# Reforming the Rogue

## Lessons from the U.S.-Libya Rapprochement

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THE
**WASHINGTON INSTITUTE**
*for Near East Policy*

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# About the Author

**Dana Moss** is an adjunct scholar of The Washington Institute, focusing on Libya and North Africa. As a former senior fellow for Middle Eastern studies at the Brussels-based Transatlantic Institute, her research covered civil society and Islamism in the Middle East as well as the role and challenges of the Barcelona process and the European Neighborhood Policy. Ms. Moss has published widely on the Middle East in outlets such as the *Guardian*, *New Statesman*, *Christian Science Monitor*, and *Arab Reform Bulletin*.

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# Acknowledgments

# Executive Summary

ON DECEMBER 19, 2003, Col. Muammar Qadhafi announced that Libya—long considered a rogue state—was giving up its weapons of mass destruction (WMD) program, enabling a resumption of U.S.-Libya relations that had been frozen since 1981. In addition to the WMD prerequisite, Washington had stipulated that Tripoli end its longstanding sponsorship of terrorism, accept responsibility and pay compensation for the 1988 Lockerbie bombing, and assist with the Lockerbie investigation. Human rights and political reform were on Washington's agenda as well, but the rapprochement was not conditional on improvements in these areas.

Qadhafi had several compelling reasons for coming in from the cold. By ending Libya's decades-long isolation, he hoped to reverse economic stagnation, primarily through the influx of foreign investment and modernization of the country's oil facilities. At the same time, rapprochement with the West would bolster the authoritarian regime's stability and serve Qadhafi's personal quest for international recognition.

This study examines the U.S.-Libya agreement in detail, focusing on the extent to which Washington and Tripoli have actually achieved what they sought from the deal. For Washington, the WMD renunciation was the priority, so it considered the outcome a success. And Libya's goals seemed to be satisfied as well: the country benefited economically from the return of U.S. oil companies and now has access to Western military training. It has also achieved a degree of political prestige previously unimaginable, including key seats at the United Nations and African Union.

Despite these benefits, Qadhafi has largely expressed disappointment with the agreement—whether because his expectations were unrealistic or because he hoped to wrest more concessions from the United States. Or perhaps he has downplayed the effects of the deal to preserve his "revolutionary" credibility in the third world. In any case, the chief impediment to additional gains has been Libya's own power structure, which has not changed despite the agreement and subsequent engagement with Washington. Qadhafi's ongoing dominance, along with the continued presence of hardline, antireformist political elements, has kept Tripoli's foreign interests and internal policies largely intact, aside from WMD and material support for terrorism. This entrenchment has prevented Libya from benefiting further from its policy volte-face.

Domestically, Qadhafi's reliance on the "old guard" has frustrated the economic reform needed for long-term regime stability, given the socioeconomic grievances being voiced by Libyan youths. And on the international front, his volatility makes him a diplomatic albatross to would-be allies. In 2003, for example, he ordered an assassination attempt against then–crown prince Abdullah of Saudi Arabia, even as Tripoli worked toward rapprochement with Washington—an act that delayed full restoration of relations and Libya's removal from the State Department's terrorism list.

Indeed, Qadhafi's anti-imperialist/anti-colonialist worldview and his need to reassure hardliners that he remains independent have resulted in Libyan policies that are often opposed to U.S. interests. Although he is eager to maintain bilateral relations, he has only occasionally made good on promises to Washington since the 2003 agreement, particularly when reneging has not threatened to scuttle the nascent relationship.

In the case of the Lockerbie bombing, for example, Qadhafi retracted his initial acceptance of responsibility and delayed payment of compensation to the victims. Likewise, while Libya moved swiftly on dismantling its nuclear weapons program, it has postponed initiatives to dispose of its chemical weapons cache. The lesson from Washington's experience to date seems to be that a deal with the colonel is never done until he signs on the dotted line *and* delivers.

Because Tripoli has not fundamentally changed, there is little indication that it will cooperate with the United States on future foreign policy initiatives beyond current agreements. Qadhafi may be concerned that a dramatic change in orientation could hurt his standing at home and abroad. His actions since 2003

underscore this point—for example, he has campaigned against both democratic development in Africa and basing rights for U.S. Africa Command security forces. Regrettably, then, Washington can count on Qadhafi only when U.S. and Libyan interests coincide.

This fact should also temper the notion that the U.S.-Libya relationship has established a roadmap for the "rehabilitation" of other rogue states.[1] In 2006, then–secretary of state Condoleezza Rice stated, "Libya is an important model as nations around the world press for changes in behavior by the Iranian and North Korean regimes."[2] Tripoli did not share this view, however—in 2007, Qadhafi noted that because "Libya has not been properly compensated...other countries, like Iran and North Korea, will not follow."[3]

To be sure, the 2003 agreement was a testament to U.S. diplomacy, underscoring Washington's willingness to engage with rogue states once they forsake terrorism and WMD. Yet Libya's reorientation came neither as a result of U.S. engagement nor once direct U.S. ties were established. Rather, most of the transformation predated these efforts—as multilateral sanctions exacerbated the country's preexisting economic and social problems, Qadhafi realized the need for a foreign policy shift that would preserve his regime and the Jamahiriya system.

During the 1990s, Libya demonstrated how change could come about when an authoritarian ruler is worried about his prospects for survival. Today's Libya, however, demonstrates the limits of U.S. diplomacy toward hardline states, at least when it comes to fostering fundamental change after initial engagement. The diplomatic breakthrough on WMD was the exception to the rule—given the bilateral history and the nature of the Qadhafi regime, the United States should not expect anything more than incremental gains on discrete issues that do not threaten Tripoli's security or ideology.

The rehabilitation of Libya is an important development. Going forward, however, the lesson for Washington when dealing with rogue states is unmistakable: engagement is no silver bullet.

## Key Findings

Given its unique nature, Libya's rehabilitation offers some important lessons for U.S. policymakers pursuing a strategy for dealing with "rogue states":

**Engagement does not create behavior change.** Libya modified much of its problematic behavior prior to, not after, direct diplomatic contacts with the United States. As such, the Libyan experience highlights the importance of effective multilateral sanctions—which came on top of a self-created economic crisis—in encouraging behavior change.

**Behavior change is limited when there is no regime change.** Although Libya transformed its relations with the United States and much of its foreign policy, engagement was not a panacea. Because the regime's structure and ideology did not change dramatically, past patterns in its domestic and foreign orientation have remained intact—often in opposition to U.S. interests.

**Cooperation is limited to areas of mutual interest.** Beyond WMD, Qadhafi has been most helpful on issues that directly mesh with Libya's interests, and largely unhelpful on other issues. For example, counterterrorism cooperation against jihadists—one of the few "success stories" after rapprochement—represented a coincidence of U.S. and Libyan interests, not a victory for U.S. diplomacy.

**True reform requires, at the very least, personnel change.** Libya's political structures and regime interests were left untouched by the deal with Washington. Today, many of the same people who controlled the country decades ago continue to do so. Real policy change in a Libya where Qadhafi has ruled for more than forty years will be slow in coming. And a

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1. For more on this formulation, see Dafna Hochman, "Rehabilitating a Rogue: Libya's WMD Reversal and Lessons for U.S. Policy," *Parameters*, Spring 2006, www.carlisle.army.mil/usawc/parameters/Articles/06spring/hochman.pdf.
2. Joel Brinkley, "U.S. Will Restore Diplomatic Links with the Libyans," *New York Times*, May 16, 2006, http://www.nytimes.com/2006/05/16/world/africa/16diplo.html.
3. BBC News, "Gaddafi: Libya 'Let Down' by West," March 2, 2007, http://news.bbc.co.uk/2/hi/6413813.stm.

post-Qadhafi Libya would likely be no different in this regard, given that preexisting hardliner networks would probably remain in one form or another as part of the structure propping up his successors.

**History repeats itself in various forms.** The mostly antagonistic history of U.S.-Libya relations under Qadhafi, compounded by the latter's need for international respect and views of Libyan exceptionality, continues to have real policy import today. This legacy of decades-long mistrust can distort the simplest actions, creating a situation in which seemingly secondary issues sour the bilateral dynamic (e.g., see the discussion of visas in chapter 4).

**The structure of the deal is key.** Authoritarian states are not accountable to their citizens and often fail to keep bargains with third parties. In Libya's case, Washington negotiated a problematic deal that placed all the incentives up front. After Tripoli renounced its WMD and paid some compensation to terrorist victims, it was rewarded with the lifting of sanctions and removal from the U.S. terrorism list. Subsequently, the United States received little additional cooperation from Libya on a broad range of requests. By front-loading the deal, Washington relinquished all of its leverage, leaving no incentive for further cooperation—whether on political reform, African basing rights, or other issues—from the enigmatic colonel.

# Introduction

BEFORE THE 1969 COUP that brought Muammar Qadhafi to power, the U.S.-Libya relationship was relatively strong. Initially based on Libya's strategic location, the relationship expanded following the discovery of oil and American involvement in developing the country's hydrocarbon fields. Once at the helm, however, Qadhafi sought to model himself after Egyptian leader Gamal Abdul Nasser by ridding Libya of foreign influence. Soon thereafter, relations with the United States began to deteriorate, with Qadhafi nationalizing American oil companies while undermining U.S. containment policies toward the Soviet Union. In the 1980s, he adopted a bellicose stance in response to the newly pro-Western orientation of neighbors such as Egypt. The regime's failure to prevent the December 1979 burning of the U.S. embassy in Tripoli—coupled with Libyan involvement in the January 1980 attack on Gafsa, Tunisia, and the U.S. expulsion of Libyan officials from Washington in May 1981—heralded a new low in the relationship.

Meanwhile, radical changes had been taking place inside Libya. By 1977, Qadhafi had reformulated the country's political order, establishing the Jamahiriya, or "state of the masses." Officially, this new order comprised an interlocking system of local popular councils, called Basic Popular Committees and General People's Committees, which were billed as an innovative way to practice direct democracy. Yet these bodies were stripped of their meaning as ever-narrower informal networks became the real power brokers, with the growing dependence on family and tribal ties buttressing Qadhafi's position at the apex of this system. Eventually, although Qadhafi retained no official position other than "Guide," he attained near-total control of Libyan society and politics.

## U.S. Pressure

After President Reagan assumed office in 1981, U.S. pressure on Libya to end its subversive activities increased.

Of particular concern was Tripoli's support for international terrorism, a predilection that became intolerable to Washington following the April 5, 1986, bombing of the La Belle discotheque in Berlin—a Libyan-sponsored attack in which 3 people died and more than 230 were injured, including 50 American servicemen. The United States responded ten days later by launching Operation El Dorado Canyon, bombing key installations said to be involved in terrorist activity, including Qadhafi's residence in the Bab al-Aziziya barracks in Tripoli. Shortly thereafter, the Treasury Department ordered American oil companies to cease operations and evacuate Libya in compliance with a new U.S. embargo.

The December 1988 downing of Pan Am Flight 103 over Lockerbie, Scotland, further exacerbated these tensions. In response to that attack, Britain and the United States pursued criminal proceedings under domestic law, for which Libya bore official responsibility under international law. They also demanded the surrender of two Libyan suspects, Lamin Khalifa Fhima and Abdel Basset Ali al-Megrahi, but Qadhafi refused to comply. In January 1992, the United Nations Security Council passed Resolution 731, urging Libya to cooperate with the investigation.[1] The regime remained intransigent, however, leading the UN to adopt Resolution 748 two months later, banning air travel and arms sales to the country and calling on member states to reduce the size of Libyan diplomatic staff in their territories.[2] In November 1993, Resolution 883 expanded the sanctions regime.

Seven years later, in April 1999, Libya surrendered the two Lockerbie suspects, leading to the suspension of UN sanctions. A month later, U.S. and Libyan officials held direct meetings in Geneva—a development facilitated by Britain, which had already reestablished relations with Libya at the behest of Qadhafi's son Saif al-Islam.

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1. A subsequent side letter submitted by the United States and adopted by the Security Council clarified the resolution, pressing Libya to render the suspects, comply with the investigation, compensate the victims, and cease support for terrorism.
2. See section 6(a) of the resolution, http://daccess-ods.un.org/TMP/3208426.23710632.html.

## Libyan Change

Despite supporting terrorism and routinely maligning the United States, Qadhafi had been eager to reestablish relations with Washington since the early 1990s. For nearly a decade, he tried in vain to facilitate a rapprochement through various intermediaries, including U.S. congressman Gary Hart and foreign leaders such as Saudi prince Bandar bin Sultan and South African leader Nelson Mandela.

A constellation of factors led to this sea change. International sanctions had severely damaged the mismanaged Libyan economy throughout the 1990s, a crisis compounded by years of low oil prices. The country's per capita gross domestic product dropped from $7,311 in 1992 to $5,869 in 1999,[3] and unemployment rose sharply. Partly as a result of the economic situation, Qadhafi faced increasing opposition from radical Islamists, who drew sympathy from the conscript army. For example, 1995 saw armed clashes between Islamists and security forces that resulted in several deaths. Faced with the specter of Algeria's growing Islamist movement next door, Qadhafi appeared to conclude that Libya's economic situation needed to change. Alienated from the rest of Africa, ridiculed by Arabs, and without support from the now-obsolete Soviet Union, Qadhafi no doubt felt increasingly hemmed in.

By May 1999, when Libya entered into secret talks with the United States, Qadhafi had consolidated sufficient control over the opposition to enable him to proceed with the rapprochement. Relations with Washington—not merely the lifting of sanctions—were the main goal, as shown in Libya's continued overtures following the suspension of UN restrictions. As one State Department official confided, "Qadhafi wanted a restoration of the relationship with the United States from the beginning, for the long-term survival of the regime."[4] Technocrats at the Libyan National Oil Corporation, supported by Saif al-Islam and other powerful advisors to Qadhafi, lobbied for the expertise of U.S. oil companies in modernizing Libya's hydrocarbon industry, the regime's lifeblood. In general, a new generation of reformers had arisen and begun to push for both relations with the United States and economic change, thereby challenging the old guard in the informal power networks.

At the same time, it was clear that the international recognition Qadhafi longed for, and that he saw former "outlaws" such as Nelson Mandela and Yasser Arafat receiving, could only be delivered via Washington.[5] This meant that a volte-face in policy toward the United States had to be accompanied by a transformation in Libya's overall foreign policy. Toward this end, and in reaction to a changed regional context in the late 1990s, Qadhafi steadily moderated his stance on terrorism, the Arab-Israeli conflict, and foreign meddling in general.

The secret negotiations of 1999 focused on the UN sanctions related to Lockerbie and terrorism, not on issues such as Libya's weapons of mass destruction (WMD) program. Nevertheless, the United States made clear that further engagement would depend on addressing those issues as well.

## The Bush Era

Washington's ongoing talks with Tripoli were suspended in the run-up to the 2000 presidential election and did not resume until after the attacks of September 11, 2001, when Libya offered intelligence support on al-Qaeda.[6] Discussions once again revolved around Lockerbie issues, but the new administration reiterated that U.S. sanctions would only be lifted if the WMD issue were resolved. Furthermore, the Bush administration remained divided over the sincerity of Libya's overture; Deputy Secretary of Defense Paul Wolfowitz and Undersecretary of State for Arms Control and International Security John Bolton were highly cautious about engagement, while National Security Advisor

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3. Economist Intelligence Unit, *Country Profile Libya 2001,* p. 25.
4. State Department official, interview by author, August 5, 2009.
5. Dafna Hochman, "Going Legit: Qaddafi's Neo-Institutionalism," *Yale Journal of International Affairs* 4, no. 2 (Spring/Summer 2009), p. 31.
6. Ronald Bruce St John, "Libyan Foreign Policy: Newfound Flexibility," *Orbis* 47, no. 3 (Summer 2003), pp. 472–473.

Condoleezza Rice and Secretary of State Colin Powell were more optimistic.[7]

During this time, the families of the Lockerbie victims and other casualties of Libyan terrorism continued to pursue legal action against the regime, seeking compensatory financial damages. In 1996, changes in U.S. legislation had rescinded foreign immunity for nations designated as state sponsors of terrorism, lending momentum to civil cases against Libya. On January 31, 2001, Lockerbie suspect al-Megrahi was convicted of 270 counts of murder and sentenced to life imprisonment by a special court in the Netherlands. After the conviction, Saif al-Islam conducted private talks with the Lockerbie families in an effort to mediate a financial settlement. In May 2002, Libya agreed to pay $2.7 billion, or $10 million per victim. The deal stipulated that payment would be made in three tranches: $4 million to each victim when the UN sanctions were lifted, another $4 million when U.S. sanctions were lifted, and the final $2 million upon Libya's removal from the U.S. state sponsors of terrorism list.

The nature of this agreement linked private legal issues with wider U.S. foreign policy—essentially, the victims' lawyers negotiated a deal with Libya that required the U.S. government to take action prior to disbursement of the full payment. According to Jonathan Schwartz, chief negotiator at the State Department's Office of the Legal Advisor, this direct linkage meant that "the governments came in for a surprise."[8]

Although Washington was still committed to resolving the longstanding WMD problem, Lockerbie would come first—multilateral sanctions would be lifted after Libya complied with UN resolutions (i.e., after it ceased supporting terrorism and paid compensation). As for lifting U.S. sanctions and resuming normal relations, that would have to wait until the WMD problem was resolved.

Accordingly, even after the framework of the Lockerbie deal was established, Washington continued to pressure Tripoli. In May 2002, Undersecretary Bolton announced there was "no doubt that Libya continues its long-standing pursuit of nuclear...chemical and biological weapons as well as ballistic missile capability."[9] Various reports subsequently emerged from the Central Intelligence Agency and elsewhere reiterating the chemical weapons allegation. At a time when the Bush administration was focused on counterproliferation, this assessment undermined U.S. trust in a potential Libyan turnaround, dampening expectations for improved relations.

## The Final Flip

In March 2003, Libya contacted British intelligence to initiate talks about dismantling its WMD program in return for removing sanctions and normalizing relations. At the time, the United States was preparing to invade Iraq and remove Saddam Hussein, and Qadhafi feared a repetition of that scenario in Libya. In short, he realized that the rationale for a WMD program—essentially, improved security for both regime and country—could have the reverse effect and result in his removal. Although only one part of a decade-long process in Libya's foreign policy reconfiguration, the Iraq war no doubt helped increase pressure on Qadhafi and cement his decision to abandon WMD.

In late April 2003, the United States, Britain, and Libya held a trilateral meeting. There, Tripoli ostensibly aimed to "clear the air"[10] and open a dialogue, although Saif al-Islam initially denied that Libya possessed WMD at the meeting. The regime eventually admitted to having a nuclear weapons program after several intelligence efforts caught them red-handed. These efforts included the October 2003 interdiction—by German and Italian authorities with American and British support—of the ship *BBC China* as it attempted to transport centrifuge parts to Libya, as well as the interception of phone calls between Libyan nuclear weapons head Maatouq Maatouq

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7.   State Department official, interview by author, August 5, 2009.
8.   Jonathan Schwartz, "Dealing with a 'Rogue State': The Libya Precedent," *American Journal of International Law* 101 (2007), p. 558, http://www.asil.org/pdfs/roguestate.pdf.
9.   Yehudit Ronen, *Qaddafi's Libya in World Politics* (Boulder, Colo.: Lynne Rienner, 2008), p. 60.
10.  Robert G. Joseph, *Countering WMD: The Libyan Experience* (Fairfax, Va.: National Institute Press, 2009), p. 4.

and legendary Pakistani nuclear proliferator Abdul Qadir Khan.

