

# Turkey's Role in the Reconstruction of Libya

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**ABSTRACT** *The relationship between Turkey and Libya is deeply rooted in common history and culture which provides strong foundations for a strategic alliance. The maritime and security agreements signed between the two countries in November 2019 allowed for Turkey to provide a timely and decisive support for the legitimate Government of National Accord (GNA) in Libya to counter and defeat a deadly military attack on the capital Tripoli to regress Libya back to military rule spearheaded by Haftar and his regional/international backers. The Libyan people have a second chance since their revolution of 2011 to complete a turbulent transition and lay foundations for their desire for a constitutional democratic state. Turkey is placed today to be the strategic partner to help Libyans achieve this goal. Turkish strategic relationship and cooperation with Libya over the coming decades should be holistic to help with reaching lasting peace as well as institution and state building. Help can also cover reconstruction across all sectors including security services reform, energy, transport, healthcare, housing, and infrastructure.*

**Keywords:** Libyan Heritage, Maritime Agreement, Reconstruction, Security

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**T**urkey and Libya share deep rooted historical, religious, and cultural ties that go back 470 years (since 1551) when the Ottomans helped the people of Tripoli to liberate themselves from the Knights of St. John from Malta who were occupying the West of Libya. Both countries are located on the Mediterranean Sea with shared maritime area rights as proven by the Maritime agreement signed in November 2019.

Libya has been going through a very turbulent transition since the February revolution of 2011. The country was doing reasonably well between 2011-2014, as it experienced four elections for the first time in the 42 years since the era of the monarchy (1951-1969). However in 2014 Libya was plunged into a civil war with the emergence of Khalifa Haftar and his military campaign to take over political power by force, supported by Egypt, the UAE, Saudi Arabia, France, and Russia. This military campaign reached its peak in April 2019 when Haftar launched a major military offensive against the capital Tripoli, where the internationally recognized government of Government of National Accord (GNA) was based. The GNA managed to defend Tripoli for almost 8 months, before entering into a vital strategic security/military alliance with Turkey, signed on November 27, 2019.

In March 2020, the GNA, emboldened by Turkish military support, began a counter military offensive against Haftar's forces in the West of Libya. Within a few weeks the Haftar

rebellious forces, which are known to be comprised of mercenaries from Russia, Sudan, Chad, and others, were pushed out of the whole of the West of Libya.

This military success has effectively dealt a major blow to the entire Haftar campaign and its backers, especially the UAE, to take power by force and ensured the survival of the GNA in Tripoli so protecting the whole political transition process in Libya. Although a permanent ceasefire agreement between the GNA and Haftar side has been officially signed in Geneva on October 23, the military activities cannot be seen as completely ceased yet as GNA forces, with the vital support of Turkey, are still positioned facing up to Haftar forces some 500 km East of Tripoli and thousands of foreign mercenaries on Haftar's side are still entrenching their positions. However, we can be confident in assuming that Haftar will not be able to impose his desire to regress Libya back to one-man military rule. Libya can now confidently resume its political track towards establishing a civic constitutional democratic state aspired to by the majority of the Libyan people, since they brought down the Qaddafi regime in 2011.

The upcoming period in Libya will require a national accord and reconciliation as well as national resolve and determination to lay the vital foundations of the desired political order. State and institution building as well as the vital area of reconstruction across all sectors will be top priority. The people of Libya will need

much outside help in all these areas and those countries like Turkey who stood by Libya in times of crisis and grave danger are best positioned to offer this help.

This piece attempts to articulate the framework and foundations for such partnership between Libya and Turkey. It will argue for a long and visionary strategic relationship between Turkey and Libya until year 2050.

## Historical Perspective

For most of the last centuries, Libya has been a zone of transition rather than a power center.<sup>1</sup> It has been known by different names and subject to many invasions, whose settlers left their vivid marks, visible to this day, scattered everywhere. In 1551, the Ottoman Turks answered the call for help and provided major military support for the people of Tripoli in order to expel the Knights of St. John from Malta who were occupying the West of Libya.

The Ottomans extended their rule to Libya and the country became part of the Ottoman Empire for nearly four centuries, until it was conquered by Italy in 1911. The Italian occupation of Libya, which was to last for thirty-three years, had a devastating effect on the country; it was a brutal and bloody time, during which almost half the Libyan population (of about 1.5 million) perished, either killed in battle against the occupying force or dying of disease and starvation, as did the hundreds of

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thousands who were incarcerated in concentration camps by Italy's fascist colonial regime.

