



Libya's Revolution Revisited

Author(s): Dirk Vandewalle

Source: *MERIP Middle East Report*, No. 143, Nuclear Shadow over the Middle East (Nov. - Dec., 1986), pp. 30-35+43

Published by: [Middle East Research and Information Project](#)

Stable URL: <http://www.jstor.org/stable/3012013>

Accessed: 04/05/2011 13:02

Your use of the JSTOR archive indicates your acceptance of JSTOR's Terms and Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>. JSTOR's Terms and Conditions of Use provides, in part, that unless you have obtained prior permission, you may not download an entire issue of a journal or multiple copies of articles, and you may use content in the JSTOR archive only for your personal, non-commercial use.

Please contact the publisher regarding any further use of this work. Publisher contact information may be obtained at <http://www.jstor.org/action/showPublisher?publisherCode=merip>.

Each copy of any part of a JSTOR transmission must contain the same copyright notice that appears on the screen or printed page of such transmission.

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



Middle East Research and Information Project is collaborating with JSTOR to digitize, preserve and extend access to *MERIP Middle East Report*.

<http://www.jstor.org>

Libya's Revolution Revisited

Dirk Vandewalle

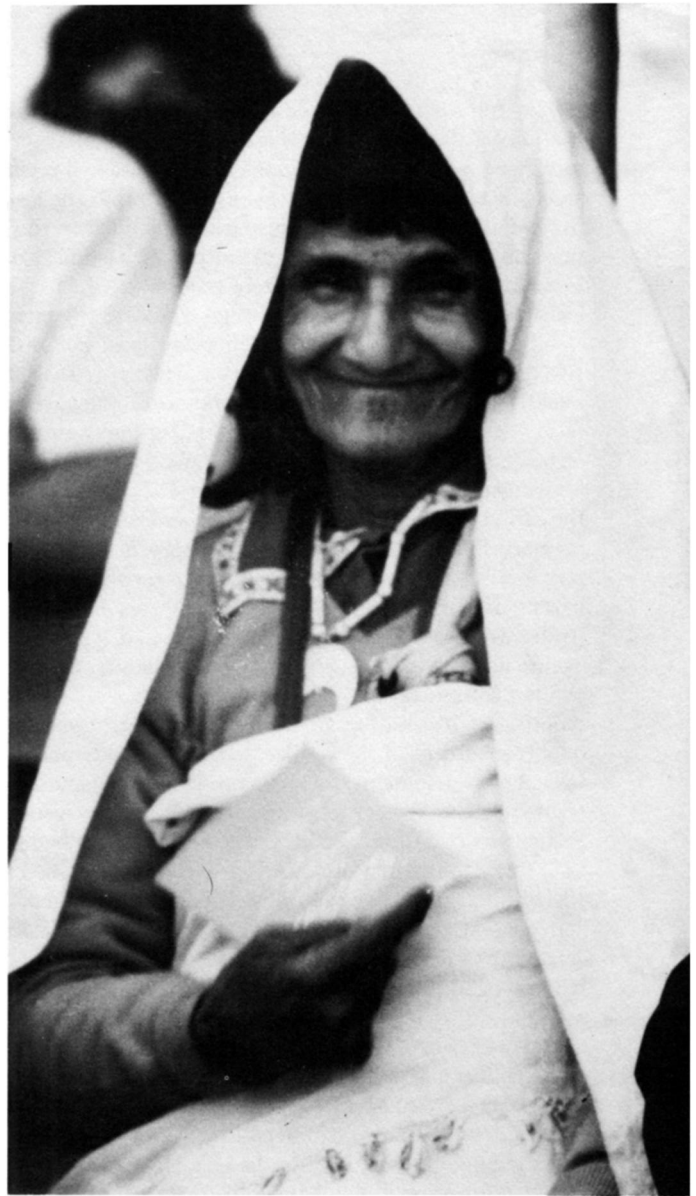
When the United States sent its warplanes to bomb Libya last spring, a first and then a second invasion of Western journalists descended upon the country. With the media in box seats, the scenario conjured up visions of the 1830 French invasion of Algiers, when well-heeled citizens of the Republic hired luxury liners to observe the military proceedings first hand.

This spur of attention, though, has added little to our knowledge of this country. Until the exploitation of its oil began in the 1960s, Libya subsisted in part on rent paid for British and American bases in the country. In the early 1970s, it played a leading role in wrestling pricing controls from the hands of the multinational oil companies, following the 1969 coup that brought Colonel Mu'ammur Qaddafi to power. Thus the socioeconomic upheaval that has marked Libya's contemporary history began little more than a decade ago. As Ruth First argued in 1974, contemporary Libya carries a double burden of development: nation-statehood and interaction with the international economy are both quite new experiences for Libya, and the combined pressures have produced some remarkable results.¹

Rentier State

The term rentier state incorporates two dimensions: one economic (rent), the other political (state).² It refers to countries whose governments receive a large share of their economic revenues from taxes and royalties levied on external persons or corporate bodies.³

In productive economies, the state procures revenues mostly by taxing its citizens, goods, and services. Rules and procedures ensure tax collection and a bureaucracy administers the system. A minimal, even grudging consensus concerning the degree of taxation is essential.⁴ Rentier economies avoid this interaction and compromise. They need a few professionals to negotiate the size of the rents with the purchasers-producers, but the international companies producing the rents also effectively collect revenues for the local governments. There is little concern for production-oriented behavior. The state's main task is to allocate the available resources. The nature of rentier economies thus discourages



Libyan woman.