The intelligence victories—coupled with highly skilled U.S. diplomacy—left Tripoli little room for maneuver. Talks moved forward, especially after Libya's August 2003 letter to the UN Security Council accepting responsibility for Lockerbie and pledging to pay compensation. Finally, on December 19, 2003, Qadhafi announced that Libya had voluntarily given up its pursuit of nuclear, chemical, and biological weapons. The same day, President Bush stated that "leaders who abandon the pursuit of chemical, biological, and nuclear weapons, and the means to deliver them, will find an open path to better relations with the United States and other free nations."[11] With that statement, U.S.-Libya relations began anew.

## Additional Issues

Beyond Lockerbie, terrorism, and WMD, other issues remained on the U.S. agenda. As the bilateral relationship deepened from 2004 onward, talks were expanded to include lower-priority issues such as human rights, political reform, and a responsible role for Libya in Africa.

During their discussions with U.S. officials, Libyan negotiators—among them Saif al-Islam and longtime intelligence chief Musa Kusa—made various appeals ranging from the practical to the unlikely. For example, Tripoli requested assistance in setting up a "United States of Africa," to be headquartered in Libya. The regime also demanded the delivery of advanced weapons systems even before relations were normalized. Washington did not consider these or other Libyan requests during the initial negotiations, however. According to Ambassador Robert Joseph, special assistant to the president and senior director for proliferation strategy, counterproliferation, and homeland defense, the first meeting did not involve "negotiating X for Y"—instead, "U.S. and UK representatives insisted that Libya acknowledge and abandon its WMD and longer-range missile programs,"[12] though normalization was always an implied end-goal.

Moreover, the regime's requests were not the rationale for its reengagement with the United States. The primary motivation, as noted earlier, was Libya's desperate economic situation and its need for U.S. oil companies, as well as Qadhafi's own need for international prestige and political stability.

In December 2008, five years after Qadhafi foreswore his WMD program, the U.S.-Libya rapprochement was formalized when Ambassador Gene Cretz became the top U.S. diplomat in Libya. The process would have been faster if Tripoli had not been implicated in a 2003 plot to assassinate then–crown prince Abdullah of Saudi Arabia. The delay caused much bitterness in Tripoli, leading the regime to suspect that the United States was insincere. Despite these sentiments, Qadhafi has since profited significantly from the rapprochement. But the reasons behind the delay—namely, Qadhafi's erratic, compulsive decisionmaking style—showed that although U.S.-Libya relations had changed, the colonel clearly had not.

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11.  Office of the U.S. Press Secretary, "President Bush: Libya Pledges to Dismantle WMD Programs," press release, December 19, 2003, http://www.fas.org/nuke/guide/libya/wh121903.html.
12.  Joseph, *Countering WMD*, p. 23.

# Part I
# Libyan Rationale Fulfilled?

# 1 | The Economic Rationale: U.S. Contributions, Libyan Limits

LIBYA FACED WORSENING economic conditions in the mid-1990s, including high unemployment, rapid population growth, and burgeoning domestic instability. Qadhafi likely calculated that only the removal of U.S. sanctions could facilitate the economic revival the regime needed to stave off an impending crisis. A turn toward the West represented a proven path to economic reform and diversification, stronger global economic ties, and increased foreign direct investment in Libya. As Saif al-Islam al-Qadhafi put it, "Libya's bilateral relations will feed off this strategy [of privatization] and bring prosperity and long term economic development."[1] This echoed the elder Qadhafi's own assessment that "the fashion now is the free market and investments."[2]

Dismantling the weapons of mass destruction program and renewing ties with the United States resulted in the removal of sanctions and the reentry of U.S. oil companies, the key factor governing Libya's decision to reintegrate with the international community. These companies, under the umbrella of the Oasis Group—Amerada Hess, Marathon Oil, and Conoco—had left Libya in 1986. As a result of sanctions, Libya's oil fields had been deteriorating; when the U.S. firms returned in 2004, production was only 1.61 million barrels per day (mbd), barely more than the 1986 level of 1.13 mbd.[3]

Upgrading and modernization were necessary to reach Libya's stated production goal of 3 mbd. The target date for reaching this level has changed at times—with previous estimates of 2012 recently pushed to 2017[4]—but the goal represents a nearly 10 percent increase from Libya's 1971 peak of 2.7 mbd.[5]

Such an increase is essential to improving the country's economic prognosis, and therefore its domestic stability, given that oil accounts for 98 percent of state export revenues.

The United States is not the only country that has contributed to Libya's economic development, but Qadhafi's about-face was primarily aimed at rebuilding relations with Washington. Therefore, although the long-term impact of rapprochement is yet to be seen, several important statistics indicate that renewed ties have contributed to improvements in the Libyan economy. According to the country's central bank, nominal gross domestic product has almost doubled in the past few years, reaching roughly $70 billion in 2007, while Libyan exports to the United States, which were nil in 2003, stood at $3.954 billion and rising in 2008.[6]

Yet the road to Libya's economic growth has not been free of bumps. In the past, vested interests essential to the survival of Qadhafi's regime have tried to block reform, and they will no doubt continue to do so. Indeed, regime survival logic is often opposed to the steps required to ensure economic modernization.

## Oil Companies Return

Once Libya opened its nuclear sites for inspection and began to dismantle the program, the United States responded by lifting the sanctions that had barred American oil companies from operating there. Although the previous suspension of UN sanctions had resulted in a modest increase in Libya's output, U.S. oil companies were necessary to reach the level of investment required for more significant growth, calculated at $41 billion by the International Energy

1. Oxford Business Group, *The Report: Libya 2008* (Dubai: Oxford Business Group, 2009), p. 20.
2. Ray Takeyh, "The Rogue Who Came in from the Cold," *Foreign Affairs* (May/June 2001), pp. 65–66.
3. Jonathan Wallace and Bill Wilkinson, eds., *Doing Business with Libya* (London: Kogan Page Ltd., 2004), p. 115.
4. Kevin Baxter, "Libya Delays 3 Million BPD Target by Five Years," ArabianOilandGas.com, December 6, 2009, http://www.arabianoilandgas.com/article-6593-libya-delays-3-million-bpd-target-by-five-years.
5. International Energy Agency (IEA), *World Energy Outlook, 2005: Middle East and North Africa Insights* (Paris: Organisation for Economic Co-operation and Development/IEA, 2005), p. 434, http://www.iea.org/textbase/nppdf/free/2005/weo2005.pdf.
6. David Pollock, *Actions, Not Just Attitudes: A New Paradigm for U.S.-Arab Relations*, Policy Focus 104 (Washington, DC: Washington Institute, 2010), http://www.washingtoninstitute.org/templateC04.php?CID=331.

Agency.[7] American firms were valued not only for their technological prowess, but also for their historical links and psychological worth to Libya. Tripoli also realized that American business models (e.g., best practices) offered an opportunity to develop homegrown talent.

Once sanctions were lifted, direct U.S. involvement in the oil sector quickly ensued. More than 90 percent of the entities involved in Libya's 2005 Exploration and Production Sharing Agreement (EPSA) IV were U.S.-majority partnerships. The resultant contracts constituted an immediate cash influx focused largely on the development of preexisting fields, just as Tripoli wanted. Moreover, the terms of the contracts focused on production allocation, amplifying the gains for Libya's National Oil Corporation (NOC). Occidental Petroleum, for example, signed a thirty-year agreement with the NOC to upgrade its existing contracts, a deal expected to generate a total capital investment of approximately $1.9 billion.

The new agreements allow the NOC and Occidental to design and implement major field redevelopment and exploration programs in areas such as the Sirte Basin. Moreover, following its participation in EPSA IV, Occidental committed to invest an additional $125 million in exploration projects over the next five years. Meanwhile, the Oasis Group paid a $1.8 billion fee to return to Libya, $530 million of which was committed to direct investments. The various companies that make up the Oasis Group—Amerada Hess, Marathon, and ConocoPhillips—also began to invest in and develop gas as well as oil fields.

Although it is still early in this renewed development process, Libya's oil fields are showing modest increases. Production has already risen somewhat from 1.4 mbd before 2003 to 1.7 mbd in 2007.[8] Other production trends are promising as well. The Oasis Group, which operates in al-Waha field, has made plans to increase production from 350,000 bd to 600,000 bd by 2013. Altogether, U.S. joint-operated companies will be involved in up to one-third of Libya's planned medium-term drive to increase oil production from 1.75 mbd to 2.5 mbd by 2015. Regarding specific projects, the Oasis partners have only begun two smaller upgrades so far: Faregh Phases 1 and 2, together costing $174.6 million. Future field development is conditional on many factors, including the price of oil, the terms of future contracts, and economic conditions in Libya and at the NOC.

The involvement of U.S. companies goes beyond direct investment in oil fields. These investments have secondary benefits for the Libyan economy, as the government requires international companies to form joint ventures with local partners and to hire and train Libyans. Exxon Mobil, for example, agreed to pay $25 million to fund training programs and scholarships for Libyans as well as $3 million to improve local schools. And Libyans constitute 90 percent or more of the workforce at the two joint oil companies through which the U.S. firm Oxy and the Oasis partners operate (Zueitina and Waha, respectively).

## Economic Resurgence Encounters Difficulties

The renewal of U.S. relations has had a measurable impact on Libya's overall economic prospects. In 2006, for example, foreign direct investment totaled $4 billion, a sixfold increase over the previous year.[9] With the end of U.S. sanctions and the removal of Libya from the U.S. terrorism list, business confidence in the country increased. Its renewed ties with the United States made Libya seem like a less risky environment for international investors. In 2003, for instance, around eleven oil companies were operating in Libya; that figure is now greater than fifty.

Despite these promising developments, the renewed bilateral relationship has not yet resulted in the economic resurgence that Tripoli publicly proclaimed as a goal. Internal political dynamics have almost certainly

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7.   IEA, *World Energy Outlook, 2005,* p. 456.
8.   Robert Tashima, "In from the Cold: Hydrocarbons and FDI Set the Scene for a Diversified Libyan Economy," *Business Today Egypt* (November 2009), http://www.businesstodayegypt.com/article.aspx?ArticleID=8698.
9.   Ronald Bruce St John, "The Libyan Economy in Transition," in *Libya since 1969: Qadhafi's Revolution Revisited,* ed. Dirk Vandewalle (New York: Palgrave Macmillan, 2008), p. 138.

contributed to the unmet expectations. Partly as a result of slow business investment, trickle-down benefits to the average Libyan citizen have been limited. Economic reform in the oil, gas, and other sectors has also been constrained by hardliners in the Libyan system, particularly in the informal networks. This "old guard," ideologically opposed to economic reform and keen to maintain traditional fiefdoms, has battled a new generation of economic reformers such as Saif al-Islam, who appeared to be gaining traction in the system from 2003 to 2008.

Similar forces have derailed past attempts at liberalization. For example, the limited efforts of the late 1980s allowed private trade and pushed against the state's monopoly on imports and exports. Yet even these halfhearted measures—intended to relieve pressure on the state rather than truly reform the system—encountered difficulties, such as opposition from hardliners (whose economic interests and political capital would be adversely affected by increased liberalization) and the recognition that the measures could actually pose a political threat to the government itself. The regime relied on wealth distribution, and it therefore distrusted various elements of liberalization, including transparency, competition for resources, and the creation of institutions needed for economic reform and regulation. The outcomes of these past experiments indicate that Libya's more recent path toward reform will be a very bumpy one, as the current liberalization proposals would entail the same process and threaten the same entrenched interests within Libya's informal centers of power.

An ideological element is also at play. Many of those who took power under Qadhafi were, as a result of their exclusion under the capitalist monarchy, philosophically suspicious of private entrepreneurship. Qadhafi himself has long felt the same way. The *Green Book*—the manifesto that encapsulates his ideology—supports radical forms of socialism, which he attempted to implement throughout the 1970s and 1980s by tightening control over private enterprise, abolishing wage labor, and redistributing wealth and land.

The turn toward economic reform began sometime after 2000, heralded by a set of pronouncements from Qadhafi that included a pledge to bring Libya into the World Trade Organization. The 2003 appointment of well-known reformer Shukri Ghanem as prime minister contributed to this shift. During his time in office, Ghanem touted the need to develop the economy, expand private ownership, and attract foreign direct investment.[10] Not long after, however, Tripoli began to take steps—presumably at the behest of the hardliners—to roll back the reform. Overt signs materialized in 2006, when Ghanem was replaced by the less reform-oriented al-Baghdadi al-Mahmoudi. With the new prime minister at the helm, the General People's Congress decreed in November 2006 that companies in nonhydrocarbon sectors must form partnerships with local initiatives. Pressure to hire local staff has since increased, presenting a problem for international businesses because "much of the workforce currently lacks the necessary skills, most notably in IT and English."[11] The domestic workforce stands at a mere 2 million, most of which is unskilled.[12] Yet another potential economic upheaval surfaced in early 2009, when Qadhafi threatened to dismantle most of the state's ministries and directly redistribute oil wealth.[13] Although the plan did not proceed, the incident worried foreign investors.

In addition to these overt obstacles, privatization is generally a difficult concept to popularize in Libya, where decades of a state-run system, coupled with constant economic and political lurches, have made people hesitant to embrace entrepreneurship. It is instructive that the National Economic Development Board—a

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10. Eman Wahby, "Economic Reforms Anger Citizens," *Arab Reform Bulletin* (Carnegie Endowment for International Peace, August 20, 2008), http://www.carnegieendowment.org/arb/?fa=show&article=21185.
11. Oxford Business Group, *The Report: Libya 2008,* p. 31.
12. Jeff Roberts, "Libya's Firms Need to Plan Long-Term," MEED, July 16–22, 2010, http://www.meed.com/countries/libya/libyas-firms-need-to-plan-long-term/3007890.article.
13. Ronald Bruce St John, "A Defining Moment for the 'King of Kings,'" *Arab Reform Bulletin* (March 9, 2009), http://www.carnegieendowment.org/arb/?fa=show&article=22825.

local Libyan organization partly dedicated to promoting privatization—has been encountering its own problems. According to the Oxford Business Group, the board's membership is "in almost constant turnover," and "its dealings with some public authorities have not always been as smooth and swift as could have been hoped."[14]

Streamlining the Libyan bureaucracy has also been difficult. In 2003, the International Monetary Fund noted that Libyan authorities themselves deemed high growth rates unachievable "without a drastic reduction in the role of the public sector."[15] And although Ghanem announced that 400,000 public sector employees would be laid off during his short premiership, many employees previously transferred for eventual retrenchment to the private sector were later returned to the civil service payroll—a development that contributed to a planned 14 percent increase in the wage bill in 2009.[16]

These and other factors help explain why the country's increases in foreign direct investment have fallen short of expectations in recent years. Outside companies face significant challenges when attempting to conduct business in Libya, mainly resulting from the regime's needs. As a former U.S. commercial and economic attaché to Tripoli noted, "Timely and accurate commercial information is extremely hard to obtain in Libya."[17] There are no databases or trade directories, and internet use is limited even among the business elite. Moreover, the frequent turnover in government personnel—to ensure there is no accumulation of power that could threaten the regime—leads to a lack of clarity and consistency in the business environment.

Corruption is also a real problem, as the regime uses jobs and concessions as perquisites distributed to loyalists. In 2009, not surprisingly, Libya placed 130th out of 180 countries ranked for corruption by Transparency International.[18] Many Libyan technocrats understand the scale of the problem. As Mahmoud Jibril, head of the National Planning Council and former chief executive officer of the National Economic Development Board, put it, "We have to rapidly shed our reputation as corrupt, otherwise we stand little chance of generating investment from overseas."[19] Indeed, corruption affects both the awarding and implementation of international business contracts and makes many firms hesitant to enter the Libyan market.

## Obstacles in the Hydrocarbon Sector

Alongside troubles in the broader economic and political arenas, Libya's crucial hydrocarbon industry has also been experiencing problems with reform. As the International Energy Agency noted, "Successful development...will depend on Libya's capacity to attract foreign investors."[20] Although the initial EPSA IV projects showed greater transparency, Tripoli's political handling of the overall sector remains problematic. Here, too, the tug-of-war between reformers and hardliners continues, with the latter gaining strength. The most obvious evidence of hardliner influence is the growing resource nationalism, which no doubt affects oil companies' willingness to do business in Libya.

One recent debacle highlights the country's backsliding on previous reforms. In 2009, the Canadian company Verenex—the only firm to make a significant find in Libya's Ghadames Basin—attempted to sell itself to the China National Petroleum Corporation (CNPC). But the deal fell through after the NOC exercised its preemption right and then did not honor

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14. Ibid.
15. International Monetary Fund (IMF), "IMF Concludes 2003 Article VI Consultation with the Socialist People's Libyan Arab Jamahiriya," public information notice, October 23, 2003, http://www.imf.org/external/np/sec/pn/2003/pn03125.htm.
16. International Monetary Fund (IMF), "The Socialist People's Libyan Arab Jamahiriya—2009 Article IV Consultation Preliminary Conclusions of the IMF Mission," June 1, 2009, http://www.imf.org/external/np/ms/2009/060109a.htm.
17. Ethan D. Chorin, "The Future of the U.S.-Libyan Commercial Relationship," in *Libya since 1969: Qadhafi's Revolution Revisited,* ed. Dirk Vandewalle (New York: Palgrave Macmillan, 2008), p. 155.
18. Transparency International, "Corruption Perceptions Index 2009," http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table.
19. Oxford Business Group, *The Report: Libya 2008,* p. 29.
20. Ibid.

its commitment to match the CNPC bid price. This caused Verenex's share prices to plummet, spurring the company to drop its price—Tripoli's intention all along. Much of the industry watched the episode with trepidation, concerned about the NOC's increasing interference in commercial transactions and its unreliability as a partner.[21]

In September 2009, the reformist Ghanem resigned as head of the NOC, presumably in opposition to hardline policies in the sector. Although he was reinstated in October, a new "Supreme Council of Energy Affairs" had been established in his absence. This body—chaired by hardliner al-Baghdadi al-Mahmoudi and with Qadhafi's more hardline son Mutasim-Billah among its members—was given executive and regulatory powers. The move continued the regime's political strategy of creating and dismantling government agencies to serve several aims, including Qadhafi's desire for a balance of power between reformers and hardliners (and perhaps even his own children). A similar approach was taken with the Ministry of Energy, which was eliminated in 2000, reconstituted in 2004, and dismantled again in 2006.

Other problematic regime tactics in the hydrocarbon sector have included the renegotiation of preexisting contracts, with Tripoli lowering the percentage of oil allocated to companies such as Occidental Petroleum and ENI. According to one industry analyst, this practice "delays activity and defers production."[22] Moreover, in the wake of Qadhafi's threat to nationalize the oil industry, Tripoli has debated whether it should mandate that the heads of joint ventures be Libyan—a prospect that creates insecurity among investors, as they would be required to relinquish operational control while remaining liable for missed deadlines and other problems. Indeed, the rise of the hardline resource nationalists ultimately creates uncertainty over the conduct of relations in the hydrocarbon industry, leading investors to delay launching major projects and upgrading Libya's oil and gas fields.

