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Middle East and North Africa Programme: Libya Working Group Report

Libya: Policy Options for Transition

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Introduction

This report is a summary of discussions that took place at a Chatham House Libya Working Group meeting on 18 August 2011. At a historic moment in Libya's future the group met to discuss policy options for transition, on the premise that the end game for Colonel Gaddafi's regime was approaching. Discussion focused on three main areas: the ongoing conflict; challenges of the transition; and questions of social and economic reconstruction.

Key points that emerged from the meeting included:

- Following Colonel Gaddafi's exit there will have to be immediate reengagement with the police in Tripoli to help bring about the restoration of civilian order. It seems there are already good communications in place to allow this to happen.
- In the immediate post-conflict period there will be an urgent need to establish a process to collect weapons, as large sections of the civilian population will be left with arms. It is possible that financial incentives may be necessary for this process.
- In order to restore the provision of basic services to the population the tactics currently being used by the rebels to pressure Tripoli – such as cutting off supplies – will need to be quickly reversed.
- A key aspect of reconstruction will be the return of skilled expatriate and diaspora Libyans. The National Transitional Council (NTC) should consider explicitly inviting people back to help with reconstruction efforts.

The meeting was held under the Chatham House Rule and the views expressed are those of the participants. The following summary is intended to serve as an *aide-mémoire* for those who took part and to provide a general summary of discussions for those who did not.

The Chatham House Rule:

When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

The Conflict

The past month has seen major political and military developments with the recognition of the National Transitional Council (NTC) as the sole governmental authority in Libya by the UK, France and the USA, a much clearer definition of the NTC's political principles in a draft constitution and major strategic advances from opposition forces. The conflict on the ground is moving very swiftly, with dynamics changing by the hour. Over the past weeks the rebels have consolidated their hold on the west, with the front line moving towards Tripoli from the Nafusa Mountains and Zawiya, and NATO, whose mandate is to come up for renewal in early September, continues to provide air support.

The Nafusa Mountains have been liberated, taking the rebels closer to their objective to get to the coast and cut off the supply route from Tunisia. As the consolidation of forces to the west of Tripoli has placed the capital under increasing pressure, there was an agreement among the participants that the opposition was gearing up for a final battle for the country's capital.

Tripoli was always going to be the key to the conflict. At the time of this meeting, there were groups in Tripoli ready to rise up, supported by men and weapons infiltrated into the city by the NTC. The most likely scenario is an implosion of Tripoli from within, followed by, or combined with, a coordinated takeover by outside opposition forces. The key question is how events will now pan out – will the battle for Tripoli be quick, over within a few days, or will it be a long and bloody onslaught? With a note of caution, it was agreed that the end game is approaching; it is the beginning of the next phase but it's not quite the end.

Regime and Opposition

The attitude of Gaddafi and his supporters will define the conflict in Tripoli. It remains unclear how many people actively support the regime in Tripoli; unsubstantiated figures suggest that support for the regime is as low as 30%. The regime's offensive has been largely fought by artillery barrages, but once the opposition forces have broken through they have found Gaddafi's fighters reluctant to engage in fighting at close quarters. There is a sense that Gaddafi's forces are losing the appetite for battle, as they are gradually disintegrating under NATO bombing and being replaced by mercenaries. There are also increasing reports of defections at all levels. The tactics of the international community, signalled by their recognition of the NTC, have been to isolate and weaken Gaddafi and those around him, undermining

confidence in the entrenched regime and encouraging defections (such as that of former interior minister Nassr al-Mabrouk Abdullah).

Gaddafi's hope that his patience would outlast that of NATO and the NTC is being increasingly challenged. It has been suggested that he will be reluctant to leave and that his strategy is likely to be to bunker down and survive as long as possible. This has severe implications for the likelihood of a long and bloody conflict on the streets of Tripoli. However, rumours have been circulating that Gaddafi and his sons are planning an exit strategy, with planes and money from the national bank at the ready.

