

# Italy moves to secure its share of the booty in Libya

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Italy is not prepared to yield its traditional influence in Libya to its rivals. Italian business and political circles take for granted their right to decide on the future of the oil and gas wealth of the country's former colony.

"Italy will be the first partner of Libya, as it always has been," Foreign Minister Franco Frattini declared September 3 at an economic forum in Cernobbio on Lake Como. "Italy will always maintain its first place."

At the same economic forum, Frattini announced the release of the first tranche of €500 million in frozen Libyan assets. By mid-September, the assets held by Italy are to be handed over to the imperialist-backed National Transitional Council (NTC).

Just a week earlier, Paolo Scaroni, the CEO of Italian energy giant ENI, traveled to Benghazi and reached an agreement with representatives of the NTC for ENI to reassume control over a gas pipeline and oil production in the regions of Misra and Sarir in the east of the country. In return, ENI will provide the so-called "rebels" with gasoline as well as technical assistance for oil production.

The agreement signed by both sides declares that ENI and the NTC will create the conditions for a rapid and complete reactivation of ENI's activities in Libya and do everything necessary to resume operations of the Green Stream pipeline. October 15 is specified as the date for the renewal of gas transport through the 500-mile pipeline from the Mediterranean to Sicily.

In March 2011, prior to the launching of the US-NATO war, Libya was producing over half a million barrels of oil per day. During the war production came to a virtual standstill, slumping to 60,000 barrels per day.

Before the war, 85 percent of oil exports went to Europe. The lion's share, about 30 percent, went to Italy.

After 2008, Italy had developed broad business relations with the Gaddafi clan. Libyan funds flowed not only to the energy company ENI and its gasoline brand Agip, but also to the Italian Unicredit bank, the carmaker Fiat, the defense group Finmeccanica, the Juventus football club and many other companies. ENI received 15 percent of its crude oil imports from Libya and the company

produced 280,000 barrels per day of oil in the North African country up to the outbreak of the war.

On September 1, Italy reopened the doors of its embassy in Tripoli, which it had closed March 18. Like the French embassy, it had been looted and set on fire on May 1. France has also reopened its embassy, and Britain is about to do so.

Italy wants to secure access to Libyan oil and gas as rapidly as possible and outmaneuver its rivals. At the Paris Conference on September 1, there was already friction between "Libya's friends" over the spoils of war. The NTC had apparently promised 35 percent of Libya's future oil contracts to French President Nicolas Sarkozy.

Since then, the French oil company Total, the British-Dutch Shell Group and the Russian companies Gazprom and Tefnut have sought to secure major shares of the oil and natural gas in the country. Libya has the largest proven crude oil reserves in Africa.

The shares of oil companies with a significant presence in Libya have risen notably on European stock exchanges in recent days. ENI's share price at one point rose by more than 5 percent, with other oil companies such as Total and Spain's Repsol group also registering increases.

Since then, Italian politicians and business leaders have insisted on the Italian "prerogative" in Libya. "Rome must now assert its leadership in economic relations," declares the web site of the Italian radio and TV station Rai.it. It complains that this prerogative "is being strongly challenged by Paris."

On September 2, ENI President Giuseppe Recchi told the media that ENI has "a trade percentage of fourteen percent with Libya compared with just two percent for Total." The Italian oil giant began its operations in Libya in 1959.

The Italian claim to Libya is not new. "Libya is Italian, no one will take it from us"—this was the slogan one hundred years ago when Italy attacked and annexed the North African territories of Cyrenaica and Tripolitania for the first time in the fall of 1911.

Between 1923 and 1932, Mussolini's fascist regime expanded

Italian interests in its Libyan colonies in a so-called “war of reconquest.” Over 100,000 Libyans died due to hunger, pogroms, deportations and poison gas attacks. In North Africa, half a million people were massacred. The genocide ended only with the Italian defeat in 1943.

The colonial government expropriated the valuable lands along the coast and distributed them to Italian settlers. Up until the 1960s, the most fertile regions in the country were in the hands of Italian landowners.

