



Hacettepe University Graduate School of Social Sciences
Department of International Relations

**ANALYSIS OF THE LIBYAN CRISIS
WITHIN THE FRAMEWORK OF THE
'INTERNATIONALIZATION OF THE STATE' CONCEPT**

Cansu TUNCER

Master's Thesis

Ankara, 2017

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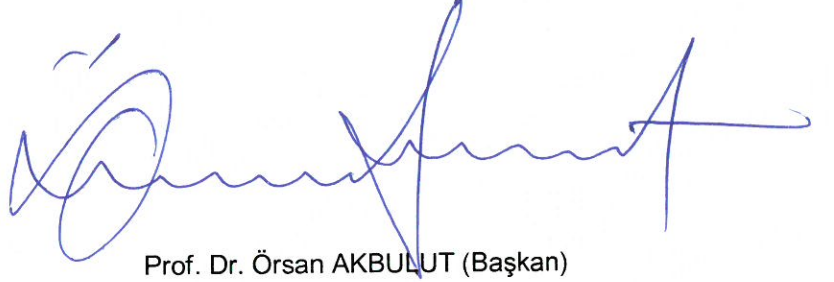
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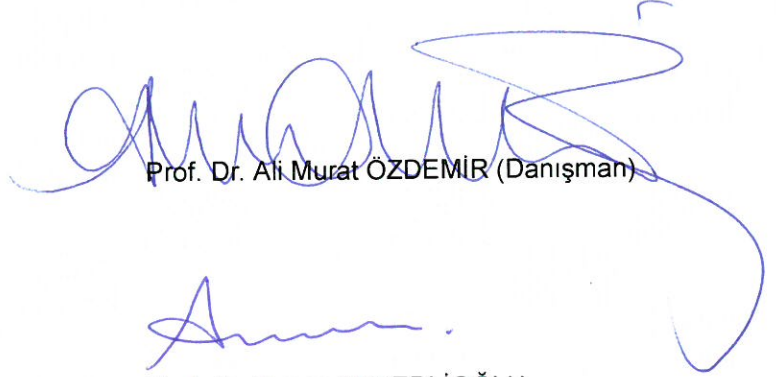
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ETİK BEYAN

Bu çalışmadaki bütün bilgi ve belgeleri akademik kurallar çerçevesinde elde ettiğimi, görsel, işitsel ve yazılı tüm bilgi ve sonuçları bilimsel ahlak kurallarına uygun olarak sunduğumu, kullandığım verilerde herhangi bir tahrifat yapmadığımı, yararlandığım kaynaklara bilimsel normlara uygun olarak atıfta bulunduğumu, tezimin kaynak gösterilen durumlar dışında özgün olduğunu, Prof. Dr. Ali Murat ÖZDEMİR danışmanlığında tarafımdan üretildiğini ve Hacettepe Üniversitesi Sosyal Bilimler Enstitüsü Tez Yazım Yönergesine göre yazıldığını beyan ederim.

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ÖZET

Cansu TUNCER. *Libya Krizinin 'Devletin Uluslararasılaşması' Kavramı Bağlamında İncelenmesi*, Yüksek Lisans Tezi, Ankara, 2017.

Stratejik bir öneme sahip olan Orta Doğu bölgesindeki ülkeler ciddi bir dönüşüm sürecinden geçmektedir ve bu süreci 'bahar' olarak tanımlamak son derece yetersizdir. Ayaklanmaların kaynağına inildiğinde ve olaylar bütüncül bir bakış açısıyla ele alındığında, kapitalist ilişkilere uygun hareket etmeyen az gelişmiş ülkelerde belirli dönüşümlere ihtiyaç duyulduğu ve bunu meşrulaştırmak için de uluslararası hukukun araçsallaştırıldığı görülmektedir. Kapitalist üretim ilişkilerine tam entegre olmayan ülkelerde başvurulan farklı müdahale biçimleri sonucunda devlet uluslararasılaşır, siyasi, ekonomik ve toplumsal alanlarda yeniden yapılanma gerçekleşir ve sermaye faaliyetinin sınırları genişler.

Anahtar Sözcükler

Libya, Arap Baharı, Orta Doğu, devletin uluslararasılaşması, uluslararası hukuk

ABSTRACT

Cansu TUNCER. *Analysis of the Libyan Crisis within the Framework of the 'Internationalization of the State' Concept*, Master's Thesis, Ankara, 2017.

Strategically important Middle Eastern countries are going through a significant transformation process, and identifying this process as 'spring' is rather inadequate. When the roots of the insurgencies are analyzed and the events are discussed from a political economy perspective, it is observed that less developed countries, which do not fit in global capitalist relations, are needed to transform, and the international law is instrumentalized for this purpose. As a result of various intervention methods used in the countries which are not fully integrated into capitalist relations of production, state becomes internationalized, political, economic and social spheres undergo a restructuring process, and borders of capital activity are expanded.

Keywords

Libya, Arab Spring, Middle East, internationalization of the state, international law

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INTRODUCTION

The Middle East has always been home to critical social transformations throughout history. In addition to its strategic location, rich underground sources attributed a key role to the Middle East region within the global system. The region still maintains this role today. Many scientific research studies have been carried out about the region so far. Particularly after 2010, insurgency and civil wars in the Middle East have boosted the interest in the region, and thus the number of studies conducted in this context has rapidly increased. These studies particularly highlight two approaches. The first one focuses on the idea that restlessness in the region stems from political oppression and dissatisfaction with governments; and the second one advocates that Western powers first ignited and now encourage and direct the uprising. In addition to such studies written with these perspectives, the number of studies that interpret and examine the region with a global political economy perspective is quite limited (Hanieh 2011); whereas this limited number of studies have not seized the opportunities offered by the state theory (Özdemir, 2014).

Main objective of the thesis is to make an analysis of the Middle East region from the collective imperialism approach which concentrates on the interpretation of political economy as a discipline by taking into consideration the latest developments in the state theory; and to make introductory deductions to develop an understanding of the Middle East within the context of global power relations. For this purpose, the timeframe under scrutiny is chosen as the period starting with the 2003 invasion of Iraq and the period called the 'Arab Spring', and the space is determined as Libya.

The period for the thesis is determined as the period after the year 2003, because the changes and developments in Iraq and the Middle East region after the occupation of Iraq in 2003 constitute a significant indicator for the 'internationalization' and 'global capitalism' concepts as analyzed in the thesis. Besides, Iraq occupation would be the best example that proves the USA and the UN's capacity and persistence to take unilateral decisions, ignoring their major allies and counting upon their military power at the utmost level (Hardt & Negri, 2009). The thesis is focusing on Libya in particular due to the Libya intervention's authentic

place among other foreign interventions that occurred in the Middle East recently, and its especial characteristics in terms of the consequences of the intervention.

Considering the recent experiences of the Middle East, what strikes us first is the fact that countries in the region are going through a substantial transformation. Most of the Western-centric interpretations refer to this transformation using the 'spring' metaphor. However, describing the uprising in the region as 'spring' in such shallow comments would be quite defective and wrong. To gain a comprehensive and deeper understanding of these insurgencies, first the point of origin of social movements should be determined and the process should be analyzed through a political economy perspective. For this purpose, latest changes in the world economy have been examined with a political economy approach in light of the internationalization of capital and the state as a holistic and integrated process.

Transformation in capitalist relations and the global environment shaped by American hegemony brought together certain alteration in less developed state forms which do not fit in these relations. It is observed that international law is being instrumentalized for such purposes (Özdemir, 2011). Libya offers significant data to analyze the process of instrumentalization of international law and presents specific features to comprehend the changes occurring in the region as the restructuring of the state is a direct consequence of the dialogue with international organizations.

On the other hand, when analyzing and interpreting the means offered by Libya in this regard, it is observed that each social transformation rests upon global impacts as well as historical aspects of that particular population. In parallel to this determination, the Libya case will be examined taking into consideration the structural limitations of the current state form and the demands of internationalized capital within the country.

For the abovementioned purpose, in this chapter we will discuss the developments in the region until the year 2003, and the historical periods of the countries in the region and the actors that have political/economic relations with these countries will be outlined in general terms. For a better grip of the transformation process, the primary step of the analysis will be the state concept within the framework of international law, and how this concept evolved will be discussed. Afterwards, the theoretical background of the internationalization process will be asserted, the period and place in question will be elaborated with concrete examples and cases about the process. In the final part, the cases will lead the way to a clear and

comprehensive description of collective imperialism; the changing and newly added concepts in international law will be listed and studied.

CHAPTER I:

INTERNATIONALIZATION OF THE STATE

1. HISTORICAL BACKGROUND

The internationalization of the capital is a social phenomenon which has been used in the political economy discipline since late 19th century, nevertheless the foundations of the concept's definition as we know today was laid in the Second World War period. In this period, production and finance started to gain an international characteristic by reaching beyond national boundaries (Amin, 2004). Structures which existed as nation state empires in the pre-war period began to fall apart after the war, went through a transformation phase in line with production relations and moved towards international trade and investment (Özdemir, 2010).

According to the mainstream thinking, international organizations were established to alleviate the destructive impacts of the war on national economies, to maintain peace and cooperation among capitalist states, to regulate and encourage international investments. As stated by Amin, following the Second World War where international law was ignored and violated, the United Nations was founded with the aim of changing the illegitimate character of the right to wage war as announced previously (Amin, 2004). Cooperation in the abovementioned context stipulated certain structural changes that were deemed to clear the way for the representation of the capital within the country of investment (Özdemir, 2011). The state mechanism aiming to protect the interests of national capital against foreign impacts started to be replaced by a new mechanism allowing capital groups to make direct investments in areas belonging to multiple states (Panitch & Gindin, 2004).

The Bretton Woods system, the fixed exchange rate regime for gold and money, collapsed in the 1970s (Hobsbawm, 2006). The Bretton Woods system allowed the United States to impose its own economic order upon sovereign capitalist states (Europe and Japan) by using the dollar in trade relations, and also to exert its economic dominance on other states (Albo, Gindin, & Panitch, 2010). In this way, the United States could have the control of several international organizations such

as IMF and the World Bank (Hardt & Negri, 2000). The economic crisis of the 1970s and the collapse of this system brought forward a structural change in the global economic order. Functions of the nation state began to differ while the liberalization in economy was gaining ground. Imperialism gained a collective character in the aftermath of the crisis, and accordingly nation states were no longer entities which were trying to protect and pursue their own interests, but they started to act in cohesion with other nation states and to realize the desire of establishing imperialist collectives.

Internationalization gained pace after the dissolution of the Soviet Union, which had a retarding impact on this process. The world had a bipolar structure in the Soviet period, thus elimination of one pole in the world order led to the consolidation of the other, which means stronger American domination and expanding American capital movement.

Deemed the only hegemonic power in the post Cold War period of the 1990s, the US had a desire to have full sovereignty with its military and financial power. Fertile environment was formed for capitalist states to establish cooperative relations and coordinate their policies. As the capital and the means of production reached beyond the boundaries of nation state, a need for structural transformation arose for 'developed' capitalist states to integrate 'less developed' raw material selling states into the capitalist system (Özdemir, 2014).

International competition began to rise in the free market as the capital gained an international structure. Therefore, even the strongest state needed some structural regulations in order to protect its capitalist interests. To do this, there was a need to internalize a certain set of relations within the state structure and instruments, and to integrate these relations into the structure in place (Albo, Gindin, & Panitch, 2010). In the meantime, the transformation and coordination efforts were required to be secured by the international law.

The international organizations that were established after the Second World War for the mentioned purposes became one of the most suitable instruments in this regard. Lack of such a balancing power as the Soviet Union in the international arena led to the beginning of a new era in the expansion process of the capitalist state form under the leadership of the United States. However, this era was going to be fully effective in setting the global agenda only when China's increasing export and income turned into a threat for the US, Gulf countries preferred the West to use

their oil income in the West, and competition escalated as the rising wealth in the region attracted capitalist powers.

China became a key actor in at the global level with its growing economy from the mid-1990s to early 2000s. The country tripled its export volume in this period, and thus needed more and more energy to sustain its growth. Besides, oil prices significantly increased. The economic crisis, which affected Asian countries and Russia in 1997 and 1998, caused a decline in oil prices, but the price of Brent oil was \$30.17 per barrel in 2003, which had decreased to \$13.2 in 1993.¹

While the wealth was accumulating in oil exporting states, capitalist economies were getting more and more attracted to the region. The USA wanted to increase its market share and take precedence over others in Gulf countries which had trade relations with European and Asian countries in addition to the USA; because dominating the Middle East market, which is not only a highly crucial market for raw materials but also a geopolitically important area, means dominating the global competition (Amin, 2004). Pursuing its desire to penetrate more into the economies of the region, the USA hit the button to create a Middle East Free Trade Area (MEFTA) in 2003. Despite the US free trade agreements signed with countries such as Bahrain and Oman, almost all of these countries were hesitant to open their main sectors to international capital. That's why this idea could not be as successful as desired (Hanieh, 2011).

In addition to this, while the volume of oil export of Gulf countries towards the East reached very high numbers, most of the income generated by these exports was flowing into the West. In the Gulf, 75% of petro-dollars was spent domestically and the 25% were used in foreign investments in 2002; but in the year 2007 44% was spent domestically and 56% was used as foreign investment. In this period, foreign investment increased by more than 50% in all oil exporting countries (Hanieh, 2011). China was buying an increasing number of bond, equities and assets from the USA, and thus interdependency between China and the USA was getting much deeper. This structure was making the two countries both allies and threat to each other. The USA, selling papers to Asia and the Gulf, faced a sharp increase in its current account deficit as a result.

From the hegemonic state's point of view, it was impossible to base the Western capital's immediate demands about the Middle East upon the convergence to be

¹ Thomson Reuters databank.

offered by market relations. Even the harmonization or forced harmonization strategies were deemed to be unable to provide the necessary transformation as fast as global capital investments demanded, which had to implement commodification strategies for reproduction. The US evoked its violence instruments to incorporate the natural wealth of strategically important raw material selling countries into the global free market order by immediately transforming the state structure (organizational structure, legal system, business procedures, etc.) in those countries. Such an action required radical modification of political and economic areas and the supporting ideological formation (Albo, Gindin, & Panitch, 2010). Attacks to the World Trade Center and Pentagon in 2001 created a justified ground for the US to use the instruments of violence. The perception of terrorism cleared the way for the US to attack Afghanistan in 2011 and to invade Iraq in 2003.

Here we can say that the internationalization of the state process, as meant to be analyzed in this thesis, can be clearly observed in the change and transformation environment in Iraq after the occupation. The Coalition Provisional Authority established in the country after the occupation brought a fundamental change to the political and economic structure of Iraq via a number of resolutions, and in this way started a restructuring process of the state structure.

2. STATE AND INTERNATIONAL LAW

The transformation in the international law and the definition of the state particularly in the last 5-6 decades should be examined thoroughly in order to better understand the changes in the historical process; because concepts such as law, state, policy, and culture are constantly restructured in a way to support the class system as production forces develop and production relations transform (cited from Eagleton by Paupp, 2009). Hegemon state or group of hegemon states act with an objective to change the structure of the state and the economic system so as to better protect their interests and much easily realize their capitalist actions. Within this scope, they shape the international law to provide a framework of legitimacy for their actions.

Certain changes were stipulated in the definition of the state as the primary part of this shaping process. Main conditions of being recognized as a state were renewed. According to the Article 1 of the Montevideo Convention on the Rights and Duties of

State of 1933, the state as a person of international law should possess the following qualifications:

- a) permanent population,
- b) a defined territory,
- c) government,
- d) capacity to enter into relations with the other states.

The Convention regards the state as a legal entity, which acts upon its authority and power to take decision. The Article 3 of the same convention defines the existence and rights of the state as follows:

“The political existence of the state is independent of recognition by the other states. Even before recognition the state has the right to defend its integrity and independence, to provide for its conservation and prosperity, and consequently to organize itself as it sees fit, to legislate upon its interests, administer its services, and to define the jurisdiction and competence of its courts.” (Convention on the Rights and Duties of States, 1933)

The Article 6 clarifies the recognition issue as below:

“The recognition of a state merely signifies that the state which recognizes it accepts the personality of the other with all the rights and duties determined by international law. Recognition is unconditional and irrevocable.” (Convention on the Rights and Duties of States, 1933)

Montevideo Convention is regarded as the pioneer of democratic international law in its developed form between 1945 and 1990 as it does not lay down a condition for recognition by other states for newly established states in order to be defined as a state. On the other hand Article 1 which requires a state to be capable of establishing diplomatic relations with other states can be considered as a residue of imperialistic international relations and law (Özdemir, 2011).

Another document in which we can observe the relation between the international law and the form of state is the EU directive on recognition dated 1993. The criteria set out in the Acquis Communautaire have gained importance globally and have begun to be determinative for states. In order to become a member of the European

Union, states are required to meet the following accession criteria defined in 1993 in Copenhagen:

Countries wishing to join need to have:

- stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- a functioning market economy and the capacity to cope with competition and market forces in the EU;
- the ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union (Conditions for Membership, 2012).

The directive reveals the impact of the state form on recognition. At that point, it is obvious that the directive falls behind the 1933 Montevideo Convention...

The Montevideo Convention is accused of protecting imperial interests as it stipulates the capacity to enter into relations with other states on contemporary lines as a constituent element of the state but which is regarded as the Pioneer of democratic international law in its form as developed between 1945 and 1990 that does not stipulate the recognition of a newly established state by great powers as a constituent element of the state. However, the democratic aspect of the convention has been obfuscated in the recent period (Özdemir, 2011). In this period, the conditions to become a state have been changed and re-regulated; thus if a state is to be accepted and recognized by other states, it needs to comply with the 'rules' of 'developed' imperial states and the state form as imposed by these rules. Within this context, membership criteria set out for the European Union at the 1993 Copenhagen Summit clearly and explicitly supports the mentioned rules.

In its simplest definition, state is a structure which has a population, a defined territory, and sovereignty. But having these three factors all together is the most fundamental character of a state. The most distinctive difference between the Montevideo Convention and the Copenhagen criteria of 1993 could be regarded as the changes required in the state's form. Such formal changes virtually obliged the developing state and the republics that emerged particularly after the collapse of the Soviet Union to transform into formal democracies in order to be able to develop economic and political relations with developed states.

At this point, it should be underlined that by using the formal democracy concept it is meant 'fictitious' democracy that is instrumentalized by capitalist states in their quest to manipulate the international law in accordance with their interests particularly after the dissolution of the Soviet Union. It should also be emphasized that the dynamics designating the conditions set out for the recognition of the states which were previously a part of the Soviet system are now shaping the "reforms" required to be made by the states in the Middle East.

The underlying causes of these formal changes and the potential advantages that capitalist states can have from such changes will be scrutinized in the following chapters. To sum up, capital groups, which are simultaneously represented in more than one state, gain the capability to use the power of the state in a coordinated manner. The success of their efforts to find new political ground to expand representation depend on the acceptance of the reforms they offer to the state in question. Such efforts bring together a substantial change in the form of the state. At this point, we need a detailed analysis of the processes of the internationalization of the state and the internationalization of the capital, which have a correlative course of progress.

3. STATE AND THE INTERNATIONALIZATION PROCESS

In the post-Cold War period where the Soviet Union dissolved, the global economy became unipolar, and capitalism gained a much aggressive speed of expansion; the structure of the state and the mobility of the capital went through a distinctive transformation. To put it briefly, capitalism had its golden era between the 1950s and 1970s but it was confronted with declining profitability and over-accumulation crisis in the 1970s. The impacts of this crisis and the solutions developed to overcome the crisis were observed in the entire world system. The nation state had a structural transformation, and an internationalization process began at each level of the capital.

In this subtitle, the internationalization process in question will be examined and a definition of the state will be offered that complies with current dynamics. The internationalization concept could be divided into three main sections -without any time sequence- as; the internationalization of the capital, transformation of the state in accordance with this new structure, and the interpretation and reshaping of the

international law as to provide a legitimate ground for the state and the process. As we will handle the process in this manner; the internationalization process will be discussed under three main axis as 'the change in the representation structure within the state', 'shaping the international law' in this context, and 'the internationalization of the capital'. In this way, a thorough debate of the definition of the state will be presented.

Down the ages, the definition and concept of state has been through many changes, gained new meanings and scopes. States are the conventional product of history and social forces, not a given or a natural phenomenon, and their organization is continuing to evolve in a more open and interdependent world (Cerny, 2010). There are different views about the origin of the state. We can give many alternative views about the origin of the state, such as the religious view that believes the state is a product of a divine will; the social evolutionist/Darwinist view asserting that the state was born as an order imposed by the powerful upon the powerless according to the law of the nature; the biological view advocating that the state is a natural being, pursuing its benefits; the economic-class centered state view that is created in the powerful-powerless axis by the economically stratified society; the social contract-based state view that is established by the free-will of the individuals with the aim of ending the problematic environment of statelessness (Strayer, 2005).

