



Manuscript

April 26, 2005

Libya: 35 Years Later

By David L. Mack

Both Libya and the United States have gained strategically from the détente in their relations. The potential for greater benefits is large, but more forward movement is needed to prevent a relapse.

Nearly 33 years after leaving Libya as a young diplomat in 1972, I recently returned for five days of meetings with Libyan officials, university faculty and students and business people. While recognizing that I only got a partial and brief look at Libya in 2005, let me offer a few general conclusions.

Muammar Qadhafi is still in charge and likely to remain so for the foreseeable future. Even senior Libyans are unsure how his policies might evolve, but the leader's current direction is the most reality-based and promising of over three decades in power. Internationally, he seeks acceptance by the West and integration into the global system. He seems to have recognized that Libya's security is best assured by wary but peaceful relationships with the United States and other major governments and that Libyan involvement with international terrorism and weapons of mass destruction had left Libya less safe. He has also recognized that the future is about global economic integration and interaction with private companies representing the best technology and management that Libya's oil and gas revenues can buy or attract for investment.

The strategic benefits to the United States are immense. Libya is no longer an adversary state located on the Mediterranean basin. Instead, it can be a positive example to the North Koreans and Irans of the world of how to come in from the cold and become a respectable member of the global community. Bluntly, there are too many bad governments seeking bad weapons for the United States simply to bomb them all into submission. The Bush Administration needed an alternative paradigm for international cooperation. Détente, including intelligence exchanges on mutual terrorist threats, serves the security needs of both states.

Middle East Institute

Domestically, Libya's leader views Western-style political reforms as unnecessary additions to international cooperation in foreign policy and economic matters. The doctrine one hears from the ideologically correct officials is that Libya has moved beyond the need for representative democracy and is proceeding to implement a perfect form of participatory democracy, which makes political parties and nationwide elections obsolete - aside from the fact that they were instruments that lent themselves to the tyranny of majorities, pluralities and special interest groups. I remain very skeptical about a form of democracy represented by frequent town meeting-style gatherings called people's congresses that serve to let off steam on issues like schools and medical care at the local level. So far as I could determine, the people's congresses do not have reliable means to affect those issues on the national level, although there is a nominal bottom-up process with regional people's congresses passing along consensus views from the base to a nationwide General People's Congress (GPC). Moreover, national security and national budget issues are only subject to debate in principle. It is presumptuous, however, to reject the *Jamahiriya* system out of hand, just as it is small-minded to condemn US democracy because of electoral abuses.

In the economic sphere, Qadhafi appears to have decided to leave oil and gas development and marketing control to the generally apolitical and professionally managed Libyan National Oil Company and the foreign partners they attract through competitive bidding in a transparent process. American companies benefited from this in the last round. Competitors from Europe and the Far East will simply have to meet the American competition in the next round. In this area, Libya has already reaped great benefit from improved relations with the United States. Libyan oil and gas revenues will probably rise significantly.

Libya has not passed laws and established means to implement rational planning, budgeting and other economic reforms for the productive use of Libya's rapidly increasing oil and gas revenues. During his more revolutionary phase, Qadhafi virtually disempowered the top level of the executive branch of the civilian Libyan state. What remains is a vast, unresponsive officialdom. The utopian experiments also tried to end most private property rights and employer-employee relationships. Moreover, the mostly un-transparent powers of the Libyan military, security and intelligence apparatus remain intact.

Rebuilding effective state institutions and encouraging the private sector to resume business activity (euphemistically called "expanding the popular sector") is going very slowly. Assuming that Prime Minister Shukri Ghanem and other reform-minded Libyan officials are able to get the GPC to pass laws

Middle East Institute

and approve implementing regulations, they also need to get GPC approval to establish executive institutions to implement the laws and regulations. Ghanem may have Qadhafi's mandate for now, but others are waiting to shove him aside if he proves incapable of managing the politics involved. He will meet resistance from many Libyans in the GPC and revolutionary committees whose influence grew relative to others. They benefited from regime favoritism, based not on merit but on particular tribal identities and loyal adherence to the shifting dogmas of Qadhafi. Now they have a vested interest in opposing change.

Assets for Change

Libyan women in 2005 represent the single most important change from 1972. When I left Libya after three years I had not had an opportunity to meet a single Libyan woman. Their absence from the workplace and isolation in the home had a negative effect on the efficiency of the government and productivity of the private sector. Men often left their jobs early to do the family shopping or absented themselves entirely to take a sick child to the doctor. Now, women seem to be everywhere. Women comprised half of the university audience I addressed and two of them rose afterwards to ask questions. The women I met in offices and at social occasions were self-confident and assertive. I would hazard a guess that Qadhafi is more popular among Libyan women than among the men, even if he can only take partial responsibility for their emancipation.

It is hard to assess the actual levels of education and whether Libyans are being educated in a manner relevant to the country's needs. But the rapid growth in the number of educated Libyans provides manpower for Libyan economic and social development. Effective employment of Libya's human resources, however, depends on the government adopting sound macro-economic policies and reforming a legal and commercial framework which does not meet global standards.

At this point, Libya is far from rich, but it does not lack capital. The government had an estimated \$25 billion in reserves in 2004 and revenues of \$16 billion over and above its operating budget. The problem is how to invest productively in education and health and how to get capital into the hands of Libyan entrepreneurs who will create jobs and become effective partners for foreign business interests. Libyan businessmen expressed the concern that there was no apparent mechanism to do this and that the trend was to funnel money through a few regime cronies who would create monopoly interests.