## Conclusion

Perhaps predictably, Libya's stated goal of 3 mbd appears to have been overly optimistic. As the IEA noted in 2005, "we expect production to rise slightly less quickly than targeted, due to delays in implementing economic reforms and the unattractive contract terms."[23]

In order for Libya to reach that goal and implement the articulated vision of economic modernization, U.S. engagement alone will not suffice. Although renewed relations have benefited the hydrocarbon industry, true gains will only be seen in the long run, and only after Libya makes significant changes. To improve the economy, Qadhafi must get his own house in order, which is unlikely given his reliance on controlled chaos to retain power. As a result of Libya's power structure and political economy, the desired reforms—both within the oil and gas industry and elsewhere—have encountered obstacles, stunting the country's economic growth. As one recent economic report noted, "until Tripoli makes Libya a more transparent place to do business, this investment will only be made by the boldest of foreign companies."[24] In short, the Libyan economic success story has yet to be told because, despite the rapprochement with Washington, the system of governance Qadhafi has employed to dominate Libya for the past forty years persists.

21. Heba Saleh, "Libya Leans towards Resource Nationalism," *Financial Times,* November 4, 2009, http://www.ft.com/cms/s/0/27183132-c8d2-11de-8f9d-00144feabdc0.html.
22. MEED, "Oil Majors Reassess Their Positions in Libya," August 28–September 3, 2009, p. 30.
23. IEA, *World Energy Outlook, 2005,* p. 444, http://www.iea.org/textbase/nppdf/free/2005/weo2005.pdf.
24. Sophie Evans, "Special Report: Libya—Reforming the Economy," MEED, August 28–September 3, 2009, http://www.meed.com/sectors/economy/government/special-report-libya-reforming-the-economy/3000293.article.

# 2 | International Prestige: From Sanctions to Spotlight

ECONOMIC GROWTH AND political stability were not the only reasons for Qadhafi's reorientation of Libyan foreign policy. Under the sanctions regime, he faced near-total isolation, which heavily circumscribed his activities and influence on the world stage. Once UN sanctions were suspended in 1999, Libyan diplomatic activity increased in Africa. But Libya did not truly begin to come in from the cold, institutionally or bilaterally, until after it made progress on resolving outstanding issues, such as dismantling its weapons of mass destruction (WMD) program and agreeing to pay the Lockerbie victims.

Indeed, the end of isolation and Libya's potential return to the diplomatic stage were key motivators for Qadhafi's reengagement with the United States. Qadhafi has always sought to play a role beyond Libya's borders and has attempted to do so through various means. He has repeatedly demonstrated an inflated need for international recognition, as shown during the 2009 Arab Summit in Doha when he proclaimed himself "an international leader, the dean of the Arab rulers, the king of kings of Africa, and the imam of Muslims."[1] In the 1970s and '80s, pan-Arab nationalism proved central to his attempts to project power; more recently, pan-Africanism and the use of multilateral institutions have assumed that role. For Qadhafi, it was clear that the stamp of international legitimacy would require at least some measure of U.S. support, a lesson he learned by watching the trajectory of former comrades-in-arms such as Yasser Arafat and Nelson Mandela. He demonstrated this realization by making constant demands for high-level meetings with senior American officials.

Qadhafi has not yet received his longed-for diplomatic imprimatur, however, in large part due to his own actions. Driven by a need to appeal to his constituency, Qadhafi often takes positions on the world stage that are opposed to those of the United States. He also possesses a legendarily tempestuous personality. The combination of these factors makes Libya an unreliable diplomatic ally and limits Washington's eagerness for overt engagement with Tripoli.

## Impact of Engaging Washington

Following Tripoli's agreement on WMD, President Bush announced that "Libya can regain a secure and respected place among the nations."[2] In addition, Qadhafi received several "rewards," including high-level visits from Western leaders (e.g., British prime minister Tony Blair in March 2004). Yet only in the later stages of normalization with the United States did Libya see a full return to the world stage. The past two-and-a-half years have seen the country gain a seat on the UN Security Council and the presidency of the General Assembly, along with Qadhafi's election as president of the African Union. This ascendance stands in stark contrast to 2003 and 2005, when the United States warned that it would oppose Libya's candidacy to the Security Council as a result of several outstanding issues (including delinquent Lockerbie payouts). Libya also began to see high-level visits by U.S. officials, such as a much-demanded trip by Secretary of State Condoleezza Rice in September 2008.

Of course, Libya's current prominence in international forums is not solely attributable to U.S. ties. For example, Tripoli was chosen to chair the UN Human Rights Commission in 2003, prior to the breakthrough with Washington. Despite U.S. opposition—including a call for an unprecedented vote on Libya's candidacy—few opposed the former pariah's election.[3] Some states,

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1. Mail Foreign Service, "I'm the King of Kings: Gaddafi Storms Out of Arab Summit and Labels Saudi King 'a British Product,'" *Daily Mail*, March 31, 2009, http://www.dailymail.co.uk/news/worldnews/article-1165858/Im-king-kings-Gaddafi-storms-Arab-summit-labels-Saudi-king-British-product.html.
2. Office of the U.S. Press Secretary, "President Bush: Libya Pledges to Dismantle WMD Programs," press release, December 19, 2003, http://www.fas.org/nuke/guide/libya/wh121903.html.
3. VOANews.com, "Libya to Chair UN Human Rights Meeting," January 20, 2003, http://www1.voanews.com/english/news/a-13-a-2003-01-20-30-Libya-67440317.html?moddate=2003-01-20.

such as Italy and various African governments, actively pushed Libya's candidacy.

The newfound prominence has had both external and internal benefits for Libya. According to Giadallah Ettalhi, Libya's ambassador to the UN, the Security Council seat was "very significant" externally: "it means we are back to normal, at least from the perspective of others."[4] Lavish praise from prominent officials—such as President Bush, who characterized the decision to abandon WMD as "wise and responsible,"[5] and the U.S. ambassador to the International Atomic Energy Agency (IAEA), who declared that "Libya provides an example.... We hope that other countries under IAEA investigation take note"[6]—also contributed to Libya's reintegration into the international system.

The enhanced prestige may also strengthen Qadhafi's position back home. This is not simply a result of being in limelight, but a function of the anti-imperialist, revolutionary stance he assumes when given a public platform, satisfying his more hardline supporters who opposed engagement with Washington. Following his September 23, 2009, UN speech—in which he called the Security Council "political feudalism" and speculated that swine flu may have been developed in a military laboratory—the official Jamahiriya News Agency (JANA) boasted that "the voice of Qadhafi is heard all over the world.... For the first time, people throughout the world can breathe." Similarly, the government-controlled newspaper reported that the speech won "outstanding ovations" and expressions of mass support from African states.

## Limits of the International Stage

JANA's propaganda aside, Qadhafi's rambling two-hour UN speech was met with widespread ridicule. In general, despite its higher profile in international organizations, Qadhafi's Libya has received limited praise and mention. Although various statements by U.S. officials, particularly during the Bush administration,

noted the importance of the Libyan model, Tripoli never received a visit from President Bush. Similarly, Qadhafi has never been invited to the White House and has only received a brief and reluctant handshake from President Obama. As noted earlier, despite repeated demands, he did not get to meet with Secretary Rice until September 2008, years after dismantling Libya's nuclear program. And during his 2009 visit to the UN, both Secretary of State Hillary Clinton and U.S. ambassador to the UN Susan Rice exited the room before he spoke.

To date, Washington has kept Tripoli at a distance, mainly due to Qadhafi's mercurial nature. Simply stated, the colonel is an unpredictable dictator whose domestic calculations outweigh his ambitions for international recognition.

Indeed, it was Libyan actions that deferred improvements in the bilateral relationship and prevented the Bush administration from vaunting renewed relations as a triumph. As mentioned previously, the most notorious of these was Tripoli's 2003 attempt to assassinate then–crown prince Abdullah of Saudi Arabia, which raised doubts as to whether the regime had truly abandoned terrorism (see chapters 4 and 7 for more on this incident). Likewise, delays over paying the final tranches of compensation to the Lockerbie victims created domestic obstacles to Washington's public embrace of Libya. Pressure against overt rapprochement (e.g., high-level U.S.-Libya meetings) also came from Europe, where officials wished to avoid rewarding Qadhafi diplomatically after the regime's incarceration of Bulgarian nurses falsely accused of deliberately infecting Libyan children with HIV.

More recently, Saif al-Islam al-Qadhafi's public welcoming of Lockerbie bomber Abdel Basset Ali al-Megrahi following his release from prison stymied meetings with senior Obama administration officials during Qadhafi's UN visit, which was also his first visit

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4.    Dafna Hochman, "Going Legit: Qaddafi's Neo-Institutionalism," *Yale Journal of International Affairs* 4, no. 2 (Spring/Summer 2009), p. 31.

5.    Joel Roberts, "Bush: Follow Libya's Lead," CBS News, December 20, 2003, http://www.cbsnews.com/stories/2003/12/22/world/main589735.shtml.

6.    "Libyan Nuclear File Should Be Example for Syria, Iran: U.S.," Agence France-Presse, September 24, 2008, http://afp.google.com/article/ALeqM5g-Cp3_gjzWlTmYIN9YPCyUcBfejw.

to the United States.[7] President Obama described the treatment of al-Megrahi as "highly objectionable." The incident also rendered Secretary Clinton's portrayal of Libya as "a regime [that will] eventually alter its behavior in exchange for the benefits of acceptance into the international community" domestically unpalatable. The secretary's statement was not repeated.

Qadhafi's tendency to shoot from the hip and embarrass diplomats who engage him in public forums has been proven time and time again, making him an unlikely poster boy for diplomatic reintegration. When he met Italian prime minister Silvio Berlusconi early in 2009, for example, Qadhafi wore a photo of Omar al-Mukhtar, a Libyan resistance leader whom Italy had hanged for fighting against the Italian occupation of his country. And during a visit to Paris, Qadhafi lectured the French on their treatment of North Africans. Given his track record, U.S. officials find it safer to keep him at a distance and avoid potential embarrassment.

Qadhafi's 2009 UN speech in particular highlighted the limits of U.S. influence and overt Libyan cooperation. Despite repeated warnings from Ambassador Rice, Qadhafi used the platform to make an inflammatory speech that far exceeded his allocated fifteen minutes. He called the Security Council the "terror council," downplayed the genocide in Darfur, and even requested that the investigation into the Kennedy assassination be reopened, hinting at Israeli involvement.

Washington is also unable to enlist Tripoli's cooperation in multilateral forums such as the UN General Assembly, where Libya has often voted contrary to the United States on major issues such as North Korea, Iran, and Burma. Tripoli has been somewhat more helpful at the Security Council (with the exception of Israel-related issues). Even there, however, it has sometimes undermined U.S. initiatives. In April 2009, for example, Libya blocked a U.S.-proposed letter from the Security Council's Iran Sanctions Committee urging member states to be more alert regarding Tehran's export of weapons in violation of various council resolutions.[8] Likewise, and not surprisingly, the specific ideas Libya has promoted in the UN—such as a plan to reform the assembly by diminishing the Security Council's power—have not been well received in Washington.

Qadhafi's anti-imperialist statements and initiatives not only conform to the Libyan leader's worldview, they also have their own domestic logic, enabling him to avoid being labeled as a lackey of the West. At the same time, these stances keep placing Qadhafi and Libya at odds with the United States.

Overall, it appears that Libyan expectations regarding the diplomatic benefits of engagement were too high. Qadhafi has long thought of his Libya as exceptional, and he likely hoped that the shift toward the United States would give him the opportunity to showcase this exceptionalism. For Qadhafi, WMD dismantlement was an opportunity to "lead the peace movement,"[9] and for the Jamahiriya to "play an international role in building a new world."[10] Bearing in mind the country's bloody history under Qadhafi and its tense relations with many states, expectations for an international leadership role were always unrealistic.

## Libya Still on the Menu

Despite the various problems and limitations noted thus far, Washington has still engaged Tripoli in multilateral forums when dealing with issues on which Libya has some expertise. In particular, the United States has sought to capitalize on the country's preeminent role in Africa. Although Secretary Rice did not travel to Libya until late 2008, several senior U.S. officials focusing on Africa made consistent visits during the normalization

7. Kevin Hechtkopf, "Obama: Pan Am Bomber's Welcome 'Highly Objectionable,'" CBS News, August 21, 2009, http://www.cbsnews.com/blogs/2009/08/21/politics/politicalhotsheet/entry5257753.shtml?tag=contentMain;contentBody.
8. Kuwait News Agency, "Libya Blocks Letter to UN [Committee] regarding Iran's Violation of Sanctions," April 23, 2009, http://www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=1992793&Language=en.
9. Kathleen Knox, "EU/Libya: Ghaddafi Visits Brussels in Tripoli's Latest Step Coming in from the Cold," April 27, 2004, http://www.rferl.org/content/article/1052508.html.
10. Associated Press, "Gadhafi: Revolutionary to Some, Clown to Others," MSNBC.com, December 23, 2003, http://www.msnbc.msn.com/id/3765270.

period, even when the process was encountering serious obstacles. Among the more high-profile visitors were Assistant Secretary of State for African Affairs Jendayi Frazer in March 2006, and Presidential Envoy for Sudan Andrew Natsios and Deputy Secretary of State John Negroponte in 2007. Washington has even periodically praised Libya for its actions: in August 2009, Gen. Scott Gration, special envoy to Sudan, publicly stated that he was "very impressed and very grateful" to the Libyans for their role in attempting to unite rebels in Darfur.[11]

## Conclusion

During his April 2009 trip to Libya, Deputy Secretary Negroponte noted that "visits such as this could not have been possible until very recently."[12] His visit, along with Tripoli's newfound leadership role in several international organizations, highlights the degree to which Libya has raised its international profile since restoring relations with Washington. In many regards, this international prominence has fulfilled some of Qadhafi's key motivations for the rapprochement. For the United States, however, Tripoli's ascendance has been of little benefit. More often than not, Qadhafi has used his higher profile to promote unsavory policies inimical to U.S. interests. At the end of the day, this unwillingness to become a positive international actor is the primary reason why the rapprochement has not met Qadhafi's inflated expectations.

11.   U.S. Embassy to Egypt, "Statement by Special Envoy to Sudan Scott Gration at the Arab League," August 23, 2009, http://cairo.usembassy.gov/pa/tr082309.htm.
12.   U.S. State Department, "Remarks Delivered in Tripoli, Libya: John D. Negroponte, Deputy Secretary of State," press release, April 18, 2007, http://merln.ndu.edu/archivepdf/NEA/State/83174.pdf.

# 3 | In Search of Internal Stability

IN ADDITION TO diplomatic improvements, Libya's rapprochement with the United States was driven by Qadhafi's quest for internal stability. During the 1990s, the colonel faced various internal challenges, primarily from violent Islamists who launched several attacks in Libya and even attempted to assassinate him.[1] He also continued to worry about possible attacks from foreign actors even after rapprochement, though it was never entirely clear whom he had in mind.[2]

The engagement process appears to have facilitated domestic stability over the past few years. Libya has seen some economic benefits since the embargo ended, and the United States has made military training and hardware available to Tripoli. Still, rapprochement is no panacea. The context that inspired past opposition to the regime—including a political system that favors certain geographical areas and tribes to the detriment of others—has not changed and remains a source of discontent. U.S. engagement cannot ameliorate this problem.

## After Engagement: Infrastructure Investment

Renewed ties with the West have clearly contributed to Libya's economic growth, allowing the regime to implement various trickle-down initiatives such as the Wealth Distribution Program. This project, launched in March 2008, is intended to redistribute oil wealth to the people so that they can directly purchase certain services,[3] and was valued at 3.3 billion Libyan dinars, or roughly $2.6 billion, although the exact amount actually distributed remains unclear.[4]

Recent years have also seen leaps in state salaries, an important factor given the regime's use of employment to co-opt various factions, distribute privileges, and ensure its grip on power. Between 2004 and 2008, salaries jumped from $3.445 billion to $7.890 billion.[5]

Meanwhile, Libya has improved its infrastructure since 2003. Initiatives such as the $9 billion railway project, linking a trans-African rail network with the Libyan cities of Sirte and Sebha, have been launched, though a completion date has not yet been specified. The government, primarily through the Housing and Infrastructure Board program, also intends to build 150,000 houses and apartments to deal with population growth, as well as to take up 146 infrastructure projects worth an estimated US$50 billion.[6]

Despite the recent spike in funding, decades of neglect have left the country's infrastructure crumbling, and post-rapprochement Libya still has a lot to catch up on. Health services are no exception. The Libyan Central Bank noted a substantial increase in spending on this sector—a rise of 9.2 percent from 2004 to 2006, when it culminated at 4.682 billion dinars (roughly $3.663 billion).[7] Yet in 2008, World Health Organization (WHO) representative Ibrahim Sharif lamented that "this is one of the lowest regional health budgets, and although there are plans for increases, the WHO has seen nothing concrete on how and when it will be increased."[8] Indeed, the ratios of physicians, nurses, and hospital beds available per person have remained largely stagnant over the past decade. According to the "National Economic Survey" conducted by foreign

1. International Monetary Fund (IMF), "The Socialist People's Libyan Arab Jamahiriya—2009 Article IV Consultation Preliminary Conclusions of the IMF Mission," June 1, 2009, http://www.imf.org/external/np/ms/2009/060109a.htm.
2. State Department officials, interviews by author, Washington, DC, October 2, 2009, and November 2, 2009.
3. Libyan authorities have been working with the IMF to guard against hyperinflation.
4. International Monetary Fund, "The Socialist People's Libyan Arab Jamahiriya 2009—Article IV, Consultation Preliminary Conclusions of the IMF Mission," June 1, 2009, http://www.imf.org/external/np/ms/2009/060109a.htm.
5. See IMF, "The Socialist People's Libyan Arab Jamahiriya: 2006 Article IV Consultation," May 2007, http://imf.org/external/pubs/ft/scr/2007/cr07149.pdf; and IMF, "The Socialist People's Libyan Arab Jamahiriya: 2008 Article IV Consultation," September 2008, http://imf.org/external/pubs/ft/scr/2008/cr08302.pdf.
6. "Libya Plans $94bn of Housing and Infrastructure Projects," MEED, April 29, 2010, http://www.meed.com/sectors/construction/infrastructure/libya-plans-94bn-of-housing-and-infrastructure-projects/3006026.article.
7. Central Bank of Libya, *Fiftieth Annual Report (2006)*, http://cbl.gov.ly/en/pdf/09JH48CN3T4V2gbzacL.pdf.
8. Oxford Business Group, *The Report: Libya 2008* (Dubai: Oxford Business Group, 2009), p. 181.

research companies, Libya's past decade of underfunding—even since rapprochement—has led to a brain drain and equipment deterioration.[9]

A 2008 report in the *Libyan Journal of Medicine* noted that "further improvement will be difficult without proper planning." Highlighting the difficulty of achieving progress in the face of prevailing trends, the authors concluded that the country's health services were still characterized by lack of coordination, improper allocation of funds, inefficient use of budgets, and poor staff training.[10]

Also telling was the HIV episode mentioned in the previous chapter, in which the regime detained five Bulgarian nurses and a Palestinian doctor for years on charges of infecting Libyan children with HIV. In other words, the state of the country's medical system was such that Libyan authorities were willing to blame a foreign conspiracy and risk international pressure regarding its tainted blood supply rather than face up to internal problems.

