



MIDDLE EAST NOTE AFRICA NOTES

December 2003

Is it Time to Engage Libya? A Conference Report

Jon B. Alterman and J. Stephen Morrison

The world remains persistently dangerous, despite hopes of the past decade that grave threats would diminish. Chronic interstate antagonisms continue to flare, separatist movements have reemerged, weapons of mass destruction (WMD) have proliferated, and new transnational threats such as HIV/AIDS have gathered force. Advances in war-fighting capabilities have not ended wars but instead have empowered small states to pose potent asymmetrical threats. In the aftermath of 9/11, and following the onset of U.S.-led wars in Afghanistan and Iraq, terrorist networks and their alleged state sponsors have moved to center stage in U.S. strategic calculations. This in turn has spawned a historic foreign policy debate within the United States and beyond—pitting advocates of armed preemption, those who favor continued containment, and others who advocate conditional engagement against each other.

At the same time, old threats may be abating. Not only has the Iron Curtain fallen, but a range of highly troubling states that have strayed far outside international norms—from former Soviet clients to more independently minded rogues—have signaled a desire to restore relations with the West. That quest inevitably brings them to the door of the United States, the lone superpower whose decision often determines whether such states are able to reenter the community of responsible states.

Libya, heretofore an unpredictable revolutionary vanguard of the 1970s and 1980s, appears to be within this group. Combining fiery rhetoric and an inclination to fund revolutionary groups from Ireland to Colombia to West Africa to the Middle East, Libya has long been seen as a destabilizing force in the southern Mediterranean. The United States government cut virtually all ties in the 1980s in response to mounting credible allegations of Libyan sponsorship of terrorism around the world. Accusations of direct Libyan government involvement in the downing of Pan Am Flight 103 over Lockerbie, Scotland, in 1988, affirmed in the subsequent Hague trial, solidified the country's prominent place on the U.S. list of state sponsors of terror.

Analyses of Libya's actions inexorably turn to the country's mercurial leader since 1969, Colonel Mu'ammarr Qadhafi. His apparent love of drama is equaled only by his desire to keep his foes off balance. Experts who openly wonder whether he is mentally ill or remarkably shrewd often agree that he has left his personal stamp on virtually every aspect of the Libyan state, directed the course of the successive phases of Libyan foreign policy, and created a dense patrimonial system of governance beholden to his whims and autocratic rule.

Libya now systematically presses for reintegration into the world community. Its moves have prompted a host of questions. Is Libya truly turning over a new leaf, and is it even capable of doing so? Are recent signals of conciliation from Libya a tactical gambit to escape the most

A JOINT PUBLICATION OF
THE CSIS MIDDLE EAST &
AFRICA PROGRAMS

*Libya's Relations with the
World*

November 17, 2003

Conference Participants:

Arnaud de Borchgrave
CSIS

Jakkie Cilliers
Institute for Security Studies

Chester Crocker
Georgetown University

J. Robinson West
Petroleum Finance Co.

Robert Ebel
CSIS

Samantha Ravich
Long-Term Strategy Project

Robert Einhorn
CSIS

John Hamre
CSIS

Robert Litwak
Woodrow Wilson Center

Joshua Sinai
ANSER

Ray Takeyh
National Defense University

Dirk Vandewalle
Dartmouth College

Frank Verrastro
CSIS

Michael Yaffe
National Defense University

onerous of sanctions while still dabbling in a range of destabilizing activities, or are they part of a strategic reorientation of Libya in the world? Is Libya likely to prove a recidivist rogue, or is there an opportunity to move Libya incrementally toward better behavior, through a combination of pressures and credible inducements? Most intriguingly, might success in the Libya case be a model for other states with troubling histories?

To explore this series of questions, the Middle East and Africa Programs at the Center for Strategic and International Studies convened a conference on November 17, 2003, entitled "Libya's Relations with the World." The gathering brought together a diverse selection of independent experts to assess whether there are indeed openings for constructive engagement with the government of Libya, and if so, how that process might best be structured. The conference was the first serious multi-sectoral examination of Libya to be held in Washington in many years, and it was intended to be an opening cut by CSIS in an ongoing assessment of evolving possibilities for an informed, robust U.S.-Libya exchange that can best serve U.S. national interests.

The driving force behind much of this reassessment is Libya's acceptance of responsibility in August 2003 for the bombing of Pan Am 103 and its agreement to pay \$2.7 billion in compensation to the victims' families. By doing so, Libya satisfied the last of long-standing demands by the UN Security Council stemming from its past involvement with terrorism. Strategic to Tripoli, it won the lifting of UN sanctions. Critical to U.S. national interests, Libya's action brought several questions to the fore. Is the best U.S. policy one of regime change? Is it possible to construct an international coalition to influence Libyan behavior, and if not, are containment and isolation the best way to pursue Washington's broad agenda with Tripoli? Should the United States consider a strategy of conditional engagement? If so, how might such a strategy be sequenced and implemented, and under what circumstances might the United States lift its bilateral sanctions and remove Libya from the list of state sponsors of terror?

