

# Contradictory Signals from Libya

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The year 2007 brought a consolidation of existing trends with regard to both Libya's external relations and its domestic developments. Normalisation of relations with the United States, the European Union and a number of European countries further progressed after Tripoli released 5 Bulgarian nurses and a Palestinian doctor sentenced to death for allegedly deliberately infecting hundreds of Libyan children with HIV.

By contrast, domestic developments in the economic and political sphere were marked by an erratic one-step-forward/one-step back pattern. This could be explained in part by increasing internal power struggles between the reform-oriented elite faction spearheaded by Gaddafi's son Saif al-Islam, who again held a programmatic pro-political and economic reform speech in August, and the status-quo-oriented old guard but also with rivalries among Gaddafi's sons. The revolutionary leader continued his policy of calculated ambiguity, not clearly endorsing one of the competing factions, in keeping with his long-standing pattern of ruling by spreading fear and uncertainty. Overall, there were few signs in 2007 of a coherent government strategy to confront the broad spectrum of domestic challenges.

### Further Normalisation of Ties with Europe and the US

Relations with Europe were marked by diplomatic frenzy in the first half of 2007 after a previous death sentence on the Bulgarian nurses was confirmed in late 2006. The negotiations over their release – which

on 17 July led to the commuting of the death-sentences to life imprisonment and a week later to their return to Bulgaria – testified to Libya's high bargaining power in the foreign policy domain. The latter has much to do with the fact that Libya is Europe's third most important oil supplier and is seen as an indispensable cooperation partner in the European Union's efforts to reduce illegal African migration across the Mediterranean Sea as well as in the international fight against terrorism. The concessions Libya managed to wrest from the EU in return for the prisoners' release included compensation for the HIV victims, treatment of the infected children in Europe, and funding for a hospital in Benghazi. Moreover, the EU commission agreed to propose to the ministerial conference the gist of a future framework agreement that would among other things facilitate access of Libyan agricultural products to European markets.

While the EU and particularly the German council presidency had made a substantial effort to negotiate the deal, it was France that eventually managed to take the credit and publicity for it when the French president's wife of the time intervened at the last minute in a unilateral move to secure the nurses' release. A French-Libyan military cooperation and arms deal concluded in late July as well as a cooperation agreement for the construction of a nuclear power plant also appeared to be linked to the nurses' extradition, although negotiations for these deals had started under Chirac's presidency. Tony Blair's visit to Libya in February 2007 led to a multi-billion Libyan gas deal with BP as well as an agreement on anti-terrorism cooperation and mutual legal assistance. The symbolic and material rehabilitation of Libya's regime was further promoted by Nicolas Sarkozy, who invited Gaddafi for an official visit in December 2007. Spain followed suit, although with a much lower-key approach.

Washington also formally upgraded its relationship with Libya by announcing the delegation of an ambassador, one of Libya's perennial requests. However, resistance to this move arose when a group of Senators including Hillary Clinton tied confirmation of the nominee to Libya's outstanding compensation payments in the Lockerbie case. As a result, the US ambassador had yet to arrive in Tripoli by the end of 2007. But the administration's eagerness to fully normalise ties with Libya was reflected in a visit to Tripoli by the assistant secretary of state John Negroponte in April as well as a Libyan government delegation's trip to the US, the first of its kind in two decades.

Despite the steady normalisation of ties with the US and the EU, Gaddafi continued to send contradictory signs to Western governments, upholding defiant rhetoric vis-à-vis the West and particularly the US in many of his speeches. Similarly, Libyan activities in Africa presented a curious picture. On the one hand, Tripoli made efforts to resolve the conflict in Sudan; on the other hand it openly supported the Chadian president Déby by providing him with weapons and continued to meddle on the tribal level in its neighbouring countries.

### **Still Turning its Back on the EMP and ENP**

The improving relationship with Europe has not led Libya to embrace either the multilateral Euro-Mediterranean Partnership (EMP) or the multi-bilateral European Neighbourhood Policy (ENP). Libyan officials have made it clear that they have no desire for integration in either of the two frameworks for cooperation. Their declared preference is a framework agreement with the EU that focuses primarily on economic and trade issues. Criticism levelled against the EMP includes the fact that Israel is part of the initiative, that the EMP unites countries with little or no common interests, and that it undermines African unity. Off the record, Libyan officials concede that the main reason for shunning these existing cooperation frameworks is the fact that they would oblige Libya to embark on domestic reform, including in the political domain. By contrast, Libyan officials and Gaddafi himself during his visit to Paris voiced much support for Sarkozy's plan for a Mediterranean Union, even if Israeli participation was criticized. This enthusiasm for the Sarkozy project can be largely explained by Libya's desire for cooperation with no political strings attached and a focus on issues such as energy and

environment that are of great interest to Tripoli. With its active participation in the 5+5 security initiative since 2004, Libya has already proved that it is willing to cooperate in a multilateral framework as long as this cooperation does not entail interference with domestic affairs. Nonetheless, Libya exhibited a clear preference for bilateral agreements both in the economic and security domains. Yet, even negotiations for such agreements could drag on, as Italy experienced with regard to a cooperation agreement on joint sea patrols to curb illegal migration to Italy, which was finally signed in late 2007 after years of negotiations with many setbacks.

