

The Libyan Trilemma:

*Islam, democracy
and the rentier state*

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Varvelli***

Abstract

Besides the jihadist threat, besides the typical difficulties encountered by a nation that after 40 years of a dictatorial regime and a ruinous civil war – namely rebuilding the state - another set of challenges seems to be paralyzing the new Libya.

The purpose of implementing a democratic order in a rentier country, where Islam is the dominant religion and, at the same time, the main source of popular identity, risks remaining unfulfilled for a long time.

In this paper, the author theorizes that Libya faces a real ‘trilemma’ concerning the impossible coexistence of democracy, Islam and oil-based national revenues. However, the purpose of this essay is not to show the theoretical incompatibility of these three elements at this particular moment of Libyan history; instead, it will try to highlight what kind of connection can be established between them in the new Libya. It will also point out the difficulty of reconciling these factors, as demonstrated by the fact that nowhere in the world, today or in the past, has any country managed to balance these three factors.

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The term 'trilemma' comes from the ancient 'dilemma': a situation that requires a choice between options that are - or seem to be - equally unfavourable or mutually exclusive. A trilemma is an argument analogous to a dilemma but presenting three instead of two alternatives in the premises.¹

The current socio-political situation in Libya is characterized by three elements: Islam, the beginning of a democratization process, and the persistence of a rentier economy. By looking at these three elements on an empirical basis, reasonable doubts arise about their possible coexistence. These elements, composing a new trilemma, could appear incompatible, making it necessary to renounce to at least one of them.

Each of the three possible binomials is widely supported by a rich literature. Starting with the Islam-democracy pair, relevant studies show that even in Islamic socio-cultural contexts, it is possible to provide the country with a democratic order, or at least some of its relevant elements and principles.²

¹ One of the most cited trilemmas in social sciences is the Mundell-Fleming model, arguing that an economy cannot simultaneously maintain a fixed exchange rate, free capital movement and an independent monetary policy.

² See: M. A. Muqtedar Khan, *Islamic Democratic Discourse: Theory, Debates, and Philosophical Perspectives*, Lanham, MD, Lexington Books, 2006; John O. Voll and John L. Esposito, *Islam and Democracy*, New York, Oxford University Press, 1996; Fareed Zakaria, *Islam, Democracy, and Constitutional Liberalism*, in *Political Science Quarterly*, 2004, 119, 1, pp. 1-20; Tariq Ramadan *The Arab awakening: Islam and the New Middle East*, Allen Lane, 2012; Gilles Kepel, *Jihad. Ascesa e declino. Storia del fondamentalismo islamico*,

At the same time, it is not possible to exclude *a priori* the possible coexistence of democracy and rentier state, i.e. a state which derives all or a substantial portion of its national revenue from the rent of indigenous resources to external clients. Rentier states are characterized by a relative absence of revenue from domestic taxation, as a significant availability of raw materials spares them the trouble of extracting money from the population. Some scholars have argued that such states fail to develop a democratic structure because, in the absence of taxes, citizens have less incentive to place pressure on the government to become responsive to their needs.³

The third pair, Islam and rentier state, is the most evidence-based. Let's look, for example, at Gulf monarchies like Saudi Arabia, United Arab Emirates or Qatar. It is precisely this third pair which makes it empirically consistent to assume that a rentier state which is also an Islamic state cannot

Roma, Carocci, 2001. According to the most important indices of democracy, *Freedom in the World* (2012) and *Freedom House Democracy Index of the Economist Intelligence Unit*, there are few cases of Islamic countries who have a secular state and that can be defined as full democracies. Among these can be counted as Indonesia, Mali (prior to the 2012 regime change) and, with further objections, Turkey.

³ H. Beblawi, G. Luciani, *The Rentier State*, London, Croom Helm, 1987; A. Gelb, *Oil Windfalls: Blessing or Curse?*, New York, Oxford University Press, 1988; P. Collier, A. Hoeffler, *On Economic Causes of Civil War*, in *Oxford Economic Articles*, 1998, 50, 4, pp. 563-73; M. L. Ross, *Does Oil Hinder Democracy?*, in *World Politics*, 2001, 53, 3, pp. 325-61; B. Smith, *Oil Wealth and Regime Survival in the Developing World, 1960-1999*, in *American Journal of Political Science*, 2004, 48, 2, pp. 232-46. From the empirical point of view, at least the case of a country, Norway, would demonstrate the compatibility between being simultaneously a "rentier state" and a democracy, although in this case the rentier characterization is certainly reached when the Norway was already a full democracy.

simultaneously be a democratic one.