It was suggested that if and when Gaddafi leaves, the remaining regime opposition will disperse. It is therefore incredibly important that the option for Gaddafi to leave is left open, as this could bring about a conclusion to the fighting and prevent further bloodshed. It was not clear, however, who might be willing to assist and offer refuge.

The firing of a scud missile by forces loyal to Gaddafi was also discussed: while it may be militarily meaningless, as the missile was neutered by NATO, it may be a sign that Gaddafi is not ready to give up. However, it can also be perceived as the desperate act of a dying regime: Gaddafi is unlikely to be making his own military decisions and commanders loyal to him are making desperate decisions.

A political settlement has been hampered by the intransigence of the regime; however the current situation may encourage the regime to enter into negotiations and offer concessions towards such a settlement.

In contrast, the opposition forces are operating in an increasingly disciplined manner. However, while their capabilities are growing, the cohesion of the opposition is of concern. The appointment of a defence minister in May has not had the desired effect of drawing forces together as a national army – in part owing to their geographical fracturing – and it has taken a long time for the NTC to regroup following the death of rebel Commander Abdel Fattah Younes.

Immediate Aftermath

Arguably the most important question is what will happen after the campaign in Tripoli concludes. There needs to be a concerted effort to plan for the transition, however it emerges.

There is a danger that a power vacuum left in the wake of the regime, even of a few hours, will result in a power struggle that will be the difference between a smooth transition and a slide into a chaotic, lawless situation. The best case scenario in the liberation of Tripoli would be the capture of Gaddafi and his sons, while the worst case would be a lengthy siege as the prelude to a massacre and Gaddafi's escape. It was argued that both of these options are equally as likely.

Tribalism and Warlordism

There was cautious optimism that Libya, as a country with a relatively small and homogeneous population, will avoid the 'Iraq scenario' of a descent into sectarian violence. It was argued that the importance of the tribal system has been exaggerated, and that tribal loyalties are socially rather than politically relevant.

The concern of the emergence of warlordism was discussed, not only in the scenario that regime figures refuse to leave, but also should new actors emerge to take advantage of the vacuum. However, while it was pointed out that forces may have remained cohesive only as long as they had a common enemy in Gaddafi and the regime, there was a consensus that the experience of the past six months gives cause for optimism.

Challenges of the Transition

Establishing security and stability in the transition period is going to be difficult and challenging. It is essential that planning for the immediate aftermath of the conflict is made a priority. Key challenges for the transition include the lack of a national army, state institutions and political inexperience.

Maintaining Security

In Egypt and Tunisia there are national armies able to maintain peace and security during their transitions from authoritarian to civilian rule. However, in Libya there will only be the remnants of militias formerly loyal to Gaddafi, and maintaining security in the near future is likely to depend on the police rather than the army. In place of the army, Gaddafi has developed multiple parallel security apparatus, built around the paradigm of securing Gaddafi and his rule.

In comparison with the army, the police are fairly well respected and uncorrupt, and are generally seen as 'recoverable'. Following Gaddafi's exit there will need to be immediate re-engagement with the police and a rapprochement between remnants of the army and NTC fighters in order to restore civilian order. It seems there is already a high level of informal coordination between police in the east and west in Tripoli concerning how to keep order in the immediate aftermath of the conflict, and they have assured the NTC that they will cooperate with their security planning. It is also hoped that the situation in Tripoli will emulate what happened in the Benghazi, where the security of neighbourhoods and vital institutions was heavily reliant on the goodwill of the general population.

The fact that large sections of the civilian population will be left with arms was highlighted as a key concern. In the immediate post-conflict period there will be an urgent need to establish a process for the collection of the weapons – it is possible that financial incentives may be necessary.

