Executive Summary

Bahrain: Beyond the Impasse

Jane Kinninmont

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The political stalemate that has followed the 2011 uprising in Bahrain has generated tensions far beyond the tiny island kingdom, contributing to a growing sectarianization of politics in the wider region, and testing the ability of Western countries to define new policies towards the Middle East in response to the seismic and unpredicted changes of 2011. In the absence of any serious process of political reform, the situation in Bahrain is increasingly fragmented and violence is gradually escalating – raising the spectre of civil conflict that could draw other regional actors into a strategic financial and military hub.

From being a country buffeted by sectarian tensions from elsewhere, Bahrain has begun to export them. Sunni–Shia tensions and mistrust have increased in Saudi Arabia, Kuwait and the UAE since February 2011. The situation offers a stark warning about the problems that could arise in other Gulf states if the transition to a post-rentier economy is not well managed; Bahrain’s sectarian problems partly reflect efforts to concentrate the state’s limited wealth in the hands of a (largely Sunni) few.

Bahrain faces a long-running local dispute about the sharing of power and wealth, currently heavily concentrated in the hands of core members of the ruling family and their allies. This is not an exclusively ‘Sunni elite’: although the ruling Al Khalifa family is Sunni, its allies include prominent tribal and merchant families from Sunni and Shia, Arab and Persian communities. However, politics have become increasingly polarized along sectarian lines.

In a worst-case scenario, the country could become an arena for proxy conflict between Saudi Arabia, which is allied with the ruling family and provides most of the government's income, and Iran, which has an interest both in defending a 'Shia cause', popular with its domestic public, and in criticizing its traditional rivals, the Gulf monarchies. Saudi officials have accused Iran of fomenting the unrest in Bahrain, while Iran’s state-run media have accused Saudi Arabia of trying to annex its much smaller neighbour through the much-discussed ‘union’ proposal. In a sign of the intensifying tensions, in May 2012 an Iranian newspaper seen as close to the country's top cleric revived an old Iranian territorial claim to Bahrain.

The recent intensification of Bahrain’s economic and political dependence on Saudi Arabia has bolstered the most conservative elements of the Al Khalifa family against the relative reformists. The other GCC states – which all have different approaches to political representation and to relations between different religious groups – can also play an important role in encouraging the ruling family to focus not only on a narrow and often blunt approach to security, but on the economic and political development it needs to ensure stability.

The uprising of 2011 has redrawn the political map in Bahrain, shifting the relationships within the government, the ruling family, the traditional opposition and newly emerging political groupings. All groups were taken by surprise by the scale of the 2011 protests, and have lacked long-term strategies to respond to them. No single group is now in control of the situation, which is unlikely to be resolved by an agreement between only a few established political figures.

Since the report of the royally established Bahrain Independent Commission of Inquiry (the ‘Bassiouni report’) in November 2011, the government has taken some steps to address human rights abuses and to create new mechanisms for oversight of the security services. However, in a political system dominated by ruling-family members rather than by independent institutions, the effect of these potentially important mechanisms will depend on political will. So far the indications are negative.

Reforms and accountability would be in the national interest and would help to promote the rule of law and improvements in public order called for by the supporters of the government. Their absence
reflects the narrow interests of a few members of the royal family who have been at the centre of decision-making since mid-2010. Power within the ruling family remains firmly with those who presided over the crackdown in 2011. They have few incentives to develop effective mechanisms for accountability and justice, as these could threaten their own positions.

Most Bahraini Shia do not adhere to the Iranian political-religious doctrine of wilayet-e-faqih (rule of the jurists), but fear of Iranian interference is a major complicating factor. The government has been unable to substantiate claims of an Iranian coup plot, but this narrative is widely accepted among Bahrain's Sunni population, mindful of Iran's machinations in Iraq and Lebanon. Efforts by the authorities to portray even the most mainstream and conciliatory Shia opposition leaders as traitors and foreign agents have helped to weaken Sunni support for the uprising, but have badly damaged social cohesion. A better defence against Iranian interference would be to ensure that Shia Bahrainis are equal citizens with equal political representation, job opportunities and a stake in the nation-state.

The problems in Bahrain can be solved if there is the political will to compromise, reform and share power within the existing state, which is one of the oldest in the Arab world, rather than relying on external support. There is still scope to find common ground between the different elements of Bahraini society in support of a constitutional monarchy, based on equal citizenship and a revitalized social contract. Conversely, options based on sect-based power-sharing, or well-meaning suggestions that the issues could be fixed by appointing a few more unelected Shia to positions of power, are likely to be counterproductive – entrenching the importance of sectarian affiliation, casting religious groups as rivals for power, and failing to respond to genuine demands for institutional reform.

There is not going to be a political consensus in Bahrain any time soon. But that makes it all the more urgent for a process of political negotiation and reform to begin, so that there is a way forward for resolving political conflict without violence. The current political fragmentation creates uncertainty and weakens the ability of leaders to negotiate. But it also raises the possibility that surprising coalitions of interests may emerge in negotiations that deal with specific issues rather than focusing on identity politics.

Elements of a successful political solution

- Ensure that nationals have a stake in the country’s political and economic system, regardless of their political views or religious identity;
- Focus on common interests and building a middle ground, rather than taking actions that push actors towards the extremes;
- Involve genuine power-sharing in response to the clearly expressed demands of much of the population for greater political representation (all the more so since the 2011 crackdown has damaged the legitimacy of the government in the eyes of many);
- Address socio-economic issues such as land reclamation, corruption, naturalization and labour-market discrimination in conjunction with political issues;
- Take account of the genuine fears of a large part of the population – both the anti-uprising factions and some independents – that democratization would empower theocrats or result in the ‘tyranny of the majority’;
- Obtain support from the country’s GCC neighbours, possibly through a conference or dialogue process that involves advice from GCC diplomats and politicians as well as Bahrain's own factions, but emphasize Bahrain's distinct national identity and ability to reach its own political settlement.

Socio-economic grievances around unemployment, housing shortage, perceptions of economic discrimination and of corruption will need to be addressed as part of a political solution, though not as a substitute for it. A long-term vision for the country’s future will need to address the changing economic role of the state as well as the evolving political demands of citizens; the long-term decline of oil production may help to bring about political reform, but responsible opposition groups will also need to manage their supporters' economic expectations.
The repression in Bahrain, a Western ally, complicates and hinders efforts of the US and UK to sketch out a new policy towards a Middle East where demands for democracy have become increasingly vocal. Both governments face increasing criticism from both the Bahraini opposition, who see them as complicit in the crackdown, and from parts of the Bahraini establishment, where there have been allegations that the US plotted with Iran to organize the protests. The UK alliance with the Al Khalifa also draws criticism at home, as indicated by the furore over the 2012 Formula One. Allies of the Al Khalifa want the Bahraini monarchy to be sustainable and accepted. They should help to persuade the ruling family that one of the biggest risks it faces is its own reluctance to reform.