Moreover, Libya demonstrated its strong sense of sovereignty to Western governments in a number of small but significant moves. Employing a tit-for-tat strategy, Tripoli temporarily refused to issue visas to citizens of different EU countries because Gaddafi's sons had not been granted the requested visa privileges. And in November 2007 thousands of European tourists and businessmen were refused entry at Libya's ports and airports because they did not have an Arabic translation of their passports. The decree requiring such a translation had been issued virtually overnight and not communicated at all. Such ad-hoc moves not only marked foreign relations but continued to be one of the main characteristics of Gaddafi's rule.

### **Growing Domestic Challenges...**

With 38 years in power in 2007, Gaddafi's enduring reign has only been topped by that of Cuba's Fidel Castro and Gabon's Omar Bongo Ondimba. His system, a peculiar design of formally direct-democratic institutions effectively controlled by informal revolutionary structures and tribal politics, as well as his style of rule – highly personalized, opaque, and on the spur of the moment – serve to institutionalize chaos and coercion and have proven to be flexible and highly adaptable. Libya in 2007 could be considered by far more stable than its neighbours Algeria and Egypt. Even though the regime did not face immediate threats, it confronted a number of socio-economic, political and security challenges with unsettling potential effects in the long-run. The socio-economic problems included high levels of corruption (Libya was ranked 131 out of 179 countries on Transparency International's Corruption Perceptions Index), high youth unemployment (overall unemployment was estimated at around 30% by the Economist Intelligence

Unit in its 2007 Libya country profile) and stagnation if not deterioration of living standards. Numerous complaints in newspapers and on official websites about the level of corruption, the disastrous state of the health care system as well as the generally poor delivery and functioning of public services indicate a deep-rooted popular dissatisfaction with living conditions and a low output legitimacy of the regime. While Libya did better in terms of its Human Development Index than all of its Arab neighbours (it ranked 56 out of 177 on the HDI in 2007), an argument made frequently by Libyans is that the real yardstick for Gaddafi's performance should be the smaller Gulf countries, which like Libya feature oil wealth and small populations.

A Libyan website considered to be close to Gaddafi and his son Saif al-Islam in the autumn of 2007 featured an electronic poll in which only 8% of the respondents believed that the government acted in the interest of the citizens. Even though it is safe to assume that such polls are manipulated for political purposes, their outcome has a certain significance. They highlight that the Libyan government is so widely unpopular that Gaddafi, who holds no formal role in the direct-democratic governing structures (as revolutionary leader, however, he is the supreme commander of the military), sees a need to distance himself from it. This has been a long-standing practice of the Libyan leader in times of domestic crisis.

In the absence of independent polls and still widespread fear of speaking about politics openly, particularly with foreigners (Art. 166 of the penal code still criminalises contact with anyone working for a foreign government) it was difficult to measure the degree of popular dissatisfaction with the existing political leadership, including Gaddafi himself. While there was some student protest and social commotion, popular discontent in 2007 did not express itself as violently as in 2006 when demonstrations in the context of the cartoon crisis turned into anti-regime riots and bloody clashes.

### **...Yet No Powerful Opposition Movement in Sight**

Apart from the Muslim Brotherhood (MB), whose members remained under close surveillance and could not engage in any political activity, no potentially powerful opposition movement existed that could have capitalised on the social discontent. The secu-

lar democracy-oriented opposition is mainly found in exile and fragmented. Individuals close to these opposition groups in Libya constantly risk imprisonment – a dozen people were arrested and put on trial in 2007 for planning a peaceful demonstration. Merely a small number of academics, mainly from Benghazi, backed by Saif al-Islam or influential families are in a position to criticize the system – the well-informed, regime-critical website *libya al-youm* ([www.libya-alyoum.com](http://www.libya-alyoum.com)) reported in December 2007 that they had decided to found a national democracy centre.

