

# The Political Impact of Labor Migration in Bahrain

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## Abstract

*This paper shows that, in Bahrain, the main political consequence of migration has been the deepening of state/society conflict. While having old historical roots, this conflict has been fostered in the recent period by the collapse of the “caste system” that, since the 1970s, used to regulate the relations between foreigners and nationals in the labor market by preventing the two groups from being in competition for jobs. I conclude that in order to evaluate the possible political impact of migration in the Gulf States, one has to look first at the structure of the relation between the national population and the migrants, rather than focus on the number of foreigners. [Keywords: Bahrain, governance, migrants, Shia, political movements]*

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This paper is based on research in Bahrain during two one month periods of fieldworks between August and November 2002 in the context of a larger project on Shia political mobilization in the GCC countries. The data includes a dozen tape-recorded biographical interviews of activists and sympathizers of one of the two Shia Islamic movements based in Bahrain (al-Wifaq and the Islamic Action Society), informal conversations conducted in the same milieu, and observations of events like political meetings, religious ceremonies, and meetings in *majlis* (informal places of sociability typical of Gulf social and political life). I also conducted interviews with foreign businessmen, agents providing clearance services to people wishing to import foreign labor, and officials of the Ministry of Labor and the Bahrain Training Institute.

Discussions about the political impact of labor migration to the states of Gulf Cooperation Council (GCC) rarely identify explicit political consequences of this migration. Nonetheless, there are suggestions that large-scale labor migration has led to fundamental changes in the social structure of the Gulf States that will eventually encourage forces hostile to the current regimes (Halliday 1977:3). To date, the only specific materialization of this kind of threat identified in the literature is the significant role Arab migrants, in particular Egyptians and Palestinians, played in popularizing ideas of pan-Arabism, Marxism, and Islamism in the 1960s and 1970s. This phenomenon is identified as one factor behind the conscious de-Arabization of the foreign workforce in favor of Asian workers who are regarded as less likely to engage in internal politics (Kapiszewski 2001:59–66).

The shift to Asian labor helped to alleviate the political challenge from Arab migrants, and now the Asian work force has emerged as a new bugbear in the public discourse. Yet, the details and the scope of this “strategic threat” are often ill defined, ranging from the putative influence Asian laborers might have on the rulers (and therefore on the political process) to the constitution of a fifth column serving foreign interests. The idea of a cultural threat is also widespread, as migrants, who, for example, in the United Arab Emirates account for 80 percent of the population, are seen as negatively altering local values and Islamic values in particular. Although the prospect of naturalization is very unlikely for most migrants, this issue is nonetheless a matter of concern among the citizenry since some migrants might eventually attain citizenship. Indeed, the Gulf States are home to long-established foreign communities. Egyptians, Yemenis and Lebanese have resided in these states several generations and show little intention of returning to their countries of origin. Migrants from Iran or the Indian sub-continent often postpone their return home, renewing contract after contract (Kapiszewski 2001:193–199).

Political mobilization has not been a central concern of migrant populations in the Gulf. Foreign laborers have occasionally organized strikes to demand improvements to working conditions or payment of wages owed. Such strikes never produced structured political movements. While not a direct actor in political mobilization, the foreign population is nonetheless an increasingly important element of the political scene in the Gulf. With a foreign population of 37.6 percent (Bahrain Census 2001), Bahrain has a smaller foreign population than its neighbors (Winckler 2005:43).<sup>2</sup> Yet, labor migrants in Bahrain have had the deepest political impact. I argue in this paper that political challenges linked to migration have less to do with the size of the foreign population or its links to potentially hostile foreign powers than with the structure of the relations between foreigners and nationals.

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## Early labor migration and political mobilization (1930s–1960s)

Mass migration of foreign workers to Bahrain is linked to the development of the oil industry in the early 1930s. These developments entailed the modification of ancient and seasonal migration patterns associated with pearling (Seccombe 1983:4). Besides the recruitment of British and American professionals to fill managerial and higher technical positions, the labor requirements of the oil industry led to an influx of migrants from Iran and the Indian subcontinent. These migrants filled skilled, semi-skilled and clerical positions. This influx of foreign workers occurred despite the concession agreement signed between the British and American oil companies, and the rulers who stipulated that Bahraini workers should be favored for employment in the Bahrain Petroleum Company (BAPCO). The Bahraini rulers hoped that the oil industry would end the economic crisis, which had followed the collapse of the local pearl trade in the early 1930s due to the launching of Japanese cultured pearls.

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BAPCO was ready to recruit competent workers, yet there were not nearly enough in the country. Also, with no experience in industrial employment, Bahrainis were unable to occupy technical and clerical positions in the new industry (Seccombe and Lawless 1986:551). In the first decades of its existence, BAPCO relied primarily on Iranian laborers. A significant population of Iranians already resided in Bahrain, and many had experience in the oil industry in their home country. In addition, BAPCO did not have to pay for their trip to and from Bahrain or for their accommodation on the island. Indian laborers were imported through lengthy bureaucratic procedures in accordance with the provisions of Indian emigration laws. Iranians did not have formal contracts with the company and thus provided a flexible labor force that was easy to recruit and dismiss. Iranians also had lower salary expectations (Seccombe and Lawless 1986:559–560). In contrast, Indian emigration laws required a contract of one to three years. Despite the higher recruitment costs, the Bahraini rulers and their British protectors pressured BAPCO to recruit more Indians. While the oil company was driven by economic rationales, the Al-Khalifa and the British (Bahrain was a British protectorate since 1880) had political concerns. They feared that an increased Iranian presence might foster the Shah's claim over Bahrain<sup>3</sup>.

