

## FROM 'NON-ALIGNED' TO BLURRED COOPERATION

### *Analysis of Libya's relationship with the Russian Federation and the Peoples Republic of China*

BÁLINT KÁSA\*

#### Abstract

The status quo of today's Libya is a complex maze almost impossible to comprehensively conceive due to the many interlinked connections and interests. The initial promises of the Arab Spring movements were hardly met, which resulted in some states' enhanced criticism on the dissolution of the former status quo. As the hegemon of the international arena, the United States became less predictable in following its doctrine<sup>1</sup>, instability arose region-wide, which provided an opportunity for other actors to step up. The Russian Federation and the Peoples Republic of China were both hit negatively by the escalation of events and eventual removal of Qadhafi. Historically speaking, both had beneficial relationships with the North African country and current trends show persisting demand motivated by strategic, commercial and political interests. Nevertheless, their approach is slightly different, on which the following pages will elaborate. The aim of this paper is to explore these states' foreign policy considerations when dealing with a divided Libya, and to analyze the possible outcomes considering the different level of stakes they have. Available qualitative and quantitative sources will be utilized in an attempt to reveal real interests and determine if current years' tendencies reflected a cost-efficient endeavor.

*Keywords:* Libya, Qadhafi, Russia, Putin, China, Influence, Trade

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#### Introduction

The end of the bipolar era unquestionably triggered a loss of morale for Russia, which started to reestablish itself in the post-Yeltsin years. Libya was an important milestone, as the Kremlin perceived to have been tricked by the UN amid of attested collaboration. Previously, there existed a strengthening relationship (still within the boundaries of non-alignment) starting from the 70s and enduring till the collapse of the Soviet Union. Moscow pursued to restore this cooperation when the Arab Spring reached the country and lost significant investments by aligning with the international community. Today, indirect Russian presence is manifested in multiple ways, which brings up the issue of strategic-vision. Precisely, events suggest that Russia does not want to set up the level of involvement it has in Syria (from where it will need to pull out eventually, too), but it still cannot ignore the chance offered by the void caused by President Trump's estimation on the importance of Libya. Indeed, with this decision, a greater room for movement was provided for other actors, such as the European states that have difficulties in finding a joint strategy for the handling of so important issues as e.g. migration. Also, it might seem there is a conflict of interests between the EU and Russia, but the former cannot be treated as one entity due to member states' own strategies (e.g. French-Italian opposition). These combined strengthen the position of Russia in Libya as it can build on historic relations, use its current capacities and influence the intra-state developments in a

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\* The Autor: Bálint Kása

<sup>1</sup> Quero J and Dessi A (2019): Unpredictability in US foreign policy and the regional order in the Middle East: reacting vis-à-vis a volatile external security-provider. *British Journal of Middle Eastern Studies*. Available at: <https://www.tandfonline.com/doi/full/10.1080/13530194.2019.1580185?af=R> [Accessed 09. Oct. 2019].

unified way that may enhance trade relationship while satisfying energy needs. Moreover, this might ease the pressure caused by sanctions, while the possibility of gaining bigger share of Libya's energy sector endangers Europe's position.

China's role is somewhat twisted as historic cooperation with Libya was not as long and particularly important, but Qadhafi's ideology was greatly influenced by the Chinese cultural revolution (certainly, ideologies differed). The PRC stood with Qadhafi in the initial phase of the civil war and shared Russia's argument on the Western involvement. Currently, there are intensifying negotiations with focus on economic cooperation and investments, which present a significant portion of Libya's economy, increasing reliance.

The dynamics of a transforming, opportunistic and capricious relationship

It is not an exaggeration to claim that Muammar Qadhafi's first years in charge were also the most peaceful ones. While he was occupied with consolidating his domestic power, he viewed both superpowers with care and aligned with neither of them on ideological, religious or philosophical grounds<sup>2</sup>. On the other hand, Moscow was a great supporter of Libya's independence at the end of the Second World War<sup>3</sup>, and it considered the new Tripoli government as a potential ally from the beginning (especially as it overthrew a pro-Western monarchy), while the US's regional interest focused elsewhere at the time. The subsequent good relationship with Moscow rooted in mutual self-interest inasmuch as Libya needed modern weaponry and an ally with similar regional interest, while Soviets received significant amounts of hard currency in exchange for traded goods<sup>4</sup>. It was the 1970s that brought about the real commencement of cooperation between the two<sup>5</sup>. Unfavorable regional developments and a perceived strengthening of American pressure qualified such an agreement as both rational and necessary for Qadhafi. For the Soviets, the Kissinger-led US diplomacy triggered a decrease of influence, and Libya could have provided a new ally within the race for power. Thus, although the country had joined the Non-Aligned Movement in 1964, only a few years after Qadhafi's acquisition of power, a quasi-opportunistic strategy started to materialize, which did not pull the country strictly into any group but surely blurred the lines<sup>6</sup>.

