LIBYAN NOTE-BOOK

ROGER OWEN

A Member of St. Anthony's College, Oxford

It is impossible to remain in Libya for long without realising that the country is in the middle of an oil boom. The hotels are packed with oilmen from seven or eight different countries, oil concession maps are on sale at news-vendors' stalls, and with so many new Libyan companies being registered, plans are being made for the establishment of a bourse to facilitate the buying and selling of shares. All this adds a new dimension to those familiar incongruities of Middle Eastern life also present in Libya: the brand-new buildings on unpaved, undrained streets, the air-conditioned cinemas showing the latest Hollywood films, and the mini-buses full of Bedouin tribesmen. There are signs of building activity everywhere, as blocks of flats and lines of smart villas are hurriedly run up to house the influx of foreign managers and technicians with their families. Libyan companies are doing record business, and new showrooms and offices are appearing all the time. A supermarket was opened in Tripoli last year with a range of goods which few English shops could rival; but with the number of cars on the roads increasing daily, finding a place to park near it has now become a major hazard. Along the coast road which connects Tripolitania and Cyrenaica, a regular stream of lorries and trucks carries stores and equipment to the desert oil camps.

To Libyans this boom is a constant reminder of the rapid way in which their country's oil resources are being developed, and although it will be another year at least before the first oil is exported and even longer before the first sizable revenues accrue to the government, great wealth, with the opportunities this will give for economic advance and a more positive rôle in Arab and world affairs, seems to glitter for many of them from just around the corner. Their enthusiasm is not surprising. For over a hundred years Libya has been little more than the pawn of stronger powers, as Turkish rule was succeeded by Italian invasion and colonisation and then by the Second World War, when the whole country became a battleground over which British and German and Italian forces fought for control of the approaches to the Suez Canal. Even when Libya gained independence in December 1951, it was as a weak, divided country, artificially created out of two areas with quite different histories and social organisations. It had constantly to try and ensure the good-will—or at least the neutrality—of its more powerful neighbours, and to maintain a delicate balance between the pro-Arab aspirations of a majority of its people and treaty obligations with Britain and America, which provided it with much needed budgetary support in return for the right to certain Libyan bases.

Until oil in great quantities was first discovered in June 1959, Libya seemed destined to remain an exception to the general rule of the Arab world—that the poorer a country, the greater its oil wealth. It had no sources of power, no mineral resources, no skilled labour force, and a population which in 1949 had contained no more than 5,000 people of as much as five years schooling. The majority of its 1,200,000 inhabitants are scattered across an area over half the size of India and make a meagre living out of the cultivation of small patches of insufficiently watered land and the raising of livestock. Droughts are frequent. Infant mortality remains at some 300 out of every 1,000. Many of the hospitals and schools and roads built by the Italians had been destroyed in the war, and their repair together with a limited amount of economic progress continued to depend, as it had always done, on financial assistance from abroad.

The discovery of oil promised Libyans a change in all this. It gave them a new confidence in their country and its future which is now everywhere reflected—in the Libyan press, with its grandiose schemes for industrialisation and economic development, in private discussion, in the National Assembly, and, most noticeably, in the attitude of the Libyan government. This is reflected in the recent decision of the government to wind up the British and American aid agencies, which until 1959-60 had been entrusted with the main work of planning and executing development projects. It is also illustrated by the government's current policy of assisting the 35,000 Italians still living in Tripolitania to return home to Italy, even though this deprives the country of their valuable services as farmers and skilled workers. A law in 1960 re-organised the government's Development Council to allow it to act more purposefully as a central planning agency, and a Libyan five-year plan is now in the process of preparation.

Behind this air of confidence and the government's optimistic declarations of intention, however, a spirit of criticism long absent from Libyan public life is beginning to show itself. This in large part results from the economic and social dislocations caused through the expenditure of large sums of money by the oil companies on exploration and development well in advance of the revenues needed to mitigate some of its worst effects. In 1958, the last year for which there are any figures, the companies spent £9 million in Libya—total Libyan public expenditure for that year was just over twice that amount—and this sum must have increased considerably since then. One consequence has been a rapid rise in prices (one estimate puts it at between 12% and 15% in 1959) caused primarily by the high level of demand for anything which cannot be freely imported—in particular, locally grown fresh fruit and vegetables and housing of all kinds. With a high minimum wage and skilled labour exceedingly scarce, wages are making their own contribution to inflation; but the salaries of most government servants have lagged behind, leading to the loss of many civil servants to better paid jobs with the oil companies and a marked decline in civil service morale.

