THE CONFLICT OF PRO-ISLAMIST AND NATIONALIST MILITIA GROUPS IN LIBYA AND ITS IMPACT ON ECONOMIC GROWTH FOR THE 2011-2019 PERIOD

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Abstract
This study aims to analyze the competition between pro islamist and nationalist militia groups in the control of economic resources and it influences on Libya’s economic growth. The approach used is a qualitative approach. Conflict theory, greed and grievance theory, and economic growth theories are used to analyze Libya’s post-revolution political economy. This research shows that the competition between militia groups over economic resources has occurred since the transition period of the Libyan government in 2011 and continues until this writing. Economic resources contested include oil, trade centers, banks, trade routes in country borders, airports, and important positions in government. Conflicting militia groups often use violence to obtain economic and political benefits. This is what creates the complexity of the Libyan political conflict. This research concludes that the political conflicts that are preoccupied with the competition of various internal and external actors to fight over economic resources and power, have a negative influence on economic growth and social life of the Libyan people.

Key words: Libya, conflict, pro-Islamist, nationalist, militia groups, economic growth.

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Background
The collapse of Qadhafi’s rule in Libya at the end of October 2011 still left regional conflicts and divisions between various parties and interests to this day. Libya's condition after Qadhafi's death was no better than before, even worse. Social
and economic instability is considered a new condition in the life of the Libyan people. The revolution caused oil production in Libya to decrease drastically and even fell to zero. This is because many oil fields have been destroyed by armed conflict.

The overthrow of Qadhafi was the role of local figures rather than a consolidation of political or ideological movements. One of the important factors determining the success of these local leaders is their ability to mobilize military power and their control over economic resources (Shaw, 2015). Therefore, after Qadhafi fell, Libyan society ideologically and politically divided.

Apart from that, tribal ties also played an important role at the time of the Libyan revolution in 2011. These ties were key in building solidarity among Libyan society, especially in their efforts to obtain individual protection when the Qadhafi regime's state system collapsed. The tribal structure forms have been the basis of Libyan society in carrying out public administration, including upholding justice and regional security (Lamma, 2017).

The role of local figures and ethnic factors became two important things - apart from international support - which led to Gaddafi's defeat in 2011. Military figures who were originally under Qadhafi's orders, decided to turn against, because of the close tribal ties with the opposition groups that opposed Qadhafi. The large number of military defectors weakened Gaddafi's forces, so that they were unable to resist the attacks by the opposition militias backed by NATO at that time. The existence of local figures and ethnic ties transformed into an armed militia force in Libya after the 2011 revolution. These groups had separate powers and were often in conflict with one another.

The inability of the post-Qadhafi government to unite factions of the armed forces that are scattered throughout Libya marks the fragmentation of power in Libya. Libyan instability at that time was not only exploited by the militias to strengthen
their influence, but also by local figures and certain groups to control political and economic resources scattered in various regions.

One of the groups that got the stage after the fall of Qadhafi were Islamist groups, including the Muslim Brotherhood and the Libyan Islamic Fighting Group (LIFG). Islamist groups supported by militias control political institutions, the military and public services. This led to the polarization of power in Libya which resulted in the emergence of two power dominations, namely the Islamist forces in Tripoli supported by the Misratah militia and non-Islamist forces in eastern Libya (Mattes, 2016).

The failure of the Libyan government (National Transitional Council / NTC and then continued by the General National Council / GNC) in Tripoli after the overthrow of Qadhafi to unite military factions scattered in various regions was one of the causes of the civil war in Libya. Looking back, during Qadhafi’s time in power, in an effort to maintain the loyalty of the influential tribes in Libya, Qadhafi enacted a 1990 law that gave each tribe exclusive rights to land that belonged to them in earlier times (Ladjal, 2016). Qadhafi used state institutions as agents to gain the loyalty of local tribes, in exchange, Qadhafi gave members of these tribes the opportunity to have careers in various government institutions (Perroux, 2019).