As an obvious turn of events, it was military procurements that dominated the early phase of trade agreements. This not only included the purchase of weapons in the value of billions of dollars, but the construction of new defense facilities (equipped with e.g. long-range SAM 5 anti-aircraft missiles) with the aid of Soviet engineers, as well. Certainly, Libyan officers received training and education in the Soviet Union, while soldiers of USSR aided the military actions of Qadhafi on multiple occasions in the coming years<sup>7</sup>. This also pertained to overt intelligence activities within the region<sup>8</sup>. However, agreements reached between the two also entailed a construction of gas pipeline along the Libyan coast, maritime shipping, cultural cooperation, as well as technical and economic cooperation<sup>9</sup>. Additionally, numerous official visits by leading figures occurred during the 70s and the first part of the 80s, this was truly an era of enhanced cooperation between the two. In broader terms, a long list of mutually beneficial negotiations succeeded, initiating commercial, economic and cultural cooperation among the countries of Eastern Europe and Libya (oil for technical expertise, medical assistance, domestic intelligence, etc.).

Nevertheless, by the mid-80s, the status quo altered. The Soviet Union—as part of a shift of priorities<sup>10</sup>—was in the middle of a long and exceedingly costly, at the same time morale-devastating war in Afghanistan,

<sup>2</sup> Pick, H. (2019). *Gaddafi and Castro clash over Soviet Union: archive, 8 September 1973*. [online] The Guardian. Available at: <https://www.theguardian.com/world/2015/sep/08/gaddafi-castro-soviet-union-communism-1973> [Accessed 25 Sep. 2019].

<sup>3</sup> Wechsberg, J. (1951). *Letter from Libya*. [online] The New Yorker. Available at: <https://www.newyorker.com/magazine/1951/11/10/letter-from-libya> [Accessed 25 Sep. 2019].

<sup>4</sup> Country-data (2019). *Libya - Relations with the Soviet Union and Eastern Europe*. [online] Available at: <http://www.country-data.com/cgi-bin/query/r-8240.html> [Accessed 25 Sep. 2019].

<sup>5</sup> In 1972, Soviets soldiers had to leave Egypt and Moscow was in need of a regional ally. By then, Qadhafi's anti-Western orientation had already manifested, which not only impressed the Brezhnev-led leadership, but effectively qualified Libya as the best Soviet option.

<sup>6</sup> St John, R. (1982). The Soviet Penetration of Libya. *The World Today*, [online] 38(4), pp.131-138. Available at: [https://www.jstor.org/stable/40395373?seq=1#page\\_scan\\_tab\\_contents](https://www.jstor.org/stable/40395373?seq=1#page_scan_tab_contents) [Accessed 19 Sep. 2019].

<sup>7</sup> Barmin, Y. (2016). *Will Russian arms soon start flowing to Libya?*. [online] Al-Monitor. Available at: <https://www.al-monitor.com/pulse/originals/2016/05/russia-military-ties-former-allies-libya.html#ixzz4IGiAicKz> [Accessed 25 Sep. 2019].

<sup>8</sup> Los Angeles Times. (1986). *3 Soviet Ships Poised to Pass Information to Libya, Israel Says*. [online] Available at: <https://www.latimes.com/archives/la-xpm-1986-01-17-mn-865-story.html> [Accessed 25 Sep. 2019].

<sup>9</sup> Ginsburgs, G. (1987). *A calendar of Soviet treaties*. Dordrecht u.a.: Nijhoff.

<sup>10</sup> RONEN, Y. (2014). Vestiges of the Cold War in Libya's "Arab Spring": Revisiting Libya's Relations with the Soviet Union. *Journal of Middle Eastern and Islamic Studies (in Asia)*, 8(2), pp.66-95.

while the Qadhafi-led Libya was in an international highlight as a result of its significant contribution to global terrorism that hit the West on multiple scandalous occasions. Among the many important implications of these, for the Soviets, losing the race was the most decisive influencer behind the scenes<sup>11</sup>. The US bombings on major defense targets in Tripoli and Benghazi in 1986 provided the turning point, when USAF was able to jam Soviet radars operating in Libya. Qadhafi's rhetoric changed after this event as he openly stated that his country took the hit that was originally meant to reach Warsaw Pact countries<sup>12</sup>.

Simultaneously, various sanctions were imposed on the country by the UN, restricting further the capabilities. However, it was the dissolution of the Soviet Union and the end of the bipolar era that unquestionably left Qadhafi without any further option. The new orientation under Yeltsin, by which Russia supported the UNSC to impose even further sanctions on Libya in 1992 was the culmination of events to which Qadhafi responded by not paying the billions of dollars weapons-trade related debt to Russia. As a result of these, the cooperation between the two has virtually ceased to exist until around the turn of the millennia, when new agreements of trade, transportation and construction related works appeared again, but these were less significant in magnitude than those existing before and most importantly, they were far off from those conducted with European and American parties (even though these states upheld many sanctions that i.e. Russia lifted in 1999)<sup>13</sup>.