Bahraini citizens were a minority among BAPCO employees in the early years of the oil industry. Some sources speculate that a significant number of those officially registered as Bahrainis were actually Iranian migrants or their children (Seccombe and Lawless 1986:559). Gradually the proportion of Bahrainis increased due to pressure from the rulers and BAPCO's investment in vocational training. Labor in

the company remained segmented and stratified along strict ethno-national lines. By the 1950s, “Westerners [were] in management positions, Indians and Pakistanis in intermediate positions and Bahrainis at the bottom in lower clerical and labor jobs” (Beling 1959:159). Most of the Bahrainis worked on a daily non-contract basis. In this context the first and most powerful labor movement arose in the Gulf. This movement emerged from the first great strike of 1938, organized by the Bahraini workers of BAPCO. During this strike the labor leaders connected with the merchant community who had launched an initiative to demand the establishment of a legislative body. The merchants, in their nascent struggle for power sharing, were amenable to the incorporation of some of the specific demands of Bahraini BAPCO workers into their agenda. While the term did not appear as such, *Bahrainization*, or the idea that Bahrainis should be given priority over foreigners for employment, became a core demand of political mobilization (Rumaihi 1976:197). This was also the case in the wave of strikes of 1954–56, when the merchants, BAPCO workers and the administration’s employees joined to form the National Union Committee. This committee sought a united front in support of the demands formulated in 1938, which had been turned down by the rulers and their British protectors. This mobilization led to the creation of a trade union, the Bahrain Labor Federation (October 1955) with 6000 members, and to the drafting of labor legislation subsequently submitted to the rulers (Rumaihi 1976:214–215; Nakhleh 1976:78). Membership in the new union was only open to Bahraini citizens. Integrating the foreign workers into the labor movement was out of question. Never considered potential allies for labor rights, they were indeed perceived as impeding the professional promotion of Bahrainis by monopolizing intermediary positions to which Bahrainis aspired. Politically, foreign workers were viewed as adjuncts of the Western forces at work in the country (Qubain 1955:277). This split that opposes the foreign and native workforces has always structured Bahraini labor. It explains why the labor movement was so successful in binding itself to the general political struggle, the aim of which was to establish democratic institutions, to assert Bahrain’s independence from foreign influences, and to define who was entitled to the redistribution of oil wealth.

## The oil boom and the bifurcation of the labor market (1970s–1980s)

The rise of petroleum prices in 1973–74 accelerated economic development in the Arab Gulf states. In Bahrain, the oil and aluminium industries expanded, new industries were established and the

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communication and transportation infrastructure developed. When the Lebanese civil war destroyed the Lebanese banking system in the late 1970s, Bahrain developed a new financial sector based on offshore establishments, making the islands the most important financial hub of the Middle East. The spectacular economic growth of the 1970s gave the rulers a unique opportunity to accommodate the labor movement by responding positively to demands for the Bahrainization of the workforce (Nakhleh 1976:84). Like its neighbours, Bahrain chose to use the oil money to expand the state apparatus and to set up a particularly generous welfare state for the redistribution of wealth among citizens. In addition to subsidized services like health care and housing, the public sector became the primary employer of Bahraini nationals through a tacit guarantee to provide a public sector job for each male citizen.

These public sector jobs were not demanding and comparatively well paid relative to private sector jobs. The public sector included industrial joint ventures like BAPCO and ALBA (Aluminium Bahrain), which were partially owned by the government after independence in 1971. The public administration became an overstuffed, unwieldy and largely inefficient body, yet it was an important tool for patronizing and co-opting the citizenry. New welfare policies and employment practices provided a means of direct control over society more palatable than the repressive security forces that had, for example, suppressed the movement of 1954–56 and forced its three leaders into exile on the British island of St. Helena (Joyce 2000). Setting political rationales against the rule of the market, which had kept the Bahrainis out of the rewards of the early oil wealth, the rulers were able to solve (temporally, as we shall see) endemic national unemployment.

Despite the employment of Bahrainis in the public sector, the proportion of expatriates in the total workforce reached an unprecedented high with the oil boom. The growth in economic activity entailed a similar growth in labor needs, which, as previously, was filled by foreigners. Recruitment expanded to include more workers from South and South East Asia. The proportion of migrants from the Indian sub-continent increased. Migrants from Korea, Thailand and the Philippines entered the market in the late 1970s and early 1980s. The number of western expatriates also grew considerably. In contrast, the number of Arab migrants declined sharply, as did the number of Iranians especially after the Islamic revolution (1979) and the reassertion of Iranian irredentism on Bahrain (Franklin 1985:9). Between 1971 and 1981, the proportion of expatriates doubled, from 17.5 percent to 32 percent of the population. Their share in the workforce increased from 37.6 percent to 58.8 percent (Franklin 1985:11). While the public sector recruited Bahrainis *en masse*, the private sector recruited foreigners to fill almost all the newly created jobs. The proportion of Bahraini nationals employed in construction and services was particularly low (Franklin

1985:10). In 1981, Bahrainis represented only 33 percent of the private sector work force and 67 percent of the public sector work force (Franklin 1985:9).

The different recruitment patterns of the public and private sectors created a new and less competitive articulation between the foreign and national workers similar to what Bonacich called “caste system” (Bonacich 1972:555). Analyzing situations of labor markets where a national work force with higher salary expectations competes for jobs with cheap foreign labor, she shows that citizens generally have two options. Either they assert pressure that the foreigners are totally excluded from the labor market, for example by supporting restrictive immigration laws, or at least excluded from certain jobs. She calls this second option a “caste arrangement” because, as the aim is to make certain jobs unavailable for foreigners to avoid competition and wage undercutting, the boundaries between the two groups become almost impermeable. Citizens and migrants operate in two separate professional spheres each with its own recruitment rules and wage scales. In this system nationals constitute an “aristocracy of labor” with a clear hierarchical ranking between the two groups. The nationals are better paid and their jobs considered more prestigious. Migrants occupy production and service jobs and nationals hold bureaucratic and managerial positions. Migrants in Bahrain work under a strict regime of sponsorship called *kafala*. Their contracts fix salaries, restrict employees from changing jobs without the permission of his/her original employer and give employers the right to retain a worker’s passport for the duration of the contract. The foreign workers are thereby deprived of any bargaining power vis-à-vis their employer. If they dare to protest employers can easily deport them and quickly replace them with one of the many candidates eager to work in the Gulf. In such a caste system, labor conflicts are reduced in frequency and are less likely to foster political mobilization. In the Bahraini case, such a process was meant to lead to a de-politicization of society as the bureaucratized elite was absorbed by pure managerial preoccupation. Their goal was no longer access to wealth but the technical organization of its redistribution.