Middle East Institute

Libya's strategic détente with Europe and the United States makes Libya safer from future military pressures of economic sanctions. Of course, this means that the regime no longer has the excuse of being under siege from a hostile world.

US-Libya Relations

A theme I heard over and over was that Libya had done so much – offering up its citizens for trial at The Hague, giving a generous settlement to the Pan Am 103 families, giving up its chemical weapons and its option to develop nuclear weapons – and had gotten so little in return. In fact, Libya has already gained a great deal, but three elements are still lacking:

- Libya remains on the terrorism list;
- the United States is delaying the issuance of visas in Tripoli; and
- relations are still well below the full ambassadorial level.

Removal of Libya from the terrorism list awaits some kind of resolution of the serious allegation of a Libyan attempt to assassinate Crown Prince Abdullah of Saudi Arabia. While not actually denying that there is something to these charges, Libyans charge that the United States is seeking any excuse to delay this step. They also say that Saudi Arabia is using this issue to put the United States on the defensive on at least one issue involving international terrorism. I suggested that Libya should find a way to resolve matters with their Saudi brothers. One high official responded that the Saudis were likely to try the alleged perpetrators it is holding in a secret trial followed by their execution. The United States would then use this as an excuse to keep Libya on the terrorism list indefinitely. This seems to be the only instance of alleged Libyan culpability in international terrorism in recent years. It has several practical effects, such as subjecting the sale of US civil aircraft to onerous US bureaucratic hurdles.

The lack of visa issuance in Tripoli and Washington is the most immediate impediment to an expansion of US-Libyan contacts in the commercial, tourist and educational areas. The holdup on the US side is purely technical – lack of a secure facility for visa procedures. The liaison office in Tripoli, like everywhere in the world, has to meet the rigorous standards of the State Department. Greg Berry, the able foreign service officer in charge, indicated they had located a property to the west of town with enough space to be set back from traffic and negotiations are currently underway to purchase the property. The next step would be the entry of pre-fab buildings and equipment under diplomatic seal to ensure security. In the meantime, Ali Aujali in Washington appears to be subject to instructions that he insist upon reciprocal steps by the United States before he starts to issue visas. I explained the situation to

Middle East Institute

my high-level Libyan contacts and suggested that this is an area where Libyan interests would be better served by making the first move.

Libya now enjoys full diplomatic relations with virtually every major government except for the United States. This is mostly symbolic – after all, we can have relations with other states, such as Syria, without those relations being very satisfying to either side. But symbolism is all-important to Qadhafi, who did not embark upon the dramatic changes in his foreign policy to be spurned as not respectable enough to have a US Ambassador in Tripoli who would deliver the occasional letter from the President. This is especially the case since other states, including the UK, have even engaged in summitry with Qadhafi. Libyans are becoming nervous that the United States, having received a generous settlement for the Pam Am 103 families and a huge intelligence and security windfall resulting from Libya's surrender of WMD materials and documents, is now prepared to let relations stall at the present level of liaison offices with limited functions. At some point, this would probably result in Libyan retaliation of some kind, and several of my interlocutors hinted at that in vague terms.

The President's inaugural address, with its emphasis on the need for democracy as a basis for our relations with other states, together with Washington's enthusiasm about the "Arab spring" has set off alarm bells in Tripoli. To the Libyans, this looks like we are simply raising the bar higher for development of normal relations. I had hostile questions from the university audience in addition to the more predictable queries from senior Libyan officials. Quoting an Arab proverb, one senior official said, "Enter the house of a friend by its front door, not through the window." If we discuss internal political reforms, he said, we should do it on the official level. If a US embassy in any Arab country goes behind the back of the government, or if we send NGOs into the country for this purpose, it will be viewed with great suspicion by the people of the country - not just the regime.

Suggested US Initiatives

Libya's policy shift, even with its shortcomings, has been a dramatic success for both Libya and for its former adversaries in Europe and the United States. The strategic gains, as well as the benefits for business, are nearly self-evident. Less obvious, but perhaps more important in the longer term is the potential for Libyan citizens to gain economic and political reforms as the result of the country's new openness to the global community. Neglect of the budding US-Libyan relationship would risk these gains. There are steps that Libya should initiate itself, but let me focus on moves the Bush Administration should make:

Middle East Institute

- Establish a target date for beginning visa issuance in Tripoli. Inform the Libyan government of the date but say that implementation depends on meeting practical requirements connected with the security of our facility. We should offer to announce that date publicly, so the Libyans have cover to begin in Washington.
- Assure the Libyans that we are reviewing their listing as a state sponsor of terrorism with an open mind and will not simply accept Saudi claims at face value as a way to avoid removing Libya from the list.
- Formulate proposals for dialogue between Libyan and US entities about the process of economic and political reform. It must be made clear that we are prepared to listen to what they have to say about the Green Book and the *Jamahiriyah* system with an open mind.
- Endorse the establishment of private sector business groups in both the US and Libya to present the concerns of our respective business communities to the governments in each capital.
- Send a high-level visitor to Tripoli to convey these points to the Libyans. Public statements should be made about Libya that are neither unduly gushing nor insensitive to their national pride.

Assertions and opinions in this Manuscript are solely those of the above-mentioned author(s) and do not reflect necessarily the views of the Middle East Institute, which expressly does not take positions on Middle East policy.

David L. Mack is Vice President of the Middle East Institute. He served as Deputy Assistant Secretary of State for Near Eastern Affairs and US Ambassador to the United Arab Emirates, and also held diplomatic postings in Iraq, Jordan, Jerusalem, Lebanon, Libya, and Tunisia.