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TOWARDS A BETTER MANAGEMENT
OF THE LIBYAN CRISIS

Concept Note

A STUDY LED BY
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Foreword

The fast political and military developments in Libya are more likely to result in enormous impacts on all Libya's neighboring countries, more particularly on Tunisia. These developments include basically the following:

The possibility of achieving a political resolution of the crisis over the enforcement of other possible scenarios.

The likelihood of a foreign military intervention to support the new government in its critical military confrontation with terrorist groups, such as ISIS.

With these imminent and critical developments, Tunisia does not seem to have a clear vision and integrated strategy to meet the challenges ahead and to profit from the opportunities that they can offer. Similarly, there is no such specialized body to monitor the situation in Libya closely and to suggest appropriate policies.

This concept note comes to suggest a method on how to meet these challenges, in line with the principles and guidelines that were highlighted in the previous note on foreign policy[1].

This note suggests that there is need for an integrated approach that takes into account Tunisia's strategies interests that stem from building a unified Libyan state, when getting ready to the repercussions of a foreign military intervention in Libya. It is argued in this note that Libya is likely to experience one of two scenarios: (a) a fast political solution or (b) a state of total collapse and chaos. It is, therefore, called upon Tunisian officials to work on the political and diplomatic channels to achieve that political solution for its strategic significance for Tunisia.

After reviewing the principles of Tunisia's foreign policy, the note suggests an array of policies and recommendations on how best to deal with the Libyan crisis.

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[1] See Joussour website (www.joussour.org) "Towards a Closer Relationship Between Foreign Policy and National Priorities".

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1) The likelihood of a political solution with the high possibility of a military intervention by western powers in Libya

a) Provisions of the political solution

The document of the agreement signed in Skhirat is taken as a reference for the political solution in Libya. It stipulates that the principles of the revolution shall be observed, as described in the preamble of the constitutional declaration. The document provides the principles of justice, equality and the human rights as well as the need to create a state under the rule of law bolstered by appropriate institutions. It also requires authorities to remain careful to preserve the national unity and the territorial integrity of Libya, its sovereignty and independence. The state shall exercise full and absolute control over its borders, the rejection of any form of foreign interference in the Libyan domestic affairs.

Provisions of the Libyan political agreement

The final version of the Libyan agreement in Skhirat Morocco on 16 December 2015

1 **The establishment of National Presidency Council**
Chaired by the prime minister with the membership of the five deputy prime ministers and three ministers representing all the belligerent factions.

2 **Formation of a government of national accord**
Whose headquarters shall be in Tripoli, its term shall be one year and its members shall be technocrats.

3 The government of national accord shall commit itself to establish a joint committee comprising the House of Representatives, State Council, Government of National Accord and National Defense and Security Council to agree on a draft law to specify the competencies of the supreme commander of the Libyan Army.

4 **The competencies of the House of Representatives (Tobruk Parliament)**
The House of Representatives shall undertake the legislation authority for the transitional period, adopting the general budget performing oversight over the executive authority and endorsing the public policy submitted by the government.

5 **The establishment of the State Council**
The state council shall be the highest consultative assembly of the state, it shall comprise one hundred and twenty (120) members most of them are members of the General National Congress in Tripoli. The State Council shall express binding opinion to the government with the majority decided by its rules of procedures before submission to the House of Representatives

6 **The establishment of supreme council for local administration**
A Reconstruction Commission, Constitution Drafting Assembly, and a National Defense and Security Council.

7 **The disarmament of the current military units and formations, from which new elements shall be recruited to enhance the capabilities of the unified Libyan Army.**

These provisions can be summarized in the following points:

- **Consensus-based executive authorities**: a government of national accord and a national presidency council
- **A unified legislation assembly**: the house of representative of Tobruk

- **The state monopolizing the sources of power** (disarmament process – legalizing the competencies of the supreme commander of the Libyan Army)
- The term of the government shall be one year, but can be renewed.

