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**Research Report**

## How to deal with the "new Qaddafi"? Risks and opportunities of Libyan-European rapprochement

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## How to Deal with the “New Qaddafi”?

### Risks and Opportunities of Libyan–European Rapprochement

*Isabelle Werenfels*

Libyan compensation payments to the victims of the La Belle bombing and Chancellor Gerhard Schröder’s upcoming visit to Libya represent two more significant steps toward reconciliation between the North African state and the European Union. The rapidity of this normalization process can be explained in terms of shared economic and security interests, but an all too open embrace of this still extremely authoritarian regime harbors the risk of undermining the European initiatives of the Barcelona Process and the European Neighborhood Policy (ENP). The ENP, in particular, makes closer economic cooperation substantially dependent on democratization, good governance, and observance of human rights.

Without a doubt, Libyan leader Colonel Muammar el-Qaddafi’s decision to renounce efforts to obtain nuclear bombs and other weapons of mass destruction, and to abandon terrorism as a means of foreign policy, count among the most positive developments of the past year in the Arab world. Compensation payments to victims of Libyan terrorist attacks (most recently for the 1986 La Belle night club bombing in Berlin), declaration of Libyan weapons programs, and the dismantling of associated facilities have paved the way for the successive lifting of United Nations, European Union, and American sanctions.

Although the current US administration would have it otherwise, the toppling of Saddam Hussein was not the only reason behind Qaddafi’s change of mind. In fact, Libyan efforts to mend fences with the

United States and Europe date back to the second half of the 1990s. Among the outcomes was Libya’s admission to the Euro-Mediterranean Partnership (EMP) in 1999, albeit only as an observer. Qaddafi’s desire to normalize relations with the West is first and foremost an expression of his realization that cooperation with the EU and United States – rather than confrontation – represents the best strategy for securing his own position in the medium and long term. The following considerations appear to have been uppermost:

Firstly, that international recognition – especially if it came without the condition of internal reforms – would contribute more to preserving his grip on power than an expensive weapons program or the occasional applause of the “Arab street” for support of anti-Western terror groups.

Secondly, that rapprochement with the West and the lifting of all economic sanctions are a *conditio sine qua non* for maintaining the political status quo. The Qaddafi regime's legitimacy and high internal stability depend crucially on a sophisticated and broad distribution of oil export revenues, which make up more than 75% of total state revenues.

However, Libyan crude oil production has fallen by more than one third since the late 1970s, largely because of sanctions – even though the United Nations and European Union did not impose an oil export embargo, they did prevent modernization of the oil sector. During the same period the Libyan population doubled to five million. Libya still boasts the highest pro-capita income in North Africa (over US\$ 7,000), but strong population pressure means that increasing numbers are dependent on oil-funded state benefits. In order to preserve existing power structures in the longer term, Qaddafi seems to be relying on both increasing oil exports and developing other branches of the economy, such as the tourism sector. But to do so – in both cases – he needs Western investment and technology.

Thirdly, Qaddafi's change of heart could result from a lesson learned from other authoritarian regimes, such as neighboring Tunisia. European Union and American pressure for political reforms reduces when regimes offer exemplary cooperation with the West in economic matters and the fight against terrorism, and take a hard line against Islamists.

### The Interests of the European Union

One indication that the Libyan leader's strategy is paying off came when Romano Prodi warmly welcomed the "new Qaddafi" in the name of the European Union in Brussels in April 2004. The meeting also clearly demonstrated that Libya's great interest in the European Union is reciprocated. From the European perspective the following factors are paramount:

- ▶ Libya is one of the European Union's

most important suppliers of oil and natural gas – it is currently Germany's third largest supplier of crude – and will probably gain in importance. Unlike other (potentially) important energy suppliers such as Iraq or Saudi Arabia, it is geographically close to Europe, has a historically stable regime, and offers security for foreigners.

- ▶ Libya's economy is exceptionally attractive for Europe, because the country has a great deal of catching up to do after years of sanctions. This applies not only to opening up new oilfields and modernizing the oil sector (where partial privatization is in the pipeline), but also in sectors such as water, armaments, telecommunications, transport, and health.
- ▶ For a growing number of African refugees Libya is one of the main transit countries on the way to Europe. As a result, the EU needs Libyan cooperation if it wishes to restrict this migration. Qaddafi has made cooperation in this field contingent on concessions such as the supply of fast patrol boats and radar systems – one major reason behind the moves to lift the EU arms embargo.
- ▶ Libya shares the West's interest in containing transnational Islamist terrorism. Since the mid-1990s, the Libyan regime has pursued a policy of zero tolerance against radical Islamists. After 9/11 Qaddafi turned out to be exceptionally cooperative in the international fight against armed Islamists, sharing intelligence with the United States and cracking down on groups with connections to al-Qaida and/or Algerian terrorist groups.

### Problematic Aspects of Libyan Domestic and Foreign Policy

Although there is high degree of mutual interest in intensifying cooperation between Europe and Libya, it would be wrong to ignore the problematic aspects of the Libyan regime. These include:

*Repressive power structures.* The Libyan regime is one of the most authoritarian in

the Arab world. For 35 years Qaddafi, the longest-serving Arab head of state, has dictated all domestic, foreign, and economic policy decisions (while balancing tribal interests). Libya has made considerable progress in the field of social modernization – especially where the status of women is concerned – but despite claims of “direct, popular democracy,” there is no real political participation, parties are banned, and the press is subject to rigorous state control.