Lynne Barbee

the creation of a strong state or the involvement of its citizenry. But it can facilitate a large security apparatus with "autonomy" from local classes.

In Libya, we can easily delineate both the economic and political dimensions of the rentier state. These features become more pronounced as "development" takes place. Economically, Libya moved from rags to riches during the 1960s. Its economic growth rate throughout the decade was in excess of 20 percent, the highest in the world. Both the rapid oil exploitation rate and the revenues expanded at a breakneck pace.

After only nine years of production, under extremely tough conditions, Libya became the third largest Middle East producer of oil. In 1960, agriculture still contributed 25 percent of total income; by 1969, it was less than 5 percent. A burgeoning tertiary sector emerged, catering to the needs of the oil industry and import sector. The government became the biggest employer, providing jobs for 40,000 out of an active population of 165,000 in 1968. Domestic production outside the oil sector levelled off or declined, as the few qualified managers steadily shifted toward the more lucrative tertiary sector. Land use, stagnant since the

Italian invasion in 1911, deteriorated further with the steady migration toward the coastal strip. Between 1962 and 1967, Libya's food import bill increased almost threefold.

Libya had been created as a ward of the United Nations.⁵ Its monarch, Idris al-Sanussi, heir to a religious movement that had once led the battle against the Italian colonialists, represented a lowest common political denominator. His selection was, in many ways, a political compromise antithetical to the needs of a modern state. The country was ruled from two capitals, Tripoli and Benghazi, and had three provincial governments. It was only in 1963 that Libya became a truly unitary state, at least in the constitutional sense.

Despite this new institutional garb, however, the political system remained traditional. Few of the political participants expected the new kingdom to survive. Even al-Sanussi himself repeatedly confided his wish for an independent Cyrenaica (the original Sanusiyya stronghold) to the American ambassador.⁶ As Ruth First remarked, "Libya, unlike its Maghreb neighbors, had achieved independence not because of, but despite the absence of any strong nationalist movement." Politics in Libya, in the absence of a strong state, "became the assertion of family, factional, tribal, and parochial interests."⁷ Only access to the royal *divan* or to Idris himself secured political support; withdrawal of access usually meant the end of one's political career, as almost a dozen prime ministers learned first-hand.

Libya did acquire a significant infrastructure for (oil) development. Its oil legislation, in retrospect, ranked as the most progressive in the Middle East. But this only served, by 1969, to make Libya a true rentier economy. For the majority of Libyans, the state's only significance was its role as the purveyor of increasingly handsome economic rewards. Idris himself had become a relic of the past, increasingly withdrawn from political life. His government showed no capacity to control development. In the vacuum, the Royal Libyan Army emerged as the only group exhibiting any noticeable degree of bureaucratic professionalism.

In the tumultuous 1960s, marked by Arab nationalist euphoria, the issue of self-determination and eradication of corruption went hand in hand. Among those particularly affected were the students and the officers of the Royal Libyan Army, who saw in the British and United States military bases a collusion between the monarchy and Western imperialism. It was, in the end, the military which acted despite Idris' attempt to protect himself by promoting an isolated elite Eastern Force as his own military power base. On September 1, 1969, a group of "Free Officers" ousted the monarchy in a bloodless coup.

Era of Plenty

The obstacles facing Colonel Mu'ammarr Qaddafi and the Revolutionary Command Council (RCC) were daunting. Oil sector activities were in the hands of an entrepreneurial class whose preeminent concern was to maintain access to the rent circuit. An essentially apolitical mass public and a deeply conservative rural elite completed the picture. Qaddafi put off any move to take control of the country's economy, and set out no systematic guidelines until the 1973-75 Three-Year Economic and Social Development Plan.⁸ Instead, the RCC contracted into a purely military institution and began to mobilize political forces against the traditional bureaucratic structures of the monarchy.

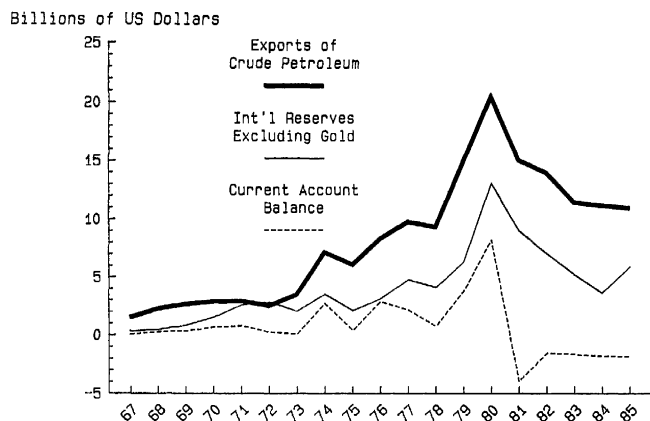
The creation of the Popular Congress system and the Arab Socialist Union (ASU) as a vanguard party hinted at the influence Gamal 'Abd al-Nasir's philosophy had exerted on the young Libyan leader. By the end of 1973 the ASU experiment was for all practical purposes abandoned. It foundered on differences within the RCC over what its precise role and function should be. Qaddafi in 1973 launched his "Popular Revolution" against those RCC members who favored putting the party under its control and who opposed internal activist measures as wasteful to the Libyan economy.

