

Libya

Status Index (Democracy: 1.4 / Market economy: 2.4)		3.8	Management Index		2.1
System of government	Autocracy		Population	5.3 mill.	
Voter turnout	-		GDP p. c. (\$, PPP)	7,570	
Women in Parliament	-		Unemployment rate	30 %	
Population growth^a	3.0 %		HDI	0.783	
Largest ethnic minority	15-20 %		UN Education Index	0.84	
			Gini Index	n. a.	
Data for 2001 – if not indicated otherwise. ^{a)} Annual growth between 1975 and 2001. Source: UN Human Development Report 2003.					

1. Introduction

Since the revolution on September 1, 1969, Libya's authoritarian political system has shown considerable stability despite many institutional transformations, and despite tension and conflicts with foreign nations including war with Chad; conflict with the United States; and UN sanctions from April 1992 to April 1999. As in the past, Libya's political evolution is currently dominated by revolutionary leader Muammar al-Qadhafi, who determines the main direction of domestic, foreign and economic policy, although in doing so he must take into account the interests of the country's largest families and tribes.

Qadhafi has determined the extent and pace of political and economic transformation since 1969, including both to the reforms instituted between 1987 and 1992 and those put in place after UN sanctions were suspended in April 1999. Sanctions were suspended with the objective of reintegrating Libya into the international community of nations, and while there has been no increase in true political participation, it can at least be said that the parameters for increased rule of law have improved since 2002.

In the economic sphere, the trend developing since the late 1990s toward increasing private enterprise and thus a free-market economy has become irreversible, according to official views. However, domestic and foreign political developments will continue to influence both the rate and extent of political and economic transformation.

2. History and characteristics of transformation

Libya's more than three decades of revolutionary history should not be viewed as one monolithic period, but rather as several stages of political and economic development of different duration. In one analysis, there have been three recognizable political phases. In the first phase, 1969–1970, a political and organizational model was sought to overcome the shortcomings of the preceding monarchy.

In the second phase, 1971–1975, the Arab Socialist Union was established as the sole political party based on the Nasser constitutional model. From 1975–1976 to the present, the Nasser model was replaced with an officially sanctioned, vertically organized, direct-democratic state model based on elected executive People's Committees responsible to legislative People's Congresses at the national, regional and local level.

In this last phase, the Nasser model was abandoned because of problems such as a parallel bureaucracy in the Arab Socialist Union. The direct-democratic system, which has been in place for more than two-and-a-half decades, is grounded in resolutions passed by "the masses," or *Jamahir* in Arabic. Thus, in Libya, the state is referred to as the *Jamahiriyah*, or state of the masses. The *Jamahiriyah* has itself been through various phases, though without significant change to its central mechanism, Qadhafi's control of the system through "Revolutionary Leadership." The following significant events, measures and stages mark the post-1975 phase:

- 1975: Part I of the *Green Book* is put forward as the ideological basis of the new political system.
- 1976: The *Jamahiriyah* system of government is fully in place.
- March 2, 1977: The Proclamation of Rule by the Masses is issued, providing a form of written constitution.
- 1977: Qadhafi's loyal followers form the Revolutionary Command Committee, which is active to this day. The task of the committee is to establish the political system, but members increasingly control the system and shut out the opposition to the point of liquidation.
- 1979: Qadhafi declares himself "Leader of the Revolution." He is a political and ideological figurehead who operates outside the People's Congress/Committee system, influencing it through the Revolutionary Command Committee, which he controls.
- 1987: Following military losses in Chad and the international financial crisis of 1986, political and economic reforms are instituted in reaction to the deplorable state of domestic affairs; reforms include limiting the authority of the Revolutionary Command Committee, lifting travel restrictions, and the reinstatement of private enterprises nationalized in 1979.
- Early 1990s: Political reforms are abandoned or discontinued in response to increased Islamic violence toward the secularly-oriented *Jamahiriyah*

government and after UN sanctions were imposed in response to Libya's implication in the 1992 Lockerbie bombing.

- 1999: Reforms are cautiously re-instituted following the repression of militant Islamic groups and the *de facto* lifting of UN sanctions. The main problem at this point is how to abandon ideologically motivated political and economic interventions made in the 1970s and 1980s without a loss of face or damaging revolutionary legitimacy.