After the war, Libya was placed under a UN mandate, with its leader, King Idris I, functioning as a British puppet. Following the discovery of oil reserves in the 1950s, mining rights in the country were awarded to global oil companies. This enabled the Italian state holding company ENI to control a large part of Libya’s oil resources at an early stage.

In 1969, the regime headed by Muammar Gaddafi and the Confederation of Free Officers expropriated the foreign oil companies and expelled 20,000 Italian settlers. Based on the wealth of the nationalized oil industry, Libya under Gaddafi developed a health and social system which was unique in Africa. Average life expectancy rose from 53 to 75 years and illiteracy dropped from 95 percent to 17 percent. The social concessions introduced by Gaddafi created a basis to secure his rule against rival tribal interests.

Libya renewed relations with the former colonial power Italy only in 2008, when Italian Prime Minister Silvio Berlusconi invited Gaddafi to Rome and signed a “friendship and cooperation agreement” between the two countries. Italy agreed to invest \$5 billion in the construction of a Libyan coast road, and Libya, in exchange, promised to favor Italy with regard to oil and gas supplies.

It was a pure barter transaction and the deal paid off for Italy. ENI received extensive production concessions, which were later extended to the year 2047. Because of these relations, Italy only joined the NATO war against Libya with reluctance.

What never changed was the arrogance of the former colonial masters. In 2006, Italian minister Roberto Calderoli of the Northern League appeared on television wearing a T-shirt with cartoons of Mohammed, sparking riots in Tripoli that led to 17 deaths. Just a few days ago, the same man published a terse comment on his web site: “Long live Libya! That is to say, long live realpolitik!... Without Libyan oil and gas we are lost.”

The new race for Libyan oil contracts confirms that the Western powers intervened in Libya to secure its rich reserves of oil and gas. The intervention had nothing to do with protecting the civilian population from Gaddafi.

Those implicated in this criminal enterprise include not only the Italian bourgeoisie and the right-wing Italian government, but also the opposition, led by the Democratic Party (PD), the successor

organization to the Stalinist Italian Communist Party (PCI) (See “The Italian ‘left’ and Libya”).

On May 4, Pierluigi Bersani, the leader of the Democrats, told parliamentary deputies that Italy should “even use military means [to] prevent Gaddafi from massacring his insurgent population.” Italy could not evade its responsibility, he declared, but must faithfully fulfill the UN mandate, “but with its own strategy.”

President Giorgio Napolitano, like Bersani a veteran of the dissolved Italian Communist Party, also called on Italy to take part in the NATO war. “Italy cannot afford to turn its back on the events in Libya, a country which is so close to us,” Napolitano declared.

Former Prime Minister Massimo D’Alema, also ex-PCI, described the bombing of Libya as a “difficult but necessary decision.”

The reality refutes such hypocritical protestations. For the past six months, Libya has faced bombardment by powers employing the most modern weapons of war. The result is a humanitarian disaster. The bombardment has destroyed not only military barracks, but also television stations, schools, water lines, housing and hospitals. The civilian infrastructure has been severely damaged. Tens of thousands of people have been killed and many more injured.

The worst fate confronts black African migrant workers who are now being hunted down, imprisoned, and in many cases massacred by the rebels.

According to the European Council, since the beginning of this year 1,900 people have lost their lives attempting to cross the Mediterranean to Italy. These deaths occurred in a region that is among the most heavily monitored worldwide since the start of “Operation Unified Protector.”

The NATO war against Libya has forced these people to flee. Then, when they experienced problems at sea, they were ignored by NATO and left to their fate.

In Italy, the migrant workers who make it to Lampedusa are treated nearly as harshly as those in Libya. Prime Minister Silvio Berlusconi has compared the exodus of refugees from Libya to a “tsunami,” while Interior Minister Roberto Maroni has undertaken discussions with the governments of Tunisia and Libya to deport refugees as soon as possible.



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