The regime instructed Popular Committees to take over offices and factories, the bureaucracy, and public organizations. The technocratic branch within the RCC did manage to exclude the oil sector from the committees' purview. Acrimony over the effect of the committees on the Libyan economy continued throughout 1974, and Qaddafi was forced at several points to concede to the opposing RCC faction. Even 'Abd al-Salam Jallud, currently the number two political figure in Libya, went on record several times in *al-Fajr al-Jadid* condemning the committees for incompetence and for obstructing economic progress.

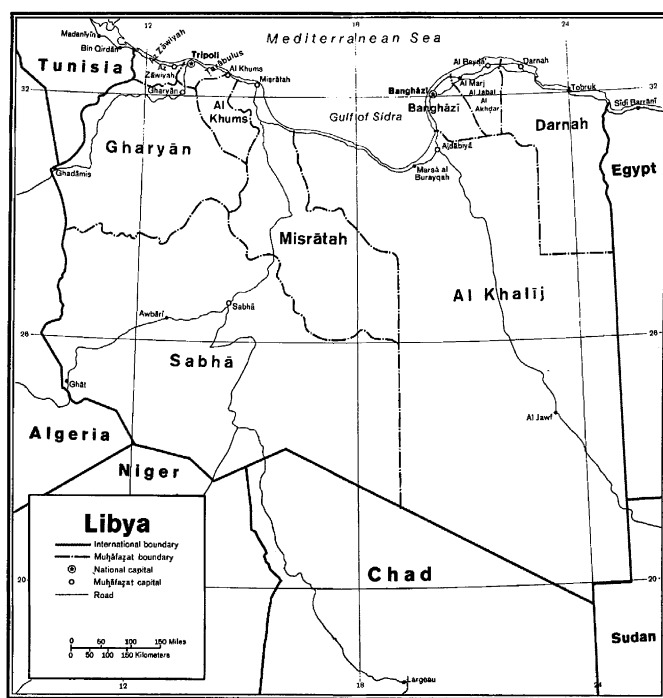
By 1975, the Libyan economy showed the first serious effects of neglect. The accumulation of revenues after 1970 had been staggering, particularly after the price hikes in 1973 and 1974. (Table I) In one twelve month period, Libya accumulated more revenues than in the entire preceding decade. The first Three-Year Plan (1973-75), as well as following plans, aimed at raising the contribution of the non-oil sectors to the economy. Agriculture in particular was singled out for large investments.

The pull toward enjoying the benefits of the rentier economy remained very strong. Per capita incomes soared from \$1,830 in 1970 to over \$4,000 in 1975, and Libya's dependence on imported food, skilled expatriate labor and basic necessities all increased rapidly throughout the period.⁹ The neglect of these deeper, structural problems was complicated by the vagaries of the international oil market. The tanker market collapse and produc-

Exports of Crude Petroleum
International Reserves Excluding Gold
Current Account Balance



Source: I.M.F. Int'l. Financial Statistics



tion cuts in the wake of the Arab oil embargo weakened Libya's freight advantage and left its crude overpriced.¹⁰ The price for a barrel of Libyan oil dropped from \$15.77 to slightly above \$11 at the end of 1974. A petroleum concession sold to ELF brought only \$9.78 per barrel at the time. By February 1975, Libyan exports had fallen to a low of 912,000 bpd; the 1973-75 Plan had targeted production at two million barrels per day (bpd).¹¹

These factors, plus heavy outlays for military purchases, forced Libya to spend a substantial part of its reserves. Tensions within the RCC rose to the boiling point. Opposition to Qaddafi's pan-Arab policies, including the failed union with Egypt in 1973, pitted Planning Minister Umar al-Muhayshi and a number of technocrats within the RCC against the others. An attempted coup took place in August 1975; it was decided in Qaddafi's favor when Jallud sided with him. Muhayshi fled into exile.

The Green Book Period

The events of August 1975 marked a watershed in Libya. They spelled the end of the RCC, the emergence of Qaddafi as a single ruler, and the end of any articulated opposition to his economic policies. The RCC was now reduced to those five members from poor or lower middle class background who remain the top elite today: Mu'ammarr Qaddafi, 'Abd al-Salam Jallud, Abu Bakr Yunis, Mustafa Kharubi and Kweldi al-Hamidi.

By the end of 1975, the first part of Qaddafi's *Green Book* appeared in *al-Fajr al-Jadid*.¹² It proposed a total restructuring of social and economic relations within Libya. New economic policies, starting with the 1976-1980 First Five-Year Plan, were subject to its stipulations. "People's power" (*sult al-sha'b*) meant imposing Basic People's Committees on economic production units throughout the country.¹³ It was Qaddafi's most thorough attempt to remove the last vestiges of a bureaucracy, which he

considered a remnant of the monarchy, in favor of his own lower-middle and lower class constituency.