3. Examination of criteria for democracy and a market economy

3.1 Democracy

Libya has made progress in transforming its political system in several of the evaluated areas, particularly since 1999, even though there are still considerable shortcomings in democratic control of the revolutionary leadership, freedom of expression within political bodies and the rule of law. Islamic groups represent the most significant domestic opposition to the existing order, but they have not yet recovered from the severe repression of the 1990s, and in general occupy shaky ground in light of the international war against terrorism. The Libyan opposition in exile, consisting of a broad spectrum of democratic groups, is fragmented and has no influence on internal developments.

3.1.1 Political regime

(1) *Stateness*: There have not been any problems regarding state identity since Libya gained independence in 1951, and the state has an unrestricted monopoly on the use of force. Definitions of and qualifications for citizenship are politically irrelevant, although the Berbers—approximately 20 % of the population, though the figure varies depending on the source—have some reservations about the dominant Arabic emphasis in language, tribal lineage, and other matters.

All Libyan citizens have the same rights. The political process is secularized, though the state and religion (Islam) do occasionally overlap. The government is legitimized by Islam in the sense that the People's Congresses are equated with implementation of the Islamic principle of consultation or *shura*. The nationwide administrative system has extremely bureaucratic tendencies and is involved in jurisdictional disputes. Public safety and law and order are guaranteed.

(2) *Political participation*: There is a dual government structure in Libya. The "revolutionary sector" comprises Revolutionary Leader Qadhafi, the Revolutionary Committee, and the remaining members of the 12-person Revolutionary Command Council, which was established in 1969. The historical revolutionary leadership is not elected and cannot be voted out of office, as they

are in power by virtue of their involvement in the revolution. The revolutionary sector dictates the decision-making power of the legislative branch which comprises Local People's Congresses in each of the 1,500 urban wards, 26 *Sha'biyat* People's Congresses for the regions, and the National General People's Congress. These legislative bodies are represented by corresponding executive bodies called People's Committees at the local, *Sha'biyat* and national levels.

Every three years the membership of the Local People's Congresses elects both its own leadership and secretaries for the People's Committees by acclamation, sometimes after many debates and a critical vote. The leadership of the Local People's Congress represents the local congress at the People's Congress of the next level and has a representative mandate. The members of the National General People's Congress elect the members of the National General People's Committee (the Cabinet) by acclamation at their annual meeting. While there is discussion regarding who will run for executive offices, only those approved by the revolutionary leadership are actually elected. The government administration is effective as long as it operates within the directives of the revolutionary leadership. The revolutionary leadership has absolute veto power despite the constitutionally established people's democracy and rule by the masses.

The government controls both state-run and semi-autonomous media, and any critical articles have been requested and intentionally placed by the revolutionary leadership, for example, as a means of initiating reforms. Political parties were banned by the Prohibition of Party Politics Act No. 71 of 1972. According to the Association Act of 1971, the establishment of NGOs is allowed, but they are required to conform to the goals of the revolution, and the number of NGOs is small in comparison with neighboring countries. Unions do not exist as such; however, the numerous professional associations are integrated into the state structure in the third (legislative) branch of government along with the People's Congresses and Committees, though they do not have the right to strike. Professional associations send delegates to the General People's Congress, where they have a representative mandate.

(3) *Rule of law*: Despite significant improvement since the 1980s regarding the rule of law, Libya still shows considerable shortcomings in light of instances of imprisonment without trial, torture, and insufficient separation of powers. There is some separation of powers between the legislative and executive branches, but the judiciary is not independent, and from the beginning of the revolution the otherwise separate judicial apparatus has been subject to "revolutionary control." However, this applies only to court proceedings on political issues. Common criminal proceedings such as those for murder, robbery, larceny or traffic violations, and proceedings relating to matters of personnel statutes are not subject to political influence.