When Libya gained independence in 1951 and became a newly formed Libyan state with the defined borders known today, it was economically very poor, relying heavily on aid from the United Nations and the export of three commodities –cuttlefish bone, esparto grass (used for making paper currency), and scrap metal from the battlefields. Education was still at a very embryonic stage, with the whole country having only a total of seven university graduates at the time of the declaration of Independence in 1951.<sup>2</sup>

The other source of income for the new country was rent from military bases leased by the United States and Britain. In other words, just under seventy years ago Libya was starting almost from a zero base of development. At its independence in 1951, there was no hint of the huge, potential natural wealth that Libya possessed. Only ten years later, the discovery of oil would help transform

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the country from a barely self-sustaining agricultural and tribal society into a high-technology hydrocarbon economy with direct links to the international economy. The newly declared independent state of Libya in December 1951 had to start from basics in terms of institution and state building. Even the local set ups and networks of bureaucratic local government system, which was established by the Ottomans in Libya for 370 years (1551-1911) were destroyed by 33 years of Italian colonization (1911-1944).<sup>3</sup>

During the 42 years of Qaddafi's rule since 1969, Libya had ceased to have clear institutions or a clear political structure; neither the decision-making process nor those who hold power and make decisions are easily identifiable and accountable. Instead, Libya has experienced an informal, opaque system in which Colonel Qaddafi and his handpicked aides and loyalists are the real powerbrokers.

In Libya development is essentially financed by oil revenue in a country that lacks essential basic institutions. This is inevitably going to be erratic and unsustainable in the long-term. Weaknesses related to lack of trans-

parency, corruption, nepotism, cronyism, weak rule of law and poor quality of governance will always have a severely detrimental effect on the level and quality of overall human development.

The new strategic partnership between Turkey and Libya can only succeed if Turkey strives to help Libya with the vital goal of state and institution building as well as capacity building, in order to promote good governance that will in turn promote good sustainable levels of development. The Libyan people will also need to develop a long-term vision for their country that is inclusive, sets milestones and allows national goals to be achieved against a timeframe of at least thirty years.

### Libya's Development Needs and the Role of Turkish Companies

Turkey will be the most important strategic partner for Libya to achieve this vision for the next thirty years (until 2050). Turkish-Libyan partnership can begin with helping to achieve security, stability, completing the political transition to a democracy and then moving on to support institution building, state building and the vital aid needed in reconstruction and development.

Turkish companies can make a great contribution to Libya's development needs once Libya is stabilized politically. However, there is an urgent need for Turkish companies to help Libya now with utilities such as elec-



Turkish Trade Minister Pekcan (R) and Libya's Planning Minister al-Jehaimi hold a press conference, after signing a MoU to boost trade and economic ties, in Ankara, Turkey on August 13, 2020.

MUHAMMED YAYLALI / AA

tricity power generation to offset a great shortage at peak periods, and having adequate operational airports for travel needs of the Libyan population. These two needs will constitute quick wins for the Libyan legitimate authority in place.

Once Libya is stabilized politically, the need for rebuilding and development activities will be across all sectors. The new strategic partnership between Turkey and Libya is a great opportunity that allows Turkish companies to make a vital contribution.

The fact that Libya has a small population (approximately six million) and high natural wealth resources (highest oil, gas and shale gas reserves in Africa) will mean hundreds of billions of dollars will be available to cover Libya's developmental needs. Infrastructure, security (rebuilding army and police), energy, healthcare, trans-

port, housing, tourism, and transit trade are the main sectors which will require huge investment and to be rebuilt almost from scratch.

Libya also has the potential to develop major new sectors for wealth creation that have not been developed until now which includes renewable energy such as solar, wind and tidal. Also transit trade as a major gate and hub into Africa and tourism, where Libya has 2000 miles of almost virgin beaches on the coastline of the Mediterranean Sea as well as huge potential for cultural and desert tourism.

Libya can also potentially become a regional financial center attracting international financial institutions and Foreign Direct Investment (FDI) as well as entering into Public-Private Partnerships (PPP) with local authorities. This financial sector development is conditional however on

privatization of the Libyan financial sector and modernizing it to current international standards. Clear investment laws will also need to be put in place by Libyan legislative authorities to attract and reassure such international investment.