Political and economic directives through 1980 included a ban on political parties and a constitution. The regime continued efforts to put small businesses under Basic People's Committees. Personal property was not supposed to exceed personal need. Within months of publication of the *Green Book's* second part in 1977, *The Solution of the Economic Problem*, two slogans were prominently displayed throughout the major cities: "Partners, not workers," and "a house to those who live in it." By 1981, most of the Libyan economy, with the exception of the banking system and oil-related industries but including most private commercial enterprises, was in the hands of the Basic Popular Committees.¹⁴

Ironically, Libya's 1976-1980 economic plan was an ambitious blueprint that stressed greater centralization of economic decision-making and technocratic solutions to the country's economic development. This completely contradicted the populist political rhetoric of the Qaddafi regime. By 1977, Libya's development budgets were four times higher per capita than the rest of the Arab world.¹⁵ Agriculture, health, housing, and education received particular attention. Libya now had 20,000 university students, up from 3,000 in 1969. Almost 40 percent of these were in technical fields.

Despite this rapid increase, general labor shortages and bottlenecks in the agricultural sector continued to plague the country.¹⁶ By the end of 1979, an estimated 100,000 Libyans had left the country, among them many of the best educated. Of those who remained, fully 50 percent of the economically active population was employed in services and related activities.

Table I:
Libya: Destination of Oil Exports 1974-1980
(%)

	United States	Western Europe	Total
1984	0.1	77.3	77.4
1975	14.3	50.3	64.6
1976	27.0	49.1	76.1
1977	40.5	40.0	80.5
1978	37.5	45.8	83.3
1979	33.5	47.6	81.1
1980	33.0	44.1	77.1

Source: *Annuaire De L'Afrique Du Nord*, 471; *EIU Annual Supplement* 1984, 20.

Inflation, rising prices of industrial imports, a fluctuating oil market, and heavy reliance on a few countries for oil exports added to Libya's difficulties in keeping its economy under control. Oil revenues accounted for 99.9 percent of all income, and four multinationals still controlled almost 80 percent of total production in 1978.¹⁷ What was truly surprising, in view of later political developments, was the destination of oil exports. In a four-year period, the US had become the biggest purchaser of Libyan oil.

In 1979, with the rapid increases in oil prices following Iran's revolution and a lucrative spot market, Libyan brands fetched as much as \$45 per barrel. This was hardly the time to worry about retrenchment. Nevertheless, the increasing acrimony with the US and the lagging real price of oil should have worried the

Libyan leader. Clearly a buyer's market was in the making. If, as would happen in 1981, the United States boycotted Libyan oil imports, fully one third of the country's income would depend on finding other buyers.

Hard Times

Even in times of enormous revenues, the Qaddafi government's economic policies had done little to reduce the rentier state phenomenon. In the 1980s, Libya faced a substantially different international economy. The shift toward a buyer's market for oil, a steady polarization and fragmentation within OPEC, and the lingering crisis with the US all contributed to the country's increasing economic hardships. At the end of 1981, the United States halted all crude oil imports. Within two more years, Washington extended its boycott to selected high technology exports and products related to oil recovery.

Oil production dropped from 1.7 million bpd in the first quarter of 1981 to 600,000 at the end of the year. Since then it has hovered around the 1,000,000 mark. Total production in 1981 was 40 percent below the previous year. At the same time, the average price of Libyan crude oil went down \$4-5 per barrel. At the end of 1981, Libya had lost an estimated \$12 billion in potential income and showed a \$4.8 billion deficit. In the trade balance over the next four years, Libyan reserves plummeted from \$15 billion to approximately \$2 billion.

These developments could not have come at a worse time. Embarked on a major industrialization drive under the new 1980-

Sarir. Its final price tag was estimated to be anywhere from \$11-27 billion.¹⁸ Despite evidence of problems of absorptive capacity under the previous plan, Libya plunged ahead in awarding a staggering amount of contracts during the initial two years of the new plan (1980-82).

Efforts to further eradicate private interests intensified. In March 1980 the Qaddafi government decided to demonetize the Libyan dinar, one more measure to eliminate what it called the "parasitic element" in Libyan society.

At the end of the 1980-85 plan, the Libyan economy suffered from the same lingering problems witnessed under the previous plans. The level of dependence on expatriate labor had increased even further and the agricultural sector proved utterly unable to contribute productively to the economy. Success came at a staggering cost. Agriculture's contribution to GDP remained below the officially targeted level, and declined in comparison with previous plans.

The attempt to create a heavy industry and hydrocarbon sector was unfortunate. Libya never possessed a carefully integrated economic strategy. Many of its economic undertakings were not linked with one another. Downstream petroleum operations had become uneconomical, if not outright unsound, given the global refining overcapacity in the 1980s. In all the Libyan endeavors, a basic underlying problem remained the country's small population base. Libya's active population will forever remain unequal to the demands of its ambitious development plans.

Finally, and most ominous in the long term potential of the Libyan economy, the share of GDP derived from the oil sector continued to grow.

