 4, 2010, 23 Shiite leaders were arrested on charges of attempting a violent overthrow of the government. They were among about 160 Shiites arrested in August and September, under a 2006 anti-terrorism law that gives the government broad arrest and prosecution powers. Among those arrested was Dr. Alsingace (see above), on August 13, 2010, upon his return from abroad. Alsingace remained incarcerated and told his lawyers that he was being beaten and deprived of sleep. A prominent Shiite cleric, Ayatollah Hussein Mirza al-Najati, said to be close to the most senior Iraqi cleric Ayatollah Ali al-Sistani, had his Bahrain citizenship revoked on September 20, 2010.

Some observers asserted that the government crackdown would drive Bahraini Shiites to politically support boycotting harder-line movements, such as *Al Haq*, and in so doing suppress the election turnout among Shiites. The crackdown did not prompt *Wifaq* to reverse its decision to compete. The crackdown might have helped the government's election strategy but it also led to stepped up demonstrations by Shiite youth in Shiite neighborhoods. The tensions are also widely blamed for resulting in a bombing that damaged four police cars on September 15, 2010. The tensions over the election almost certainly were a catalyst for the major unrest that has occurred in February 2011, discussed further below.

Among Sunni political societies, there are two that are considered Islamist. They include Minbar, mentioned above, which is an offshoot of the Muslim Brotherhood, and Al Asala, which is a harder-line “Salafist” political society. As noted below, in the 2006-2010 parliament, Asala and Minbar members held a combined 15 seats.

2010 Election Results

Despite the pre-election tensions, the election was held without major reports of violence. Turnout was about 67% between the two rounds. The results, some unexpected, included

- The increase of *Wifaq*'s representation from 17 seats in the 2006-2010 COR to 18 seats. However, 18 is still short of a majority.
- Unexpected losses by Sunni Islamist factions, reducing their total to five seats from 15. Minbar and Asala each saw dramatic reductions in their seats from 2006: Minbar (Muslim Brotherhood) decreased to two seats (from seven) and Asala decreased to three seats (from eight). Most of the seats were picked up by Sunni independents, who won 17 seats, up from nine in the 2006-2010 parliament. In addition, the secular and generally leftwing ideological Waad won no seats at all. These results appeared to represent a rejection of Islamist ideology, and even all ideological candidates, in favor of pragmatists who would address Bahrain's economic difficulties.
- The same one woman won who had won in 2006.
- In the municipal elections conducted concurrently, one woman was elected in the second round—the first woman to be elected to a municipal council.

In advance of the December 14, 2010, start of the parliamentary term, the King named the 2010-2014 Shura Council. Thirty of the 40 serving Council members were reappointed, leaving only 10 newly appointed members. A total of 19 Shiites were appointed, including the speaker. The Council has four women, substantially fewer than the 2006-2010 Council that had nine women. Among the four, one is Jewish (Nancy Khadouri), out of a Jewish population in Bahrain of about 40 persons, and one is Christian (Hala Qarrisah). Bahrain has an estimated 1,000 Christians. The Council speaker, Ali al-Salih, a Shiite, was reappointed.

Table I. Comparative Composition of National Assembly

	2006	2010	Post-By-Election (October 2011)
Council of Representatives (COR)			
Wifaq (Shiite Islamist)	17	18	0
Shiite Independent	0	0	8
Sunni Independent (mostly secular) in COR	8	17	27
Moderate Sunni Islamist (Minbar, Muslim Brotherhood)	7	2	2
Conservative Sunni Islamist (Asala, Salafi)	8	3	3

	2006	2010	Post-By-Election (October 2011)
COR Sect Composition	23 Sunni, 17 Shiite	22 Sunni, 18 Shiite	32 Sunni, 8 Shiite
Women in COR	1	1	4
	Shura Council (Upper House, appointed)		
Sectarian, Religious Composition Upper House (Shura Council)	20 Shiite, 19 Sunni, 1 Christian	19 Shiite, 19 Sunni, 1 Christian, 1 Jew	Same as before
Number of Women	9	4	same

2011 Uprising

King Hamad's efforts to accommodate Shiite aspirations were demonstrated to have failed when a major uprising began on February 14, 2011, in the wake of the success of an uprising in Egypt that forced the resignation of Egyptian President Hosni Mubarak. After a few days of protests and relatively minor confrontations with the mostly Bahraini Sunni and expatriate Sunni security forces, the mostly Shiite demonstrators converged on the interior of a major traffic circle, "Pearl Roundabout," named after a statue that depicted Bahrain's pearl-diving past. The uprising took place after King Hamad had authorized the latest annual iteration of a \$2,700 payment to citizens. The initial demands of the protesters were numerous, but generally centered on such political reforms as altering the constitution to expand the powers of the COR; ending gerrymandering that prevents Shiites from winning a majority in the COR; providing more jobs and economic opportunities; and, among some protesters, replacing hard-line Prime Minister Khalifa. A consistent theme among protesters appeared to be to end the sense among Shiites that they are "second class citizens" or "not trusted" as Bahraini citizens. On February 15, 2011, King Hamad spoke to the nation and announced the formation of a committee to investigate the use of force against protesters, which had killed two until that time.

The unrest took on new dimensions in the early morning of February 17, 2011, when security forces surrounded the thousands of demonstrators in Pearl Roundabout, many of whom were asleep, and used rubber bullets and tear gas to remove them from the location. At least four demonstrators were killed; others died subsequently. The government asserted it had warned of the impending move, an account disputed by the protesters. At a news conference later on February 17, Foreign Minister Khalid Al Khalifa claimed that the Pearl Roundabout was cleared to avoid a "sectarian abyss"—all-out civil conflict between the Shiites and Sunnis. Despite heavy security patrols, additional protests took place on February 18, 2011, and security forces apparently shot several demonstrators. Politically, *Wifaq* pulled all 18 of its deputies out of the COR immediately following the February 17 crackdown. Britain closed its embassy in Bahrain after the February 17, 2011, crackdown, and announced it might ban further arms exports to Bahrain.

Government Tactics Change, As Do Protester Demands

In part at the reported urging of the United States, the government changed tactics on February 19, 2011, pulling security forces back from confronting protesters. That day, demonstrators re-

entered Pearl Roundabout and held large demonstrations at or around that location subsequently. A February 22, 2011, demonstration was said to be perhaps the largest in Bahrain's history, although some accounts say that a demonstration three days later, which spanned miles of downtown roads, was even larger. The February 22 demonstration followed by one day a large counter-demonstration by mostly Sunni supporters of the government.

At the same time, the government, with Crown Prince Salman leading the effort, invited the representatives of the protesters to begin a formal dialogue to try to agree on reforms. That effort was supported by a gesture by King Hamad on February 22, 2011, to release or pardon 308 Bahrainis, including the exiled leader of the hardline *Al Haq*, Hassan Mushaima (who returned to Bahrain from exile in Europe on February 27, 2011). According to the government, these persons were tried not for political views, per se, but rather for committing or advocating violence. On February 26, 2011, King Hamad changed several cabinet posts; this included dropping two Al Khalifa family members from the cabinet. The posts changed were those that can influence job opportunities and living conditions.

The pulling back of the security forces, offers of dialogue, and the cabinet reshuffles did not prevent the protesters' demands from escalating or cause them to leave Pearl Roundabout. The government concessions exposed long-standing splits in the opposition, such as that between the more moderate *Wifaq* and the more hardline *Al Haq*. Anger at the government's initial use of force appeared to shift many demonstrators closer to *Al Haq*, which, as of the beginning of March 2011, demanded a resignation of the monarchy outright. *Wifaq* and other more moderate groups appeared willing to accept the formation of a constitutional monarchy, as discussed further below, and efforts to promote more job opportunities for Shiites. Six smaller hardline Shiite political societies reportedly joined *Al Haq* in insisting on maximalist demands.⁴ The regime's offer of dialogue was not taken up consistently or systematically by the more moderate groups, and only informal meetings took place in search of a political solution.

