

Governance in Bahrain: The Good, the Bad and the Rentier

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Varieties of Governance

I do not intend to venture into the lively debate among academic students of governance. I will begin, however, by outlining a few clarifications in order to position myself within the debate on the topic.

By governance I refer to two closely linked processes of decision-making and decision-implementing. In both processes, governance involves the allocation of resources and capacities to institutions, groups and individuals. In other words, governance is simply the way power is wielded by people in authority. Distinguishing good governance from bad governance is possible through investigating the political structures and processes that are utilised by people in authority to exercise their powers in decision-making and decision-implementing.

Ideally, good governance is associated with access to the five freedoms that Amartya Sen (1999) identifies: 1) Political freedoms – democratic systems with freedom of expression and organisation, and a free media; 2) Economic facilities – the opportunities that individuals enjoy to utilise economic resources for consumption, production or exchange; 3) Social opportunities – social arrangements for education, health care and so on which influence individuals’ substantive freedom to live better lives; 4) Transparency guarantees – social interactions operate on some basic presumption of trust and to deal with one another under guarantees of disclosure; 5) Protective security – a social safety net for the poor and vulnerable, comprising on-going institutions and ad hoc emergency measures. The five freedoms thesis is echoed widely. In 1997, the UNDP issued a policy document whose authors interpreted Sen’s freedoms as eight characteristics: *participation; rule of law;*

transparency; responsiveness; consensus orientation; equity; effectiveness and efficiency; accountability; and, strategic vision.

Maghraoui (2012: 50) suggests that good governance seems to improve with the presence of what he calls “the technocratic condition”. This includes the management skills and institutional capacities needed for establishing fair, viable and responsive public institutions. The technocratic condition, according to Maghraoui includes the justice system; the constitutional framework; formal laws as well as the codes and principles that structure relations of exchange and economic activity in general.

Bad governance, to keep it short, is the opposite. It refers to those forms of governance that lack any of the five freedoms noted by Sen (1999), or, if you wish, the UNDP’s eight characteristics. Bad governance signifies a democratic deficiency and is associated with lack of accountability, absence of any level of transparency, prevention of citizens’ participation in decision making, widespread corruption of public officials, as well as administrative inefficiency. According to the World Bank to whom the term ‘good governance’ has been attributed since 1989, bad governance “is associated with corruption, distortion of government budgets, inequitable growth, social exclusion, and lack of trust in authorities. Inefficiency of formal governance institutions leads to creation of informal institutions that substitute for the functions that the formal ones are unable to perform”. (Najem 2003: 1).

Governance in Rentier States

I will start with a general definition of rent as an income generated through ownership – of real estate, natural resources and “all natural and differential endowments: location, climate, etc.”. (Beblwai 1987: 383). The rentier state’s most obvious feature is its reliance on revenues accrued from external sources mainly through exploitation of natural resources (Mahdavy 1970: 228).

In his pioneering application of rentier theory on Arab states, Beblawi (1990: 87-8) notes that in a rentier state, a) revenues from externally derived rents predominate, b) external rents are substantial and therefore do not require a strong domestic productive sector; c) only a few are engaged in the generation of wealth, while the majority is involved in its distribution and utilization; d) the government is the principal recipient of the external rent in the economy.

The rentier state becomes an intermediary between the world capitalist order and the local economy and society. In its turn, the state promotes levels of dependency by citizens on its agencies, its welfare services and other facilities. Within this relationship of dependency a citizen becomes, according to Ayubi (1995: 183), “disinclined to act economically or politically on his own behalf, let alone seriously criticize the state”. Citizens become more preoccupied with attempts to access the rent circuit than aiming to build productive efficiency. Financial independence offers the state a high degree of autonomy from the specific interests of the diverse collectives in society. Several scholars (Ayubi, 1995; Foley, 2010; Hertog, 2010; Springborg, 2013; Ulrichsen, 2013) have discussed different political ramifications of rentier economy forms for states and governance. The state machine becomes the main engine for circulation and/or allocation of resources *vis-à-vis* various economic sectors, social services and groups.

Rentier governance and Corporative politics

Oil revenues have enabled each of the ruling families in the Gulf region to dispense with the need to tax their subjects, and to allocate and distribute a considerable portion of these incomes in the form of employment, improved infrastructures, and various measures of social welfare.

Various sources of rent have facilitated moves by the ruling families in the Gulf to increase their own autonomy from their social bases while expanding the system of political patronage; asserting their authority by expanding the state’s “involvement in all socio-economic spheres”, thus, inhibiting the rise of competing autonomous social power centres; enhancing their sanctionary powers by expanding and modernising their military, police and internal security apparatuses; and forging inter-Arab alliances to enhance their stability. In this sense, rent has facilitated the combining of the despotic powers of pre-modern states with the infrastructural powers of modern ones. Obviously, Gulf monarchies vary in the levels of this combination and the role it plays in securing stability.