## New patterns of political mobilization

With the establishment of this caste system, political mobilization in Bahrain did not disappear altogether. It adopted new patterns as conflict shifted from the labor market to issues of difference among nationals. There was no longer tension between citizens and foreigners but between different categories of citizens. The modern State of Bahrain had been built following the military submission of the native Arab Shia population, the *Baharna* (sing. *Bahrani*) by a coalition of Sunni tribes from the center of the

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Arabian Peninsula (Najd) by the end of the eighteenth century. Since then, the Sunni conquerors monopolized political and economic power. Khuri describes how Sunni leaders imposed a quasi-feudal system of exploitation on the *Bahrani* peasantry (Khuri 1980:35) which only ended in the 1920s with British reforms of the bureaucracy and the judiciary.

While the Shias never revolted against the Sunni rulers, resentment was high against those they considered alien conquerors. Labor conflicts of the previous period had helped reduce the traditional antagonism between Sunni tribes and the *Baharna* by fostering a sense of common interests among the wage earners of the two groups.<sup>4</sup> The events of 1954–56 clearly illustrate this. They began in 1953–54 as a communal feud when a handful of Sunni agitators, including at least one member of the Al-Khalifa ruling family, insulted the annual Ashura procession that the Shias organize to commemorate the martyrdom of Imam Hussein. Other incidents followed: a Sunni crowd attacked a *Bahrani* village and rioting between Sunni and *Bahrani*<sup>5</sup> workers occurred in BAPCO (Khuri 1980:196). These events prompted the labor movement's leaders to set up the National Union Committee, the task of which was to advance political claims to the rulers as much as to unite the Bahrainis by putting an end to their sectarian strife. With a shared interest in fighting the foreign presence in the labor market, Sunni and *Bahrani* activists succeeded in overcoming their religious antagonism. The formation of the segmented labor market and the subsequent emergence of the citizen labor movement promoted the idea of a *Bahraini* people entitled to social and political rights that could be denied to foreigners. A central issue of political mobilization was to define who was Bahraini in a situation where neither a nationality code nor a defined notion of Bahraini citizenship existed.

The caste system simultaneously accentuated and broke this logic. On the one hand, it promoted the citizenry to the status of a privileged group. On the other hand, once the boundary with the foreigners had been established, differences between Sunni and *Baharna* fellow citizens re-emerged as a structuring element of political mobilization when it turned out that, contrary to the egalitarian ethos fostered by the welfare state, the two categories had unequal access to resources and political power. The Al-Khalifa reinforced their domination by ensuring direct access to the oil revenues and capturing a significant part of it for themselves. Together with their allies from the Sunni tribes from Najd, they monopolized the army and different security services, the Ministry of Information and the Ministry of Foreign Affairs. The lack of formal recruitment procedures in the public sector reinforced the feeling that a small clique controlled the country, as employment was largely obtained through personal contacts (*wasta*; Khuri 1980:123). This facilitated the monopolization of entire sectors of the bureaucracy by one family, social or ethnic network. Top positions were largely held by those with close

ties to the ruling family. Until today, for example, *Baharna* often complain that dominant positions in BAPCO and ALBA are controlled by the *Huwala*, a group of Sunnis who came from the Iranian Gulf coast in the late nineteenth and first half of the twentieth centuries. They claim ancient Arab tribal origin, which the *Baharna* usually deny by saying they are Iranians who try to pass as Arabs to gain the favor of the Al-Khalifa. Many *Huwala* are part of the merchant oligarchy intimately tied to the rulers. They are overrepresented in the directorial positions of oil and aluminium companies.

The failure of the democratic experiment of 1973–75 in the eyes of the *Baharna* reinforced the perception that the regime was unwilling to establish a genuine mode of power sharing encompassing the traditionally less privileged sectors of the *Baharna*. Immediately after independence, the Emir of Bahrain announced his intention to establish a Constitution guaranteeing citizens basic freedoms and the right to participate in the management of public affairs. Subsequently, a Constitutional Assembly was elected that designed a constitution establishing an elected Parliament with forty-four male members, including fourteen ministers directly appointed by the Emir. A year later, in 1973, the Parliament was elected, but soon entered in open conflict with the ruling family when the Emir unilaterally instituted a law granting the government extended powers to arrest and imprison individuals who posed a security threat without trial. The deputies opposed the law and launched a public campaign against it. The Parliament had fought the government on other important issues such as the status of state-owned lands under the complete control of the Emir, his exclusive control over the budget and the rental of the former British military base to the USA (Fakhro 1997:174–175). In this context the Parliament and the Al-Khalifa came to a breaking point and the Emir dissolved the Parliament in 1975, after less than two years of existence.