## U.S. Military Cooperation

In the context of the new relationship, Washington has been assisting Tripoli's efforts against violent Islamists, primarily via military training aimed at improving Libyan counterterrorism capabilities. In 2008, the Bush administration allotted $350,000 under the International Military Education and Training program to enhance the training of Libyan officers, including specific courses on counterterrorism. It also requested $300,000 in terrorism assistance from the State Department's Nonproliferation, Antiterrorism, Demining, and Related Programs fund.[11] As noted in the Congressional Budget Justification, however, "Given

its wealth, Libya will be expected to fund programs to the extent possible."[12] Congressional approval for these funds was delayed due to the longstanding ban on foreign assistance to Libya, which was not lifted until the settlement of Lockerbie claims and other terrorism-related issues in October 2008.

Meanwhile, the Obama administration has requested an additional $1.1 million, including $500,000 for counterterrorism and border security assistance as well as improvements to the Libyan air force and coast guard.[13] In January 2009, the Pentagon signed a "non-binding statement of intent" to develop military ties.

Washington is also encouraging Libya to participate in AFRICOM, the U.S. military command that the Pentagon had initially hoped to base on the continent. Tripoli opposed the establishment of a local base, with Qadhafi presumably viewing it through the prism of imperialism and what he refers to as "the harsh approach of American penetration" into Africa.[14] Libya did sign a memorandum of understanding with the Pentagon in early 2009 on defense cooperation, and preliminary steps toward a relationship have begun. In February and May 2009, Tripoli hosted visits from AFRICOM commander Gen. William Ward, and military-to-military contacts have increased, mainly in maritime cooperation.[15] Yet Qadhafi's suspicions are still apparently slowing down relations, despite reassurances from General Ward that the United States was "there not to threaten the sovereignty of any nation."[16] The colonel had taken a similar stance with Secretary of State Condoleezza Rice in September 2008, when he expressed "concerns about what the United States was doing with AFRICOM."[17]

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9. Ibid.
10. A. El Taguri et al., "Libyan National Health Services: The Need to Move to Management-by-Objectives," *Libyan Journal of Medicine* 3, no. 2 (2008), pp. 113–121, http://www.libyanjournalofmedicine.net/index.php/ljm/article/view/4771/4963.
11. Christopher M. Blanchard, *Libya: Background and U.S. Relations* (August 3, 2009, version) (Washington, DC: Congressional Research Service), http://www.fas.org/sgp/crs/mideast/RL33142.pdf.
12. U.S. State Department, *Congressional Budget Justification: Foreign Operations, Fiscal Year 2008*, p. 516, http://www.state.gov/documents/organization/84462.pdf.
13. Blanchard, *Libya: Background,* p. 10.
14. "The Brother Leader Addresses the Students of Oxford University on Africa in the 21st Century," http://www.algathafi.org/html-english/01.htm.
15. AFRICOM official, interview by author, Washington, DC, September 18, 2009.
16. AFRICOM Public Affairs, "Libyan Delegation Makes Historic Visit to Africa Command," September 28, 2009, http://www.africom.mil/getArticle.asp?art=3486&lang=.
17. U.S. State Department, "Transcript: U.S. Secretary of State Condoleezza Rice, Libyan Leader Col. Muammar Abu Minyar al-Qadhafi Discuss Africa Command," September 6, 2008, http://www.africom.mil/getArticle.asp?art=2026&lang=.

Although the United States has provided relatively small amounts of money for training programs, such efforts have proven very useful to Libya—and the hydrocarbon-rich country could easily purchase more of this assistance from Washington if it wished to do so.[18] This is a particularly important issue because Libya's training and planning capabilities remain poor, limiting the effectiveness of its forces.[19]

As for arms and other military equipment, Qadhafi has long requested such assistance from the United States, even attempting to initiate dialogue toward this end before relations were resumed. The United States has delayed the issue, however. As mentioned earlier, Congress prohibited foreign assistance funding until the Lockerbie claims were resolved in October 2008. Libya is now legally entitled to buy defensive and transport-related equipment from the United States, including Humvees, C-130 transport planes, and systems for coastal and border protection. Yet due to longstanding human rights considerations, the regime remains barred from purchasing lethal equipment. Washington remains concerned about the potential end use of such equipment, particularly since repression has been a primary Libyan modus operandi when dealing with violent internal opposition.

## Internal Security Problems

Libya's economic resurgence and access to military training and equipment do not guarantee political stability or an end to violent Islamism. The country's unemployment rate remains high (unofficial estimates put it at 30–40 percent[20]) while economic reform has lagged largely as a result of political manipulation.

Moreover, the factors that led to the development of the Islamist phenomenon in the 1990s by and large remain. Jihadist groups—the most prominent being the Libyan Islamic Fighting Group (LIFG), which formally announced its presence in 1995—were partly fueled by external factors such as the Afghan jihad and the Iran's Islamic Revolution. Yet their opposition to Qadhafi was also a result of local circumstances. His policies undermined the government's religious legitimacy and strengthened the Islamist cause. Not only did he abolish religious endowments (*waqf*) in 1973, he also rejected the normative value of the *sunna* (Islamic legal heritage) and attempted to downgrade the status of the Prophet Muhammad. These acts led to accusations of heterodoxy. At the same time, he constantly shifted Libyan religious law to suit his own needs of legitimacy and personal enthusiasm (e.g., prohibiting alcohol consumption, then supporting it, then condemning it again), which confused and angered much of the populace.

The Islamists were also inspired by the socioeconomic conditions of the 1980s. As in many other states, Libyan Islamists hailed from the middle and lower-middle classes, which had traditionally been excluded from the regime's patronage networks and bewildered by constantly changing political and economic conditions.[21]

The fact that most Islamist activity took place in the eastern part of the country—an area traditionally referred to as Cyrenaica—is noteworthy as well. Through its tribes, this region was connected to the monarchy. Once Qadhafi seized power, he began to privilege other areas and tribes connected to his own at the expense of many Cyrenaicans, creating widespread resentment and helping to form a pool of radical Islamist conscripts. The colonel's approach also spurred a confluence of interest between the area's conscript military and local Islamists, resulting in army lenience toward Islamists as well as reports of coup attempts.[22]

Once the Islamist opposition became established, the regime's reacted brutally. Large-scale military action was directed against the jihadists themselves, such as a bombing raid in the Green Mountain area

18. Blanchard, *Libya: Background*, p. 8.
19. Ibid., p. 22.
20. U.S. State Department, "2009 Investment Climate Statement—Libya" (February 2009), http://www.state.gov/e/eeb/rls/othr/ics/2009/117843.htm.
21. Alison Pargeter, "Qadhafi and Political Islam in Libya," in *Libya since 1969: Qadhafi's Revolution Revisited,* ed. Dirk Vandewalle (New York: Palgrave Macmillan, 2008), p. 89.
22. Luis Martinez, *The Libyan Paradox* (New York: Columbia University Press, 2007), pp. 71–72.

and an attack near Darna by some 30,000 troops equipped with tanks, rocket-propelled grenades, and other heavy artillery. The regime also employed collective punishment, including the establishment of checkpoints. Although this approach essentially eliminated the LIFG's institutional structure in the country, it also alienated the population even further from the regime. Subsequently, Tripoli's primary strategy for taking control of the area was to fragment the security apparatus by empowering other agencies—primarily pressure groups such as the Revolutionary Committees—and creating new ones, such as the Jamahiriya Guard. In addition, Qadhafi created an overlapping tribal-based organization called the Popular Social Leadership, which was authorized to mete out retribution against those who disobeyed the state and distribute regime subsidies to political and tribal allies.

The regime's harsh repression was not the only factor constricting the Islamist uprising, however. For one thing, the movement lacked widespread popular appeal. Perhaps more important, its "amateur character" and lack of training led to "panic-driven decisions" and, in the end, failure.[23]

## The Current Situation

Today, unemployment and underemployment continue to engender a sense of frustration among Libyan youths, who constitute roughly 60 percent of the population.[24] Tripoli's foreign policy shift created high expectations, as did Libya's increasing access to new media. For example, satellite television has allowed young Libyans to compare their standard of living to that of similar states with small populations in the Persian Gulf. Meanwhile, the country's constant political shifts continue to confuse. Popular dissatisfaction with the regime has only been compounded by administrative inefficiency and callousness. In October 2009, for

example, market stalls in Tripoli's Souk Thalat were razed to the ground with little warning or compensation to owners, and little done with the rubble-strewn site afterward.[25] In many cases, popular frustration with such conditions has apparently led to increased drug and alcohol use.[26]

Sporadic disturbances still occur as well, often in the east. In 2006, a rally in Benghazi against Danish cartoons depicting the Prophet Muhammad turned into an anti-regime demonstration when protestors demolished state symbols. At least ten people were killed by security forces during the subsequent clashes. Another riot erupted in Benghazi in August 2007, during a concert organized by Saif al-Islam al-Qadhafi. And other displays of dissatisfaction take more explicitly political forms, such as when antiregime flyers were distributed in al-Bayda in 2006.[27]

Although such demonstrations do not necessarily translate into support for violent Islamism or specific political action, they could pose a long-term threat to the regime if they evolved in that direction. And Tripoli's usual tactic of harsh, indiscriminate repression often exacerbates tensions. In 2007, for example, years of economic neglect spurred a student uprising in Kufra, an area with a history of being friendly to the pre-Qadhafi monarchy. The regime retaliated by depriving tribes of education and ejecting them from government jobs. Partly as a result, opposition to the government has continued to flare up, and a November 2008 clash between the local Tebu tribe and security forces resulted in a harsh crackdown, several deaths, and significant property destruction.[28]

Religious issues have exacerbated tensions as well. In recent years, Qadhafi has tried to burnish his Muslim credentials, using the Islamic Call Society to endow mosques in Africa. The main purpose of this tactic seems to be projecting influence abroad, however—at

23. Pargeter, "Qadhafi and Political Islam," p. 98.
24. Central Intelligence Agency, "Africa: Libya," The World Factbook, https://www.cia.gov/library/publications/the-world-factbook/geos/ly.html.
25. U.S. embassy official, correspondence with author, April 8, 2010.
26. Isabelle Werenfels, *Qadhafi's Libya: Infinitely Stable and Reform-Resistant?* SWP [German Institute for International and Security Affairs] Research Paper (Berlin: SWP, July 2008), p. 17.
27. Ibid., p. 19.
28. Atiya Essawi, "Trouble Ahead?" *al-Ahram Weekly Online* (Cairo) (September 17–23, 2009), http://weekly.ahram.org.eg/2009/965/re6.htm.

home, the regime's fundamental religious policies have not changed. In December 2009, Qadhafi generated controversy after he declared that Eid al-Adha should be celebrated on a Thursday, a day before the rest of the Muslim world.[29] As a result of such actions, his religious legitimacy is still in doubt, a fact that likely contributes to persistent reports of violent Islamism in the east.

In 2007, al-Qaeda leader Ayman al-Zawahiri officially announced his group's merger with the LIFG and described Qadhafi as an "enemy of Islam." In reality, the two groups had been cooperating for roughly a decade beforehand.[30] In any case, the announcement was largely symbolic because most LIFG members were either in exile or in Libyan prisons by 2007.

But LIFG arrests have not put a total stop to Libyan jihadism. In 2007, clashes were reported between armed Islamists and security forces in Benghazi, with three police officers killed.[31] Moreover, a number of terrorist cells have reportedly been broken up in that part of the country.[32] These cells were not institutionally affiliated, but instead were "self starters." This trend may indicate that Libyan jihadists are overcoming the organizational problems of past Islamist groups. If so, they could cause greater problems for the regime in terms of detection.

Jihadism's appeal to Libyans is clear from the number of Libyan fighters in Iraq. The "Sinjar Documents"—a cache of records discovered by U.S. forces in Iraq during fall 2007—indicated that Libyan fighters were outnumbered only by Saudis.[33] The fact that more than a third of them came from the eastern town of Darna has sparked allegations that the regime aided or at least turned a blind eye to such activity in the hope of removing jihadists from Libya.

Recently, the regime launched an initiative that differed from its traditional repressive approach, engaging imprisoned members of the LIFG's Shura council. Under Saif al-Islam's supervision, the group published a treatise in September 2009 revising its views of jihad, repudiating violent Islamism, and disavowing the merger with al-Qaeda.[34] How this initiative will ultimately affect Libyan jihadists is as yet unclear. The treatise was issued from the notorious Abu Salim prison, making the recantation seem somewhat insincere. Moreover, the scholarly nature of the revisions is unlikely to play well among the many radicals with low education levels. Lastly, the initiative does not deal with core problems such as Tripoli's distributive nature and continued marginalization of certain tribes and areas. In any case, the regime's enthusiasm for the outreach effort is unclear, as some of the LIFG leaders remain in prison.

## External Threats

Qadhafi is apparently concerned about not only internal Islamist threats but external non-Islamist ones as well. For example, during rapprochement negotiations with U.S. officials, he apparently asked for security guarantees should Libya be attacked. In 2006, Britain signed a Joint Letter of Peace and Security ensuring that it would seek UN Security Council action in the event of an attack on Libya, but the United States did not.

Ultimately, Qadhafi never made it clear from which country he feared an attack, nor did such an event seem likely. In fact, the main threat to Libya was its own weapons of mass destruction (WMD) capabilities and involvement in international terrorism. Regime

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29. *Libya Today*, "Full Text of Qadhafi's Speech on Eid al-Adha and a Problematic Vision" (in Arabic), December 6, 2009, http://www.libya-alyoum.com/look/article.tpl?IdLanguage=17&IdPublication=1&NrArticle=25025&NrIssue=1&NrSection=3.
30. U.S. State Department, "Chapter 2: Country Reports: Middle East and North Africa Overview," *Country Reports on Terrorism* (April 30, 2008), http://www.state.gov/s/ct/rls/crt/2007/103708.htm.
31. Werenfels, *Qadhafi's Libya,* p. 19.
32. Camille Tawil, "The Changing Face of the Jihadist Movement in Libya," *Terrorism Monitor* 7, no. 1, http://www.jamestown.org/programs/gta/single/?tx_ttnews%5Btt_news%5D=34322&tx_ttnews%5BbackPid%5D=412&no_cache=1. See also Camille Tawil, "'Boiling' in Benghazi after the Security Apparatus Uncovers Cells Linked to al-Qaeda" (in Arabic), *Dar al-Hayat,* June 30, 2008, http://international.daralhayat.com/archivearticle/207372.
33. Richard A. Oppel Jr., "Foreign Fighters in Iraq Are Tied to Allies of U.S.," *New York Times,* November 22, 2007, http://www.nytimes.com/2007/11/22/world/middleeast/22fighters.html.
34. Nic Robertson and Paul Cruickshank, "Libyan Group Denounces bin Laden Ideology," CNN.com, November 16, 2009, http://images.cnn.com/2009/WORLD/africa/11/16/libya.alqaeda.robertson/index.html.

change in Iraq was one of the factors that finally persuaded Qadhafi to renounce WMD. Indeed, throughout the process of acknowledging and dismantling the program, he was concerned that a regime change similar to that in Iraq would take place—hence his prevarication. Yet that was the least likely outcome of the rapprochement.

## Conclusion

One of the central rationales underpinning Libya's shift was to ensure regime security, particularly in the face of an Islamist uprising. Although engagement with the United States has brought economic benefits as well as military training, these relations do not guarantee stability in Libya. Tripoli has taken steps to insulate itself from the Islamist threat, but most of the factors that contributed to the emergence of Islamist opposition remain, including frustration among the

unemployed younger generation, regime favoritism toward certain tribes, and discrimination toward others in specific areas of the country, primarily the east. Intra-regime struggle between hardliners and reformers is also a critical factor. Although Qadhafi uses such conflict as a means of maintaining short-term control, it undermines regime security in the long run by keeping the country's future opaque.

On the military front, Qadhafi did not get the weapons he requested from Washington, and U.S. military training came later than hoped. Yet this was primarily a result of the regime's refusal to settle the Lockerbie claims, along with legitimate concerns over its human rights record. Even so, despite the lack of formal security assurances from the United States, the Qadhafi regime is arguably more secure today because of its decision to reestablish ties with Washington and reap the associated economic benefits.

# 4 | A Question of Pace: Reasons for Delay

ALTHOUGH THE RAPPROCHEMENT fulfilled many of Qadhafi's goals, the pace of the process was a major source of contention for Tripoli. As mentioned previously, Libya announced its intent to dismantle its weapons of mass destruction (WMD) program in December 2003, but Washington did not send an ambassador to Tripoli until December 2008. This delay was not a result of U.S. apathy, but rather a product of preexisting political trends in Libya, particularly Qadhafi's still-problematic radical ideology.

## Initial Stages

During the first stage of warming relations, once the United States and Britain began to eliminate and remove Libyan WMD designs and stockpiles in January 2004, Washington reacted positively and promptly. In February of that year, the U.S. government lifted its ban on travel to Libya; in April, it revoked the portions of the Iran-Libya Sanctions Act that applied to Libya; and in September, it unblocked Libya's frozen assets and lifted the remaining U.S. sanctions. Meanwhile, a U.S. special interest section opened in Tripoli in February and was upgraded to a liaison office in June; it was further upgraded into an embassy two years later, in May 2006. People-to-people exchanges began soon after the opening of the special interest section, including congressional visits and cooperation on a wide range of issues. By mid-2005, Libya was already participating in a host of U.S. programs, including Fulbright exchanges and other education initiatives.[1]

## Obstacles Emerge: Assassination Attempt

Crucial to diplomatic engagement was Libya's removal from the U.S. State Sponsors of Terrorism list, where it was placed in December 1979 as one of the list's inaugural members. Designation as a state sponsor of terrorism carries various consequences, including a ban on arms imports and exports, ineligibility for economic assistance, and suspension of foreign immunity so that families of terrorist victims can file suit in U.S. courts. It also has an important public relations aspect, serving as a key qualification for "rogue" status.

In light of this background, when reports emerged in 2004 that Libya had attempted to assassinate then–crown prince Abdullah of Saudi Arabia in 2003, the delisting process ground to a halt. Libya was eventually removed from the list, but not until May 2006.

The details of the assassination plot are as follows: in 2003, Abdurahman Alamoudi, a U.S. citizen and leader of an American Muslim "civil rights" organization, met with Qadhafi in order to initiate a destabilization campaign against Saudi Arabia, including a proposed hit on the crown prince. He later acknowledged that Qadhafi ordered him to organize the assassination and paid him $340,000.[2] Together with a Saudi partner, Alamoudi allegedly distributed money to Islamist opposition members in London to carry out the act. He was subsequently arrested and convicted and is currently serving a twenty-three-year sentence in U.S. prison.

Qadhafi's rationale for the plot has never been entirely clear. Libyan-Saudi relations have always been rather tense due to differing interests and religious views, and Abdullah and Qadhafi engaged in a vitriolic spat at the March 2003 Arab League Summit. The colonel's impetuous personality and embrace of terrorist tactics were certainly factors. Interestingly, according to U.S. negotiators, Libya did not view the attempted assassination as terrorism per se. As one high-level State Department official confided, "It was presented as a spat between two tribes" and "a way of legitimately conducting foreign relations."[3]

This revelation may help explain why Qadhafi appeared genuinely surprised that the plot would

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1.  State Department official, email correspondence, November 5, 2009.
2.  See trial documents related to Alamoudi's plea bargain in U.S. court, e.g., http://www.investigativeproject.org/documents/case_docs/168.pdf.
3.  State Department official, interview by author, Washington, DC, November 24, 2009.

affect the trajectory of U.S.-Libya ties.[4] The colonel did not seem to appreciate the legal necessity of keeping Libya on the terrorism list and viewed the decision as an American political pretext. As Libyan ambassador to the United States Ali Aujali explained, "I'm sorry to say but it looks like we have been cheated."[5]

Libya's high expectations for delisting may also have resulted from the U.S. government's lack of a roadmap for a state's removal from the terrorism list and the generally blunt and inflexible nature of the list itself. Once listed, very few states have been removed. Iraq was delisted in 1982, before a particular threshold was set for removal. More recently, North Korea was removed in a bid to salvage a nuclear disarmament deal. Critics argue that the list is subject to political and strategic interests rather than a legal definition of terrorism; Iraq, for example, was reinstated after it invaded Kuwait in 1990, then delisted again once Saddam Hussein was removed from power. The lack of precise criteria renders the path forward somewhat murky. Nevertheless, Qadhafi should have reasonably deduced that acts of violence against a head of state with which Washington has good relations might prove problematic.

