

# Libya: The Political Process towards a Fragile Peace

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### Elections Derailed, a Return to Rival Governments

The appointment of the interim Government of National Unity (GNU) – Libya's first unified executive since 2014 – in early 2021 raised hopes that the country could move beyond seven years of civil conflict. Led by Prime Minister Abdulhamid Dabaiba, an influential businessman from Misrata, Libya's third largest city, the GNU was given a short mandate. Its primary task was to steer the country towards elections scheduled to take place on 24 December, the anniversary of Libya's independence. It made history with the appointment of the country's first female Foreign Minister and Justice Minister.

However, the UN process that birthed the GNU was forced off track when the planned December ballot failed to take place due to disagreements over the legal framework for the vote. Since then, the GNU has been challenged by another government – the Government of National Stability (GNS) – appointed through a contested vote at the House of Representatives in March 2022.

The stalemate between the two entities – which echoes a previous experience of rival governments at the outset of Libya's civil war – could last well into 2022, if it doesn't tip the country back into armed conflict. Lack of progress in unifying military forces and disarming militias means security volatility persists despite an ongoing ceasefire agreed in October 2020. In such circumstances, political standoff – which in April led to a blockade of oil facilities, causing a dramatic fall in state revenues – risks a return to war.

### Economic Progress at Risk

Before the aborted elections and the emergence of a rival government, Libya was experiencing a slow yet steady economic recovery. Following a nine-month blockade of oil fields and terminals by Khalifa Haftar – a commander based in eastern Libya – and his allies in 2020, the hydrocarbon-dependent country sought to overcome one of its worst annual economic performances. Though the National Oil Corporation (NOC) did not meet its goal of increasing crude production to 1.45 million barrels per day by the end of 2021, Libya was projected to record a GDP growth rate of 78.2 percent. The country's fiscal balance was anticipated to record a surplus given the rebound of oil production and exports plus the devaluation of the Libyan dinar which reduced the cost of financing public sector salaries, goods and services using dollar-denominated oil revenues. The current political uncertainty risks setting back the economic and financial progress made last year, particularly as Haftar and his allies have again resorted to using oil blockades to assert themselves. The shutdowns instigated by Haftar's allies in April 2022 led to the halving of Libya's oil production at a time of increased global demand due to the war in Ukraine.

Furthermore, the brittle security situation poses a significant threat to all economic sectors, particularly the oil and gas industry. After years of conflict, key energy infrastructure requires considerable investment. Other critical infrastructure including the Man-Made River, which supplies most of the population with potable water, is also in a state of urgent disrepair, prompting UN agencies to warn of the risk of a complete collapse of water supplies.

The oil and gas sector has been shaken by feuding between NOC chairman Mustafa Sanalla and

the GNU's Oil Minister Mohammed Aoun. The debacle has unsettled international oil companies with a long-standing presence in Libya, given that their working relationship with Sanalla has generally been smooth.

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The central bank, divided since 2014 as a result of the wider national power struggle, has taken steps to reunify, but tensions remain, particularly regarding the role of Sadiq al-Kabir, the long-serving governor. Disputes over central bank management continue to hamper the implementation of wider economic reforms.

Libya's multiple economic challenges have been further aggravated by Covid-19. The country's healthcare system, already close to collapse before the pandemic, has struggled to deal with coronavirus cases and needs massive investment.

### Popular Discontent

Libya has experienced three national elections since Muammar Gaddafi's ousting in 2011. In 2012, its first post-Gaddafi elections for a parliamentary body known as the General National Congress (GNC) saw a high turnout. This, however, plummeted in the ballot to elect a constitutional drafting committee in 2014. Turnout fell further in parliamentary elections later that year – little over 600,000 people cast their vote – contributing to a legitimacy crisis for the new House of Representatives, a highly dysfunctional body which remains in place today. Concerns that Libyans had become disillusioned with democratic politics were assuaged in late 2021 when it emerged that 2.4 million out of 2.8 million registered voters – in a population of just over 6.5 million – had collected their voting cards, signalling their intention to participate in the planned December ballot.

The indefinite postponement of those elections disappointed many, but for now, the GNU's populist approach – among other initiatives, it established a grant for young people struggling to afford marriage – has helped keep a lid on such frustrations. Nonetheless, nationwide anti-corruption rallies in August 2020 serve as a reminder that popular discontent can easily boil over. The grievances that drove those demonstrations remain largely unaddressed and the GNU or whatever government might succeed it may be faced with similar protests if it fails to improve living conditions. Despite the upswing in fiscal balances in late 2021, many households still struggle with food insecurity, poverty and poor public service delivery. Given Libya relies on Ukraine for more than 40 per cent of its wheat stocks, the fallout from the ongoing war has already driven up prices and could lead to more serious food insecurity and possible social unrest.

### Haftar as Spoiler

Supported by the United Arab Emirates (UAE), Russia and Egypt, Haftar has been accused since 2014 of seeking to impose himself as military ruler. Suspicions of Haftar's ambitions have been a key driver in the civil conflict that began that year, as have long-standing grievances – which he has exploited – over how the country's oil wealth is disbursed. His unsuccessful attempt to seize Tripoli from the internationally recognized government in April 2019 torpedoed peace efforts and triggered more than a year of fighting, drawing in foreign fighters, including Russian mercenaries, on Haftar's side. Turkish intervention in support of the Tripoli government helped rout Haftar's offensive and also created a new balance of power, with

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Turkish forces still present in western Libya. Since March 2022, Haftar has pushed for the GNU to be replaced with its rival, the GNS (the composition of which is heavily tilted in Haftar's favour). His reverting to tactics, including oil blockades, to force the political situation in his favour is a concern given his long record of undermining efforts to forge a political solution to Libya's crisis.

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### Challenges Ahead

Since the derailing of its original roadmap at the end of 2021, the UN has focused its efforts on building consensus to hold elections without delay. As a result, members of the House of Representatives and the High State Council – a consultative body established under a previous UN initiative – have formed a committee to agree on a constitutional basis that would lead to elections in 2022, though many believe this timeframe is unlikely. Disagreements include whether presidential elections – a first in mod-

ern Libyan history – should be held. Some believe a presidential system would help streamline decision-making, others argue it could pull the country back into authoritarianism and insist parliamentary elections should be prioritized. The so-called “Greens” – supporters of the former regime who are now more confident than they have been since its collapse in 2011 – are expected to play a key role in any future ballot, with figures including Gaddafi's son Saif al-Islam already lining up as candidates.

In the meantime, the stand-off between the Government of National Unity – which continues to insist that it will only transfer power to an elected government – and its rival, the GNS, could deal a serious blow to the prospect of elections anytime soon. Furthermore, the underlying military-political and economic fractures that have driven the civil conflict since 2014 remain capable of undermining any political process, as do competing external actors allied with domestic factions. Libya may have experienced a fragile peace since October 2020, but it remains dangerously divided and a return to violence cannot be ruled out.

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