Coordination with the Tripoli Local Council

It is understood that there is a substantial and coordinated Tripoli Local Council (TLC) in place which has been working to guarantee the supply of electricity and other services. It was emphasized that there was an overlap between membership of existing councils and the NTC and it was suggested that the TLC is ready to hand over to the NTC when it is established in Tripoli. Although it has a military wing, the TLC has reportedly been reluctant to enter the fighting as it is concerned that fighting on the streets of Tripoli will be messy and difficult to control.

NTC Transition Plans

The NTC has made substantial developments in its transitional planning. It has published a detailed roadmap to address questions such as policing, security and the resumption of basic services, and a draft constitutional charter.

The constitutional charter gives a 37-point framework for the transition period, moving towards the drafting of a permanent constitution within 20 months. It stipulates the election of a national council within eight months, elected by popular elections in order to legitimize its rule for the rest of the transition period. This elected body will then appoint a transitional national government to take over for a period of 12 months. The 12 months will allow a new

constitution to be drafted, which will then provide the ultimate framework for the Libyan political structure. At the end of this period direct presidential and parliamentary elections will be conducted.

Communications by the NTC

The draft constitution is a helpful, clear framework which demonstrates that the transition process has been thought through. It also goes some way to countering concerns expressed in the meeting that the NTC has not been communicating effectively with their constituencies. There was some criticism that it is reluctant to accept advice and a consensus emerged from the discussion that the NTC needs to improve its communications – both with the media and with the population – particularly with regards to managing the expectations of the population in the transition. The incorporation of the TLC into the NTC may be essential in pushing through an improved communications strategy. It was also suggested that there was a need for a process by which senior figures could commit their loyalty to the new state.

Funding

The financial challenge for the opposition has been one of their key issues and it was discussed that the unfreezing of the current regime's assets held by foreign governments would be enormously helpful in restoring services and ensuring stability. These issues have been widely discussed at an international level. There have been calls from various parties to immediately release assets to avoid chaos in the transition. Some concern was raised that it will take a long time to unfreeze assets, thereby hampering the reconstruction efforts. However, while the political will is there to release the assets, efforts have been delayed by legal complications. It is possible that the liberation of Tripoli will go some way to advancing the legal arguments in releasing assets to the NTC. It was also recommended that the NTC should address foreign governments concerns over accountability and transparency through being very clear with the international community about the structures and measures in place to ensure that the funds are spent for the Libyan people.

Transitional Justice

Plans for the creation of a justice system to deal with day-to-day criminal, previous and transitional justice were discussed. At present the court system

has temporarily broken down. However, it was emphasized that the NTC is committed to restoring a justice system as soon as possible, drawing on the model in Benghazi. The NTC is also planning for reform of the judicial service, civil police and the civil court. It was highlighted that a particular problem for the judicial system in Libya under Gaddafi has been the existence of two parallel states – the civil state and the security state - which operated under very different definitions of the law. There were calls for the UN to move swiftly to establish a truth and reconciliation council similar to that in South Africa.

Foreign Relations

Three of Libya's neighbours – Algeria, Egypt and Tunisia – have not yet recognised the NTC and it was discussed whether the NTC was in communication with them. It was noted that Egypt and Tunisia's open borders have been essential to Libya in the revolution and that the governments of both have been very hospitable and accommodating, particularly in the provision of aid.

Algeria, however, remains loyal to the regime and its border with Libya has remained porous, allowing for sanctions to be avoided and for the influx of mercenaries. It was suggested that the Algerian motive for supporting Gaddafi's regime could be a desire to stop the Arab Spring at its borders – if Gaddafi falls then the revolution could spread to Algeria (reforms in Morocco are already putting pressure on the military regime). Another possible reason could be historical – the NATO campaign can be understood as a 'French-led military invasion.'

Reconstruction

Participants were concerned that reconstruction efforts should start as soon as possible and that existing resources will need to be used as efficiently as possible. In the interim it is necessary to move towards resuming production levels of oil and gas - it was suggested that it might take three years to return those seen prior to the conflict. However, it was emphasized that there will be an incremental increase and that production will be able to resume at some capacity almost immediately. There will also need to be reconstruction efforts and new regulation for the agriculture and retail sectors, which are also substantial in Libya.

