



# Trade Facts

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## **U.S. - Bahrain Free Trade Agreement FTA Supports Bahrain's Labor Reforms**

- As in other recent U.S. free trade agreements, the U.S.-Bahrain FTA contains provisions reaffirming the Parties' commitments as members of the International Labor Organization (ILO), and pledging the effective enforcement of domestic labor laws that provide internationally recognized worker rights. An Annex to the Labor Chapter creates a cooperative mechanism to upgrade labor standards.
- The negotiation of, and the labor provisions within, the U.S.-Bahrain FTA fully support and complement the democratic reforms by the Kingdom of Bahrain in the political and labor areas.
- Bahrain enacted significant labor law reforms in 1993 and again in 2002, when the Trade Union Law was promulgated.
- The 2002 law permits independent labor unions for the first time since the early 1970s. Significantly, both domestic and foreign workers are allowed to form and join trade unions under the new law.
- The 2002 Constitution recognizes freedom of association, and there are now about 40 private sector unions, representing 10,700 workers, operating in Bahrain.
- The General-Secretary of the International Confederation of Free Trade Unions (ICFTU) in Brussels has publicly hailed Bahrain as showing the way for the region.
- Bahraini officials recognize the need to continue making progress on labor rights, and the government is currently considering additional labor law amendments, including further development of collective bargaining regulations and raising the minimum age of employment.
- The Bahrain Ministry of Labor has increased the number of inspectors and upgraded their standards and training.
  - Efforts are also underway to better educate workers, including expatriates, about their rights in the workplace. The Ministry has also created a more responsive system to complaints, including a 24-hour hotline that workers can call for advice.
- The FTA establishes a labor cooperation mechanism to promote respect for the core labor standards embodied in the ILO Declaration and compliance with ILO Convention 182 on the Worst Forms of Child Labor.

*In a meeting with the Bahraini Labor Minister on April 7, 2004, the ICFTU General-Secretary stated "We will be encouraging other Gulf states to follow the example of Bahrain in working towards a truly independent labor movement in the region."*

- The labor ministries, together with other appropriate agencies, agree to establish priorities and develop specific cooperative activities, including discussions of legislation and practice related to the core elements of the ILO Declaration on Fundamental Principles and Rights at Work; development of social safety net programs; discussion of treatment of non-national workers; and improving systems for the administration and enforcement of labor laws.
  
- Areas for potential assistance in the near future include improved industrial relations practices, including collective bargaining procedures and mediation and conciliation services, the development of social safety nets, such as an unemployment insurance system, and changes in foreign worker visa programs.