Since the end of 2015, the Libyan government has been fragmented into three groups; the Government of National Salvation (GNS) in alliance with the General National Congress (GNC) which ended its term in 2015, the interim government of Libya in al-Bayda in alliance with the House of Representatives (HoR) parliament resulting from the 2014 elections, and the Government of National Accord (GNA) resulted from the Sukhhairat Declaration / Libyan Political Agreement (LPA) supported by the United Nations. These three groups are involved in competition for political and economic legitimacy.
Competition is fiercest between the interim government supported by the Libyan National Army (LNA) and the GNA supported by the militia group Tripoli and its surroundings.

In April 2019, Haftar and his troops in the LNA launched an attack and attempted to enter Tripoli. Until July 2016, Haftar's forces had not been able to defeat the coalition forces supporting the GNA government that controlled Tripoli. The coalition forces supporting the GNA were able to repel the LNA troops outside the city of Tripoli. The GNA-supported coalition was also able to destroy LNA assets in the cities of Jufra and Waddan via drone attacks. The LNA troops retaliated by carrying out an attack on the Mishrata air base (www.reliefweb.int, 2019).

The political and security instability that occurred after the fall of the Qadhafi regime also influenced the Libyan economy. Based on World Bank data, Libya's Gross Domestic Product (GDP) since 2013 has decreased quite drastically, even though in 2012 it had reached 81,874 billion US dollars. In 2016, Libya's GDP income stood at 26,222 billion US dollars, this figure then began to show a positive trend in 2017, namely 38,116 billion US dollars, and in 2018 it was at 48.32 billion US dollars (www.data.worldbank.org , 2019).

Uncertain political and security conditions have a negative impact on the business climate and investment world. Apart from security reasons, legal legality is also a consideration for corporations to invest in Libya. Based on the World Bank report, conflict and uncertain security conditions are still important factors for the economic slowdown in Libya. This is a result of the many clashes that have occurred between groups in Libya over economic resources, especially oil (World Bank, 2019).

Theoretical Review

Conflict is a competitive situation in which the groups involved are aware of the incompatibility with the desired
conditions and hope to get their wishes that do not match the wishes of the other party. Boulding emphasized that conflict is created due to at least several things: the party of the people or groups involved, behavior space (level of behavior), and competition (Boulding, 1962).

Johan Galtung (1996) introduced the Conflict Triangle theory in understanding the formation or emergence of a conflict in the midst of society. The Conflict Triangle Theory can be seen as follows:

![The Conflict Triangle](image)

Figure 2.1: *The Conflict Triangle*

Galtung said that conflict is like a living thing, therefore conflict has a system and a life cycle. The emergence of conflict can occur from any point and move in any direction, meaning that conflict can arise in six possibilities. A conflict can produce aggressive attitudes which then lead to attacking behavior. Offensive behavior usually takes the form of violence. Violence will produce other violence in the opposite direction, such as a fire burning a house, ending when the house is destroyed. Parties to the conflict may be crushed at point A because of emotional exhaustion, or at point B because of physical disability (Galtung, 1996).

Economic growth according to Boediono (2012) is a process of increasing per capita output in the long run. Boediono emphasized three important aspects in terms of economic growth, namely process, output and long term. According to him, economic growth is not a picture of the economy at certain times, but rather a process of development and change that occurs from time to time. Meanwhile, output indicates that
economic growth is closely related to population, because the increase or decrease in the population of a country affects the size of the income they earn.

Boldeanu and Constantinescu (2015) divide the determinants of economic growth into direct and indirect factors. The direct factors are human resources (active labor, ability to save), natural resources (land and what is contained under it), capital, and technological progress. Meanwhile, indirect factors are institutions (financial institutions, administration), aggregate demand, levels of savings and investment (including foreign investment), financial system efficiency, budget and financial policies, labor and capital migration, and government efficiency.

Conflict is closely related to economic growth. On the one hand, the uncertainty of political stability can reduce investment and the speed of economic growth. On the other hand, poor economic performance can lead to the fall of the government and political instability (Alesina, et.al, 1996). A decrease in investment will reduce employment in a country, so that the unemployment rate can increase.