The purpose of this essay is not to show the theoretical incompatibility of these three elements at this particular stage of Libyan history; instead, it will try to highlight what kind of connection can be established between them in the new Libya. It will also point out the difficulty of reconciling them, as demonstrated by the fact that nowhere in the world, today or in the past, has any country succeeding in supporting the coexistence of these three elements.

In this constituent phase for the new Libyan state, the possible coexistence of these three elements will depend on the degree of democratization that the new country achieves - not only on a formal basis (competitive elections, separation of powers, etc.) but also in a wider sense (freedom and shared values) -, on the role religion plays and on how the new ruling class shapes the rentier economy and the relationship between state and society.

This article will try to analyze these three peculiarities and how the possible connections between them will affect Libya's future.

Liberal or illiberal democracy?

The long period of transition which began with the death of Muammar Qaddafi on 20th October 2011 is proving to be very complex and littered with obstacles, notwithstanding the (actually fairly humble) success of

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the National Congress elections held on 7th July 2011. The collapse of Qaddafi's regime has inevitably led to the destabilization of the country.

The National Transitional Council (NTC) led by Mustafa Abdel Jalil and formed a few days after the outbreak of the revolt, has established itself as the central authority in the country, firstly in the struggle against Qaddafi's regime, then in the effort to regain a national identity and restore some sort of balance between the various factions fighting for the control of Libya. These factions include regions and local communities affected by the typical clan-tribal influences of Libyan society. At the beginning of August 2012, the NTC handed power over to the newly elected Parliament, although the country's problems were far from being resolved.

Libya's pacification process is not over yet and the process of state-building is still in its initial stage. In 2012 clashes took place all over the country, especially in the South (in the cities of Sebha and Kufra) and in Qaddafi's sanctuaries (Sirte and Bani Walid). Terrorist groups are growing stronger, especially in Cyrenaica, while the number of armed militias on Libyan territory is decreasing although they are still present. In January 2012 the NTC started to inte-

grate the militias into the constituent national army, but the program did not meet with any success since the army appears now to be an incoherent gathering of various militias lacking any clear coordination with the central authority, and with dangerous double affiliations. Militia intimidation resulted on 5th May 2013 following the approval by the General National Congress (GNC) - the parliament Libyans voted for last July - of a sweeping political isolation law that will see a range of officials who worked for the late dictator's regime being disbarred from political office or from government jobs—even though they contributed to the downfall of the late dictator. The ban on them will last for ten years. Their departure from the ministries and from government is unlikely to improve bureaucratic efficiency or competence.

The elections held on 7th July marked a significant turning point in the country's history. The Libyan people voted for the General National Congress (GNC), a body enjoying full legislative authority, composed of 200 members and endowed with the power to appoint a new interim government. The elections were held in a quasi-peaceful climate, especially in the big cities. The mixed electoral system (120 members elected with a 'first-past-the-post' system, 80 elected with a proportional system) led to a variegated parliamentary composition, particularly rewarding local

communities who had voted for independent candidates, thus favoring the candidates' link with the territory rather than their political orientation.

New political parties have been created in Libya since the end of Qaddafi's regime. Back in 1970, the Colonel prohibited the establishment of political organizations in the country, and in 1972 he abolished all political organizations but those directly linked to the Libyan Arab Socialist Union or Jamahiriya popular committees. Opposition groups went underground: the Muslim Brotherhood fled to Libya, especially Cyrenaica, while other groups, almost significantly the National Front for the Salvation of Libya, went to the United States, the United Kingdom and Switzerland.

The highly fragmented political landscape of today is primarily due to two factors. The first and foremost is Libyan society's historical lack of familiarity with democracy, coming from 42 years of dictatorial rule and the democratic weakness of the former Senussi regime. In order to trace some occurrence of regular democratic consultation, apart from that of 2012, we have to go back to 1952. The second factor is the total absence of legislation regulating the formation of new political parties. It was precisely under this scenario that last July's elections took place: a record number of 140 registered parties and 350 political organizations entered the political race, revealing once

again the chronic chaos of Libya's political landscape.