The well known philosopher Plato, who follows the abovementioned biological approach, handles the society as a human-like organism in the perspective he provides in his work *The Republic*. According to Plato, the ideal state is a human-like state which acts on its behalf, does not have any conflicts within, works in harmony just like the organs of a human being and on the basis of the cooperation principle.

From the perspective of this work, state is not an organism that operates like clockwork within its defined boundaries, having no conflicts and contradictions. On the other hand, it is a selective domain of power which consists of complex social relations, having conflicts of interests and interclass discrepancies. "State is a set of institutions that cannot, *qua* structural ensemble, exercise power." (Jessop, 1990) In this regard, demands that get into the structural forms determine the state power in conjunction with the class representation rates that constitute these forms. State is the sum of these structural forms, institutions and organizations. State consists of

the political power domain at the core, and the spatial existence of social formation in the periphery (Özdemir, 2014).

All liberal philosophers and some of those who follow the Marxist approach make the same mistake: addressing the state and the society phenomenon as two independent, separate issues (Jessop, 1990). However, these two areas do not have explicit boundaries; they are permeable between each other. The demands arising out of the domain of social relations have the opportunity to be represented at the core when they take forms that comply with the political power domain and adopt a viable language within the dominant ideology; whereas the demands that are unable to take such forms are not represented at the core. Classes represented within a state use the state power to the extent of the level of their representation. This relation between classes and the state form brings forth a reciprocal impact. The mentioned representation apparatus affects the classes within the society and leads to certain conflicts; because the use of state power at different levels by different classes within the society creates a competition and contention environment among classes. In the same vein, not fulfilling a demand in the desired way by a class or group will trigger a reaction within that class or group and may create bigger demands and reactions.

Those demands that enter into the state structure are subject to a structural determination, that's why fulfilling a demand within the capitalist production relations directly depends on whether that demand contradicts with the reproduction of the capital. In this regard, we can see the state as an organizational and corporate mechanism comprising the structures that set the ground for the appreciation of the capital and that are essential for the reproduction of the labor force. Constant representation of these demands within the built-up and form-oriented set of relations -called the state- is a constituent element of the capital relation (Özdemir, 2014).

In this connection, the capital being represented within the state becomes internationalized as a result of the said transformation process, and clears the ground for the interaction between the national capital with other capitals and the emergence of a global competition atmosphere. But such changes and developments bring together some problems.

As Jessop noted,

“The internationalization of capital poses new problems and requires new forms of state apparatus and state intervention, to secure the continued reorganization of social relations in favor of capital accumulation on a world scale. As the appropriate forms of intervention change with the progress of capital accumulation, so do the appropriate forms of representation and legislation.” (Jessop, 1990)

According to this approach, capitalism does not only consist of the relations of production, but it also complies with the spatio-temporal matrix (Jessop, 2008). A state that addresses capitalism in this way goes through a transformation as capitalism and the international order changes. The globalized world has this transformation in political, economic and social areas, and the state is restructured in the spatio-temporal way according to this transformation (Cerny, 2010).

Concordantly, imperialism does not only consist of capital export and the expansion of capitalist relations of production, but it also includes the legal, political and ideological transformation (and therefore the transformation of the state by becoming internationalized) that is essential for the realization of this transformation. Internationalization of the state requires the direct access of the global capital to the state's financial and ideological apparatuses both at the national and international level (Panitch, 2001). At this point, integration of non-capitalist economies with the capitalist processes of production and accumulation stands out as a prerequisite.

The capital that transforms less developed, non-capitalist economies with the aim of finding new markets expands its sphere of activity while creating surplus value. The reuse of this surplus value for reproduction and as the necessary capital for new investments means the broadening of the borders of the capital activity; because now there is a much greater need for new markets and areas of investment due to overaccumulation.

“The capitalization of realized surplus value requires that for the subsequent cycle of production the capitalist will have to secure for purchase additional supplies of constant capital (raw materials, machinery, and so forth) and additional variable capital (that is, labor power) –and eventually in turn this will require an even greater extension of the market for further realization.” (Hardt & Negri, 2000)

As a complementary element of the internationalization of the state process, the internationalization of capital emerges as a result of the mentioned cycle. Internationalization of capital can be described as a two-phase process. The first phase, as previously noted, is the entry of the capital into less developed countries; and the second phase is the return of the capital back to developed countries along with the surplus value. This process may take place in different ways via multinational companies and international organizations. Course of the capital activity since the Second World War is summarized below (Hiatt, 2007):

Cashflow to Less Developed Countries	Backflow of Cash to Developed Countries
<ul style="list-style-type: none"> • Loans granted for exaggerated projects • Structural adjustment loans • Development loans • Arms 'support' • Funds allocated by export credit banks • Offshore operations • Privileges for resource development • Multilateral benefits in sharing agreements • 'Partnerships' with local elites • Privatization of public services • Multilateral reduction in custom tariffs • Redundant defence and security forces • IMF budget audits 	<ul style="list-style-type: none"> • Contracts, loan payments and costs received from exaggerated projects • Fraudulent bids/elections • Capital flight • Commissions received from the amounts in offshore accounts • Manipulated commodity markets • Embezzled and deposited funds into offshore accounts • Arms sales agreements • Allocated services and suppliers • Tax evasion/money laundering • Bribery • Penetration to armed forces/security institutions • Manipulation of local currency/interest rates • Manipulation of local ethnic conflicts • Murdering leaders who do not agree to cooperate • Employing local militia and security forces • Military intervention

For a better understanding of the issue, a list of tangible examples and facts is given below, epitomizing the methods given in the table. Policies focusing on the expansion of the sphere of activity of the capital and the establishment of a compatible state form can be clearly observed in the cases listed below:

- Conditions imposed upon Germany and Japan immediately after the Second World War,
- Transformation demands that are introduced with the lending and aid policies, particularly as part of the Marshall Plan,
- European states' acting together to take the American currency as the reserve money substituting gold after the collapse of the Bretton Woods system's fixed exchange rate regime at the beginning of the 1970s,
- After the end of the Bretton Woods system, fixing of the exchange rates by major central banks rather than in a market-oriented way,
- Structural transformation demands of international finance institutions such as IMF and the World Bank in return for the loans they made,
- IMF's new stipulating role after the 1982 Mexican crisis (Structural Adjustment),
- High interest rates which secured US Dollar's position as the main international currency right after the creation of the European Monetary System,
- The European Union's directive and political practice with regard to the recognition of new states after their breaking out of the Soviet system,
- Policies that compose the forced harmonization programs of the United Nations,
- Constantly increasing volume of direct foreign investments as a result of the accumulation in central states due to their expanding import and export relations.

As can be clearly seen in the examples given above, sphere of activity of the capital groups that outgrow the borders of the nation state has considerably expanded, and certain steps have been taken to create the necessary structure to enjoy the same rights and representation in other states as they have in their nation states. Aim of such measures is to establish a state form and legal system that will not obstruct the

expansion of the capital activity and instead will provide a favorable environment in this regard; to pave the way for liberal economies and open markets which ultimately will be a part of the global competition; and to integrate less developed countries to the capitalist order running under the leadership of developed countries.

In other words, these steps are taken for creating a similarity in the corporate structures of different countries located in different corners of the world, setting the ground for the domination of a certain state form at the international level, and therefore leading the way for the internationalization of this form.

4. COLLECTIVE IMPERIALISM

The changes and transformation processes described hitherto required some changes and in international relations theories. The theories at hand may fall short of understanding and explaining this changing and transforming world. The internationalization process and the mentioned transformation process in international law can no longer be properly explained by classical imperialism theories. To clarify this statement, we should first discuss the classical imperialism theories.

In this regard, the first person to mention is Marx. Although Marx do not directly talk about imperialism, he describes capitalism in the simplest term as such: It is the set of the relations of production where a certain group holds the means of production (the capital) while workers, who are free but do not have any capital, sell their labor power to this group of employers. The worker group, selling their labor power to make a living, has to add an additional amount of working time to their necessary hour of work for the interest of the owner of the means of production; therefore such a system leads to surplus value exploitation.

In capitalist relations of production, only a small part of the society holds the control of the production process and the ownership of the means of production, and the conditions of the surplus value exploitation are determined accordingly. Therefore, it points out the efforts of the capital groups in nation states to get a foothold in other nation states with the aim of having control over the raw material resources, entering into a higher number of markets, penetrating into areas where labor is cheaper, and boosting this surplus value.

Classical Marxist theories of imperialism, developed upon Marx's ideas of capitalism and particularly produced by Hilferding, Bukharin, and Lenin, are based on the rivalry between major capitalist countries (Brewer, 1990). 'Strong' and 'developed' countries' desire to exert dominance over 'less developed' and 'weak' countries created great rivalry among those developed countries.

Hilferding indicates that the world has gone through a significant change process and gained a monopolistic structure since the period of Marx, thus Marx's theory of capitalism needs to be updated. He particularly points out the role of incorporated companies in this process. Incorporated companies are a combination of individual capitalist states which have limited capacity. When they unite their forces, they have a greater capacity, and therefore leading to the centralization of the capital. Local capital groups that gain more power in this way found a chance to use the power of their state in other nations where are represented at the state level. Such companies and groups played a key role in the implementation of policies that highlight their interests against other states. On this wise, monopolies emerged which use the state power, gain more profit and have great competitive advantage in the world market. The capital in the hands of the capitalist class during the open competition period of the 19th century started to gather under a single roof in the 20th century. Capital groups which were active in the fields of banking, industry and trade gathered under the roof of monopolistic capital in this period. Such a unison, which constituted an impediment before the open competition among individual capitalists, was called the 'finance capital' (Hilferding, 1981).

According to Hilferding, finance capital has three main objectives: (1) having the largest economic area possible; (2) protecting this area against foreign competition by means of customs and tariffs; and ultimately (3) turning it into an area of exploitation for the national monopolistic capital (cited by Brewer, 1990).

In his book 'Imperialism and World Economy' which has a highly long preface by Lenin, Bukharin made rightful predictions and significant comments about the internationalization of capital, and defined imperialism as the 'policy of finance capital' and 'reproduction of capitalist competition in a wider framework' (Bukharin, 1915). With the rise of finance capital, a 'financial oligarchy' emerged, with Lenin's words. Capitalist relations of production started to get internationalized as the capital export gained greater importance.

Having gained an international character before the First World War, the capital mobility started to change its form after the Second World War. It can be indicated that such a change is primarily based on the crisis of the 1970s faced by capitalism as a historical and social system, and the restructuring strategies developed by the capital at the universal level in order to overcome this crisis (Harvey, 2010). In the post-war period, the state had a dire need for different capital groups that do not reside in its borders, and the borders of a state were no longer sufficient for a capital group (Özdemir, 2014). In this period, a capital group could have a seat in more than one state, became a part of the formation process of these states' power and common areas for politics started to emerge -at least for the Western Bloc (Özdemir, 2014).

Capitalist countries that were previously competing began to act in cohesion under the leadership of the United States. After the disappearance of the Soviet Union as a powerful actor, there was no other obstacle before the United States to realize its objective to become a global hegemonic power. Major economic actors such as Europe and Japan accepted the economic dominance and hegemony of the United States right after the Second World War and they started to follow common interests (Amin, 2004). Unimaginable things started to happen before the Second World War which was primarily shaped by rivalry among capitalist states. It was observed that capitalists established a common army (NATO) to coordinate their military policies, and gathered under a single financial roof by founding common financial institutions such as IMF and World Bank. In addition to the financial and military harmonization efforts, they also set out to lay the legal and ideological ground that is necessary to realize their political and economic interests.

After these changes, classical theories of imperialism began to fall short of explaining the issues of the internationalization of state and capital; because the period when these theories were developed and the period of 'collective action' as indicated are highly different from each other. In the collective period, we are not only talking about the efforts of the powerful to assert dominance over the powerless and about capital export at the nation state level, but we are also discussing that the nation state is going through a formal change, the representation structure has changed for financial, legal, political and ideological purposes, and the current order is under great transformation. Moreover, the state structure and the representation framework must be clearly understood in order to make a correct analysis of the

relations among states today. This is one of the most important aspects that classical theories of imperialism are missing.

The other aspect is capital export. While commodity export was one of the main characteristics of first theories of capitalism, capital export comes to the fore in today's capitalism. The cycle in capitalist relations of production can be described in its simplest form as such: The bigger the difference between a worker's wage for his/her products or services and the price the employer collects by selling those products or services, the higher the capital accumulation.

For this reason, they will embark on a quest to decrease raw material costs, use cheaper labour force, and find more markets. The capital circulation that started in a nation state continues with the inclusion of colonies as a source of cheap raw materials. The capital circulation ends when the gained surplus value is used for making investments at the point of origin. Leading actor of this process, the capital group, is being represented within the said nation state.

This cycle started to change particularly after the Second World War. The United States' economic aid to European countries, which were in a severe economic collapse, brought a new dimension to the global economic structure. Trade and financial relations entered into a new era with the Bretton Woods decision of 1944, and then the establishment of the World Bank and IMF (Hobsbawm, 2006). In this new era, the system, which composed the capital's getting into circulation from a single nation state, was replaced by a system, which required the capital to get into circulation from a number of different states. The collapse of the Soviet Union in the 1990s had a great impact on this process as well.

In this period, capitalist countries became favorable platforms where capital groups from different national origins could run their operations smoothly thanks to those economic initiatives and newly established financial institutions. Imperialism in its today's form did not reduce the importance of nation state in that period (Martin, 2008) and -contrary to most authors' belief- a supranational structure did not appear but national institutions were transformed (formally) so as to allow the capitalist activity to get beyond national borders, transfer the profits, protect its property, and penetrate into national policies. The transformation in the state form were corresponding to the transformation in class relations. Neo-liberal policies which started to be implemented in the early 1980s resulted in the emergence of a new nation state structure -weaker in its democratic control mechanisms but stronger in

its inspection over the working class, facilitating the mobility of capital (Arrighi, Hopkins, & Wallerstein, 1989). In this setting, collective imperialism came up as the total effect of capital interests that are simultaneously represented in those new nation states (Özdemir, 2014).

CHAPTER II:

NEW AND 'MODIFIED' CONCEPTS IN INTERNATIONAL LAW

Law does not only regulate the behaviour of already existing individuals and states. It often violently constitutes individuals and states as legal subjects and makes some forms of violence appear legitimate (Owens, 2007).

So far, we have indicated that classical theories of imperialism fall short of explaining the relations among states, tried to point out the aspects these theories are missing, and particularly noted that we can understand and interpret today's international relations within the updated framework of the imperialism theory developed under the title of 'collective imperialism'. In this part, we will examine the new concepts in the international law, which have been highly effective in the process of the internationalization of capital and expansion of the aforementioned state form; and we will also scrutinize the existing norms in international law.

1. FINDING IDEOLOGICAL GROUNDS

The terms of democracy, peace, human rights, and development have been widely and frequently used by capitalist states in order to justify their actions. The scope of development was based on industrialization before the Cold War, however it included being democratic and respectful to human rights after 1990s.

'Developed' states are defined with their free market systems and democratic orders, whereas 'less developed' or 'developing' states were indicated with their autocratic administration and non-compatibility to the capitalist system. "Countries whose economic production is not presently at the level of the dominant countries, with the idea that if they continue on the path followed previously by the dominant countries and repeat their economic policies and strategies, they will eventually enjoy an analogous position or stage. Economies of the so-called developed countries are defined not only by certain quantitative factors or by their internal

structures, but also and more importantly by their dominant position in the global system.” (Hardt & Negri, 2000)

Within this framework, we are going to scrutinize the concepts of failed/rogue state, use of force, self-defence, humanitarian intervention, responsibility to protect, and war on terror:

1.1. Failed State, Rogue State

Within the processes of globalization and internationalization of capital, states are getting more interdependent on each other and are bound in a global economic system. In a globalized world, state structures are required to be in coherence with each other in order to be able to ‘survive’ under the American hegemony. Capitalist countries dominate the world economy as developed countries, and need less developed countries as raw material sellers. As noted previously, those less developed countries are required to have a free market system, be open to foreign capital and investments, capitalist trade relations and liberal commercial laws. Thus, related legal, economic and corporate regulations must be made voluntarily or involuntarily.

After the collapse of the Soviet Union, less developed states began to be called as ‘rogue’ or ‘failed’ states. This conceptualization can be regarded as the effort to establish the ideological basis of interventions and other imperialist actions. The discourse of human rights and democracy may be defined as facilitators for the justification efforts. ‘Humanitarian interventions’ to less developed, pre-capitalist states could be easily wrapped up in the discourses of human rights violations, democratization or civilization. The countries that were the members of the Soviet Union faced economic adaptation processes and some of them experienced serious civil wars. Moreover, Middle Eastern countries have been experiencing ethnicity-based civil conflicts or political problems. With these discourses, the instability within those states can be seen as a reason for intervention.

Post-Soviet countries were mostly labelled as ‘failed states’ due to their ‘failure to adapt themselves to the capitalist economic arena’. After the integration of those states to the capitalist world is completed with foreign interventions, European Union memberships, etc. the faces turned to Middle Eastern or Central Asian countries. Particularly with the 9/11 attack, terrorism became the new enemy and challenge for

western powers, especially the United States. The states 'known to be sponsors of terrorism' in Central Asia and Middle East began to be called as 'rogue states'. The justification for interventions and imperialist actions was based on terrorism, migration and drug trafficking, with a special focus on Afghanistan and Iraq. It can be said that the United States developed the term of 'war on terror' with this particular aim.

It is more difficult but more important than other states to trigger a transformation in those less developed states, which are mostly the owners and sellers of strategic raw materials. Although those so-called 'rogue states' are experiencing capitalism in a less developed way, it is not possible to transform them by means of international organizations or economic sanctions because they do not go into the orbit of capitalism which is determined via global regulations (Sune, 2013).

1.2. Use of Force

Prohibition of the use of force can be regarded as one of the most important developments of the last century in international law. "For millennia, the decision to wage war was not subject to any legal restrictions. Furthermore, war was regarded as a legitimate means of policy, its foremost aim changing territorial boundaries" (Heselhaus, 2015).

Except for the period of the Cold War, shooting wars² were at the heart of international relations. The Peace Treaties of Westphalia, which were signed in 1648 after the Thirty Year's War and Eighty Year's War, aimed at ending devastating wars. These treaties had a crucial impact on international relations in terms of the sovereignty and non-interference principles (Etzioni, 2016). Particularly after the World War II, use of armed force began to be discussed in the international arena, and states decided to prohibit the use of armed force. However, military interventions and events of use of force experienced in the recent past revived the discussions about the efficiency, applicability and scope of this prohibition.

There are certainly some exceptions to this prohibition like all other rules and prohibitions. Self-defence is the first exception that allows the use of force. Besides, the Security Council has the authority to enforce military intervention if it 'detects' any threat to the peace and mass violation of human rights. These exceptions have

² i.e. hot wars

begun to be manipulated and instrumentalized so as to support the argument of this thesis. We need to examine this concept and its exceptions for analysing the events seen in the Middle East.

The limitation on the use of force is clearly indicated in the Charter of United Nations, Article 2(4). Moreover, the provision in Article 2(3) supports this limitation (Charter of the United Nations, 1945). Similar provisions are also stated in the Article 1 of the Declaration of Principles of International Law Concerning Friendly Relations and Co-operation Among States in Accordance with the Charter of the United Nations, dated October 24, 1970:

“States shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State or in any other manner inconsistent with the purposes of the United Nations, and

Every State has the duty to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any State, or in any other manner inconsistent with the purposes of the United Nations. Such a threat or use of force constitutes a violation of international law and the Charter of the United Nations and shall never be employed as a means of settling international issues.” (Declaration of Principles of International Law Concerning Friendly Relations and Co-operation Among States in Accordance with the Charter of the United Nations, 1970)

1.3. Self-Defence

The concept of use of force is defined in relation to the concepts of intervention and self-defence in the following provisions of the same document. These provisions clearly state that state sovereignty is inviolable and any violation against state sovereignty will be regarded as violation of international law within the scope of use of force.

“The territory of a state shall not be the object of military occupation resulting from the threat or use of force in contravention of the provisions of the United Nations Charter. The territory of a state shall not be the object of acquisition by another state resulting from the threat or use of force. No territorial acquisition resulting from the threat or use of force shall be recognised as legal.” (Declaration of Principles of International Law Concerning Friendly Relations and Co-operation Among States in Accordance with the Charter of the United Nations, 1970)

In the United Nations order, states' right to use of force is not completely prohibited. In cases which are based on a reason for self-defence, states would be granted the right to use armed force for defending themselves. In the Article 51 of the founding charter of the United Nations, this right is defined as follows: (Tarhanlı, 2003)

“Nothing in the present Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a Member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security. Measures taken by Members in the exercise of this right of self-defence shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present Charter to take at any time such action as it deems necessary in order to maintain or restore international peace and security.” (Charter of the United Nations, 1945)

The expression in this provision relates the enjoying of the right to self-defence with being the victim of 'an armed attack'. Efforts to find the legal definition of the concept and scope of 'aggression' began when preparing the founding charter of the United Nations, however, it could be completed and finalized in 1974 within the body of the United Nations, with a General Assembly Resolution titled as 'the Definition of Aggression' (Tarhanlı, 2003).