b) Reasons for the political solution

An increasing threat to Libya's neighboring countries by ISIS

The human and physical backup that ISIS has received from the Syrian and Iraqi fronts and the possibility of cooperating with other African terrorist group such as Boko Haram might turn Libya into **a new recruitment hub for fighters** and a new ground to wage terrorist attacks on Maghreb countries and southern European countries…
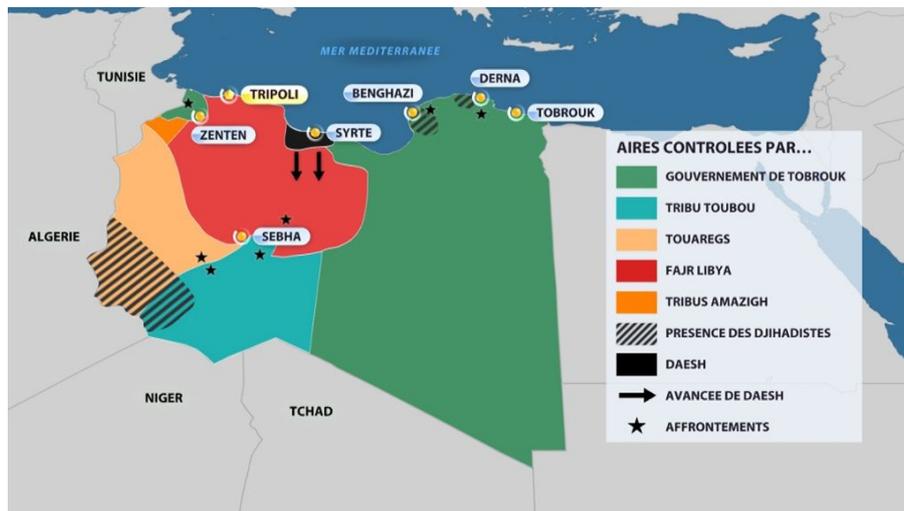
Source : Quelles sont les forces en présence en Libye – RT (4 janvier 2016)

The threat of ISIS to control oil sources

ISIS is more likely to control the sources of oil in Sirte and Ajdabiya amid a state of power division between Tripoli and Tobruk, which results, in turn, in the division of the security and military institutions, which are subjected to an international embargo on the import of arms and munition.

Increasing pressure by the EU

There is an increasing pressure from the EU towards a political solution due to the flows of illegal migration to Europe from Africa through Libya. Terrorist groups and smuggling gangs have control over migrant roots in South Libya which is a soft area that continues to spiral out of the state control and over Sirte seaport.
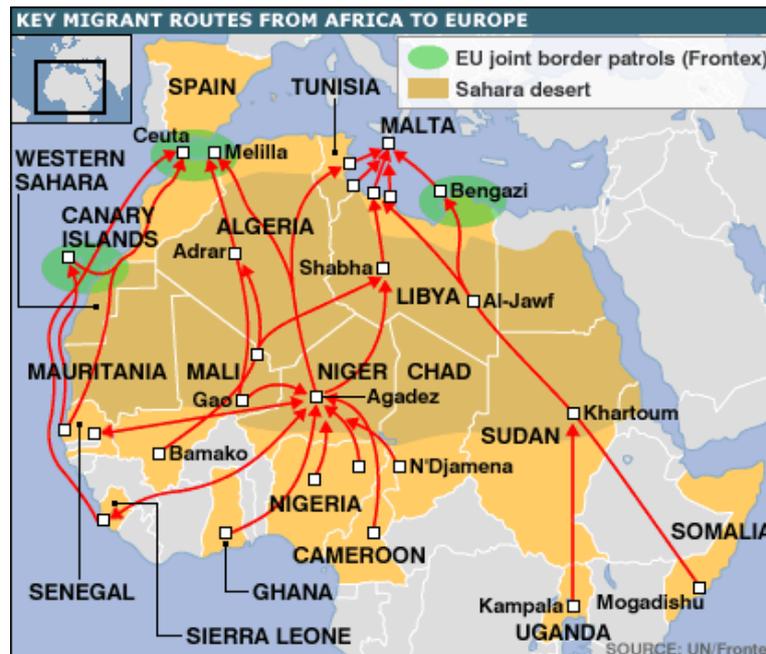
Source : www.assemblee-nationale.fr

The military intervention by western powers to fight ISIS

It seems that a number of western states are ready for aerial bombardment and prepared to send ground troops to Libya to protect the legitimate state facilities there. These states include Italy, France, UK, and USA .But such intervention requires a unified legitimate authority in place that would request that international military support. This condition is an additional source of pressure on the various Libyan factions.

