

Title: The end of the beginning as Bahrain goes to the polls. (Cover Story Bahrain).

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Later this month, Bahrain will enter a new era with its first parliamentary elections since 1973. Edmund O'Sullivan and Tom Everett-Heath examine the prospects for the island kingdom and interview Bahrain's Crown Prince Shaikh Salman bin Hamad al-Khalifa

At dawn on 24 October, for the first time in a generation, the polling booths will open in Bahrain for parliamentary elections. When they close, the Gulf's first constitutional monarchy will have become a practical reality. It may have taken longer than some might have hoped, but the political reforms are irrevocable. Says Crown Prince Salman bin Hamad al-Khalifa: "The parliamentary initiative has already succeeded. It is an irreversible process."

It is one that will shape Bahrain's future and will be closely studied elsewhere in the Gulf. History will be the judge, but late October 2002 may be the start of a revolution that will transform the way the countries of the region are governed.

Controversy

The Bahraini political transformation, however, is not without controversy. Four major political groups are boycotting the elections for the 40-member chamber of deputies in protest at the powerful role that will be played by the upper house, which will comprise solely of appointed members, in the bicameral parliamentary system approved in February this year. There is a possibility that the turnout at the election will be disappointingly low as a result. Government officials, on the other hand, prefer to highlight the fact that more than 25 other groups are participating in the elections. They include leftwing and Islamist associations that have put aside their doubts and decided to work for further change from within.

The atmosphere in Manama with a week to go to the historic vote was ostensibly calm, but heavy with anticipation. Posters promoting parliamentary candidates adorn the streets of the capital, with more than 130 candidates fighting for a place in the lower chamber of deputies.

The vote ends the beginning of a political reform process that can be traced back to the accession in March 1999 of Crown Prince Shaikh Hamad bin Isa al-Khalifa following the death of his father, the Amir Shaikh Isa bin Salman al-Khalifa. The national pact, a blueprint for a democratic Bahrain, was approved by a massive majority in a referendum in February 2001. A year later, Bahrain was converted from a state to a kingdom and Shaikh Hamad became a monarch.

Radical change

This transformation has been wrought at a remarkable pace -- by regional standards -- and with little fuss. The next phase could be more demanding. There is a growing expectation that, after the elections and the formation of Bahrain's bicameral parliament, more radical change is in store. It is anticipated that a new cabinet -- at present headed by Shaikh Khalifa bin Salman al-Khalifa, the veteran and formidable prime minister and uncle of the king -- will be assembled. There is considerable speculation about its composition. Big changes and an injection of new blood at the very highest levels are widely expected.

The chamber and the council will start to develop. The lower house, which has the job of scrutinising the performance of the government but cannot independently propose legislation, will evolve gradually. In due course, a loyal parliamentary opposition that holds the cabinet to account is expected to develop. This will place additional pressure on any new government, which will in any case face a host of key challenges. The new politics will have to be bedded down and the economic benefits delivered in a tangible fashion to a population whose expectations

have been lifted by political reforms and new transparency. By common agreement, the most pressing issue is the high level of unemployment, particularly among young Bahrainis. The solution is likely to focus on upgrading the skills of the local workforce and reducing the high level of dependency on expatriate workers. Neither is a costless or easy option.

Also near the top of the agenda is the need to attract private investment from home and abroad. A raft of initiatives have already been launched, including allowing foreign ownership of land, capital market reform and projects such as the ambitious Bahrain Financial Harbour. Some see this as Bahrain's fightback against the allure of Dubai, but the official line is to avoid invidious comparisons with the commercial capital of the UAE.

The new Bahrain is positioning itself more vigorously as an interlocutor between the Arab world and the West. Crown Prince Salman calls for Iraq's compliance with UN Security Council resolutions while condemning Israeli actions in the West Bank and Gaza. Manama will also have a key role to play in developing the GCC. This will be highlighted in March 2003, when the kingdom hosts an Arab League summit. But these are matters for the future. For the moment, the people of Bahrain are enjoying the unfamiliar experience of having their say about how they are ruled.

RELATED ARTICLE: "The parliamentary initiative has already succeeded"

Crown Prince Salman bin Hamad al-Khalifa addressed a range of issues from the role of the political opposition to the Iraq crisis in an interview in his office in Riffa on 14 October. These are extracts:

MEED: What is the significance of the elections on 24 October?

Shaikh Salman: His majesty the King put forward a system that-is really the result of the development of local institutions and traditions. This is putting in place a system that allows for change and development and a much more accurate representation of people's wishes. The monarch retains a significant amount of power, but it is by no means absolute. What is the point of running a country if the people are unhappy and fear they have no say or stake in the system? We want to see a well developed school of political thought committed to the rule of law, capitalism and open and free markets. We will try to make sure that the experiences and technical skill of both houses [of parliament] will balance the more populist demands. We must be very clear that socialism and some of the extreme forms of socialist economics have failed and are not suitable for this part of the world. I am confident the government will be able to convince the public that this is the right way.

MEED: What will the role of political parties be and how significant is the partial boycott of the elections?

Shaikh Salman: There are no political parties at present but his majesty the King has said he will not oppose them if they are proposed by the lower house. There is no structured or legal opposition outside parliament. In my view, it is fundamentally a mistake to boycott the elections. They [the advocates of a boycott] have concerns but they can articulate them better than I can. If anything can be said about what has been achieved since the inception of the shura council, we have seen a steady progression towards openness, accountability and liberalism. The political community needs to grow and develop. It is their choice [to boycott]. They are allowed to do it, of course, as long as they don't obstruct people from voting or do other things that might take away the rights of the citizens.