Article 51 reserves states' right to self-defence. It is observed that this article is based on the acknowledgement that the right to self-defence is granted in customary international law. This provision is also reserved in the newly added articles in the UN Charter. Parties to the Kellogg-Briand Pact acted in a similar way and reserved their right to self-defence (MacDonald, Patman, & Mason-Parker).

Inclusion of the right to self-defence in the Charter and in other relevant pacts and agreements brings forward a number of problems related to legitimacy and interpretation. The first one is the emergence and manipulation of the concept of humanitarian intervention, and the second one is the concept of pre-emptive or preventive attack or use of force (MacDonald, Patman, & Mason-Parker, 2007). President Bush expressed these concepts in his following speech dated September 2002:

“For centuries, international law recognized that nations need not suffer an attack before they can lawfully take action to defend themselves against forces that present an imminent danger of attack. Legal scholars and

international jurists often conditioned the legitimacy of preemption on the existence of an imminent threat – most often a visible mobilization of armies, navies, and air forces preparing to attack. We must adapt the concept of imminent threat to the capabilities and objectives of today's adversaries. Rogue states and terrorists do not seek to attack us using conventional means. They know such attacks would fail. Instead, they rely on acts of terror and, potentially, the use of weapons of mass destruction – weapons that can be easily concealed, delivered covertly, and used without warning. ... The United States has long maintained the option of preemptive actions to counter a sufficient threat to our national security. The greater the threat, the greater is the risk of inaction – and the more compelling the case for taking anticipatory action to defend ourselves, even if uncertainty remains as to the time and place of the enemy's attack. To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act preemptively. The United States will not use force in all cases to preempt emerging threats, nor should nations use preemption as a pretext for aggression. Yet in an age where the enemies of civilization openly and actively seek the world's most destructive technologies, the United States cannot remain idle while dangers gather. ... The purpose of our actions will always be to eliminate a specific threat to the United States or our allies and friends. The reasons for our actions will be clear, the force measured, and the cause just." (*President Bush – 'V. Prevent Our Enemies from Threatening Us, Our Allies, and Our Friends with Weapons of Mass Destruction'*, cited by MacDonald, Patman, & Mason-Parker, 2007)

Before the National Security Strategy of the United States was published on September 17, 2002, which formed the basis of the so-called 'Bush Doctrine', the self-defence concept had a much clear and straight definition. As set out in the United Nations Charter, states may use their right of self-defence only in response to an attack from another state. However, after 2002 Bush expanded this definition to include possible attacks and imminent threats (Maogoto, 2003).

According to the given doctrine, a country may attack another country in the face of potential threats to the interests of that country. At the same time, a country may preemptively attack another state if it 'senses' any preparation and escalating desire to attack itself (Council on Foreign Relations, 2004). As is the case, with the emergence of the concepts of 'preemptive strike' and 'preventive action', countries have the right to use force against another country in the face of an 'imminent' threat of aggression or a potential threat to their national interests.

However, both concepts stand out as illegal practices when we examine this discourse historically. In the time of the League of Nations, states were prohibited to

display aggression, which meant the unlawful use of force in the absence of an attack (Reisman & Armstrong, 2006). But then, particularly after the Cold War, this discourse started to change. 'Anticipatory self-defence' was coined as a means to legitimize acts of aggression such as Iraq and Afghanistan.

For instance, the attack of the USA against Libya in 1986 can be assessed within the scope of the preventive action concept. American administration wanted to take proactive measures against Libya for its actions which were completely "clashing with American interests". Based on the reasons of Libya's support for terrorism and Libyan actions for organizing terrorist attacks, the USA bombed Libya as part of its right to self-defence (Greenwood, 1987). In this case, the USA could not get the consent and support of other states. According to some authors, the USA wanted to try and push the limits of the right to self-defence granted to states by international law (Reisman, 1994). Moreover, justification of the USA, which emphasized its right to self-defence and claimed that its attack was not an action of retaliation, can be accepted as the USA's legal conviction on the right to self-defence (Reus-Smit, 2004).

As seen in this case, the definition of self-defence and pre-emption is open to interpretation and manipulation. When actions such as convergence, harmonization, forced harmonization, sanctions and embargoes are not enough; capitalist states choose 'suitable' norms and cases which support their stance, and defend themselves within the scope of these norms. Yet, they try to find ideological ground to their aggressive actions.

1.4. Humanitarian Intervention

Prohibition of the use of force creates another ambiguity and a possibility to interpret and manipulate the concept of armed humanitarian intervention. As stated previously, use or threat of force is prohibited in Article 2(4). This prohibition has two exceptions. The first one is 'individual or collective self-defence' (Article 51), and the other one is the acts of the United Nations to end the 'threats to the peace, breaches of the peace and acts of aggression' on the condition that it is authorized by the Security Council (Article 39). Taking action against violations of human rights is not expressed as a justification for use of force in the Charter. According to some lawyers, use of force with the aim of ending the acts against human rights complies

with the fundamental objectives of the United Nations, and non-inclusion of such a prohibition within the Charter means that it is allowed (Reus-Smit, 2004).

However, rules such as respect for state sovereignty, inviolability of state borders and prohibitions of interference with internal affairs and intervention are emphasized with a set of General Assembly resolutions, including the 1950 Peace Through Deeds Resolution, the 1957 Declaration Concerning the Peaceful Coexistence of States, the Declaration on Inadmissibility of Intervention in Domestic Affairs of States and Protection of their Independence and Sovereignty (1965), and the Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations (1970).

In 1990s, these rules started to fall behind national interests. As capitalist countries could now act more freely in a world which no longer hosted such a balancing power as the USSR, they started to bend or reinterpret the norms and practices in international law.

In Bosnia-Herzegovina, there was a bloody war from 1992 to 1995. Serbs and Croats violently killed thousands of Muslim Bosnians and Serbian forces shelled many towns. The ethnic cleansing against non-Serbian Muslim people in Bosnia-Herzegovina could hardly attract the interest of Western powers. After one year since the breakup of the war, the United Nations enforced a no-fly zone and tried to implement many unsuccessful peace plans. It took 3 years to reach an agreement between the parties (Goodman, 2006). In addition, the ethnic cleansing action against the Tutsi population in Rwanda from April to July 1994 was another great violation of human rights. It is estimated that hundreds of people, maybe a million, were killed. But throughout the killings, the United Nations failed to take any effective action (Kavanagh, 2004).

As we can see in both cases, the Article 39 of the UN Charter did not apply to these cases; the acts of aggression and threats to the peace were either ignored or underestimated. The international community was so late to take measures to stop mass killings. Although the humanitarian intervention concept started to be discussed in the 1990s (Department of Public Information, 2014), it gained a 'deeper' definition when the expression 'responsibility to protect' was presented in 2001. Since then, it was way much easier to call humanitarian intervention to a state. Afghanistan was invaded in 2001 to oust the Taliban government; Iraq was

invaded in 2003 to end the Saddam regime; and Libya was subject to military intervention to end the Gaddafi rule.

It is obvious that the Security Council can declare anything it likes to be a “threat to international peace and security” as it has a monopoly over the proclamation of threat, and enforce military intervention (Rieff, 2011). The discourse of humanitarian intervention in the name of ending human rights abuses is an effective tool in the hands of Western powers to pursue their imperialist goals. “Recent interventions, such as in Kosovo, Afghanistan, Iraq, and Libya illustrate, the perils of a course of action that may begin with good intentions on the part of those calling for it, but end up with detrimental consequences for the sovereignty of nations, the integrity of national territory, and the maintenance of regional and global peace and security.” (Bello, 2013)

1.5. Responsibility to Protect

The concept of Responsibility to Protect was first used in 2001. Gareth Evans³ (Evans, 2012) gives a dramatic definition for this concept as follows:

“At the turn of the century there was a lack of international consensus about how to respond to genocide and other mass atrocity crimes, which had long led either to indefensible inaction or controversial military action taken without Security Council authority. The divisions came to a head in the 1990s with the debate about ‘humanitarian intervention’, with the global North often rallying to the cry of the ‘right to intervene’, but the global South reluctant to accept the idea that the big powers had any right to throw their weight around. The ‘Responsibility to Protect’ (R2P) was an idea born in 2001. The intention was to recast the language and substance of the debate: to change prevailing mind sets, so the reaction to these catastrophic human rights violations taking place behind sovereign state walls would be that they are everyone’s business. The emphasis was on prevention rather than reaction, and on coercive military action as a last resort, not a first. After some diplomatic arm-wrestling, the concept was endorsed unanimously by the UN General Assembly at the 2005 World Summit. Martin Gilbert, the historian, called the new norm ‘the most significant adjustment to sovereignty in 360 years’.”

The United Nations describes the Responsibility to Protect in the Secretary General’s Report in 2009 (General Assembly, 2009) as follows:

³ Former Australian Foreign Minister

The three pillars of the responsibility to protect, as stipulated in the Outcome Document of the 2005 United Nations World Summit (A/RES/60/1, para. 138-140) and formulated in the Secretary-General's 2009 Report (A/63/677) on Implementing the Responsibility to Protect are:

1. The State carries the primary responsibility for protecting populations from genocide, war crimes, crimes against humanity and ethnic cleansing, and their incitement;
2. The international community has a responsibility to encourage and assist States in fulfilling this responsibility;
3. The international community has a responsibility to use appropriate diplomatic, humanitarian and other means to protect populations from these crimes. If a State is manifestly failing to protect its populations, the international community must be prepared to take collective action to protect populations, in accordance with the Charter of the United Nations.

The concept of Responsibility to Protect puts a different emphasis on the terms of responsibility and protection as it changes the right to responsibility and uses the term of protection rather than intervention. According to Sir Adam Roberts, states' cruelty against their own people was seen quite frequently under the guise of sovereignty. However, it has changed when different institutions and organizations working on human rights issues are established and a human rights law is made. These mechanisms are not sufficiently operating in the field of use of force, and they cannot find adequate political and financial support (MacDonald, Patman, & Mason-Parker, 2007). Although it is noted that the responsibility to protect doctrine is primarily related to prevention, and humanitarian intervention is particularly based on taking an action, and use of force is regarded as a last resort in the responsibility to protect doctrine (Evans, 2012), this doctrine is a quite important approach as it facilitates intervention and use of force, and decreases the state sovereignty.

As noted previously, end of the Cold War period and the collapse of the Soviet Union led to a re-configuration in the international political arena. It was more difficult to make a decision among Security Council members before 1990 because superpowers would veto the offers which did not comply with their interests. During the Cold War period, the concept of humanitarian intervention was left out of the

multi-party decision-making processes within the UN. However, it became easier to discuss a higher number of subjects and make decisions in the Security Council when the conflict between the USA and the Soviet Union ended in the early 1990s. Besides, the structure of interventions also changed. Interventions were unilateral before the 1990s; however, they became multilateral after the collapse of the Soviet Union (Reus-Smit, 2004).

The so-called 'responsibility' gives a unique power to the United Nations to call for any measure against an 'evil-doer' state as believed by the Security Council. The changing international environment in the 2000s urged capitalist states to seize the control of oil supplies, have military bases in strategic areas, maintain their influence in pre-capitalist, raw material supplier states, and clear the way for economic integration. The responsibility to protect discourse has been a great instrument for those states to interfere and intervene in cases where the abovementioned interests are at risk.

At this point, it will be beneficial for our analysis to examine the methods used in the expansion of this process after we have studied the historical background of the process of internationalization of state and capital and the elements triggered this process. We can list five intertwined methods in this regard. These are the instrumentalization of international law, finding ideological grounds, enforcement of democratic governance, economic sanctions, and military intervention.

1.6. War on Terror

A disastrous event occurred in 2001, which has been important for finding ideological grounds. On the morning of September 11, 2001, three airplanes attacked the United States. Two planes attacked the World Trade Centers in New York, killing thousands of people, and one plane attacked Pentagon in Washington D.C., killing hundreds of people. These attacks were undertaken by Al-Qaeda, and all other faces turned to terrorism and Islamic countries. The USA developed the concept of "global war on terror" after September 11, which helped the American administration not only justify its actions and expenditures in the eyes of American people and receive their support, but also justify its stance in the international arena and get assistance from other states.

War on terror can also be regarded as an effort of marginalization. The USA was able to define a concrete enemy after 9/11. First of all, the enemy was “terror” and “terrorists”, and a new American stance is publicized within the scope of the fight against terrorism. Besides, the emphasis on Islamic terror represents another marginalization about Islam. In this way, as well as Afghanistan, intervention to other Islamic states such as Pakistan and Middle Eastern countries is made easier to justify. Moreover, if we also take into consideration the marginalization of non-democratic states and bring together those three enemies for the United States, the American stance turned into a direct threat against Islamic and non-democratic states which support terrorism (intentionally or unintentionally) on the basis of being less developed (rogue, failed).

The attack and the approaches developed afterwards indicated a great chance for “war profiteers” who are feeding on global militarism. Military expenditures after adopting the approach of global war on terror (GWOT) began to feed the residents of Wall Street and Pentagon. “The line between ‘organized capital’ and ‘organized crime’ has become blurred” (Paupp, 2009) (*original emphasis*). GWOT was a perfect instrument for people who support and advocate American supremacy. American public stability and trust in the government was considerably damaged and an environment of fear and anxiety emerged after the attacks. The USA regained its power in the eyes of American people, and found the chance to manipulate the public opinion (Paupp, 2009).

1.7. Governance

Governance is another factor in the process of internationalization and transformation. The World Bank has used the concept of governance since 1990s. Governance is the name given to the procedure of subjugation of the states which are the subjects of targeted transformation under the hegemony of imperialist international organizations, and determination of political structures of those states by the abovementioned organizations (Zabci, 2009). Governance was first offered as a solution to economic depressions for that period. According to this approach, emergence of a crisis is inevitable as long as the state has a restrictive and preventive power over the economy. Thus, in order to avoid economic crises or get over depressions, corporate reforms are needed. ‘Good governance’ is a

requirement in those states in order to be able to ensure economic development and growth.

With an emphasis on the economic 'benefits' of governance, it is also closely related to democratization and finding ideological grounds. As it is stated before, capitalist states need a transformation in the form of state in order to be able to run the system on the basis of their interests. Thus, suitable legal, financial and social grounds should be established and corporate reforms should be realized. Governance is used with an aim to 'improve' welfare and human rights conditions in non-democratic states, which can 'only be ensured with free market relations and international capital movement'.

The corporate reforms noted above require states to be managed with economic objectives with neo-liberal recipes having their roots in capitalist ideology. Public institutions must operate like private companies with a market-oriented approach, and non-governmental organizations must have a voice in political and economic decision-making processes. The concept of governance focuses on two areas as noted by Zabcı (2009): legal and political transformation of state in order to protect the long-term interests of international capital, and civil society elements used for establishing the ideological grounds and justification of governance in the areas of protecting the poor and the environment.

Indeterminacy is one of the key principles in this context. Just like the decisions of companies or international institutions, the decisions of states cannot be predetermined by the international law. Parties pick the norms that will serve their interests under any circumstance from a sea of international law norms, and use them against each other. At this point, we shall remind the fact that governance develops within the political society, not against it. Therefore, in intergovernmental relations (just like in governance) policies are determined through a process of negotiations and concord which are either unofficial or could not be documented in official papers. Actors within the international law system embrace indeterminacy and create theses that support their cause.

Other than that, international organizations which bring up the governance issue (and where global capital is predominantly represented) are established and run according to international agreements (international law). Besides, these organizations realize the international agreements that would globalize governance (such as stand-by, loan, debt restructuring agreements) and their advisory actions

(for the new state form) via the international law. International law is the area where not only legal agreements but also ideological intervention tools such as humanitarian intervention, rouge state, responsibility to protect are born and legitimized.

In brief, governance is the means of transforming the economy, politics and administration of a state. It means structuring the economic activities of the state by transforming public institutions, creating a new political mindset and changing the administration styles of states, which will allow and facilitate international movement of capital and foreign investments. Emergence and use of the governance term is a great indicator of what capitalist states want from the international political and economic arena.

2. ECONOMIC SANCTIONS

Imposing economic sanctions is another way of ensuring transformation in less developed states. International organizations are the primary actors of this method, particularly the UN, IMF and the World Bank.

Foundations of the World Bank and IMF were first laid at the Bretton Woods Conference in 1944. Fundamental objectives of these organizations were to coordinate the monetary and financial decisions, and the member states acted in accordance with these objectives collectively or independently. "World Bank was to *assist in the reconstruction and development of territories, to promote private foreign investment, and to promote the long-range balanced growth of international trade* among other such duties. The IMF was to *promote international monetary cooperation, to facilitate the expansion and balanced growth of international trade, to promote exchange stability, to maintain orderly exchange arrangements among members* and to generate confidence among the members by *making the general resources of the Fund temporarily available to them under adequate safeguards*" (Reus-Smit, 2004) (*original emphasis*).

Primary focus area of the World Bank was to ensure and promote development, whereas the International Monetary Fund was established in order to provide financial assistance to its member states having acute financial problems (Reus-Smit, 2004). However, primary establishment objectives of the World Bank and IMF changed and their scope increased gradually. Fundamental policy of IMF has been

the structural adjustment programmes since 1970s and particularly after 1990s, which consist of IMF's certain demands imposed upon states having economic problems on the basis of the loans given to them. These demands are the fundamental principles of the neo-liberal system such as the regulation of the market so as to foreign capital can have a free movement in that given state, taking restrictive measures against workers' rights, and privatization (Sune, 2013). What allows and ensures such activities of those organizations is their form of establishment and their structures.

These organizations are the products of international law. Founding charters and documents of these organizations grant them an independent legal identity and governance system. They are equipped with certain functions, thus they have relevant powers to use these functions and enjoy certain rights (Reus-Smit, 2004). Besides, membership and decision-making structure of them are quite important in this regard. IMF and the World Bank have similar corporate structures. States have to deposit quota subscription fee in order to become a member of the IMF. This fee determines the amount to be provided by IMF in case of a crisis. The quota also constitutes the basis of the voting rights of the member state. IMF gives the highest authority of making a decision to the member state which deposits the highest amount. In this regard, the United States has a voting right at the rate of 17%. Simple majority is needed for most of the decision in IMF. Total voting right of less developed countries is 37%, which does not even allow them create a bloc when making a decision relating to themselves (Usal, 2008).

Similarly, it is not possible to claim that the corporate structure of the World Bank is based on equal sovereignty of states. Each state does not hold an equal sovereignty right ("one vote for one state") in decision making processes. Instead, there is a weighted voting system in which member states' voting rights are determined according to the deposited amount of quota subscription. In other words, the member state which deposited the highest amount has the most effective voice over decision-making processes of the World Bank, just like IMF. Within this framework, 17% of the voting right is enjoyed by the USA, and 45% by the most developed seven states. On the other hand, 47 Central Sub-Saharan Africa states are represented with a rate of 7%. Thus, the current system leads to domination by developed countries, which reveals the huge democratic weakness in the World Bank system. Less developed countries have almost no voice over the policy-making processes on the subjects related to them (Usal, 2008).

In the light of this information, we can support the claim that the abovementioned international organizations are managed by wealthy countries and the USA has an intense effect on all decision-making processes. We cannot claim that those organizations act independently and impartially. Instead, we can note that the World Bank and IMF “has become the managers of economic policies of the developing countries” (Reus-Smit, 2004). In order to be able to realize this objective, the key element for World Bank and IMF is states’ economic problems and need for financial assistance.

States which need financial assistance are subjected to ‘structural adjustment programmes’. These programmes include decreasing state expenditures, liberalizing the economy, privatization and devaluation. The aim of these programmes is to increase the effectiveness and growth potential and to ensure more resistance against financial crises. However, they are criticized for being defective and prepared in accordance with the interests of the organization without sufficiently taking into consideration the needs of the state (Reus-Smit, 2004).

These initiatives and interventions have certain negative effects on states which receive financial assistance from IMF. As stated above, those assistance programmes are provided on the basis of the interests of the organization or the dominant state within the organization, not on the basis of that state’s needs. As this is the case, negative effects are inevitable. Health care services come to a halt, food and fuel oil prices increase, and the rate of unemployment rises. People within the aid-receiving state slide into revolts and insurgencies as a result of IMF demands such as “decreasing state expenditures” and “increasing taxes”. In such an environment of social and political instability, those organizations get certain benefits. When the crisis gets worse and the relation between the state and its people becomes weaker, economy and policies of that state becomes available for transformation and re-configuration by the loan-granting states/organization (Reus-Smit, 2004).