## Congressional Delays

As mentioned previously, the Lockerbie compensation agreement stated that payment was to be made in three tranches: upon lifting of UN sanctions, upon lifting of U.S. sanctions, and upon Libya's removal from the terrorism list. The delay on the third requirement led Libya to remove funds from the escrow account established to compensate the Lockerbie families before the funds were transferred to them.

Although Libya was eventually removed from the list in May 2006, it did not pay the final amount until October 2008. In response, Congress used its "power of the purse" to prevent full normalization of relations with Tripoli and balked at funding an embassy and appointing an ambassador. Additional pressure was applied via the Victims of Terrorism Bill in January 2008, which threatened to place liens on assets of U.S. corporations working in Libya unless Tripoli paid the compensation in full.

From a technical legal standpoint, Libya was initially in the right, having extended the deadline for the escrow account several times. Once it was removed from the terrorism list, however, Libya still did not pay the final tranche—a politically untenable situation for Congress that flatly contradicted its agreement with the Lockerbie families.

Technical issues were not the only factor that induced Tripoli to withhold payment. In a relationship where mistrust had been the dominant sentiment, the Libyans suspected that legal cases and legislation against Libya would never cease. Consequently, they viewed the final payment as a form of blackmail to which they were determined not to yield.[6] Moreover, most of the bilateral sanctions had already been lifted. This left Washington with less leverage and may have convinced Qadhafi that relations could progress in the absence of payment. But the Victims of Terrorism Bill created a dynamic whereby Libya's economic dividends were at stake, given the potential repercussions for U.S. oil companies. Meanwhile, the conclusion of the Pugh case in January 2008—regarding accusations of Libyan involvement in another terrorist attack, the September 1989 bombing of UTA Flight 772—marked the first time the regime was successfully sued in a federal court and found liable for damages. Both this case and the Victims of Terrorism bill laid the groundwork for two dozen other pending civil lawsuits against Libya—a massive can of worms for the regime.

## Visas

U.S. travel visas were an issue of major symbolic value to Libya during the rapprochement, mentioned frequently by diplomats such as Ambassador Aujali, who argued that restoring them would be a major step in improving relations.[7] Although travel restrictions were

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4.   State Department officials, interviews by author, Washington, DC, November 24, 2009.
5.   Dawn Media Group, "Libya Feels 'Cheated' over U.S. Terror List," March 25, 2006, http://www.dawn.com/2006/03/25/int3.htm.
6.   State Department official, interview by author, Washington, DC, October 2, 2009.
7.   LibyaNews.net, "Libya Official Seeks Visa Privileges," April 23, 2006, http://www.libyanews.net/libya_news_archive.php?Info=1502.

lifted in 2004, visas were not issued from the U.S. embassy in Tripoli until April 2009. (The Libyans had hoped that they would be issued sooner, but Washington had never committed to doing so.) Prior to the reestablishment of appropriate consular facilities in Libya, citizens were compelled to travel to neighboring Tunis to gain access to such services. And neither the American Trade Liaison Office nor, initially, the embassy was able to issue visas for some time because their facilities were not sufficiently secured.

Lacking a usable embassy building until roughly 2008, staff members operated out of the Corinthia Hotel in Tripoli at first. The former embassy, part of a larger complex of buildings, had been pillaged by a mob in 1979 following allegations of U.S. involvement in the "siege of Mecca." The rioters reportedly acted on instructions from Qadhafi.[8] The U.S. diplomats trapped inside the embassy were barely able to escape before angry demonstrators overran the building. In light of this history and ongoing security threats, the new embassy staff simply could not issue visas from an unsecured building. Moreover, by its very nature, the process of finding secure space and building a new embassy takes considerable time, so the delay in Libya was not unusual. To this must be added Tripoli's own delays in permitting the United States to purchase property for the new embassy.[9]

Although visas appeared to be a secondary concern, the delay in resuming the issuance process had an important diplomatic impact. In particular, it touched upon Libya's rationale for engagement—the quest for prestige and business relations with the West—and served as a tangible and psychological symbol of impediments to coming in from the cold. Libyans saw visas not as a technical problem, but as a barometer of the bilateral relationship's overall health. The delay also had a practical impact in slowing down business relations. Therefore, despite the fact that the problem lay with facilities logistics and not Libya's legal status, Ambassador Aujali continued to argue that the visa issue required attention even after Tripoli's removal from the terrorism list and the renewal of direct diplomatic relations.[10] Although Washington explained the reasons behind the delay, the Libyans were not pleased—the level of mistrust was such that U.S. officials were not taken at their word.

The regime's retaliatory actions have created additional complications. Libya has refused to issue visas in the United States, obliging Americans to travel to Canada or elsewhere to obtain them and subjecting their applications to a lengthy wait. As one 2006 international economic report noted, the regime's visa policies were a "key challenge" that had a detrimental impact on foreign direct investment.[11] And as of this writing, the visa issue continues to color the relationship—although the United States has since opened its visa section in Tripoli, Libya has not yet taken a corresponding step, a knee-jerk reaction that has a harmful impact on Libyan economic interests.

## Conclusion

Ultimately, much of Tripoli's disappointment with the rapprochement resulted from unrealistic expectations. Only a month after Libya's removal from the terrorism list, Ambassador Aujali was already berating the United States for moving too slowly on improving relations and implementing next steps.[12] Qadhafi's sense of exceptionality—whereby he saw Libya as a critical player that deserved a priority spot on the U.S. foreign policy agenda—likely contributed to this disappointment.

Although complaints about the slow pace may have been part of Libya's negotiation tactics, they also illustrated the regime's apparent misperceptions of the U.S. policymaking process. Tripoli seemed to assume that U.S. efforts to implement the new deal would follow

8.   Yaroslav Trofimov, *The Siege of Mecca: The Forgotten Uprising in Islam's Holiest Shrine and the Birth of al-Qaeda* (New York: Doubleday, 2007), p. 203.
9.   State Department official, telephone interview by author, October 9, 2009.
10.  Libya: News and Views (website), June 2006, http://www.libya-watanona.com/news/n2006/june/0606nwsc.htm.
11.  General Planning Council of Libya, *Libya at the Dawn of a New Era: Improving Competitiveness in the Global Economy* (2006), http://www.libya-watanona.com/news/n2006/apr/n02apr6a.pdf.
12.  Ronald Bruce St John, "Libya and the United States: A Faustian Pact?" *Middle East Policy* XV, no. 1 (2008), p. 142, http://www.mepc.org/journal_vol15/95StJohn.pdf.

the model of Libyan politics—that is, a dictatorship, where if a top-down agenda is set, the rest of the government quickly follows it. For example, in February 2008, Libyan foreign minister Abdul Rahman Shalgam sent a letter to Secretary of State Condoleezza Rice asking her to "correct" congressional legislation permitting terrorism victims to collect damages by targeting the assets

of companies working in Libya.[13] At a minimum, there seemed to be a complete misunderstanding in Tripoli of U.S. politics—most important, that the president does not rule by dictate. Ultimately, the obstacles that created a lag in establishing full diplomatic relations came as a result of Libyan politics, especially the attempted assassination of the Saudi crown prince.

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13. Sue Pleming, "U.S. Ties with Libya Strained over New Law," Reuters, February 22, 2008, http://www.reuters.com/article/politicsNews/idUSN2260537620080222.

# Part II
## The U.S. Agenda

# 5 | Eliminating Weapons of Mass Destruction

FOR THE BUSH ADMINISTRATION, the goal underpinning reengagement with Tripoli was dismantling Libya's weapons of mass destruction (WMD) program. Libya declared its intention to "eliminate these materials, equipments and programs" on December 19, 2003.[1] The program had focused primarily on nuclear and chemical capabilities (though in reality, the former was not very advanced and the latter was largely dormant).[2] In a notable early success for Washington, Libya moved swiftly on dismantlement and readily acceded to the relevant conventions. When it came to destruction of chemical weapons (CW) materiel, however, the regime lagged behind—a development that attests to Tripoli's ongoing problematic political behavior and the difficulties of dealing with Qadhafi.

## Nuclear Program

Libya began to develop an overt and covert nuclear program in roughly 1969, when Qadhafi came to power. Once the regime came clean in December 2003, events progressed rapidly: British and American technical teams hit the ground in Tripoli less than a month after the announcement. Ambassador Donald Mahley, the senior U.S. WMD representative in Libya, described the development as "quite extraordinary."[3]

Dismantlement, removal, and destruction of the program's key elements took place in three stages. By January 2004, the bulk of the more proliferation-sensitive material and equipment had been flown out of Libya. Dismantling residual elements took place a month later, while verification work was largely completed by late September. The process, which involved the U.S. and British teams as well as the International Atomic Energy Agency (IAEA), was highly collaborative and shed light on international proliferation networks.[4]

According to IAEA director Mohamed ElBaradei, Libya's nuclear program was "at a very low level of development."[5] The regime was unable to accumulate weapons-grade fissile material, having failed to find, convert, or enrich uranium domestically. Nor had it assembled nuclear warheads. Rather, its technique was simply to buy capability—a strategy that often delayed the process due to unwilling or unreliable suppliers. This approach stemmed largely from Libya's dearth of homegrown technical expertise and education. And many of the program's practical defects were a result of mismanagement.

Interestingly, Libya was not forthcoming on this aspect of the program early on. A September 2008 IAEA report stated that Libya did not fully reveal the details of its procurement cycle at first.[6] For example, the regime's contact with the network of Pakistani nuclear scientist Abdul Qadir Khan began roughly ten years earlier than Libya admitted. The reasons for this deception are unclear, perhaps resulting from opposition within Libya's scientific community or Tripoli's need to maintain some form of leverage. There is little dispute, however, that Libya is no longer attempting to achieve a nuclear weapons capability today.

## Chemical Weapons

Libya's agreement to abandon its CW program entailed a pledge that included acceding to the UN

1. White House, "Press Background Briefing by Senior Administration Officials," press release, December 19, 2003, http://georgewbush-whitehouse. archives.gov/news/releases/2003/12/20031219-14.html.
2. Jonathan B. Tucker, "The Rollback of Libya's Chemical Weapons Program," *Nonproliferation Review* 16, no. 3 (November 2009), p. 366.
3. Donald Mahley, "Dismantling Libyan Weapons: Lessons Learned," *The Arena* 10 (Chemical and Biological Arms Control Institute, 2004).
4. Ibid.
5. Andrea Koppel, "Head of UN Nuclear Watchdog Agency Visits Libya," CNN.com, December 27, 2003, http://www.cnn.com/2003/WORLD/ africa/12/27/libya.nuclear/index.html.
6. IAEA, "Implementation of the NPT Safeguards Agreement in the Socialist People's Libyan Arab Jamahiriya: Report by the Director General," September 12, 2008, http://www.iaea.org/Publications/Documents/Board/2008/gov2008-39.pdf.

Chemical Weapons Convention (CWC) and eliminating all stocks. The regime first developed the program in the late 1980s and early 1990s. Although it was the most advanced of Libya's WMD efforts, it had reportedly lain dormant for at least a decade prior to dismantlement. In late 1990, Qadhafi had shut down a chemical facility in Rabta, fearing that U.S. accusations of CW manufacture would lead to an attack. Similar fears led the regime to close the production facility at Tarhuna as well.[7] By then, Chad had accused Libya of using CW during the countries' war in the late 1980s.[8]

In 2003, Libya admitted to having roughly twenty-five tons of mustard gas and more than three thousand unfilled munitions—a smaller stockpile than U.S. intelligence had estimated. The regime possessed only lab quantities of nerve agents, however.[9]

Following the decision to abandon the program, Libya moved swiftly. It submitted an inventory of its chemical weapons, equipment, and facilities to the Organisation for the Prohibition of Chemical Weapons (OPCW) and admitted to Rabta's prior use as a CW facility. More than 3,000 unfilled CW shells were destroyed under the OPCW's supervision. And less than three weeks after Qadhafi's official announcement to abandon WMD, Libya deposited its instrument of accession to the CWC.

Things went less smoothly with the destruction of chemical agents, a legal obligation under the CWC. Although Libya initially seemed confident in its ability to destroy these stockpiles, in 2006 the regime requested U.S. technical and financial assistance to complete the task. Libya and Washington reached an agreement in December 2006 whereby the United States would pay 75 percent of the destruction costs, or $45 million, and it was assumed that the project would be completed within two years. Yet Libya later canceled the agreement, officially citing costs and liability issues.[10]

The financial explanation for noncompliance is not credible. Given its hydrocarbon riches, Libya could no doubt afford to proceed. Instead, the decision has been attributed to various short-term factors, including internal corruption, Qadhafi's desire to build economic bridges with Europe by allocating the contract to European factories, as well as his anger over a U.S. decision to provide heavy fuel oil to North Korea in return for shutting down a nuclear facility and permitting IAEA verification.[11] Qadhafi, it appears, wanted preferential treatment for Libya, which he saw other states receiving.

As a result of Libya's abrogation of the contract, full dismantlement has lagged. CWC member states granted Libya its first disposal deadline extension in 2006, and in 2009, Tripoli asked for a second. Meanwhile, the OPCW found that although Libya finished building its CW destruction facility in late 2008, "no destruction activities took place." As a result, only 2 percent of the regime's CW stockpiles had been destroyed by the end of that year. Had the Libyans gone ahead with the U.S. destruction agreement, their dismantlement program would still be on schedule.

In a letter submitted to the OPCW, Libya detailed its difficulties in destroying the stock, including logistical and fiscal problems due to the global economic downturn. The regime provided few specifics, though. Moreover, its excuses did not paint a fully accurate picture of the country's economic situation—Libya has been spared the vicissitudes of the world economy, insulated as it has been from international markets. The regime also cited "strong opposition" from civil society—hardly likely in the authoritarian country.[12]

7.   Tucker, "The Rollback," p. 373.
8.   GlobalSecurity.org, "Libyan Chemical Weapons," http://www.globalsecurity.org/wmd/world/libya/cw.htm.
9.   Tucker, "The Rollback," p. 366.
10.  Alex Bollfrass, "Libya Backs Out of CW Destruction Agreement," *Arms Control Today* (July/August 2007), http://www.armscontrol.org/print/2459.
11.  Tucker, "The Rollback," p. 377.
12.  Director-General, Organisation for the Prohibition of Chemical Weapons, "Status Report on the Progress Made by Those States Parties That Have Been Granted Extension of Deadlines," October 7, 2009, p. 2, www.opcw.org/index.php?eID=dam_frontend_push&docID=13390.

In the worst-case scenario, this intransigence could have implications for the security of both Libya itself and U.S. allies in the region. Having destroyed its facilities and flipped its foreign policy, Tripoli is unlikely and unable to reactivate the program anytime soon. But the remaining stockpiles could still pose a challenge to both Qadhafi and the West. As noted by U.S. officials, Libyan CW stocks could become an environmental hazard or be used by terrorists.[13]

## Conclusion

Although Libya moved quickly on most aspects of CW dismantlement, it continues to hesitate on some of its key commitments. The haphazard nature of Libyan actions illustrates the regime's tendency to renege on promises that it views as unbeneficial or counter to Qadhafi's ideology. This tendency is reinforced when Libya's lack of follow-through on these pledges carries no consequences.

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13. Carol Giacomo, "U.S.-Libya Chemical Arms–Related Deal in Doubt," Reuters AlertNet, http://www.alertnet.org/thenews/newsdesk/N07277091. htm.

# 6 | Lockerbie Issues

U.S. INTERESTS REGARDING the downing of Pan Am Flight 103 over Lockerbie were clearly enunciated in UN Security Council Resolution 731. Issued before the 2000 Lockerbie trial, this resolution called on Tripoli to accept responsibility for the actions of Libyan officials, disclose all it knew of the crime, and pay appropriate compensation to the victims. Various U.S. officials repeated this call throughout their dealings with Libya. And although a deal ultimately went forward, the Libyan position on Lockerbie was marked by halfheartedness and a tendency to renege on agreements—behavior that resulted from Qadhafi's ideological perspective and desire to satisfy his hardline constituency.

## Acceptance of Responsibility

Even after Libyan suspect Abdel Basset Ali al-Megrahi was convicted for the bombing, Qadhafi refused to acknowledge responsibility, instead referring to al-Megrahi as the "Jesus Christ of modern times."[1] Although a compensation agreement was struck in May 2002, Libya continued to violate UN resolutions by refusing to admit responsibility. In fact, according to one State Department diplomat, Libya used the agreement to "avoid responsibility by portraying an out-of-court settlement as the result of efforts by Libyans in the private sector to hasten the lifting of economic sanctions."[2]

In the aftermath of the Iraq invasion, Tripoli submitted a letter to the president of the Security Council stating that Libya "has facilitated the bringing to justice of the two suspects charged with the bombing of Pan Am 103, and accepts responsibility for the actions of its officials."[3] But even this circuitous phrasing fell short of an admission of complicity.

Qadhafi himself never personally admitted Libyan guilt, and the regime has at times publicly reneged on previous admissions in conversations with the West. In February 2004, for example, Prime Minister Shukri Ghanem denied Libyan involvement during a BBC Radio 4 interview, claiming, "We thought it was easier for us to buy peace."[4] Tripoli retracted this statement following criticism from the United States, including the threat of delays in easing travel restrictions. More recently, Saif al-Islam al-Qadhafi repeated this claim in August 2008, arguing that Libya admitted responsibility only so that economic sanctions would be lifted.[5] Yet this statement had no repercussions, perhaps because Qadhafi's son does not technically hold an official position, or because the Bush administration did not wish to draw attention to Libyan misdemeanors while on the cusp of finalizing the agreement. Whatever the case, there were no practical consequences, and Libya did not issue a retraction.

