Four years after the ousting of Muammar Gaddafi, Libya finds itself torn between two governments, two parliaments and two army chiefs.

In the eastern town of Beida sits the internationally recognised government of Prime Minister Abdullah al-Thinni appointed by the House of Representatives (HoR), which was elected in a June 2014 ballot and is based further east in Tobruk. Both Thinni’s government and the HoR support the Dignity offensive launched in May 2014 by the then-retired General Khalifa Haftar and backed by Egypt and the United Arab Emirates. The HoR has since appointed Haftar commander in chief.

A last-minute decision in July to relocate the HoR, which was due to sit in Benghazi, to Tobruk triggered a boycott by some 30 members, who claimed it was a politically-motivated move which violated procedure. Some of these boycotters support a rump of the HoR’s predecessor, the General National Congress (GNC), which reconvened in Tripoli in August after a militia alliance known as Libya Dawn drove rival Dignity-aligned militias from the capital. The GNC retained its existing army chief of staff and appointed university lecturer Omar al-Hassi as Prime Minister, tasking him with forming a ‘national salvation’ government to challenge that of Thinni. Hassi was later replaced by his Defence minister Khalifa Ghwell.

In Libya, politicians and elected representatives generally wield less influence than the country’s constellation of armed groups, many of which have become entwined with criminal networks including those involved in people smuggling and other trafficking. In fact, many attribute the dramatic fall in electoral turnout – from 1.7 million in the first post-Gaddafi elections in 2012 to just over 600,000 in the HoR elections two years later – to popular disenchantment with the political process, due to the belief that real power rests with militias and not state institutions.

**Dignity versus Dawn**

Both Dignity and Dawn should be understood as two broad camps of loosely affiliated political and armed factions brought together more out of a sense of perceived common enemies than long-term mutual interests or goals.

The Libya Dawn militia alliance, which took control of Tripoli’s international airport in August 2014 from the militias that had held it since August 2011, is a diverse coalition. Fighters from the prosperous port city of Misrata, most of them from the Libya Shield Central Region force founded by the army chief of staff in 2012, make up the largest component of Libya Dawn. Most cannot be categorised as Islamist, yet they formed an alliance with Islamist factions from Tripoli and other western towns as well as non-Islamist armed groups, particularly Amazigh (or Berber), from across Libya’s western flank.

Dawn’s opponents in the battle for Tripoli were primarily militias from or linked to the small conservative western town of Zintan. These forces are broadly allied with Haftar’s Operation Dignity. The Zintan-linked camp also includes former Gaddafi fighters and tribal forces from the Warshefana region on Tripoli’s outskirts. All were united by the goal of removing Zintani influence from the capital, where Zintani factions – just like their rivals - had long used force or threat for political leverage. Besides controlling the airport since 2011, Zintani militias had also attacked or occupied a number of state institutions including the GNC,
the Interior Ministry and the army chief of staff’s headquarters.

A pertinent question is whether Dawn would exist if it were not for Dignity. Haftar launched Dignity – which he billed as a “war on terrorism” – after he was accused by then Prime Minister Ali Zeiden of attempting a coup in February 2014. Haftar had publicly called for the suspension of the government and its replacement by a military council. He later surfaced in eastern Libya where he drummed up support from disgruntled former army and police officers and militias linked either to influential tribes or federalists seeking greater autonomy for the east. Haftar gave the name Karama or Dignity to the motley alliance of army units, including Benghazi’s Saiqa special forces and the resulting anti-Islamist militias. According to Faraj Barassi, a key commander in Dignity, only 20% of its forces are uniformed; the rest are militiamen.

Haftar’s wide-ranging offensive – which targeted groups and individuals beyond those considered extremist – prompted a number of Benghazi’s militias to unite against him and coalesce into what is known as the Revolutionary Shura Council. Among them are the February 17 Martyrs’ Brigade – the largest rebel group formed in eastern Libya during the 2011 uprising – along with a regional branch of the state-sponsored Libya Shield force. Another key part of the Shura Council is Ansar al-Sharia, a hardline group formed after the revolution, whose members were accused of involvement in the 2012 attack on a US diplomatic mission in Benghazi which claimed the lives of the ambassador and three compatriots. The Shura Council is connected with the Dawn camp in western Libya in so far as they share a common enemy in Haftar and his Zintan allies. The UN designation of Ansar al-Sharia as a terrorist organisation in November 2014 has strained Dawn’s tactical alliance with the Shura Council, with backers in Misrata pushing for the others to distance themselves from the group.

**Whither Haftar?**

Haftar draws on a substantial well of public support in Benghazi, where residents, frustrated with poor security and a series of assassinations, rallied to his Operation Dignity. Although the HoR’s decision to officially bring Haftar out of retirement also boosted his credentials, even those broadly sympathetic to the operation to root out Islamists are wary of his political ambitions. His efforts to establish and lead a supreme military council have met resistance from several quarters within the broader Dignity camp, including some eastern army units, who fear he may use it to seize power. Once supportive federalists in eastern Libya are now doubting Haftar’s commitment to their cause. The Dignity alliance is increasingly beset by internal tensions and fractures. Within the opposing Dawn camp, the primary motivation remains countering what its various elements believe is Haftar’s plan to install himself as military ruler of Libya. For this reason, the question of what to do about Haftar has caused a major stumbling block in UN efforts to mediate a solution to the crisis.