Protests of citizens over the degradation of basic services.

Citizens have expressed their dissatisfaction, either directly or indirectly in their tribal gatherings, with the growing social problems. They have particularly expressed their concern about the poor delivery of basic services, such as power and water services, as well as about the continuous conflicts between regions and militia groups.

Looming risks of bankruptcy by 2018

The state is more likely to be bankrupt by 2018 **if oil production continuous to decline, or to be exported by non-state groups**, who are having control over oil facilities. In addition, **the continuous decrease of oil prices** is likely **to turn the budgetary deficits into a structural deficit**, due to the lack of economic reforms that would reduce the full reliance on oil. The Central Bank savings have declined too. So the Bank is unable to address that deficit for more than two years, knowing that the amount of salaries dispersed annually from the budget amount to around 25 billion dollars.

In addition, it is **difficult to use the sovereign funds**, whose value amount to 100 billion dollars. Similarly, the stolen assets cannot be recovered without strong and legitimate state institutions.

c) Undefined military intervention in terms of nature, intensity and time

There is no clear political decision by western states to intervene militarily in Libya despite the fact that a great deal of information and statements which have been shared on the news, are confirming this option. They even went a step further to confirm the fact that operational preparations have already taken place.

Still, the situation is open to **all possible scenarios of intervention in terms of nature, intensity and time.**

d) Direct repercussions on Tunisia of the intervention in Libya: Readiness without dismay

Regardless of the nature of the intervention, it will have direct repercussions on the security, economic, social, and political situation in Tunisia. Tunisia needs to be well prepared for such intervention to reduce its risks and benefit from its available opportunities.

Readiness requires a careful monitoring of the threats and opportunities, without exaggeration or dismay.

e) Readiness needs to be included in an integrated approach

A national vision needs to be put forward by Tunisian authorities to deal with the foreign intervention in Libya and to face its repercussions. Such visions should aim to protect Tunisia's strategic interests through the building of a strong Libyan state.

2) Backing the political solution is a key strategic decision for Tunisia to deal with the Libyan crisis

a) A unified Libyan state is Tunisia's strategic interest

An inclusive civil state in Libya is key to the protection of the strategic interests of Tunisia, a state that does not exclude any party and respects the principles underpinning civil and democratic states.

A healthy and a good relation between Libya and Tunisia cannot be made without a **strong unified Libyan state**. Through such a state Tunisia can aspire to defend its economic and social interests and fight terrorism.

b) The three major interrelated challenges in Libya from a Tunisian prospective

These challenges include the following:

- **A political challenge: building a unified Libyan state**

- **An economic challenge: prevent the collapse of the economy**

    The economic situation in Libya shows the following figures:

- More than 40% decline in oil production
- The budgetary deficit amounted to 55% of the gross domestic product
- A deficit in the trade balances amounted to 70% of the gross domestic product
- A decline in foreign currency reserves from 100 billion dollars in 2013 to 50 billion dollars in 2015.

Source: The Economic Outlook for the Middle East and North Africa –5 October 2015- (World Bank)

Due to the lack of structural reforms in Libya and the poor diversification of economy, and due to the continuous decrease of oil prices, the budgetary deficit is more likely to turn into a structural deficit.

- A three-dimensional security challenge:
  - How to **win ISIS**
  - How to prevent a **foreign military intervention** or at least to reduce its impacts
  - How to **disarm the various militia groups and belligerent factions** so that force and weapons will be in the hands of the state solely.