Those Libyans with access to capital have made a great deal of money—not surprisingly in boom conditions, with income tax never more than a flat 15% and the rent of houses so high that the cost of building can be regained in three to five years; but meanwhile the gap between rich and poor persistently increases. This is particularly obvious in the suburbs of Tripoli and Benghazi, where the smart new villas built for wealthy Libyans and members of the foreign community are often only a few hundred yards from the shanty towns—shacks put together from branches and discarded tins—in which there live the many thousands who have come into the towns in search of a regular wage and the sustenance which their dried-up fields cannot provide. The municipal authorities are quite unable to cope with the problems of health and housing and employment posed by these new immigrants, and the existence of a discontented, under-employed, predominantly uneducated urban proletariat is a potential source of grave social unrest. Meanwhile, out in the desert, a similar dislocation is being caused by the oil rigs which provide temporary work for the men of a particular area and then move off to another locality, leaving behind workers with basic skills for which there is no longer any use and the memory of the first steady wages in their lives.

It is consequently not surprising that much of the enthusiasm which greeted the first oil discoveries is already turning to the bitterness of disillusionment. For a majority of Libyans the vast influx of foreigners has led only to the ravages of inflation and a sight of people enjoying a standard of living far in excess of their own. Xenophobia, always near the surface in Libya, is growing, although so far it has been directed mainly against the oil companies and the large American community. Criticism of the government is also beginning to appear more frequently, especially in the press. The previous Cabinet of Abdul Majid Koobar did no more than scratch at the surface of current social problems, partly through lack of funds but more glaringly by its absence of energy and determination, particularly marked during the summer months when—with the Ministers either on holiday or over 700 miles away from Tripoli at Beida, the summer administrative capital—government activity came almost to a standstill. Schemes to provide work and low-cost housing for the slum-dwellers are urgently needed. Yet, when the government has sporadically acted to help them—by restricting, for instance, the entry of certain types of foreign labour in the hope of creating jobs for Libyans—this has only served to aggravate the situation by discouraging foreign investment (people with such skills are just not available in Libya, whatever the government might think) and thus preventing the establishment of enterprises which might absorb surplus labour. The government is also criticised for its inability—some say, unwillingness—to prevent a small number of foreigners, like those able to establish supposedly Libyan trading agencies, from making large profits out of the boom. There is swelling complaint that Libya has not been following an active foreign policy commensurate with its new status as a potential oil producer and continues to do no more than pay lip service to the ideals of Arab nationalism and African unity.

The most potent source of criticism, however, has come from rumours of corruption in government circles. Any government which appears to enjoy the support of certain privileged classes or groups is vulnerable to such charges, and in Libya suspicions have been further raised by the close liaison which has developed between business and the administration as more and more civil servants and politicians leave government service to establish companies of their own. Just how much truth lies behind these rumours is difficult to measure, but they have been given great force by the King's circular in July 1960 denouncing corruption, which seemed tacitly to admit its existence, and by the Fezzan Road affair, which was undoubtedly the most important Libyan event of last year.

The Fezzan Road was the name given to a project aimed at linking the coast road between Tripolitania and Cyrenaica with Sebha, the capital of Libya's third province, the Fezzan. In 1958 a contract for its construction was awarded to a Libyan company owned by Sayed Abdullah Abed Senussi, a relative of the King. Work proceeded slowly, Sayed Abdullah became more and more unpopular because of his allegedly high-handed ways, and by the summer of 1960, when only a third of the road had been completed, rumours circulated that all the money mentioned in the original estimate of the cost (just under £2 million) had gone and that the government would have to allocate an additional sum (some people said as much as £4 million) to allow construction to proceed. It was also rumoured that the contract had been so loosely worded that the government was legally obliged to provide the extra money. This led directly to successful efforts by a group of Cyrenaican Deputies to secure the support of their Tripolitanian colleagues for the recall of parliament in special session to discuss the Fezzan Road and the circumstances surrounding the award of the contract. Two weeks before the special session met at the beginning of October, the Cabinet attempted to disarm criticism by dropping the Minister of Communications, who had been directly responsible for the award of the contract; but this did not deter the Deputies, and they had all work on the Road stopped, the construction of the remaining two-thirds put out for new tenders, and tabled a motion of censure on the government itself. During the eight days which must constitutionally elapse between the tabling of such a motion and its debate, the Cabinet resigned.