As mentioned in chapter 2, when Scottish authorities released al-Megrahi in August 2009, Saif flew with him back to Libya to be greeted by supporters. Saif cited his ambiguous position within the Libyan political system to argue that "there was not in fact any official reception for the return of Mr. Megrahi."[6] Perhaps emboldened by the lack of response to prior denials of guilt, the regime took denial a step further, issuing a statement that al-Megrahi had been "a political hostage."[7] During August and September 2009, in the

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1. Yehudit Ronen, *Qaddafi's Libya in World Politics* (Boulder, Colo.: Lynne Rienner, 2008), p. 61.
2. Jonathan Schwartz, "Dealing with a 'Rogue State': The Libya Precedent," *American Journal of International Law* 101 (2007), p. 569, footnote 95, http://www.asil.org/pdfs/roguestate.pdf.
3. As cited in Felicity Barringer, "Libya Admits Culpability in Crash of Pan Am Plane," *New York Times,* August 16, 2003, http://www.nytimes.com/2003/08/16/world/libya-admits-culpability-in-crash-of-pan-am-plane.html. The letter was dated August 15, 2003.
4. BBC News, "Libyan PM Denies Country's Guilt," February 24, 2004, http://news.bbc.co.uk/2/hi/uk_news/politics/3515589.stm.
5. BBC News, "Lockerbie Evidence Not Disclosed," August 28, 2008, http://news.bbc.co.uk/2/hi/uk_news/scotland/south_of_scotland/7573244.stm.
6. Saif al-Islam al-Qaddafi, op-ed, "No 'Hero's Welcome' in Libya," *New York Times,* August 29, 2009, http://www.nytimes.com/2009/08/30/opinion/30qaddafi.html.
7. Yusra Tekball, "Libyans Hail al-Megrahi's Return," alJazeera.net, August 24, 2009, http://english.aljazeera.net/focus/2009/08/2009823114377795.html.

context of Qadhafi's pending visit to the UN and the harsh U.S. response to al-Megrahi's welcome (including a reprimand from President Obama), Tripoli made sure to keep him out of the public eye in Libya, and the media was relatively silent about his release. Yet the official stance was that both he and Libya were innocent, a clear contravention of Tripoli's fundamental commitment to Washington and the UN.

For Libya, this stance has its own internal logic. Portraying al-Megrahi as innocent allows Qadhafi to maintain his anti-imperialist posture, pleasing his more hardline supporters and avoiding perceptions that he is bowing to U.S. requests. Other actors in the Libyan system have pursued the same logic. For example, welcoming the parolee home played a crucial role in Saif's efforts to ingratiate himself with the hardliners in his bid for succession. Indeed, prior to the Lockerbie trial, hardline Revolutionary Committee media organ *al-Zahf al-Akhdar* proclaimed, "The issue here is not Lockerbie, but one of imposing on free countries. America's main interest is not the Pan Am victims and their families but Libya escaping from its control."[8]

## Assistance with the Investigation

The second UN requirement regarding Lockerbie called for Libya to assist with the investigation prior to and during the trial. Specifically, the original U.S.-UK terms issued in 1991 requested that Tripoli "allow full access to all witnesses, documents, and other material."[9] Libya did render the requested suspects into custody. Yet it provided no further information about other possible suspects. As former foreign minister Omar Mustafa al-Montasser argued, cooperation with the investigation would only "come within the framework of Libyan law and legislation," a formulation that

confirmed Tripoli's plans to not cooperate.[10] Additionally, Libya disregarded specific U.S. and British requests, including that it "make available the remaining timers [it] was believed to have required for carrying out attacks such as Pan Am 103."[11]

Such behavior by Tripoli contradicted Washington's original rationale of a conviction preparing the ground for further investigation—after all, it was widely accepted that a single intelligence agent was not the bombing's sole planner. Libyan intransigence presumably helped conceal the role of Qadhafi and other senior figures, a gambit aided by UN secretary-general Kofi Annan, who conceded in a 2000 letter to the colonel that the Lockerbie "prosecutors would not attempt to embarrass or implicate the Libyan government."[12]

Therefore, refusing the West's demands made sense for Tripoli, since fully according with UN resolutions would create more difficulties for the regime. From Qadhafi's perspective, the trial and the victims' claims constituted no less than a conspiracy, perpetrated by "Zionists who incorporate in this case the hatred between Jews and Muslims and the hatred between Arabs and Zionists and the claims that Libya is a terrorist state."[13]

## Compensation

As discussed in previous chapters, the final Lockerbie demand required Libya to make a series of compensation payments. In May 2002, Tripoli and the victims' families agreed that payments would be made in three tranches—when the UN sanctions were lifted, when U.S. sanctions were lifted, and upon Libya's removal from the U.S. state sponsors of terrorism list. The first payment of $4 million per family was promptly paid in August 2003, and the second a year later. Following Tripoli's attempted assassination of Saudi crown prince

8.   CBS News, "Still No Lockerbie Deal," December 5, 1998, http://www.cbsnews.com/stories/1998/12/05/world/main24367.shtml.
9.   Max Planck Institute for Comparative Public Law and International Law, "Questions of Interpretation and Application of the 1971 Montreal Convention Arising from the Aerial Incident at Lockerbie," *World Court Digest*, http://www.mpil.de/ww/en/pub/research/details/publications/institute/wcd.cfm?fuseaction_wcd=aktdat&aktdat=dec0203.cfm.
10.  Ray Takeyh, "After Lockerbie: Qadhafi's Diplomatic Resurrection," PolicyWatch no. 393 (Washington Institute for Near East Policy, June 10, 1999), http://www.washingtoninstitute.org/templateC05.php?CID=1271.
11.  Schwartz, "Dealing with a 'Rogue State,'" p. 573.
12.  Ray Takeyh, "No Feelings of Guilt or Remorse for Lockerbie," *Baltimore Sun,* February 5, 2001, http://articles.baltimoresun.com/2001-02-05/news/0102050169_1_libya-lockerbie-african-unity.
13.  Takeyh, "After Lockerbie."

Abdullah, however, Washington kept Libya on the terrorism list, delaying the third payment.

After granting several extensions, Libya withdrew its $540 million from the escrow account that had been set up for compensation payments in April 2005.[14] Tripoli was legally entitled to do so at the time. Yet once the regime was removed from the terrorism list in May 2006, it continued to withhold the final payment, violating its agreement with the families. Libya did not make the last payment until October 2008.

U.S. negotiators encountered significant reluctance from Libya in paying the final tranche.[15] Several factors—including the emergence of other lawsuits that threatened U.S.-Libya relations—led Washington and Tripoli to agree on the establishment of an "international humanitarian fund" that would cover the final tranche and all future claims against Libya, insulating the regime from additional suits.[16]

This fund applied to more than just victims of Libyan terrorism—the settlement also stipulated compensation for Libyans killed and injured during the U.S. military retaliation for the 1986 La Belle discotheque bombing.

Assistant Secretary of State for Near Eastern Affairs David Welch stated that the deal would "give fair compensation to the claimants from both sides for the past incidents."[17] Out of the $1.5 billion fund, $300 million went to Libya—drawing an implicit moral equivalence between the victims of terrorism and U.S. counterterrorism operations. In its official description of the fund, the State Department pointed out that "the agreement is being pursued on a purely humanitarian basis and does not constitute an admission of fault by either party."[18] The agreement no doubt helped avert a crisis. But it also enabled Libya to skirt payment and responsibility for its actions.

14. Ronald Bruce St John, "Libya and the United States: A Faustian Pact?" *Middle East Policy* XV, no. 1 (2008), p. 139, http://www.mepc.org/journal_vol15/95StJohn.pdf.
15. State Department officials, interviews by author, August 13, 2009.
16. Elise Labott, "U.S., Libya Deal Closes Book on Lockerbie," CNN.com, August 14, 2008, http://edition.cnn.com/2008/WORLD/africa/08/14/lockerbie/index.html.
17. U.S. State Department, "Briefing on U.S.-Libya Comprehensive Claims Settlement," August 15, 2008, http://merln.ndu.edu/archivepdf/NEA/State/108296.pdf.
18. U.S. State Department, "U.S.-Libya Claims Agreement—Background," press release, August 14, 2008, http://www.iilj.org/courses/documents/US-Libyaclaimsagreement.pdf.

# 7 | Terrorism Sponsorship

IN ADDITION TO WEAPONS of mass destruction and Lockerbie, terrorism sponsorship was a central issue in U.S. negotiations with Libya. UN Security Council Resolutions 731 and 748 required the regime to "definitively cease all forms of terrorist action and all assistance to terrorist groups and...demonstrate its commitment to renouncing terrorism." And during the 1990s, Libya did in fact begin to curb its institutional support for terrorism. Nevertheless, given Qadhafi's ideological perspective, his role as dictator, his belief in terrorism as a tactic, and his impulsive personality, Libya is likely to engage in further acts of violence in the future, though not necessarily directed toward the United States.

Throughout the 1980s, Libya had loose affiliations with various terrorist groups, providing money, weapons, moral support, and even training camps. The regime was accused of ordering notorious attacks such as the hijacking of the Italian cruise ship *Achille Lauro* and the La Belle discotheque bombing in Berlin. These acts, along with Qadhafi's support for Iranian hostage-taking and the regime's refusal to prevent the torching of the U.S. embassy in Tripoli, landed Libya on Washington's inaugural state sponsors of terrorism list in 1979. The regime's terrorist associates constituted an alphabet soup of organizations, including the Irish Republican Army, the Red Brigades in Italy, the New People's Army in the Philippines, and Palestinian groups such as the Abu Nidal Organization, the Palestine Liberation Front, and the Popular Front for the Liberation of Palestine–General Command (PFLP-GC).

Libya's support for these groups began to wane in the 1990s, when Qadhafi first realized that Tripoli needed to reorient its foreign policy. This realization was accompanied by strategic changes in the two main arenas where he had pursued terrorist activities: Israel and Africa. Such tactics had become less useful in both arenas, given the movement of Arab states away from hot wars with Israel, along with Libya's need to use African states to circumvent sanctions. Qadhafi did not break off all links to terrorist groups, but the general tenor and nature of Tripoli's assistance became less proactive. For example, the Abu Nidal Organization continued to base itself in Libya, but it essentially ceased operations at the time.

In 1999, as Tripoli began to engage in secret rapprochement negotiations with the United States, it further downgraded its support for terrorist organizations. American negotiators targeted Abu Nidal in particular, demanding that its training camps and infrastructure be shut down and its members deported. Libya swiftly complied—in the words of one senior U.S. official, "Whenever Qadhafi was tested on these issues he jumped."[1]

Despite seemingly ending its direct support for terrorism, Libya did not get a totally clean bill of health on the issue. Until 2003, for example, successive State Department *Patterns of Global Terrorism* reports noted that Libya "may maintain residual contacts with some of its former terrorist clients."[2] These contacts reportedly included lingering friendships and sporadic meetings with figures such as PFLP-GC founder Ahmed Jibril, as opposed to operational support.[3] Although not important in terms of policy, these ongoing contacts suggest that Qadhafi's ideological support for terrorism remained constant. The fact that Jibril's PFLP-GC was still welcome in Tripoli in late 2003—when the group was carrying out suicide bombings against Israeli civilians—served as an irritant to Washington.[4] As Deputy Assistant Secretary of State Ronald Neumann stated in 2004, "We want to see Libya sever all remaining ties with and support for terrorist groups.

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1. Former senior Clinton administration official, interview by author, Washington, DC, August 11, 2009.
2. U.S. State Department, "Overview of State-Sponsored Terrorism," April 30, 2003, http://www.state.gov/s/ct/rls/crt/2002/html/19988.htm.
3. State Department official, interview by author, Washington, DC, August 13, 2009.
4. Human Rights Watch, *Erased in a Moment: Suicide Bombing Attacks against Israeli Citizens* (New York: Human Rights Watch, 2002), http://www.hrw.org/en/node/77214/section/4.

That would include terminating all contacts, travel on Libyan soil, and financial assistance."[5]

Paradoxically, even as it remained on the terrorism list, Libya also served as a U.S. counterterrorism partner. Such cooperation began after the September 11 attacks, when Qadhafi saw a chance to get closer to the United States. His decision also owed much to the changing nature of the terrorism landscape—now dominated by international jihadist movements rather than secular groups with Nasserist aspirations. As the new groups targeted Qadhafi as much as they did the United States, Tripoli found some common interests with Washington. For example, a number of Libyans held important positions in al-Qaeda's core leadership, including Anas al-Libi, one of the planners of the 1998 U.S. embassy bombings in Kenya and Tanzania. By providing essential information on these and other Libyans in al-Qaeda—as well as on Britain-based members of the Libyan Islamic Fighting Group (LIFG), a Libyan opposition group and al-Qaeda affiliate (see chapter 3)—Qadhafi was able to ingratiate himself as a potential ally in the Bush administration's war on terror. Simultaneously, he benefited by having Western intelligence agencies target external threats to his regime. Indeed, the Bush administration reciprocated by designating the LIFG as a terrorist organization in December 2004.

More recently, Qadhafi has turned his attention to al-Qaeda in the Islamic Maghreb (AQIM) and its wide regional orientation. At present, Libya is working to prevent convenient liaisons between the Touareg tribes and al-Qaeda along the border with Algeria. It has also clamped down on trafficking, including narcotics, in the area.[6] As before, although these actions coincide with U.S. interests, they are taken out of Libyan self-interest. Thus, even as Qadhafi targets al-Qaeda, he continues to oppose the establishment of a base for the Pentagon's new U.S. Africa Command, which would no doubt strengthen U.S. counterterrorism capabilities on the continent.

Tripoli also continues to withhold support for the Middle East peace process. To be sure, Qadhafi has shifted away from his former terrorist and military approach to the issue. And since 2002, he has supported a nonmilitary solution to the Israeli-Palestinian conflict—namely, the establishment of a binational state dubbed "Isratine."[7] In general, however, his position remains unhelpful. Qadhafi is ideologically opposed to the existence of an Israeli state, has criticized the Arab League's peace plan,[8] and has branded moderate Arab states as "collaborators."

At the same time, Qadhafi does not support Hamas ideology—a result of his personal views as well as Tripoli's own problems with Islamists back home. Indeed, he has referred to the Muslim Brotherhood branch in Libya, which shares much in common with Hamas, as "comprised of hooligans, liars, [and] bastards."[9] Still, top Hamas officials do periodically visit Libya, such as group leader Khaled Mashal in December 2009.[10]

## Switzerland Incident

Despite Libya's decrease in operational terrorist activity, the same behavior that landed it on the terrorism list did not cease completely. As discussed in chapter 4, U.S.-Libya relations hit a major obstacle following reports of an attempted 2003 hit on Saudi crown prince Abdullah by Libyan agents—apparently an attempt to create instability in the kingdom.[11]

5.   United States Information Service (USIS), "Text: Neumann's Senate Testimony on U.S. Policy toward Libya" (USIS Washington File, May 4, 2000), http://www.fas.org/news/libya/000504-libya-usia1.htm.
6.   State Department official, telephone interview by author, September 17, 2009.
7.   For example, see his op-ed "The One-State Solution," *New York Times,* http://www.nytimes.com/2009/01/22/opinion/22qaddafi.html.
8.   AlJazeera.net, "Gaddafi Condemns Arab Leaders," March 29, 2008, http://english.aljazeera.net/news/middleeast/2008/03/200861501453203859.html.
9.   François Burgat, "Qadhafi's Ideological Framework," in *Qadhafi's Libya: 1969 to 1994,* ed. Dirk Vandewalle (New York: Palgrave Macmillan, 1995), p. 49.
10.  Maan News Agency, "Mashal Arrives in Libya for Talks with Ghaddafi," December 20, 2009, http://www.maannews.net/eng/ViewDetails.aspx?ID=248370.
11.  For Tripoli, assassination has been a perennial foreign policy tool dating to the failed attacks against Morocco's King Hassan II in 1971 and 1972. Even as late as 1999, Qadhafi was declaring that "Libya houses [terrorist] camps. We will never deny this fact. We acknowledge it with pride because these people are freedom fighters." As former deputy foreign minister Hassouna Chaouch described it, "We never supported terrorism. All we did was to help freedom fighters in Africa and the Middle East." See Ray Takeyh, "Libya: Opting for Europe and Africa, Not Ties with Washington," PolicyWatch no. 486 (Washington Institute for Near East Policy, September 21, 2000), http://www.washingtoninstitute.org/templateC05.php?CID=1364.

More recently, Libya has also engaged in practices that might be characterized as state-sponsored hostage taking. In July 2008, Hannibal Qadhafi, one of the colonel's sons, was arrested for abusing maids in his Geneva hotel. Although charges were eventually dropped, Libya demanded an apology from the Swiss government and, when that was slow in coming, retaliated by reducing Swiss flights to Libya and withdrawing billions of dollars from Swiss banks. Shortly after the incident, two Swiss businessmen were refused exit visas from Libya, and they have been forbidden from leaving the country ever since, allegedly due to immigration violations. In September 2009, they were taken to an unknown location, prompting the Swiss foreign minister to call the act a "kidnap" and claim that the men had been "abducted in violation of international law."[12] Although the Swiss president eventually issued an apology, the November 2009 publication of photos showing Hannibal under arrest prompted Libyan authorities to declare that the businessmen are still set to stand trial, allegedly for tax evasion and visa irregularities.

This incident again demonstrates that Tripoli will resort to violent or illegal tactics when its interests, including those of the Qadhafi family, are threatened. The Swiss case mirrors that of the Bulgarian nurses and Palestinian doctor imprisoned on false charges for several years prior to their 2007 release (see chapter 3).

## Conclusion

Although Libya is out of the international terrorism game, this development was not a result of U.S. engagement. The regime first moved away from terrorism in the early 1990s, eager to escape stifling U.S.-supported sanctions. Tripoli and Washington share an interest in curbing al-Qaeda and other Islamist groups, but their mutual interests do not extend past that narrow spectrum. And despite years of U.S. engagement, Qadhafi's views of "resistance" organizations and the legitimacy of assassination as a foreign policy tool appear to be unaffected. Given the colonel's ideological stance and intemperate personality, Libya may yet engage in opportunistic, rash, and even violent actions to further its foreign policy in the future.

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12.   Swissinfo.ch, "Swiss Suspend Treaty with Libya," November 4, 2009, http://www.swissinfo.ch/eng/front.html?siteSect=109&ty=st&sid=11449938.

# 8 │ Political Reform: Domestic Factors and U.S. Influence

ALTHOUGH DISCUSSIONS over political reform and human rights have slowly taken their place on the U.S. agenda with Libya, they have played a much smaller role than other issues and were not a precondition for reestablishing relations. High-level Bush administration officials occasionally made isolated statements highlighting the regime's poor human rights record. In 2003, for example, Secretary of State Colin Powell noted that Washington remained "deeply concerned about other aspects of Libya's behavior, including its poor human rights record and lack of democratic institutions.... Libya must address the concerns underlying [U.S. sanctions]."[1] Yet this statement, while powerful, was never backed by consequences.

The expectation, of course, was that these other issues would be addressed more fully once the core issues related to weapons of mass destruction and terrorism were resolved. For this reason, U.S. policy has remained largely accommodating, looking forward to the day when relations are more thoroughly normalized. As Secretary of State Condoleezza Rice noted upon Libya's 2006 removal from the state sponsors of terrorism list, "Today's announcements open the door to a broader bilateral relationship with the United States that will allow us to better discuss other issues of importance. Those issues include protection of universal human rights, promotion of freedom of speech and expression, and expansion of economic and political reform consistent with President Bush's freedom agenda."[2]

Human rights were an established talking point earlier in the dialogue than political reform, though they were never linked to other issues. In many ways, the case of Fathi al-Jahmi (to be discussed shortly) constituted the entirety of Washington's human rights efforts in the early years of engagement with Libya. His case also serves as a damning summary of U.S. "achievement" in moving Tripoli along the political reform track.

To be sure, there have been some improvements in Libya's political and human rights scene. In 2009, for example, Human Rights Watch finally received permission to work in the country. As the organization itself noted, "a public assessment of Libya's human rights record...would have been unthinkable a few years ago."[3] Yet to the extent that reformist trends have arisen in Libya, they have not come at the insistence or even suggestion of the U.S. government. And although Washington has sought to support such trends after they emerge—for example, via missions under the State Department's Middle East Partnership Initiative between 2003 and 2007—nothing came of its efforts.[4] Moreover, in late 2008 through 2009, these much-discussed reformist steps suffered reversals, with Qadhafi's ideology and entrenched hardline elements blocking progress despite the restoration of bilateral relations. In short, U.S. influence has been extremely limited when it comes to reform and rights issues that are central to regime survival.