The Saudi/GCC Intervention and Crackdown

With no systematic dialogue begun, protests escalated. On March 1, 2011, demonstrators blocked the entrance to the parliament building and delayed the meeting of its bodies for six hours. The protests also began to spark Sunni-Shiite clashes which some Bahrainis believed were evolving into outright sectarian conflict at the mass level—whereas previously sectarianism had been a concept mainly confined to power struggles among the elites. On March 13, 2011, protesters blockaded the financial district of the capital, Manama, prompting governmental fears that the unrest could choke this major economic sector. Security forces were overwhelmed.

On March 13, Bahrain requested that the Gulf Cooperation Council (GCC), of which it is a member, send additional security forces to protect key sites. In response to the request, on March 14, 2011, a GCC force (from the GCC joint Peninsula Shield unit) spearheaded by a reported 1,200 Saudi forces (in 20 tanks and in other armored vehicles) and 600 UAE police crossed into Bahrain and took up positions at key locations in and around Manama. Kuwait sent naval forces to help Bahrain secure its maritime borders. On March 15, 2011, King Hamad declared a three-month state of emergency technically headed by BDF Chief of Staff Marshal Khalifa bin Ahmad Al Khalifa, and Bahraini security forces, freed up by the GCC deployment, cleared demonstrators

⁴ "Bahrain Hard-Liners Call for Royal Family to Go. Cable News Network website, March 9, 2011.

from Pearl Roundabout (and demolished the pearl monument itself on March 18, 2011).⁵ Some additional protester deaths were reported in this renewed crackdown. In conjunction, seven Shiite leaders were arrested, including *Al Haq*'s Mushaima. *Wifaq*'s leader, Shaykh Ali Salman, was not arrested. The remaining Shiite ministers in the cabinet, many of the Shiites in the Shura Council, and many Shiites in other senior posts in the judiciary and elsewhere resigned, although a few subsequently returned to service.

Well before intervening in Bahrain, the GCC states had begun to fear that the Bahrain unrest could spread to other GCC states. It was also feared that Iran might be able to exploit the situation. None of the other GCC states has a Shiite majority (like Bahrain), but most of them, including Saudi Arabia, have substantial Shiite minorities. The GCC states met at the foreign minister level on February 16, 2011, and expressed solidarity with the government of Bahrain. King Hamad visited Saudi Arabia on February 23, 2011, for consultations on how to handle the unrest, and Crown Prince Salman visited UAE on March 2, 2011. Those countries have arranged for large pledges of aid (some reports mention \$20 billion) to help the Bahrain government (and that of Oman, which also has faced unrest) create jobs for Shiites. Some warned that Saudi intervention would prompt a wider conflict by prompting Iranian intervention on the side of the Shiite protesters. Allegations of Iranian involvement in the unrest are discussed later in the section on Bahrain's foreign policy.

Post-GCC Intervention Situation/End of State of Emergency

Most public protests ceased subsequent to the GCC intervention, although some, mostly neighborhood-based demonstrations continue despite a heavy security force presence around Manama. Human rights groups, including those testifying at a May 13, 2011, hearing of the Tom Lantos Human Rights Commission, reported a broad crackdown in which hundreds were in detention, including at least 50 medical professionals who helped tend to injured protestors. Over 1,500 people, mostly Shiites, had been dismissed from their jobs, although labor movement officials say the figure exceeds 2,600. To date, according to Bahraini government figures, 30 Bahraini protesters have died in the violence, although opposition figures are much higher. Some sources say the government bulldozed about 30 Shiite mosques as a measure to prevent Shiites from gathering.

Prominent Dissidents Arrested

As part of what U.S. officials and many observers called an excessive crackdown, in early April 2011, the government closed the pro-opposition newspaper *Al Wasat*; its editor-in-chief, Mansour al-Jamri, went on trial on May 18, 2011, for inciting violence. A well-known human rights activist, Bahrain Center for Human Rights founder Abdul Hadi al-Khawaja, was arrested April 9, 2011, and his daughter, Maryam, subsequently undertook a hunger strike. On April 15, 2011, the government announced that *Wifaq* and another Shiite political society, the Islamic Action Association, were being investigated for harming national unity and could potentially be disbanded. On May 2, 2011, two *Wifaq* officials who had resigned from the COR because of the unrest, Matar Matar and Jawad Fairuz, were arrested. On May 8, 2011, 14 oppositionists,

⁵ Some accounts differ on the involvement of the Peninsula Shield force, with some observers arguing that members of the force have participated directly in suppressing protests, and others accepting the Bahrain/GCC view that the GCC force is only guarding key locations and infrastructure.

including Mushaima and Alsingace, went on trial before a state security court; seven others went on trial in absentia. On May 31, a key activist, the head of the Bahrain Center for Human Rights, Nabeel Rajab, was summoned before the military court prosecuting alleged agitators. On June 6, 2011, 47 doctors and nurses were put on trial for aiding protesters. On September 29, 2011, 20 medical personnel were sentenced by a military court to jail time ranging from five to 15 years, a sentence harshly criticized by human rights activists worldwide. The government said the sentences were not for helping protesters medically, but for inciting sectarian hatred, possession of illegal weapons, and forcibly occupying a public building. Following international criticism, on October 5, 2011, the government announced they would be retried in a civilian court.

Perceiving the regime had gained the upper hand, the King announced in early May that the state of emergency would end on June 1, two weeks earlier than scheduled. The government held to that schedule; the GCC forces that deployed to Bahrain, including the Kuwaiti naval force, began to depart in late June 2011. The departures are believed to have been complete, although some oppositionists assert that some GCC forces remain as of October 2011. King Hamad spoke to the population on May 31 to mark the end of the emergency, offering unconditional dialogue with the opposition beginning July 1, 2011.

Commission of Inquiry Formed

On June 29, 2011, as a further gesture toward the opposition, the King of a five-person “Bahrain Independent Commission of Inquiry,” (BICI) headed by Dr. Cherif Bassiouni, to investigate the government’s response to the unrest that began in February, and to file its report by October 30, 2011. It held a public forum on July 24, but has come under criticism from Shiite opposition figures who have interpreted certain Bassiouni statements as a bias in favor of exonerating top government officials and blaming human rights abuses on lower level security officers.

National Dialogue and Results

After extensive internal debate, *Wifaq* accepted the offer to participate in the dialogue, which began on July 2, 2011, under the chairmanship of speaker of the COR Dhahrani. The “National Dialogue” began with about 300 delegates, of which the Shiite opposition had 35-50 delegates. Of those, five belonged to *Wifaq*.⁶ The dialogue, which was to last several weeks, addressed political, economic, social, and human rights issues; each had 15 sub-themes and each sub-theme has 90 topics. Senior Bahraini officials said the intent of the dialogue was to outline a vision of Bahrain rather than necessarily reach agreement on specific steps.

The government also released about 150 of those who had been imprisoned for the unrest. Earlier, possibly in an effort to divide the opposition, on June 23, 2011, the judiciary sentenced eight harder-line Shiite oppositionists, including Mushaima and Alsingace, to life in prison on charges of plotting a coup.⁷ On July 29, 2011, an unknown number of Shiite demonstrators held a licensed demonstration, but an attempt to march on the U.S. Embassy in Manama was reportedly blocked by security forces.

⁶ Mohamed Hasni. “Bahrain Opens Dialogue Buoyed by Shiite Attendance.” Agence France Presse, July 2, 2011.

⁷ Erika Solomon. “Bahrain Sentences 8 Activists to Life Terms.” Washington Post, June 23, 2011.

Outcomes of the National Dialogue

Outcomes of the National Dialogue were difficult to predict. Many in the opposition maintained that the continuing detention of many oppositionists does not augur well for progress. The prospects further diminished on July 18, 2011, when *Wifaq*, which had always asserted that it would pull out of the talks if and when it became clear that its proposals for a fully elected parliament with legislative powers would not be met, announced its withdrawal. That major step built on an earlier decision by the group on July 7, 2011, to cease participating in the economic and social issues meetings. Others took note of the fact that the Crown Prince, the principal champion of dialogue within the upper ranks of the regime, did not chair the dialogue. This suggests he remains in eclipse by harder line Al Khalifa members allied with the prime minister.