For that reason it is impossible for the opposition – regardless of whether it defines itself as democratic or Islamist – to organize within the country. Most of the fragmented democratic opposition is in exile. One of the few democratic voices in the country itself, the 62-year-old Fathi Eljahmi, is currently in prison for demanding pluralism and freedom of expression for Libya in Western and Arab media.

As in Algeria, the international fight against terrorism tends to serve as a cloak for broad suppression of (Islamist) oppositionists. And anyway, the Libyan Islamists – first and foremost the Muslim Brotherhood – have been weak since their confrontation with the regime in the 1990s, and their most important representatives are in prison.

The despotism of the Libyan legal system was also demonstrated by the death sentence passed in May 2004 against five Bulgarian nurses and a Palestinian doctor. They were accused of deliberately infecting Libyan children with HIV in a trial that was little more than a farce, and the EU was correct to make the quashing of this judgment one of the conditions for a complete normalization of relations.

*Stirring up trouble in Africa and the Arab world.* Economic interests and a hegemonic stance in Africa have led Libya to interfere repeatedly in the internal affairs of African states. Just last year, 2003, Tripoli was actively involved in destabilizing West African countries such as Liberia, including supplying arms. This is significant for the EU not least because it means that Qaddafi

is actually responsible for exacerbating the refugee problem that the EU would prefer to see him combating.

It is difficult to judge the credibility of accusations by the Mauritanian president that Libyan forces supported an August 2004 coup attempt against him. On the other hand, the circumstantial evidence revealed in an American court case that Qaddafi was behind a 2003 plot to kill the Saudi Crown Prince Abdullah cannot be dismissed out of hand.

### **Opportunities of Rapprochement**

Problematic as the aforementioned aspects of Qaddafi’s domestic and foreign policy may be, recent years (and especially months) have clearly shown that the reconciliation with the West could bring about domestic change as well.

The latitude for mild public criticism of political decisions has grown, an anti-torture campaign has led to the first suspensions of security personnel involved in torture, and in 2004 representatives of Amnesty International were allowed to visit the country for the first time in 15 years. Furthermore, the intervention of an American Senator led to the release of the oppositionist Eljahmi. However, this example also demonstrates that Qaddafi tends to return to his old ways as soon as outside pressure recedes: Eljahmi was rearrested soon thereafter.

The most reliable indicator of the regime’s (admittedly limited) willingness to pursue reforms is the increased presence of reform-oriented figures in key positions. These include the American-educated economist and proponent of market reforms, Shukri Ghanem, who Qaddafi appointed prime minister in 2003. The most prominent reformist voice, however, is Qaddafi’s own son, Seif el-Islam Qaddafi. Although Seif el-Islam, educated in Vienna and London, holds no official political office, he heads the Qaddafi Foundation, which has become one of the most important domestic and foreign policy movers – not least

through its role in negotiating the compensation payments to the victims of Libyan-backed terrorism. Qaddafi could not have given his son a better introduction to the international political stage, and the 32-year-old is being discussed both at home and abroad as a possible successor to his 62-year-old father.

When speaking to Western partners, Seif el-Islam emphasizes that he supports the legalization of political parties and liberalization of the press. Even if such statements should be taken with a pinch of salt (in the end, his interest in reducing the power of the Qaddafi clan is likely to be limited), the mere fact that they have been made represents a positive development.

## Conclusion

The new Libyan rhetoric of reform combined with its explicit wish to be included in the Barcelona Process offers the European Union the opportunity to press for domestic reforms too. This is all the more important, as the Union (in the EMP and new initiatives such as ENP and the G-8 Broader Middle East Initiative) is propagating support for reforming and democratizing processes and forces in the Arab world. By its upcoming formal adoption of Barcelona Declaration – the precondition for negotiating an Association Agreement with the European Union – Libya is signaling (at least verbally) its willingness to pursue internal reforms and a cooperative multi-lateral regional policy. In order to encourage Libya to follow words with deeds, the EU should consider the following additional measures:

- Including issues such as human rights, legalization of political parties, and relaxation of press censorship in the negotiations over an Association Agreement. In the medium term Libya should also be included in the ENP, which makes closer economic cooperation dependent on the acceptance of a catalogue of shared values (including good governance, rule of law, and human rights).

- Encourage Qaddafi to use his prestige and influence in sub-Saharan Africa positively (as was the case, for example, at the founding of the African Union), and make it clear to him that cooperation in limiting migration also means playing a constructive role in ending African conflicts.

Finally, it is important for the European Union to find a unified voice, despite the member states' competition for Libyan contracts. The main message that has to be communicated to the Libyan regime – and to the rest of the Arab world – is that a (partially) cooperative foreign policy is not enough to become fully accepted in the European Union, and that minimum standards of human rights and political participation are also required. The European Union should make efforts to convey this message in alliance with its transatlantic partner – because in the case of Libya, the interests and analyses of the United States and European Union will probably diverge much less than over the Middle East conflict and Iraq.