The government dissolved the elected national assembly and suspended vital articles of the constitution indefinitely on August 26th 1975. Since then, no elections have been held and the country is ruled by Amiri orders and decrees. A series of laws and codes was enacted to restrict further the freedoms and rights stipulated in the constitution. Political organisations are strictly prohibited and NGOs, societies and clubs, are greatly restricted. A limited workers organisation, which falls short of a union, is ruled by the ministry of interior. The state intelligence department interferes in all aspects of individual and group life. The people have no voice in formulating, planning and executing social development.

Bahrain follows the model of liberal capitalism. It boasts of ranking third in the economic freedom worldwide, but this has not contributed to the prosperity of the people. The drop in the standard of living, social injustice and the widening gap between the poor majority and rich minority, have contributed—and along with the absence of democracy—to the unstable situation in Bahrain especially since 1994. The years 1994 to 1998 were the most turbulent in the recent history of the country. The mass movement for the restoration of democracy was strongly repressed, resulting in many lost lives and harsh suffering of thousands of people and their families who were imprisoned, exiled or wounded. This turmoil deterred badly needed regional and international investment. Dubai took over from Bahrain in the United Arab Emirates (UAE) the role of centre of services and finance for the Gulf.
of the work force).1 Government programmes for supporting small projects including the traditional crafts absorbed some local workers.

The state cherishes the Bedouin (desert) culture to which the ruling clan belongs, and does not value the civil culture of the people. This undermines civil society and does not contribute to the development process. As a result of political repression, discrimination, marginalisation and unemployment, many qualified Bahrainis have migrated to other Gulf states. Hundreds are banished, forced into exile or not allowed to return home. At the same time, the government recruits foreign experts at high costs. The new Amir recognised the exile problem but little has been done about it. Among more than 600 exiled, only 32 were allowed back, and these are still harassed and unemployed. The same is true of hundreds of political prisoners and thousands of ex–political prisoners and defendants. The problem could be solved by a true comprehensive amnesty and atmosphere of national conciliation. This policy of repression aborts efforts to combat poverty and achieve full employment and social integration.

POVERTY AND EMPLOYMENT

The open door policy for Asian workers (66% of the work force) meant increasing unemployment among citizens (34% of the work force) in 1998.2 Especially affected were the Shea, who are denied employment in some government sectors (defence and security) and restricted in others such as communication, customs and media. To compete with the cheap labour of Asian workers, the local people have to accept below subsistence wages. There is no legal minimum wage. Business monopolies, especially those held by the ruling Al–Khalifa clan, have pushed average prices of commodities and costs of services above the Gulf average. Large–scale land acquisitions by members of the ruling family have denied ordinary people access to free or low–cost building lots, raising housing costs.

These and other factors have increased the absolute number and percentage of impoverished people. The average per capita income dropped from USD 7,254 in 1993 to around USD 6,666 in 1995. The gap between the privileged 10% and the under–privileged 90% has also increased, with the majority of local waged employees earning around 150 Bahrain dinar (USD 390).3 An important indicator of poverty is the growing number of families who receive assistance: 10,000 from the ministry of labour and social affairs; and 17,000 from benevolent societies and funds. Others receive assistance from religious institutions.4

Government policies have increased unemployment to numbers unprecedented in the modern history of Bahrain. Unemployment rose from 10% in 1995 to 15% in 1999. The ministry of labour has misled the public on the gravity of the situation, with the government saying unemployment is at 3%. Bahraini know this to be wrong and foreign experts have challenged the minister openly on this in seminars. The much publicised «Bahrainisation» policy proved to be futile, mainly because members of the Al–Khalifa ruling family and other influential persons and top officials are granted free visas to import cheap labour in return for fees and dump it in the market. This diminishes job opportunities and pushes down wages for local people.

Privatisation of whole or semi public companies has resulted in mass layoffs. The privatisation of the aluminium smelter Balexco resulted in the layoff of about 90 skilled workers, but the scandal was the illegal recruitment of another 50 unskilled workers. The privatisation of maintenance at Gulf Air (jointly owned by the Gulf governments) led to layoff of about 130 skilled engineers and technicians. In both cases legal proceedings were aborted. The government is planning to privatise the electricity and communication sectors without minimum guarantees for employees and consumers. In the absence of democratic structures, workers unions, and consumers leagues, the impact of privatisation is catastrophic. Further liberalisation granting foreign lawyers, engineers and physicians to practice their professions in Bahrain will result in more unemployment, poverty and social disintegration.