#### From realignment to a role of criticized mediator

The 2008 visit of President Putin to Libya was the highest-level official Russian visit that has ever taken place in the country—one that attracted worldwide curiosity. A fundamental change has occurred within the international arena during the years that have passed since these two states' previous major cooperation<sup>14</sup>. Although Qadhafi—after the final resolution of the Lockerbie case—never retrieved his former status of notoriety (at least not the level), this was the year when Putin started to form his own with the Russo-Georgian War<sup>15</sup>. At that time, the issue of the unpaid weapons-trade debt was still the greatest cause of stalemate between the parties. During this historic visit, parties agreed on an arguable (mostly by Russia) win-win scenario, by which Putin cancelled the entire debt in exchange for the allowance of the Russian fleet to the port of Benghazi (by this acquiring an essential outpost in the Mediterranean), as well as signing multiple favorable weapons-trade and construction (mostly railroad between Sirte and Benghazi) related deals in the value of altogether 5-10 billion dollars<sup>16</sup>. However, the biggest perceived threat from Europe's point of view was the growing Russian interest in Libya's gas reserves<sup>17</sup>, which could have doomed attempts of diversification and would have allowed even greater freedom for Gazprom when setting prices<sup>18</sup>. However, this newly found alignment should not be mistaken with pure maneuvering on international commercial waters by Qadhafi either, which was most likely the case. Indeed, his relationship with the West was significantly more stable than previously and the natural resources to offer at his disposal were as attractive as ever. Suddenly, it was him, who gained great independence in developing market strategies.

With the coming of the Arab Spring, the stakes in Libya were sizeable for the Kremlin. Still, Russia did not hinder the execution of UNSC Resolution 1973 (a decision Putin most likely regretted since), but it

<sup>11</sup> The Cold War is often referred as an all-out extending race between West and East. From the Libyan perspective, the inability of the Soviet Union to keep up with its enemy remotely invoked vulnerability.

<sup>12</sup> Hijazi, I. (1986). *LIBYA-SOVIET TIES REPORTED STRAINED*. [online] The New York Times. Available at: <https://www.nytimes.com/1986/05/06/world/libya-soviet-ties-reported-strained.html> [Accessed 25 Sep. 2019].

<sup>13</sup> Katz, M. (2019). *The Russian-Libyan Rapprochement: What Has Moscow Gained*. [online] Middle East Policy Council. Available at: <https://mepc.org/journal/russian-libyan-rapprochement-what-has-moscow-gained> [Accessed 25 Sep. 2019].

<sup>14</sup> Only mentioning the most important one: both countries have answered to the post 9/11 requisition of the US and actively supported the war on terror.

<sup>15</sup> By the outbreak of the war, Putin was Prime Minister – as Dimitry Medvedev was elected President – but Putin's political dominance was never debated.

<sup>16</sup> Fasanotti, F. (2016). *Russia and Libya: A brief history of an on-again-off-again friendship*. [online] Brookings. Available at: <https://www.brookings.edu/blog/order-from-chaos/2016/09/01/russia-and-libya-a-brief-history-of-an-on-again-off-again-friendship/> [Accessed 25 Sep. 2019].

<sup>17</sup> The New York Times. (2008). *Gazprom offers to buy all of Libya's gas and oil*. [online] Available at: <https://www.nytimes.com/2008/07/10/business/worldbusiness/10iht-gazprom.1.14376195.html> [Accessed 30 Sep. 2019].

<sup>18</sup> The alternative of American LNG was at its cradle at the time; for Europe, the materialization of such a scenario (in Libya Azerbaijan, Turkmenistan and Algeria) would have removed the most palpable competition of Russian gas.

fiercely criticized the subsequent NATO intervention<sup>19</sup>. Without exaggeration, the timing of these events could hardly have been more unfortunate for Russia, as significant investments related to the already signed contracts have already been paid. These projects were never capitalized and there were no sufficient returns received. This painful lesson has led to the current Russian strategy applied in the MENA region, most notably in Syria. Shortly after Qadhafi's death, the leader of the newly formed Tobruk government, Abdullah al-Thani was negotiating in Moscow on plausible developments, signaling that Russia did not want to give up on the already achieved results. When the better half of the international community opted to back the Tripoli-based GNA, the struggle of the Libyan civil war has without a doubt exceeded the boundaries of the country, as Russia—this time—was adamant on standing by its national interests, even at the cost of some diplomatic strain.

This is the point when the explicit nature of the role of Russia is substituted with ambiguity. Namely, while the official standpoint of the Kremlin might suggest an alignment with the international community (accepting the UNSCR 2259 empowering the Tripoli GNA with power), sub-level backing of the LNA manifests in various aspects. To be precise, every country must refrain to sell weapons to a civil war-torn country, but reports suggest that Russian companies provide such contribution to aid the cause of the anti-Tripoli forces<sup>20</sup>. Such training and arms supply serve as the backbone for General Haftar's operations, that is the greatest challenger of the GNA's authority. The role of Haftar is in the center of many researches on the civil war due to his past during the Qadhafi era, support received from multiple foreign states, popularity in Cyrenaica and his utilization of NOC sources for financing his operations. Surely, he is a controversial figure but his regional support is meaningful<sup>21</sup>. However, one should not attach too great significance to his role within a Russian context.

Broadly speaking, the tangible deterioration of worldwide commercial, political and strategic positions<sup>22</sup> had an effect on framing the Libyan agenda and they required the identification of the most powerful anti-GNA individual<sup>23</sup>, who would be open to agreeing on strategic terms that would have post-conflict relevance as well. Haftar became this person only by chance (having the greatest authority over LNA), not because he got identified as a perfect ally. Consequently, his support is conditional, it only exists as long as he lives up to Moscow's expectations. Another hypothesis is that Putin wants to avoid the consolidation of any West-backed government in Libya, which would definitely destroy prior achievements. He may also perceive that if the Tripoli government becomes the reality of the ground, Russia's share of trade, reconstruction or any other sort of deal will be marginal compared to i.e. European States' (based on the early 2000s' trends). Eventually, this war will be over and should the GNA fall apart, Russia would have much higher likelihood of signing reconstruction contracts and would also have a better position to influence the development of politics and economy.

