If any Arab country could pull off a modern democracy it might be Libya, with its relatively high per capita gross domestic product, high urbanization rate, minimal government debt and projected revenues higher than expenses.

The danger is the resource curse. A vast amount of natural resources is like a tithe pile of juicy bones before a pack of hungry dogs. If the pack is well-organized and united around a common goal, some bones get used immediately, but the rest are stored for the future. Without that common goal, the mere presence of the pile destabilizes the pack, and each animal fights for control.

Nigeria is an example of a divided pack, where tribe fights tribe, religion fights religion, North fights South and armies fight militias for control of the country’s oil. Dictator after dictator looks after his own group, while a high exchange rate makes it difficult to jump-start other businesses.

Libya resembles the divided pack. Members of the National Transitional Council are mainly loyal to their own regional identities. Land holdings are primarily based on family and community ties. Cities have strong independent histories and are made up of overlapping tribe-like communities. Whole cities, tribes and clans make collective decisions whether or not to oppose Moammar Gadhafi. The victors are now clamoring for their share of the spoils.

Who is going to deny them? None of these groups will trust the others, so each would raid a national future fund for its own benefits. There might be some prestige projects (like ‘broadband for all’), but every check and balance in the system gets manhandled by individuals who first identify with their own group. Deal-makers on the side of the oil companies are forging political connections with these groups to safeguard their own interests.

So there will be an election, followed by a gradual sifting out of alliance members who are not needed to retain power. The best jobs will go to a smaller in-group defined by family, ethnicity and region. That group will subvert the democratic process, making Libya a kind of small Egypt with oil — a mini-Russia at best.