

# An End to the Lockerbie Morass?

## The Libyan Angle

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Apr 5, 1999

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### Brief Analysis

Libya today handed over two suspects in the 1988 bombing of Pan Am Flight 103. Having worked out a deal that insulates the regime from any further blame, Tripoli finally accepted the offer of a trial to be held at a neutral site under Scottish rules. Less obvious, given Libya's prolonged economic crisis, is why the international community was willing to offer Tripoli a judicial proceeding whereby even the conviction of the suspects would constitute an exoneration of the Libyan regime and an end to economic sanctions.

Libya's Economic Crisis: Libya's current economic distress stems from structural problems that preceded the imposition of the Lockerbie sanctions. Since 1969, the country's abundance of oil wealth has allowed Col. Mu'ammar Qadhafi to embark on a quixotic mission to end "exploitation." The regime's rash nationalization measures, costly subsidization programs, and elimination of the entrepreneurial class have deprived Libya of a durable economic foundation. The virtual collapse of the petroleum market in the late 1980s called into question the regime's past policies and raised alarms about future prospects. To quell domestic discontent, Qadhafi launched an ill-conceived liberalization program that succeeded only in generating high inflation, massive unemployment, and rampant corruption. The government's 1999 austerity budget reduced spending on investment projects by 80 percent. For the first time, Libya's oil industry was not exempt, having its budget reduced by 41 percent.

Having abandoned the privatization policy as a means of rejuvenating Libya's economy, Qadhafi seems to have opted for an accelerated development of oil and natural gas resources. European oil companies appear ready to oblige the colonel, as recent surveys conducted by the French firm Elf Aquitaine and Spanish energy group Repsol indicated new offshore sources with enormous capacities. It is here that the Lockerbie issue becomes troublesome, as most firms appear reluctant to sign long-term contracts and exploration agreements at a time when Libya is gripped by international sanctions. For Qadhafi's new economic strategy to succeed, the Lockerbie impasse has to be resolved. Yet, Libya is determined to dispose of the issue in a manner that not only permanently lifts the existing sanctions but also invites no further international retribution, irrespective of the verdict.

The Anatomy of the Deal: The Lockerbie bombing is consistent with the basic tenor of Libya's international relations. The foundation of Qadhafi's foreign policy is anti-imperialism, which he defines as opposition to the West. Libya has long viewed indiscriminate employment of violence as a legitimate means of revising an international order dominated by "imperialist-Zionist" forces. Whatever the outcome of the Lockerbie affair may be, it ought not to

obscure Libya's prolonged commitment to state-sponsored terrorism and its patronage of a variety of separatist groups, self-styled national liberation movements, and simple terrorist organizations that share its animus toward the United States.

The initial U.S. approach to the Lockerbie affair anticipated that the suspects would reveal information regarding Libya's terrorist networks and methods. Such a revelation would set the stage for further intrusive measures isolating the Qadhafi regime. Accordingly, the original Anglo-American terms issued in 1991 stressed that the Libyan government had "to surrender for trial all those charged with the crime; accept responsibility for the actions of Libyan officials; disclose all it knows of this crime, including the names of all those responsible; and allow full access to all witnesses, documents, and other material evidence." Since then there has been a perceptible shift as European states and developing nations seem to be seeking a perfunctory arrangement that will mollify public opinion and lead to a resumption of commercial activity.

After years of negotiations, Libya has now been granted its most fundamental demand, namely keeping the trial limited to the activities of the two suspects, not the conduct of Qadhafi and his senior advisers. United Nations secretary general Kofi Annan has already pledged that the "prosecutors would not attempt to embarrass or implicate the Libyan government." The British Foreign Office has buttressed this pledge by agreeing that the UN would monitor the treatment of the suspects and that they "would not be interrogated by British or American security services." As part of the agreement, the UN sanctions will be lifted with no realistic prospect of their reimposition.

The accord is indeed a remarkable revision of the previous U.S. position. Libya's intelligence operatives can stand convicted of an atrocious crime without Tripoli assuming any responsibility. As Daniel Cohen, whose daughter died in the explosion, said: "The hitmen face trial while the Godfather walks free." More than any of the other individuals involved in the Lockerbie saga, Qadhafi has proven most perceptive in evaluating the agreement. In a recent defiant speech, he proclaimed, "When America and Britain realized that the embargo had started to loosen, and that the entire world was facing them, they, unexpectedly, took the initiative to accept the Libyan proposal."

Why the Current Lockerbie Agreement? The Lockerbie accord is testimony to the effectiveness of Libya's diplomacy of fracturing the unity of the international community. Over the past decade, Libya has employed economic incentives and manipulated developing nations' anti-Americanism to generate support for its cause. Libya has used its position in key regional groupings such as the Organization of African Unity and the Arab League, and long-standing economic relations with European states -- particularly Italy, Spain, and France -- to erode international solidarity.

Libya's cultivation of ties with developing nations has served it well, South Africa and Egypt being at the forefront of efforts to rehabilitate the Qadhafi regime. Such efforts have not gone unnoticed by Tripoli, as Libya has been accepting a large number of Egyptian guest workers and has commenced discussion for a \$1-billion pipeline project transmitting Libyan oil and gas through Egypt. The African angle has been treated with similar generosity with the establishment of the Libyan Arab Foreign Bank and the Libyan Arab Foreign Investment Company, designed to provide development funds for sub-Saharan Africa.

The lure of Libya's commercial diplomacy has also proven irresistible to many European states, particularly France. On March 10, a French court handed out life sentences to six Libyans, including Qadhafi's brother-in-law and head of security services Abdullah Senoussi, for planning the 1989 bombing of the French UTA airliner in which 170 people were killed. But far from severing relations with Tripoli, France has taken steps to boost economic ties. President Jacques Chirac even went so far as to send an appreciative message to Qadhafi "recognizing his help in the UTA probe." In the meantime, Italy and Spain, who rely on the high-quality Libyan oil, are similarly predisposed to accept the colonel's rationalizations and resume their economic relations.

Conclusion: The Lockerbie scenario ironically constitutes both a validation of economic sanctions as a means of dealing with rogue states and a testimony to the shortcomings of such an approach. The Libyan case vindicates those who argue that a concerted sanctions regime can in fact aggravate the internal difficulties of undemocratic regimes and foster a change in their behavior. Yet, the outcome of the Lockerbie affair also reveals the reality of sanctions fatigue and the difficulty of maintaining international cohesion over a protracted period of time. For Qadhafi, the favorable resolution of the Lockerbie impasse may be a victory, but the wily colonel still faces considerable domestic obstacles to the perpetuation of his eccentric revolution.

Ray Takeyh, a research fellow at the University of California at Berkeley, will join The Washington Institute this autumn as a Soref research fellow.

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