MEED: How will you measure success in the political reform process?

Shaikh Salman: The parliamentary initiative has already succeeded. It is an irreversible process. We will follow this through. It will mature as it ages and traditions develop. His majesty the King says it is an inalienable right of the people.

MEED: Which key areas of the economy need to be focused on?

Shaikh Salman: If there is one thing I would change it is the labour structure. The structure of the labour force needs to be looked at. We have tried to introduce some steps to rectify the problems we see in creating employable, well-trained and well-paid local workers. This is something that has not been as successful as I would have liked it to be. We want the workers' associations and the unions in the future involved and some world-class economists to put their finger on the problem and explain why, in an economy that grew by 4.8 per cent in 2001. we still seem to have unemployment among the young. From our studies, the biggest unemployment problems are in young people aged between 17 and 24.

Oil is for the present not the future. I don't think that my children or their children will benefit as much as our parents and their parents did from oil. What we will really need to do is a structural re-engineering of the economy. I need to improve the flow of information between separate ministries. We need to make sure decisions are taken quickly and create a transparent system for any investor.

There have been allocations of plots of land for sale to foreign investors with 100 per cent foreign ownership. This is a big step forward. We are looking at tying residency to land ownership for non-nationals. We need to act to make sure there is a registry for land that is available for rent and for sale. We have a great story to tell here, but we need to get this across to investors.

We need to develop capital instruments so that investors and entrepreneurs can pursue their economic activities. The return of capital to the region is a good sign. We need to make sure the laws that protect companies are in line with international laws

and strengthen local legislation. We have a huge challenge to strengthen our judicial process. I want to see it on a world-class level.

It is my goal to reduce the dependence on oil to 10 per cent in the future from 17 per cent at present. The Abu aafa field [which lies between Saudi Arabia and Bahrain] is a strategic reserve for Bahrain. The way that our relationship with Saudi Arabia is managed is that we are in negotiation to develop the field. But that is a very short-term goal.

MEED: What is Bahrain's policy towards Iraq?

Shaikh Salman: What we have done is to urge Iraq in the current political climate to respect all [UN] Security Council resolutions without delay. I think we must thank them for their recent posture. It has been very responsible. If there is any slippage on the part of the Iraqi government, the US and its allies will move forward with their plan to forcibly ensure those inspections take place. It is wise and good for stability that this war does not take place. We continue to encourage the Iraqis to stay on this route and accept weapons inspectors without preconditions.

MEED: What is your opinion about calls for regime change in Iraq?

Shaikh Salman: I don't think I can ever support regime change. We can certainly support weapons inspections and disarmament. Non-interference in states is a fundamental part of international law.

MEED: Do you believe the US is listening?

Shaikh Salman: We can only hope this is so. But we must be reasonable and realistic and plan for any contingency. The US has heard Russia, France and China and the UK quietly. For regional stability and security it is better we do not have this conflict. You don't know what will happen afterwards.

It must be said that our strategic relationship with the US is something we have closely guarded for over 100 years informally and 50 years in a formal sense. Our relationship with the US stretches back further than Iraq. I think that taking into account, in any actions in the region, you must look at where our strategic interests lie. We are against this conflict, but will honour our commitments.

MEED: What is the future of the GCC?

Shaikh Salman: I would like to see more interdependence and common institutions. I would like to see a significant amount of capital flows between the member states. I would like to see us acting closer together on international affairs, I would like to see us consolidate our positions both economically and socially vis-a-vis the outside. We have a good story to tell if we could only get people to tell it.

MEED: To what extent has the Iraq crisis overshadowed the Palestinian crisis?

Shaikh Salman: What upsets us about this focus on Iraq is that, while we are holding one country accountable to international resolutions, we are not holding the Israelis to the same rules. We have an Arab League proposal for a complete normalisation with Israel that will result in a two-state solution. This involves withdrawing to 1967 borders, declaring two states with Jerusalem as the capital of both. I don't know of another international issue where the solution is so well known but implementation is so clouded.

We will continue to demand an end to suicide bombings where civilians are the principal targets. But the Palestinians have the right to military resistance to occupation forces. I hope the Palestinians can target their attacks against military forces and not against civilians.

MEED: What should the US do about it?

Shaikh Salman: What is missing from this debate -- and the US needs to realise this -- is that the continuation of the building of settlements is hindering the peace process and is the largest blow against their argument for balance to both sides. The US is making demands of the Palestinians, but, at the end of the day, the US seems to be happy about vague statements about restraint sent by the Israeli government and Prime Minister Sharon.

What they must do is develop those ideas further and create an environment that will allow the peace process to move forward. Any new settler who stakes his claim in land in post-1967 settlements is a further blow to the resolution of the problem.

Bahrain's parliamentary timeline

March 1999

Crown Prince Shaikh Hamad bin Isa al-Khalifa becomes Amir on the death of his father the Amir Shaikh Isa bin Salman al-Khalifa

14 February 2001

Bahraini people vote massively for the National Action Pact in a referendum

14 February 2002

Constitution amended, transforming Bahrain from a state into a kingdom and establishing a bicameral legislative body

May 2002

Municipal elections held under a system of universal suffrage, with women voting for the first time in the Gulf

24 October 2002

First parliamentary elections since 1973 to be held, with more than 130 candidates fighting for 40 seats in the chamber of deputies

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