During the short life of the Parliament, the heirs of the 1950s labor leaders were dominant. However, with six members in the Assembly, the Shias were well represented and continued to gain strength since then. Despite their ideological divergences, the two parliamentary blocs joined to oppose government projects. Shia Islamic leadership in the Parliament was held by *Bahrani* clerics of rural background who had been politicized in the religious seminars of Najaf. The Iraqi city was at that time the centre of Shia theology and a necessary stage in the education of any ambitious cleric. Its clerical milieu was influenced by the ideas of al-Da'wa, the first Shia Islamic party (created in 1957) which was inspired by the ideas of the Muslim Brotherhood. The influence of the Iraqi religious seminars was reinforced in the 1970s when an Iraqi cleric of Iranian descent, Hadi al-Mudarrisi, escaped the oppression of the Baathist regime, settled in Manama, was granted Bahraini citizenship and access to the media. At the time, Shia clerics preaching the return to true Islam and criticizing atheist ideologies, communism in

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particular, were seen by the rulers as a convenient balance to the influence of the leftist labor leaders. Tensions between Shia clerics and the regime were kept at bay because the clerics did not adopt a confrontational approach with the authorities. Instead, they focused on religious consciousness-raising. Only after the Parliament was dissolved, the Shia Islamic activists became an opposition force.

A marked feature of the mobilization orchestrated by Hadi al-Mudarrisi, in contrast to al-Da'wa, was its ability to recruit both *Baharna* and *Ajam* (sing. *Ijmi*), that is Iranians established permanently in Bahrain, many of whom had Bahraini citizenship<sup>6</sup>. Al-Mudarrisi's descent from an Iranian clerical family was helpful here. In the rivalry that soon developed between al-Da'wa activists and the partisans of Hadi al-Mudarrisi, the presence of *Ajam* among the latter's supporters was depicted by the former as a sign that it was an Iranian movement alien to local society. This indicated that the *Baharna/Ajam* divide remained a structuring line among the Bahraini Shias. Simultaneously, the fact that a movement had emerged that transcended this divide was an indicator that it was becoming narrower. The Iranian Revolution of 1979 contributed to further accentuate this phenomenon, with the opposition increasingly becoming Shia, signalling that many of the *Ajam* had been absorbed in a new type of dialectic where religious identities gained importance.

After the end of the Parliament in 1975, leftist groups were harshly suppressed while the government tried to reach a *modus vivendi* with Shia Islamic activists. The Iranian Revolution had helped them become main political actors. Not only did they garner a wide popular audience, including among former leftist activists, they also precipitated main political events after 1978–79. Popular demonstrations had previously mainly been motivated by internal matters, such as labor conflicts and political participation. Those organized by the Shia Islamic activists were centred on matters of foreign affairs concerning the Shia world, mostly the repression of Shia clerics in Iraq and events linked to the Iranian Revolution. The attention paid to external events did not distract them from domestic matters. In fact, a Shia movement, the Islamic Front for the Liberation of Bahrain that had been founded by Hadi al-Mudarrisi in the aftermath of the Iranian Revolution, attempted to overthrow the regime with Iranian help in 1981. In contrast to their previously non-confrontational approach, the Al-Khalifa were now explicitly designated as illegitimate rulers to be deposed in favour of an Islamic regime more or less modelled on the Iranian Islamic Republic. The empowerment of Shia Islamic movements gave voice to the communal discontent established by real and perceived discrimination in the labor market. The question of foreign workers was no longer an issue, since the caste arrangement had solved the problem for the time being and some *Ajam* had joined the opposition. The Islamic activists demanded the reinstatement of the Parliament and also

focused on discrimination against the Shias. They mobilized the rich Shia mythology which provides a long narrative of how the true representatives of Muhammad's lineage have been oppressed by impious and unjust rulers. In line with this shift in the pattern of political mobilization, the Al-Khalifa regime began to suspect the Shias of being intrinsically hostile, especially when displaying outward signs of piety. Accordingly, Shia were removed from sensitive posts in the state apparatus. Subsequently, communal conflict returned by the late 1970s. However, it had been transformed by new Islamic ideologies that had spread among the Shia populations since the 1960s. It was no longer a matter of occasional communal quarrels. Instead, Shia mobilization was based on a clear agenda and critique of the Al-Khalifa regime.

### The *Intifada* of 1994–1999

Between 1994 and 1999, Bahrain experienced a most critical problem when the population, in particular the youth, engaged in a series of riots. These riots and demonstrations soon came to be called the *intifada* (uprising). This unrest can be explained within a political framework. It began after a series of petitions from opposition groups had demanded the reinstatement of the Parliament and the Constitution of 1973 and the amnesty of political prisoners and exiles. The government ignored these demands. Instead of restoring the Assembly, in 1993 the Emir formed a Consultative Council. This body was limited to giving its opinion on bills issued by the Emir, and commenting on the general affairs of the country. The Council, which was composed of thirty members, none of whom were members of opposition groups, was denied effective participation in the decision making process. Some observers note that the *intifada* really began in November 1994 with the riots which followed the organization of a charity marathon by three companies, including a Saudi one. The path of this marathon passed through some Shia villages. As the runners, both men and women, dressed in shorts and T-shirts entered some villages, groups of villagers carrying protest placards tried to stop them. The protesters accused the runners of having no respect for the inhabitants' values, including their condemnation of what they named "dis-robing" (Lawson 2004:89). As the runners tried to make their way through the protesters, everything disintegrated into fist-fighting and stone throwing. The same night, the security forces arrested several of the protesters including the spiritual leader, Sheikh Ali Salman, who was later exiled. His arrest sparked the first of a series of mass-demonstrations and repression. The four-year-long uprising included several bombings in malls and hotels.<sup>7</sup>

While foreign academics tend to focus on the religious aspect of the first riots, Bahrainis often cite yet another incident as the start of the

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*intifada*: a demonstration of unemployed citizens in front of the Ministry of Labor and Social Affairs in June 1994.<sup>8</sup> Security forces dispersed the demonstrators and nobody addressed their grievances. Several demonstrations followed in the subsequent months and unemployment was mentioned in an umpteenth petition presented to the Emir in October 1994 and signed by more than 20,000 citizens. It is interesting to note that the unrest consisted not only in street battles between demonstrators and security forces, but included several episodes of violence against Asian workers. Some migrants died when their shops were firebombed by young Bahrainis.

