

Libya's Return to the International Stage

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On 12th September 2003, a few days after Colonel Muammar Gaddafi celebrated his thirty-fourth year in power, the UN Security Council lifted the sanctions imposed on Libya between 1992 and 1993. This was made possible by the arrival at the agreement to award financial compensation to the relatives of the victims of the two aircraft that exploded mid-air, the American aeroplane over Lockerbie in 1988 and the French aeroplane over Niger in 1989, in attacks attributed to the Libyan secret services. The sanctions of the UN had already been suspended in 1999 after Libya handed over two Libyan nationals, accused by the United States and Great Britain of committing the Lockerbie attack, in order that they may be judged in the Scottish court. The lifting of international sanctions means another important step in the normalisation of the relations between Libya and the international community, and will help to ease the economic and political opening of the Maghrebian country.

In recent times, the Tripoli regime has shown various signs of a will to reform, both in terms of its representation to the rest of the world and at an economic level. Still to be seen is the scope of the proposals launched by Gaddafi before the General People's Congress last June, among which were those of eliminating the public sector and undertaking a wide process of privatisation which would encompass the oil sector, banks, airports and public com-

panies. In this context, the country's appointment during same month of a technocrat of western training, Shukri Ghanem, as prime minister is significant. The advance of the reforms will depend on the ability of Ghanem to create internal alliances that are strong enough to introduce structural changes, and to provide the country with the necessary institutional mechanisms in the face of the predictable opposition of the old authorities, represented by the Revolutionary Committees.

However, despite the optimistic perspectives for the government's undertaking of economic and political reforms, there are still important obstacles in the way of the efficient short or medium term application of these reforms. The Libyan economy depends almost exclusively on hydrocarbons, a sector that represents almost ninety percent of government income. But the nature of the regime and its interests in the hydrocarbons sector – Libya is the second biggest producer of crude oil in Africa – could delay certain reforms and block the privatisations that have been announced. Libya could be an attractive country for foreign investment, but first needs to solve some serious problems related to the absence of consolidated commercial regulations, reliable contraction procedures, and legal and financial guarantees, among other concerns, in order to persuade foreign companies to invest in the country.

Despite the Libyan presidency of the Commission on Human Rights of the UN during 2003, which remained unapproved by some countries, Libya must still put in a great effort toward the respect of human rights, and make up for past cases of abuse. Political li-

beralisation does not seem to be included in the immediate plans of Gaddafi's regime and any change introduced in the system will have the strengthening of its control as an objective. In the current context, the pressure that Washington maintains over Tripoli does not help to relax the strict control that the Libyan regime maintains over its citizens.

The full acceptance of Libya on the international stage continues to depend on the United States relaxing its posture towards the country and lifting the unilateral sanctions that are maintained against it. This situation, inherited from the Cold War when Washington accused Gaddafi of funding international terrorism, along with the sanctions, imposed at the beginning of the 1980s and toughened with the passage of time, are anachronistic in the current context, although in recent times the voices from the United States that criticise the upholding of such sanctions have seen an increase. Some of the most important critics come from the oil industry, which is in a position to observe how the unilateral sanctions imposed by the United States puts the country in a position of disadvantage against its competitors from Europe and other countries.

Washington is not expected to revise its sanctions before 2005, once the next presidential elections have been held. Despite the fact that in 1998 the American Department of State admitted that «Libya has not been involved in any act of international terrorism for some years», no presidential candidate will want to show himself to be lenient with a regime that, historically, consecutive American Administrations have branded as terrorist.

Since the 9/11 attacks, Libya has actively collaborated with the United States and the United Kingdom in the fight against international terrorism, through the supply of information collected by its intelligence services over three decades on Al Qaeda and other fundamentalist groups active in some of the Muslim countries. With this assistance, Libya endeavours to avoid being a target of the United States in its «war against terrorism», and seeks the collaboration of Washington to end the threat that extremist elements represent for the regime.

On 19th December, Colonel Gaddafi made an unexpected U-turn by announcing his intentions to dismantle the programmes of development and the production of weapons of mass destruction existing in Libya. This

historic commitment was made possible after months of secret negotiations with the United Kingdom and the United States, in which Spanish diplomatic contributions also played an important part. As well as smoothing the way for the return of Libya to the international community, the voluntary disarmament under international supervision has brought a complex worldwide network to light consisting of the contraband of material suitable for the manufacture of nuclear weapons. This concession has been interpreted by some as the result of the preventive war doctrine of the United States, through which the overthrow of Saddam Hussein's tyrannical regime has led to other dictators amending their relations with the West. We should note that both the Libyan regime and

western sources have declared that the communication that has culminated in the termination of Libya's programmes of weapons of mass destruction date back several years, and also went beyond the question of disarmament.

The stability of the Maghreb and regional security depend on Libya, and for this reason it is imperative that the bilateral communication is intensified and integrated into the multilateral structures where it can have a significant constructive role. At present, Libya maintains the status of observer in the ministerial meetings held within the framework of the Euro-Mediterranean partnership. It would be desirable that this country fully incorporate into this process, and to this end be able to count on the necessary support from community institutions.

THE RELATIONS BETWEEN SPAIN AND LIBYA

Spain maintains a commercial deficit with Libya of more than 1,800 million Euros, and in 2001, total Spanish imports to Libya amounted to more than 1,900 million Euros (Spain being its third most important customer after Italy and Germany), while exports amounted to only 90 million euros (Spain is the ninth supplier to Libya). This high deficit is due to the fact that almost all the Spanish imports from Libya (96.4 percent) were combustibles and mineral oils, which makes the Maghrebian country the supplier of ten percent of the crude oil imported by Spain.

Spanish companies have a limited presence in Libya, which is focussed on the oil industry. The improvement of the oil income over the last few years, due to price increases, means that Libya now has sufficient liquidity to attract

foreign companies (it is estimated that in 2003 the current account surplus will reach the record figure of 8,800 million dollars, forty-eight percent of the GNP). The Libyan authorities have recently put forward initiatives with the purpose of diversifying its suppliers, and this should favour the increase of Spanish investment in other sectors, such as telecommunications, transport, services, financial services, agriculture, fishing and infrastructures. A sector in which Spanish companies will be able to develop important activity is tourism, which is currently at a level of development that is well below its potential. The creation in Libya of the Development Tourism Bank in May, as well as the ambitious plans of the Libyan authorities to rapidly multiply the number of tourists that annually visit the country by six (at present

there are around half a million) indicate that the possibilities of investment are real.

The visit that the President of the Spanish Government made to Tripoli some days after the lifting of the UN sanctions should favour a new climate of continuous dialogue and cooperation between the two countries, with the aim of discovering more about each other's specific interests. Spain could be in a privileged position as interlocutor between Libya and the United States in helping to rebuild their currently very complicated bilateral relations. The fact that there are no historical disputes between Spain and Libya is an element that certainly favours this possibility.

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