In other countries affected by the Arab Spring, revolution has brought to power groups related to the Muslim Brotherhood. Libya has escaped this fate, at least in part. In this political landscape, an important role has been played by the National Coalition of Mahmud Jibril, the former NTC Prime Minister. On the eve of the elections, Jibril, supported by Western countries, created the "National Forces Alliance" (NFA), a 58-party coalition. NFA established itself as a more secular and modern nationalist movement, although it still mentioned the importance of Islam in its program. Moreover, it stands for a liberal economy and territorial decentralization, arguing against federalism. In order to counterbalance Islamist parties, the United States and their Western allies have chosen to support Jibril's Alliance, which eventually was the most successful party, winning 39 seats. On the other hand, the secular National Centrist Party, led by the former Minister of Economy Ali Tarhouni, with a political program based on democracy and religious moderation, gained just two of the 80 Party-list seats.

The Libyan Muslim Brotherhood has always been internally fragmented, and in the last year profound changes have occurred at the top of the organization. In March 2012, the Brotherhood spawned the "Justice and Con-

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struction Party", a moderate Islamic party drawing on the Turkish and Egyptian models. This party, led by Mohamad Sowan, is the expression of the Libyan Muslim Brotherhood, though it does also include civil society activists. In the July 2012 elections, "Justice and Construction" had the highest number of candidates (73), but it has had to content itself with only 17 seats out of the available 80. Its influence over the Libyan political system has grown over time, especially in the last months, when the party has been able to influence many independent congressmen.

Another Islamic party is the "National Gathering for Freedom, Justice and Development", led by Ali Sallabi, one of the most influential religious figures in the country. Sallabi is enjoying profitable relations with Qatar and with Abdel Hakim Belhaj's military group in Tripolitania. Sallabi, who has spent several years in exile, is a largely popular figure. Notwithstanding his critical positions towards NTC, his declarations have showed a clear acceptance of the new political structures established by the NTC itself, as well as the alignment of his group with moderate and harmless Islam. At the same time,

Sallabi has shown a clear willingness to reform the country according to Islamic principles. His group has also formed another party: the “Union for the Homeland”, led by Ali Sallabi and Abdel Hakim Belhaj. The “Union for the Homeland” party has entered into competition with the “Justice and Construction” party, although the two have been trying to reach an agreement in the weeks before the elections.⁴ This party, however, has not reached the electoral outcome to which it aspired, and has gained only two seats in Congress. Ali Sallabi is now involved in mediation between the various political forces and Libyan militias, including Qaddafi’s former loyalists, attempting a sort of national reconciliation.

Over the last year, radical Islam groups such as the Salafists have spawned locally-based organizations, without trying to establish a national party. These groups can rely on a capillary network of mosques, as well as a strongly ideological political agenda. In any case, their political weight in July elections has been insignificant. Radical groups have been charged with murder of Abubakr Younes, which happened in July 2011. Younes, a leading figure in Qaddafi’s regime, had become the military chief of the rebels. Radical groups are also accused of perpetrating other acts of violence, such as

⁴ Omar Ashour, *Libyan Islamist Unpacked: Rise, Transformation, and Future*, Brookings Doha Center, May 2012.

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vandalizing Christian churches and cemeteries, the attacks on the U.S. and British consulates in Benghazi, the attacks on the Red Cross buildings, and most notoriously the killing of the American Ambassador in Libya, Chris Stevens. Some groups of Salafists who failed to gain parliamentary representation have chosen to engage in armed struggle.

In autumn 2012, the process of government formation was littered with difficulties: Mustafa Abushagur, the first elected Prime Minister of modern Libya, failed to win the approval of the General National Congress (GNC) and the mandate for a new government, and thus was replaced by Ali Zeidan, who, despite the difficulties he had to face, has been able to form a cabinet which met the approval of the GNC. These difficulties are emblematic of Libya’s inner non-democratic character: the people’s vote, instead of being determined by political convictions, is guided by clan-based identities, even though these may represent some sort of pacific representation. Libya could evolve into a merely formal democracy - or an “illiberal democracy”,⁵ i.e. a form of government character-

⁵ For the definition see for example Fareed Zakaria, *The Rise of Illiberal Democracy*, *Foreign Affairs*, November/December 1997.

ized by democratic institutions but lacking an adequate democratic culture.