The Revolutionary Leader does not have a direct legislative role and does not sign executive orders. However, the revolutionary leadership can intervene in the legislative, executive and judicial arenas. When certain procedures and regulations are activated, the relevant body will take suitable action or will issue appropriate texts such as laws or decrees. No formal controls are placed on the revolutionary leadership, and the desire to maintain power governs its activities. Corruption is a serious problem that, while denounced at the highest level, is tolerated because the most corrupt are the regime's biggest supporters.

Civil liberties were first codified on June 12, 1998 with the proclamation of the "Big Green Human Rights Chart," further strengthening a September 1991 law that increased liberties. However, due to a lack of clarity in the text, restricting statements like "as long as the interests of the revolution are not affected," and limited scope for legal action, the effectiveness of both is severely limited.

3.1.2 Political patterns of behavior and attitudes

(1) *Institutional stability:* The institutions established in 1976 as part of the Jamahiriya government have functioned as planned from that time; the basic People's Congresses meet three times yearly (one time for national issues), and a National General People's Congress is held annually. All Libyan men and women over the age of 18 are allowed to participate, but participation rates have fluctuated over time. Manipulative intervention by the General Secretary of the General People's Congress and the Revolutionary Command Committee's control of discussions have, so far, prevented the system of direct democracy from truly functioning. Nevertheless, the revolutionary leadership does not intend to order resolutions in an authoritarian manner, but would prefer to make it appear that resolutions are made as a result of the direct democratic process.

(2) *Political and social integration:* No information is available regarding the population's political mindset or positions on individual issues because of a lack of public opinion polls, the Local People's Congresses' restricted ability to articulate political will, and the 1972 ban on political parties that stated "establishing a party equals an act of treason against the unity of the people." Inasmuch as opposition can be articulated in the form of poor attendance at the Local People's Congresses, it can be assumed that the level of political indifference and even opposition reaches between 50 and 80 %. That said, strong family and tribal ties see to it that Libyans take advantage of the resources of the rent-seeking state to the greatest extent possible through a presence in the system's institutions and bodies.

Outside the government-sponsored system for political participation, representation of interests is also minimal; associations are exceptions to the rule, particularly those that operate nationally, such as the General Administration for

Drug Control. Because of the dominant tribal system there is little need for socially oriented self-help organizations. By contrast, there are well-established organizations for professionals, for high school and college students, and for women, including numerous local women's organizations that are members of the National Women's Union. Professional organizations vary widely and regulate matters specific to the field. They represent profession-specific views at the General People's Congress, but are also used as instrumental bodies by the revolutionary leadership as needed, resulting in an asymmetrical relationship.

3.2 Market economy

After more than two decades of a comprehensively centralized economy under people's socialism, the economic pressure from UN sanctions has led to a cautious change of course in the last few years which places greater political value in private enterprise, breaking up monopolies, and allowing foreign investment. Despite this change in direction, in principle, considerable shortcomings still remain in all areas from competition to fiscal and currency policies.

3.2.1 Level of socioeconomic development

The relevant indicators show that Libya ranks near the top in its level of development, particularly when sub-Saharan Africa is compared with Arab Africa (excluding the Gulf states). The revolutionary leadership's policies regarding the advancement of women have largely eradicated gender discrimination, and social exclusion because of poverty or lack of access to education is nearly nonexistent since health, education and social equality are high priorities. The salary level above the basic guaranteed salary is low due to wages having been frozen since the 1980s, which affects the lower salary brackets of the civil service, or about 700,000 employees at most. At this salary level, civil servants are forced to take second jobs or to find other ways of earning money, setting the stage for a high proclivity to corruption. There is no east-west disparity within Libya despite an uneven population distribution with a concentration in the greater Tripoli area in the west; if anything, there is a north-south disparity as in the vast desert regions of the south there is some degree of inadequate supply.

3.2.2 Market structures and competition

Libya continues to have a centralized economy, even though the revolutionary leadership has advocated more productive investments and greater efficiency in recent years, and private enterprise has increased in more sectors. Bureaucratic regulations and the lack of a legal basis hinder quick implementation; an example is the reform called for in Investment Act No. 5/1997 which has been overdue for

years. In addition, ideologically rooted criticism of exploitative capitalism has prevailed for more than three decades, and a negative attitude toward unproductive commerce makes it difficult for Libyans to develop a free-enterprise mindset and understand how competition works. Progress has only been made to the degree that the revolutionary leadership is in the process of breaking up monopolies by revoking the exclusive privileges of state-owned companies and banks by allowing private business activity. A privatization policy has not yet been put in place.