This was an event of great significance, for it marked the first time that parliament had successfully challenged a Libyan Cabinet. It also marked the first time that Tripolitanian and Cyrenaican Deputies had been able to sink their provincial rivalries in a stable political alliance. Important though these developments were, however, it would be wrong to suppose that they will lead to any immediate change in the way the country is governed. The Koobar Cabinet was replaced by one under Muhammad Othman al Said, a Fezzanese, as some sort of recompense to the Fezzan for the temporary suspension of activity on the road; but, as usually happens in Libya, the new Cabinet contains a majority of members who had served in the old one, so ignoring the principle of collective Cabinet responsibility explicitly laid down in the constitution. Parliament has not been drawn any more closely into the government's confidence, and until it becomes possible to form a political party in the National Assembly—at present all Deputies are independents—government will probably continue to be by royal nominee, and Prime Ministers will still lack either the popular or the parliamentary support to remain in office once they have lost the confidence of the King. Certainly without a change of this kind, it will still be open to the King to continue his intermittent interference in the affairs of the government—to the inevitable detriment of a strong, self-confident central administration.

It would be just as wrong to over-estimate the extent and the depth of the anti-government criticism in parliament and press. On the surface the country remains calm, a reminder that of all the Arab countries, Libya was the only one in which parliamentary government survived the 1950's without *coups d'état* or civil war. The merchants profiting from the oil boom and the businessmen whose low taxes are more-or-less subsidised out of foreign aid are well satisfied with conditions as they are, and Libyan governments have shown some skill in directing their few large public works to Libyan contractors where possible—the first Fezzan Road contract was not put up for tender by foreign companies—and to different parts of the country, so that to some extent benefits have been spread. Stability must also owe something to an efficient police force and the difficulties of organising any kind of concerted opposition in such a thinly-populated, parochially-minded country.

Nevertheless the government will ignore signs of popular discontent only at its peril. The future possession of oil revenues firmly commits Libya to a programme of economic development and the amelioration of social conditions; certainly, if the experience of a country like Iraq is anything to go by, it is by its success in this field that the government will be judged. There are signs that the revenues will be much less than was first supposed, and with various programmes involving heavy government expenditure already launched, the government will have little room to manoeuvre if it is to provide immediate results and at the same time to invest much-needed capital in agriculture and education and health. Any sign of failure will undoubtedly be exploited by the small and at the moment not very influential groups of critics, mainly young Libyans educated at foreign universities, whose political feelings are strongly coloured by President Nasser's social and administrative reforms.

What of the future? The government's economic plan for the next five years, soon to be published, will probably stick closely to the suggestions made by the World Bank Economic Survey Mission which visited the country early in 1959. If so, such a plan would be based on two major premises: first, that agriculture must continue to be the main source of employment for the bulk of the population, since it seems unlikely that either oil production or the industries based on it will be able to provide work for more than 5% of the present labour force; and secondly, that Libya has neither the administrative machinery nor the trained personnel to absorb more than the present £5 million which is being devoted to capital investment. Apart from such a plan, however, good use of the oil revenues will also depend on three other very important conditions. In the first place, there will have to be sufficient administrative reform to allow a more efficient central direction of the economy than can at present be possible while each of the three provinces has so much autonomous power. It is typical of Libyan administrative arrangements that Cyrenaica and Tripolitania have different income tax laws. Such anomalies will clearly have to be changed, but this will only be possible by a process of consultation and co-operation. The union of the three provinces is still too new and too fragile to allow any compulsion by the federal government.

Secondly, economic development will need internal stability. How far this can be obtained will depend a great deal on the extent to which popular criticism can be directed through parliamentary and other legal channels. It will also depend on what will happen when the King dies.

Thirdly, and most important of all, it will depend on the government's ability to secure popular interest and co-operation in its development programmes. There is little in Libya's history to show Libyans that their welfare can be improved by their own work and effort; and in the absence of any powerful social dynamic like the concept of 'revolution' or 'nationalism', something is vitally necessary to liberate energies which will otherwise lie dormant.