Barro (in Alesina et.al, 1996) finds that political instability characterized by violence and killings, revolutions accompanied by armed violence, and attempts at military coups can significantly affect the level of economic growth in several countries. A country with a weak government, its population tends to engage in revolutionary activity (conflict) rather than doing productive work. This can affect the general state income.

A weak government can be used by strong armed groups to reap the economic benefits of their group. In these conditions, a weak government usually has to lobby politically to cause economic losses. The country's economic resources will become the struggle for armed groups, so that government revenue will be disrupted.
Research Methods

This research is a descriptive analytical study with a qualitative approach. Qualitative research according to Bogdan and Taylor (in Moleong, 2001) is a research procedure that produces descriptive data in the form of written or spoken words from people and behavior that can be fully observed. The data used in this study are reports, printed and electronic books, and articles that explain the conflict and economic growth in Libya after the 2011 revolution until now. In addition, the author will also use data obtained from internet sites in the form of online news, video documentation, pictures, etc. which explain the development of the conflict and the actual economic conditions of Libya.

Data collection in this study was carried out by studying the documentation of written materials, photos, videos, pictures, illustrations, and so on. In order to understand the object being researched properly, the writer will collect data several times until the writer is sure that the data collected has really conveyed the author to the core of the problem being researched.

The object of this study focuses on the conflict over the resources of the Libyan economy and its impact on Libya's economic growth in the period 2011-2019. The economic sources that the author means can be in the form of oil (institutions, oil fields, refineries, terminals, distribution channels, and oil trade), levies for goods in and out of border areas, public facilities such as airports, banks, and so on.

Pro Islamist and Nationalist Militia Group Competition

Libya is a country that has a high dependence on oil. Libya's main source of income is oil. Since the fall of Qadhafi, both pro-Islamist militia groups based in the capital Tripoli and nationalists based in the eastern region have competed for control of Libya's economic resources. Not only oil, other sources such as trade routes, borders, ports, airports, state institutions
such as banks, national oil companies, taxes, and so on are objects of competition for militia groups in Libya.

Many studies have found that a country’s natural wealth can be a source of conflict. This can occur due to several factors, such as the existence of injustice (grievance) in distribution, the desire to gain maximum profit because there is an opportunity to control these economic resources (greed), or because of the country's weak capacity in managing the country's economic resources (Bodea, et. al. 2016). The three factors above exist and occur in Libya, causing the militia groups to be reluctant to lay down their weapons.

At the outbreak of the conflict in 2011, the opposition group's motivation came from Qadhafi's sense of injustice. After the fall of Qadhafi, the motivation of the group that overthrew Qadhafi turned into economic motivation (greed). Broadly speaking, the groups included in greed or grievance can be seen in the following figure.

![Figure 4.7: Greed and Grievance's Group](image)

The oil factor is very important in the peace process and the continuation of the conflict in Libya. In its history, Qadhafi used the distribution of oil products as the main factor supporting the perpetuation of his power. Qadhafi regulates the distribution of wealth produced by oil to prevent political
opposition (Ladjal, 2016). At the time of the 2011 revolution, Qadhafi used his oil wealth to pay hired soldiers to fight local militia groups (Colgan, 2015).

On the other hand, during Qadhafi's reign in Libya, there was an unfair distribution of oil wealth. Residents in the East who live near oil facilities, do not get equal benefits with residents in the West. In fact, the oil facilities with the largest income are in the East. The feeling of unfair treatment (grievance) received by residents of the eastern region of Libya is a factor in their lack of trust in the central government in Tripoli (Jaffe and Elass, 2015).

Since early 2013, militia groups (some of which still receive salaries from the government) have been carrying out a blockade of oil fields, controlling institutions and other oil facilities. They do these actions to gain economic and political benefits. Their blockade of oil facilities is aimed at putting pressure on the central government to support their claim to regional power in the region, as did Ibrahim Jadhran of the Magharba tribe. Jadhran received support from the al-Awaqir and al-Hassi tribes who were around the oil facilities he controlled (Lamma, 2017).