Although only marginally covered in the news, these problems reveal more about the nature of political mobilization during the *intifada* than the marathon incident. They indicate that as the oil boom had ended and the economic crisis was worsening, the issue of the foreign workers resurfaced as an important component of political mobilization. As the following interviews illustrate, the structure of the labor market evolved in such a manner that it has become a main source of concern for ordinary Bahrainis.

### "The miserable became a rival"

The foreign workers who come to Bahrain, they are very patient. They are patient during one year, two years . . . Because if they have this capacity to be patient, they will be able to reach their aim. The Bahrainis on the other hand, they are not patient. A Bahraini for example, you give him a job and you give him 150 Dinars.<sup>9</sup> Three or four months later, he says, "enough, I don't want this job anymore. 150 Dinars, what can I do with this? How many years do I have to work before I can buy a house? How many years before I can marry?" The way of life of Bahrainis, their standard of living, these require a certain amount of money. The way of life and the standard of living of foreigners, Bengalis or Indians, are cheap and low. With ten Dinars, they can live one month! Me, I spend ten Dinars in only one day. Me in Bahrain, I have social relations. Somebody dies for example, someone is getting married, someone else is coming back from a journey, I must pay him a visit, I must greet him. My wife is ill, I have to bring her to the hospital. My son is ill, I must bring him to the hospital. The foreigners, they don't have this kind of concerns. That's the reason why they stay at work during eight hours and during thirty days. This is no problem for them. This is really no problem! Young Bahrainis have a problem with that because of their social relations. Therefore, the Bahraini merchants prefer the foreigners,

because they say all the time “Yes, Sir” [in English]. A Bahraini, he says to himself: “I earn 150 Dinars, why would I say ‘Yes, Sir’? Tomorrow, if I go somewhere else, I will also earn 150 Dinars. It’s only 150 Dinars! Not 1000 Dinars or 500 Dinars!”

These are the words of Ahmed, a 45-year-old Bahraini owner of a small building workshop. When I met Ahmed, I was interested in the life history of a sympathizer of Shia political Islam. Some of Ahmed’s friends had been involved in the failed coup of 1981. After its repression, Ahmed spent three years in prison. In earlier meetings, when discussing the political affairs of Bahrain, Ahmed had talked more about his professional difficulties than about the Sunni/Shia divide. In fact, we spent a lot of time talking about the problems Bahrainis encounter in the labor market, and their political implications. For Ahmed, political opposition to the regime was linked to economic issues: “for the majority of people, it’s the economic situation which motivates their entry into political opposition.”

Explaining this economic tension, he focused on the unfair competitive advantage of foreign workers. As shown in the quote above, he complained that most Bahrainis were unable to compete with foreigners on the job market. Expatriates simply had much lower salary expectations, were ready to work longer hours and more days per week, and were often better trained. Unlike migrants, Bahrainis expect wages that allow them to live up to high social expectations and obligations. For them, the 100 Dinars they earn on average in the private sector is insufficient. Thus, Bahraini workers tend to change jobs in search of better wages or better working conditions. Doing this, they foil employers’ efforts, who spend time and money to train them. Foreign workers are less of a risk in this regard since their restrictive employment contracts often prevent them from leaving one job for another.

When Bahrainis succeed do find a job in the private sector, they usually find a very rigidly stratified hierarchy where they have limited chances to advance. Ali is a 24-year-old Bahraini Islamic activist without any diploma. He is married with one child. He describes the job he held for two years in Pepsi-Cola:

The scale of jobs was very limited: general manager, sales manager, supervisor and then us, the workers. Becoming general manager was impossible. Becoming sales manager was also impossible. Becoming supervisor, was very, very, very, very hard. Why? Because 90 percent of them are foreigners and only 10 percent Bahrainis. So for me, it was difficult to break down the lines of the supervisors: one of them has to die or to return to his country. And in the event one goes back home, others have been in the company longer than me. Me, I have only been here for two years. If one wants to progress, one must have specific skills. And if we, the people who are here for only

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two years, are allowed to progress, the ones who are here for fourteen years must progress too. In the village of Karbabad, there are people who have been working in the company for fourteen years and who only earn 160 Dinars. What about us? How can we manage to progress?

Other young men entering the workforce described similar experiences. Hussein, a 23 year old, *Ijmi* Islamic activists who had been involved in the *intifada* and spent time in prison in its aftermath now works in a computer company. He describes his workplace:

Generally speaking, the companies bring engineers from foreign countries [–] Indians for example—who come to be network administrator. It's like that in our company for example: they manage the Bahrainis. They bring Filipinos and they give them a wage of at least 350 Dinars or something like this. There is a difference with the Bahrainis. The foreigners? I don't know why they chose this line of action . . . The Bahrainis are making an effort. We often think that the Bahrainis don't work . . . OK, but give them an opportunity! It's true that there are some problems, but Bahrainis must be encouraged, they must be trained, they must be given the feeling that they are worthy as Bahrainis . . . They bring foreigners . . . It's normal that when a Bahraini sees a foreigner earning 350 or 400 Dinars, he makes trouble at work. I know that some foreign engineers make mistakes in the maintenance of the machines. I noticed it several times. But some managers conceal these mistakes or play them down. While when a Bahraini makes a mistake, they send him a warning letter.