The first condition for a peaceful transition is the establishment of security conditions conducive to peace and territorial integrity. In order to create these conditions, the State should be in stable possession of the exclusive use of force, a condition that Libya is far from reaching. In fact, several disruptive factors seem to be playing a part in prolonging Libya's instability phase, most notably the full integration of militias into the National Army. At the same time, notwithstanding the good results of the July 2012 elections and other positive signals, it is not possible to take for granted that the country's institutions will become more stable and more representative. A year after the elections, the political scenario remains uncertain. The decisional impasse which characterized the NTC could be also be experienced by the government, blocked by personal and local loyalties. If the laying down of the Constitution be blocked by a stalemate in the political process, the central authority will lose much of its impetus in the resolution of major domestic problems, thus paving the way for the strengthening of Islamist groups. The exclusion law, passed in May 2013, is very broad and would add to a 'leadership deficit' in Libya when it comes to running government and political administration. This leadership deficit is bound to in-

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crease: many top civil servants will be forced out when the law comes into effect next month, as will approximately 40 - 60 GNC members, most of whom are moderates.

In the end, we need to ask whether Libya can actually evolve into a stable liberal democracy, irrespective of its level of economic development, the progress of the *state* and *nation-building* processes, the existence of direct threats to the survival of the polity, or, again, the degree of its domestic and regional order (from a political and institutional point of view). Over the last twenty years, the very idea of democracy has come to mean liberal democracy. As a consequence, democracy has become the place where expectations and agreed upon criteria converge, as well as the acknowledged standard for political and ideological "normality". Democracy has come to hold a powerful appeal for all those who wish to become part of the international political elite; this is particularly true of the Libyan political elite, mostly trained abroad and with a positive attitude toward the West. These figures may be crucial for the country's future. However, it is almost inevitable that this elite will be replaced by other political forces with stronger and more diverse ties across Libyan society.

Which Islam? National identity and the struggle for representation

Libyan national identity is very fragile. The country has a short history, and clan-tribal and regional identities pose a serious threat to the formation of a strong national identity.⁶ In this context, Islam is becoming a major factor in national cohesion, especially following the Arab spring revolts. In fact, Islam has always represented a platform for cohesion throughout Libya's history.⁷ Former sovereign Idris Senussi was the chief of the most important Muslim order in Cyrenaica and said to be a descendant of the Prophet Muhammad. Qaddafi, too, consistently relied on religion as a central feature of his political message, exploiting this aspect in order to gain the people's favor. This brought about a rupture the Colonel's regime with the Ulama. Qaddafi was labeled a 'heretic' by the Muslim Brothers; on his part, he branded as 'reactionaries' all those who advocated the traditional application of Islamic law. As a consequence of the strife between Qaddafi and the Ulama, the regime gave orders to the armed revolutionary committees to assault and bring down all the mosques and zawiya run by Ulama opposing the Green book and the Jamahiriya.

6 A. Baldinetti, *La formazione dello stato e la costruzione dell'identità nazionale*, in K. Mezran – A. Varvelli, *Libia. Rinascita o fine di una nazione?*, Roma, Donzelli, 2012.

7 Majid Khadduri, *Modern Libya*, Baltimore, The Johns Hopkins University Press, 1963

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The overthrow of Qaddafi paved the way for an Islamic comeback. Libya has a solid Sunni majority, considering religion in a conservative and private way. In October 2011, Mustafa Jalil announced the adoption of *Sharia* as the principal source of law for the new Constitution; his declarations were certainly due to political reasons – mainly to reward Islamic militias for their role in Qaddafi's overthrow – but they also mirrored a shared willingness to build new Libya on an Islamic basis.⁸ The Ulama (*hay'at 'ulama Libya*) answered with a dispatch claiming Islam as “the only source of law” - not simply “the most important” - and asking for the amendment of the provisional Constitution, which had been released on August 3rd 2011.⁹ Sheikh Sadik al-Ghariani too, Libya's grand mufti, has often referred to political Islam and *Sharia* as central in the construction of new Libya, pushing against the secularist division between state and religion.

8 Oxford University, *National survey reveals Libya would prefer one-man-rule over democracy*, February 2012.

9 Y.M. Sawani, *Post-Qadhafi Libya: an Interactive Dynamics and Political Future*, in «*Contemporary Arab Affairs*», January 2012.

On the secular front, we find Mohammed Magarief, former president of the Libyan National Congress (LNC) and leader of the National Front Party, who is also the founder of the National Front for the Salvation of Libya, in opposition to Qaddafi's regime. Magarief, an economist, former ambassador and widely regarded as a moderate Muslim, has declared that Libya will remain a secular state. This point is probably unclear, since while the secular forces performed better in the July 2012 elections, all the country's new political actors make explicit reference to Islam as the central element for Libya's reconstruction. The Muslim Brothers' position on the role of Sharia in the future Constitution is very ambiguous, in particular on who will be responsible to determine the conformity of Congressional laws with the Islamic Sharia.¹⁰ After the promulgation of the 'Isolation Law', LNC President Muhammad Magarief resigned on May 28, weakening the already shaky authority of 'New Libya' and the government of Prime Minister Ali Zeidan.