Additionally, the issue of access to hydrocarbons resources is very much at stake as well. The failure of the previous potential gas deal, the bigger presence of American LNG on the market, as well as the past five years' crude oil price tendencies have brought a sequence of undesirable factors for Russia that could significantly benefit from appropriate deals in Libya. Considering the resources within the country, the possibility of development of infrastructure to a record high capacity with the help of Russian engineers and technology—as well as the potential effect of the combination of these two on regional and global scale—the rationale behind Putin's strategy is reasonably strong. As part of this approach, an agreement has been reached between Rosneft and NOC on exploration and production, which represents a long-term commitment from both sides<sup>24</sup>. This also leads to the implication of Haftar's great influence within the energy sector. Namely, the headquarter of NOC may be located in Tripoli, but the resources are mostly in the East, under his control. To be accurate, it was predominantly the oil revenues that enabled his ambitious

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<sup>19</sup> Operation Unified Protector.

<sup>20</sup> Puszta, W. (2019). *The Haftar-Russia link and the Military Plan of the LNA*. [online] ISPI. Available at: <https://www.ispionline.it/it/publicazione/haftar-russia-link-and-military-plan-lna-16289> [Accessed 25 Sep. 2019].

<sup>21</sup> Interestingly, he is coming from a smaller tribe (Firjan), just like Qadhafi but of course he is very much dependent on the bigger tribes' support.

<sup>22</sup> As a result of the events on the Crimean Peninsula, Russia received a lot of criticism and diplomatic, as well as trade restrictions and embargoes that up to date induce a loss millions of dollars per day. Simultaneously, the support towards Assad in Syria caused similar retorsions against the country. Such events have led to an intensifying opposition between East and West and classic cold war strategies commenced to outline in Russian foreign policy.

<sup>23</sup> Barmin, Y. (2017). *Russia Enters Libya's Conflict*. [online] Middle East Institute. Available at: <https://www.mei.edu/publications/russia-enters-libyas-conflict> [Accessed 25 Sep. 2019].

<sup>24</sup> Raval, A. (2017). *Rosneft, NOC agree to crude oil exploration cooperation* | *Financial Times*. [online] Financial Times. Available at: <https://www.ft.com/content/0b15cb5e-2f1e-35da-8b6d-ec85790c7457> [Accessed 5 Oct. 2019].

operations<sup>25</sup>. This also means that weapons-supply is not the only means for Russia to indirectly aid him.

Furthermore, as the Russian fleet had to abandon Benghazi at the dawn of fights (and subsequently Tartus in Syria, which it retrieved and developed since), the significance of having stable outposts in the Mediterranean has been revalued. Due to its geographic location, an outpost in Libya open to Russian NAVY would fit perfectly in modernization and foreign policy related efforts<sup>26</sup>. Obtaining a base here would increase the security of trade interests, geopolitical significance and would create better ability to monitor NATO movements. Furthermore, it would provide the means to react quicker to happenings in North Africa and the Middle East that might be crucial in any fight against jihadists<sup>27</sup>.

Importantly, the support is of semi-covert nature meaning that even if Haftar has officially met several highly-ranked Russian officials resulting in a comprehensive support<sup>28</sup>, no public announcement or official recognition took place. LNA might be using Russian technology but that could reach the country through indirect channels, as well. Officially proven support to the country only comprises food supply and printing Libyan dinar in Russia—a highly controversial step that further weakened the national currency<sup>29</sup>. Also, Putin has denied involvement in the operations of the General on several occasions, and the Russian party joined other states in calling out for the termination of fights after the recent attack on Tripoli, which occurred right before a round-table negotiation with all the relevant parties could have taken place. The importance for the Kremlin is also signaled by the fact that it has made several attempts on becoming the prime mediator among parties and following the April attack, it did not sign the joint statement agreed on by several major foreign actors. Instead it issued its own statement<sup>30</sup>. Still, it is worthwhile to explore the reasons behind this relatively prominent mediator role.

The primary face of this process is Foreign Minister Lavrov, who basically builds on the international chaos that encompasses the country. The European Union as a whole supports the GNA but is far from completely aligned on a Member State level, which leads to directives that on ground have no practical value (from a resolution perspective). Specifically, EU support consists of financial and humanitarian aid, as well as the backing of the coast guard and condemnations of Haftar's actions. A clear feedback on the insufficiency of this support is reflected in Italy's own agenda, inasmuch as negotiations are conducted with tribal leaders instead of the UN and EU-backed government's members<sup>31</sup>. France also attempted to grab the steer but its good will can be refuted due to multiple scandals<sup>32</sup>. In this environment, Lavrov's constructive peacemaker-attitude<sup>33</sup> is not without potential.

This analysis would not be complete without dissecting the issue of a potential Russian military intervention. It should be noted at this point that the application of the Syria analogy would be fatally misleading for several reasons. One should keep in mind that it was exactly the alignment with the better half of the international community and lack of intervention in 2011 that have contributed to a subsequent greater involvement in Syria, not the other way around. Moreover, the stake in Syria is about the preservation of the status quo, which in this case equals with the legitimate sovereign, with whom, there exists an inherited, several decades-old bond—an attribute in which Russia does not own abundance. In Libya, we cannot talk about preservation, only about a will to influence the outcome of the conflict in a beneficial way while

<sup>25</sup> He consciously endeavored to gain control over fields and facilities first to have the financial background supporting the actual moves.