### **Energy Sector**

Libya has the largest oil and gas reserves in Africa. According to official energy statistics and survey, Libya had proved oil reserves of 47 billion barrels. Gas reserves are estimated at about 70 trillion cubic feet (Tcf), and there are substantial reserves both onshore and offshore.<sup>4</sup>

The reserves of both oil and gas could be even higher as Libya remains highly unexplored, with exploration agreements with oil companies so far covering only 25 percent of Libya. The reserves for shale oil and gas are also believed to be the fifth largest in the world. Other renewable sources of energy such as solar, wind and hydro, which Libya has a huge potential for, have not been developed yet due to a lack of visionary strategy for energy.

The actual electricity system of Libya is controlled by state owned company called the General Electricity Company of Libya (GECOL). This company operates about 30 electricity generation plants, mainly steam and simple-cycle gas-turbine units and diesel generators spread in rural areas all over the country. Libya is not currently producing enough electricity for its needs. As recently as September 2020, Libya was producing

only 4.35 Gigawatts (GW) of electricity against a peak time consumption during summer and winter of about 6.50 GW.

This sharp drop in power, resulting in shortages leading to long periods of power cuts and blackouts, that sometimes last more than ten hours a day in some major cities like the capital Tripoli, is blamed on the war that has been raging in the country, especially since mid-2014, which caused major damage to generation plants and other electrical grid towers and installations. It is also blamed on Turbine manufacturing companies especially from Germany and U.S., unwilling to send their engineers to carry out vital maintenance and repair for security reasons. Corruption, feuds and power struggles over who controls and runs GECOL are also believed to be factors contributing to this shortage in electricity generation.

Libya's power stations, and the grid networks in general, are in desperate need for high levels of repair and maintenance. New modern electricity generating plants will be needed as well to meet current shortage and future growth in demand. It is estimated that the demand for electricity in Libya will grow by 10 percent per year, leading to a peak demand in 2030 of around 12 GW which means around 8 GW generation capacity may need to be added between now and 2030.<sup>5</sup>

International companies have good opportunities to help Libya develop other sources of energy, especially

renewable sources in a country with very large desert area and long periods of hot sun light. It is estimated that if Libya covers just 0.1 percent of its 1.76 million km<sup>2</sup> land mass with solar panels, it could generate around five times the amount of energy from solar power that it currently produces in crude oil.

This shows a very high potential for the development of solar energy in Libya, converting it to electricity, for local consumption and possible export to Europe. Libya is very close to Southern Europe especially Italy with which there is a connecting pipe under the Mediterranean Sea exporting Libyan gas.

Another untapped source of wealth for Libya is mining which offers international companies including Turkish ones great opportunity for investment. "Libya has gold, magnesium and iron ore [...] (so mining) could eventually become more important than oil," Ali al-Issawi Libya's Economic Minister at the time said at an event at the Arab-British Chamber of Commerce in London.<sup>6</sup> It is believed that the South of Libya is potentially very rich in gold reserves and already there are many illegal gold mining activities inside Libyan soil close to the border with Chad. Thousands of gold prospectors in at least seven mines in the Libya-Chad border desert area have reportedly been active in recent years and hundreds of tons of Libyan gold has been illegally smuggled out of Libya by individuals belonging to some tribes of the region to countries like the UAE.

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### **Security**

The most important institutions that require urgent attention for rebuilding are the ones responsible for security which include the army, police, intelligence, forensic and other crime fighting units.

Any government in Libya can only succeed if it can meet the challenge of rebuilding these security institutions through a clear strategy of Security Sector Reform (SSR) and re-integrate many of the militia members into them, with a high level of discipline as well as accountability and loyalty to the civilian government.

The old Libyan army under the Qaddafi regime consisted of about 130,000 soldiers and officers who are still paid salaries by the state but do not function as a proper army. The great majority of them do not even report to their barracks or other unit workplaces. The security void, which resulted from the fall of the Qaddafi regime, has been filled by the civilian armed groups, who have also been put on the government payroll. Official sources say about 170,000 of these



The Turkish flag is held alongside that of Libya, by supporters of the UN-recognised GNA during a demonstration against Haftar, whose forces occupied the east of the country, January 10, 2020. HAZEM TURKIA / AA

civilian armed fighters, the majority of whom are not disciplined and some engaging in violent criminal behavior, are paid monthly salaries by the state. It is vital that these armed groups are given a choice of either; to be integrated into a new professional army or directed to other jobs and careers.