As far as radical Islam is concerned, some analysts consistently recall the long tradition of Jihad in Cyrenaica. However, one has to be careful not to invert the cause-effect relationship: radical Islam in Libya has been nourished mainly by the regime's oppression. For most Libyans, the only way

¹⁰ Interview of the author with Imad El Bannani, a Brotherhood leader, Tripoli, February 2012.

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to distance themselves from Qaddafi was by adhering to global Jihad or al-Qaeda. For years Libyans have been the second largest group, after Saudis, among the fighters on the Iraqi and Afghan fronts. One of al-Qaeda's leading high-ranking officials was a Libyan, Abu Yahya al-Libi, killed in June 2012 in an American drone strike. Some of Abu Yahya al-Libi's followers, such as Sufian bin Qumu, are still active in Libya. Bin Qumu, who had spent six years in Guantanamo for working with Osama bin Laden, is today the head of a militia waving the black Al Qaida flag around Derna. Qumu has declared he is not going to lay down the weapons until an Islamic-Taliban government is established.¹¹ Derna and Cyrenaica are home to other Salafist groups, such as Ansar al-Sharia, that are unwilling to recognize the central authority¹². Ansar al-Sharia and other Salafist militias active in eastern Libya, such as the Abdul Rahman brigade, are thought to have led the terrorist attacks of September 2012, which caused the death of four American citizens, including the US ambassador to Libya, Chris Stevens.

¹¹ Giorgio Cafiero, *Beyond Libya's Election, Jadaliyya*, 19 July 2012.

¹² Frederich Werhey, *Libya's Militia Menace, Foreign Affairs*, 15 July 2012.

A number of other brigades (Rafallah al-Sahati, Shuhada' Abu Salim, Abu Ubaiday Ben Jarrah, etc.) share Ansar al-Sharia's vision. These groups are independent in terms of their leadership but they are interconnected. The fact that some of these groups (like Katiba Ahrar Libya, Shuhada' Derna) are now part of the official Libyan army does not mean that they have renounced their Islamist beliefs. On the contrary, they are using the threat of force to pressure government decision-making.

Under U.S. pressure, the Ali Zeidan government seemed to be more focused on fighting these factions. Another militia group, suspected of being involved in the terrorist attack on Benghazi, is led by Egyptian Muhammad Ahmad Abu Jamal, who belonged to the Egyptian Islamic Jihad, captured in Cairo in December 2012. Moreover, in March 2013 Libyan security forces captured Faraj Al-Chalabi in the eastern town of al-Marj in connection with the deadly Benghazi attack. Al-Chalabi was linked to the Libyan Islamist Fighting Group (LIFG) and al-Qaeda, and had been wanted in Libya since the 1994.¹³ The situation of semi-anarchy is offering al-Qaeda important opportunities to penetrate this area, increase its fi-

13 He was arrested in Tora Bora and handed over to Libyan authorities in 2004 with his Pakistani wife, who was released shortly afterwards. A prisoner who served some time with Al-Chalabi at Abu Salim prison in Tripoli said that the suspect was known as 'the Tora Bora prisoner'. He was released in 2006 due to health reasons, according to the fellow inmate. Libya Captures U.S. Mission Attack Suspect, in All Africa, 18 March 2013.

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nances, and recruit and train fighters, especially in Cyrenaica and Fezzan.

Since Qaddafi's fall, radical Islam has been gaining momentum. Terrorist organizations thrive in an environment characterized by criminality, illegal immigration, drugs and arms trafficking.¹⁴ This dramatic trend has been confirmed by the August 2012 attacks, when Salafist groups destroyed Sufi sanctuaries and in March 2013 when they attack Coptic Churches.

Although Islam certainly constitutes a clear reference point in Libya's renaissance, it is not yet clear which kind of Islam will prevail. The diverse success achieved by Islamic groups in different parts of Libyan territory derives in part from historical grounds. Cyrenaica was home to the Senussi order, while Tripolitania is home to traditionally more temperate interpretations of Islam. Moreover, Cyrenaica's marginality in Qaddafi's era made room for Islamic providers of social service, which rapidly gained the consent of the people. However, Salafist groups are determined to gain more influence in the country, and in order to reach this objective some of them have frequently resorted to violence.