<sup>26</sup> Fedyszyn, TR. (2013). *The Russian NAVY 'rebalances' to the Mediterranean*. [online] U.S. Naval Institute. Available at: <https://www.usni.org/magazines/proceedings/2013/december/russian-navy-rebalances-mediterranean#footnotes> [Accessed 5 Oct. 2019].

<sup>27</sup> There is a continuously growing Muslim population in Russia prompting the Kremlin to closely follow any extremist development that might involve Russian nationals (e.g. Russians fighting for Daesh).

<sup>28</sup> Rodkiewicz W. (2019). *Russia on Libya: playing with chaos*. [online] Center for Eastern Studies (OSW). Available at: <https://www.osw.waw.pl/en/publikacje/analyses/2019-04-10/russia-libya-playing-chaos> [Accessed 25 Sep. 2019].

<sup>29</sup> Assad, A. (2018). *Libya's parallel Central Bank admits printing 9.7 billion-dinar banknotes in Russia*. [online] The Libya Observer. Available at: <https://www.libyaobserver.ly/economy/libyas-parallel-central-bank-admits-printing-97-billion-dinar-banknotes-russia> [Accessed 25 Sep. 2019].

<sup>30</sup> Ismail, Y. (2019). *Russia's endgame in Libya*. [online] International Policy Digest. Available at: <https://intpolicydigest.org/2019/04/08/russia-s-endgame-in-libya/> [Accessed 25 Sep. 2019].

<sup>31</sup> Bibbo, B. (2018). *Italy's Libya talks end with commitments but no joint statement*. [online] Al Jazeera. Available at: <https://www.aljazeera.com/news/2018/11/italy-libya-talks-commitments-joint-statement-181113195007538.html> [Accessed 05 Oct. 2019].

<sup>32</sup> Taylor, P. (2019). *France's double game in Libya*. [online] Politico. Available at: <https://www.politico.eu/article/frances-double-game-in-libya-nato-un-khalifa-haftar/> [Accessed 6 Oct. 2019].

<sup>33</sup> Kuczynski, G. (2019). *'Civil War in Libya – Russian goals and policy'*. [online] Warsaw Institute. Available at: <https://warsawinstitute.org/civil-war-libya-russian-goals-policy/> [Accessed 25 Sep. 2019].

minimizing diplomatic collisions in order not to have to suffer the consequences of further sanctions. Also, the fact that there are other actors aiding Haftar allows at least a bit wider room for movement. These are not strategic partnerships either, rather favorable but opportunistic turn of events<sup>34</sup>. All of these factors combined with the less significant presence of the Trump administration-led US in the MENA region make a Russian intervention highly unlikely and frankly unnecessary.

#### Qadhafi's Libya and Beijing: an opportunistic cooperation

The relationship with the Peoples Republic of China stood on different grounds since the stakes in this context never reached the level of that experienced in the case of Russia. Linearity of the PRC's ambitions in Libya was present throughout the bipolar decades and beyond; consistent Chinese strategy followed an approach with focus on maximizing state-interests while keeping the risks low. Beijing reached out to Libya—alongside many other non-aligned African countries—first in the 50s in an attempt to gain support for the country's international recognition in exchange for trade contracts. Nevertheless, King Idris chose to open diplomatic ties with Taiwan instead, thereby terminating the relationship between the two. Shortly after the change of leadership, Libya recognized the PRC in 1971 due to its support for the Palestinians' cause. Starting from the early 80s, the parties reached agreement on numerous trade deals but it would be an exaggeration to state that a close commercial, cultural or diplomatic cooperation has ever existed between them. The reason behind this is the lack of Libya's particular significance within Chinese foreign policy, as well as the lack of commitment by Qadhafi<sup>35</sup>, whose official agenda only occasionally matched with the perceived will<sup>36</sup>. By the end of the dictator's rule, the countries' relationship has got palpably strained, with Qadhafi openly criticizing the PRC for its preference of bilateral relations with individual states and its lack of support towards the *United States of Africa*, a concept he promoted widely.

During the first decade of the new century, Chinese demand for Libyan oil intensified that materialized in multiple proposals for a potential purchase of share of the industry of the North African country's valuable asset. However, as a result of protective actions, the PRC could not reach any major agreement, even by being the highest bidder<sup>37</sup>. Qadhafi did not wish to let outer actors acquire significant access to natural resources; he brought this approach from the cold war years and carried on until the end. On the other hand, he was always in need of modern technology, which he could only obtain from developed states. This meant that the industry could never have been fully nationalized, contributions from countries like China were needed to maintain the operations.

By the turn of the century, there existed an easily observable tendency within global Chinese investments, inasmuch as they started to be based predominantly on two sectors: construction and telecommunication. Right before the outbreak of the war, the PRC consumed around 11 percent of Libya's oil exports and was the second biggest supplier of the country, only second to the former colonial master: Italy. The scope of export of Chinese technology was meaningful<sup>38</sup>, and Africa's third largest project with a Chinese company also started in the country<sup>39</sup>. In total, agreed deals for the coming years summed a lucrative amount of approximately 20 billion USD and brought about the employment of around 36 thousand Chinese<sup>40</sup>. Trade relations were clearly on the rise these years and with the outbreak of the conflict—as many other actors

<sup>34</sup> For instance, Egypt support of Haftar is predominantly motivated by the goal to have a bigger influence in Cyrenaica that would—on the long run—help suppressing the Muslim Brotherhood.