Energy security plays a role in this reassessment as well. Libya's current production of less than 1.4 million barrels of oil per day is less than half of what production was in 1970, and it sells little natural gas. Greater Libyan production would create a supply route for European energy consumers that is near at hand and does not rely on the Persian Gulf. For that reason, European energy companies are eagerly eyeing Libyan investments. Furthermore, the sorts of improvements in governance, transparency, and rule of law that Western

energy investors would demand of the Libyans could help move Libyan domestic politics in a more positive direction.

Skeptics emphasize continued evidence of malign intent by Libya and argue that only its methods, and not its purposes, have changed. The assertion on CNN of the Libyan leader's son, Seif al-Islam Qadhafi, that Libya "accepts responsibility" for the Lockerbie bombing, but does not "admit responsibility," suggests clever lawyering versus a true change of heart. In addition, two weeks after UN sanctions were lifted, Mu'ammar Qadhafi publicly exhorted women in Gaza and Baghdad to create lethal booby traps in their homes to greet Israeli and U.S. troops, respectively. It was hardly a message to raise outside confidence and advance conciliation.

Yet close official and independent observers of Libyan behavior are hard-pressed to find evidence of terrorist involvement in the last decade. Indeed, the concerns of the international community are today focused on other major unresolved dimensions of Libya's past and future behavior: weapons proliferation and destabilizing meddling in Africa and the Middle East.

U.S. policy toward Libya for more than a decade has been single-mindedly focused on getting Libya out of the terrorism business. The United States has attempted this through multiple, multilateral measures intended to isolate, condemn, marginalize, and pressure the country. Now U.S. policymakers confront new realities. The most urgent is the need to define with precision its interests with regard to Libya, its priorities for Libyan behavior, and its strategy to realize its goals. Doing so will be neither quick nor easy, but a vital first step is a serious and concerted exploration of how the United States could advance its national interests through smart, targeted probes. Chester Crocker, in the leadoff presentation at the CSIS conference, described such an approach as "performance-based testing and conditional engagement in the U.S.-Libyan relationship."

New Realities

The conference revealed that, as the United States weighs any future approach to Libya, several important, fluid realities will have to be taken into account.

- **Libya is achieving some success in reaching out to potential partners in Europe and beyond.**

European countries, for their part, have embarked on a policy of "critical engagement," working diplomatically with the Libyans while allowing businessmen to pursue commercial relationships. Indeed, the British government played an active role in

brokering Libyan negotiations with the United States over the Lockerbie issue, despite its own longstanding and bitter feud with the Libyans both over Lockerbie and the killing of policewoman Yvonne Fletcher in 1984 by a gunman firing from the Libyan embassy in London. These shifts signal that the international solidarity that undergirds more than a decade of U.S. policy toward Libya has begun to break down, potentially leaving the United States in relative isolation. For the present, U.S. sway remains potent, but unless the United States takes active and deft steps to build an international strategy, U.S. government influence is likely to decline over time. With U.S. sanctions lifted, other countries are taking advantage of U.S. inaction to enlarge their diplomatic engagement and strike business deals as Libya's oil sector revives and as the country's overall level of isolation diminishes.

- **The specific Libyan activities that most acutely concern U.S. interests are now proliferation and regional activities, and not support for terrorism.**

Whether the subject is ballistic missiles, chemical and biological weapons, or even nuclear devices, basic facts about suspected Libyan proliferation activities are elusive, opinions are divergent, and robust international mechanisms for rule setting and monitoring have yet to be aggressively pursued. Allies such as Italy have begun conditional dialogues with Libya and might welcome and support a U.S.-led initiative. Once UN sanctions were suspended in 1999, dual-use purchases by Libya raised concerns in Washington and elsewhere, but these developments have not been examined adequately.

The United States has concerns in Africa as well. Energetic Libyan diplomacy on the continent takes advantage of the fact that the cost of being a significant player in Africa is far less than in the Middle East. Weaker African governments are far more disposed toward a mixed strategy of engagement and containment than bald confrontation, making a dynamic Libyan policy all the more immediate and challenging to African interests. Libyan government actions, which range from supporting regional solidarity organizations to supporting strongmen like Robert Mugabe and Charles Taylor, are complex in their motivation, sometimes covert in their execution, frequently insidious in their impact, and up to now seldom overtly and directly challenged by U.S. diplomacy. For the past several years, Libya's activism in Africa has been calibrated to build allies to press for the lifting of UN sanctions. With that goal achieved, Libyan engagement in Africa could change, though precisely how remains unclear. Important in this regard, President Thabo Mbeki of South Africa, bilaterally and through his leadership of the newly constituted African

Union, has emerged as the most potent offset to Libyan influence and has demonstrated the capacity to use active, informed engagement to check and shape Libyan influence.

- **Libyan politics appear to be in flux.**

Although Qadhafi retains tight control over political and economic activity in the country, an emergent technocratic class is moving into positions of greater influence. Patronage continues to drive much of Libyan politics, but a possibility of reform exists, which was not there 15 years ago, evinced recently by changes in the management of the national oil sector. These changes suggest an opportunity for the international community to help shape internal Libyan politics, if only indirectly, by encouraging steps to increase transparency, accountability, and limitations on state control.