Numerous sectors such as crude oil production by the National Oil Company (NOC), aviation, and steel production, etc. will remain state-owned or dominated, as is the case of the banking sector where the first small private bank was allowed in 1996. Foreign trade in specific product lines has been liberalized, though petrochemical products will remain state-controlled.

3.2.3 Currency and price stability

In recent years, Libya's central bank has pursued a consistent inflation and exchange rate policy and has been protected as an institution from ideologically motivated interference in much the same way as the crude oil sector. Inflation has been pushed down from approximately 40 % to the present 8 % by appropriate measures, and the previously highly over-valued exchange rate was adjusted to a realistic rate against the dollar in 2002. Libya's foreign debt to Russia of between 3 to 4 billion dollars has not yet been amortized, mainly because of political factors. Given the current high price of crude oil, Libya's foreign currency situation is thought to be good.

3.2.4 Private property

Attacks on private property in the early 1980s, legitimized by the publication of Part II of the *Green Book* in 1978, have ceased and have even been reversed to some degree since the reform initiatives introduced in the 1990s and include the return of houses to previous owners. While the current politically motivated support of private enterprise means property is being rehabilitated, the legal protection of property titles can theoretically be invalidated at any time through "revolutionary intervention."

3.2.5 Welfare regime

The Libyan population has two types of social security. They are protected on one hand by largely intact family relationships or membership in a tribe, and on the other by an extensive social security net and subsidy policy that, despite forced

cutbacks, is both far-reaching and has been a high priority for the revolutionary regime since 1969.

Free education, nearly free healthcare, health insurance, social security, and subsidies for basic foodstuffs and fuel are part of the government's welfare policy, and every Libyan citizen has access to these benefits. Equal opportunity in education is offered by the welfare state, and more than 50 % of students are women in some courses of study, even though family relations can restrict women's access to the job market and traditional social behavior and values reproduce gender-based discrimination. This is less true in the political sphere, where the revolutionary leadership has strongly supported women's participation. It remains to be seen when the political leadership will be forced to cut back social services, in light of uninterrupted high population growth and limited foreign currency income from crude oil exports at the same time that it will potentially face growing social problems such as increasing job shortages.

3.2.6 Strength of the economy

The macroeconomic situation deteriorated with the financing crisis caused by the price of raw materials in the 1980s and the UN sanctions from 1992 to 1999. It was brought under control by a rigid austerity policy which restricted imports and cut expenses, and the negative GDP growth trend was reversed, as seen in the following figures: +5.4 % for 1999, +6 % in 2000, and +5.6 % in 2001. However, growth was too low, with less than 3 % in the non-crude oil sectors, which provide crucial jobs. Ministerial decision-makers and the central bank are clearly able to react to developments without too much input from the revolutionary leadership. There is potential for a great deal of growth in the Libyan economy if the production/ administration operations and deregulation are consistently made as efficient as possible.

3.2.7 Sustainability

The Libyan revolutionary leadership is aware of the finite nature of its crude oil reserves and, as a result, has been trying since the 1980s to improve the country's agro-industrial basis. In particular, the Great Manmade River Project, which accesses fossil water reserves for use in large-scale agricultural colonization in the eastern, central, and northern sections of western Libya, is of major significance in terms of sustainability.

Despite stricter legislation protecting the environment passed in the 1990s, there are still considerable shortcomings in the industrial sector, as well as in waste disposal and recycling. The newly established General Environmental Authority has begun operations, and the position of Secretary of the Environment was

created as part of the General People's Conference in 2001. Over the past few decades, Libya has focused on extending its transportation infrastructure, and in 2001 a decision was made to construct a railway from Tunisia to Egypt via Libya.

A sophisticated education and healthcare infrastructure is in place nationwide that ranks with the best in all of Africa, with numerous clinics and now 15 universities; however, the quality of education and medical treatment lags behind the status of the infrastructure. The figures for expenditures in education have not been released, but they are still at a high level, averaging 9.6 % of GDP in the 1980s. So far, few forward-looking technical/ industrial research facilities have been established, and existing facilities are state-run.