Embargo is another type of economic sanctions which is used when other types are not effective for transformation and there are not suitable grounds for justifying a military intervention. Iran-Libya Sanctions Act can be given as an example, which was imposed in 1995 and extended to Libya in 1996. With this sanction, it was aimed at prohibiting foreign investments in Iran. The real objective of such aims is to

realize the transformation of the state in the desired way by capitalist states by means of using economic force rather than military force.

When the ways of taking measures, giving financial aids, imposing adjustment programmes and using economic sanctions are not adequate, developed states may choose a tricky way: supporting dissident groups. If a dissident group exists within the state with democratic claims, they would be supported and provoked. If not, then a false dissident group would be created and this group would seek for the citizens' support. The means of supporting dissident groups is a two-way method, and both ways result in a beneficial way for capitalist states. If the dissident group could get the support and manage to lead the country to a transformation by itself, then it will be a success. But if the dissident group could not get any support and are suppressed by the government by military force, it will be supported with a discourse of human rights violations which is the basic and simple way to humanitarian intervention (Sune, 2013).

Human rights problems is one of the most important issues which allows other states intervene to the problematic state. Founding charters of international finance organizations do not include any provision on intervention to human rights problems and taking any action in human right violation cases. Those organizations are built upon the issues of development and economic sustainability in their founding charters. Besides, they are prohibited to intervene to the internal affairs of any state. However, recent events and the steps taken by international finance organizations, primarily the World Bank and IMF, brought this issue to the agenda. In the founding charter of the World Bank, Article IV, Section 10 is as follows:

“The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I.” (IBRD Articles of Agreement, 2012)

According to this article, the World Bank is prohibited to interfere in the internal affairs of any state. However, some lawyers claim that international financial institutions should include human rights issues in their decision-making processes (Reus-Smit, 2004). World Bank General Counsel Ibrahim Shihata underlines that ‘development’ is the fundamental concern of the World Bank, and indicates that

when problems emerge in the field of human rights and these problems prevent or have a negative influence on development; the problems may be included in the decision-making processes of the World Bank (Reus-Smit, 2004).

Abovementioned structural transformation programmes and intervention to the market and economy can principally be regarded as interference in the political affairs of a state, which means a violation of Article IV (10). By claiming that the issues which affect development can be included in the decision-making processes, the World Bank may gain the right to interfere in almost every area it desires within this scope under the umbrella of 'development' or 'good governance' (Reus-Smit, 2004).

To sum up, economic sanctions can take many forms such as tariffs and taxes imposed on goods imported from another country; import or export quotas; trade restrictions and embargoes; non-tariff barriers such as licensing and packaging requirements, products standards, etc.; or asset freezes and seizures (Radcliffe, 2015). Economic sanctions are the most important step in the efforts to transform the state structure. They are not as costly as military action, and push the limits of a country against its own citizens. People may be deprived of even the basic goods, medicine, etc. National income will decline due to trade restrictions, and the government will be forced to take measures to end the deprivation.

However, if the country has the means to get by for a long time and is able to find another way to meet its needs, economic sanctions and embargoes will fail. But in the period when the government is trying to manage the country under the influence of sanctions, the citizens will get exhausted and weary. That's exactly what happened in Libya: Libyan citizens and the national army got mad at the government as it had difficulty in meeting the basic needs of the society and pay the allowances of the army. In one sense, the economic sanctions failed to make the government surrender; but in another sense, the deprivation managed to turn the citizens against the government and prepared the grounds for military intervention.

As we can see, military action is the next step to economic sanctions. Therefore we can say sanctions are highly crucial towards the realization of capitalist interests. Either way, they set the stage for the next phase and create a cause for the justification of intervention.

Developed capitalist states often used the means of military force in order to ensure the transformation they needed after playing the economic sanctions card. Military force is not illegal in terms of international law if it is 'justified'. Inter-state wars are regulated by international law, military force has always been legal since the beginning (Özdemir, 2011). In this regard, it has turned into an essential instrument used for re-structuring and transforming less developed, raw material selling states so as to ensure the free movement of capital and free operation of the capitalist system. The decreasing nature of state sovereignty and the rising number of military interventions bring to the agenda the imperialism discourse again. Although capitalist states do not regard themselves as imperialists, there are more multi-party attacks against a single country as part of the changing nature of capitalism and wars, and imperialism turned into a collective action. Within this scope, resort to military force and interventions should be analysed with a capitalism/imperialism approach, and the line between alleged causes and real causes must be drawn. For this reason, the intervention to Libya in 2011 will be examined in light of the abovementioned information and approaches. In order to be more accurate on our analysis, Libya's history must be scrutinized between the period of early 1900s and today. The second chapter includes an elaborate history of Libya in this period, with a particular focus on politics and economy.

CHAPTER III:

RISE AND FALL OF MUAMMAR QADDAFI

1. INTRODUCTION

In this chapter, we will make an historic analysis of Libya to give a more precise evaluation of the transformation (internationalization) in state form. This historic analysis will bring to the fore the process of taking shape of the state in modern Libya. Thus, it will be limited to the post-Second World War period, and in this period, the analysis will particularly give weight to the Qaddafi regime. For the abovemention purpose, this period will be scrutinized in three main areas: the pre-Qaddafi period, the Qaddafi government, and the post-Qaddafi period. In this scope, financial indicators and tables about the socio-economic developments in the country will be given. Those tables and data will allow us to make significant inferences to better understand the transformation in state form.

2. RECENT HISTORY OF LIBYA

The history of Libya, as underlined previously, can be divided into three main periods in accordance with the objective of the thesis analyzing the internationalization and transformation of the state form in Libya. In the first subchapter, the early history of Libya will be briefly mentioned, and particularly the period between 1950 and 1969 when Idris al-Senussi was in power. The second subchapter will start with Qaddafi's coup and toppling of Senussi in 1969, and focus on the period under the military intervention of the United Nations. Lastly, the third subchapter will go discuss what happened in the country after the intervention, and the changes it went through in the post-intervention period will lead our way to better understand today's Libya.

2.1. Pre-Qaddafi Period

Libya became a protectorate of the Ottoman Empire at the beginning of 1500s. Ottoman domination that lasted for almost 400 years, including pre-capitalist elements but not expanding to the continental dimensions of the country, ended with the occupation of Tripoli (Tripolitania) and Cyrenaica by Italy. The last fifty years of the Ottoman domination, the period corresponding to the time when the Western imperialist policies were developing, and the twentieth century starting with Italian occupation, all comprise the periods when Libya became subject to the international division-of-work as an underdeveloped structure.

According to Treaty of Ouchy signed in 1912 between the Ottoman Empire and Italy, Tripoli and Cyrenaica were to be under the control of Italy. However, Italy encountered a great resistance in Libya. Sayyid Idris al-Senussi seized the control of Cyrenaica. The violent situation got worse when Mussolini took control in Italy in 1922. Idris al-Senussi was exiled to Egypt, and Omar Mukhtar, a member of the Senussi tariqa, became the leader and symbol of resistance against Italians. Omar Mukhtar is an important character to analyse in terms of understanding the patriotism ideology and state leader model created by Mohammad Qaddafi, the founder of a modern-like state in Libya later on.

Omar Mukhtar, taking the command of Senussi troops and showing great resistance against Italians, secretly went to Egypt to see Idris al-Senussi and to demand economic and military support. However, that visit resulted in disappointment since not only Idris al-Senussi rejected to help, but also Italian spy service learnt that Omar Mukhtar was in Egypt. Italians suggested a great amount of money, a mansion and a life in reign but Omar Mukhtar adamantly rejected their offer.

Not only the resistance with Senussi tariqa at the centre (Ferro, 2005), but the people was also fighting against Italians in mobilization. However, Italians intensified their military power and violence and started to gain advantage in the war. Omar Mukhtar was captured in a siege by Italians and was executed in front of the public on September 15, 1931. Italians settled in Libya and occupied Libyan lands.

In June 1940, Italy, as being already involved in the Second World War, used its advantageous position and occupied Egypt that was under the control of Britain (Davies, 1996). Germany, to support Italian troops that were not strong enough, sent its troops in Africa to North Africa. However, British troops defeated Germans and Italians in Egypt in October 1942. Hitler, being defeated also in other fronts,

committed suicide in April 1945 and then Germany surrendered (Hobsbawm, 1995). According to the treaties signed after the War, Italian troops were sent out off Libya, Tripoli and Cyrenaica provinces were given to the control of British military forces while Fezzan was given to France. In 1951, United Nations took necessary actions for Libya's transition into a federal state consisting Tripoli, Cyrenaica and Fezzan provinces. During that period, Idris al-Senussi, putting an effort to keep good relations with the British government, was brought to power and the Libyan Constitution was declared to the public.

On December 24, 1951 King Idris al-Senussi announced the United Kingdom of Libya. Libya, recognized as a state with the colonial independence movement after the Second World War (Ahmida, 2005), had come to that position with the help of the Western powers. In this new structure it gained with the support of foreign powers instead of its internal dynamics, it was inadequate in terms of composing a new identity and the necessary institutional and organizational frameworks to keep the country together were underdeveloped; the bounds similar to Western examples with local manufacturers in the international markets had not been formed yet; and the production essentially was limited to pre-capitalist elements (Hanieh, 2011; Ferro, 2005). In the federal system where three provinces had significant powers, the central administration was weak and the authorization of the state to distribute national income was very limited.

At this point, it would be helpful to mention the state structure and representation situation in the United Kingdom of Libya. The council in the United Kingdom of Libya consisted of King Idris al-Senussi and outstanding tribe members, and that council had a say in the ruling. In the federal period when Cyrenaica had a more important position because of Idris al-Senussi's relationships of affinity, it can be stated that Cyrenaican families were outweighed in the council; a group consisted of elites who had a word in administration besides the King. Cyrenaica, Tripoli and Fezzan were the provinces acting independently from the government in many issues, having separate authorizations. There was not a developed commodity economy in the country; the public revenue did not depend on the taxes collected from citizens' individual capitalist activities. The federal government was responsible of closing the budget gaps in the provinces; each province had its own tax regulation and these provinces got their shares from the revenue from military bases rented to the foreign states. The federal government had only legislative prerogative on areas such as

banking, export-import activities, revenue taxes, underground treasures, and mines. The provinces exercised the execution power (Vandewalle, 2012).

While under the colonial power of Italy, Cyrenaica, Fezzan and Tripoli were using different monetary units in Libya. Thus, transition to a monetary unit that would facilitate international investments and trade was promoted. Because of the pressure from IMF authorities and British finance experts on Libya authorities, Libya announced in 1951 that it entered into the sterling area. Currency Law was enacted in October 1951. In February 1952, new banknotes and coins were introduced to the market (Pelt, 1970).

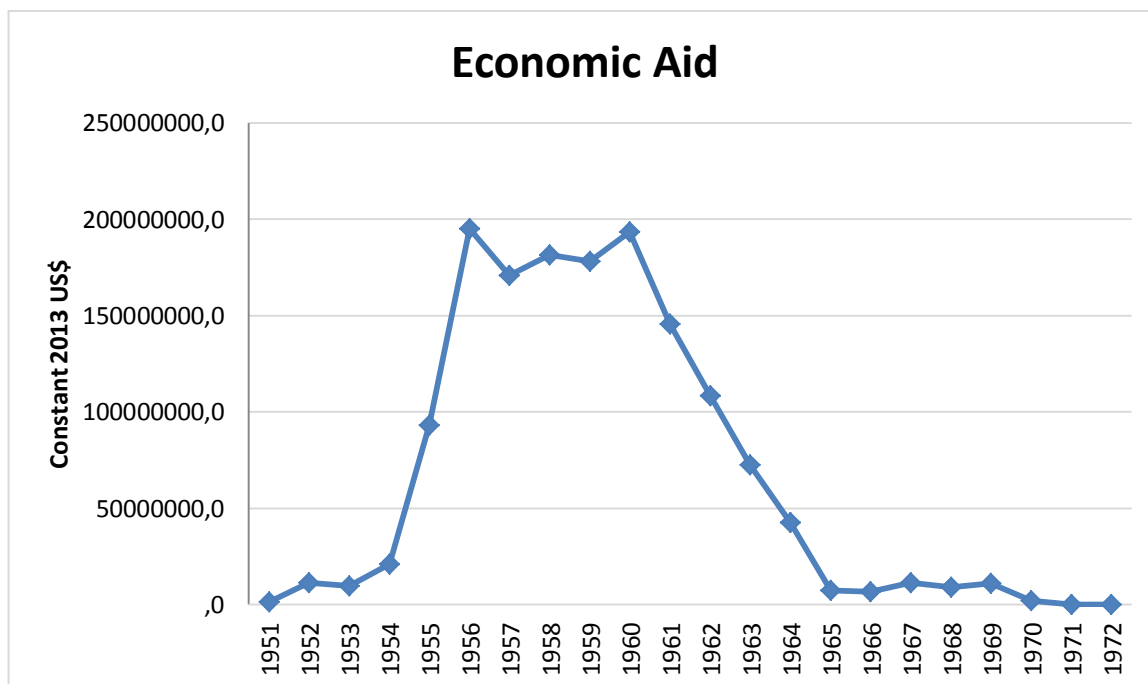
In 1953, a military cooperation treaty was signed with Britain for twenty years. Similarly, in 1954, a support and aid agreement for military and technical issues was signed with the US. In scope of these agreements, the revenue from the area rented as military bases was added to the national budget, and the countries with which agreements were signed gained the right to occupy some areas in Libya for military purposes (Pelt, 1970).

In the first years of independence, Libya was one of the poorest countries in the world. Its main sources of income were foreign aids and rental incomes from military bases (Ahmida, 2005). By the end of 1959, the United States would spend more than \$100 million in aid in Libya, making the country the single biggest per capita recipient of US largesse in the world.⁴

As indicated in the Chart 1 and Chart 2, the military and economic aid by the United States to Libya between years 1951 and 1972 can be observed perceptibly. As seen in these charts, while Libya was an extremely poor and lonesome country until the first half of the 1950s, it started to get external aid and support in high amounts and to grab attention especially from Britain, France and the United States after the second half of 1950s (Metz, 1989). Weak government and pre-capitalist order in the newly founded United Kingdom of Libya were making it a centre of attraction for capitalist countries who were seeking to connect this country to the global economy as a raw material supplier.

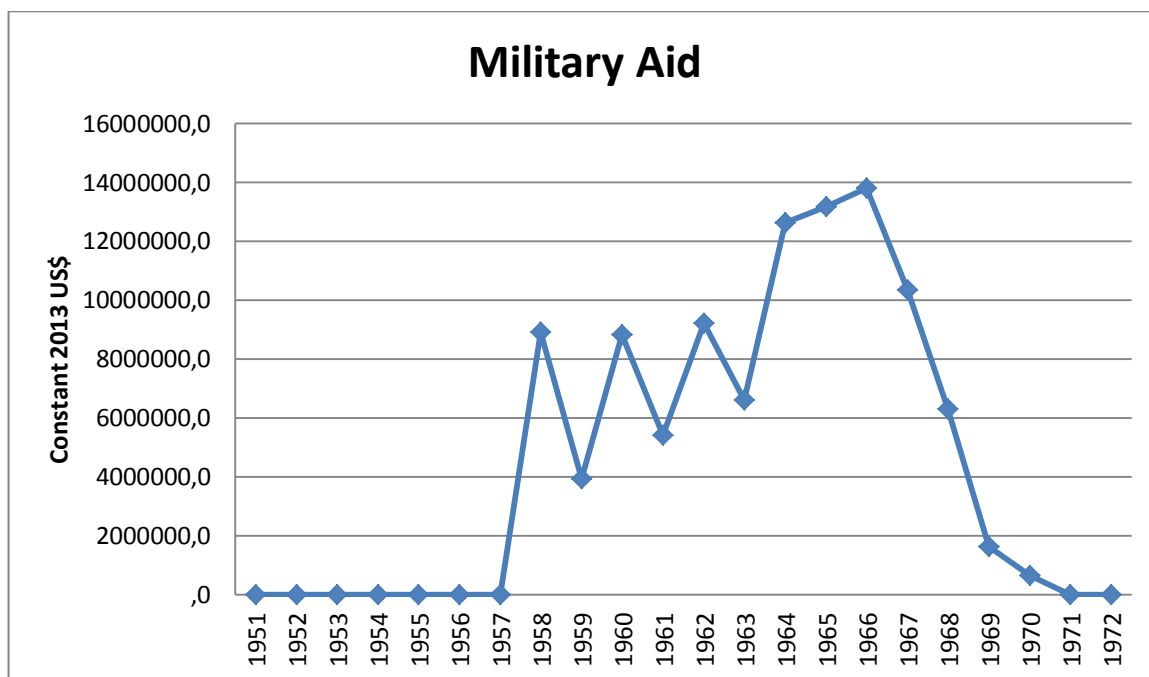
⁴ New York Times, 13 December 1959.

Chart 1: US Economic Aid to Libya between 1952 and 1972 (constant US\$ value)



Source: *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945–September 30, 2013; U.S. Agency for International Development (USAID)*

The period that these aids rapidly increased corresponds to the period when vast oil fields were discovered in Libya and when their commercial production started. Especially in the year 1963 when United Kingdom of Libya was founded and in the following years, it is seen that the aids rapidly decreased with the increasing oil revenue and, after 1969, the year of military coup, those aids almost dropped to zero. Similarly, the following Chart 2 indicates that the same pattern is seen for the military aids as well.

Chart 2: US Military Aid to Libya between 1952 and 1972 (constant US\$ value)

Source: *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945–September 30, 2013; U.S. Agency for International Development (USAID)*

Western powers that can be interpreted as the architects of the transition period to independency, made incredibly important military and economic aid, and provided technical support to the country during its independent years as seen from two charts above, and then they could make their presence felt utmost in the country as a result. However, these aids are observed as falling rapidly after the year 1969, when Qaddafi captured the authority of the country with coup d'état.

“It was plain that the United States, Britain and France retained immense leverage over Libya, not only through the mechanism of conditional aid but also via the military bases – a residue of World War II – that littered the region. The pro-Western Idris had no objection to this continued military presence in Libya, but it plainly represented a pressure on Libyan sovereignty.” (Simons, 2003)

Together with the excessive increase both in the crude oil revenue and in the external aid, the national income immediately increased. Libya used to be a poor and lonesome country before the Senussi regime and in the first years of

independence⁵, rapidly grew in economic terms. While the GDP per capita was only \$40 in the 1950s, it was going to increase to \$1.018 in 1967 (Mallakh, 1969).

The 1955 Libyan Petroleum Law was released to replace the 1953 Minerals Law. That new law included some strategies aiming at attracting more foreign companies to the country, carrying out exploration operations in a full swing, and increasing the competition between the foreign petroleum companies operating in the country. Only a dedicated field was appropriated for each company, the companies were only allowed to use the field within a maximum period of 5 years, and it was compulsory to transfer these fields to other companies after the end of each period (Bamberg, 2000)

First licenses were issued in November 1955. There were more than ten companies operating in Libya in 1957 (Wright, 1982) and that number increased to twenty-two in (Bamberg, 2000). Leading companies among these were French state company Compagnie Française des Pétroles, Oasis consortium consisting three companies (Amerada Hess, Conoco and Marathon), American petroleum industry leader H. L. Hunt's son Bunker Hunt's petroleum company, and Esso (Metz, 1989). In 1959, six vast petroleum fields were discovered. The total volume of Libya's petroleum exports would increase to almost seven million barrels in 1961 (Wright, 1982).

In the years mentioned until now, there was great improvement in Libya in economic, social and political terms. That change and development were expanding in a very unequal and unbalanced way. Unlike the improvements in Western countries, the development in Libya was limited with the purpose of carrying the raw material sources to West (Hanieh, 2011). Despite the discovery of rich oil reserves, the majority of the people was still poor. Besides, the lack of legal, political and economic infrastructure and competent institutions to adopt that fast improvement began to result in important disadvantages. Apart from that, different visas and procedures were required for each province in the country to pass from one to another (Vandewalle, 2012). Together with the pre-capitalist structure in the country, the problems arising from the obligation to work with the provinces in areas such as taxation, elector and election laws and economic growth, and the need to have the approval of each province's president, parliament, cabinet and their own

⁵ Libya was one of the poorest countries in the world; there were 300.000 people living in Cyrenaica, 750.000 in Tripoli and 60.000 people in Fezzan in 1951. The total population was around one million, and almost 90% of the population was illiterate. Per capita income was nearly \$30-35.

administrational – bureaucratic institutions for each decision, all aggravated the development in the country. As in other underdeveloped oil-rich countries, Libya could not utilize its petroleum revenue to take unique developing actions in other fields (Hanieh, 2011).

The substantial increase in the petroleum revenue began to go beyond all these above-mentioned problems. A single law was necessary to interconnect and bind three provinces to regulate the petroleum industry, which was getting larger day by day. With the increasing oil income, management of the sources became harder and weaker. Each province had its economic power and authority to act independently and these resulted in a slowly growing liberal economic environment in the country.