Current Resources

Rebel tactics have been ruthless, with a focus on cutting off all supplies to Tripoli, effectively putting it under siege. Power is currently rationed in Tripoli but could run out in a matter of days. The main overland route for medical and food supplied to Tripoli has also been cut. The cutting of the pipeline which supplies gas from the west has halted gas-fired power and water desalination. The combination of these factors means that Tripoli could reach a point in the near future where there is no fuel, no power, and no water. Some gas supply from the western mountains has been resumed, and is reaching rebel-held areas. This supply line is in the hand of the rebels.

In order to restore the provision of basic services to the population the tactics used to pressure Tripoli will need to be reversed immediately. However, it was emphasised that it is not reasonable to think that domestic power will be resumed immediately – therefore it is important to consider how long this situation can feasibly last without impacting on support for the opposition, and how this can be reconciled with the reality. The issue of communication and expectation management outlined earlier is very important here. It was suggested that the NTC needs to make the provision of cooking oil and water a priority. The supply of gas and crude oil also needs to be prioritized in order to get the refinery for the supply of domestic power back up and running.

Commercial Energy

Security concerns are also hampering the production of oil, the country's key export and the main source of government revenue. Restoring exports will be a matter of priority, both for short-term needs and for long-term development. International companies will be keen to restore production because it affects their profits, and some have already commented that they are keen to return to Libya. It was said that the new government would need to engage with foreign oil companies. A participant suggested there would be little desire from the Libyan side to renegotiate the terms of contracts, although another participant noted that new Libyan officials might want to drive harder bargains. However the results from some of the companies that invested in 2005 have not been particularly successful, and this may limit a new government's negotiating position. A participant said that it could take three or even five years to fully restore previous production levels in a high security risk scenario.

Diversification and Underemployment

It was agreed that while there will need to be long-term thinking regarding the diversification of the Libyan economy away from oil and gas. In the immediate instance resuming production in the energy sector is of utmost importance to satisfy domestic needs and finance the provision of basic services. Previously the economy was 70% oil-and gas-driven.

It was noted that the oil industry in Libya is not very labour intensive, only employing 43,000 Libyans and as a result training schemes to address under-employment will be essential.

Return of Skills and Expertise

A key aspect of reconstruction in Libya will be the return of skills held within the diaspora and expatriate communities. When Tripoli falls even more experts will be needed: the NTC should consider explicitly inviting people back.

Non-Libyan expatriates will also be encouraged to return, and it was acknowledged that part of the reason why oil production stopped so soon was that it depended on a largely non-national workforce. While in the short-term resumption of oil production will be dependent on the return of foreign expatriate expertise, it was noted that a huge number of Libyans were underemployed and this needs to be addressed as a priority.

The return of foreign workers will be hampered by security concerns; however this is a mutually reinforcing situation, as resumed production will be essential in ensuring restored stability and security.

ABOUT

The Libya Working Group

The Chatham House Libya Working Group, aims to identify, analyse and discuss scenarios for political transition, state building and economic reconstruction in Libya. The group enables timely discussion and analysis which is responsive to the dynamic situation, providing a forum for the sharing of expertise and the debate of new ideas.

Meetings take the form of multi disciplinary roundtable discussions, held under the Chatham House Rule, bringing together experts from a wide range of backgrounds and sectors for a free and frank exchange of ideas. This project seeks to widen the framework of political debate on Libya, leading to innovative policy recommendations which influence critical policy decisions.

<http://www.chathamhouse.org/libya>

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To complement our research, the MENA programme runs a variety of discussion groups, roundtable meetings, workshops and public events which seek to inform and broaden current debates about the region and about UK and international policy.

We also produce a range of publicly available reports, books and papers and recent publications include titles on the Iranian elections, Britain and the Middle East, Kurds in international affairs, the conflict in Jerusalem and Yemen's regional relations.

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