With the central bank and national oil company headquartered in Tripoli and therefore out of reach, Thinni’s recognised government has attempted to set up parallel institutions in eastern Libya.

**Economy in Freefall**

With Libya split between rival political and armed factions propping up two governments vying for power, the country’s economy is increasingly feeling the strain. With the central bank and national oil company headquartered in Tripoli and therefore out of reach, Thinni’s recognised government has attempted to set up parallel institutions in eastern Libya. These moves have drawn criticism from the UN and key Western powers, who see it as a charade at best and a step towards de facto partition at worst. The price of not resolving the political crisis is high, given oil output (hovering between 500,000 and 600,000 bpd, although it has dipped much lower at times due to continued fighting). That, combined with plummeting oil prices, has forced the central bank to dip into its reserves in order to pay salaries and subsidies. Reserves reached $100 billion in August 2014, representing a 20% drop from the start of the year. The World Bank has warned reserves could be depleted in four years under the current situation. Diplomats say it could happen within 18 months.

Since 2011, Libya has been running a budget deficit, except in 2012, which saw a substantial increase in oil...
exports. The World Bank has estimated that with current oil prices and Libya’s level of oil exports, the 2015 budget deficit is likely to increase to 31% of GDP in 2015, from 11% in 2014. Addressing the fiscal gap poses a major challenge as oil exports are not expected to recover significantly any time soon. Most of Libya’s budget is allocated to public sector salaries (a quarter of Libyans – most adults – receive a state salary) and energy subsidies. Foreign reserves will continue to suffer serious pressure unless there are major policy shifts in terms of lowering the wage bill and slashing subsidies. Cutting the budget presents difficulties, however, as two-thirds of the funds are reserved for salaries and subsidies. Complicating the issue is the fact that fighters on both sides of the current crisis are on the state pay roll.

**Enter ISIS**

Given the number of Libyans who have joined ISIS in Syria and Iraq, it was always a question of not if but when an affiliate would emerge in Libya. A group in the eastern town of Derna, known as the Majlis Shura Shabab al-Islam, declared allegiance to ISIS leader Abu Bakr al-Baghdadi in late 2014. The group comprises local returnees from Syria, as well as a small number of foreigners, and remains the only entity in Libya that Baghdadi has publicly acknowledged. ISIS sympathisers are also present in Benghazi and Sirte. Members of other militant groups have defected to join ISIS as they become more assertive. ISIS has claimed responsibility for a number of attacks in 2015, including one on the Corinthia Hotel in Tripoli and several on oil facilities south of Sirte. They also abducted and later beheaded 21 Egyptian Copts near Sirte and took over a number of state institutions in the town. ISIS has denounced key figures in both the Dawn and Dignity camps as apostates and its presence has turned Libya’s crisis into a three-way war. In March, the Misrata-led 166 Battalion took on ISIS in Sirte for the first time. The UN insists that only a unity government can tackle the threat posed by the group.

**Can a Constitution Save Libya?**

As Libya slips further into chaos, many are pinning their hopes on the continuing work of its Constitution Drafting Assembly (CDA). The assembly is tasked with writing Libya’s first post-Gaddafi constitution and the country’s first since 1951. Libya had no formal constitution throughout Gaddafi’s four decades in power. That legacy, along with present challenges, including how to manage oil wealth, decentralise governance and determine the role of religion, means the CDA’s work will not be easy. Just under 500,000 of Libya’s 3.4 million eligible voters took part in elections to the assembly in February 2014, raising questions from the start about its legitimacy and that of the document it will produce. The CDA is now long past the 120-day timeframe it was given to present a draft of the constitution to parliament and then have it put up for a public referendum. The two prickliest issues faced by the assembly relate to the place of sharia (Islamic) law and decentralisation. A broad consensus exists that sharia should be a reference point but there is fierce debate over whether it should be the only source, the principal source or a source among many for legislation. The question of decentralisation is linked with the question of how to distribute oil revenues and it has become more fraught as federalists in eastern Libya, some of them armed, become more assertive. In addition, more separatist-minded elements have gained ground over the past year. All this together with the burden of expectation means the CDA is under considerable pressure.

**Conclusion**

Libya’s unravelling over the past year has led to deep and dangerous divisions that pose a threat not just to its failing transition but also the security of the surrounding region and Europe. With the country split between two governments east and west, entire regions, communities and even families are divided over the nature of the crisis and how to resolve it. A profound polarisation has
Without a unity government, the country will remain trapped in paralysing zero-sum politics and unable to tackle the myriad of security and economic challenges that threaten its very existence.

taken root, feeding off fresh grievances and driven by revenge, which adds a whole new layer of reconciliation challenges to the numerous legacy issues of the Gaddafi era. A range of actors see opportunity in Libya’s chaos, from ISIS to separatists bent on establishing their own state in the east. Without a unity government, the country will remain trapped in paralysing zero-sum politics and unable to tackle the myriad of security and economic challenges that threaten its very existence.

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