These three challenges are interrelated.

c) Libya is facing two scenarios: either a fast political solution or a state of total collapse and chaos
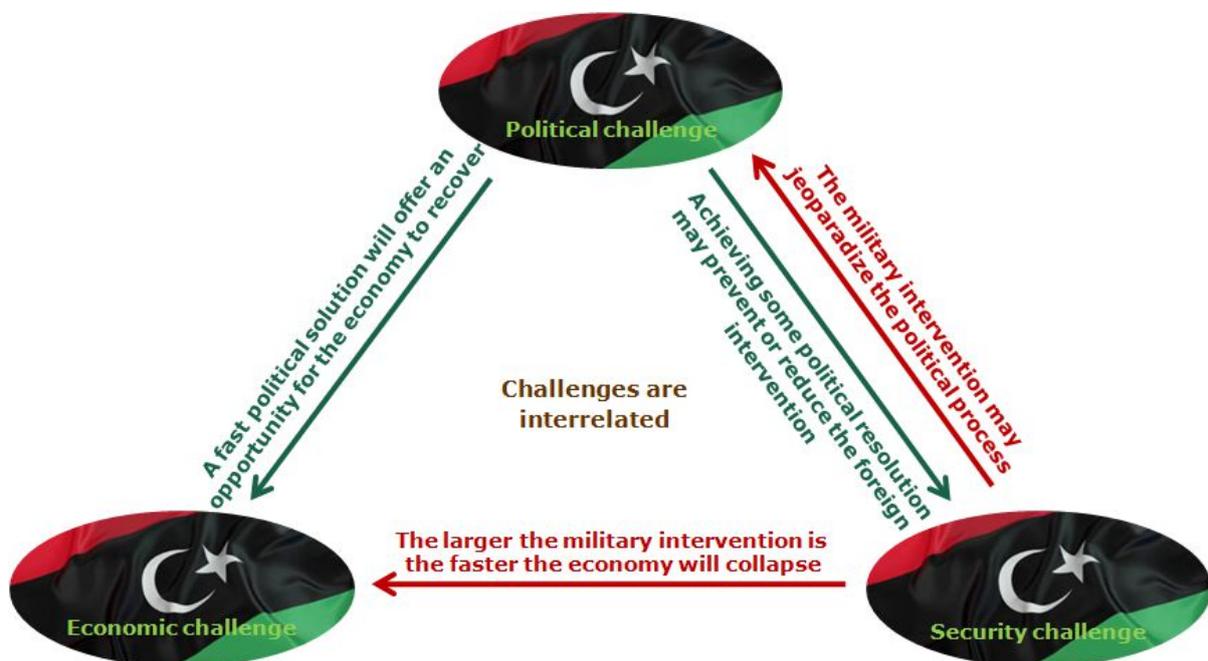
The interrelation between these challenges means that the collapse at one of the above three components will almost certainly lead to the total collapse of the state as a whole

A fast political solution will:

- Make the arguments for a military intervention weaker and will help prevent it or reduce its impact.
- Offer opportunities for the economy to recover, especially if oil production regains its normal level.
- Unify national efforts to fight ISIS

On the other hand, a problem in the political process and a military intervention will:

- Lead to a faster collapse of the economy
- Offer a more favorable ground for terrorism expansion
- Lead to the total collapse of the state and Libya will more likely to face dangerous scenarios such as the scenario of chaos, division, and the conflict getting bogged down.

The situation in Libya is heading to either a fast political solution or a state of total collapse and chaos.

d) Possible repercussions on Tunisia of each scenario

First scenario: Starting and continuing political solution

Such scenario will impact positively the security situation:

- The establishment of a unified official authority that would coordinate efforts against ISIS.
- Introducing tight border control, preventing smuggling and legal border crossings from Tunisia, as some Tunisian young people might cross the border on the pretext of fighting the foreign intervention in Libya.

The fast political solution has also positive impact on the economic and social factors, which include basically the following:

- New trade, investment and employment opportunities will be opened up in the food medicine and constructions industries, especially with the new powers that will be granted to local administrations
- New prospects will be opened up again for Tunisian skills workers in various sectors, such as tourism and health.
- Libya will need to diversify its economy to address the continuous decrease of oil resources
- The possibility to use the assets owned by the Libyan community in Tunisia to **fund or initiate investments in Tunisia**, provided that laws become more flexible.