The dialogue concluded in late July 2011 after reaching consensus on a few recommendations, which were endorsed by the government on July 29. The core of the recommendations were centered on the same seven points for reforms articulated by Crown Prince Salman at the start of the unrest: an elected parliament (lower house) with expanded powers; a government “reflecting the will of the people;” “fairly” demarcated electoral boundaries; reworking of laws on naturalization and citizenship; combating financial and administrative corruption; efforts to reduce sectarian divisions; and the disposition of state property. There were reportedly 82 economic recommendations, including new mechanisms to provide food subsidies to only the most needy citizens. The government subsequently appointed a committee to implement the recommendations, headed by former Foreign Minister and now deputy Prime Minister Muhammad Mubarak Al Khalifa. He and other officials conducted rounds of meetings with both houses of the National Assembly and with government ministries to begin implementation.

For the opposition, the National Dialogue was largely a failure. The Dialogue did not endorse the ideas of *Wifaq* and other groups proposals for a fully elected parliament with legislative powers, or for the direct selection of the prime minister by the largest coalition in the elected legislature. *Wifaq* was unsatisfied that the Dialogue did not endorse reducing the size and powers of the appointed Shura Council, or the specific pledge to redraw electoral boundaries. To the opposition, the lack of such a pledge signals that the government will continue to gerrymander districts to ensure a Sunni majority in the lower house.

Nor did the opposition achieve other gains, either as a result of the Dialogue or separately. A widely discussed interim compromise has been the replacement of Prime Minister Khalifa, who is widely despised by the opposition, with *Wifaq* leader Shaykh Ali Salman or another moderate opposition figure. The government has not agreed to this step even though, throughout the crisis, some Bahrainis have said that the dismissal of Prime Minister Khalifa Al Khalifa, was likely.⁸ Another interim compromise, not adopted to date, could include a broad reshuffling of the cabinet to give Shiites many more ministerial posts and control of key economic ministries. *Wifaq* already holds the majority of seats on several elected municipal councils, although these bodies do not have national legislative authority.

Widespread Shiite demonstrations did not erupt after the conclusion of the Dialogue, although a youth was killed by security forces at one protest on August 31, 2011. In part as a gesture of reconciliation after the Dialogue concluded, on August 8 the government released the two jailed *Wifaq* COR deputies Matar and Fairuz, along with several other jailed activists. In a speech on

⁸ Author conversations with representatives of and observers close to the regime. April 2011.

August 28, 2011, near the conclusion of the holy month of Ramadan, King Hamad announced the pardoning of some protesters, and the reinstatement of some of the approximately 2,700 of those who had been fired for alleged participation in unrest.

Some believe the GCC intervention and subsequent crackdown hardened Shiite demands to the point where implementation of the national dialogue consensus recommendations will be dismissed and any further compromise is difficult. Harder line Shiite groups believe that no compromise is possible with the Al Khalifa regime still in power, and that increased protests and actions intended to collapse the economy will force the government to fall. The overthrow of the government and the ascension of a Shiite-led regime is possible, although the GCC determination to prevent this makes this outcome less likely, at least in the short term. On the regime side, compromise has been made more difficult by the apparent political eclipse of the Crown Prince, who favors dialogue and negotiation, and the ascendancy within the regime of the prime minister and other hardliners.

September 24-October 1 Special Election

Although activists say demonstrations take place in Shiite villages every night, the main commercial areas of Bahrain remained mostly calm from the time of the national dialogue until the special elections to fill the seats vacated by the 18 *Wifaq* COR deputies that had resigned at the outset of the unrest. The elections were scheduled for September 24, 2011, with a second round to be held on October 1, if needed. However, the legitimacy of the special elections was clouded by the announcement by *Wifaq* on August 14, 2011, that it would boycott the elections. That position was based on *Wifaq*'s decision that the national dialogue's reform recommendations were not sufficiently extensive. Several anti-government demonstrations took place in the run-up to the elections and on the days of the election, mostly in Shiite neighborhoods.

In advance of the elections, four winners were declared (including one woman) because they were running unopposed. In both rounds of voting, turnout was assessed as very low, at about 20%, although the government put out official turnout figures of close to 50%. After the first round on September 24, five additional seats were decided. The October 1 runoff decided the remaining nine seats. As shown in **Table 1**, of the 18 seats decided in the special election, 10 were won by Sunnis, largely because of the *Wifaq* boycott and low turnout. This suggests that most Shiites viewed the special election as illegitimate, but the net result is that Sunnis now overwhelmingly dominate the COR, with 32 seats to only eight Shiite seats. The special election resulted in the addition of three women COR deputies.

The next major benchmark in the unrest and the Bahraini response will be the release of the Independent Commission of Inquiry report by October 30.

U.S. Posture on the Uprising

The U.S. response to the unrest in Bahrain has been colored by the vital U.S. security interests in Bahrain. The U.S. concern is that a fall of the Al Khalifa regime and ascension of a Shiite-led government could increase Iran's influence and lead to an unwanted loss of the U.S. use of Bahrain's military facilities. The seeming priority of these considerations to U.S. officials have prompted criticism from human rights organizations, Bahrain's opposition, and other regional governments that the United States applies different standards in its response to unrest in allied

countries such as Bahrain than it does to countries in which a change of regime might not harm U.S. interests, such as Libya or Syria.

The Administration has stressed that it has been highly critical of Bahrain's use of force against protesters. In phone calls to their counterparts after the February 17, 2011, clearing of Pearl Roundabout, Secretary of State Clinton and Secretary of Defense Gates reportedly expressed concern to the Bahrain government for using force against the protesters. These contacts reportedly contributed to the government decision to exercise restraint at that time.

Just prior to the GCC intervention and subsequent crackdown, Secretary of State Clinton and other U.S. officials had praised the release of political prisoners and called on all parties to take up the offer by the Crown Prince for a broad political dialogue on reform.⁹ In a statement, President Obama praised the February 26 cabinet reshuffle and King Hamad's restatements of his commitment to reform.¹⁰

The U.S. position did not change substantially following the GCC intervention, but the United States did become somewhat more critical as the subsequent crackdown proceeded. U.S. officials expressed the view that the crackdown would further inflame unrest over the long term, rather than achieve quiescence and stability. On March 19, 2011, Secretary Clinton reiterated the U.S. support for the Crown Prince's offer of dialogue, and said:

Bahrain obviously has the sovereign right to invited GCC forces into its territory under its defense and security agreements.... [The United States has] made clear that security alone cannot resolve the challenges facing Bahrain. As I said earlier this week, violence is not and cannot be the answer. A political process is. We have raised our concerns about the current measures directly with Bahraini officials and will continue to do so.

On April 30, 2011, according to the White House, President Obama spoke by phone to King Hamad and reportedly stated that Bahrain's stability depends on respect for the universal rights of the people of Bahrain, and a process of meaningful reform. At a May 5, 2011, House Foreign Affairs Committee hearing, State Department officials testified that the United States is "deeply concerned" by the "campaign of retribution" against the political opposition, adding that "security operations will not resolve the challenges Bahrain faces." President Obama's May 19, 2011, speech on the uprisings in the Middle East was critical of Bahrain, saying that the prospects for success of a dialogue with the opposition are compromised by the jailing of opposition figures. This U.S. position was restated in separate June 7, 2011, meetings between the Crown Prince and Secretary Clinton and President Obama. According to a White House statement, President Obama stressed to the Crown Prince that those Bahraini forces or officials responsible for human rights abuses should be held "accountable."

The criticism continued in the course of the U.N. General Assembly meetings in New York in September 2011; in his September 21, 2011, speech to the body, President Obama said:

In Bahrain, steps have been taken toward reform and accountability. We're pleased with that, but more is required. America is a close friend of Bahrain, and we will continue to call on the government and the main opposition bloc—the Wifaq—to pursue a meaningful dialogue that

⁹ Secretary of State Clinton Comments on the Situation in the Middle East. <http://www.youtube.com/watch?v=GbuMZUg3Gc>.

¹⁰ "Obama Welcomes Bahrain Cabinet Reshuffle." Reuters, February 27, 2011.

brings peaceful change that is responsive to the people. We believe the patriotism that binds Bahrainis together must be more powerful than the sectarian forces that would tear them apart. It will be hard, but it is possible.