Table II:
Libya: International Contracts 1979-1981
(\$ billion)

	1979	1980	1981
Libyan contracts recorded	2.2	3.5	15.0
Total Middle East contracts recorded	40.2	46.3	81.1
Libyan % of total	5.6	7.5	18.5

Source: *Committee on Middle East Trade Report*, p. 15.

85 Second Five-Year Plan, Libya needed approximately \$57 billion dollars for its development budgets. The new economic plan reiterated the basic priorities of the previous plans but at a substantially higher level of outlays: self-sufficiency in basic foodstuffs; provision of adequate housing and social services; growth of the manufacturing sector and the development of heavy industry; and the creation of a local work force able to assume positions in a technologically-oriented economy.

The new plan paid particular attention to developing a heavy industry, with Misrata, Abu Kammash, and Ras Lanuf serving as growth poles for steel, chemical and petrochemical industries. For Libya's agricultural needs, the Great Manmade River Project was inaugurated in 1983, scheduled to bring up to one million cubic meters of water daily to the coast from aquifers near Kufrah and

Eliminating the Vanguard

The Qaddafi government did retain a measure of popularity, despite the worsening economic climate. Much of this was derived from the image the Libyan leader had created inside the country. Undoubtedly the populist redistribution measures of the early 1970s and the victory over the multinational oil companies provided a measure of legitimacy that lasts even today. Personal income had jumped to \$8,000 in 1980. The revolutionary regime had extended the benefits of the rentier state started by the monarchy, and Libyans could count on acquiring education, housing and food.

The confrontation with the United States contributed to Qaddafi's standing, as he took advantage of Libyan distrust of outside interference.¹⁹ His depiction of Western economic machinations throughout the 1970s (including financial manipulations, recycling mechanisms of petrodollars, and the attempt to put inflation to the West's advantage) carry some weight. The more important question is to what extent structural constraints in the political and economic sphere overlapped and affected Libyan development. In an interview in *Le Monde* in December 1980, 'Abd al-Salam Jallud summed up the persistent contradiction of participation in Libya:

It was a vanguard that in 1969 achieved the revolution and that continued to keep it going. That's our weak point. We were hoping the people would take over, but we ascertained that the elimination of the vanguard would be fatal to the revolution. . . . We find ourselves in a dilemma, because the revolution which wants to elevate moral and spiritual values sees the intention frustrated by everything it has managed to do for the well-being of the people.²⁰

Basic People's Committees

Also translated as People's Popular Committees, these have been created at any point in Libyan society where the people interact socially or economically. This covers just about any economic activity (factories, banks, small workshops, national oil companies) or any political activity. Since there is no political party in Libya, the Basic People's Committees also act as a conduit to and from the top leadership. No one can belong to a union or a professional organization without being a member of a Basic People's Committee. (This resembles closely Boumedienne's FLN tactic in Algeria after 1976.) By 1980, there were over 1500 committees throughout Libya, forming village councils as well as providing leadership for factories. The Basic People's Committees chose their representatives to the People's General Congress (PGC), a kind of parliament. This national congress in turn chooses a General Popular Committee—what in other countries would be called a council of ministers.

No analyst has ever figured out precisely how the system works. Even Libyans I interviewed were at a loss to explain. There is considerable confusion as to each level's power and competence. Size of the committees is determined by size of the enterprise, and so is the number of representatives they can send to the People's General Congress. But there are no fast rules here.

In theory, the members of the General Popular Committee can be questioned and sacked by the People's General Congress members. In reality, the Revolutionary Command Council and a small circle of trusted technocrats pretty much run economic and political matters. The whole procedure is remarkably smooth. Qaddafi usually intervenes personally if there is a real issue to be resolved. It is resolved beforehand, even though the Libyan leadership usually makes a real effort to put their case before the PGC as part of their "legitimizing" strategy.

In theory, the popular committees can decide on anything—even on military matters. The only real exception seems to have been foreign policy, where no discussion has been allowed. Debates on matters considered sensitive to national security—and that now covers a wide area—is off limits.

There is no information available on



Libyan woman.

Lynne Barbee

members' origins. This is a touchy subject, since Cyrenaicans and Fazzanese have always felt like country bumpkins in the presence of Tripolitarians. Himself from Fazzan, Qaddafi has tried to make sure that the regions are equally distributed. In practice this doesn't work very well, since Tripoli and Benghazi and the coastal strip hold most of the population.

Opposition

There is very little evidence of countervailing forces to the People's Popular Committees, mostly manifested as apathy where people are not members. There is no evidence so far of concerted opposition to the People's Popular Committee system, nor of profound dissatisfaction.

From 1980 on, there have been regular rumors of assassination attempts. The real opposition started after 1975, when Muhayshi left the country. In my last count I came up with at least 18 opposition movements throughout the Arab world and in the West. The best known is the National Front for the Salvation of Libya (NFSL) which publishes a newsletter in both the US and Great Britain. Until recently it was housed in Khartoum, headed by Yusef Mugharyef, once Libya's state comptroller and ambassador to India. Other groups include: Islamic Opposition to Libya, The Libyan National Grouping, the Libyan National Democratic Movement, the Libyan Constitutional Union. The NSFL also supposedly

has a military wing, the Salvation Forces.