King Idris, who was unwilling to become the only centralized power in the country within approximately the first decade of independence, embraced an exact opposite attitude in the 1960s. Idris wanted to quit the federal structure and establish a centralized administration in the country, but this decision disturbed other tribes that were entering into a bright period economically. The report prepared by the International Bank of Reconstruction and Development (IBRD) in 1960 supported that decision. The report was stating that Libya should abandon the federal structure, establish strong and effective economic institutions and ensure national unity to boost economic growth (Report of a Mission Organized by the IBRD, 1960).

Libya became a member of OPEC in 1962.

In April 1963, federal system was abandoned and central government was established. The United Kingdom of Libya was now the Kingdom of Libya. New Constitution was authorizing the central government in many areas, limiting provinces' authorities and treating each individual as equal (John, 2006). Regular financial aids to the provinces stopped; and the central government became the single authority in many fields such as transportation, taxes, customs, ports, economy and trade. Accordingly, the institutions that previously had no effect were reinforced, Libyan Central Bank was founded, and ministries were established. At the end of 1965, there were 13 ministries in the country (Vandewalle, 2012).

Majority of these ministries consisted of council members. These public institutions handling the distribution of the revenue became a nest of corruption because of relationship by affinity or tribe relationships. Even some ministries were serving to certain families individually (Vandewalle, 2012). Families having close connections

with the Senussis were getting some privileges, and corruption and bribery were spreading around the country. Customs taxes decreased, and also the taxes collected from individuals and organizations were also lowered. There were not defined laws and rules about imports and investment, and inflation rates were getting higher. Any actor finding representation in the state was rapidly becoming rich.

The revenue of the state from petroleum multiplied by twenty between 1962 and 1968. In 1960, export of some products such as esparto grass, sponge, olive oil and castor oil had an important share in the economy. Libya made almost 1.168 billion dollars of export in 1967 while its export volume was only 11 million dollar in 1960. Ninety nine percent of the exports consisted of crude oil and petroleum products (Mallakh, 1969).

In addition to inequality in representation, increasing corruption, and rapidly growing economy, the public was not interested in politics. Right after the declaration of independence, King Idris closed all political parties in 1952 (John, 2006). Since then, eliminating the public from the political decision-making, together with the prohibitions to the press and the media, there appeared some uneasiness in the society in the 1960s. Eighty-seven people were arrested in February 1962 because of their connection with the Libyan branch of the Baas party and that led to great disturbance (Simons, 2003).

Apart from all these, as stated before, the road to independence was initiated by Western countries. In a decade under the influence of the West, foreign companies had gained important positions in the country, and kept their positions by finding the opportunity to be represented in the state. The first law regarding the petroleum in 1955 provided an extensive range of rights to foreign companies. Foreign petroleum companies conducting exploration and drilling operations in the country (almost all of them were American and Britain companies) gained highly important privileges. Western countries enjoying military presence in Libya thanks to military bases were fuelling Arab nationalism among the public.

2.2. 1969 Coup and the Qaddafi Government

In this part, policies of the Qaddafi period, institutions and strategies are to be analysed and some findings will be shared after briefly mentioning Muammar

Qaddafi's personal characteristics and society determinants. This sub-section will build upon two basic axes. The first one examines the transformation of Libya to a nation state, and the second one focuses on the policies followed by Qaddafi after the disappearance of the Soviet influence.

Prior to the analysis of the coup and afterwards, it would be helpful to mention the childhood, personality and worldview of Qaddafi to understand the factors preparing the basis to the coup. Qaddafi was born on 7 June 1942 in Sirte, a shore-desert city in Libya, as a child of a poor family. Being a member to the Qadhadfa tribe, Muammar Qaddafi went to a Muslim school teaching in Arabic. Then he went to the military academy in Benghazi. After graduating from the academy, he went to Britain for further military education.

Qaddafi was raised in a period when modernism-based Arab nationalism was developing under the influence of the Soviet Union. He had a nationalist view throughout his childhood and youth. Gamal Abdel Nasser, having military origin and gaining a leader position, was a hero for Qaddafi. As a result of his nationalist side, he could not bear the pressure over Arabic countries by Israel. The great losses of Egypt, Syria and Jordan in 1967 against Israel, and the results of operations of the Egyptian army under the control of Abdel Nasser, and of the operations against Israel detriment to Arabs all very deeply affected Qaddafi (Boyle, 2013). In that period, in Libya under King Idris al-Senussi, especially the US and Britain were making their presences felt in military and economic areas, and foreign countries were operating the majority of the petroleum fields. These caused Qaddafi to have an opposing approach against the Idris government.

The problems discussed in the previous section were the reasons why the society was deeply uneasy and seeking for a way out. In that period, there were even some rumours that there would be a coup against King Idris. For this reason, Idris was constantly changing the places of his troops in vain to prevent any organization against him (Vandewalle, 2012).

Muammar Qaddafi was at the age of 27 at that period, he founded a secret organization with his fellow fighters sharing the same views with him (Free Officers Movement), and on 1 September 1969 he captured Benghazi, when King Idris was out of the country for a trip. In a few days, other provinces of Libya, together with Tripoli, went under the control of Qaddafi. Revolutionary Command Council (RCC), having twenty members, took control of the government and announced that Libya's

name was changed to Libyan Arabic Republic. Other countries, such as the United States, which had close trade relations with Libya and critical interests in the petroleum industry of the country, recognized the new government in a very short period of time (Ahmida, 2005).

New government, explicitly expressing their commitment to Arab nationalism and Islam, was founded under the leadership of Qaddafi, following the path of Nasser whom Qaddafi admired. The regime established in Libya in the first period was depending on a system very similar to the regime established by Nasser in Egypt (Khalaf & Luciani, 2006). Abdel Nasser, who had experienced a great loss after the 1967 Arab-Israel War, lost his life in 1970, a short while after Qaddafi's coup. After that, Qaddafi began to think himself as the guardian who was supposed to pursue Nasser's ideological heritage.

Since it took the control of the country, RCC government first decided to replace all administrative staff consisting of the Senussi tribe, Cyrenaica and Tripoli elites, to end corruption, one of the biggest problems in the country. Cyrenaica and Tripoli troops, serving as the King's army, were transferred to the Libyan Army. Free Officers group, containing very young people at similar ages with Qaddafi, did not have the necessary knowledge and experience for the administration and economy of the country, and they found it difficult to find qualified personnel for certain duties. For positions requiring technical information and experience such as the Ministry of Petroleum, it was decided to keep the previous personnel on duty instead of placing RCC members to those positions.

The limited number of qualified personnel with sufficient background was a source of problem not only in technical fields such as the petroleum industry but also in education. A majority of the teachers in Libya were coming from Egypt or other countries. In the 1970s, a special program was developed to train teachers within Libya. Apart from that, necessary actions were also taken to increase the education level of the public in Libya; prefabricated schools were constructed and classes were established on deserts, in tents (Metz, 1989). Although the literacy rate increased through the end of the Senussi period and the first university of Libya was established in Benghazi in 1955, the country was still in dire need for qualified personnel.

Politics was another area where the public was inadequate and passive. In Libya, where the participation rate of the public to politics was almost zero, it was planned

to organize public congresses in 1971 and to elect the representatives to be sent to the parliament, so that the people could actively participate in and not be isolated from the politics. Despite all efforts put by RCC government to encourage the people to participate in the politics, the people preferred to keep themselves away from the politics, and the participation to the congresses was less than the expectations. Instead, the example of Arabic Socialist Union in Egypt was implemented in Libya. ASU, having its first meeting under Qaddafi's leadership, became the only legal political movement of Libya. Any political actions out of ASU and any independent political attempts were prohibited. Still, the society, bound to tribe relations, relationships by affinity and religious background, was quite hesitant about the participation to the politics. The ones making their presences felt in ASU were generally middle class Libyan people preferring to stay neutral (Vandewalle, 2012).

Qaddafi was aiming to create popular revolution in the country, but it was harder than he expected. His attempts to weaken the effects of tribe leaders were in vain and the people were preferring to stay out of politics. Qaddafi, wishing the people to administrate themselves, to take their own decisions and to realize their own revolution, had failures in his attempts to encourage the people, repeatedly and then he decided to follow a different path. He decided to detect people against the regime, terminate their works, replace them with civil people supporting the revolution; to abolish the current laws in the country; thus, to eliminate any social, political, administrative and legal obstacles in front of the revolution. For that purpose, all administrators, governors, and deans in the critical institutions of the state, known to have anti-regime views were discharged.

Another problem in the country was the presence of Western powers. Military bases were holding a part of Libyan lands. Wheelus Air Force Base with its 4600 American personnel located in Tripoli and having great importance for the US to show presence in the region was being called "Junior America" by the US ambassador in Libya. American strategists, on the other hand, defined Wheelus Base as a critical ring of the SAC (Strategic Air Command) chain (Simons, 2003). Qaddafi closed the Wheelus Base in June 1970, and together with that, the only continuous military entity of the US in the region was the US navy's small administrative facility located in Bahrain.⁶ However, the lack of experience, knowledge, and technologies in Libya for petroleum exploration required to suspend the idea of discharging

⁶ Wheelus was recently re-activated as a domestic airport and re-named Methega. <http://www.globalsecurity.org/wmd/facility/wheelus.htm>

foreign companies from the country. Instead, operational fees and taxes for sites and oil wells were increased. Qaddafi, believing the necessity of increasing the volume of production and operating all fields at full capacity, broke a record in petroleum production in 1970 and reached to 3.7 barrels per day (Vandewalle, 2012).

There were independent firms among the petroleum companies operating in Libya. Up to 97% of the operations of those independent regional companies were in Libya; thus, any deduction in petroleum production might endanger the future of regional companies (Boyle, 2013). The new government, aware of that, turned the critical situation of the companies to an advantage for its favour, and not only increased the taxes but also increased the sales price of the petroleum.

Increase in crude oil prices and site utilization fees brought the country much higher income. New regime was using the majority of this revenue for the welfare of its people. Many positive improvements were experienced in Libya after the revolution. Important amounts were spent for education and health and it was aimed increasing the literacy rate and education level in the country. Free health services were provided and the infrastructure became modern. While 90% of the people were illiterate in 1950, the literacy rate increased to 75% after the revolution. Minimum wage was increased. Many initiatives were done to decrease the dependency of the economy to petroleum and to develop other sectors out of petroleum. The lands seized from the Italians and Senussis were sold to the citizens capable of dealing with agriculture and stockbreeding with low prices. Besides, the farmers were getting monthly aid from the state until they could earn profits from these lands. Qaddafi regime, handling the banking system in 1970 as well, provided state assistance to the construction industry as well and contributed to the rapid development of the public works in the country (Ahmida, 2005; Vandewalle, 2012).

Petroleum, the most important source of income in Libya, began to consist 65% of the country's GDP. The name of Libyan Oil Company, founded in 1968, was changed to National Oil Company (NOC) with a law enacted in November 1970 (John, 2006). NOC was the only company having the authority to make investments on reserves, conduct oil exploration and drilling activities and to sign participation agreements with other companies so that it could use Libya's resources in the most productive way and provide the highest benefit.

It was decided to build a petrochemical facility, two steel factories planned to use the iron ore reserves in Fezzan, and three oil refineries in Mersa al-Buraika. Necessary works were commenced to make the electricity networks reach the whole coastline, and to enlarge the ports at Misrata and Tripoli. In April 1973, the Three-Year Economic and Social Development Plan was announced. The plan especially focused on developing non-petroleum industries and demanded long term and great investments in agriculture and production industries for this purpose. For that purpose, the government signed several contracts for land reclamation, for the construction of farms, for agricultural and geological research, and for the drilling of water wells. In 1973 alone, contracts for bringing approximately 356.000 acres of land into production were concluded, largely with Arab and East European countries (Vandewalle, 1998). With the increasing petroleum income, the budget for these industries was also increased (John, 2011).

Unfortunately, despite Qaddafi's efforts, the dependency of the national economy on oil could not be diminished and the targeted developments in other industries could not be reached. Moreover, high revenue from the oil industry could not be used effectively to diversify the national economy. In 1973, petroleum was the only export item of Libya and the share of those other sectors in the country's GDP was only about 2-2.5% (Vandewalle, 1998).

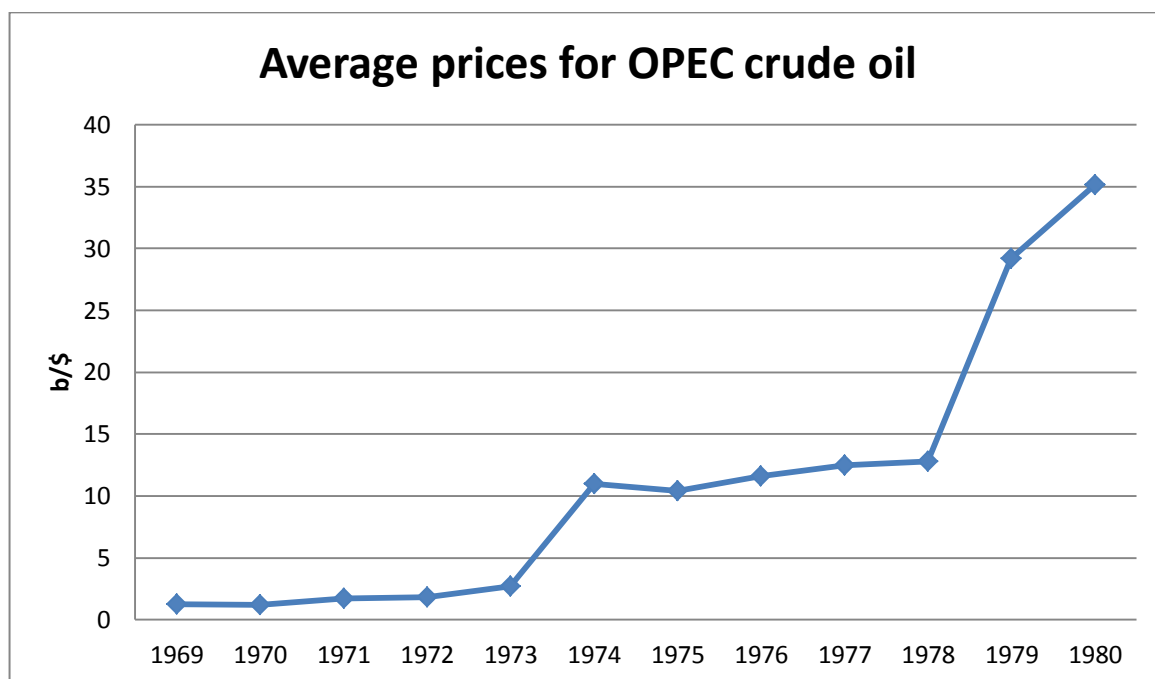
New regime, in search for a solution to eliminate those economic problems, enabled a range of economic and social development plan including imported substituting targets inspired by the Soviets; developed new projects and started to implement them very rapidly. The 1970s provided important opportunities for the states that could not completely integrate themselves into the capitalist system in the global order, and could not develop a socialist infrastructure but instead defined their economic development targets with the support from the socialist block. In this regard, the relationship with the Soviets were important for Libya.

Qaddafi adopted a nationalist policy since the beginning. He did not let the imperialist Western countries exploit his country and put his every effort for that. By nationalizing many companies, especially oil companies, he left the Western countries in a very tough situation. He was in good terms with the Soviet Union and the Jamahiriya idea developing in his mind was shaped with socialist ideas. He wanted the country to develop by adapting the planned development economy and

five-year development plans of the Soviet Union to Libya, and the people to administer itself and realize their own revolution.

Apart from all these, Qaddafi was looking for strengthening the state's hand against foreign actors and for improving the country to a more advantageous position thanks to its rich petroleum resources. Thus, he put certain articles on newly signed Research and Exploration and Production Sharing Agreement (EPSA) to realize these goals. With EPSAs, the title deeds of the lands where oil companies were conducting exploration and production activities belonged to Libyan National Oil Company (LNOC) and thus the foreign oil companies stayed in Libya only as a contractual company. After all, oil prices rapidly increased. Only 5 – 6 months after signing the EPSAs, oil prices were multiplied by three (Vandewalle, 2012). (See. Chart 3)

Chart 3: Average Prices for OPEC Crude Oil (barrel/\$)



Source: *statista.com*

As seen in the chart above, Libya, becoming an OPEC member in 1962, began to earn high revenue from oil after Qaddafi took the control. The foundation of the National Oil Company in 1970, getting high rent and taxes from foreign companies

in the country due to EPSAs, and with the increasing oil prices especially since 1973, Libya started to generate great income. Because of the US support to Israel Army in Yom Kippur War, OPEC member countries announced an oil embargo to the US in 1973 and with the effect of that crisis, the oil prices increased very rapidly. After the Iran Revolution in 1979, the increase in oil prices gained further momentum.

Libya, supporting the boycott from Arab countries against the US and participating in the embargo decision, preferred to decrease its oil production, not to export oil to the US and to meet the majority of the input needed by the national economy during that period from the Federal Reserve. After that decision, the country was about to face a small-size economic crisis in 1975, but it was able to overcome the crisis in a short time thanks to high petroleum income (Metz, 1989).

Through the end of the year 1973, the state was not only celebrating its achievements such as the authorizations taken off from the multi-national companies, elimination of the impact of radical elites left from kingdom period to a great extent, and nationalising or close-monitoring of important establishments such as banks, insurance companies and hospitals, but also putting efforts to encourage the public to participate in policy-making.

The only political party of the state, Arab Socialist Union (ASU), failed in encouraging the society to participate in the politics at a level Qaddafi wished. Upon that, Qaddafi announced the establishment of public commissions in his speech in Zuwara, in June 1973. There emerged discussions about which authorities these commissions would have and how the revolution was to be managed. While Qaddafi insisted that the public should make its own revolution, and that social mobilization should be encouraged, a group under the leadership of Omar Al Muhayshi, the Minister of Planning, defended the necessity of competence and specialization. That divergence resulted in the first attempted coup against the Qaddafi government. After the failure of that coup attempt, Muhayshi and his supporters fled to Tunisia and then went to Egypt (Ahmida, 2005). After that, the revolution started to proceed completely according to Qaddafi's vision. The personnel working in the ministries and other public institutions, and those who might act against the decisions of the Qaddafi government were discharged.

Qaddafi began to write down his ideas he had been developing for a long time, and published his three-volume revolution guide *The Green Book* after the failed coup attempt. He told in this guide how the revolution should be, and the economic, social and political structure he sought for Libya to get after the revolution. He called people to take action, and suggested a structure where the public could directly participate in the administration and decision-making mechanisms. He pointed out that the democratic structure where the public was represented via certain persons and political parties had pressure over the public and defended that, because of such an impact, the individuals should have the power to make their own decisions since the voting system was a type of dictatorship. He stated that in the election system, which he defined as “false democracy” in *The Green Book*, the candidate receiving the majority of the votes could take the control of the country while the people not supporting that candidate had to abide by his decisions.

Public committees were developed based on those opinions. In this regard, ASU's name was changed as the General People's Committee, and 187 Basic People's Congresses were established under it. Each citizen had the obligation to participate in the politics. The citizens could get the chance of deliver their demands to the General People's Committee via their representatives at the Basic People's Congresses. The purpose of such a structure was to provide each individual a chance to have a voice, delivering the demands of each community to the upper tiers, and to make the hierarchy in the country not from top to bottom but the reverse.

Qaddafi resigned his office as the Secretary General of the General People's Committee in 1979 and devoted himself completely to revolution works. Besides, he was conducting some works to make revolution rules more effective in the country. He announced the annulment of all laws of the country in 1973, and in 1978 he explained that the Islamic rules were not suitable for the regulation of economic and social structures of modern societies (Vandewalle, 2012). He authorized the committees in 1980 to establish courts operating according to revolution laws. With the establishment of these courts, all obstacles to the activities of revolution committees were eliminated.

That structure became effective in March 1977 and Libya's name was changed to Socialist People's Libyan Arab Jamahiriya (John, 2006). RCC was officially

abrogated and replaced with revolution committees to follow the decisions of Basic People's Committees, to prevent possible opposing movements, and to function as the protector of the revolution. The citizens were able to discuss many issues at a local level since 1980, and got the opportunity to speak their problems and demands on a national level. Besides, political actions apart from those committees were prohibited, and in this way, it was aimed to prevent anti-regime actions.

Following the first volume of the book focusing on the regime, the second and thirds volumes covering economic and social issues were published. In these volumes, Qaddafi was stating that individuals should own their business instead of working as employees on wage. He stressed out that the employer-employee system, in which the worker/employer was earning in return for his works and efforts, was a slavery system, which could be interpreted as the exploitation of labour. He stipulated that people should own their business and properties and no one should rent their properties, or exploit labour of other people by employing them in the work place or fields. According to Qaddafi, citizens of that country should have an equal share of the national income.