14 Paul Salem and Amanda Kadlec, Libya's Trouble Transition, June 2012

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The wide participation of Islamic forces in July 2012 elections and the acceptance of the result allows one to nourish some hope about the possible coexistence of Islam and democracy. Constitutionalism, i.e. the principle that the authority of government derives from and is limited by a body of fundamental national law, seems to be widely-accepted in today's Libya, partly as a consequence of past positive experiences like the Tripoli republic (1918) and the Senussi monarchy.¹⁵

Since Qaddafi's fall, Libya has been undergoing a process of democratization which is part of the wider transition process underway in the Muslim world. However, the risk for Libya is that, given its peculiar cultural and political context, a "democracy without democrats" might eventually emerge. This is even truer for a rentier state, where the central authority could act as a patron. Given the combined lack of strong state institutions and a solid political culture, Libya could see the rise of new forms of authoritarianism¹⁶.

¹⁵ Karim Mezran, *Constitutionalism and Islam in Libya*, edited by Rainer Grote & Tilmann J. Roder, *Constitutionalism in Islamic Countries. Between Upheaval and Continuity*, New York and Oxford, Oxford University Press, 2011, pp. 513-533.

¹⁶ To fill the gap has been proposed to restore the Libyan

At the moment, it is reasonable to state that the establishment of a full liberal democracy does not seem the most plausible scenario, since many important issues remain unresolved – most notably the role of religion as a source of law, the traditional religion-society-state hierarchy, the full enforcement of political power, the resolution of conflicts according to an enemy/friend logic and the idea of freedom.¹⁷

The unbearable burden of rent

2012 July's general elections contributed to the strengthening of Libyan central authority, which is further reinforced by its action of patronage, made possible by the redistribution of oil rent and the return of frozen assets. Even if some doubts remain about the actual capability of the government to efficiently use this amount of money (at least 20bdollars have already returned in Libya after the defreezing of foreign assets was ordered by the United Nations), it is widely assumed that it will represent an important source of power.

The Libyan economy is based on income and redistribution of oil rent (making up about 95% of total reve-

Constitution of 1951. See for example Duncan Pickard, The Case for an Interim Constitution in Libya, Atlantic Council, 5 October 2012.

¹⁷ Islam is a religion 'without center': no hierarchical authority, as in the Catholic Church, which is empowered to decide what is dogma. Islam, as Muslims say, is what believers want it to be. The consensus of the community is still one of the sources of law. On this issue, see for example, Renzo Guolo, *L'Islam è compatibile con la democrazia?*, Rome-Bari, Laterza, 2005.

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nues). It is highly likely that whoever is in charge of the government in the future, will be in need of exporting hydrocarbons in order to guarantee the essential revenues. This is precisely what the National Transitory Council did during its rule and what the Ali Zeidan government is doing. The revitalization of Libyan economy during this phase of transition is placed on oil production and export. In October 2011, one year after Qaddafi's fall, Libyan oil production had returned to similar pre-crisis level: 1,5 billion barrels a day.

Being a *rentier state* means that a sort of silent agreement is signed between the ruler and the ruled, based on the redistribution of the rent from the former to the latter in exchange for its unaccountability to the citizens. In other words, distributive states adopt the principle 'no taxation without representation': the state doesn't ask for taxes, but it doesn't allow representation. Dirk Vandewalle, in particular, has analyzed the dynamics linking the dependence on hydrocarbons to socio-political stability with reference to specific countries. Vandewalle highlights the close connection between oil, state structure and complexity of social institutions

by means of the theoretical construct of 'distributive state'.¹⁸ Distributive states collect foreign incomes and redistribute them to their citizens, thus avoiding the task of creating a stable and efficient state apparatus.

Qaddafi's 'State of the masses' has been made possible by the rentier character of the Libyan economy, removing intermediary structures between its unique role as income distributor and the people. In early 2009 Qaddafi proposed dismantling the central government and directly distributing the oil income to the citizens, with the declared purpose of eliminating bureaucracy and corruption. The base committees, upon which Libyan 'direct democracy' was found, disliked Qaddafi's proposal, thus creating a stalemate.¹⁹ The stalemate was a direct consequence of Qaddafi's attempt to shift the blame for economic problems to the *nomenklatura*. However, the matter was much more complex than Qaddafi's simple lack of willingness to take on the responsibility for his own policies. The success of economic reforms, as well as the success of political reforms, remained tied to a deep revision of the role of the state, not to its dismantling. The purpose of giving life to a true local economy with a direct redistribution of the rent and the elimination of bureaucratic

¹⁸ D. Vandewalle, *Libya since Independence: Oil and State-building*, London, Cornell University Press, 1998, p. 7.