These descriptions are reminiscent of the situation before the 1970s oil boom, when Bahrainis were at the bottom of employment hierarchies and wage scales, Indians in intermediate positions and Westerners in higher management positions. Despite the similarities, the situation, however, has changed in at least one way. In the pre-oil boom era, Bahrainis had less training and fewer skills than migrants. Companies were willing to bring higher paid foreigners because they were more productive. Today, this is no longer the case. Instead, for the same work and training level, a Bahraini is more costly and thus less attractive. Unlike in the pre-oil boom period, migrants are in a position to undercut Bahrainis' wages. As foreign low paid labor is available to employers, Bahrainis have little room to negotiate better salaries. Foreign workers also impede attempts by Bahrainis to organize strikes as they worry that employers would quickly replace them with foreigners.

The current Bahraini labor market is very similar to the situations described by Edna Bonacich as a “split labor market”. Drawing from

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examples in the United States, South America and the Caribbean, Bonacich accounts for ethnic conflicts by pointing to the split nature of the labor market in which they developed. The split arises because “there is a large differential of price of labor for the same occupation” according to ethnicity (Bonacich 1972:547). Labor costs, Bonacich notes, are not only wages but also includes “the cost of recruitment, transportation, room and board, education, health care (if the employer must bear these), and the costs of labor unrest” (Bonacich 1972:549). In Bahrain, the differential price of labor is the result of groups in the labor market who come from different economic circumstances and with different motives. Except for the very small and specialized group of Westerners, most migrants come from poorer countries. While, as underlined by Ahmed, the money these migrants earn is not enough to sustain a satisfactory social life for Bahrainis, it is much more than they would make in their home country. Consequently, they are willing to bear sub-standard working and living conditions. They endure these conditions because they know they will be temporary. Most of the foreign workers in Bahrain come for a limited period of time to accomplish a more or less well defined project in their home country, such as building a house, getting married, opening a small business or paying for the studies of their children or siblings. Although a significant number of them renew their contracts and stay longer, they nevertheless consider their stay temporary. For Bahrainis, their life is here and now and they strive to establish themselves in a viable long-term position in Bahrain, as Ali explains:

Why Bahrainis don't accept to work like this? Because the wages are very low: 90 Dinars, 95 Dinars, 100 Dinars, 110 Dinars. The highest one, 120 Dinars. And then six Dinars for social insurance. That's all. The Bahrainis tell themselves that it's too low. How can I live with this? Marriage? You cannot marry. If you have a child, it's a problem. Diapers for example, how much does it cost? [. . .] If I earn 120 Dinars a month, I have four Dinars a day for all my expenses. And we don't only need diapers. My wife, she needs personal things every month. And we have to furnish the house. All the same, we have to get some decoration. Even if you drop the decoration, you need a sofa, you need curtains, you need doors, you need a TV . . . A computer, it's difficult: it's really expensive. Carpets . . . OK, let's drop the house's decoration. You need to eat. Breakfast, it takes little bit of money. Lunch, it takes you another bit of money. The same for dinner. Electricity, phone, water, money again . . . Gas . . . If you cook, you need gas don't you? You need money for all of this, and all of this cost more than four Dinars. You're not going to say: I don't eat tomorrow. You need to eat everyday. And for that, you need really more than four Dinars.

And everyday you also need to know what's happening in the world. Because you are part of the world and so you must understand what is your place in it in order to face the future, in order to work for the future. Where is your place in the whole world? Some people are behaving like tyrants, some others are struggling, some states are becoming stronger than others . . . And you in all this, where is your place? Obtaining this culture costs you a lot. TV is expensive. And four Dinars, it's not enough. It's really too few! Therefore . . . anger is growing in the country.

## The collapse of the caste system

Ali's words describe the end of the caste system established in the mid-1970s. Several factors contributed to this. First, oil prices plummeted in the mid-1980s and Bahrain has today almost exhausted its oil resources. Oil related revenues still account for 67 percent of the Bahraini state budget 2001, but this is the result of petrochemicals industries, and the refining of crude oil predominantly from Saudi Arabia. Second, Bahrain's population growth makes it the second most densely populated country in the world (930 inhabitants per square kilometer) after Singapore. Reduced resources and a growing population seriously hinder the redistribution capacity of the Al-Khalifa regime, which in particular, can no longer guarantee citizens jobs in the already saturated public sector. As a result, educated young men and women who enter the labor market have to turn to the private sector where, and as shown above, they are ill equipped in the face of economic rationalities that drive employers, and the competition of foreign workers. Unlike their parents, young Bahrainis no longer benefits from the protective effect of the earlier system of reserving public sector jobs for citizens. Instead, they need to compete with foreigners in the private sector. This competition is stiff regardless of skill, education, and perceived level of prestige attributed to jobs. Bahrainis now compete with foreigners at all levels of the employment scale, whether waiters, hotel receptionists, drivers, or accountants, bankers or engineers.

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While young Bahrainis no longer benefit from the welfare state as their parents once did, they continue to live in the ethos of the welfare state. Ali explains his decision to quit his job in Pepsi-Cola in order to become a freelancer in the grocery sector:

I buy products at the central market and I resell them in the grocery where I work. I saw people from the Indian community doing this and then I told to myself: why me, the son of this nation, can't I benefit also? Anyway that's not the point. The point is that it is my right. This land, it's me who must live on

it and benefit from it. The Indian state is responsible for the Indians. Me, it is my state, which is responsible for me, because I am like an orphan for the state. The state banished me. It banished all the elements who try to think, who try to live . . . The state must give them work. But there is no work. If you want to reach a position, it is very difficult. And if you want to get one somewhere, the regime must agree. If the regime doesn't agree, if it thinks that you represent a threat for the clan system and for the power in Bahrain, then it excludes you.