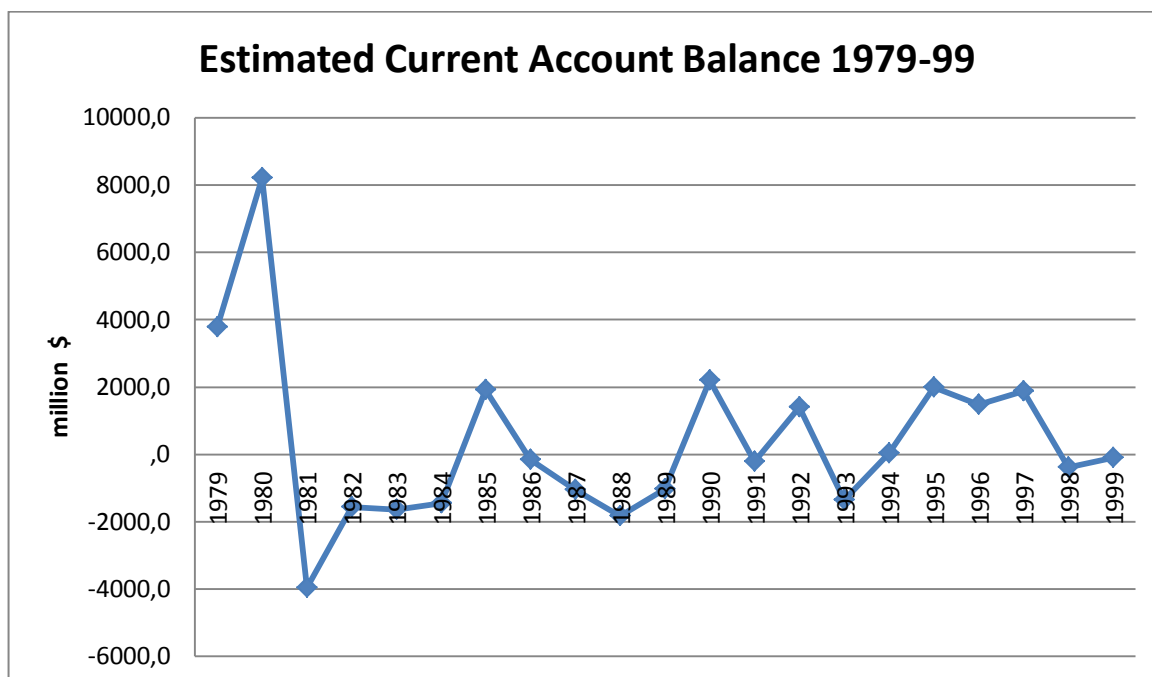
For this purpose, a systematic effort was put into practice. Confiscated houses were distributed to citizens with low-income, and abandoned properties were expropriated and put on sale with low prices. As a result, the citizens living as tenants started to own their houses with low monthly payments (Simons, 2003). Increasing income level in the country provided welfare for the citizens. Per capita income in Libya increased from 2.216\$ in 1969 to almost 10.000\$ within a decade.

Qaddafi attached great importance to education opportunities for the public as much as he cared for the economy. The literacy rate in the public increased to 31% for women and 73% for men in 1977. In 1981, a technical university was founded in Marsa al-Buraika. In the following years, education was provided at every level free of charge, and university students could receive high amounts of scholarships (Metz, 1989). A great effort was given to raise qualified and technical staff in the country because Libya was behind in technical issues as a result of the previous mainly theocratic education system. Majority of the teachers in schools were coming from Egypt or other countries. At the same time, there was also lack of qualified personnel and experts in areas requiring technical and technological experience and knowledge such as the oil industry.

With the Iran Revolution in 1979, oil prices began to increase again. The export value increased from 15.941 million dollars in 1979 to 21.906 million dollars in 1980, and oil revenue reached the peak (Mallakh, 1969). EPSAs signed in that period were more coercive than previous EPSAs for oil companies. Moreover, the authorities were pointing out that Libyan oil resources might face depletion if the production continued at this level. The pressure by the government over foreign oil companies was increasing; some of them started to have second thoughts about investing in Libyan resources because of the dropping profits in Libya.

Regime was utilizing the majority of the oil revenue for the development of the country but it could not actually achieve and provide a long-term contribution to the country in return for that money spent on development. Since the national income mostly depended on a single source, even the slightest fluctuation in production and exports had a critical impact on the state budget. In such a financial system, the steps taken for solving this problem were not sufficient. The fluctuations in the oil industry (rise-decline in prices, and the fall in export or production volumes because of increase-decrease in demand and/or supply and due to economic/political reasons) created immediate impacts on Libyan economy, almost 99% of which depended on the oil industry.

In light of these, it could be easier to observe the before mentioned change through the estimated current account balance of Libya between 1979 and 1999.

Chart 4: Estimated Current Account Balance 1979-1999 (million \$)

Source: OPEC Annual Statistical Bulletin 1999

A new development plan was announced in 1980. The new five-year plan pursued the targets of the previous development plan. The targets were defined to carry out agricultural activities as to meet the country's own needs, provide sufficient residences and social services for the citizens, and develop the production industry and heavy industry especially to increase the share of non-oil industry in the economy (Vandewalle, 2012). A great budget was shared to realize the targets set forth in that plan. As can be seen in the chart above, the current deficit excessively grew as a result of the budget in 1980 and declining oil prices.

With that plan, the spectacular *Great Man-Made River Project* emerged as well. The project, aimed at providing water to the coastline from the aquifers in the inner parts of the country, was to be realized in order to increase productivity in agricultural activities, which could not be developed because of water shortage, and also to provide water to dwellings. However, the desired productivity level in agriculture could not be reached and the oil industry continued to have a high share in the economy.

In the beginning of the 1980s, Qaddafi started to follow an independent foreign affairs policy. He purchased guns from the USSR, supported independence and

freedom movements in Africa and the Middle East, and stood against the Camp David peace agreement between Egypt and Israel, being supported by the US (Ahmida, 2005). He was no longer a vigorous sponsor of Arab nationalism as before and began to focus on African people's welfare and unity. The US, considering that Libya was supporting terrorist activities, added the country on the list of terrorist-supporting states in December 1979. In May 1981, the US announced that it closed Libya's embassy in Washington D.C. and deported the embassy staff on the grounds of "a general pattern of conduct by the people's bureau contrary to internationally accepted standards of diplomatic behaviour".⁷

In August 1981, the conflict of territorial waters between the US and Libya started to climb up with the US' military manoeuvre plans. The territorial waters line defined by Qaddafi as 12 geographical mile from the territorial borders of Gulf of Sidra, corresponding to 32 degree 30 north latitude, were not recognized by the US (Ahmida, 2005). First the US ships, then US fighter aircrafts were sent to the Gulf. Libya had critically important oil fields in that region, and therefore it sent two jets in return to the US aircrafts entering into 30 miles beyond the coastline, to protect its facilities and resources there. US aircrafts shot and made those two Libya jets crash. Libya, unwilling to climb up the tension, did not respond more and waited for US aircrafts leave the region, that is how the crisis ended (Boyle, 2013).⁸

In December 1981, the passports of US citizens to visit Libya were cancelled and all US citizens in Libya were called for leaving the country for security reasons. In March 1982, US announced that it was going to lay an embargo on Libyan oil. According to the data from the Energy Information Agency (EIA), the US decreased crude oil and oil product imports from Libya to zero by 1983. Besides, it announced that it would limit the exports to Libya. In March 1984, the export limitations to Libya were enlarged to cover the exports to Ras Lanuf petrochemical complex (Simons, 2003).

In April same year, British police officer Yvonne Fletcher was shot to death during anti-Qaddafi protests arranged in front of Libyan Embassy in London, and the attitude of the West towards Libya became much harsher. In April 1985, all Export-

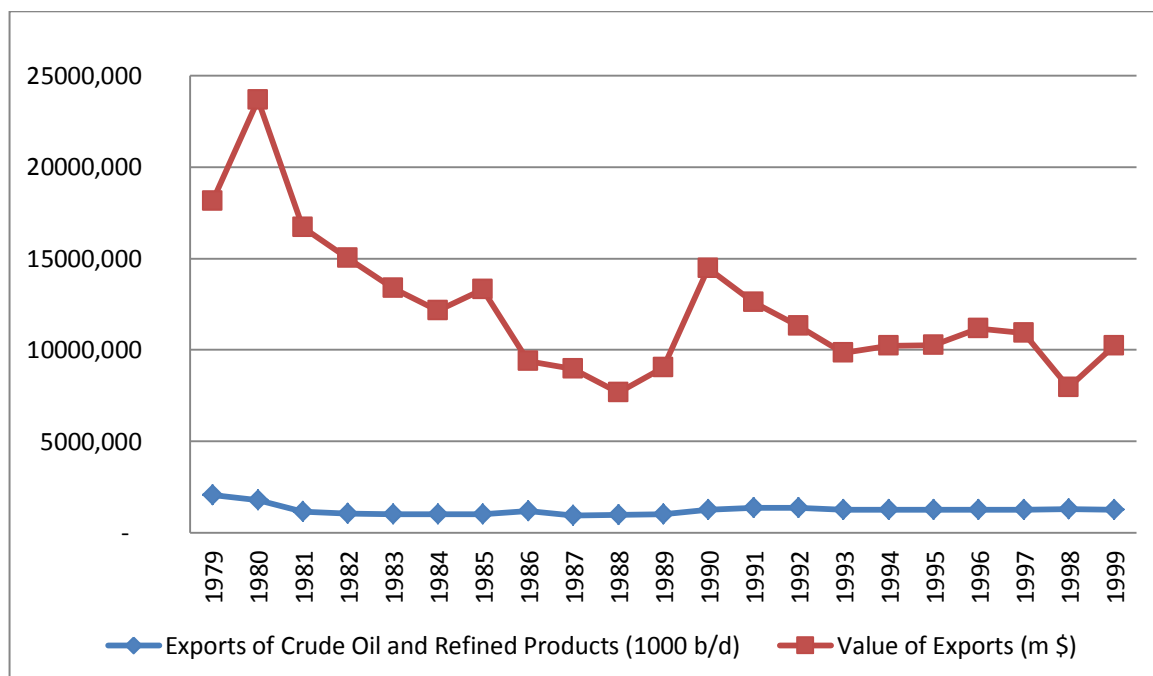
⁷ www.state.gov

⁸ *For territorial waters and restricted economic zone coordinates of the US, please see <http://www.nauticalcharts.noaa.gov/csdl/mbound.htm>*

Import Bank financing was prohibited.⁹ “On January 7, 1986 President Reagan conducted a news conference in which he announced that sanctions were being taken against Libya because there existed ‘conclusive’ evidence that Colonel Qaddafi was involved in two terrorist attacks that occurred on December 27 near El Al ticket counters at airports in Rome and Vienna, resulting in the loss of twenty lives, five of whom were American.” (Boyle, 2013)

US embargo badly affected Libya’s oil exports for a while, but Libya was able to close the demand gap in the long term with Western Europe. Although there was not an important change in crude oil exports especially until 1986, export income was still decreasing because of oil price depression. Accordingly, as seen in the chart below, the crude oil export income had a floating pattern while the crude oil export value curve showed a straight process. In that period, the current deficit in the country highly increased.

Chart 5: Values and Volumes of Crude Oil and Refined Products Exports of Libya



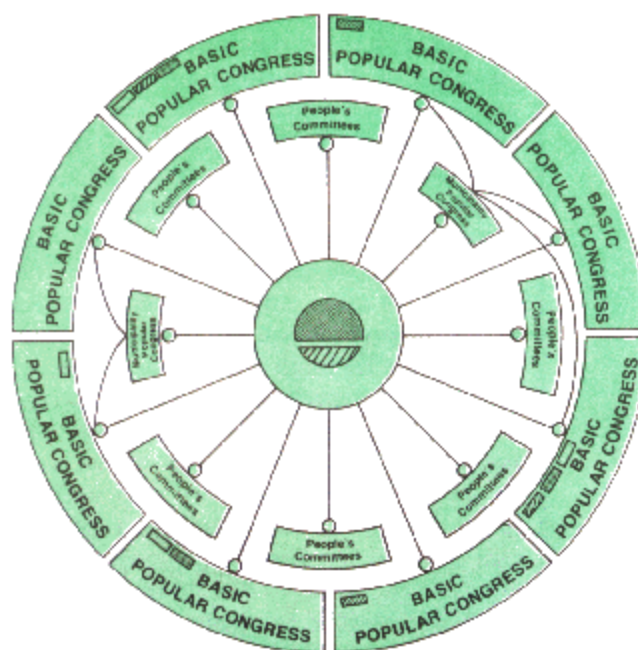
Source: OPEC Annual Statistical Bulletin 1999

⁹ www.state.gov

While those economic problems remained, the country was slowly assuming the administrative structure set forth in *The Green Book*. Qaddafi was defending that the parliaments did not represent the public as they should have, and that the political parties were the modern form of dictatorship. He believed that in a fair system the public must directly participate in the decision-making processes. He stated that the elections might not be reflecting the truth, the votes might be bought or changed, and a fair environment could not be possible in such a system where the poor did not have the power to carry out election campaigns. According to Qaddafi's opinions, the real democracy could only be achieved through public congresses and committees (*The Green Book*).

In the administration system, which is schematically described below, the people gathering in public congresses "can discuss, discern, and decide policies". The public can define the committee authorities and deliver their decisions via the congress secretary, and the committees put these decisions into force. In this way, "the problem of the instrument of government is naturally solved, and all dictatorial instruments disappear. The people become the instrument of government." (*The Green Book*).

Figure 1: The Structure of Popular Conferences and People's Committees



Source: *The Green Book*, Muammar Qaddafi

With the implementation of that structure, the public gained the opportunity to raise their voices directly in the administration. However, the top management was the only authority regarding the security forces (army, police, and intelligence agencies) and economy (John, 2006). Qaddafi's tight grip of power was often criticized as his military domination within the country. The Western media was the best critique of Qaddafi's rule as undemocratic and oppressive (Kafala, 2011) where people were afraid to speak and there were even no local newspapers let alone foreign ones (Pargeter, 2012). The discourse about human rights violations in Libya was on the agenda of the Western world, yet to reach its peak after the dissolution of the Soviet Union.

While such discussions went on, Qaddafi was trying to encourage people to participate in the policy-making processes of his country. The Basic Popular Congresses were a tool of direct democracy. People could voice their needs and demands. Complaints, rejections, and opposing ideas were welcomed in the committees and negative opinions were encouraged to be spoken, because in that way, any problems and complaints in the society could be expressed, the establishment of opposing groups could be prevented and the strategies were defined accordingly (Prashad, 2012).

The bomb attack at a nightclub in Berlin on 5 April 1986 resulted in three deaths and 230 casualties. Reagan government claimed that they had strong evidence showing that Libya was responsible for the bomb attack, but later on it was going to get revealed that Libya had no responsibility regarding the attack (Ahmida, 2005). However, the US, depending on the said strong evidences it claimed, initiated the operation El Dorado Canyon on 14 April 1986 just within two weeks without waiting for clarification of the suspects of the event. The US air forces, marine troops and the US navy bombed Tripoli and Benghazi. Approximately 40 people died and over 200 people were injured in that attack, almost all were civilians. Hana Qaddafi, Qaddafi's adopted daughter, died while sleeping in her cradle at home during that attack happened at midnight (Boyle, 2013).

In September of the same year, the US started to accuse Libya of producing chemical weapons and then, of having weapons of mass destruction. Reagan government, claiming that Libya was producing chemical weapons in a factory

producing chemical materials in Rabta, rejected Qaddafi's offer to come and inspect the factory and insisted on his claim, despite Qaddafi's call to both US and UN and also to the third nations to investigate the factory (Boyle, 2013).

A few weeks after the bombing in Libya, national television channels in Libya broadcasted Qaddafi's interviews and statements, and he announced that the attempts to prevent the revolution were in vain and that the revolution was to resume. On the other hand, he initiated a range of social and economic reforms to eliminate the problems faced in the public. A great effort and work started to provide social and political relief for the people and to overcome the economic problems emerged in the country after the import-substitution policies failed because of non-productive agricultural production and narrow internal markets (Prashad, 2012).

First of all, the increasing effect and pressure of the revolution committee on the country and the uneasiness among the people were important issues. The regime started to take actions to lessen the impact of the revolution committee in order to end that uneasiness. Besides, a monitoring committee was established under the Ministry of Justice to monitor the activities of the revolution committee, and investigation started regarding corruption and misuse of powers. The revolution committee's actions in security forces, police and intelligence agency were diminished in the first place, and it began to lose its power rapidly through the end of the year 1988 (Vandewalle, 2012).

Another step taken to end the discomfort in the society was to release political criminals. In 1987 and 1988, the case files of many political criminals were destroyed. The Tripoli Prison was pulled down. The controls on the Tunisian – Libyan border was removed and the people started to enjoy free movement. Some Libyan citizens living abroad started to return to their homeland. The Criminal Code was prepared, in which all crimes and their punishments were clearly defined; it was decided that revolution courts should only handle cases about infidelity, and public courts were founded for other crimes (John, 2006).

In the reforms made after 1986, as set forth in *The Green Book*, it was tried to stay away from the market conditions because Qaddafi believed that competitive market conditions would create tension and conflict among citizens. Thus, necessary actions should be taken very carefully to provide transparency, improve the

institutions regulating income distribution, to provide a competitive environment for the state sources, and to avoid any negativity, inequality, and conflict in the long term among the people (Vandewalle, 2012).

In June 1988, the Great Green Charter of Human Rights was issued. With that Charter, Qaddafi was planning to increase Libya's score regarding transparency and predictability. However, there were also more critical problems such as deficiency in basic consumption goods. The ongoing embargo was worsening that problem. There was also trouble about travelling abroad and studying in other countries apart from neighbours.

The continuing war with Chad was also wearing out the society. Qaddafi, having the control of the army, wanted to spare a great deal of sources for military expenditure. New weapons and equipment were bought for the army continuously. On the other hand, the army was providing an important employment opportunity for the country. Between 1979 and 1983, the military expenditure was almost 12 billion dollar and the equipment purchased from the USSR was corresponding to almost half of that amount (Vandewalle, 2012). Defeat of the increasingly growing Libyan army in the war with Chad was a very humiliating result for Libyans because the Chadian army, very irregular and weak, easily defeated Libya (with the support from French army).

In the 1980s, French Elf Aquitaine oil company decided to stop its operations in Libya because of the fact that Libya had a conflict with France regarding Chad. In 1986, after the US announced that it was going to recall all its companies and citizens in Libya, Oasis Consortium, Conoco, Grace Petroleum and Occidental left the country (US Energy Information Administration, 2014). Libya, not having any problems of production, needed new companies because of its lack of technologic infrastructure and knowledge for exploration activities.

On the other hand, the activities of European countries in Libya increased after the US placed an embargo. Italian AGIP, Austrian state oil company OMV, German Wintershall and Veba, French Total were the European companies increasing their operations in Libya. After the resolution of the conflict between Libya and Tunisia regarding the sea border via the International Court of Justice, Libya's only open sea territorial waters were then open to investment.

In the meantime, American Pan Am airlines' flight numbered 103 was bombed in December 1988, and French UTA airlines plane blew up in September 1989. Upon these, the US turned its oil embargo into a comprehensive trade embargo.

In 1989, dissolution of the Soviet Union ended the Cold War and that led the US become a single superpower and increase its influence. In the atmosphere created in the 1990s, import-substitution policies and relatively national developmentalist movements lost favor. Qaddafi tried to adapt the country to the transformation in global power relations either wilfully or due to the pressure of the sanctions. However, Qaddafi's adaptation struggles were going to remain at the strategic and tactical level, and Libya's structure shaped on the axis of nationalist development would protect itself while the problems resulting from that state system were to continue.