The Libyan opposition has little impact. Its leaders, except for Muhayshi and Sulayman Maghribi, were never leaders of national stature. Most of the opposition groups disagree quite strongly among themselves, mostly reflecting the time period in which they left Libya.

Corruption

There is extremely little evidence of financial corruption. This is perhaps the most striking fact considering Libya's rapid development under Qaddafi. No evidence was ever uncovered of Swiss accounts, and no gossip in the business world about payoffs to certain Libyans to obtain contracts. The legal setup is quite strict and seems to be supervised closely. The absence of corruption may have something to do with the fact that few people ever leave the country for long periods, and at home they are subjected to a rather austere code of behavior.

"Moral" corruption also seems less than in most other Middle Eastern countries. There are no lurid tales about Libyan officials that can pass muster. The country has relatively so few people and so much money (until recently) that many of the traditional patterns of extended families could be preserved, even in the cities. You don't find Libyans drooling around Cairo five star hotels; no wonder Libyans consider Saudis uncouth.

—D.V.

Since 1980 this vanguard has become even smaller, now consisting almost exclusively of the Guards of the Jamahariyya, a group of 3,000 to 5,000 young militants under Qaddafi's personal control. (The Guards function as a sort of counterforce to the regular army, a tripwire against any opposition coalescing within the military.) The underlying political problem remains: the Libyan revolution came about without substantial popular support, and successive experiments to mobilize popular interest and to create meaningful participation in the economy have been marginally effective. Jallud admitted that despite Qaddafi's efforts, its ultimate socioeconomic effect had been the reinforcement of a "bourgeois mentality," geared toward consumption rather than productive participation.

Much of this failure can be attributed to political experimentation and the impact of ideology on economic policies. For Qaddafi's continued insistence on his country's revolutionary mission contrasts sharply with the reality of the *jamahariyya's* position in the world economy. The regime's efforts to mobilize the populace have contributed little to develop a capacity for institutional reform or for greater economic autonomy.

By mid-1986 a complete ban on American exports to Libya—and imports from Libya—was in effect. The five remaining oil companies were in the process of abandoning their operations. Libya's income for Fiscal Year 1986 seems likely to be about a fourth of the 1981 figure. Some tenders for large infrastructural projects were cancelled and Libya drastically cut its own imports to balance the budget. Libya in 1986, in all aspects of its development, remains virtually as dependent on the West as the monarchy was at the time of the 1969 coup.

The Jamahariyya's Future

Throughout the Middle East and North Africa, the effect of petrodollar transfers on state formation has been deeply conservative. But perhaps nowhere has it left more indelible marks than in contemporary Libya. Here, as in other oil economies, the state was catapulted into becoming the main intermediary between the oil sector and the rest of the economy. For a variety of reasons, however, the Qaddafi government has systematically destroyed or prevented the emergence of all instruments and policies that could have strengthened the role of the state.

This has exacerbated the Libyan problem with central authority. Its state apparatus, destroyed during the Italian occupation and held in abeyance during the monarchy, has been declared useless by the *jamahariyya*. The *Green Book* undermined the legitimacy of an apparatus meant to provide consistent administration. The continuous uprooting of the domestic bureaucratic organization in many ways reflected Qaddafi's distrust for a modern state. Perhaps not so paradoxically, it is the impact of capitalism that allowed Qaddafi the luxury of what one author has called a "precapitalist socialist society."²¹

Governments in rentier states have extraordinary decision-making power, since all rents accrue to them. In Libya, the personal and military nature of the government further exaggerated this concentration at the very top, and after 1975 the regime virtually eliminated all restrictions on how the economic rent would be distributed. Libyan plans and development budgets since then have resembled disbursement schedules rather than economic policies as such.

Attempts to incorporate Libyans into an effective bureaucratic, administrative and political force have shown little success. This anti-bureaucratic phenomenon remains crucial in gauging the economic and political future of Libya as its confrontation with the West proceeds and its revenues continue to decline. Qaddafi's first decade vindicated the proposition that the country's wealth could be significantly redistributed, although the process alienated many of Libya's intelligentsia, the *'ulama* and the bureaucrats. The authoritarianism of the regime has not completely precluded popular support, but has limited the scope and forms under which participation took place.

Political order rather than political participation has marked the Libyan revolution. This order has been based on intimidation of potential opponents and a more general and systematic "buying off" of the remainder of the population. The process is clearly breaking down as economic difficulties mount. It does not, however, necessarily spell the end of the Qaddafi government, especially if it can continue to divert attention from internal matters to the US attacks against it.