Ali's discourse is typical of the attitudes encouraged by the Gulf's welfare state. First, it creates a sense that the state is responsible for the personal well-being of each citizen. In Ali's conception, this expectation is corroborated by the paternalist culture characteristic of the authoritarian Gulf States, where the rulers tend to depict their relationship to society in terms of a familial bond. As they portray themselves the metaphorical "fathers" of their subjects, it is logical that the subjects tend to see themselves as children and, as Ali says, as "orphans" when they are destitute. Second, the ethos of the welfare state encourages unrealistic expectations among citizens who refuse to relinquish any of their rights, rejecting the very idea that the socio-economic conditions that used to sustain them are over. Consequently, the collapse of the welfare state is often considered to be the result of a regime's plot against a specific sector of the population, here the Shias and more specifically the political activists among them. This opinion is partly based on widely acknowledged facts like the corruption of some key figures of the Bahraini regime—the Prime Minister in particular—and the exclusion of Shias from sectors considered sensitive, most notably the security services. The army, police and intelligence forces are staffed by foreign Sunni mercenaries from Pakistan, Syria, Yemen or Jordan. Moreover, there is a deep-seated conviction in Bahrain that the country still has significant oil resources that the regime is hiding from its citizens because it wants to keep the monies of their exploitation for its own benefit. Indeed, when talking with Bahrainis about the exhaustion of the country's oil resources, it's not uncommon to hear that Bahrain has sufficient oil reserves that, if duly managed, could end the social crisis. Some point to the fields Abu Sa'fa, the offshore wells between the Saudi coast and the islands of Bahrain discovered by Saudi ARAMCO in 1963. According to a prior agreement between Bahrain and Saudi Arabia, the Bahraini government ceded these oil fields to its neighbour on the condition that the two countries share the revenues of their exploitation (Lawson 1989:95). These fields have greatly contributed to the Bahraini state budget. However, many Shias, eager to criticize the Saudi regime which is notoriously hostile to the Shias and said to wish to literally "colonize" Bahrain, consider that Saudi Arabia has unduly been granted sovereignty over the fields that are considered an integral

part of Bahrain. In this plot against Shias, foreigners are often considered a tool in the hand of the regime. Ahmed noted:

There is a sector of society composed of merchants who want to profit without getting tired. It's a certain sort of people we can call the 'sleeping investors'. These guys are bringing foreign workers and let them be freely in the country. The problem is that they [the foreign workers] are content with very little and that they don't spare their efforts in any job they do. And this has a direct impact on the Bahraini workers [. . .] The ministry of Labor has passed laws to preserve the country from this kind of problem but this sector has found new tricks. They get permission from the Ministry of Labor and from the Ministry of Commerce to open a shop in their name. Then they bring foreign workers and hand the shop over to them in exchange for 50 or 100 Dinars depending on the kind of activity. [. . .] For example in Baba Sinzini, there is a cold store where an Indian is known to pay 1200 Dinars to the owner of the licence. There are lots of examples like this. And, all of this has a negative impact on the citizens' income, on the income of the small Bahraini merchants. Therefore, they react against whom? Against the regime and the political direction. There are laws. There are very good laws at the Ministry of Labor and at the Ministry of Commerce. The problem is that there is no apparatus to ensure their implementation. For example, it is forbidden to rent commercial licences. Anybody contravening this law is punished. It's legal. He goes to prison and he must pay a fine of 1000 Dinars or something like this. But the control apparatus is composed of whom? Of people who are contravening the law! [. . .] We bring foreign workers . . . The foreign workers are not criminals! The foreign workers, how did they enter the country? They entered through the airport with a visa and everything required. Who are the criminals? The criminals are those who make business with these people.

In Bahrain, as in other Gulf countries, the very strict sponsorship system under which the foreign workers enter the country tends to be a business in itself in the framework of what has been called the "free visa" system. Indeed, some Bahrainis who hold permits to bring foreign workers to work in a specific industry merely sell visas without providing a real job. As soon as he has found a position, the expatriate has to ask his initial Bahraini sponsor for the paperwork attesting that he is now under the responsibility of another sponsor. This allows the former sponsor to use his license to bring yet another expatriate to the country with the same procedure. Some migrants merely rent the visa to their sponsor during their stay and work in different illegal jobs. Some

Bahrainis rent their commercial license to the foreigners they brought. Then, the foreigner who is officially an employee in a shop or small business is actually the manager of it and independently runs this business. Such practices are illegal and regularly denounced by the rulers who launch recurrent but ineffective campaigns against them. Like Ahmed, many Bahrainis are convinced that the ineffectiveness of the fight against the free visa system lies in the fact that the regime has a stake in perpetuating it, as they suspect members of the Al-Khalifa family to be among the main suppliers of the free visas.

## Conclusion: migration and state/society conflict

Since the 1990s, the configuration of the labor market in Bahrain matches characteristics of the split labor market model elaborated by Bonacich to explain ethnic antagonism. Drawing on her conclusions, we can expect an increase in conflicts between nationals and foreigners in the future. The tension is already present in almost daily incidents where Asian expatriates are the target of humiliation and mistreatment by Bahrainis. While these acts are commonplace throughout the Gulf, in Bahrain they take on a specific character. They are not only the classical expression of loathing that Gulf nationals feel towards foreign laborers but are also an attempt by Bahrainis to restore their social pride by re-affirming the boundary between themselves and the migrants. One of my Bahraini informants once bitterly told me that citizens of the wealthier neighbouring Gulf States “call us the Indians of the Gulf.” He explained that in the wealthier States, like Qatar and the United Arab Emirates, citizens are a class of privilege and wealth who can avoid jobs deemed inferior, whereas in Bahrain socio-economic conditions are so harsh that Bahrainis have to work in underpaid and degrading jobs. Consequently, they are now performing work that has long been seen as appropriate to Indians. Moreover, like Indians, more and more Bahrainis relocate to the other GCC countries in search of better jobs. For my informant, to be compared with the Indians was a grave insult for a Gulf national.