The police force in Libya, estimated to be about 60,000, is also ineffective and cannot do their job professionally because of fear of retaliation from militias, criminals or even ordinary people who carry arms and weapons. It is estimated that there may be around 20 million pieces of weapons that are widely spread amongst the Libyan population with no record of who has them or any form of log or accountability.

Security is a crucial factor for any Government in Libya to succeed

and to start a path to recovery from its deep divisions and conflicts. As a legitimate Libyan government starts to rebuild the different security institutions including Army, Police, and Intelligence, large opportunities are becoming available for international companies to offer excellent products and services that include: consultations on security sector reform, offering training and development, removal and clearance of millions of mines and unexploded ammunitions, supplying special equipment and arms and building new headquarters and barracks for the police and the army.

### **Transport**

The transport sector in Libya is very old and neglected in a country which has a relatively large area (1.76 million km<sup>2</sup>) and has a long coast of 2,000 km on the Mediterranean Sea.

There are thousands of kilometers of road networks that are in need of repair or to be totally rebuilt. Thousands of kilometers of new roads are needed to be built to connect and bring closer a small Libyan population scattered over a large country. There are seven major seaports along the Libyan coast, which are all old and need desperate expansion and modernizing. There are no marinas at all in Libya for commercial and tourism purposes.

All airports, including 6 international ones, are currently in a very bad state with insufficient capacity, small terminals and outdated equipment. The largest main airport being Tripoli International airport has been destroyed in the fighting that erupted in the summer of 2014 and no work has been done to rebuild it as yet, even on a Build-Operate-Transfer (BOT) basis. All airports in Libya require major expansion and modernization or total rebuilding.

### **Healthcare**

The healthcare sector in Libya has been neglected for more than 40 years and it is sadly in a very poor shape. Libyan citizens do not trust medical treatment in Libya and instead travel mainly to Tunisia, Jordan, Egypt, and Turkey as well as some European countries to receive all kinds of medical treatment in private hospitals and clinics in those countries.

Hospitals in Libya are old, poorly staffed, badly equipped and maintained, and have serious critical med-

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ical personnel and staffing shortages and problems. Many hospitals have experienced long periods of unfinished construction work. Most medical equipment is outdated. Many highly skilled Libyan doctors have migrated to work either in Western countries or the Arab Gulf countries. World Health Organization has suggested that the Libyan healthcare system needs total 're-engineering' and many Libyan experts argue that a new healthcare strategy in Libya is needed where the private sector (local or international) should be allowed to play a competitive role and where more emphasis is put on developing a strong tier of healthcare management to run the hospitals and centers effectively.

There are large opportunities for international companies to offer excellent products and services in the healthcare sector in Libya that includes: Building new hospitals and clinics, supplying medical equipment to hospitals and clinics, setting up International private hospitals and

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clinics and providing hospital management, training, and staffing.

***Housing and Infrastructure***

Libya has great potentials and opportunities in infrastructure and the housing sector as well. Due to conflict and insecurity in the last ten years, building of new housing units has stopped and the shortage has dramatically increased. Libya has a small population of just over six million and over 70 percent are under the age of 30. It is believed that the housing shortage is around half a million units. It is estimated that around \$100 billion will need to be invested just for housing.<sup>7</sup> Other sectors of property and building development are also available for investment, particularly hotels, chalets, and resorts for the yet to be developed tourist industry. In the coming years, addressing the chronic housing shortage and other infrastructure needs will become a priority. The World Bank has estimated that restoring Libya's infrastructure will cost \$200 billion over the next 10 years.

***Other Opportunities***

Other opportunities in Libya for reconstruction include building water desalination plants along the Mediterranean coast as 90 percent of the Libyan population reside along the coast line and main water supplies are coming from hundreds of kilometers in the South with regular interruptions and even sabotage. Securing water supplies for the Libyan population is a national security matter and the only logical strategy to achieve this is to utilize desalination from the sea.

Agricultural projects and Agro Industry are also a big potential for companies to pursue in Libya as Libyans have been relying mainly on importing the majority of their food needs from abroad. Turkish manufacturing companies can set up manufacturing facilities in Libya to supply local market and neighboring countries as well as the Africa market in general utilizing their proximity to the market.