The same day, the Ambassador-nominee to Bahrain, Thomas Krajeski, testified in confirmation hearings before the Senate Foreign Relations Committee. In his testimony, he reiterated Administration criticisms of the government response, saying the government “overreacted” to the unrest, as well as praise of its long record of reform and accommodation of some Shiite demands.

Critics of the U.S. position say that U.S. officials have not called for the Al Khalifa to step down and yield to a political transition, and there are no indications the Administration might take that position. As noted above, senior U.S. officials continue to meet with the Bahraini regime at high levels, although some observers say the United States advised King Hamad not to visit the United States in May 2011 to attend his son’s college graduation. The U.S. position has been criticized by some as a U.S. “double standard,” compared to the U.S. response to the 2011 unrest in Egypt, Tunisia, and Libya. The Administration did not send an official to testify at the May 13 Tom Lantos Human Rights Commission hearing discussed above. Some believe the government did not adequately protect a U.S. diplomat responsible in Manama responsible for human rights issues, Ludovic Hood. The State Department returned him to the United States in June 2011 because of perceived threats from Bahrainis who felt he was too critical of the government.

At the same time, the Administration has undertaken some efforts to help mediate in the crisis. Assistant Secretary of State for the Near East Jeffrey Feltman was sent to Bahrain in March 14, 2011, to attempt to achieve the beginning of a sustained dialogue between the government and the opposition. He visited again in mid-April. Outgoing Deputy Secretary of State James Steinberg, along with Feltman and an NSC official, visited on May 17, 2011, meeting with senior Bahraini officials and again urging them to try to start dialogue with the opposition.

The Obama Administration, which presented its FY2012 budget request on February 14, 2011, just as the unrest in Bahrain was growing, has not announced any alteration of its military and anti-terrorism assistance or arms sales policy for Bahrain. Press reports say arms sales to Bahrain and other U.S. allies are under review because of the unrest in the region¹¹ although, as noted below, new sales to Bahrain were announced in September 2011. These sales have incurred strong objections from human rights activists, although the sales do not appear to include equipment that would be used against protesters. Levels of those sales and aid are discussed in the sections below.

Pre-2011 U.S. Posture on Bahraini Democracy and Human Rights

Well before the 2011 unrest began, successive U.S. Administrations have been accused by human rights groups and Bahraini Shiites of downplaying abuses against Bahrain’s Shiite community. Critics point to Secretary of State Clinton’s comments in Bahrain on December 3, 2010, referring to the October 2010 elections, saying: “I am impressed by the commitment that the government has to the democratic path that Bahrain is walking on. It takes time; we know that from our own experience.”¹²

¹¹ Adam Entous. “U.S. Reviews Arms Sales Amid Turmoil.” *Wall Street Journal*, February 23, 2011.

¹² Department of State. “Remarks With Foreign Minister Al Khalifa After Their Meeting.” December 3, 2010.

On the other hand, for many years prior to the 2011 unrest, the United States has sought to accelerate political reform in Bahrain and to empower its political societies through several programs. The primary vehicle has been the “Middle East Partnership Initiative (MEPI),” which began funding programs in Bahrain in 2003. MEPI funds have been used to help Bahrain build an independent judiciary, to strengthen the COR, to empower women, to conduct media training, and to promote legal reform. MEPI funds have also been used to fund AFL-CIO projects with Bahraini labor organizations, and to help Bahrain implement the U.S.-Bahrain FTA. In May 2006 Bahrain revoked the visa for the resident program director of the National Democratic Institute (NDI), and did not allow the office to reopen. NDI is conducting programs to enhance parliamentary capabilities through a local NGO. In February 2010, the MEPI office of State Department signed a memorandum of understanding with Bahrain to promote entrepreneurship there and promote opportunities for trade with U.S. small businesses. According to the State Department’s International Religious Freedom report for July-December 2010 (September 13, 2011), “The U.S. government discusses religious freedom with the [Bahraini] government as part of its overall policy to promote human rights.”

Other Human Rights Issues

Many of the general human rights issues are directly tied to the schism between the Sunni-led regime and the Shiite majority, as noted in U.S. government reports on human rights and religious freedom in Bahrain. Beyond that issue, State Department reports, such as the human rights report for 2010, note problems for non-Muslims and for opponents of the government. Bahrain allows freedom of worship for Christians, Jews, and Hindus although the constitution declares Islam the official religion. It should be noted that the State Department human rights report, released April 5, 2010, covers the period of calendar year 2010 and does not address the government response to the 2011 unrest.

There are several Bahraini human rights groups, mainly advocates for Shiite rights and causes. As noted above, two of the most prominent such groups are the Bahrain Human Rights Society and the Bahrain Transparency Society. Another is the Bahrain Center for Human Rights, founded by Abdul Hadi al-Khawaja, who is serving a life sentence for opposition activities.

Women’s Rights

Bahrain has tended to be relatively progressive as far as law and regulations. However, as is the case with its neighbors, Bahrain’s practices and customs tend to limit women’s rights. Women can drive, own and inherit property, and initiate divorce cases, although religious courts may refuse a woman’s divorce request. Some prominent women are campaigning for a codified family law that would enhance and secure women’s rights, running into opposition from Bahraini clerics who are against granting more rights for women. The campaign for the law is backed by King Hamad’s wife, Shaykha Sabeeka, and the Supreme Council for Women, which is the preeminent association that promotes women’s rights in Bahrain.

To try to showcase its progressiveness, the government has promoted several women to high positions. The number of women in both chambers of the National Assembly are provided in **Table 1**, above. Since 2005, there have been two female ministers—Minister of Human Rights and Social Development Fatima bint Ahmad al-Balushi and Minister of Information and Culture Mai bint Muhammad Al Khalifa. A previous female minister of health, Nada Haffadh, resigned in October 2007 following allegations of corruption in her ministry by conservatives who oppose

women occupying high-ranking positions. Two other women, including the president of the University of Bahrain, have ministerial rank. Ms. Huda Azar Nunu, an attorney and formerly the only Jew in the Shura Council, is ambassador to the United States.

Religious Freedom

On freedoms for religions other than Islam, the July-December 2011, State Department report on international religious freedom, in the section on Bahrain, says that respect for religious freedom exhibited “no change” since the prior report. Most of the report focuses on Sunni-Shiite differences, which are discussed as political issues above. According to the report, non-Muslims have been able to practice their religion privately without government interference, and to maintain places of worship. However, the government requires licenses for churches to operate, and has in the past threatened to shutter un-licensed churches serving Indian expatriates. The Baha’i faith, declared blasphemous in Iran and Afghanistan, has been discriminated against in Bahrain, although recent State Department human rights reports say that the Baha’i community now gathers and operates openly.

Labor Rights

On labor issues, Bahrain has been credited with significant labor reforms, including a 2002 law granting workers, including noncitizens, the right to form and join unions. The law holds that the right to strike is a legitimate means for workers to defend their rights and interests, but their right is restricted in practice, including a prohibition on strikes in the oil and gas, education, and health sectors. There are about 50 trade unions in Bahrain. The Shura Council has vetoed a proposed law that would have authorized formation of more than one union per company. All unions must join the General Federation of Bahrain Trade Unions (GFBTU).

Human Trafficking

On human trafficking, the State Department “Trafficking in Persons Report” for 2011, released June 27, 2011, keeps Bahrain’s placement at Tier 2, on the grounds that it is investigating and prosecuting forced prosecution cases and convicted nine trafficking offenders during the reporting period. This is the same ranking Bahrain had following release of the 2010 Trafficking in Persons Report (June 14, 2010), when the “Watch List” designation was dropped. The 2009 report (June 16, 2009) assessed Bahrain as “Tier 2 - Watch List,” with explanatory language similar to that of the 2008 report. That report had elevated Bahrain to Tier 2 Watch List, from the Tier 3 ranking (worst level) of the 2007 report.

Executions and Torture

Another issue that predated the 2011 unrest is that of executions. Human Rights Watch and other groups asserted that Bahrain is going against the international trend to end execution. In November 2009, Bahrain’s Court of Cassation upheld the sentencing to death by firing squad of a citizen of Bangladesh. That sentenced was imposed for a 2005 murder. From 1977 until 2006, there were no executions in Bahrain.