Control over oil means controlling Libya's economy and politics. This is the main attraction for the parties involved in the Libyan conflict, including militia groups, both Islamist and secular nationalists (Ronen, 2017). Libya's oil wealth has proven to be very influential in the continuation of the conflict. The militia groups consider the oil and infrastructure in their control areas as a "gift" for their struggle to overthrow Qadhafi's authoritarian regime (Costantini, 2016).

Control over oil can strengthen the political status of militia groups and local rulers (Costantini, 2016). What is unique about the military conflict in Libya is that, although the fighting between the East and West camps is very hot, oil production and export activities are still running. Haftar and his troops continue to allow the Tripoli government to export oil
through ports controlled by the Libyan National Army (LNA) (nytimes.com, 2019). In exchange, the Libyan Central Bank in Tripoli continues to pay salaries of government employees throughout Libya, including members of the military affiliated with the LNA. In fact, the LNA at the same time continued to try to control Tripoli.

Among the parties involved in the civil conflict in Libya, two of them have become the center of international attention, namely the Government of National Accord (GNA) which is supported by the Misrata Militia and the LNA supported by militia groups from the East under the command of Khalifa Haftar. These two camps have attracted international attention, because they have very large troop strengths. The two have been involved in the struggle for oil facilities since 2014.

The struggle for control over the Libyan oil company (National Oil Corporation) occurred several times and involved many parties. In 2014, there was competition for control of the NOC between the General National Congress (GNC) and the newly elected House of Representatives (HoR). A year later, HoR, together with the government alliance in al-Bayda, was involved in the struggle for control of the NOC with the GNA (Barltrop, 2019). The struggle for control of the NOC between these government groups always involved militia groups, so that armed violence was unavoidable.

In early January 2019, Haftar's military nationalist forces launched a military offensive in the southern region of Libya, aimed at capturing and securing existing oil facilities in the area. The GNA, which for many observers was supported by Islamist elements, mobilized troops to reclaim the area. Earlier, in September 2018, armed militias attacked the Al-Syahara oil facility, killing two people and injuring several others (Libya Oil & Gas Report, 2019).

In southern Libya, Tuareg militia forces carried out a blockade of al-Syarahah oil facilities in the area adjacent to the city of Ubari. They do this blockade so that their existence who
has been treated as marginalized is recognized. They demanded that their regional language be recognized as the official language in Libya.

Tripoli became the center of the "economic war" between militia groups. State revenue generated from oil is an attraction for militia groups to compete over existing funds in state institutions (Eaton, 2018). Some powerful militias managed to enter the government structure and influence government decisions, such as the deployment of security forces and guarantees of payment. The payments received by members of the militia groups were considered to be the reason for the "maintenance" of the conflict in Libya (Eriksson, 2016).

Securing the main sources of economic income, such as airports, banks, oil and gas sources, has often become a struggle for militia groups in Libya and a source of contention between them. In areas that do not have oil, the rivalry between them usually occurs in coordinating and controlling the strategic trade routes previously managed by the Qadhafi regime, for example between the Cane and Tuareg Tribe militias in southern Libya. Competition in controlling the trade route often triggers conflict, escalation of conflict will be more intense when other actors from outside the region participate in the competition. Competition in managing local economic resources in its development has turned into a proxy for civil war (Carboni & Moody, 2018).

In almost all parts of Libya, armed militia groups often use force to gain and protect their economic interests in order to build their stronger positions in the political hierarchy. The chaos that arose as a result of the struggle for economic resources, especially oil, had a significant impact on Libya's national economic growth.

In May 2017, the four militia groups that control Tripoli shared control of government institutions, airports, banks and business centers. Militia groups also control access to cash in Tripoli (Lacher & al-Idrissi, 2018). The militia cartel (to borrow
the term Lancer) in Tripoli, which accommodates the interests of Islamist groups, benefits from easy access to subsidized products, opportunities for smuggling, and opportunities to pressure the GNA (Pack, 2019). Therefore, to stop fighting between militia groups, their economic channels of income had to be closed. And that means, whoever does it, must have great strength to face the possibility of armed attack from groups who feel aggrieved.