<sup>35</sup> Higgins, A. (2011). *Libya policy a balancing act for China as Moammar Gaddafi's rule collapses*. [online] The Washington Post. Available at: [https://www.washingtonpost.com/world/middle-east/libya-policy-a-balancing-act-for-china-as-moammar-gaddafis-rule-collapses/2011/08/26/gIQAnlKKgJ\\_story.html](https://www.washingtonpost.com/world/middle-east/libya-policy-a-balancing-act-for-china-as-moammar-gaddafis-rule-collapses/2011/08/26/gIQAnlKKgJ_story.html) [Accessed 1 Oct. 2019].

<sup>36</sup> He pursued a foreign policy attempting to maximize the profit stemming from available options. The most prominent example within the PRC-Libya context was his double-acting behavior by which he maintained the appearance of his commitment to the One-China policy but in fact, he conducted indirect negotiations with Taiwanese diplomats.

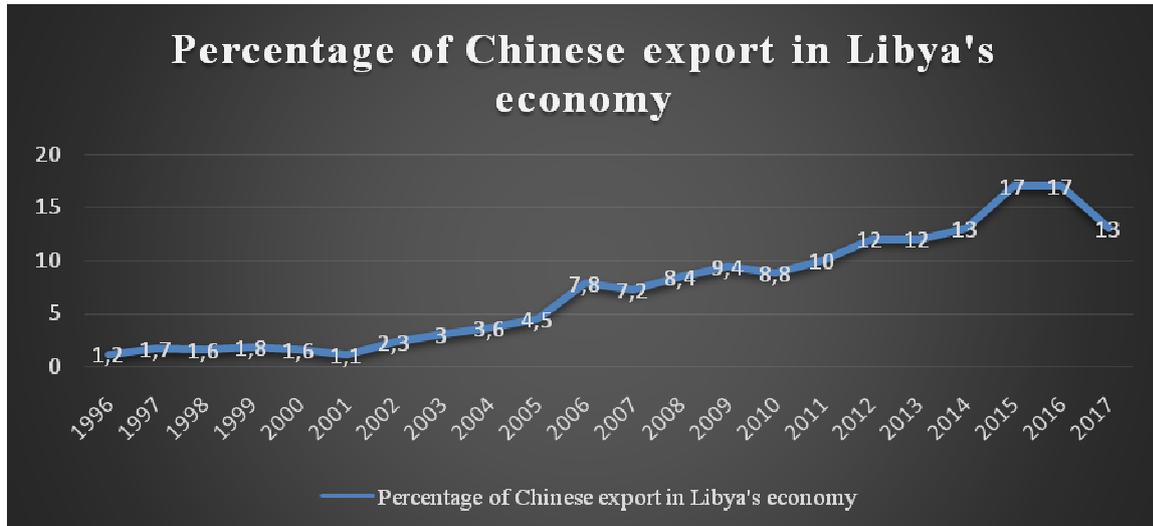
<sup>37</sup> Vanderklippe, N. (2018). *Leaked documents shed light on Verenex deal*. [online] The Globe and Mail Inc. Available at: <https://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/leaked-documents-shed-light-on-verenex-deal/article564800/> [Accessed 2 Oct. 2019].

<sup>38</sup> Hodzi, O. (2019). *The end of China's non-intervention policy in Africa*. Critical Studies of the Asia-Pacific, Springer Nature Switzerland AG, Cham, Switzerland.

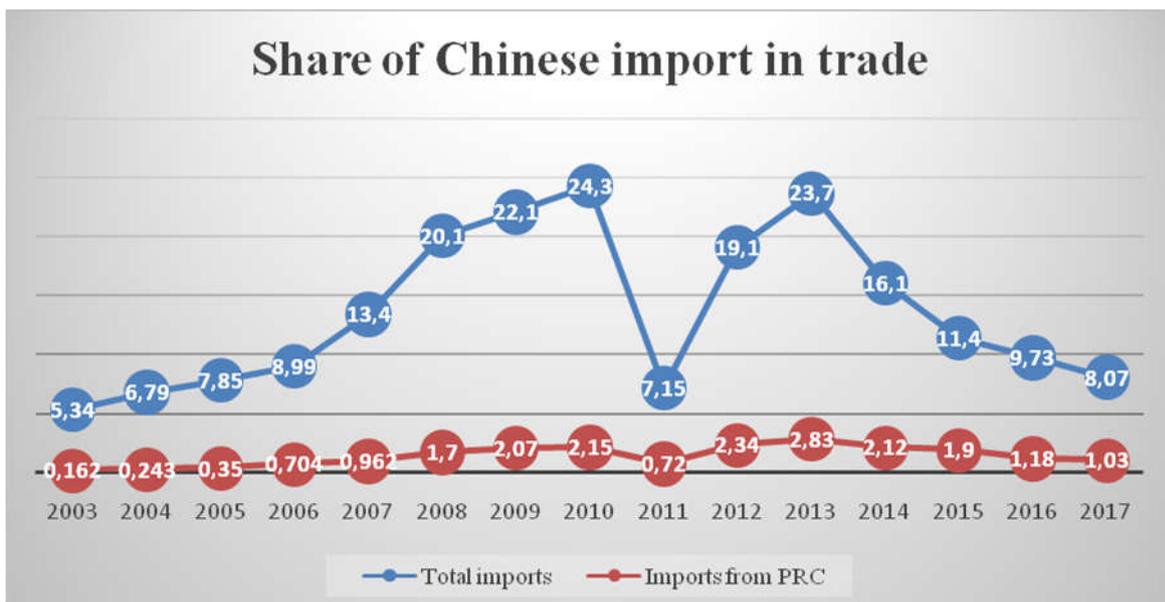
<sup>39</sup> FOCAC (2011): *China-Africa trade and economic relationship annual report 2010*. [online] Available at: <https://www.pairault.fr/sinaf/index.php/15-references/250-china-africa-trade-and-economic-relationship-annual-report-2010> [Accessed 4 Oct. 2019].