Nevertheless, while conflict between nationals and foreigners comes to the fore in everyday life, it has not produced widespread riots between the two groups. Even during the *intifada* of the 1990s when Bahraini protesters were perpetrating arson attacks against Asian operated businesses, such incidents were never more than occasional attacks. They were side effects of the political conflict between the state and the poorest and politicized Shias rather than structuring elements of political mobilization. Arson attacks on Asian shops were a way for uncontrolled groups to vent their anger upon easy substitutive targets

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who lacked the capacity for organized response. In none of this, foreigners emerged as a collective actor.

Foreign workers are the object of the political debate, they are occasionally the target of violence but they do not appear as agents capable of concerted action to influence the course of the political events and debates. Beside the weakness of the foreign workforce, the absence of widespread inter-ethnic riots between citizens and foreigners lies also in the fact that state/society conflict tends to prevail and to encompass other types of conflict. While foreigners often serve as a scapegoat in Bahraini practice and discourse, most of my Bahraini interviewees explained that the problems linked to the massive presence of foreign workers were the result of the policy of the regime and the corruption of some of its key figures. Even prominent merchants who represent the sector most opposed to the measures of Bahrainization because they threaten to deprive them of their cheap labor are often seen as allied to the regime more than as opponents to its policy. Therefore, unlike Bonacich's model where conflict arises between the business, the higher paid labor and the cheaper labor (Bonacich 1972:553), conflict in Bahrain occurs between the regime and a major part of its Shia population. In this framework, foreign workers tend to be the unwitting element catalyzing a classic state/society conflict whose roots are older than the phenomena of mass migration, coming back to the circumstances of the Al-Khalifa's conquest and settling on the archipelago in the end of the eighteenth century.

While Bahrain is a textbook case of the fostering of state/society conflicts resulting from mass labor migration, it is not an isolated example in the oil-kingdoms of the Gulf. Other countries are coming to experience the same dilemmas, caught between the requirements of an economy driven by cheap labor and the need to create jobs for their citizenry outside of the already saturated public sector. Oman which, like Bahrain, has few oil resources of its own and quite a large population to manage, has begun to implement similar strategies like the nationalization of jobs and the improvement of its citizens' professional training. These policies have led to the same failures as in Bahrain and, as the reign of Sultan Qaboos is ending, the regime could encounter growing discontent from its population. With the biggest oils reserves of the world, Saudi Arabia is not immune from this kind of problems. Indeed, the unfavorable ratio between its state budget and its population jeopardizes its redistribution capacity. Like Bahrain and Oman, Saudi Arabia has a high unemployment rate (around 30 percent) and faces the same difficulty in departing from the cheap labor economic pattern. Interviewing young Kuwaitis in June 2003 about their life expectations it was surprising to hear the same worries that Bahrainis had. Kuwaitis were aware that they would have a hard time finding a job in either the public or private sectors. They questioned the validity of the economic model followed by their country.

To date, only the United Arab Emirates and Qatar seem relatively immune from the kind of political consequences entailed by the split labor market. While these countries host the highest rate of foreign populations, they have been able to maintain the guarantee of work for citizens in the public sector due to the small size of their citizenry as compared with their oil and gas resources. There, foreign and national workers do not compete directly and the foreign workers are still considered optimal from the economic point of view. In these states, the political impact of mass migration seems, to date, confined to a debate about the negative altering of national identity that could result from the daily contacts with foreigners. But as the consensus is widely shared that Emiratis and Qataris could not sustain their life style without the foreign workers, the debate does not convert into any effective policy.

Indeed, as the Bahraini example shows, the massive presence of expatriates is not, as such, a factor of political instability or threat. What matters more is the way foreign and national workers articulate to one another, and whether or not they are able to avoid competition by maintaining strict hierarchy of status in the labor market.

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## Notes

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<sup>1</sup>According to the Bahraini Minister of Labor and Social Affairs Majeed al-Alawi in a meeting of the GCC Labor ministers in October 2004 (Middle East Online, 12 October 2004, <http://middle-east-online.com>).

<sup>2</sup>In 2000, Kuwait had 62 percent, Qatar 73,8 percent, the United Arab Emirates 75,7 percent. Only Oman (26 percent) and Saudi Arabia (26,4 percent) had markedly fewer foreign populations.

<sup>3</sup>Before their conquest by the Al-Khalifa family in 1783, the islands of Bahrain were under the sovereignty of Iran.

<sup>4</sup>While Sunnis and Shias have probably long been of equal demographic weight in Bahrain, Shias represent today a clear majority of around 70 percent according to most estimates.

<sup>5</sup>Sources of these events refer to Shia workers without differentiating between *Iranians* and *Baharna*. Considering the extremely segmented structure of the labor market and the hostility of the *Baharna* towards the Iranian migrants, it is unlikely that both groups mobilized together at that period. One should also not forget that at the time, many Iranian migrants had been brought to the country by wealthy Iranian families who had given a boost to the local economy and with whom the rulers had excellent relations (Fuccaro 2005:43–48). Therefore, it is unlikely that they participated in riots against members of the ruling families and their allies.

<sup>6</sup>Many others became stateless residents (*bidun* in Arabic) (Bahry 2000:134–135). Those who were granted the Bahraini citizenship were generally well connected to the affluent Iranian merchant families close to the ruling dynasty.

<sup>7</sup>For the most detailed description of the sequence of events of the uprising, see Lawson 2004; Fakhro 1997; Peterson 2004.

<sup>8</sup>Significantly, the Bahraini academic Munira Fakhro is, to my knowledge, the only one to refer explicitly to this event to explain the starting of the uprising.

<sup>9</sup>In November 2005, one Bahraini Dinar was about US \$ 0.4.

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