- **The United States and Libya are presently ensnared in mutual ignorance and distrust that impede clear thinking. Decisive action can break this logjam.**

Quite simply, Libya's isolation has meant that the outside world understands Libya's internal affairs only dimly. Conversely, Libyan understanding of the world is increasingly distorted by distance and incomprehension. It is difficult for either side to move beyond its current policies because of deep uncertainty of the outcomes and fear that stepping outside of well-worn habits might expose one to severe penalties. Continuing on the present course, however, deepens that uncertainty and makes it that much more difficult to move forward.

Proposed Next Steps

Many at the November 17 conference voiced a clear preference to define with some precision a strategy of conditional U.S. engagement with Libya. The Lockerbie settlement is complete, UN sanctions have been freshly lifted, and the United States is at present strongly positioned to concentrate Libya's attention on the issues that now matter most to U.S. national interests.

The strategy will require a small interagency task force, led by a senior envoy based at either the Department of State or the White House. The task force needs to begin with a short timeline for an initial assessment—perhaps 6 months but no more than 12. After that time, those executing the policy should be required to report their preliminary findings to the president in a public report.

The strategy's core goal should be to create focused international tests of Libya in two critical areas: weapons of mass destruction and meddling in Africa and the Middle East.

The strategy should aim to generate answers to tough questions, both in terms of Libyan capabilities and, to the greatest degree possible, Libya's likely intentions. The Libyan government needs to cooperate in order to create discrete and credible new facts. The U.S. government needs to insist that this process be pursued through a structured face-to-face dialogue between the U.S. and Libyan governments. The United States must also make clear its requirements for lifting sanctions to test Libya's willingness to meet them. Where practicable and appropriate, the strategy should selectively incorporate like-minded allies into the dialogue and its tests, including Algeria, Tunisia, and Morocco.

The United States and other countries with an interest and stake in Libyan issues, such as the UK, France, and Italy, in consultation with the International Atomic Energy Agency (IAEA) and other relevant organizations, should conduct a comprehensive assessment of Libya's ballistic missile, chemical weapons, biological weapons, and nuclear weapons programs. On the basis of that assessment, the United States, again working with interested countries and organizations, should develop a series of tests or requirements that Libya would have to meet. Using those tests, Libya would need to demonstrate credibly that it is not pursuing WMD or long-range missile programs. Among such tests might be adherence to the Chemical Weapons Convention (CWC) and acceptance of intrusive monitoring going beyond what is required under the CWC; adherence to the IAEA's strengthened safeguards protocol; renunciation of all nuclear fuel-cycle capabilities (including enrichment and reprocessing); renunciation of all missile capabilities above a specified range/payload threshold and acceptance of the means of verifying that limitation; and transparency regarding the import by Libya of sensitive, dual-use technologies. The United States would convey these tests to the Libyans, seek Libya's commitment to them, and then consult periodically with its international partners to evaluate Libya's performance.

The South African government and African Union should be approached to support a package assessment of whether Libya is prepared to support the restabilization of West Africa (e.g., UN operations in Sierra Leone and Liberia, the Kimberley process to curb conflict diamonds, prosecution of Liberian strongman Charles Taylor) and peace implementation activities in Sudan (should a peace accord be signed in 2004).

The UN and UK should be approached to support a monitoring watch to ensure there is no backsliding in Libyan cessation

of support to Middle East terrorist and other groups bent on destabilizing peace initiatives.

Well before finalizing the strategy and beginning its actual implementation, extensive consultations should be held with Congress, interest groups (including Lockerbie victims' families), and regional experts.

It should be made unequivocally clear at the outset that the tests could lead to three quite divergent outcomes:

1. If the preliminary test results demonstrate cooperation and a commitment to curb WMD, abide by international regulatory protocols, and promote stability in Africa and the Middle East, the United States will move to lift bilateral sanctions, including Libya's inclusion on the list of state sponsors of terror.
2. If the tests are inconclusive and mixed, the decision will be taken to extend current limits on U.S. relations while considering additional aggressive tests that would be conducted over a highly abbreviated follow-on period.
3. If the tests are decisively negative, an immediate decision will be taken to suspend U.S. engagement and impose harsh new limits on the U.S.-Libyan relationship.

The strategy should strive simultaneously to build a new baseline understanding of the internal dynamics and recent history of Libya. It should include expanded intelligence collection, aggressive outreach to experts on Libya, promotion of expanded independent U.S. research, and exchanges and international forums that enlarge dialogue with Libyans on shared concerns.

In closing, the November 17 CSIS conference on Libya produced an outline strategy that is defined strictly by what is in the perceived best U.S. interests and that is grounded in realism. It is a call to tough activism that, if pursued correctly, will give nothing away frivolously. If successful, it will clarify the parameters of Libyan behavior and intentions, and set a path for moving ahead. It calls for the use of a broad range of U.S. capacities and the mobilization of a range of like-minded partners. The sine quo non for success is U.S. will and leadership.

Middle East Note and Africa Notes are produced by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions; accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s).

© 2003 by the Center for Strategic and International Studies.