## The Fathi al-Jahmi Case

From 2002 until his death in 2009, imprisoned Libyan dissident Fathi al-Jahmi's release was a clear, consistent U.S. demand and, as mentioned above, a surrogate for broader U.S. policy on human rights. As one senior U.S. official noted, his case was raised "during every single meeting."[5]

Al-Jahmi's situation first came to prominence when he was arrested in October 2002 for advocating

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1. America.gov, "Powell Says U.S. Will Continue Bilateral Sanctions on Libya," statement, August 17, 2003, http://www.america.gov/st/washfile-english/2003/August/20030817133140uhp5.929202E-02.html#ixzz0Z1M1IfkF.
2. Condoleezza Rice, "U.S. Diplomatic Relations with Libya", remarks, Washington, DC, May 15, 2006, http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=19345.
3. Human Rights Watch, "In Repressive Atmosphere, Pockets of Improvement," December 12, 2009, http://www.hrw.org/en/news/2009/12/12/libya-repressive-atmosphere-pockets-improvement.
4. State Department officials, interviews by author, November 24, 2009.
5. State Department official,  meeting with author, July 27, 2009.

democracy in Libya, including free elections, a free press, and the release of political prisoners. He was initially sentenced to five years' imprisonment. After an early March 2004 visit by then–senator and Foreign Relations Committee chair Joe Biden, he was released by the appeals chamber of the Libyan People's Court—a demonstration of Washington's leverage prior to the full reestablishment of diplomatic relations.

Al-Jahmi renewed his calls for democracy upon his release, however, and was quickly rearrested. In the years that followed, the United States again made persistent demands for his release. In May 2006, for example, Assistant Secretary of State David Welch explicitly declared Washington's disappointment with Libya on the matter. And in November of that year, a State Department spokesman noted, "We continue to urge the Libyan government to release [al-Jahmi] and will continue to do so." Similarly, in March 2008, the department stated that it had repeatedly urged "the Libyan government to fulfill their promise to release without condition."[6] Despite such statements, al-Jahmi remained in prison.

In May 2009, al-Jahmi died in an Amman hospital, several days after being admitted in a comatose state. As Human Rights Watch noted, "The death of Fathi al-Jahmi is a sad day in the struggle for freedom of expression in Libya."[7] The Obama administration, meanwhile, stated, "We had welcomed his release to Jordan. We regret that his poor state of health, however, did not allow him to fully recover upon transfer."[8] These telling words clearly illustrated Washington's limited power in pressuring Libya once bilateral engagement resumed, particularly when it came to eliciting behavior change on human rights.

## Saif al-Islam's Role

Apart from al-Jahmi's individual case, the link between general Libyan reforms and renewed bilateral relations

is not entirely clear. On one hand, as a senior State Department official argued, "These reforms were clearly pointed outwards"—that is, they were intended to improve international perceptions of Libya rather than effect substantive change at home.[9] This characterization can be substantiated to some extent by looking at the motor of Tripoli's fitful experiments with reform: Saif al-Islam, Qadhafi's son and a primary interlocutor for U.S. discussions with the regime.

It has long been assumed that Saif wants to succeed his father, and reform initiatives—erratic and highly personalized—formed part of that calculus. By presenting himself as a reformer and working with U.S. advisory firms such as Monitor Group and Livingstone Group, Saif sought to ingratiate himself with Washington. By drawing close to the United States through reform initiatives, Saif could, in theory, reinforce his standing among Libyans who wanted stronger bilateral relations and were counting on the opportunities afforded by rapprochement.

Yet even outwardly directed initiatives—and, by extension, Libyan reform in general—would not succeed unless the elder Qadhafi supported them and, concurrently, his son's succession bid. During the first half of the past decade, the colonel seemed to give Saif a great deal of room to run. The past few years, however, have witnessed a distinct loss of momentum on any sort of reform—a strong indication that Qadhafi is undecided about Saif's succession, perhaps because he is opposed to further reforms.

The colonel has never championed democratic reform. At no point during Tripoli's foreign policy reorientation did he indicate any desire for changes of that sort to the Libyan system, believing as he does that the Jamahiriya model of governance is superior to Western ones. Moreover, few within Libya—apart from a newer generation of technocrats—are active proponents of reform. In fact, key elements within

6.   Christopher Blanchard, *Libya: Background and U.S. Relations* (August 6, 2008, version) (Washington, DC: Congressional Research Service), pp. 26–27, http://fpc.state.gov/documents/organization/109510.pdf.
7.   Human Rights Watch, "Libya: Libyan Dissident, Long Imprisoned, Is Dead," May 21, 2009, http://www.hrw.org/en/news/2009/05/21/libya-libyan-dissident-long-imprisoned-dead.
8.   Ian Kelly, U.S. State Department, daily press briefing, Washington, DC, May 21, 2009, http://www.state.gov/r/pa/prs/dpb/2009/05/123770.htm.
9.   State Department official, interview with author, October 2, 2009.

the shadowy Libyan political hierarchy remain resolutely against it, including the Forum of Companions of Qadhafi (an informal society whose members have a special relationship with Qadhafi and are allocated important posts) and the Revolutionary Committees (a hardline pressure group tasked with enforcing Qadhafi's ideology and state structure). Such elements are eager to safeguard their political and economic fiefdoms. And this is not the first time they have fought a rearguard effort to derail reform efforts—they also frustrated attempts at economic liberalization during the 1980s and early 1990s. Moreover, U.S. engagement with Libya has not fundamentally altered their status within the country's political and economic structures; they remain quite strong.

Given this context, it is no surprise that Western-educated Saif has been circumspect and circumscribed in his calls for reform. It would be fair to say that, like his father, he is no democrat. At times he has espoused the Moroccan or Malaysian model as an ideal form of governance—that is, opening up economically while preserving authoritarian political control. He is also no revolutionary. His efforts have been aimed at evolving the status quo, not replacing it overnight. For example, in 2007, during his annual speech in Benghazi, he stated clearly that his redlines include criticism of his father.[10] Yet even with the limited parameters of his modest reform efforts, he has proved to be remarkably ineffective.

Amid the fledgling reforms, general political norms in Libya continue much as before. Qadhafi's erratic behavior has contributed to an atmosphere of constant confusion and uncertainty about the country's domestic political direction. This has been by design—a means of keeping enemies (real, perceived, or potential) off balance so that Qadhafi, largely alone, understands and can control what is happening. Particularly good examples of this tactic include his 2008 announcement of plans to dismantle most of the government ministries, his constant reshuffling of the cabinet, and his creation of rival power centers

within certain institutions (e.g., he established the Supreme Energy Council as a counterweight to the largely technocratic oil ministry). Moreover, there has been no real change of personnel at the top. Despite another cabinet reshuffle in March 2008, most of the newly appointed members are well known regime figures. For example, Foreign Minister Musa Kusa led the trilateral negotiations with the United States and Britain years ago and was once responsible for assassinating Libyan dissidents abroad.

By their very nature, the colonel's interventions have also undercut Saif's reforms over the past few years, despite U.S. approval of the latter's efforts. Again, some interpret the elder Qadhafi's actions as a strong signal of his ambivalence toward his son's succession. In fact, a rivalry has emerged between Saif and his brothers, primarily Mutasim-Billah—a rivalry their father has appeared to encourage. For example, the colonel recently requested that Saif be offered an official position—namely, "Leader of the Popular Social Leadership." Simultaneously, however, he promoted Mutasim—already the national security advisor, with strong links to hardline elements including Musa Kusa—to a seat on the powerful Supreme Energy Council. Saif has not yet accepted the position, ostensibly because he does not want to accept a formal role until Libya adopts a constitution and undergoes reforms. Who will prevail, and whose vision for the country will come out on top, remains unclear. This uncertainty has been echoed in the United States, as Washington has sought to identify channels through which to influence Libya's opaque reform process.

## Reform Takes Off, Rolls Back, Takes Off?

In the early years of Libya's rapprochement with the West, Saif's reform platform—as championed in his "Libya al-Ghad" (Tomorrow's Libya) program—involved launching a number of modest initiatives. These included efforts to develop a modern constitution, expand press freedom, and improve human

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10.  Konrad Adenauer Stiftung, "Saif al-Islam Outlines New Constitution for Libya," August 21, 2007, http://www.mena-electionguide.org/details.aspx/27/ Libya/article886.

rights. By 2007, however, each of these efforts, however meager, was being rolled back, apparently because the package began to threaten powerful constituencies invested in the status quo. Moreover, the fact that Saif was the only real figure pushing these reforms resulted in a vicious circle—his reforms met with a negative reception, which affected his standing, which in turn diminished his ability to advance further reforms.

Although some of these initiatives have returned to the agenda in recent months, the lack of institutionalization means that they can be removed as easily as they are restored. In short, few of the prospective reforms will likely come to fruition.

## Constitution

The fate of the constitutional initiative provides a case in point regarding the prospects for reform. Qadhafi's *Green Book* explicitly opposes such a document, but this has not stopped Saif from insisting that a new constitution would form "the backbone of the country's future."[11] Libyan legislation was founded on a series of declarations, primarily based on the *Green Book*.[12] The creation of a constitution would theoretically establish institutions with clear rights and responsibilities separate from one another. In the process, it would exclude informal power centers from politics and undercut Qadhafi's divide-and-rule tactics. It would also help Saif neutralize the democratic anti-Qadhafi opposition in exile, by adopting their discourse.

Talk of a constitution first surfaced in 2002, and by early 2003, Saif told an American journal, "We already have a number of committees working on a new constitution with the help of local and foreign legal experts."[13] No document materialized at the time, however. Back home, Saif continued to discuss the idea publicly during speeches in August 2007 and 2008.

In May 2008, a draft was finally leaked on the internet, presumably a result of frustration over delays; in any case, the website was blocked within hours. Subsequently, a draft was submitted to a legal committee chaired by the head of the Libyan supreme court to ensure the document "acknowledge[d] the strength of actors sitting outside the formal system" and was "sensitive to the spirit of the *Green Book*."[14] In late 2008, Saif said he expected a constitution to be adopted by September 2009.[15] And in February 2009, local media again reported that a draft would be presented to the General People's Congress. It never was, however. The Qadhafi regime's fortieth anniversary has come and gone, and there is still no sign of the constitution. Saif's credibility has suffered as a result.

## Freedom of the Press

Saif has also launched various quasigovernmental media initiatives under the umbrella of his al-Ghad Media Corporation, aimed at introducing a modicum of press freedom. These have included a television station and two newspapers—*Cyrene* and *Oea*, both established in 2007.

The two new publications differed only slightly from state-owned newspapers in the range and depth of topics they covered. Whereas state-owned papers commented on local issues and spoke about corruption in general, *Oea* and *Cyrene* actually investigated socioeconomic issues in detail and accused specific hardline officials of corruption, such as Prime Minister al-Baghdadi al-Mahmoudi. They also raised somewhat more contentious issues, including the Libyan opposition-in-exile.

Although the reform they championed remained limited, the new papers did open up the field of discussion—an effect compounded by the increasing presence of satellite television options such as al-Jazeera.

11.  Oxford Business Group, *The Report: Libya 2008* (Dubai: Oxford Business Group, 2009), p. 20.
12.  John L. S. Simpkins, "Libya's Legal System and Legal Research," GlobaLex, January 2008, http://www.nyulawglobal.org/globalex/Libya.htm.
13.  Amir Taheri, "Libya's Future," *National Review Online,* January 2, 2003, http://article.nationalreview.com/?q=NTJmNDM2YTI3YTgyNjk0ZTQzYzE4YmZkNGY3NzI4ZjE=.
14.  Hanspeter Mattes, "Die politische und wirtschaftliche Entwicklung Libyens im 40. Revolutionsjahr" (Hamburg, German Institute of Global and Area Studies, November 2008), http://www.giga-hamburg.de/dl/download.php?d=/content/staff/mattes/publications/libyenbeitrag_afrikawirtschaft.pdf.
15.  Associated Press, "Gadhafi's Son: Libya Wants to Invest in U.S.," November 21, 2008, http://www.msnbc.msn.com/id/27848523.

In tandem with these developments, various human rights groups reported that fewer websites, primarily those addressing socioeconomic issues, were being blocked.[16] And in 2008, the media reform initiatives culminated in a televised debate in which Qadhafi and senior officials argued over the potential dismantling of ministries—an unprecedented event.

Overall, however, the effort to expand press freedoms remained extremely limited. Al-Ghad director Muhammad Bussifi clearly stated that the corporation's various initiatives would not cross "the red line of the Leader."[17] Indeed, topics were discussed in media outlets only after Qadhafi had broached them, leaving him, not the media, as the agenda setter. Even the reformist media did not criticize the colonel or the Jamahiriya system. And as the 2007 State Department human rights report underlined, foreign satellite programming was sometimes blocked.[18] Furthermore, severe oppression of journalists has not stopped. For example, Abd al-Raziq al-Mansuri, who had posted on dissident websites abroad, was sentenced to a year and a half in prison in 2005 (on charges of illegally possessing a handgun). That same year, another journalist named Daif al-Ghazal was killed execution-style, reportedly targeted by Libyan security officials due to his outspoken criticism of repressive regime practices.[19]

Today, Libya's short-lived media spring appears to be over. The Gaddafi International Charity and Development Foundation (GICDF) stopped distributing foreign papers in 2007, less than a year after launching the new initiative. In early 2009, the most important Libyan Berber website, "Tawalt," was closed down for unknown reasons. Human rights organizations have also noted an increase in defamation claims against journalists, and exiled political activists have complained that access to YouTube has been blocked.[20] More significantly, Saif's television station, al-Libya, was taken over by a government broadcasting administration in April 2009, while *Oea* and *Cyrene* were nationalized. Al-Libya editor-in-chief Abd al-Salam Mishri was even arrested and detained for forty-eight hours. As a result of these developments, al-Libya moved its headquarters to London, and Saif's credibility was again damaged.

## Judicial Reform, Torture, and Prisoners

Alongside constitutional and press reforms, Saif also championed judicial reform, including an end to torture and the creation of various truth and reconciliation forums. In 2003, he pushed an anti-torture campaign, aiming to disclose mistreatment by the regime. Although many victims apparently came forward, there was no follow-up, and no official has been charged. It is unclear how much of a real investigation Saif wanted to pursue given the potentially wide-ranging consequences of such scrutiny. A similar program recently appeared on the national scene, with the Libyan General People's Committee for Justice urging those deprived of their freedom by security forces or arrested without trial to fill out reconciliation forms in order to receive compensation. Judging from the past, however, this is unlikely to result in sweeping change.

Indeed, various international human rights groups report that the practice of torture has continued—for example, as inflicted on the Bulgarian nurses and Palestinian doctor whom the regime imprisoned for allegedly infecting Libyan children with HIV.[21] In 2007, Human Rights Watch documented torture against

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16. Open Net Initiative, "Internet Filtering in Libya," http://opennet.net/sites/opennet.net/files/ONI_Libya_2009.pdf.
17. Agence France-Presse, "Libya Marks 38 Years of Gaddafi," *Kuwait Times,* September 2, 2007, http://www.kuwaittimes.net/read_news.php?newsid=OTE1NzU=.
18. U.S. State Department, Bureau of Democracy, Human Rights, and Labor, *2007 Country Reports on Human Rights Practices: Libya,* March 11, 2008, http://www.state.gov/g/drl/rls/hrrpt/2007/100601.htm.
19. Libya Watch*,* "Daif al-Ghazal: The Biography of a Journalist Who Stood Up to Corruption," Libya: News and Views (website), June 8, 2006, http://www.libya-watanona.com/hrights/lhrs/lh10066c.htm.
20. Human Rights Watch, "Libya: Stop Blocking Independent Web Sites," February 3, 2010, p. 23, http://www.hrw.org/en/news/2010/02/03/libya-stop-blocking-independent-web-sites. See also Khaled Mahmoud, "Reformist Trend and Old Guard Battle for Libya's Future," *al-Sharq al-Awsat* (London), February 8, 2010, http://www.asharq-e.com/news.asp?section=3&id=19801.
21. Ivan Watson, "Bulgarian Nurse Recounts Torture in Libyan Prison," National Public Radio, July 25, 2007, http://www.npr.org/templates/story/story.php?storyId=12234119.

sub-Saharan Africans in Libya, while Amnesty International documented the torture of a group that protested the killing of demonstrators in 2006.[22] For its part, Saif's GICDF claims that these cases of torture "do not exist here."[23]

Saif also appeared to champion prison reform. Following a 2004 speech by the elder Qadhafi and its reiteration by Saif,[24] the People's Court—notorious for its harsh punishment of political dissidents and biased trials—was abolished in 2005, with its responsibilities transferred to regular courts. Later, however, a new State Security Court was formed to take over its role. The Ministry of Justice claims that this body, unlike the People's Court, has no exceptional powers. Indeed, its reach is still unclear. Moreover, Saif has issued no objections to the new court or to the attorney general's substantial powers.

The release of political prisoners who no longer advocate violence was another of Saif's pet projects. In 2002, 2003, and 2006, he managed to secure mass releases of prisoners, including a group of 131 political detainees from the notorious Abu Salim facility. These releases were not a result of a systemic policy change, however, but isolated acts of regime clemency. Political imprisonments continue apace, such as that of Abdelnasser al-Rabbasi, jailed for writing a book about human rights.[25]

Another major test of the limits of Saif's powers centers on the remaining Islamists in prison, including members of the jihadist Libyan Islamic Fighting Group. As described in chapter 3, the group—which had previously sought to topple the regime—recanted its jihadist actions and published revisions to its ideology in

September 2009, following Saif's mediation. Although more than two hundred of the group's members were released in late 2009 and 2010, even Saif has admitted that half of the organization's Shura council leaders linger in prison, along with hundreds of other members.[26]

Lastly, Abu Salim prison figures into Saif's wider national reconciliation agenda in other ways as well. In 1996, a large-scale massacre took place there, with up to 1,200 prisoners killed following a dispute with prison guards, according to some sources.[27] Despite repeated appeals by the victims' families and a June 2008 court ruling that the state must disclose information, no details regarding the event have been released. The regime did not even issue death certificates to the families until December 2008, and no public trial has yet taken place. The GICDF has long called for an inquiry, and following the 2008 court decision, Saif announced that a public trial would be conducted. Specifically, he pledged that police and prison officials would be in the dock and that "those found guilty [would] be punished." He also advocated compensation for the families. Yet although the families have been permitted to hold demonstrations, the GICDF has laid the blame for the event firmly on the prisoners, highlighting the organization's limited reformist commitment.[28]

In September 2009, a formal investigation was announced, though its exact details are unclear. The committee undertaking the investigation was set up by the General People's Committee for Defense, and the judge issued statements placing the blame on

22. Amnesty International USA, "Libya: Trial Begins against Government Critics," public statement, July 2, 2007, http://www.amnestyusa.org/document.php?lang=e&id=ENGMDE190092007.

23. Saif Gaddafi, "Libya... Truth for All," speech, July 26, 2008, Gaddafi International Charity and Development Foundation, http://www.gicdf.org/index.php?option=com_content&view=article&id=339:speech-by-saif-al-islam-gaddafi-chairman-of-gicdf-qlibyatruth-for-allq&catid=47:speeches-and-words&Itemid=70.