Allegations of torture against Shiite opposition figures are widespread.¹³ Witnesses at the May 13, 2011, hearing of the Tom Lantos Human Rights Commission asserted that torture was being used regularly on those arrested in the post-GCC intervention crackdown.

U.S.-Bahrain Security and Foreign Policy Relations¹⁴

U.S.-Bahrain relations are long-standing, intimate, and mutually reinforcing, raising the stakes for the United States in the unrest that has occurred there during 2011. A U.S. Embassy in Manama, Bahrain's capital, opened in September 1971 in conjunction with Bahrain's independence. At that time, the threat level in the Persian Gulf was perceived as relatively low. Since then, defense issues have become a central feature of U.S.-Bahrain relations. Although Iraq is no longer a strategic threat to the region because it cannot project power outside its borders, Iran's nuclear program is considered a growing threat to the Persian Gulf states, including Bahrain. There is also the issue of terrorism and piracy in the Gulf, as exemplified by a July 28, 2010, explosion on a Japanese oil tanker in that waterway. The explosion is widely suspected to have been a terrorist attack, and a faction linked to Al Qaeda (Abdullah Azzam Brigades) claimed responsibility.

In large part to keep powerful neighbors in check, Bahrain has long linked its security to the United States, and U.S. efforts to address threats in Iraq, Iran, and Afghanistan have benefitted from access to Bahraini facilities. In recognition of the relationship, in March 2002, President Bush (Presidential Determination 2002-10) designated Bahrain a "major non-NATO ally (MNNA)," a designation that facilitates U.S. arms sales.

U.S. Navy Headquarters in Bahrain

The cornerstone of U.S.-Bahrain defense relations is U.S. access to Bahrain's naval facilities. February 2008 marked the 60th 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), as well as the Fifth Fleet (reconstituted in June 1995) are headquartered there, at a sprawling facility called "Naval Support Activity-Bahrain." The facility now covers over 100 acres, and about 2,300 U.S. personnel, mostly Navy, are assigned there.¹⁵ Some smaller U.S. ships (minesweepers) are docked there, but the Fifth Fleet also consists of a Carrier Battle Group, an Amphibious Ready Group, and various other ships that are afloat or which dock elsewhere in the region.

To further develop the naval facility (sometimes referred to as "Bahrain Island"), and other military facilities, the U.S. military is implementing a planned \$580 million military construction program in Bahrain. Construction began in May 2010 to allow larger ships to dock at the naval facility; the project is expected to be completed, in several phases, by 2015. A January 2008 lease agreement between the United States and Bahrain allowed for the expansion by making available the decommissioned Mina (port) Salman. The bulk of the construction program is to expand the naval facility, but \$45 million of the funds is to be used to expand an apron at Shaykh Isa Air

¹³ Human Rights Watch. "Bahrain: Torture Redux." February 2010.

¹⁴ Information in this section obtained from a variety of press reports, and the Defense Security Cooperation Agency (DSCA).

¹⁵ Unclassified information provided to CRS by the Department of Defense. Figures are as of June 30, 2010.

Base and \$19 million is to be used for a Special Operations Forces facility. Recent appropriations and requests to fund the construction include \$54 million for FY2008 (Division 1 of P.L. 110-161); no funds for FY2009; \$41.5 million for FY2010 (P.L. 111-117); \$258 million for FY2011 (Bahrain. P.L. 112-10); and \$100 million requested for FY2012.

Some say that the United States should begin examining alternate facilities in the Gulf region in the expectation that continued Bahraini hosting of the U.S. naval headquarters has become unstable. On July 22, 2011, the U.S. Navy in Bahrain issued a statement refuting a British press report that the Navy is planning to relocate the facility. Should there be a decision to take that step, likely alternatives would include UAE or Qatar, although neither has expressed a position on whether it would be willing to host such an expanded facility.

Defense Pact and Cooperation With U.S. Operations in Iraq and Afghanistan

Bahrain was part of the U.S.-led allied coalition that ousted Iraq from Kuwait in 1991, hosting 17,500 troops and 250 combat aircraft at Shaykh Isa Air Base (mentioned above). Expanding on the agreement under which Bahrain hosted U.S. naval headquarters, Bahrain and the United States signed a 10-year defense pact signed on October 28, 1991, seven months after the ousting of Iraqi troops from Kuwait. The pact was renewed in October 2001, and was presumably to be up for renewal in October 2011. However, press and expert accounts in August 2011 indicate that, a few months after the September 11, 2001, attacks on the United States, the Bush Administration may have extended the pact a further five years, to 2016. The U.S. Defense Department has not publicly confirmed these stories, although one U.S. official, on background, said the pact was previously extended beyond October 2011.¹⁶ The pact not only provides the United States access to Bahrain's air bases and to pre-position strategic materiel (mostly U.S. Air Force munitions), but also requires consultations with Bahrain if its security is threatened, and it expanded exercises and U.S. training of Bahraini forces.¹⁷

Following the liberation of Kuwait in February 1991, there were about 1,300 U.S. military personnel in Bahrain during the 1990s to contain Saddam Hussein's Iraq, and Bahraini pilots flew strikes over Iraq during the war; Iraq fired nine Scud missiles at Bahrain during the war, of which three hit facilities there. Bahrain hosted the regional headquarters for U.N. weapons inspections in Iraq during 1991-1998, and the U.S.-led Multinational Interdiction Force (MIF) that enforced a U.N. embargo on Iraq during 1991-2003. Since the early 1990s, the United States has reportedly stationed two Patriot anti-missile batteries there.¹⁸

Post-September 11 and Post-Saddam Cooperation

The naval headquarters, the U.S. use of which predated the defense pact, has been used to coordinate the operations of over 20 U.S. warships performing support missions for U.S. and

¹⁶ "U.S.-Bahrain Defense Pact Renewed." Agence France Presse, August 5, 2011.

¹⁷ 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.

¹⁸ Walter Pincus. "Bahrain Government's Ties With the United States Run Deep." *Washington Post*, February 22, 2011.

allied naval operations related to the U.S. military operations ongoing in Iraq and Afghanistan. These ships are also part of Combined Task Force (CTF) 151 and 152 that seek to interdict the movement of terrorists, arms, or weapons of mass destruction (WMD)-related technology and narcotics across the Arabian Sea. These task forces also seek to counter piracy in the Arabia Sea. In March 2008, Bahrain took a turn in a rotation to command CTF-152, and it commanded again in December 2010. Bahrain commanded an anti-piracy task force in Gulf/Arabian Sea waters in October 2010. These operations are offshoots of Operation Enduring Freedom (OEF) in Afghanistan, which ousted the Taliban after the September 11 attacks. Bahrain allowed the United States to fly combat missions from its bases (Shaykh Isa Air Base) in both OEF and the war to oust Saddam Hussein in March-April 2003 (Operation Iraqi Freedom, OIF). During both 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. Bahrain hosted about 4,000 U.S. military personnel during major combat of OEF (October 2001-May 2003).

Bahrain and UAE have been the only Gulf states to deploy their own forces to provide aid to Afghanistan. In January 2009, Bahrain sent 100 police officers to Afghanistan on a two-year tour to help U.S./NATO-led stabilization operations there.

Bahrain's participation in OIF came despite domestic opposition in Bahrain to that war. Because of its limited income, Bahrain has not contributed funds to Iraq reconstruction, but it attended the "Expanded Neighbors of Iraq" regional conference process which last met in Kuwait on April 22, 2008. That process was suspended in late 2008 as Iraq stabilized and the United States has begun the process of withdrawal, expected to be complete by the end of 2011. On October 16, 2008, Bahrain's first post-Saddam ambassador to Iraq (Saleh Ali al-Maliki) presented his credentials in Baghdad, in line with King Hamad's pledge to President Bush in March 2008. Some of the other Gulf states, most notably Saudi Arabia, have still not established a full embassy in Iraq, in part due to differences between Saudi Arabia and the Shiite-led government of Prime Minister Nuri al-Maliki.