SOCIAL INTEGRATION AND EQUITY

The Bahraini society is traditionally tolerant and integrated, with Muslim religious sects (Shea and Sunna) and ethnic groups (mostly Arabs with an Iranian minority). But the official sectarian policy creates dissent to weaken the popular pro–democracy opposition. Disregard for human rights has been documented by the UN. Favouritism of loyal clans and individuals is the other facet of discrimination against the majority Shea and political opposition. The Al–Khalifa ruling clan holds seven cabinet posts and the post of prime minister (out of 15 total), and controls other vital posts and almost all military officers. There is no participation of people in administering their affairs. In 1992, the government installed an appointed consultative body (Al–Shura Assembly) that is the only venue of alleged participation. Dissolution of institutions or their elected bodies, as happened with the Lawyers Society in February 1998, is customary. There is spontaneous solidarity among people in the face of these great political, social and economic hardships.

There is complete disregard for human dignity under the authoritarian rule. The human rights crises is well documented by the UN and other international human rights organisations. From

3 Social Security Fund. Information released to the local press.
1995 to 1999, police bullets extra-judicially killed 30 people, including women. Hundreds were tortured and thousands suffered in detention and prisons during the pro-democracy movement. Women were denied the right to vote and run for office in the short-lived national assembly. A major demand of the pro-democracy movement is to secure equal political rights for women. No women serves in the cabinet or the Al-shura Assembly. There is only one female ambassador and vice minister, but they were picked from among the Al-Khalifa clan for propaganda purposes after the neighbouring Qatar allowed women to participate in municipal elections. Participation by women in the civil sphere is curtailed by official restrictions on civil society. Women's participation in the economic and cultural spheres is curtailed by both state and society.

**HEALTH, EDUCATION AND RESOURCES**

Basic education and medical services are good, but in the last five years there are alarming signs. Due to increasing defence and security expenditures, which take priority over social expenditures, new challenges in basic education and healthcare are not being met. Hundreds of qualified Bahrain teachers and physicians are unemployed, while pressure grows on the working physicians. Students involved in the opposition who were arrested are usually expelled from their educational institutions.

In absolute terms, government spending on social development has increased, but in relative terms compared with other sectors it has decreased. The defence and security sector absorb 42% of the budget, although Bahrain faces no external or internal threats. The current political crisis can only be solved politically. There are increased resources for training, but the process of the programmes is tarnished by embezzlement and corruption. There is no bank or fund that finances small projects especially for youth and women. Foreign assistance is mishandled, eg when Shaik Zayed Al-Nhian, President of UAE, contributed a housing project for needy citizens, the project was taken over by the ministry of defence and the houses were given to foreigners recruited for the armed forces.

**INTERNATIONAL COOPERATION**

Bahrain is a member of the Gulf Cooperation Council (GCC – first domain), which is a member of The Arab League (second domain), which in turn is a member of the United Nations (third domain). There is much criticism that cooperation with the GCC concentrates on security affairs and opposes popular aspirations. GCC is not an elected body, so it is not accountable to the people. Fruitful cooperation for the benefit of the Arab people is limited within the Arab League. Although Bahrain belongs to G–77, its policy in the international arena is highly influenced by US, with whom it has a strategic alliance. This was clearly manifested when Bahrain was a member of the Security Council 1998-1999. Bahrain supported the blockade against Iraq and furnished a base for UNISCOM. It will continue to furnish the base for the up-coming inspection teams. As a current member of ECOSOC, it opposes the effective participation of independent Bahraini NGOs, such as our committee, in UN forums. The State of Bahrain was condemned by the the Sub-commission for the Promotion and Protection of Human Rights at its 49th session in 1997, for its flagrant, wide-scale and systematic abuses of human rights, denial of democracy and sectarian discrimination. The government did not draw the right conclusions from this condemnation. Instead, it used its membership in UN bodies and other international agencies to cover up its defects and launch propaganda for itself.

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5 Debate with Dr. Faisal Al-Mowsawi, Minister of Health, at the Graduates Club, 1999.