4. Trend

(1) *Democracy*: The institutions of Libya's political regime have not changed in the last quarter century because of the ideological position of the revolutionary leadership as set forth in Part I of the *Green Book*, which states that the Jamahiriya's direct democratic structure is the "final solution" to the problem of democracy. Minor reorganization of administrative structures, such as changes in the number of Local People's Congresses and reorganization at the regional level, has not changed the way this party-less political system functions. The permitted scope for participation has changed little in recent years. Aside from "articulation forums" at the People's Congresses there are few opportunities to participate in non-state-run organizations or special-interest groups, which are proscribed ideologically as "disruptive."

What has changed in recent years is the space for comment and critique of political decisions tolerated at the People's Congresses and in public. At present, this space has grown as a result of the foreign political détente with Libya's neighbors, Europe and the less visible Islamic opposition; however its duration is subject to the revolutionary leadership's need for control and is not irreversible. Nevertheless, discussion of human rights violations has increased in this context. Saif al-Islam al-Qadhafi, the Revolutionary Leader's son, advocated the release of political prisoners and initiated an anti-torture campaign through his Gaddafi Charity Organisation, with the result that employees of the security apparatus engaging in torture are suspended.

The current relaxed domestic situation is reflected in noticeably fewer public checks by security forces and fewer border checks. Since foreign travel restrictions were lifted in 1987, more than one million Libyans annually have taken short trips to Tunisia, Egypt and Europe. In sharp contrast to the past, almost all Libyans asylum-seekers in Europe now cite economic motivations. In the medium term, the regime faces the problem of the succession of Revolutionary

Leader Qadhafi, which will have an effect institutionally, though not necessarily on the systems in place.

(2) *Market economy*: Libya's current high level of socioeconomic development improved only slightly during the period under analysis. The progressive de-ideologization of the economic order has improved conditions for both citizens and foreigners, despite considerable shortcomings in transformation. As a result, income disparity has grown somewhat. To the degree that this is being reduced, a new dynamic is emerging from within not caused by global effects such as rising crude oil prices.

While there are no data concerning the distribution of income, Libyan society has traditionally tended toward egalitarianism. By contrast, there is an unmistakable trend toward expansion within the lower income brackets, favoring a small group of individuals who are profiting from the economic transformation process.

Table: Development of Socioeconomic Indicators of Modernization

	HDI	GDI	GDP Index	UN Education Index	Political Representation of Women ^a	GDP per capita (\$, PPP)
1998	0.760	0.738	0.954	0.83	High	6.697
2000	0.773	0.753	0.72	0.84	High	6.300

5. Transformation management

5.1 Level of difficulty

At the time this report was prepared, several factors stood out as providing good initial conditions for the desired social modernization. These include a high level of economic and social development, represented by \$6,300 annual GDP per capita; limited ethnic conflict and sporadically escalating conflict with Islamic groups; insignificant polarization over income distribution; an administration with a national (if bureaucratic) presence; and an unchecked state monopoly on the use of force.

While there is no chance of institutional reform in the political sphere (such as re-legalization of political parties) and a certain degree of dogmatism is noticeable in the Jamahiriya governmental structure, this is not the case in the economic sphere. De-ideologization is taking place in the economic arena and is limited only by the need for it to occur at a rate that will not cause a loss of face. The revolutionary leadership backed by the General People's Committee coped with difficult global

economic conditions and the negative effects of UN sanctions without serious problems. The expertise to do so is present in Libya because a large number of citizens earned degrees abroad and many of the country's decision-makers studied in the United States and elsewhere in the 1970s and 1980s. Furthermore, the measures necessary to solve ongoing economic problems were agreed and implemented without antagonism from the participatory political institutions (the People's Congresses).