U.S. Arms Transfers and Military Aid

To assist Bahrain's ability to cooperate with the United States on regional security issues, Congress and successive Administrations, citing Bahrain's limited income, have supported military assistance to Bahrain's small force. The main recipient of such assistance is the relatively small Bahrain Defense Force (BDF), which has about 13,000 personnel (plus about 1,200 National Guard). The BDF and the police are run by Sunni Bahrainis, but are said to supplement their ranks with unknown percentages of paid Sunni Muslim recruits from neighboring countries, including Pakistan, Yemen, Jordan, Iraq, and elsewhere. Until 1998, Bahrain's internal security services were run by a former British colonial police officer, Ian Henderson, who had a reputation among Shiites for using repressive measures. The current director of the internal security service is Shaykh Khalifa bin Abdullah Al Khalifa, considered a hardliner in the royal family.

Bahrain is eligible to receive grant "excess defense articles" (EDA). The United States transferred the FFG-7 "Perry class" frigate *Subha* (see above) as EDA in July 1997. According to the State Department's FY2012 budget request, the U.S. Navy is supporting providing another frigate (an "extended deck frigate") to Bahrain as EDA because the *Subha* is approaching the end of its service life. In 1996, the United States gave Bahrain a no-cost five-year lease on 60 M60A3 tanks; title subsequently passed to Bahrain. Foreign Military Financing (FMF) was suspended for Bahrain in FY1994 but restarted in appreciation of Bahrain's support in OEF and OIF.

Recent FMF (and funds provided under “Section 1206” of the National Defense Authorization Act of 2006, P.L. 109-163), have been provided to help Bahrain maintain U.S.-origin weapons, to enhance inter-operability with U.S. forces, to augment Bahrain’s air defenses, to support and upgrade the avionics of its F-16 fleet, and to improve counter-terrorism capabilities. As an example, the United States has supplied Bahrain with a coastal radar system that reportedly provides Bahrain and the U.S. Navy a 360-degree field of vision around Bahrain.¹⁹ Some funds have been used to build up Bahrain’s Special Operations forces. The Defense Department estimates that, in part due to U.S. assistance, as of FY2008, about 45% of Bahrain’s forces are fully capable of integrating into a U.S.-led coalition.

As noted in **Table 3**, small amounts of International Military Education and Training funds (IMET) are provided to Bahrain to inculcate principles of civilian control of the military, democracy, and interoperability with U.S. forces. During FY2010, 26 Bahraini students attended U.S. military schools.

Purchases With National Funds

Despite its limited funds (Bahrain’s total government budget was about \$6 billion in 2009), Bahrain has purchased some U.S. systems. In 1998, Bahrain purchased 10 U.S.-made F-16Cs from new production, worth about \$390 million. In 1999, the United States sold Bahrain 26 Advanced Medium-Range Air-to-Air Missiles (AMRAAM) to arm the F-16s, although some Members were concerned that the AMRAAM sale could 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, and the United States has sold Bahrain about 70 Stingers since 1990. (This authorization has been repeated in subsequent legislation.) To allay congressional concerns about possible U.S. promotion of missile proliferation in the region, an August 2000 sale of 30 Army Tactical Missile Systems (ATACMs, a system of short-range ballistic missiles fired from a multiple rocket launcher) included an agreement for joint U.S.-Bahraini control of the weapon. (A notification of a possible sale to Bahrain of 30 ATACM missiles and associated equipment, valued at about \$70 million, was sent to Congress on November 4, 2010. Lockheed Martin is the prime contractor for the missiles.)

Among recent sales notified to Congress by the Defense Security Cooperation Agency (DSCA) are: 180 “Javelin” anti-armor missiles and 60 launch units, worth up to \$42 million; nine UH-60M Blackhawk helicopters worth up to \$252 million; six Bell search and recovery helicopters, valued at about \$160 million, notified August 3, 2007; up to 25 AMRAAMs (Raytheon Missile Systems Corp.) and associated equipment, valued at about \$74 million, notified on July 28, 2009.

September 2011 Humvee and TOW Sale. One sale, notified on September 14, 2011, is increasingly controversial because it was announced seven months after the unrest began, and has been agreed to despite U.S. criticism of Bahrain’s crackdown. It is for a proposed sale of 44 “Humvee” armored vehicles and several hundred TOW missiles (of which 50 are to be “bunker busters”), along with associated equipment and support, worth an estimated \$53 million. Although not considered large in dollar terms, or of particularly sophisticated equipment, the sale has incurred opposition from several human rights groups who assert that the sale represents U.S. downplaying of the abuses committed by the Bahraini government in the course of the unrest.

¹⁹ “Bahrain Government’s Ties With the United States Run Deep.” Op. cit.

Human rights groups and Bahraini opposition figures say the regime could use the Humvees, in particular, in their efforts to crack down on protests. State Department officials said the sale would not violate the intent of the “Leahy amendment”—a provision of foreign aid and defense appropriations laws that forbids U.S. sales of equipment to security units that have committed human rights abuses.²⁰ The notification came several months after U.S. arms sales policy to Gulf allies and other Middle Eastern countries was reportedly placed under review in light of regional unrest that began in early 2011, including in Bahrain. Press reports say some in Congress are circulating draft resolutions to try to block the sale. To block a proposed arms sale would require passage of a joint resolution to do so, and with a veto-proof majority, because President Obama could veto a joint resolution of disapproval in order to complete the sale.

Some of the most recent sales are in accordance with the State Department’s “Gulf Security Dialogue,” begun in 2006 to counter Iran, and under which a total of about \$20 billion worth of U.S. weapons might be sold to the Gulf monarchy states. Only a small portion of that total sales volume is reportedly slated for Bahrain.

Anti-Terrorism Cooperation

Bahrain’s cooperation in post-September 11 regional security operations was discussed above. As far as terrorists operating inside Bahrain itself, the State Department’s report on international terrorism for 2010 (released August 18, 2011) again credits Bahrain for having “worked to actively counter terrorist finance,” as well as for enhanced border control capabilities, for a realignment of institutional responsibilities that resulted in greater capacity and interagency cooperation, and for successfully prosecuting a number of cases under its 2006 counterterrorism law. The report for 2010 dropped the criticism of the previous year’s report that Bahrain had not overcome legal constraints that have sometimes hampered its ability to detain and prosecute suspected terrorists.

Bahrain also continues to host the Middle East and North Africa Financial Action Task Force (MENA/FATF) secretariat and its Central Bank, Financial Information Unit (within the Central Bank), and local banks cooperate with U.S. efforts against terrorism financing and money laundering. As noted by the State Department in the FY2012 budget justification, some of the U.S. assistance to Bahrain (NADR funds) are used to provide training to its counter-terrorism institutions and to augment the ability of Bahraini forces to protect U.S. diplomatic and military facilities in Bahrain. The Bahraini Ministry of Interior is the lead agency that receives this support and, according to the FY2012 budget justification, the Administration is “reviewing” the use of this aid to ensure that none was used “against protestors” in the 2011 unrest.

Relations with and Cooperation Against Iran

As noted previously, Bahrain focuses its foreign policy intently on Iran, which has purportedly demonstrated an ability to influence Bahrain’s domestic security to a greater degree than has any other regional power. Bahrain perceives Iran as willing and able to support Shiite groups against Bahrain’s Sunni-dominated government. In December 1981, and then again in June 1996—a time when Iran was actively seeking to export its Islamic revolution—Bahrain publicly accused Iran of

²⁰ James Lobe. “Bahrain: U.S. Congress Urged to Reject Arms Sales.” IPS News Service, September 29, 2011.

trying to organize a coup by pro-Iranian Bahraini Shiites (the Islamic Front for the Liberation of Bahrain, IFLB).