***Obstacles to Overcome***

Obstacles for International and Turkish companies operating in Libya to deal with and overcome may include security, legislative, financial payments and corruption issues amongst others. Turkish-Libyan cooperation can also be extended to dealing with these issues by providing expertise and training for Libyan relevant institutions in the areas of transparency, accountability and good governance mechanisms.

Libya has been plagued with a deeply polarized conflict and civil war since summer of 2014 which created huge security concerns and threats including for international companies seeking to do business in Libya. Threats of being caught in crossfire or being kidnapped have been a real concern and the safety needs of personnel and equipment for international companies need to be addressed.

However, as Libya moves forward with an internationally supported political process to end violence and establish security and stability, the environment for companies to carry out projects in Libya should become more conducive and less dangerous.

There are legislations that control economic activity in Libya for both domestic and foreign investors as well as international companies doing business in the country and carrying out contractual projects. For companies who wish to invest in Libya, tax benefits are granted to those that can contribute to the diversification of the local economy and provide employment. Tax benefits include a five-year exemption from income tax. Foreign investors in Libya are also required to have an agent or business partner in the country and it is not always easy to find a good business partner.

It has been argued that fresh legislations are also needed to attract Foreign Direct Investment (FDI) and make it easier for foreign companies to undertake projects in Libya. Old slow and inefficient bureaucratic culture within Libyan government insti-

tutions is also a real challenge where accountability procedures, transparency and auditing mechanisms are very weak.<sup>8</sup>

International companies will also find banking in Libya to be a real challenge with the banking sector hugely under-developed and lacking the flexibility and efficiency to support local businesses and international companies operating in Libya.

Payment issues may also prove to be an obstacle to international companies operating in Libya, due to structural challenges inherited from the Qaddafi Regime, with concerns about back payments and Letters of Credit being honored shared by most international investors and companies. Although Letters of Credit's which are issued by the Central Bank of Libya (CBL) are confirmed and honored by reputable banks based in Turkey and other European capitals.

"After decades of under-investment, Libya needs everything," Debbie Hirst, director of the American Chamber of Commerce in Libya (AmCham Libya) said in response to the question why invest in Libya.<sup>9</sup> She also refuted the perception that investors were not coming to Libya because of the security issue. "If contracts look as if they are likely to be paid, companies will manage the security situation," Hirst explained.

Corruption is another major challenge for companies doing business in Libya as it is quite prevalent for some high-ranking Libyan government of-

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officials to abuse their position and seek personal financial gains, through asking for secret commissions in order for contracts to be concluded.

This makes fair competition and transparency very difficult and the World Bank's 2020 Doing Business report ranked Libya as the 186<sup>th</sup> easiest country to do business in out of 190 countries. Transparency International also ranked Libya as the 12<sup>th</sup> least transparent country (168<sup>th</sup> out of 180) in its 2019 Corruption Perceptions Index.<sup>10</sup>

### Conclusion

To ensure that this strategic partnership between Turkey and Libya works well for the next 30 years, whereby Turkey makes a vital contribution to Libya's institution and state building as well as reconstruction across all sectors, Turkey needs to adopt a 'holistic' approach of building bridges with real stakeholders and power centers inside Libya including; political, military, intellectual, economic and social forces.

Turkey should aim to avoid the risk of losing all the political and military

investment it has made in Libya recently and should also avoid a risky strategy of limiting its alliances in Libya to a specific Political stream; but should rather reach out to a wide range of political actors, groups and forces who perceive Turkey positively and welcome future cooperation and strategic alliances between both countries. The deep rooted historical and cultural bonds between Turkey and Libya and the good will which the overwhelming majority of Libyan people have towards Turkey give Turkish companies a competitive advantage to make the largest contribution to Libya's reconstruction.

In addition to ending the bloodshed and providing security for the Libyan population, there are urgent service needs in Libya currently that include solving the acute shortage of electricity which is causing misery to the Libyan population and the need to get main airports operational again to address travel needs. These two areas of construction needs can be quick wins for any Libyan government to show that it is working for the best interest of its people.

Based on current international efforts, Libya may be likely to have a political agreement in place in the coming months, which is expected in-turn to lead to parliamentary and presidential elections in around 18 months (possibly December 2021). Therefore, for Turkey it is important to work in alignment with other countries which are equally interested in supporting genuine peace and lasting stability that allows the Libyan people to fulfill

their aspirations for a constitutional democratic state. It is also highly important for Turkey that the building of bridges and cementing of the strategic partnership with the Libyan people starts now. ■

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