The need to **address quickly the following problems**:

- **The harsh competition** for Tunisian exports to Libya from other countries
- **Other regional powers have a more favorable position than Tunisia** in Libya. These include Egypt, Morocco, Turkey and the EU.
- The Tunisian interests in Libya have been impacted negatively due to the hesitant responses of Tunisian authorities to the Libyan crisis over the past years.

Second scenario: More collapse and chaos

This scenario has so many repercussions which can be summarized in the following threats:

Security threats	- The possibility of **targeting foreign facilities** in Tunisia such as embassies and foreign companies by **dormant cells** - Some fighters will try to escape the war in Libya and cross the border to Tunisia illegally during serious battles - Higher possibilities of weapon smuggling to Tunisia - Increasing threat of terrorism and organized crime
Economic and social threats	- Increasing smuggling and illegal competition - Decline of bilateral trade returns and investment opportunities in Libya - **The collapse of value of the Libyan dinar** which will impact negatively the investment in Libya as well as the Libyan capital in Tunisia - **The increase of an employment** trade and **aggravation of the social situation** in Tunisia, and more particularly in the border regions with Libya - New challenges and costs due to incoming refugees from Libya - **decline of the purchasing power of the Libyan** nationals residing in Tunisia as they won't be able to receive their salaries from the Libyan state
Political threats	- Protests over civilian casualties in Libya - More political **polarization in Tunisia which** might lead to a climate of tension in the political landscape.

Still, there are some opportunities that this situation may generate, such as:

- The possibility to get **more logistic and intelligence support** and meet the urgent needs
- Libyan businessmen are more likely to be offered **settlement in Tunisia** if laws can become more flexible

e) Using diplomatic and political channels to achieve a political solution is Tunisia's best strategy

Libya, and Algeria, remain key partners in serving Tunisia's national priorities at various security and economic levels. **The building of a civil Libya's state** is key to the improvement of relations with this brotherly country and to defend common interests for both countries and peoples.

The building of close **relations with Libya requires a clear strategy and updated policies**.

3) Obstacles facing the political solution

There are enormous obstacles facing the political process, the most serious of which is the **powerful and foreign agendas that are against the political and inclusive solutions**. Other obstacles pertain to the essence of the political solution on the way how it will be implemented on the ground.

a) Objection in principle of the political solutions: the counter agendas

Terrorism and chaos

The interests of the groups of terrorism, smuggling, and organized crime do converge as they work to **destroy any political process**, which can lead to a stronger **central state and more effective security services**. These groups profit from the tribal and regional division and even attempt to fuel them.

The non-inclusive option

Some **influential regional powers back the non-inclusive option**. They wish to exclude one or more parties from the Libyan political landscape, such as the Islamists. They refuse to make a clear distinction between those who wish to engage in the political and civil process and those who deny it.

b) Complexities related to the essence of the political solutions

### A political and social divisions hamper consensus

The reservation expressed on the essence of the political agreement concern basically the following issues:

- The composition of the government and the **representation of regions**
- **Absolute powers to the Libyan army** to **protect the state facilities** and the inclusion of militia groups in the **transitional period**
- Appointing **Khalifa Haftar** as the General Commander of **the Army**

Inclusiveness is a necessity but it is very complex

Inclusiveness requires **the engagement of more forces and factions in the political agreement** with additional **saveguards and compromises**.