The issue of alleged Iranian involvement in the 2011 unrest has risen to the surface of the debate in Bahrain and the United States. Ambassador Krajewski (see above) testified on September 21 that the United States “saw no evidence of Iranian instigation” of the unrest, but that the United States is concerned “about Iranian exploitation” of it. U.S. officials reportedly believe that Iran has urged hardline Bahraini Shiite factions not to compromise.²¹ On April 14, 2011, U.S. officials, speaking on background, told journalists that Tehran is debating how much aid, if any, to provide to Bahrain’s opposition, and that there was some information to indicate that Iran might have transferred small amounts of weapons to Bahraini oppositionists.²²

Bahraini leaders have issued far stronger allegations. On March 21, 2011, King Hamad indirectly accused Iran of involvement in the unrest by saying a “foreign plot” had been foiled by the GCC assistance and on April 17, 2011, the Bahraini government sent a letter to U.N. Secretary-General Ban Ki Moon formally alleging that the pro-Iranian Shiite faction Hezbollah is seeking to destabilize Bahrain with “logistical help” from unnamed countries (but clearly referring to Iran). The two countries withdrew their ambassadors in mid-March 2011. In an event that gave the Bahraini government some justification for its criticism, on May 16, 2011, Iranian warships began an effort to transport 150 pro-Bahrain opposition Iranian Shiites to Bahrain, but turned back the following day for fear of provoking a clash with GCC ships. This event came two days after Iran’s Foreign Minister praised a speech by King Hamad that appeared intended to lower tensions with Iran by “offering friendship” to Tehran. The foreign ministers of the two countries held talks on September 27, 2011, at the sidelines of the U.N. General Assembly meetings in New York.

Well before the 2011 unrest, Bahrain’s fears about Iran had been infused by lingering suspicions, sometimes fed by Iranian actions, that Iran never accepted the results of the 1970 U.N. survey giving Bahrain independence rather than integration with Iran. Those findings were endorsed by U.N. Security Council Resolution 278, which was ratified by Iran’s parliament. After these official determinations, Bahrain had considered the issue closed, after over a century of Persian contestation of Bahraini sovereignty. Those contests included an effort by Reza Shah Pahlavi of Iran in the 1930s to deny Bahrain the right to grant oil concessions to the United States and Britain.

In recent years, Bahrain’s leadership—and other countries in the region—have reacted strongly against statements by Iranian editorialists and advisers to Iranian leaders appearing to reassert Iran’s claim. One such example was a July 2007 Iranian newspaper article reasserting the Iranian claim to Bahrain. However, that article, along with the Bahraini Crown Prince’s November 3, 2007, comment that Iran is developing a nuclear weapon (Iran claims it is developing only civilian nuclear power), did not mar the visit of Iranian President Ahmadinejad on November 17, 2007. In March 2009 by former Iranian parliament speaker Ali Akbar Nateq Nuri, now an advisor to Iran’s Supreme Leader, again referring to Bahrain as Iran’s 14th province. Iran’s Foreign Ministry immediately tried to limit any diplomatic damage by asserting respect for Bahrain’s

²¹ <http://www.stripes.com/gates-protracted-bahrain-negotiations-allowing-greater-iran-influence-1.137532>.

²² Adam Entous and Matthew Rosenberg. “U.S. Says Iran Helps Crackdown in Syria.” *Wall Street Journal*, April 14, 2011.

sovereignty and independence, but some Arab governments sharply criticized the Nateq Nuri comments. Morocco broke relations with Iran as a response.

In connection with its own concerns about Iran, Bahrain has supported the U.S. position that Iran is not fully cooperating with U.N. Security Council requirements to verifiably demonstrate that its nuclear program is not a cover for a nuclear weapons program. In the joint news conference with Secretary Clinton on December 3, 2010, referenced earlier, the foreign minister restated Bahrain's support for Iran's right to nuclear power for peaceful uses. However, it stated forthright that "when it comes to taking that [nuclear] power, to developing it into a cycle for weapon grade, that is something that we can never accept, and we can never live with in this region."²³

At the same time, so as not to provide Iran a pretext to pressure Bahrain, Bahrain's leaders have sometimes tried to silence voices in Bahrain that publicly attack Iran. An example is the one-day suspension in 2009 of the newspaper *Akhbar al Khaleej* (*Gulf News*) for running an editorial by a Bahrain Shura Council member who criticized Iranian leaders. Bahrain regularly supports the invitation of high-ranking Iranian officials to the annual International Institute for Security Studies (IISS) conference in Bahrain called the "Manama Dialogue," held every December. At times, there have been expectations that U.S. officials might meet with Iranian officials at the margins of the conference, although such meetings have not taken place in practice. Iranian officials have sometimes been known to cancel their travel to the meeting on short notice, particularly if they sense that the conference will feature U.S. or other criticism of Iran.

Bahrain-Iran Gas Development Deal and Other Economic Ties

Another way in which Bahrain stays engaged with Iran is through discussions of major energy projects with Iran and by conducting normal trade and banking ties with it. The 2007 Ahmadinejad visit resulted in a preliminary agreement for Bahrain to buy 1.2 billion cubic feet per day (for 25 years) of Iranian gas via an undersea pipeline to be built. The deal would have involved a \$4 billion investment by Bahrain to develop Phases 15 and 16 of Iran's South Pars gas field, which presumably would be the source of the gas that Bahrain would import. The March 2009 comments of Nateq Nuri, discussed above, led to the suspension of this deal. On October 21, 2009, Bahrain's Minister of Oil and Gas Abd al-Husayn Mirza said talks on the deal would "resume soon." There is a widespread assumption that the 2011 unrest has clouded the prospects for the deal, but Bahraini officials said in June 2011 that it has not been cancelled outright.

There are no indications that Iran-Bahrain commerce has been affected by the 2011 unrest. Energy market observers say that Bahrain energy firms are still supplying gasoline to Iran. No U.N. Security Council Resolution bars such sales, but a U.S. law signed on July 1, 2010—the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195)—provides for sanctions against foreign firms that sell more than \$1 million worth of gasoline to Iran. Some energy firms in the Gulf, including in Kuwait, reportedly have become reticent to continue supplying gasoline to Iran because of the U.S. action, but Bahrain is not known to have publicly disavowed further gasoline sales to Iran.²⁴

²³ Department of State. Transcript of Remarks by Secretary Clinton and Foreign Minister Al Khalifa. December 3, 2010.

²⁴ CRS conversations with foreign diplomats, including some from the Gulf. July–September 2010.

In March 2008, the U.S. Department of Justice sanctioned Future Bank, headquartered in Bahrain, because it is controlled and partially owned by Iran's Bank Melli. The sanctions, under Executive Order 13382 (anti-proliferation), prevent U.S. citizens from participating in transactions with Future Bank and require the freezing of any U.S.-based bank assets. The Bank remains in operation.

Other Foreign Policy Issues

Bahrain has close relations with the other GCC states, in particular Saudi Arabia, as evidenced by its turn to Saudi Arabia to help it deal with the 2011 unrest. Virtually all the GCC states have political structures similar to that of Bahrain, and several have substantial Shiite minorities (although not majorities, as Bahrain does). Saudi Arabia's Shiites (about 10% of the population) are located mostly in the eastern provinces, across a causeway constructed in 1986 that connects the two countries. This linkage partly explains Saudi concerns about the unrest shaking the royal family in Bahrain. Because of historic property and other ties between their two royal families Kuwait was briefly touted as a potential mediator in the Bahraini political crisis. Kuwaiti Shiites in Kuwait's parliament have argued against Kuwait's siding firmly with the Al Khalifa regime. However, the Kuwaiti government has, as noted, at least symbolically joined the GCC military deployments to Bahrain on the side of the government. Kuwait's Prime Minister visited Bahrain on July 5, 2011. Unlike Qatar and UAE, Bahrain did not play a significant role in assisting the Libyan opposition to the rule of Colonel Muammar Al Qadhafi.