24. Amnesty International, "Libya Urged to Thoroughly Investigate 1996 Mass Prison Killings," June 29, 2010, http://www.amnesty.org/en/news-and-updates/report/libya-urged-thoroughly-investigate-1996-mass-prison-killings-2010-06-29.

25. Human Rights Watch, "Libya: Mark Anniversary by Restoring Rights," August 31, 2009, http://www.hrw.org/en/news/2009/08/31/libya-mark-anniversary-restoring-rights.

26. Human Rights Watch (HRW), "Libya: 202 Prisoners Released but Hundreds Still Held Arbitrarily," March 25, 2010; and author email exchange with HRW representative, April 30, 2010.

27. Isabelle Werenfels, *Qadhafi's Libya: Infinitely Stable and Reform-Resistant?* SWP [German Institute for International and Security Affairs] Research Paper (Berlin: SWP, July 2008), p. 14.

28. See Lamine Ghanmi, "Libya to Try Officials on Prisoner Killings: Gaddafi Son," Reuters, July 24, 2008, http://www.reuters.com/article/idUSL2470645820080724; and Gaddafi International Charity and Development Foundation (website), "The Human Rights Society of the Foundation Issues a Statement on the Events of Abu Salim Prison," http://www.reuters.com/article/idUSL2470645820080724 and http://www.gicdf.org/index.php?option=com_content&view=article&id=251:the-human-rights-society-of-the-foundation-issues-a-statement-on-the-events-of-abu-salim-prison&catid=35:-issued-statements-gicdf&Itemid=56.

the prisoners before the inquiry even began—obviously, neither of these factors bodes well. Recently, an unnamed Libyan official told *al-Sharq al-Awsat* that the government plans to raze Abu Salim.[29] Yet, despite its potentially powerful symbolic message, demolishing the feared prison would contribute nothing to getting at the truth of what happened there. It would also do nothing to change the hierarchy of power—an outcome that would only further erode Saif's credibility.

## Conclusion

Since Tripoli opened itself to the West, Libya's top-down political reforms have been severely limited in breadth and depth. Moreover, they cannot be attributed to renewed U.S.-Libya relations. In general, the Libyan power structure remains untouched, and the only specific and consistent demand made by the United States—the release of Fathi al-Jahmi—was unmet. Carrying out the proposed reforms would have affected Libya's informal sectors of power; accordingly, Qadhafi either opposed them on ideological grounds or simply withheld support. And the lack of conditional U.S. demands helped ensure that Washington had limited impact on these issues. Sadly, al-Jahmi's death at least raises the possibility of establishing future discussions on a more solid foundation than one man's case, however symbolic.

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29.  Khaled Mahmoud, "Libya to Demolish Notorious Abu-Salim Prison," *al-Sharq al-Awsat* (London), November 9, 2009, http://www.asharq-e.com/news.asp?section=1&id=18078.

# 9 | Libya and Africa

AS WITH HUMAN RIGHTS and other state reforms, another secondary issue for Washington during the rapprochement with Libya was encouraging Qadhafi to play a more positive role in Africa. As U.S. ambassador Ronald Neumann said in 2000, "our goals have been to....contain Qadhafi's regional ambitions."[1] Secretary of State Colin Powell also highlighted the importance of this issue, stating in 2004, "We have made sure that one of the agenda items to be discussed is their activities in Africa."[2] Of course, by that time, Tripoli's most problematic activities on the continent had ceased, a fact acknowledged by senior U.S. officials.[3] Nevertheless, Libyan behavior in Africa continues to proceed in a direction different from U.S. interests.

In the 1970s and '80s, Libya directly intervened in internal affairs throughout the region, funding insurgencies, entering into military conflicts with neighbors such as Chad, and supporting coups. Qadhafi appears to have pursued these destabilizing policies in order to counter alleged Western imperialist influence, project Libyan regional influence, and weaken regional rivals.[4]

Several factors contributed to a change in this approach. Facing U.S.-led multilateral sanctions—which were supported by the Arab world—Qadhafi realized that Libya had to rebuild alliances in Africa in order to circumvent this pressure. The regional change of tack was also necessary if he hoped to rebuild relations with the United States. And the realization that his past policies simply were not working—a fact demonstrated by Libya's humiliating 1987 military defeat to Chad—no doubt played a major role in the shift as well.

Accordingly, the 1990s saw Tripoli using different tactics, with Qadhafi attempting to cultivate his credibility on the continent by acting as a peacemaker and mediator in conflict zones such as Sierra Leone, the Horn of Africa, and the Congo. Likewise, the projection of soft power through petrodollar diplomacy played a significant role in smoothing relations with aid-needy African governments. For example, Qadhafi provided funding to Libya-friendly economic institutions such as the Community of Sahel-Saharan States (CEN-SAD). He also established bilateral endowments and leveraged investment vehicles such as the Libyan African Portfolio, which committed $3 billion to the continent.

## Remaining Issues

Although Libya's role in Africa these days is far more palatable to Washington than it was, Qadhafi's policies often oppose U.S. interests—sometimes expressly, other times inadvertently. Libya continues to reject "foreign" (i.e., Western) interference on the continent, largely in order to preserve its own influence there. Qadhafi strongly upholds an "Africa for the Africans" stance, opposing the overt presence of Western companies and arguing that they "wish to colonize Africa and benefit from its wealth." He has also condemned the United States for taking a "harsh, rough approach" to the continent and "grossly interfer[ing] in the internal affairs of Africa."[5] Washington has had little success in convincing Tripoli to change course.

As mentioned in previous chapters, this perspective regarding the continent drives Libya's opposition to the establishment of a regional base for U.S. Africa Command (AFRICOM). Qadhafi has even urged other states to echo his opposition to such a facility: in 2007, CEN-SAD's twenty-eight member states issued a communiqué stating that the organization "flatly refuses the installation of any military command

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1. U.S. Embassy to Israel, "Text: Neumann's Senate Testimony on U.S. Policy toward Libya," May 4, 2000, http://usembassy-israel.org.il/publish/peace/archives/2000/may/me0504a.html.
2. Senate Foreign Relations Committee, *Hearing on the [Fiscal Year] 2005 State Department Budget,* February 12, 2004, http://feingold.senate.gov/statements/04/02/2004225939.html.
3. As Neumann noted in his Senate remarks, "Libya no longer poses the threat it once did."
4. Yehudit Ronen, *Qaddafi's Libya in World Politics* (Boulder, Colo.: Lynne Rienner, 2008), p. 197.
5. Algathafi.org (website), "The Brother Leader Addresses the Students of Oxford University on Africa in the 21st Century," May 16, 2007, http://www.algathafi.org/html-english/01.htm.

or any foreign armed presence."[6] Although Libya was only one of many states opposing the base, its voice was particularly influential given its funding of CEN-SAD and other factors.

Tripoli's denunciation of "foreign interference" has also included a push to propagate Islam on the continent and a concomitant rejection of Christianity. As Qadhafi himself asserted, "Christianity is not a faith for people in Africa."[7] He has also alleged that the Bible was a forgery, inflaming Christian leaders across the continent and spurring the Archbishop of Kampala to call his remarks "provocative."[8]

## Darfur

Qadhafi's opposition to foreign intervention extends to conflicts such as the ongoing strife in Darfur. He has repeatedly argued that "in Darfur, and problems similar to Darfur, we leave the problem for the people of Darfur."[9] This stance has proven counterproductive to resolving the conflict, however. As an International Crisis Group report noted in 2007, Libya has sometimes "given the NCP [authorities in Khartoum] cover to resist international pressure and efforts to strengthen the peacekeeping operation."[10] Moreover, Qadhafi's attempt to facilitate the Tripoli Agreement between Sudan and Chad was "seen by many internationals as simply an attempt by Libya to ward off a possible deployment of UN forces."[11]

Qadhafi's assessment of the Darfur conflict is diametrically opposed to Washington's. Instead of seeing Darfur as a humanitarian crisis of international proportions, the colonel views it as a local issue that does not merit the world's attention, "a problem between two tribes over a camel." According to him, the issue's elevation to the global level is driven by "colonial

purposes."[12]

Fortunately, Libya has limited reach in Sudan, a fact demonstrated by Qadhafi's failed 2007 attempt to conduct peace talks in Sirte. During the talks, he was widely seen as defending government actions in Darfur; as a result, key Sudanese actors refused to attend, rendering the summit a failure.

At the same time, Qadhafi's ideology has undermined some productive initiatives. For example, in February 2009, Libya blocked the UN Security Council from issuing a presidential statement condemning the growing civilian losses in Darfur, a move that "deeply disappointed" Washington.[13] This move was consistent with Qadhafi's wish that the conflict not be placed on the international agenda.

Even so, Libya has occasionally played a useful role in Darfur. In 2004, it approved a U.S. initiative to open a corridor for international humanitarian aid to western Sudan. Although the idea had been under discussion for some time, it is noteworthy that Tripoli's agreement came at the point when the plot to assassinate Saudi crown prince Abdullah emerged, threatening to derail U.S.-Libya relations. Of course, agreeing to an aid corridor was not counter to the regime's interests, but in fact promoted Libyan political prestige and influence. Similarly, Tripoli's mediation efforts in 2009–2010, which were praised by U.S. special envoy to Sudan Gen. Scott Gration, seemed to stem from a desire to boost Libya's image and affirm Qadhafi's standing as a regional peacemaker.

## Opposition to Democratic Development

Qadhafi appears to be propagating a political vision on the continent that is inherently opposed to democratic development and political moderation. Along the way,

6.   Africanews.com, "Libya: CEN-SAD Refuses Any Foreign Military Presence in Afr[ica]," November 27, 2007, http://www.africanews.com/site/list_messages/13406.

7.   Salah Sarrar, "Gaddafi Says Only Islam a Universal Religion," Reuters, March 30, 2007, http://www.reuters.com/article/idUSL3059334720070330.

8.   Wolfgang H. Thome, "Gaddafi Causes a Stir, Opens New National Mosque in Uganda," *eTurboNews,* March 25, 2008, http://www.eturbonews.com/1880/gaddafi-causes-a-stir-opens-new-national-mosq.

9.   Agence France-Presse, "Libyan Leader Says World Aggravates Darfur Conflict," May 19, 2007, http://www.sudantribune.com/spip.php?article21928.

10.   International Crisis Group, *Darfur's New Security Reality,* Africa Report no. 134 (November 26, 2007), p. 19, http://www.crisisgroup.org/~/media/Files/africa/horn-of-africa/sudan/Darfurs%20New%20Security%20Reality.ashx.

11.   Ibid.

12.   "Pidato Pemimpin Libya," blog entry on Oasesahara.com, February 26, 2009, http://oasesahara.blogspot.com/2009/02/pidato-pemimpin-libya.html.

13.   Bill Meyer, "U.S. Ambassador Susan Rice Rips Libya on Darfur," *Cleveland Plain Dealer,* February 12, 2009, http://www.cleveland.com/world/index.ssf/2009/02/us_ambassador_susan_rice_rip_l.html.

he has cultivated some unsavory bedfellows. In 2001, for example, Qadhafi's CEN-SAD lavished praise on Sudanese president Omar Hassan al-Bashir and his government,[14] yet al-Bashir was later indicted by the International Criminal Court (ICC) for war crimes. Qadhafi has also recently hosted al-Bashir, despite the international warrant issued by the ICC.[15] The colonel has ties to and has provided material support for African dictator Robert Mugabe.[16] Fortunately, Libya's support is not a pivotal factor for these dictators, making the colonel's behavior in this regard more of a symbolic concern for Washington than a practical problem.

Qadhafi has likewise proven unhelpful when involved in other regional conflicts. In 2009, as president of the African Union, he put his nondemocratic principles into action as a mediator in Mauritania, vocally supporting the coup launched by Gen. Mohamed Ould Abdel Aziz over objections from the United States and the rest of the African Union. Backing Ould made sense for Qadhafi—in his view, coups represent a legitimate means of taking power, while "elections lead to undermining the stability of countries, which is the most important thing in nations' lives."[17] Ultimately, the colonel was unable to sway the other Mauritanian parties to support Ould, leading U.S. officials to describe his contribution as "an irritant"[18] rather than a real problem. Even so, the incident offers a glimpse of Libya's role in Africa and its potentially detrimental consequences.

## Endgame Unclear

Ultimately, although much of Libya's activity in Africa remains unsavory to Washington, the specific purpose and actual impact of its policies are often unclear, particularly given the continent's complex tribal politics. Unsubstantiated rumors routinely surface, such as recent reports that Qadhafi was supporting the Nigerian Movement for Justice,[19] a rebel group that the State Department has accused of committing "arbitrary killings and other abuses."[20] As one U.S. diplomat noted, "Just figuring out what [Qadhafi] was up to is sort of a problem for us," while another complained that "our optic into Africa is not clear."[21]

In any case, Libya will always meet with opposition from African powerhouses such as South Africa and Nigeria. And the regime's activities will be regarded with constant suspicion by states and leaders who have been burned by Qadhafi's revolutionary flame one too many times.

## Conclusion

As part of the U.S.-Libya rapprochement, Washington articulated a desire for a more responsible Libyan role in Africa. By and large, Tripoli had already altered its behavior on the continent by the time talks with the United States began in 1999. Yet, although some of the more problematic activities have abated, Libya's stated aims on the continent remain opposed to U.S. interests, as do Qadhafi's ideology, language, and, at times, actions. As Deputy Assistant Secretary of State Ronald Neumann noted in 1999, "We are concerned...by Libya's inflammatory rhetoric because of its potential to undermine fragile peace processes in both Africa and the Middle East."[22] The reason why Libya, even in its reformed role, does not pose more of a problem on the continent is primarily that its capabilities do not match its desires.

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15.  Cynthia Johnston and Tom Pfeiffer, "Sudan's Bashir Goes to Libya, Defying ICC," Reuters, March 26, 2009, http://www.reuters.com/article/idUSLQ938918._CH_.2400.
16.  Associated Press Information Services, "Qadhafi Unleashes His African Ambitions," Libya: News and Views (website), December 16, 2002, http://www.reuters.com/article/idUSLQ938918._CH_.2400.
17.  Mohamed Yahya Ould Abdel Wedoud, "Kadhafi Offers Support for Mauritanian Ruling Council," *Magharebia,* March 12, 2009, http://www.magharebia.com/cocoon/awi/xhtml1/en_GB/features/awi/features/2009/03/12/feature-02.
18.  State Department official, telephone interview by author, August 27 2009.
19.  Tristan McConnell, "The Uranium Curse," Qantara.de, November 2, 2007, http://www.qantara.de/webcom/show_article.php/_c-476/_nr-874/i.html.
20.  U.S. State Department, "2008 Human Rights Report: Niger," *2008 Country Reports on Human Rights Practices* (Bureau of Democracy, Human Rights, and Labor, February 25, 2009), http://www.state.gov/g/drl/rls/hrrpt/2008/af/119017.htm.
21.  State Department officials, interviews by author, August 27, 2009, and October 2, 2009.
22.  See Neumann's presentation "U.S. Policy toward Libya," delivered at the Middle East Institute, Washington, DC, November 30, 1999, http://www.fas.org/news/libya/991130_neumann_libya.htm.

# Conclusion

THE YEAR 2003 definitively marked a sea change in U.S.-Libya relations. At the same time, though, Libya continued to exhibit patterns of behavior that often torpedoed crucial elements of the rapprochement and nullified the potential benefits for both countries. This recent path of bilateral relations offers some general insights that may be useful as Washington deepens its engagement strategy with other terrorism-supporting countries such as Syria and Iran.

Engaging Libya has clearly had its limits. Any substantive change in Libyan behavior was largely carried out before the bilateral deal was struck, as a result of U.S. and international pressure, including multilateral sanctions. In other words, the regime's political structures and interests have remained intact, so Tripoli will not offer any further cooperation (e.g., in pursuing jihadists) unless it accords with Libyan interests. In fact, the regime will likely remain actively defiant on issues that contradict Qadhafi's ideological prism or the old guard's interests, such as ending obstructive policies in Africa and elsewhere. Similarly, individual acts such as the 2009 kidnapping of Swiss businessmen (discussed in chapter 7) testify to a continuing pattern of problematic behavior, which could turn out to be very awkward for Washington in the future should it impinge more directly on U.S. interests.

Libyan history has repeated itself in large part because the same players—including Qadhafi—have remained in the leading roles, blocking both domestic reforms and U.S. gains from the rapprochement. Meanwhile, Qadhafi's assumption of Libyan exceptionality and the legacy of tumultuous U.S.-Libya relations are both capable of harming the bilateral dynamic, as simple actions (e.g., the visa issue discussed in chapter 4) can be easily misinterpreted.

The structure of the bilateral deal itself may have exacerbated the problem of stagnant political trends in Libya. Although the payment of compensation for Lockerbie victims was graduated, much of the rest of the deal was front-ended, with the lifting of sanctions and removal from the State Department terrorism list taking place early on. Afterward, Washington had few bargaining chips to ensure further cooperation on other issues. And few penalties were applied when Libya backtracked on various aspects of the deal, such as full acceptance of responsibility for Lockerbie.

## Key Findings

Given its unique nature, Libya's rehabilitation provides some important lessons for U.S. policymakers pursuing a strategy for dealing with "rogue states."

**Engagement does not create behavior change.** Libya modified much of its problematic behavior prior to, not after, direct diplomatic contacts with the United States. As such, the Libyan experience highlights the importance of effective multilateral sanctions—which came on top of a self-created economic crisis—in encouraging behavior change.

**Behavior change is limited when there is no regime change.** Although Libya transformed its relations with the United States and much of its foreign policy, engagement was not a panacea. Because the regime's structure and ideology did not change dramatically, past patterns in its domestic and foreign orientation have remained intact—often in opposition to U.S. interests.

**Cooperation is limited to areas of mutual interest.** Beyond weapons of mass destruction, Qadhafi has been most helpful on issues that directly mesh with Libya's interests, and largely unhelpful on other issues. For example, counterterrorism cooperation against jihadists—one of the few "success stories" after rapprochement—represented a coincidence of U.S. and Libyan interests, not a victory for U.S. diplomacy.

**True reform requires, at the very least, personnel change.** Libya's political structures and regime interests were left untouched by the deal with Washington. Today, many of the same people who controlled the country decades ago continue to do so. Real

policy change in a Libya where Qadhafi has ruled for more than forty years will be slow in coming. And a post-Qadhafi Libya would likely be no different in this regard, given that preexisting hardliner networks would probably remain in one form or another as part of the structure propping up his successors.

**History repeats itself in various forms.** The mostly antagonistic history of U.S.-Libya relations under Qadhafi, compounded by the latter's need for international respect and views of Libyan exceptionality, continues to have real policy import today. This legacy of decades-long mistrust can distort the simplest actions and incidents.

**The structure of the deal is key.** Authoritarian states are not accountable to their citizens and often fail to keep bargains with third parties. As mentioned earlier, Washington negotiated a problematic deal with Libya that placed all the incentives up front. After Tripoli renounced its WMD and paid some compensation to terrorist victims, Washington rewarded it with the lifting of sanctions and removal from the U.S. terrorism list. In doing so, the United States relinquished all of its leverage, leaving no incentive for further cooperation—whether on political reform, African basing rights, or other issues—from the enigmatic colonel.