5.2 Reliable pursuit of goals

Since assuming power, the revolutionary leadership has formulated specific goals and pursued them steadily. In addition to social equality, these goals predominantly relate to national and economic self-determination and the effort to efficiently achieve self-sufficiency in food needs, which explains the high priority given to the Great Manmade River Project and the slogan "governance, resources and arms in the hands of the people." The government leadership sets strategic priorities and attempts to integrate them into its ideology while at the same time remaining pragmatic and willing to repeal ideologically motivated measures when necessary.

However, the government leadership is not prepared to carry out all measures "optimally," in other words, to formulate all objectives based on pragmatic considerations. Thus in the economic arena, for example, contracts are awarded based on political rather than economic criteria, as seen in the railway project awarded in 2002.

It is not always easy for outside analysts to determine the motives behind individual decisions, though most contain a "revolutionary" rationale. In light of the political situation, decisions are largely predictable: The homogeneity that characterizes decision-makers and the hierarchical structure with Revolutionary Leader Qadhafi at the top ensure that inefficiencies such as conflicting measures by various sub-centers occur rarely or not at all. Furthermore, the People's Congress/Committee system should not be forgotten as a political factor.

This institutional stability is supplemented by flexibility in the establishment of new bodies to stabilize power, including for example, Anti-corruption Committees and Social Leadership Committees which hearken back to traditional structures and have been given specific socio-political responsibilities.

5.3 Effective use of resources

A lack of transparency means that only conditional statements can be made about the effective use of financial resources and budget funds—the majority of which

are earned from the export of crude oil. Furthermore, a large portion of Libya's financial resources have always gone to unproductive politically or ideologically motivated expenditures. Up to the 1980s these consisted of high spending for defense and support of liberation movements, and from 1971 to the present there have been high expenditures for the Islamic mission through the World Islamic Call Society.

Since the 1990s, high expenditures are noted for the global diffusion of ideology through the World Center for the Study and Research of the *Green Book*—which has been translated into 52 languages—and from the mid-1990s, toward the realization of the African Union and the regional group CEN-SAD. It remains to be seen if the allocation of \$20 billion to the Great Manmade River Project was a wise economic or business investment. Despite explicit planning and reform objectives, the unwieldy nature of the People's Congress/Committee system produces considerable inefficiency in practice, inefficiency the state auditing authority notes, but can not definitively suppress.

In addition, the Anti-corruption Committee has not yet been able to significantly stem widespread corruption; the patronage-oriented tribal social structure and the need for material goods prevents forward progress in this area despite more strict legal measures. Utilizing social traditions to meet reform objectives is therefore difficult and, because of their integration into system-stabilizing measures such as the Social People's Leadership Committees, they are more a burden than a positive factor.

5.4 Governance capability

Because of high crude oil revenues, organizational capability in the economic sector has thus far been rated highly in spite of ideologically motivated interference, and it provides Libya with a well-established infrastructure and a diversified petrochemical industry. Detailed plans also exist for the future economic orientation of the country in the \$35 billion Economic and Social Project Plan 2002-2006 which is to be implemented by the General Planning Council. However, problems with implementation exist, independent of global political developments (such as investment restraint caused by the impending Iraq crisis) because of bureaucratic procedures and competence problems within the oversight bodies. These problems result in delayed decision-making to the degree that inferior decisions are made even at the highest levels. Although the bodies involved have shown the ability to learn, they lack flexibility and the ability to accelerate this process.

In reality, only the revolutionary leadership around Qadhafi and, increasingly, his involved sons (including Saif al-Islam and Saadi) have the political authority to call for reforms and push them through, as reform ideas initiated in the General

People's Committee "require approval." But even the revolutionary leadership cannot aggressively tackle known problem areas because it must consider the social and political consequences of reform; an example is Qadhafi's extensive criticism in January 2001 of the bloated government apparatus that has 700,000 civil servants where 50,000 would suffice.

5.5 Consensus-building

There is no general consensus among the population about the continued political and economic evolution of the Jamahiriya because some, including members from the ranks of the Revolutionary Committee, hold fast to the earlier state-run economy or are against opening foreign policy. Permitting foreign investment is seen as damaging to national sovereignty interests. While these conditions do not constitute a "veto right," the revolutionary leadership must take these positions into account when acting politically, which as a rule prolongs the reform process.