Qatar Territorial Disputes²⁵

The United States cooperates closely with both Qatar and Bahrain, which is why the Bahrain-Qatar territorial dispute was closely watched by U.S. policymakers. The resolution of the dispute has partly removed these tensions as an issue for U.S. Gulf policy. Qatar, like Bahrain, is a GCC monarchy; however, their relations have been sometimes acrimonious because of territorial disputes with roots in the 18th century, when the ruling families of both countries controlled parts of the Arabian peninsula. Qatar-Bahrain relations have improved since an International Court of Justice ruled on March 16, 2001, on the disputes. The ICJ ruled in favor of Qatar on some of the issues, and in favor of Bahrain on others, but the central dispute—over the Hawar Islands—was decided in favor of Bahrain. Qatar expressed disappointment over the ruling but said it accepted it as binding, and the two have since muted mutual criticism and cooperated on major regional issues. The territorial disputes were referred to the ICJ by Qatar in 1991 after clashes in 1986 in which Qatar landed military personnel on a man-made reef (Fasht al-Dibal) that was in dispute, and took some Bahrainis prisoner. Saudi mediation in the 1986-1991 period proved fruitless. That reef was awarded to Qatar in the ICJ ruling. However, the ICJ ruled against Bahrain's claim to the town of Zubara on the Qatari mainland, where some members of the Al Khalifa family were long buried. Two smaller islands, Janan and Hadd Janan, were ruled not part of the Hawar Islands group and were awarded to Qatar.

²⁵ See The Estimate. Dossier: The Bahrain-Qatar Border Dispute: The World Court Decision, Part 1 and Part 2. March 23, 2001, and April 6, 2001.

Arab-Israeli Issues

On the Arab-Israeli dispute, Bahrain has not been as significant a mediator or broker as have its larger neighbors in the Gulf or broader Middle East. Bahrain has not taken a leading role in recent efforts to reconcile Hamas and Fatah to rebuild Palestinian unity, for example. On the other hand, Bahrain is not inactive on the issue: On July 16, 2009, Crown Prince Salman authored an op-ed calling on the Arab states to do more to communicate directly with the Israeli people on their ideas for peaceful resolution of the dispute.²⁶ Following on that idea, on October 1, 2009, the foreign minister called for direct talks with Israel. In the previously cited December 3, 2010, joint press conference with the foreign minister, Secretary of State Clinton expressed appreciation for Bahrain's support of Palestinian Authority leaders who are trying to build viable institutions and rule of law in the Palestinian territories. However, like most Arab states, Bahrain is supporting the efforts of Palestinian Authority President Mahmoud Abbas to obtain U.N. recognition for a State of Palestine, despite U.S. opposition to granting such recognition without an overall Palestinian peace settlement with Israel.

Earlier, Bahrain participated in the 1990-1996 multilateral Arab-Israeli talks, and it hosted a session on the environment (October 1994). Bahrain did not follow Oman and Qatar in exchanging trade offices with Israel. In September 1994, all GCC states ceased enforcing secondary and tertiary boycotts of Israel while retaining the ban on direct trade (primary boycott). In conjunction with the U.S.-Bahrain FTA, Bahrain dropped the primary boycott and closed boycott-related offices in Bahrain.

Still, the Arab-Israeli dispute always has the potential to become a political issue within Bahrain. Islamist hard-liners in Bahrain have accused the government of trying to "normalize" relations with Israel, citing the government's sending a delegate to the November 27, 2007, summit on Middle East peace in Annapolis, the foreign minister's meeting with Israeli officials at U.N. meetings in September 2007, and its October 2009 proposal of a "regional organization" that would group Iran, Turkey, Israel, and the Arab states. That proposal has not been implemented to date. In late October 2009, the elected COR passed a bill making it a crime (punishable by up to five years in jail) for Bahrainis to travel to Israel or hold talks with Israelis. The bill, which has not proceeded to become law (concurrence by the upper house, and acceptance by the King), apparently was a reaction to a visit by Bahraini officials to Israel in July 2009. The visit was to obtain the release of five Bahrainis taken prisoner by Israel when it seized a ship bound with goods for Gaza, which is controlled by Hamas. In June 2010, Sunni and Shiite Islamists in Bahrain held a demonstration to denounce the Israeli seizure of a ship in a flotilla intended to run the Israeli blockade of the Hamas-run Gaza Strip.

Economic Issues

Like the other Gulf states, Bahrain was affected by the international financial crisis of 2008-2009, but perhaps to a lesser extent than the wealthier states of Kuwait, UAE, and Saudi Arabia. Bahrain did not experience the construction and real estate "bubble" to the degree that this occurred in, for example, UAE. It is also apparently being affected by the 2011 unrest; in May 2011 Moody's, a bond rating agency, downgraded the quality of Bahrain's bonds, thereby costing the government more to borrow funds. Bahrain had been hoping the unrest would not force

²⁶ "Arabs Need to Talk to the Israelis." *The Washington Post*. July 16, 2009.

cancellation of a high-profile, funds-generating Formula One auto race in October 2011, but race organizers decided not to hold the event from Bahrain.

Bahrain has little cushion to deal with economic downturns. It has the lowest oil and gas reserves of the Gulf monarchy states, estimated respectively at 210 million barrels of oil and 5.3 trillion cubic feet of gas. Some economic statistics are presented in **Table 2**. Without the ample oil or gas resources of its neighbors, Bahrain has diversified its economy by emphasizing banking and financial services (about 25.5% of GDP). At current rates of production (35,000 barrels per day of crude oil), Bahrain's onshore oil reserves will be exhausted in 15 years, but Saudi Arabia shares equally with Bahrain the 300,000 barrels per day produced from the offshore Abu Safa field. The United States buys virtually no oil from Bahrain; the major U.S. import from it is aluminum. Aluminum and other manufacturing sectors in Bahrain account for the existence in Bahrain of a vibrant middle and working class among its citizens. However, these classes are largely composed of Shiites, and this has made many Shiites envious of the "ownership class" of Sunni Muslims. On the other hand, many Shiites own businesses and have done well economically.

To encourage reform and signal U.S. appreciation, the United States and Bahrain signed an FTA on September 14, 2004. Implementing legislation was signed January 11, 2006 (P.L. 109-169). However, in light of the unrest, the AFL-CIO has urged the United States to void the FTA on the grounds that Bahrain is preventing free association of workers and abridging their rights.

In 2010, the United States exported \$1.25 billion worth of goods to Bahrain, and imported \$420 million in goods from that country. In 2005, total bilateral trade was about \$780 million, suggesting that trade has expanded significantly following the FTA.

Table 2. Some Basic Facts About Bahrain

Population	About 740,000, of which 503,000 are citizens
Religions	81% Muslim, 9% Christian, 10% other
GDP (purchasing power parity)	\$28 billion (2009)
Budget	\$5.81 billion revenues, \$5.86 billion expenditures (2009)
External Debt	\$11 billion (2009)
Inflation Rate	3% (2009)
GDP Real Growth Rate	2.9% in 2009, down from over 6% in 2008
Size of Bahrain Defense Forces (BDF)	About 13,000, plus about 1,200 National Guard. Some personnel are expatriates, including other Arab and Pakistani.

Source: CIA, *The World Factbook*.

Table 3. U.S. Assistance to Bahrain

(\$ in millions)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY2010	FY2011	FY2012 request
FMF	90.0	24.6	18.847	15.593	14.998	3.968	8.0	19.0	15.46	25.0
IMET	0.448	0.600	0.649	0.651	0.616	0.622	.661	.670	.700	.700
NADR			1.489	2.761	.776	0.744	.500	1.10	1.5	.500
“Section 1206”				5.3	24.54	4.3	16.2			

Notes: IMET = International Military Education and Training Funds, used mainly to enhance BDF military professionalism and promote U.S. values. NADR = Non-Proliferation, Anti-Terrorism, De-Mining and Related Programs, used to sustain Bahrain’s counterterrorism capabilities and interdict terrorists. Section 1206 are DOD funds used to train and equip Bahrain’s special forces, its coastal surveillance and patrol capabilities, and to develop its counter terrorism assessment capabilities. (Named for a section of the FY2006 Defense Authorization Act, P.L. 109-163.) FY2008 funds derived from FY2008 supplemental (P.L. 110-252), and the Consolidated appropriation (P.L. 110-329). FY2009 funds included funding from FY2008 supplemental (P.L. 110-252) as well as regular appropriation (P.L. 111-8). FY2010 funds are from Consolidated Appropriation (P.L. 111-117). FY2011 funds are appropriated by P.L. 112-10, Continuing Appropriations for FY2011.

Figure I. Bahrain



Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/ba.html>.

Author Contact Information

Kenneth Katzman
Specialist in Middle Eastern Affairs
kkatzman@crs.loc.gov, 7-7612