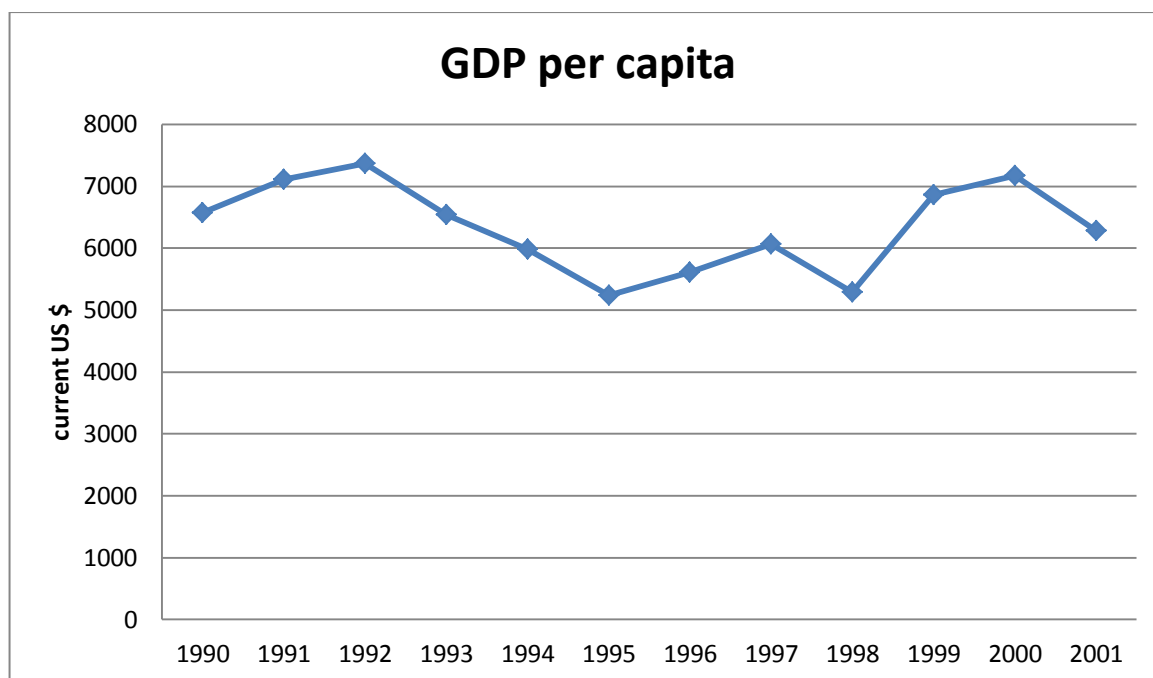
Clinton government continued the economic sanctions on Libya. Through the end of 1991, two suspects were detected regarding the Pan Am flight. On the other hand, France accused four Libyan intelligence authorities regarding the UTA flight. Both countries requested the detection of the criminals. In this regard, United Nations Security Council issued the resolution no. 731 in January 1992 requiring the delivery of the suspects. Yet, Qaddafi rejected to deliver the suspects (Ahmida, 2005). In a few weeks, a new resolution, no. 748, was issued declaring that the country would encounter sanctions if it would not deliver those suspects. Libya rejected the requests by claiming that it was a breach of the country's national sovereignty. Upon that, the UN banned all international flights to Libya and started an embargo in April 1992 (Vandewalle, 2012).

Libya was able to handle the negative impacts of the US sanctions until then, but UN sanctions in 1992 calamitously affected the country. Especially the aviation and other sectors requiring high technology were affected most in terms of spare parts and products. The country could meet those needs from other sources but had to pay higher prices.

From 1992 to 1999 (the period when the UN sanctions remained in force), Libyan economy could grow only 0.8% annually and the GDP dropped back from 7,372 dollars to 6,859 dollars (see Chart 6). Apart from that, buying weapons and

ammunition between 1993 and 1995 almost stopped. Military expenditure was 10 million dollars in 1994, 20 million dollars in 1996, and only 5 million dollars in 1997.

Chart 6: Gross Domestic Product Per Capita in Libya, 1970-2001



Source: *datbank.worldbank.org*

In the period of isolation from the West, Libya also had trouble with Chad regarding the Aouzou strip. That conflict added to the negative relations with other countries in the region. Following that, Qaddafi desired to fix the country's relations with its neighbours while the Western embargo was still in force, and carried the Chad problem to the International Court of Justice. The court made its decision in 1994 in favour of Chad (Ahmida, 2005).

Through the end of 1997, member states of the Organization of African Unity made a decision to take action in order to relieve the sanctions of the UN on Libya. In 1998, they breached the UN ban on flights and went to Tripoli. In the same year, they announced that in the event that Britain and the US would not accept Libya's request for the judgement of those suspects in a neutral country, they would not recognize the flight ban to Libya.

The demands to trial of Lockerbie suspects in a neutral country were agreed and The Hague was designated for the proceeding. In April 1999, Libya delivered two

suspects to the Netherlands. UN lifted the sanctions on Libya. Abolition of the sanctions not only relieved Libya regarding oil exports but also provided economic stability and gave back its chance to attract foreign investors (Boyle, 2013).

European oil companies had not completely withdrawn from Libya during the embargo, and they increased their activities to the maximum level following the lifting of the embargoes; and beside those companies, US companies also immediately started operations to drill oil in Libya (Watt, 2002). After the elimination of the limitations on imports and exports, the problems faced within the society regarding basic needs and food ended. National economy was back operating under the intensive influence of foreign companies.

Moreover, as can be clearly seen in Chart 3, crude oil prices of OPEC countries, which remained at low levels from 1986 to 1998, started to go up after 1999. Following that, Libya started to generate high oil income; and again increased its purchases of weapon and ammunition. After the removal of the embargoes, many companies desiring to sell weapon and military technologies to Libya rushed to the country (Deen, 2003).

In 2001, trial of the suspects were completed; one found guilty while the other one acquitted and released. Libya declared that it would pay compensations for the people who lost their lives in UTA flight numbered 772 and to the relatives of Yvonne Fletcher, and agreed to provide incentives for international investors.

On 11 September 2001, two planes crashed into the World Trade Centre towers in New York, and another plane crashed into the Pentagon in Virginia, killing 2996 people in total including the hijackers. Thousands of people got injured, and billions of dollars of material damage emerged due to the attacks. After Al-Qaida undertook the attack, then US president George W. Bush introduced the concept of “war on terror” as an extensive fight against terrorism. In this scope, the US was going to occupy Afghanistan and Iraq, respectively.

Right after those events, Qaddafi condemned the attacks and delivered his condolences to American officials. Besides, he also stated that Libya would give intelligence support to locate and bring down Osama Bin Laden and Al-Qaida.

On the basis of anti-terror operations for 9/11 attacks, the relations with the US started to improve. However, the US embargo was still in place. Libya, not able to make sufficient investment on oil exploration and production infrastructure during the period when the US embargo and UN sanctions were in force, had trouble in productivity because the systems used for these operations were out-fashioned and Libya did not have latest technologies (Ahmida, 2005). The country needed to import both the expertise and technology, and therefore foreign companies' investments. For that purpose, following the lifting of UN sanctions, Qaddafi acted very willingly about delivering Lockerbie suspects, and paying compensation for the ones who lost their lives in other attacks, since he desired to end the US embargo.

While Libya was taking such actions to recover its relations to their normal course, the US was also willing to end the discrepancy for the sake of its economic interests. Following the removal of the UN sanctions, Libya regained its commercial and diplomatic relations with countries other than the US, and its oil fields were highly attractive to foreign companies since those fields were waiting for development and investment throughout the period of sanctions and embargoes (US Energy Information Administration, 2014). Since 1999, many companies gained a lot profits from Libya while the US companies were out of those relations.

For those reasons, a short while after Libya's signing the agreement setting forth the destruction, removal, or neutralization of the weapons of mass destruction in December 2003, the US removed the embargos against Libya. After that, Libya also accepted the steps set forth by the IMF and undertook obligations given in the provisions of the agreement such as performing structural reforms, eliminating the obstacles in front of trade and providing price subsidies.

Those structural reforms were setting forth the following steps in general:¹⁰

1. Unification of exchange rates
2. Elimination of import licensing requirements
3. Taking steps to regularize relations with external creditors
4. Revising the tax system, substantially reduce marginal income tax rates for individuals and companies (Numerous tax and customs tariff exemptions would remain in place)
5. Privatization of certain public banks and commercial banks

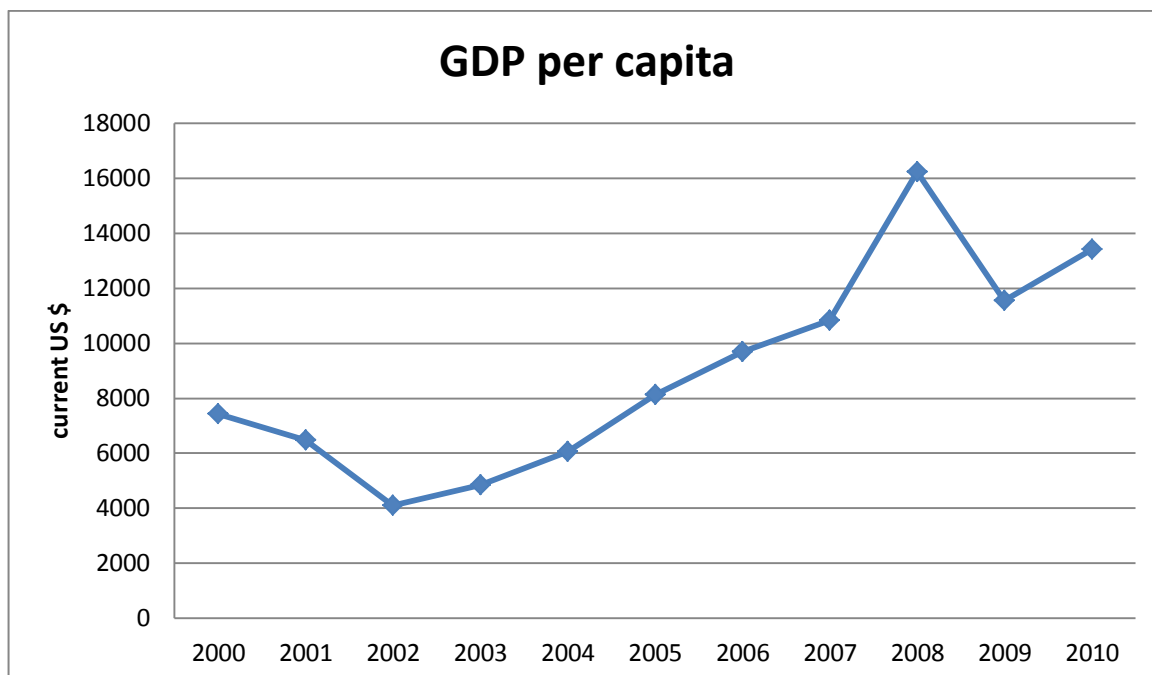
¹⁰ IMF Country Report, October 2003

6. Devaluation of the exchange rate by 15 percent
7. Strengthening banking supervision
8. Simplification of the trade regime
9. Improving the functioning of monetary policy through the removal of direct controls
10. Establishment of market-based instruments.

A number of directives were issued in 2004 to that end; decisions taken to provide incentives and tax exemption for foreign investors, to establish free zone in Misrata and to privatize the majority of state companies (Simons, 2003). In the framework of these economic directives, trade was liberalised, investments for some sectors were facilitated, tax exemption for public institutions were removed and customs tariff rates for import were decreased. Apart from these, a privatization plan was implemented in January 2004. In March 2004, a new tax law was accepted. Privatization activity was not only implemented in the oil industry but also in banking and trade organizations. Business establishment procedures were facilitated, and customs taxes were decreased or completely removed for many products and goods (IMF Country Report, March 2005).

With the structural reforms imposed by IMF, an institutional transformation started in Libya. Liberalisation process rapidly began in Libyan economy, which had been under state control. Similarly, certain reforms were implemented in the banking industry, which had also been under state control. With the steps taken to support and facilitate foreign investments, the country was opening to foreign capital.

In March 2004, British company Shell signed an oil and natural gas exploration agreement of 200 million dollars with Libya. In 2005, fifteen new oil exploration and drilling licenses were issued. Eleven of those licenses were given to American companies such as Occidental, Amerada Hess and Chevron Texaco. In the agreements signed with those companies, high amounts of money were taken to initiate the operations, and approximately 11% - 39% of the shares were assigned to companies (Vandewalle, 2012). In that period, thanks to the increasing oil income and operation fees received from the companies, the national economy greatly improved and per capita income rapidly increased. (See Chart 7)

Chart 7: Gross Domestic Product Per Capita in Libya, 2000-2010

Source: *databank.worldbank.org*

During the reform movements that started right after the removal of the embargoes, Qaddafi's son Seyf-ul Islam was slowly gaining voice in the government. Seyf-ul Islam graduated from Al-Fateh University in 1994, and received his master's degree in business management at American IMADDEC University. He was the chair of Qaddafi International Foundation for Charity Associations (John, 2006). In certain areas, Seyf-ul Islam had opposing views to his father. The intellectual and technocrat group, slowly developing in Libya, started to gather around Seyf-ul Islam (Kuperman, 2015).

In June 2003, Shukri Ghanem was appointed as the Secretary General of the General People's Committee (Prime Minister). He studied in the West just like Seyf-ul Islam. Ghanem, an experienced economist, graduated from Libya University, and then got his master's and PhD degrees from Tufts University in Boston (Ahmida, 2005). These two figures were leading the privatization and liberalisation movements gaining momentum in the country. They defended the privatization of the public institutions one by one, liberalization of the national economy, and

complete integration with the West; and thus they were taking important steps in this regard (Prashad, 2012).

Yet, in March 2006, the cabinet changed and Ali Baghdadi Al-Mahmudi was appointed to replace Prime Minister Ghanem. Mahmudi was not as aggressive as Ghanem about the implementation of the reforms. Qaddafi still had doubts regarding the liberalization process and was uncomfortable about the re-increasing number of foreigners in the country. He was quite aware of the problems of oil-dependent economies and therefore, he was showing great effort to take steps for the improvement of non-oil industries.

Meanwhile, in May 2006, the US announced that it would remove Libya from the list of sponsors of terrorism and raise the US contact bureau in Tripoli, opened in June 2004, to the embassy level.

In early 2007, Libyan Economic Development Board was established in order to monitor the economic reforms and to inspect the privatization process. Seyf-ul Islam and Al-Baghdadi al-Mahmudi were appointed to the head of the Board. Seyf-ul Islam, advocating that the Board would direct Libya's agenda in the best way, facilitate the business establishment processes and support entrepreneurialism, defended that Libya would become a key actor in the regional economy with the achievements of the Board (Morgan, 2007).

Qaddafi was defending that the public and the state should control the economy and government, whereas Seyf-ul Islam was insisting on liberalism and reforms. Seyf-ul Islam and people supporting liberalization within the country were seeking the removal of the tutelage institutions, aligning the private sector's investment freedom with Western standards, ending military domination on public institutions, and the formation of an economic order in which the free markets could properly operate. Liberalization and democracy-supporting "reforms" were realized under such conditions and the "progress" was slow. Another reason of this slow progress was the resistance from the groups making profit from the current system. The reason behind "making progress" despite all those negative aspects was a few Libyans who could benefit from market reforms and the profit expectations of many foreigners...

As a result of the economic crises in the 1980s and 1990s, the influence of revolution efforts and *The Green Book* began to fade away. With the lifting of

embargoes and foreign companies' flooding into the country again, Qaddafi's relations with Western state leaders began to improve. Before the lifting of the sanctions, Western authorities visited the country to check the situation inside the country. Following their visits, US Secretary of State Condoleezza Rice visited Tripoli. Beside Western leaders 'warm' visits to the country to keep their relations with Qaddafi well, Qaddafi was also cordially welcomed in Europe.

By 2010, many laws had already been taken into force to implement the reforms. In early March of the same year, the General People's Congress issued seven new laws to liberalise Libya's economic system.

In this scope, a commercial code was enacted to eliminate any discrepancies that might arise from the commercial code dated 1953 and following amendments. With the law regarding taxes and incentives, the taxes were deducted: it was decided to include independent merchants to the 20% tax bracket, industrial commerce to the 15%, companies and other entities operating in trade area to the 20% tax brackets. With the law regarding customs and tariffs, the procedures became simpler, investment procedures were facilitated, and taxes were exempted from some products and goods. Enacting a law regulating worker relations, the relations between the shareholders/partners of the companies were defined. With investment incentive law, the purpose was to provide foreign investors establish partnerships in Libya, get their permissions and licenses easily, and to support direct investments. With the law regarding the stock market, the issues regarding the transactions and shares were regulated. With the law that can be named as financing or leasing law, small and medium sized enterprises were able find financing more easily (Zaptia, 2010).

Those seven laws were going to make radical changes within the Libyan economic system, strengthen the private sector and clear the way for foreign investment. IMF appreciates these improvements in its 2010 report but still finds insufficient (Vandewalle, 2012). The majority of foreign observers were repeatedly stating that it was necessary to end Qaddafi's era and his "authoritarian" regime which constitutes a great obstacle before the free market, protecting the social reforms it implemented for the welfare of the Libyan people, and resisting to the Western-imposed order. Therefore, they were underlining that Qaddafi's rule should end in order to actually liberalise and democratize the country.

In 2010, Libya was ranking 53rd among 169 countries in the Human Development Index, despite all those sanctions and embargoes. The 2010 Human Development Report particularly emphasized Libya's non-income development in the last decade. "Nondemocratic states, such as Iran and Libya, have also delivered services to middle and lower socioeconomic groups." (United Nations Development Programme, 2010) However, Libya was going to fall back 11 places in this index after the intervention in 2011 (United Nations Development Programme, 2011).

2.3. Rising Tension in the Country

Libyan society was dividing into two groups, one opposing the reforms, the other supporting liberalization. In February 2011, the chaos was ignited. Following the arrestment of Fathi Tarbil, human rights defender and representing the families of the people killed in Abu Salim prison, people started to revolt in the eastern part of the country. Upon increasing attacks of armed groups in the country and condensing protests, military forces and air forces under the control of the government started to fight against rebels marching through Benghazi.

Within one month following the outbreak of the events, the UN and Europe placed sanctions on Qaddafi and his family. Firstly, UN Security Council announced that it imposed a weapon embargo on Libya starting from 26 February 2011 with the resolution numbered 1970. One day after the start of the embargo, National Transitional Council was established in Benghazi.

The Transitional National Council says it was formed to:¹¹

- Ensure territorial security.
- Organise the movement to liberate Libya from Gaddafi's rule.
- Support local councils to restore normal life to the affected areas.
- Oversee the creation of a constituent assembly to implement its goals.
- Draft a new, just constitution to be put to a referendum.
- Organise a democratic election after the liberation of the country.
- Represent the February Uprising officially.
- Create sub-committees to deal with the issues facing the people of Libya during the transitional period.

¹¹ <https://www.temehu.com/ntc.htm>

France was the first country recognizing the Council. France declared on 1 March 2011 that it officially recognized the National Transitional Council “as the legal representative of Libya”. In two months, Qatar, Maldives, Italy, Gambia, Britain, Senegal, and Jordan officially recognized the Council.¹² Libya Contact Group, formed by the countries recognizing the Council, started to hold monthly meetings to evaluate the current status quo in Libya and define the country’s future (Vandewalle, 2012).

Following the adoption of Resolution 1970, NATO stepped up its surveillance operations in the Mediterranean on 8 March 2011. The Alliance deployed Airborne Warning and Control Systems (AWACS) aircraft to the area to provide round-the-clock observation.¹³ Two days later, ships in NATO quarters were deployed in Mediterranean waters. On 17 March 2011, the Resolution 1973 was announced, which created a no-flight zone. Member states were authorized “to do what it takes” to protect civil people in Libya. “For all practical purposes, the international coalition through NATO had become the arbiter of whether or not Libya’s civil war would continue” (Boyle, 2013).

Those who left the ranks of Qaddafi and took sides with the opposition were the first to bring the no-fly zone idea to the Security Council. About one week later, on March 2, the National Transitional Council started to voice the need to declare no-fly zone, on March 7 Britain and France announced their support to this idea. On March 12, the Arab Union gave their support and finally on March 18, 2011 the United Nations Security Council passed the resolution authorizing a no-fly zone in Libya (United Nations, 2011).

With the adoption of UNSCR 1973, several UN member states took immediate military action under Operation Odyssey Dawn. This operation, which was not under the command and control of NATO, was conducted by a multinational coalition led by the United States.¹⁴

¹² www.ntclibya.com

¹³ www.nato.int

¹⁴ www.nato.int

On April 14, a meeting was held with the participation of the ministers of foreign affairs of NATO member states as well as non-members in Berlin. In that meeting, it was declared that the attacks would continue and the pressure over the Qaddafi regime would remain until Qaddafi withdrew its military troops.

Libya Contact Group was also developing some “solutions” to end the chaos and conflict in the country. The first suggestion was to provide support to the rebels by NATO, strengthen Tripoli, and carry the government to Tripoli after ensuring unity within the country. The second suggestion was to divide Libya into two as Cyrenaica and Tripoli. The third suggestion was to weaken the regime through embargos, sanctions and cutting any other sources helping regime to protect its power, and to wait for a coup in the internal dynamics of the country. Especially after July 2011, the diplomatic ways to solve the problem were discussed. The hardest part regarding that option was to find a way to alienate Qaddafi, his family and their supporters from the government and to protect the bond between the cities afterwards. Reconstruction of the state and renovation of the country’s economic structure from top to bottom were essential (Boyle, 2013).