<sup>40</sup> Sotloff, S. (2012). *China's Libya problem*. [online] Diplomat. Available at: <https://thediplomat.com/2012/03/chinas-libya-problem/> [Accessed 4 Oct. 2019].

mostly left the country—, they started to represent a bigger share of the national economy<sup>41</sup>. Clearly, these statistics are not particularly significant within the PRC's economy but the pre-conflict tendency was undeniably advantageous (with greater reliance), which might also have contributed to the siding with the fallen dictator.



1. Table: The shaping of the PRC's role in Libya's economy from 1996 to 2017. Source: The Observatory of Economic Complexity<sup>42</sup>



2. Table: The role of China's exports in the Libyan economy from 2003 to 2017. Source: The Observatory of Economic Complexity<sup>42</sup>

The year of 2011 was surely a negative milestone in the China-Libya relations. Precisely, Beijing did fail to cover the traits behind its weapons support to Qadhafi's troops<sup>43</sup> while it also criticized the NATO-implemented no fly zone<sup>44</sup> and military operation<sup>45</sup>, that resulted in open condemnation by multiple states.

<sup>41</sup> To be precise, exports culminated in 2017 (\$24.3B) but obviously, a sharp decline came in 2010 and 2011.

<sup>42</sup> OEC (2019). [online] Available at: <https://oec.world/en/>

<sup>43</sup> Abbas, M. (2011). *Libyans say China, Europe sent arms to Gaddafi*. [online] Reuters. Available at: <https://www.reuters.com/article/us-libya-china/libyans-say-china-europe-sent-arms-to-gaddafi-idUSTRE7840A920110905> [Accessed 6 Oct. 2019].

<sup>44</sup> To be fair, Chinese reasoning highlighting the intensified business cooperation between the states and leading to multiple scheduled flights between them on a daily basis was not without rationale.

<sup>45</sup> Ramani, S. (2019). *Where does China stand on the Libya conflict?* [online] The Diplomat. Available at: <https://thediplomat.com/2019/06/where-does-china-stand-on-the-libya-conflict/> [Accessed 4 Oct. 2019].

The preceding era's characteristic was a strengthening trade cooperation beneficial for both parties, which led to the PRC's reluctance to terminate dealing with Qadhafi—a decision that weakened the country's later relations with the transitional government, as well as the GNA. The breakthrough was motivated by common needs. In 2018, parties agreed on a deal aimed at increasing oil production capabilities in Libya and exporting crude to China<sup>46</sup>. By this time, approximately one tenth of the total Libyan export went to China and it consisted almost exclusively of crude, but it still failed to come about the level it was at a few years before<sup>47</sup>. Certainly, the magnitude of this within the total crude import of China is only marginal, but the quality of Libyan oil (light and cheap to refine) makes it hard to replace<sup>48</sup>.

### Considerations for the future

Without a doubt, the degradation of importance of the region in the Trump-administration's agenda as compared to Obama's standpoint clearly facilitates the other parties' aspirations. This allows room for greater ambitions in formulating the future of the country and China mostly wishes to do that on a commercial and economic scale<sup>49</sup>. However, the Pakistani debt-trap<sup>50</sup> is out there projecting enough deterrence for the actors in Libya considering overwhelming reliance on the PRC<sup>51</sup>. It seems there is a kind of tendency to recognize and prefer the legitimate governing party in a conflict (Qadhafi as a dictator then, and the GNA now—even if legitimacy is questioned in this case). The fact is that China, due to its neutrality could benefit from either outcome of the civil war, which also explains why it perceives lower risks than Russia and why it allows other states to mediate. Theoretically, the triumph of GNA would be more advantageous but this is still not enough to reveal cards and provide directed and palpable aid. The early mistake simply will not occur again, the lesson has been learnt. Supporting peace initiatives still leaves the door open for an occasional agreement with Haftar and it does not lead to confrontation with other actors behind him, while it also upholds the declared principle of non-interventionism. Certainly, the eventual goal would be to increase commercial and trade activity that can happen under any of the current possibilities. However, lessons from the early phase of the civil war also stimulate a growing demand of capability to guarantee the security of Chinese personnel and investments on the ground and this may affect China's support towards either of the parties in the coming years. Non-intervention—if it does not risk lives of Chinese nationals and major business interests—will likely prevail since comprehension dictates a difference between politics and business.