¹⁹ R.B. St John, *The slow pace of reform clouds the Libyan succession*, 45/2010, Real Instituto Elcano, Madrid 2010.

apparatus appeared naïve and demagogic. Markets, as demonstrated by the Libyan case and as underlined by Vandewalle, cannot exist in an administrative, social and institutional vacuum.²⁰

From a long term perspective, the economic reform launched in Libya appeared compulsory; even following the fall of Qaddafi's regime it remains one of the most pressing challenges in the country. The most important objective is to free the Libyan state from the volatility of crude oil prices. The liberalization, a merely economic one, left the state structures unchanged.²¹ The success of economic reforms would have required the simultaneous reconstruction of state institutions, which Qaddafi opposed, because of the risks of social mobilization which would have brought chaos to the country, thus endangering the stability of the regime. This was the reason behind the withdrawal of the reform.

It is highly likely that in the future this particular version of the social agreement will arise again: with no need to impose taxation on its citizens, the government has returned to a policy of dispensation of money and welfare services. At the end of February 2012 the NTC, in order to celebrate the anniversary of the revolution, had passed a law granting

²⁰ D. Vandewalle, *op. cit.*, pp. 191-194.

²¹ L. Martínez, *The Libyan Paradox*, New York, Columbia University Press, 2007, p. 131.

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2000 dinars (about 1250 euros) to Libyan families (with an addition of 200 dinars for any other unmarried member of the family).²² Immediately after that, another law had been passed, granting up till 4000 dinars to any revolutionary (*tuwwar*) who had taken part in the fight against Qaddafi. Finally, in October 2012, the new National Congress granted 1000 dinars to Libyan families in order to celebrate the *Eid al-Adha*.²³

The rent distribution could limit *free riding* attitudes by the stakeholders of the complicated Libyan political-military landscape. Oil and energy infrastructures have rarely been attacked by militias: this shows the widespread sensitivity about Libya's dependence on a functioning oil system, which is essential for a future of prosperity.

²² Law n. 10, 2012, National Transition Council.

²³ *Libya Herald*, 11 October 2012

From a political point of view, Libya, notwithstanding Qaddafi's fall and the electoral experiment, could remain an 'allocative or distributive' state, thus endangering the democratization process. The reference models are the Gulf monarchies. Following the request to signal some countries as reference models for Libya's future, the results of the first free survey (realized by Oxford University and Benghazi University in the spring of 2012) are United Arab Emirates (21,8%) and Qatar (8,6%). Libyan citizens seem to prefer 'strong leadership' rather than a Western-style political system, or a technocratic government. These elements do not leave much room for optimism about Libya's possible democratic future. In fact, democracy is not made only of elections; instead, a certain familiarity with democratic institutions is needed, as well as some *check and balances* aimed at creating a balance between state branches and empowering citizens to influence the government.

A large proportion of Libya's ruling class, educated in international universities and societies, is widely aware of this problem: Libya needs technology and know-how in order to move beyond a *rentier* economy. Mahmud Jibril, for example, was the head of the Committee for economic development from 2007 to 2011, thus under Qaddafi's regime, called in that role exactly by Saif al-Islam in his (failed) reformist attempt. Thus, Jibril is aware of the difficulties in

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reducing state dependence on rents, differentiating the economy, privatizing, favoring the development of private sector, simplifying bureaucracy and cutting the number of state employees. These elements are essential in order to limit the patronage power of the central authority on the citizen and to give a new hope to the democratization process.

Since 2006, the regime has been looking for a route to economic modernization, with the help of well-known Western consultants, including Michael Porter from Harvard University and Daniel Yergin, Winner of the Pulitzer Prize and energy expert from Cambridge Energy Research, and through the launch of a National Economic Strategy supported by the International Monetary Fund. One of the greatest impediments to the development of the economic reform in those years was the shift from a 5% tax on personal income to a 20% tax: higher taxes would have entailed more rights for citizens. It is highly likely that the new Libyan ruling class, supported by international institutions, will have to face this challenge again.