The inclusive solution may impact negatively **the essence of the political agreement** due to the **tribal and regional considerations** it is based on.
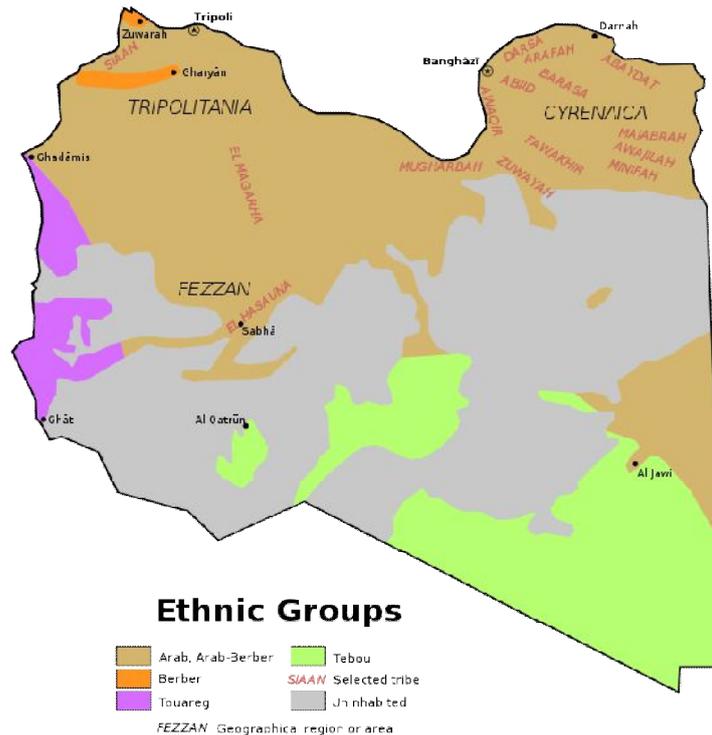
Source : www.wikipedia.org (Libya)

Extremist views by the institution of the Assembly of Islamic Legal Opinion (*Dar Al Ifta*)

The chairman of this Assembly Mr **Sadek AL Ghariani** is a well respected figure among the Libyans however he has **extravagant and extreme views** about the political process, which is **another obstacle** for such a process.

c) Complexities related to the implementation of the political solutions

Challenges in the building of security institutions

The building of security and military institutions will be facing a number of serious challenges including:

- How to recruit the fighters of the various belligerent factions in security and military institutions and **how to make them loyal to the newly-born state**.
- Obstacles in the training and armament of these institutions **to be able to face a non-conventional enemy,** that is the terrorist groups

The obstacle in achieving a consensus on the political role of tribes, political Parties and public institution

The turmoil Libya has experienced over the previous transitional periods is due to some rivalry between tribes, political parties and public institutions on the legitimacy of each party to do politics. This has weakened the elected institutions and state facilities. The tribes have gained a much more significant political weight thanks to their armed groups. On the other hand, there is a clear division in public institutions and absence of any effective role by political parties.

One of the main challenges is the way how to implement a political agreement through a consensus on the political role of each of the above three parties.

Urgent economic and social challenges

These challenges concern basically **the sectors of food, healthcare, reconstruction and the return of refugees**.

These challenges have an enormous impact on the living standards of Libyans, which have been aggravated over years of conflicts and division and are likely to hamper **the political process**.

National reconciliation and restoring public trust

This is a major **challenge for the political process**. It requires new **agreements and compromises** in order to overcome **the wounds of the past** (before and after the revolution), and restoring **the trust hat has been broken** between the citizens of the same nation.

Foreign military intervention

Such intervention will be at the request of the new government of national accord in its attempt to fight terrorist groups, especially ISIS.

That foreign intervention **might help all terrorist groups and the opponents of the political agreement to join their efforts** together on the pretext of defending national sovereignty and denouncing "foreign aggression" especially western aggression, if the political process fails **to include parties and regions on a large-scale**.

d) Conclusions on the complexities of the political solutions

Political agreement faces an objection in principle from local and regional powers that can jeopardize its outcome. In addition, enormous obstacles will face it when drafting or implementing it. Therefore, **building new state institutions in Libya will be complicated and full of pitfalls and may take much longer time than expected**. This requires us **to monitor the developments of this process closely** in order to **anticipate the repercussions and threats and benefit from the opportunities** they can offer to serve the interest of Tunisia.

4) The management of the Libyan crisis: principles, policies and recommendations

a) Principles

It is worth recalling the principles of the Tunisian foreign policy[2]:

- **Compliance with international legitimacy** and respects of decisions and requirements made by the international communities
- **Non-interference in the domestic affairs in other states and the establishment of relations based on mutual respect**

b) Policies

The development of clear policy for better bilateral relations

Such strategy should take Libya and Algeria as **key partners in serving the national interests** of Tunisia. Both can contribute greatly **to mitigating the various economic, social and security challenges**.