That said, though, it seems likely that several groups inside the country must be making the same rudimentary assessments that the young RCC members made in 1969. The principal charge against the Sanussi government at the time of the coup was its squandering of Libya's natural resources. This charge also led to the attempted coup in 1975. The promotion of the Guards of the Jamahariyya at the expense of the regular army, furthermore, recalls Idris' attempts to protect his flanks. The economic and political directives of the last 17 years have already severely limited the economic choices for the future. Libya continues to demonstrate the most visible features of a rentier economy and rentier state in 1986, due to the political experiments and the economic directives advocated by its leadership. In more ways than one, Libya has come full circle since the 1969 coup. ■

See Footnotes, page 43

Israel and Latin America

The Military Connection

Bishara Bahbah with Linda Butler

foreword by Stanley Hoffmann

"Bahbah has assembled an impressive amount of documentation in his sober examination of this difficult and controversial topic. His book will be a standard work in the field for years to come."—Laurence Birns, Director, Council on Hemispheric Affairs

"This fascinating study of the international arms trade merits wide attention. The focus on the Israeli arms industry and its sales to Latin America is a much neglected one."—James Nelson Goodsell, *The Christian Science Monitor*, Monitor Radio

"A welcome collection of information previously available only from diverse and scattered sources."—Michael Collins Dunn, Editor, *Defense and Foreign Affairs*

"A thoughtful, dispassionate treatment of a profound moral dilemma for Israel and the democratic world."—Robert E. White, former US Ambassador to El Salvador

1986 209 pp. ISBN 0-312-43771-4 \$12.95 (paper)
ISBN 0-312-43770-6 \$27.50 (cloth)

St. Martin's Press

Scholarly and Reference Books

175 Fifth Avenue • New York, NY 10010

Footnotes, from page 35

1 Libya's ability to obtain concessions from the multinational oil companies was due to its unique concessionary system. To speed up exploration and maximize revenues, the monarchy's first petroleum law of June 1955 set aside several exploration areas for small independent companies. When the Qaddafi government insisted on a 44 cents per barrel increase and threatened to cut off the independents' supplies in 1970, these independents appealed to the larger companies for crude at cost in case of a cut-off. When no agreement could be reached, companies like Occidental had no choice but to abide by the new rules. John Blair, *The Control of Oil* (New York: Pantheon, 1976) discusses the fate of the Libyan independents. See also Senate Committee on Foreign Relations, Subcommittee on Multinational Corporations, 93rd Congress, Second Session, *Hearings on Multinational Corporations* (1974), Part 5; and Ruth First, *Libya: The Elusive Revolution* (Harmondsworth: Penguin, 1974).

2 For a quick synopsis of these difficulties, including problems of conceptualization and data evaluation, see Michel Chatelus and Yves Schemel, "Towards a New Political Economy of State Industrialization in the Arab Middle East," *International Journal of Middle East Studies* 16(1984) pp.251-260.

3 The rentier state has recently been the subject of several international meetings organized under the auspices of the Istituto Affari Internazionale in Rome. One of the projected four volumes to emerge from these conferences, under the general editorship of Giacomo Luciani, will focus specifically on rentier states. Some problems remain: At what level are countries classified as rentier economies rather than productive economies?

4 For a brilliant exposition of these compromises in the West, see Karl Polanyi's *The Great Transformation* (New York, 1944). For a more contemporary application to small industrialized European democracies, consult Peter Katzenstein, "The Small European Countries in the International Economy: Economic Dependence and Corporatist Politics," in John G. Ruggie, *Antinomies of Interdependence* (New York: Columbia University, 1983), pp.91-130.

5 Adrian Pelt, *Libyan Independence and the United Nations. A Case of Planned Decolonization* (New Haven: Yale University Press, 1970).

6 Henry Villard, *Libya. The New Kingdom of North Africa* (Ithaca: Cornell University Press, 1956), p.120

7 First, p.80.

8 Libyan Arab Republic, Ministry of Planning, *Three Year Economic and Social Development Plan, 1973-1975* (Tripoli, 1973).

9 For manpower in particular, consult J.S. Birks and C.A. Sinclair, *Arab Manpower: The Crisis of Development* (London: Croom Helm, 1980) and "The Libyan Arab Jamahiriyyah: Labour Migration Sustains Dualistic Development," *Maghreb Review* 4(1979), pp.12-13.

10 *Petroleum Economies* 42(1975), p.243.

11 The drop was in part due to the general economic recession; also, Libya's European clients were diversifying oil purchases. A major additional factor was the Qaddafi government's decision to abandon its embargo to the United States and to the Caribbean refineries only in early 1975, almost a year after most producers had done so.

12 *The Green Book (Al-Kitab al-Akhdar)*, published in three slim volumes in 1975, 1977, and 1979, was simultaneously a sign of deepening revolutionary intent and an ideological guideline for Libya's economic and political future. This article only elaborates on those ideas that had a direct bearing on economic policy. For a more general (and positive) analysis of the Green Book, see Sami Hajjar, "The Jamahiriya Experiment in Libya: Qaddafi and Rousseau," *The Journal of Modern African Studies* 18(1980); "The Marxist Origins of Qaddafi's Economic Thought," 20(1982); "Qaddafi's Social Theory as the Basis of the Third Universal Theory," 20(1982). For a critical evaluation, see J.A. Allan, *Libya: The Experience of Oil* (Boulder, CO: Westview Press, 1981), pp.252-308.

13 At the national level, Basic People's Committees were gathered in the People's General Congress. The ministers, now known as secretaries, made up the General Popular Committee. At the 1976 General Congress Jallud was appointed president of the General Popular Committee and of the People's General Congress. All political activities were restricted to the Basic Popular Committees. This was in essence a restatement of Law 71 of May 30, 1972, which made all political activity outside the ASU a crime, punishable by death under certain circumstances. See *Al-Jarida al-Rasmiya* 29(July 3, 1972), pp.1338-1341.