One of the immediate consequences of its control of rent and its circulation is making loyalty to the royal family a social as well as a political imperative. Unlike other society/state situations, what can be observed in the Gulf monarchies is shaped by a distinct feature of state, namely its intertwining with the ruling families in an inseparable organic unity. Access

to state, institutions and services, is a monopoly of the ruling family. Citizens, whether individuals or as members of various collectives, may gain access to the state through its gatekeeper, the ruling family.

Let me illustrate this with some observations on politics in Bahrain.

In Bahrain, two types of rent are generated. First, the oil rent through incomes accrued from the production and export of oil and natural gas. Second, strategic rent in the form of direct and indirect resources generated through utilising the geopolitical role of the country’s geographic location. Sources of this type of rent are the GCC partners, mainly Saudi Arabia, Kuwait, and UAE; as well as the USA. The latter leases, since 1949, a naval military base which functions as the headquarters for the US Fifth Fleet.

Bahraini traditional notables, business people, and other elite groups remained politically a marginal force. Unlike the Weberian *honoratiore*s stratum, they did not become bearers of the state. Their rights to participate in public affairs as well as their ability to represent their constituencies were not a natural prerogative of their position in their communities. Theirs is an assigned role and their status is bequeathed by the state/ruling family. In spite of this, they have largely refrained from challenging the supremacy of the king and the royal family. This may partly be explained by reference to self-interest. They are selected to provide support and act as intermediaries between their constituencies and the ruling family, as well as to offer advice. Individually, some of the traditional notables, business people, and other elite groups, may become powerful patrons of local networks; clans, villages or religious communities. But they have never been allowed to speak for the ‘people’ as a whole.

Al-Khalifa, the ruling family in Bahrain, has jealously maintained the system of intermediation, while continually changing it, sometimes rotationally. The dilemma of the notables remains in their awareness of the shaky ground on which they stand. The ruling family needs them, yet they remain dispensable. Notables who lose favour are likely to lose social status as well as wealth.

The practice has generated a specific form of corporative politics. Each corporative has its own recognised hierarchies of statuses, of roles and positions that relate to each person’s relative value within the corporative. While some corporates rely on members’ ascriptive statuses that they have inherited or achieved through non-competitive processes, other

corporates are founded on members’ attributes or personal achievements that are often gained in competitive processes. Whether traditional or modern, an ideal type of corporative builds on the Weberian complex interplay between sources of social and economic powers. As a complex socio-economic construct, a corporate is founded on various dimensions of economic position, social status and prestige, and political role. Within this conception, it truly becomes an ‘engine of history’ that promotes change and pushes societies to different stages. Changes occur not only through the various manifestations of class struggle but also through manipulation of institutions and through various other socio-economic constructs, including corporates.

Rentier Governance in Bahrain

At the beginning of his reign in 1999, Hamad bin Isa Al-Khalifa declared his intention to introduce a number of institutional changes and to accelerate reforms in governance arrangements. The most significant change has been the proclamation of a new constitution in 2002 which declared Bahrain as a monarchy with a bicameral legislative body and a Constitutional Court. Several other constitutional and administrative changes have followed.

Despite its many shortcomings, the 2002 Constitution offers significant guarantees of citizens’ entitlements, rights and freedoms. Theoretically, it bases governance on popular will through periodic elections. In practice, as shown by several royal decrees issued in 2002 and afterwards, authoritarian rule has continued. Notwithstanding the constitutional constraints, the king remains capable of creating the rules and determines the extent of his power of governance. Constitutional provisions have been suspended for six months in 2011, and have remained subject to arbitrary interpretations. And, when the Constitution became an impediment to the state of emergency declared in the aftermath of the February 14th Uprising in 2011, it was hurriedly amended through a compliant legislative assembly.

Developments during the past fifteen years suggest that King Hamad has actually recognised that political and institutional changes are unavoidable measures of reform. They are needed to balance the often conflicting demands by 1) members of the ruling family individually or collectively through the Al-Khalifa Family Council; 2) traditional and modern corporations, including ethnic/tribal/religious collectives, as well business firms, trade and professional unions and networks; 3) opposition organisations and informal activists networks; and, 4)

external allies, particularly, rulers of other Gulf monarchies and British and American governments.

The resolution of the controversy over Family Law in Bahrain (Legislative Decree No. 19 of 2009) provides an interesting case study of the machinations of rentier governance. The controversy over the law governing personal status and family matters including marriage, divorce and custody engaged all social and political actors, from women’s rights activists to conservative clerics. In the face of vehement and well organised protests by conservative Shia clerics, a resolution was reached whereby a) the law was passed by the legislative assembly and ratified by the king in order to meet demands by the international community and the requirements of CEDAW; and b) the Shia community, representing some 60% of Bahrainis, was made exempt from its rules.

King Hamad’s responses to these conflicting demands have generated a multi-layered arrangement for governance. The reforms he introduced have simultaneously consolidated his position as the centre of gravity of all political life in the country, and have facilitated the segmentation of responses to any of his decisions. King Hamad’s subsequent measures to subdue protests against his policies show the resilience of rentier governance.