There are two irreconcilable positions in the political arena. The first is in the religious sphere, where Islamic groups label Qadhafi a heretic, and have, since the end of the 1980s, demanded adoption of sharia law and replacement of secular governmental structures. While there is no doubt that the secular governmental model will remain, the revolutionary leadership reacts to this position with widespread repression, branding Islamic groups heretical or as "new charlatans."

The second point of contention relates to democratic transformation and is found between the revolutionary leadership which supports the existing system, and the opposition, which demands the freedom to form parties, complete freedom of speech, etc. Here too the opposition has been forced to give in and has either withdrawn into exile or been neutralized by repression.

5.6 International cooperation

In the mid-1990s, the revolutionary leadership initially concentrated international cooperation efforts on sub-Saharan African countries and Libya's immediate neighbors. Following the suspension of UN sanctions in April 1999, Libya formed a general policy of reconciliation with foreign powers with the objective of regaining full diplomatic authority in dealing with foreign nations. Libya has very good relations with its neighbors for the first time since 1969, reflected institutionally in the creation of the Community of Sahel-Saharan States (CEN-SAD) in 1998. Libya was also able to normalize relations with the European states, Great Britain and France in particular, as well as Canada and Australia.

Severely restricted relations with Russia after the end of the Cold War have been elevated to a high level of cooperation, and relations with the People's Republic

of China have expanded steadily. Only relations with the United States have remained tense despite the Libyan offer to open a new chapter in bilateral relations. The United States still includes Libya on its list of countries that promote terrorism, accuses Libya of working toward the acquisition of weapons of mass destruction, and is not satisfied with the Lockerbie rulings thus far, desiring an official confession of guilt and payment of damages. On the other hand, the United States has expressed appreciation for Libya's support for its war against terrorism. Overall, Libya's foreign policy has become noticeably more moderate, which has also cleared the way for improved international economic cooperation.

6. Conclusion

In view of Libya's initial conditions, status and evolution, as well as the political/economic transformation and the actors' political achievements (management), this report arrives at the following concluding evaluations:

(1) Initial conditions: The initial conditions for transformation were and are difficult to evaluate because of the ideological character of domestic, foreign and economic policies. Prior to the transformation there was little room in the political arena for participation and cooperation in the decision-making process. The ability to act politically has increased through a reduction in control retaining its institutional character, but this increase has not been codified, meaning it could be reversed at any time. There were no traditions of rule of law or civil society. In the economic sphere, a definitively centralized economy has dominated for decades, and removal of monopolies and strengthening of private enterprise in the 1990s was implemented slowly and with difficulty.

(2) Status and evolution: Democratic transformation has seen a brief and asymmetrical evolution. So far, little has changed in the political arena and as in the past, the "sword of Damocles" of revolutionary control hangs over freedom of expression, civil society development and political participation. The first steps toward liberalization and implementation of market economy mechanisms have been realized in the economic arena, but the revolutionary leadership will determine whether and how this trend will continue based on political and security considerations and assessments of its ability to retain power. In both the political and economic spheres, the status-quo powers are so strong that even the revolutionary leadership must take them into account.

(3) Management: The revolutionary leadership has served as the highest court in the land since 1969 and has proven its flexibility in responding to political and economic challenges. Opposing this positive impression is the fact that these high-level management capacities have not been used to further democratic transformation or development of the country, but rather for the (futile) assertion

of ideological positions in foreign, domestic and economic policy. Nevertheless, these futile assertions have not ultimately had staying power and have been diminished successively to varying degrees, particularly in recent years.

7. Outlook

No progress will be made toward democratic transformation in Libya as long as the dual structure of revolutionary and governmental sectors remains in place, with the revolutionary sector dominant and not subject to any checks and balances. Further, Libya will be able to meet performance criteria only when political institutions with democratic instead of revolutionary legitimacy are created and the government is consistently responsible to voters. Until that time, only rudimentary reforms in the areas of rule of law, balance of power, and implementation of a private enterprise system can be expected.

The possibility that this transformation will come from within is currently small, as the necessary actors are not in place, and high revenues from crude oil and the welfare state's ability to buffer economic problems also reduce the pressure to operate efficiently.