Libya's alignment to rentier state typology must be evaluated in the context of the broader Middle Eastern picture, where the trend for produc-

ing countries is to have a constant increase in oil prices, enabling them to maintain a high level of public spending, in order to calm social tensions. The decisions taken by the new Libyan government on the budget seem to follow this trend: the 2012 and 2013 budgets starts from an evaluation of oil price close to 100 USD a barrel.²⁴

Conclusions

Libya is now going through a difficult phase of *nation building*, not only *state building*, which means that there is a real risk of a prolonged period of instability. In fact, the first principle of a peaceful and democratic transition is the establishment of security conditions permitting the maintaining of peace and territorial integrity, coming from the monopoly of the use of force by the state, which is a basic condition yet to be satisfied. A number of disruptive or centrifugal factors seem to represent a range of very complex challenges— terrorism, localisms, regionalisms and the role of militias which have taken part in the fight against the regime – while there seem to be no other influences able to lead the country towards stability and democracy.

At the moment, there seems to be no solution to the Libyan trilemma. Libya is probably doomed to remain a hybrid state for some years to come. The strongest characteristic among the three taken into consider-

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ation above is the *rentier state* one. Moreover, this characteristic seems likely to endure for the near future, thus raising serious questions about concrete possibilities for Libya's democratization.

It is precisely the democratic elements, notwithstanding the success of July 2012 elections, which appear to be the most fragile in Libya's reconstruction process; in fact, they are endangered not only by the restrictions implicitly imposed by the rentier economy, but also by the explicit ones posed by Islamist political forces.

In this field, in Libya - as in a sizeable part of the Arab world - Islam will probably lead to a scramble for political representation, as the only solid reference point for a new power structure. Notwithstanding, it is very hard to formulate a credible hypothesis about the possible evolution of this kind of structure, or about the possible result of the competition between different forms of Islam.

Considering the latest developments in the area, there seems to be a clear juxtaposition between the 'republican', or constitutionalist, vision of Is-

²⁴ MEES (Middle East Economic Survey), vol. 55, n. 13, 26 March 2012.

lam – which is the vision of the Muslim brotherhood – and the ‘jihadist’ vision, which is held by some Salafist groups and terrorist organizations such as al-Qaeda. The first vision conveys the existence of a possible mediation between the divine imperatives and the actual need to put it into practice, mainly by means of Islamic precepts such as ‘justice’ or ‘consultation’. The second vision, according to leading scholars, seems to suffer from the lack of an alternative political project. This is characteristic of many Islamist groups who have chosen the armed struggle. ‘Jihadist’ terrorism reintroduces *fitna* into Islam, by pitting Muslims against one another (i.e. Salafism vs. Sufism). At the moment, the possible medium-long term scenarios are influenced by the relationship between these two visions of Islam in the domestic Libyan landscape. The jihadist vision seems to be the minority one in Libya, but considering the weakness of the country’s institutions, it could still represent a real threat to stability.

Beyond political and social matters, the success of Islamic parties in the area has been determined by anthropological and identity factors. The missed victory of the Muslim brotherhood in Libya must not be perceived as the triumph of Western structures of thought, which are limited to a restricted elite that has been trained abroad. Rather, it must be charged on the weakness of the Brotherhood as political organization

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and on the localized fragmentation of representation.

As emphasized by some academics, it is necessary to highlight how the processes of change brought about by the Arab Spring, which brought Islamist parties to power, leave some room for revision, specification and updating of Islamic political thought, which will have to answer the challenges of managing a modern state.²⁵ Once again, the confrontation between Islam-religious state and secularism-secular state looms, in the place of a concerted effort to identify mediation or a middle way for these processes.

In conclusion, the future of the country will be shaped not only by the three factors examined above (Islam, democracy and the rentier state), but also by other factors, such as the influence of external actors, which have had a crucial role in the fall of Qaddafi’s regime. In the last year we have witnessed an attempt at planned intervention, with the objective of supporting the political agenda of the

²⁵ Cfr. Massimo Campanini, *L’alternativa islamica. Aperture e chiusure del radicalismo*, Milano, Bruno Mondadori, 2012.

democratic elected government. Notwithstanding, there is a serious risk that the international community as well as single regional powers could act independently, trying to favor one Libyan faction over another, while pursuing their own political agendas. Such approaches could have tragic consequences for the territory, as well as create great difficulties for the Libyan government. In fact, it would strengthen, rather than weaken, the territorial and ideological divisions, thus delaying the reconciliation of the three elements presented above.