### Conclusion

To conclude, both the Russian Federation and the PRC pursue their goals in Libya that to an extent would enhance their regional influence and would bring them leverage. Nevertheless, Russian seek for allies within the region is more palpable and active since the stakes are also higher than in the case of China. Putin's struggle to revive old and create new alliances is an expensive attribute of today's international relations and there exist several actors who are perceptive to the offer. On the other hand, Chinese corporations represent competition mostly in the sectors reconstruction and telecommunication (though there might be further attempts to enter the energy sector as well). Without a doubt, both of them benefit from the vacuum caused by the withdrawal of the US and both of them negotiate with the two major parties of this conflict. However, it seems that while Russia might benefit more from the triumph of LNA, China's interests would mostly (but

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<sup>46</sup> This came shortly after similar announcements from Shell, BP and Eni and certainly, required the signature of NOC, which by itself possesses an interesting role in the conflict. Its HQ is located in Tripoli but most of the assets (that should be frozen by law) are under the rule of Haftar. This brings NOC to an awkward compulsion in which they have to—at least to an extent—cooperate with the General. It also means that ironically, any actor dealing with NOC indirectly finances the operation of both GNA and LNA.

<sup>47</sup> Observatory of Economic Complexity (2019). *What does Libya export to China?* [online] Available at: [https://oec.world/en/visualize/tree\\_map/hs92/export/lby/chn/show/2017/](https://oec.world/en/visualize/tree_map/hs92/export/lby/chn/show/2017/) [Accessed 4 Oct. 2019].

<sup>48</sup> Stephanie, E. (2012). China at the Libyan endgame. *Policy: A Journal of Public Policy and Ideas*, v. 28, no. 1, Autumn 2012, p.49-53 (ISSN: 1032-6634).

<sup>49</sup> The Sarraj government already discusses the opportunities stemming from the *Belt and Road Initiative*.

<sup>50</sup> Mangi, F. (2019). *Pakistan owes China more money than it owes to the IMF*. [online] Al Jazeera. Available at: <https://www.aljazeera.com/ajimpact/pakistan-owes-china-money-owes-imf-191003104027694.html> [Accessed 6 Oct. 2019].

<sup>51</sup> China is predominantly looking for hard currency that the GNA is short on, while the Libyan dinar printed in Russia is out of reach. Loans could provide a solution but recent events suggest its deficiency.

not exclusively) be favored by the consolidation of GNA’s power.

At this moment, the Russian offer seems to be more expedient for the following reasons. First of all, as the primary arms supplier of the anti-establishment forces, Russia has a great influence not only on the development of the civil war, but on potential post-war scenarios (with or without Haftar). Secondly, the significance of the country’s hydrocarbon sector will likely be greater than ever before, providing the most desirable assets at a highly competitive price. Whoever will be able to stabilize, a nation-wide and swift reconstruction will need to commence, considering the tribally-originated grievance among regions, especially in Cyrenaica<sup>52</sup>. The only way to finance a project of such magnitude would be through revenues generated by oil and gas exports. The first step in this process would be the restoration of the partially damaged infrastructure and most likely, a further improvement of the already existing facilities that would require FDI, modern technology and transfer of know-how. Russia is in the possession of all these and have already agreed on a deal, which is likely to stay valid once the fights are over. Needless to state that a successful consolidation of power from the GNA’s side would fairly decrease these chances.

	Strengths	Weaknesses	Opportunities	Threats
<b>Russian Federation</b>	Haftar’s <b>reliance</b>	Regional ambitions lack sufficient allies, increasing the <b>stakes</b>	Obtaining access to a <b>naval base</b>	Potential unrest might endanger <b>security</b> of further investments
	<b>Unified</b> politics as opposed to the EU	Putin’s term as President is approaching to its end. The fact that he cannot be reelected causes <b>uncertainty</b>	<b>Energy</b> import & share of business & investments and trade	Condemnation by the international community over aiding an illegitimate actor into power triggering further <b>sanctions</b>
	<b>Expertise</b> in the energy industry	<b>Ambiguity</b> of role	Creating a regional <b>alliance</b> Acquiring better <b>control</b> over jihadists	GNA’s successful consolidation may result in <b>lower</b> than desired <b>returns</b>
<b>Peoples Republic of China</b>	Lower <b>stakes</b>	A relative <b>reliance on GNA</b> triggering a possible difference of expected returns in the GNA-LNA arena.	Further <b>investments</b>	<b>Haftar’s</b> success would most likely contribute to a preference of Russia’s obtainment of important markets and investments
	Current <b>role</b> in <b>Libya’s economy</b> <b>Demand</b> for Chinese <b>technology</b>	<b>Debt-trap</b>	Access to high-quality <b>energy sources</b>	

<sup>52</sup>Although the region holds the majority of the country’s oil-sources, the Qadhafi era investments aimed at improving life-conditions reached the region in less cases than in Tripolitania, which by the time of the Arab spring movements has led to public discontent, providing one further reason behind the escalation of conflict. Due to the role tribalism still fulfills in Libyan society, such visible inequalities will need to be limited if order is to be restored and maintained.

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Email: [dke@southeast-europe.org](mailto:dke@southeast-europe.org)

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