14 The implementation of the takeovers was helped along by "revolutionary committees," whose role vis-a-vis the popular

committees remained undefined. They were instructed to defend the revolution and to guide the masses into assuming direct power. This in effect assigned them the duties normally reserved for a political party—which Qaddafi categorically opposed. In reality their role within Libya quickly degenerated into one of ideological surveillance, and of acting as Qaddafi's personal representatives. Revolutionary committees were empowered to replace ineffective BPC leaders, in effect providing Qaddafi with the ability to replace them with people of his own choice. They also published their own newspaper *Al-Zahf al-Akhdar* (Green March), dedicated to commentary on the Green Book. It quickly became the pulse by which Libyan political life could be measured and judged. In 1979 the revolutionary committees also appeared in the army; most analysts agree they functioned as tripwires against activities hostile to the revolution. They were later replaced by the still functioning Guards of the Jamahiriyya.

15 In 1977 the total development budget of all Arab countries was \$55.1 billion, for an estimated 144.3 million people (\$382 per capita). Libya's development budget of \$4.35 billion constituted eight percent of this total, for a population of barely two percent of the Arab total. Figures from Nicholas Sarkis, "Les Arabes pauvres et les Arabes riches," *Le Monde Diplomatique*, August 1978.

16 The absorptive capacity of the agricultural sector continued to be limited. Under the last plan of the monarchy, allocations of 12 percent of the (much smaller) budget had proven more than adequate. Under the second plan, the overall percentage was 17 percent of budgets swollen by petrodollars. It invested heavily in projects that under normal economic conditions would have proven unfeasible. The agricultural project in Kufrah and the Gefara Wheat Project provided two excellent examples of projects not subjected to efficiency considerations.

Both necessitated importing highly sophisticated irrigation technology. In the Kufrah project, staffing was at times up to 80 percent expatriate, while the cost of Gefara wheat per ton was estimated to be between 10 to 20 times the world price for grain in the late 1970s. For a very critical analysis of both projects, see J.A. Allan, *Libya: The Experience of Oil* (Boulder CO: Westview Press, 1981).

17 Oasis 33.5 percent; Arabian Gulf 17.4 percent; Occidental 16.4 percent; and Esso 12 percent.

18 Great controversy surrounds the project. Differences of opinion abound as to its feasibility, the end use of the water once it reaches the coastal area, and the appropriateness of using up enormous rates of what may prove to be a non-renewable resource. When first studied in 1974, it had been shelved in favor of developing agricultural enterprises near the water resources. As one geologist remarked at the time, "it was a question of either taking the water to the people or taking people to the water, and the government opted for the latter." By 1983 the government had decided to "bring the water to the people." See *Middle East Economic Digest*, June 5, 1981, p.25.

19 Several analysts have made this point, including Claudia Wright in her "Libya and the West: Headlong into Confrontation?" *International Affairs* (London), 1982, pp.13-41. See also Jacques Roumani, "From Republic to Jamahiriya: Libya's Search for Political Community," *Middle East Journal* 37(1983), pp.151-168, for different interpretations.

20 Interview with Paul Balta in *Le Monde*, 30 December 1980, cited in Claudia Wright, "Libya and the West: Headlong into Confrontation?" p.25.

21 Marius and Mary Jane Deeb, *Libya since the Revolution: Aspects of Social and Political Development* (New York: Praeger, 1982), p.120.

3 THIRD WORLD BOOK REVIEW

"The kind of journal no serious academic, journalist, student, or anyone interested in Third World affairs can afford to miss."

Peter Worsley, Professor Emeritus, Manchester University.

THIRD WORLD BOOK REVIEW

- ☆ is a bi-monthly magazine for all those interested in the Third World; it offers topical and informed discussion of issues and people in the Third World, but above all it offers the most comprehensive available review of all literature and publications about and from the Third World.
- ☆ is a forum for authors from the Third World, but at the same time takes an aggressive and radical stance toward all literature - past, present and future - from and about the Third World.
- ☆ is a service for both general and academic readers; our contributors write in a clear and precise style that eschews jargon.
- ☆ is the only publication of its kind to review comprehensively literature on the politics, on the economics, on the culture and science, of the Third World.

WHAT THEY SAY...

"The appearance of this journal is, in my judgement, an intellectual and publishing event. The journal is very intelligent in conception and it manages to associate some of the most solid and interesting scholars of the Third World."

Professor Yaw Twumasi, University of Michigan.

"I believe TWBR will become necessary reading for all those concerned in the fundamental issue of North-South relations, in its political, developmental and informational aspects."

Neville Maxwell, Senior Research Officer, Oxford.

SUBSCRIBE

Subscription rates covering one year's issues of THIRD WORLD BOOK REVIEW are:

Institutions	£25 (Overseas)	£30
Individuals	£15 (Overseas)	£20

I/We enclose a remittance of (International Money Orders, overseas) as my/our subscription for one year.

THIRD WORLD BOOK REVIEW

Name

Address

KWAME NKURUMAH HOUSE
173 OLD STREET
LONDON EC1V 9NJ
UNITED KINGDOM