Meanwhile, on June 12, United Arab Emirates and Germany declared their recognition of the Libyan National Transitional Council. The Council, officially recognized in the international arena, were becoming more and more effective with that power. The insurgents, receiving substantial support from NATO, were marching towards Tripoli. While the opponents were largely supported in terms of weapon, ammunition, and logistics; Qaddafi’s troops were critically losing power against the opponents as a result of the weapon embargo against Libya, establishment of a comprehensive inspection centre in the Mediterranean to prevent the Qaddafi government from providing weapons from other sources, declaration of no-fly zone and NATO’s land and air attacks.

The International Criminal Court regarded Qaddafi’s intervention to the opponents as a crime against humanity, and a prosecution started against Muammar Qaddafi and his son Seyf-ul Islam. On 27 June 2011, the ICC issued an arrest warrant for Libyan leader Muammar Qaddafi, Seyf-ul Islam Qaddafi who was the spokesperson of the government, and President of the Military Intelligence Agency Abdullah Al-

Senussi, for their crimes against humanity (murder and torture) claimed to be committed in February.¹⁵

However, the ICC ignored the call of the Amnesty International to conduct an investigation against NATO operation, and glossed over the reports published by other human rights organizations. While no proceeding was conducted regarding the war crimes committed in the NATO operation, an arrest warrant was issued immediately for Qaddafi and his family.

As European Parliament puts it, rebellious Zintan militia captured and killed Qaddafi on October 20, 2011 (Apap, 2016). However, there is still ambiguity about how and by whom was Qaddafi killed. It is indicated by some new sources that (NATO-backed) rebels closed in Qaddafi's convoy and captured him as he was leaving Sirte. But Human Rights Watch believes that his convoy was first bombed by a NATO airplane and then he was captured wounded by the militia, later to be announced dead (Fetouri, 2015).

After Qaddafi's death, the North Atlantic Council announced that it would end the operation in late November. On 19 November, Seyf-ul Islam was captured by the rebels and was not delivered to any judicial authority (Prashad, 2012).

2.4. Post-Qaddafi Period and the National Transitional Council

The operation ended after Qaddafi's death and the National Transitional Council became the only governing authority in the country. Decisions taken as well as the economic and structural changes observed in Libya thereafter play a central role in the thesis. The developments occurred in the period until Qaddafi's overthrow and death, the steps taken in this regard, and the objectives behind such decisions and steps will lead the way in our analysis.

First of all, we need to underline that the National Transitional Council was established with the vision of creating a democratic Libya; they had announced that they would not look askance at any intervention by the UN and they would not regard such an intervention as interference into the internal affairs of the state.

¹⁵ www.ucmk.org.tr

Mahmoud Jibril, who has been the director of the State Planning Commission during the Qaddafi era, became the head of the National Transitional Council established on 27 February 2011. Jibril had close relations with Saif-ul Islam in the last period of the Qaddafi government; both figures were the leaders of the group vigorously supporting liberalization and privatization within the country.

The Council's main objective, as they clearly underline, is to establish a modern and free state in unity. To put it more elaborately; we can list the Council's objectives as; establishing political parties, non-governmental organizations and unions, ensuring the public's active participation to politics, according each citizen the right to vote and run in free and just elections, assuring the freedom of expression, founding effective institutions to end poverty and unemployment, contributing to the creation of an environment-friendly and prospering society, developing strong economic partnerships between the public and private sectors and the civil society, ending corruption and waste, investing in education and research&development activities, supporting the use of technology and science, securing individual rights and freedoms, advocating human rights and religious values, strengthening women, condemning violence and terrorism, prohibiting any discrimination among citizens, developing international cooperations, respecting the sovereignty and independence of other states, respecting the rights of foreign companies and foreign people in the country.¹⁶

The list given above describes a country, which has a liberal economy, a system open to foreign investment, and a society shaped by formal democracy. Briefly, it tells the conditions necessary for the state structure appreciated by Western developed capitalist states. This list fits well to the state structure, which is deemed suitable for underdeveloped raw material selling states by the leaders of the global economy. Steps that need to be taken for an internationalized Libya are all included in the objectives of the transitional government.

Within this framework, it is highly important to note that the National Transitional Council paid particular attention to two issues at the meeting held on March 19, where they shared their founding declaration. There two issues are: recognizing the Benghazi Central Bank as the sole authority for the monetary policy of Libya; and the

¹⁶ www.ntclibya.com

establishment of the Libyan Oil Company which will monitor all processes related to oil production and will be the only authority for the oil policy of the country.

While the country was struggling in disorder and chaos, the most important items on the agenda of the insurgents were the establishment of a Central Bank and determining the authorities of the Libyan Oil Company. This is a highly remarkable development under such conditions.

At this point, we should go back a few years and remember how Qaddafi drew reaction when he first expressed his desire to use gold dinar rather than US dollar in the sales of Libyan oil. In 2009, Qaddafi stood up as the President of the African Union and stated his gold dinar plan to other African states at a meeting. He expected to get their support to this plan. Rejecting to use US dollar by Libya, which was known to have substantial amount of gold and silver in its reserves at that time and accepted only as a strategic raw material selling country for Western states, would bring down the monetary system running under Western domination and would trigger a crisis.

As reflected by many experts and scholars, it is highly perplexing to see that the first thing on the agenda of the insurgents is to establish a central bank in the country while the civil war was meant to come to an end. It shows that there is a much deeper reason behind the insurgency in Libya.

CONCLUSION:

THE LIBYAN CASE FROM A POLITICAL ECONOMY PERSPECTIVE

Upon the theoretical framework discussed in the first chapter and the historical background given in the second chapter, we are going to analyze those information and data in this chapter. We will take the military intervention to Libya into the frame that we have outlined, and we will exemplify and clarify our perspective by analyzing the intervention to Libya from this framework. For this purpose, we primarily need to see Libya's place in the international arena during the Soviet Union era, and then we will discuss how the changing global order affected Libya after the dissolution of the USSR. We will finalize the thesis by analyzing the practices of the Transitional Council formed in Libya after the intervention, and the current status quo within the country.

For our analysis, it will be guiding to touch briefly on the path to military intervention in Libya.

During the Soviet era, Libya maintained its relations with other countries as a strategic raw material seller. It had a role in the international arena as an actor, which was not fully integrated into the global capitalist system, allowing limited commodification. Rich oil reserves, high quality oil resources, and geopolitically strategic location of the country made it crucial for other countries to have close relations with Libya.

Muammar Qaddafi seized power in Libya by staging a coup in 1969. Before the coup, leader of the country was Idris al-Senussi, who was open to Western demands and who could easily become a part of Western plans. Unlike him, Qaddafi was highly disturbed by the existence and influence of foreigners within the country, particularly foreign companies holding many rights with regard to opening and operating oil wells. Therefore, as soon as he took control he immediately initiated an action plan to end foreigners' domination in the country.

He made sure that the Libyan state had more control over the resources, by taking several measures such as making the Libyan State Oil Company the only authority that regulates the oil sector, including coercive articles in agreements with foreign companies, and increasing taxes. Besides, he also opposed to foreign military bases in Libyan territory, which made him take certain steps to shut down foreign bases after 1969, and to reensure national sovereignty in general.

All these measures inevitably brought Qaddafi against Western powers, which had economic and strategic interests in Libya. Those capitalist states needed to integrate raw material selling less developed social formations into global capitalism to be able to maintain and maximize their interests; inasmuch as they need to transform not only the production processes of the raw material in question, but also the legal order and government structure of the country. Qaddafi stood as a huge obstacle before this formation.

Within the previously mentioned framework, state took the full control of oil fields and increased the rents to be collected from multinational firms in the first decade of the Qaddafi regime. He allocated this money to social welfare, particularly to housing and better health care services. He nationalized oil companies, determined the minimum wage, extended the scope of welfare and health systems, and made great discounts on unreasonable rents demanded by property owners. He also put a limit on rental payments to be paid to landlords, the maximum rent was determined as one thirds of the pre-coup level. The state bought several premises and let out to the public for low rents. Ever-expanding huge shantytowns right outside Tripoli were demolished and new mass housing projects were built. Unfortunately, the literacy rate in Libya was around twenty percent when Qaddafi seized power. This rate increased to ninety percent in 1980. State took the control of all macroeconomic processes and procedures, while the Central Bank put a maximum limit to savings accounts and redistributed the wealth to the public (Prashad, 2012).

In this new structure established by Qaddafi, power was centralized; executive, legislative and judicial powers were not separated, all were at the disposal of Qaddafi. Such a structure was an impediment before the capitalist state to penetrate into the precapitalist state form. In these strategic raw material selling states shaped by precapitalist features, commodification was highly limited in terms of ownership of the oil field, exploration, production and transportation of resources (Özdemir, 2014).

Expropriation was being carried out at the highest level in the Qaddafi regime, where the upper tier of the state had direct control, influence or authority over natural resources. All natural resources of the country were under the supervision of the state oil company, which regulated all processes in this regard.

Oil fields were not allocated for private ownership in Libya, and foreign companies were obliged to pay high rents and taxes in exchange for operating oil fields. The regime was earning great income from oil exports as well as rents and taxes, which were collected from foreign companies. This income were being used in for raising the living standards of the public, offering better services and developing projects for common good. Foreign actors operating in the country could not find any chance of representation in the state, and there were not a distinct separation between political and economic areas.

Qaddafi had the power to change everything by a single word, and there was not a legal framework to change his central authority. This was creating an insecure environment for investors; besides any chance of representation for an external demand was at the disposal of Qaddafi (Özdemir, 2014).

As can be seen, Qaddafi's Libya did not adopt the principle of separation of powers. In such a state structure, the governing class had full control over the collective assets of the country. Qaddafi, not limited or constrained by constitution or any trade law, was often making decisions upon his personal judgement about prices (Özdemir, 2014).

Things were getting more complex as Libya, which was a strategically important raw material seller, did not have a state structure that was fully integrated into the capitalist system, welcoming the actors of this system and supporting commodification in all areas. Therefore, capitalist states needed to transform the legal and financial order in Libya as to make it a part of the global capitalist system.

During the Soviet era, it was much harder for capitalist powers to exert domination over less developed capitalist formations. The Soviet Union, acting as a balancing power in the global arena, was an obstacle before the interventions that would set the ground for this transformation. At the end of the 1990s when the balancing factor disappeared, the way was much clear for capitalist interventionism.

There were no longer any impediment before Western powers to implement structural adjustment plans, forced harmonization methods, or to push internal

dynamics with the aim of ensuring the transformation they desire. Now they had a much clear chance even to authorize military intervention when those methods were not effective. They could freely shape and interpret the international law so as to justify their actions; since the Soviet regime collapsed, which were acting as an obstacle before the expansion of liberal state form. This tells us why a country like Libya could not survive as a strategic raw material selling capitalist formation integrated into the international division of labor, and why it had to face a structural intervention.

The transformation corresponds to subject-less process sometimes shaped by the impact of various types of violence; sometimes on the grounds of humanitarian intervention, sometimes directly as armed violence, sometimes market-oriented violence in scope of structural harmonization programs (Özdemir, 2011). Harmonization programs, structural demands changes demanded in return for loans, and economic sanctions are used as different alternatives to realize the desired transformation within the state. When they are not effective, armed violence –which is military intervention– is the last option.

All those options were respectively tried on Libya. As the desired goal could not be achieved, actions were moved to the next level.

US embargo in the 1980s, and the sanctions imposed by the United Nations in early 1990s caused Libyan economy to get weaker and more vulnerable. The UN embargo imposed on Iran in 1995 was expanded in scope to include Libya in 1996. Nevertheless, Libyan economy managed to survive thanks to Qaddafi's efforts to develop different solutions under any condiation.

Since the sanctions and embargoes were not effective in ensuring the desired transformation in state, the next move was to 'strengthen the opposition'. Although the dissident group in the country was slowly gaining strength with rising economic problems, it was still not effective enough to pose a threat against the regime. Moreover, a prolonging civil war would have a detrimental effect on oil supply; thus, order had to be restored within the country as soon possible. "In this equation, we have oil on one hand, and we have the political necessity to dominate the region and sustain this immense strategic power on the other hand." (Prashad, 2012)

In order to ensure the separation of economic and political powers and to establish a liberal state form in Libya, it was reflected as an obligation to end the Qaddafi

regime. Hence, the ground was set for humanitarian intervention under the pretext of democracy and human rights.

On 18 March 2011, the United Nations Security Council adopted the draft resolution authorizing a no-fly zone in Libya. From scratch, it was obvious that the no-fly zone and air strike was going to provide an advantage to insurgents. As part of the Operation Odyssey Dawn, Qaddafi's military and communication infrastructure was ceaselessly bombed after March 19. It was also known that NATO was providing logistic and communication support to insurgents by sending them satellite images and such. (Prashad, 2012)

The Resolution 1973 adopted by the UN Security Council was quite indefinite. The resolution authorized the member states to 'act nationally or through regional organizations or arrangements' and 'to take all necessary measures to protect civilians and civilian populated areas under threat of attack'. However, the UN do not have an actual power to 'take all necessary measures'; and the only country which could do that 'through regional organizations or arrangements' was the USA, in other words, NATO over the USA. Besides, the resolution did not specify the limitations to these measures, and the duration of such actions. Abstaining states (Brazil, China, Germany, India, and Russian Federation) were clearly underlining the ambiguous aspects of the resolution. Particularly China, Russia, Brazil and India were repeatedly framing their worries about the limitations to use of force, the measures to take to protect civilians, and the necessity of this resolution. Whereas the United States and Canada openly called for removal of Gaddafi, followed by the members of the London Conference, Libya Contact Group, and NATO (Wedgwood & Dorn, 2015). Suchlike statements made Qaddafi an open target.

In order to justify those actions and get the support of citizens and world public opinion, newspapers and television channels made speculative news and reports, mostly not reflecting the reality. According to the statements made before the intervention, it was claimed that the Qaddafi government was targeting civilians and killing people randomly; however, such claims were negated when bodies in hospital morgues and other facilities in the country were counted and analyzed. In an article written in 2013 for Harvard University's International Security journal, it was documented that 1000 Libyan lost their lives, including insurgents and soldiers from February 2011, the outset of the uprising, to March 2011 (Kuperman, 2015).

Whereas, many television channels and newspapers were giving a death toll ten times higher than that.

In addition, despite the statements and requests of many human rights organizations, war crimes were totally ignored by local courts and the International Criminal Court (ICC), which has jurisdiction over war crimes, crimes against humanity, and genocide committed in Libya since February 15, 2011, under UN Security Council resolution 1970, tarafından dikkate alınmadı (Human Rights Watch, 2016).

The National Transitional Council, established when Qaddafi was alive, was setting the scene for formal democracy and the state structure required by neoliberal globalization through its founding declaration published in March, and the Libyan Interim Constitutional Declaration announced in August. The Constitutional Declaration, which was described as 'a roadmap for democracy' by the European Parliament, was particularly underlining the importance of certain areas such as creating a democratic society, adopting the multi-party system, separation of powers, and protecting private ownership. It aimed to create a fertile environment for transformation in the state structure in the way we have mentioned from the beginning of the thesis.

The system built in Libya in the aftermath of the intervention reveals the objectives behind these measures and the parties that will gain favor in this system. Many state-owned institutions were opened to the private sector, processes about the use of oil fields and oil drilling agreements were facilitated to a great extent for investors, fixed tax practices were introduced for locals and foreigners, a new central bank was founded that will fully focus on directing and monitoring financial liberalization, and impediments to private ownership were removed.

In the midst of chaos, the insurgents' first demand was establishing a central bank that embraces the principles of liberal economy, and the second one was about the Libyan oil company. This priority indicates that there is a much greater oil-money related reason behind the intervention. Qaddafi's plan to use gold dinar rather than dollar in oil sales was ruined before it could be put into effect, and the threat against the West's monopoly over currency was immediately eliminated. The oil company's authorities were narrowed down to determining oil policies and monitoring production-drilling processes. In this way, foreign capital could more easily become a part of production relations in Libya and find representation within the state.

FINAL WORDS

Libya faced a military intervention in March 2011 by the authorization of the United Nations Security Council under the leadership of Britain, France and the United States under the discourse of human rights, democracy and peace. Only 30 days passed since the outset of public insurgency until the adoption of the resolution 1973. All methods of intervention that we have mentioned in previous chapters were respectively implemented in Libya. The purpose of these actions was to demolish the Libyan state which did not have the required state form for global capitalism, and to create a new structure that will allow the representation of foreign capital groups and clear the way for commodification or recommodification.

The biggest obstacles before the transformation of the Libyan state into a favorable form for global capitalism and collective imperialism were removed by capitalist states through a foreign intervention.

Doing that, those states acted in contentment as they have shaped and instrumentalized the international law according to capitalist interests. The UN Charter, which can be regarded as the “basis” of the international law, states in Article 2 (4) that “All members shall refrain from the threat or use of force against the territorial integrity or political independence on any state”; while the Article 2 (7) says the principle of sovereignty “shall not prejudice the application of enforcement measures under Chapter VII”. These two articles are the most obvious indicators of how capitalist states eliminated all barriers and limitations to their actions. Besides, the Chapter 7 authorizes the Security Council to determine the existence of any threat to the peace and breach of the peace, and decide what measures shall be taken to maintain or restore international peace and security.

The Responsibility to Protect doctrine, developed by the International Commission on Intervention and State Sovereignty (ICISS) in 2001, had a central role in setting the ground for intervention to Libya. As clearly expressed in the summary document of the Institute for Global Policy supporting the R2P doctrine; “The Responsibility to Protect report seeks to lay out alternatives to the deeply criticized humanitarian interventions of the 1990s. More specifically, the mandate of the drafters was “to try to develop a global political consensus on how to move from polemics towards action within the international system, particularly through the UN.” (World Federalist Movement-Institute for Global Policy, 2003) The R2P doctrine was not a binding

legal norm but it was embraced as a political principle, and it was going to be a supportive element in all resolutions of the United Nations adopted after this date (Nikoghosyan, 2015).

As is seen, the Qaddafi era in Libya ended as a result of collective action by instrumentalizing the international law and taking certain measures to bring such strategic raw material selling states in compliance with capitalist interests. The transitional government immediately took action to transform the central bank and the Libyan oil company. Regarding the transformation in the state form as 'spring' means turning a blind eye to the 'winter' in this process. Assessing this transformation as the result of the democratic demands of the public means condoning the military operations such as the interventions to Iraq in 2003 and to Libya in 2011. After all those interventions, the states that were meant to be 'internationalized' are now drowned into conflict, death, chaos and instability.

Qaddafi was defeated in the war against him on the grounds that he violated the human rights. He was not even tried, not given a chance to express himself, and got killed in a way that would never comply with any human rights law. He passed away with all his secrets, which might create political embarrassment for many regional and world leader if revealed...

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YÜKSEK LİSANS/DOKTORA TEZ ÇALIŞMASI ORJİNALLİK RAPORU

HACETTEPE ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ
ULUSLARARASI İLİŞKİLER ANABİLİM DALI BAŞKANLIĞI'NA

Tarih: 23.01.2017

Tez Başlığı / Konusu: Analysis of the Libyan Crisis within the Framework of the Internationalization of the State Concept

Yukarıda başlığı/konusu gösterilen tez çalışmamın a) Kapak sayfası, b) Giriş, c) Ana bölümler ve d) Sonuç kısımlarından oluşan toplam 93 sayfalık kısmına ilişkin, 12.01.2017 tarihinde şahsım/tez danışmanım tarafından Turnitin adlı intihal tespit programından aşağıda belirtilen filtrelemeler uygulanarak alınmış olan orijinallik raporuna göre, tezimin benzerlik oranı % 7'dir.

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23.01.2017

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Prof. Dr. Ali Murat ÖZDEMİR



**HACETTEPE ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ
TEZ ÇALIŞMASI ETİK KURUL İZİN MUAFİYETİ FORMU**

**HACETTEPE ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ
ULUSLARARASI İLİŞKİLER ANABİLİM DALI BAŞKANLIĞI'NA**

Tarih: 23.01.2017

Tez Başlığı / Konusu: Analysis of the Libyan Crisis within the Framework of the Internationalization of the State Concept

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Gereğini saygılarımla arz ederim.

23.01.2017

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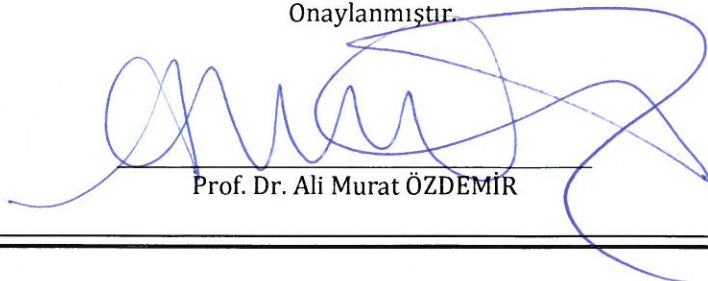
Öğrenci No: N10125363

Anabilim Dalı: Uluslararası İlişkiler

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Onaylanmıştır.


Prof. Dr. Ali Murat ÖZDEMİR