Backing an inclusive state in Libya

The **building of an inclusive civil state in Libya** is a critical step in promoting bilateral relations with this brotherly country and the serving of common interests of both peoples. The contribution of all forces and groups subscribing to the civil and democratic state is a prerequisite for achieving stability and reconciliation in Libya.

No foreign intervention in Libya

The recent experiences (in Libya 2011, Iraq and Yemen) have shown **how disastrous foreign intervention might be**. It provides **a favorable climate for terrorist groups to recruit** more fighters and **destabilizes the neighboring countries**.

Better coordination and cooperation in anti- terrorism and anti-smuggling and border controlling activities

The need for economic reforms and diversification of products

The continuous decline of oil prices require that Libya, and all other oil producing countries, **initiate large-scale reforms** and **adopt an new economic model based on diversification**. These reforms open up **new opportunities for the Tunisian economy** to contribute to this process which is beneficial for both countries. However such contribution requires action plans and proposals to be developed, related industries to be upgraded and more efforts to be made to serve national interests.

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[2] As highlighted in the concept note by Joussour center "Towards a Closer Relationship Between Foreign Policy and National Priorities" on website (www.joussour.org).

Total coordination with Algeria and other stakeholders in the Libyan crisis

Such coordination is a **critical action for the stability of Libya** and the interest of all the neighboring countries (Algeria, Egypt, Morocco, Chad, Niger, etc.). It is significant in the sense that it would **reduce regional and international interference**. Foreign powers have agendas that do not serve our national interests.

c) Recommendations

Anticipating impacts, a number of actions need to be taken

There are an array of actions to be taken in anticipation of two scenarios and their consequences:

1.   The starting and continuing political solution scenario

   - The urgent needs of the Libyan market: they should be identified in terms of quality and quantity (food, healthcare, reconstruction, education…). These industries and related sectors need to be upgraded to meet those needs. Local production has to take into account these needs in the planning phase, and so is the case with the government subsidies of these industries. Still, the local balances should not be impacted
   - **The economic reforms and diversification of products in Libya**: how to impact positively that reform, get ready for it through investment, partnerships and provisions of skilled and unskilled workers)
   - **Foreign fighters returning** to the region: this is an urgent issue that requires an integrated approach on how to deal with these fighters through appropriate security and judicial measures.

2.   The more collapse and chaos scenario

   - To enhance **domestic security** to prevent terrorist attacks
   - Introduce tighter **border control**
   - To manage effectively **the refugee crisis**
   - To improve the **social situation** of the communities **in the border regions** with Libya
   - The drafting of **a consensus-based national strategy** on the situation in Libya that stems from the national principles of foreign policies and that takes into account the agreed upon actions to meet the national challenges

Devising a communication plan and respect of the some rules in media coverage
   - **To enhance communication** with the Tunisian public through **a communication plan on the national approach to the Libyan crisis**
   - To abide by **a number of rules in media coverage** and show **respect to the Libyan people**, taking into account the exceptional crisis Libyans are experiencing. Such rules will prevent the strategic relations to get worse between the two peoples and countries.

Proposing new structures to follow the Libyan crisis

Which include the following:

- Establishing **a vigilant unit** for Libya, which is tasked with:
  - **Monitoring and analyzing** the developments of the Libyan crisis closely and on a daily basis, and **identifying and addressing the threats and opportunities**.
  - **Detecting early weak signals** before they can turn into real threats
  - **Updating the threat indicators on a weekly basis**, analyzing the likelihood of threats to happen and drawing the line that requires **the enforcement of the plans, which were prepared in advance**.
- Forming **a narrow consultative committee** for Libya under the umbrella of the Presidency of the Republic
  - Composition: the committee should be composed of **a limited number of experts** who can give advice on the Libyan crisis
  - Missions: the committee should give **advice and support to the President of the Republic**