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The Muslim Brotherhood, considered to be the numerically strongest Islamist opposition current in the country, continued to express support for Saif al-Islam's reform agenda – Gaddafi's most politically active son had in 2006 negotiated the release of over 80 prominent MB members from prison. Yet, some of the Brotherhood's leaders in exile made it clear in interviews with pan-Arab media that they have become increasingly disappointed with the slow speed at which reforms were implemented. Given that dissenting voices are still brutally repressed, the chances of the Brotherhood becoming a potent political opposition force within the country remained slim. Also, Saif al-Islam in his speeches continued his efforts to cater to the Brotherhood. For instance, he made it clear in his programmatic speech of 20 August, 2007 that abolishing the *shari'a* remained out of the question, citing it as one of four red lines that were not to be crossed, the others being the status of Muammar Gaddafi, national unity, and the security and stability of Libya (BBC Monitoring Global Newline Middle East Political File, 21/08/2007).

Concerns over security seemed to rise within the regime, as unofficial reports in 2007 repeatedly spoke of small-scale clashes between Islamist militants and security forces in the East of the country, which has traditionally been more anti-regime and pro-Islamist and in the late 1990s had been a hotbed of armed groups. In 2007 around 60 prisoners belonging to the Libyan Islamic Fighting Group (LIFG) were released.

However, LIFG leaders outside of the country in the fall announced that the group would join al-Qaeda, the ramifications of which for Libya itself remained unclear. There were a number of indications that Libya like other countries of the Greater Maghreb was a breeding ground for radicalism. In Algeria, several young Libyan militants were either killed or caught, and in late 2007 the New York Times reported that on a list of foreign fighters in Iraq found by the US military 18% were Libyans. Apparently 50 militants had come from one small city (Darnah) within less than a year. Statements by Saif al-Islam in his August 2007 speech advising young Libyans that want to become martyrs to go to al-Anbar and al-Ramadi in Iraq or to Palestine but not to blow themselves up in Libya indicate not only the leadership's fears over the radical potential among its youth but also its desire to ship the terrorism problem abroad.

### **Reforms: One Step Forward, One Step Back**

With no immediate threat to its power and with the oil price booming – the International Monetary Fund (IMF) estimated the domestic reserves at way over \$80 billion by the end of 2007 – Libya's elites could afford not to embark on political reforms. There were few signs that the social and economic challenges were being tackled in a systematic way: reform steps in all domains were erratic and contradictory. In the political sphere, Saif al-Islam called for clarification of institutional competences and more institutional stability by establishing a constitution and independence of the judiciary. His push for – albeit limited – political reform appeared to be driven by the conviction that the institutional chaos of the so-called direct democratic system prevents successful modernisation and economic reform. In sharp contrast, Gaddafi and the old guard were striving to further expand these structures by adding a new level of local congresses to the political system. Also, a State Security Court tasked with political cases was established in 2007, de facto reintroducing the notorious People's Courts that had been abolished in 2005. Promises for more freedom of expression by Saif al-Islam and the creation of two marginally more open newspapers were tainted, among other things, by the arrest of people for organising a peaceful demonstration.

Similarly, reforms in the economic domain remained contradictory. A first step to privatise banks was taken (BNP Paribas bought a minority stake in the Sahara Bank) and a new and more business-friendly investment law was passed. Moreover, Gaddafi made sweeping announcements to boost the private sector by laying off up to 400,000 state employees and providing them with funds to start their own enterprises. At the same time, the government went on a spending spree, announcing public sector wage hikes of up to 80%. The IMF in November 2007 expected an increase in state expenditure by 40%. Also, under the banner of fighting corruption the government arrested dozens of successful private businessmen, some of them known to be critical of the regime, dealing a blow to previous liberalisation efforts (Menas Libya Focus 04/07).

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As in previous years such inconsistencies appeared to be the result of increasing regime infighting over how to handle the political and economic challenges. Power struggles also deepened within the Gaddafi family. Saif al-Islam, who heads the formally independent Gaddafi Development Foundation and whose role oscillates between an ombudsman, critic and de facto super development minister of the regime, has built himself a power base through his pro-reform agenda as well as his successful negotiations with foreign governments. But the revolutionary leader has also started pushing a second son, Mu'tasim, making him adviser (or head, depending on the source) of the newly founded National Security Committee and dispatching him to the UN's General Assembly in 2007 with the Libyan delegation, where he met with Condoleezza Rice. With his military training and as commander of a brigade Mutasim, who is deemed to be close to the hardliners, has a solid foothold in the security apparatus. With virtually all key positions in the security apparatus occupied by members of Gaddafi's family and tribe, succession will most likely be a family affair one day.