Airports and ports are also one of the government institutions that are being contested in the Libyan conflict. Airports and ports are important facilities in the implementation of export and import, especially oil (Eaton, 2018). After the destruction of the Tripoli airport in 2014, M Triangle Airport is the only airport that functions in the western region of Libya. The airport is controlled by the Buni Brigade militia group. In 2017, M Triangle Airport was controlled by the Rada (Rada Special Deterrence Forces) group after defeating the Buni Brigade in a battle.

**Conflict and Economic Conditions**

Libya is a country that is highly dependent on hydrocarbons (oil and gas). Revenue from hydrocarbons generates 95 percent of Libya’s export value, 65 percent of gross domestic product and 96 percent of government revenue. Libya derives other income from third party taxes, most of the Libyan population is unproductive (fanack.com, 2019). Tax income is obtained from foreign workers, resulting in products that are also consumed by foreigners.

As a result of a violent sibling conflict that occurred for a long time, the population of the country with the largest oil reserves in Africa has continued to experience a decline in their daily living standards. Houses are experiencing water shortages. Electricity has frequent blackouts. People have to
queue for hours at banks just to get cash (BTI, 2018). Not to mention the threat of loss of life due to attacks from militia groups could occur at any time.

The war that occurred in April 2019 between Libyan National Army troops and supporting forces of the Government of National Accord hampered the economic recovery process that occurred in 2017-2018. In April 2019, Libyan oil production had increased to 1.17 million barrels per day. In July 2019, oil production decreased to reach 100 thousand barrels per day (World Bank, 2019). The ongoing conflict and violence has affected income, business and investment, trade, and employment opportunities.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Economic Growth</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>5.02%</td>
</tr>
<tr>
<td>2011</td>
<td>-62.08%</td>
</tr>
<tr>
<td>2012</td>
<td>123.14%</td>
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<tr>
<td>2013</td>
<td>-13.60%</td>
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<tr>
<td>2014</td>
<td>-24%</td>
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<tr>
<td>2015</td>
<td>-8.86%</td>
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<tr>
<td>2016</td>
<td>-2.80%</td>
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<tr>
<td>2017</td>
<td>26.68%</td>
</tr>
<tr>
<td>2018</td>
<td>7.84%</td>
</tr>
</tbody>
</table>

Table 4.4: Libyan Economic Growth 2010-2018 (www.macotrends.net)

The table above shows data on Libya's economic growth from 2010 to 2018. Libyan economy has suffered from the negative impact of the conflict and violence that occurred since 2011. Libya's income, which is heavily dependent on oil, experienced a very significant decline in 2011, the year it occurred. civil war between Gaddafi loyalists and opposition
groups. The decline occurred again when the Libyan government split from 2014 to 2016.

The Libyan economic downturn occurs in various fields, and affects every individual in Libya. In 2019, the Gross Domestic Product (GDP) per capita of the Libyan population stood at USD 7,525, showing a slight increase from the previous year. However, when compared to the conditions before the conflict, Libya's per capita income was still far below the US $12,000 figure in 2010 (tradingeconomics.com, 2019).

![Figure 4.10: Libyan GDP and Per Capita GDP in 2010–2018 (tradingeconomics.com, 2019).](image)

This graph shows that Libya's GDP and GDP per capita experienced a negative trend after the outbreak of the 2011 conflict. The biggest impact occurred in 2011, Libya's GDP per capita decreased 3 times compared to 2010. Then, from 2013 to 2016, GDP per capita in Libya has decreased again, after experiencing a significant increase in 2012. 2014 was the year of civil conflict and government fragmentation in Libya.

Libya suffered significant losses due to a lot of smuggling and illegal trade. Libya is known as a country that provides massive subsidies to the basic needs of its citizens. Goods provided and subsidized by the government, such as oil and flour, are vulnerable to being smuggled in border areas, because the profits are quite large. Seeing the condition of Libya which is still divided to this day, and the absence of government power
in the border areas, smuggling and illegal trade will still occur and thrive.

Political instability and unstable security conditions make the business world in Libya not conducive. Workers, especially foreign workers, feel threatened by acts of violence targeting civilians and infrastructure. The militia groups also carried out a blockade on the trade route, so that it was almost certain that the business world - especially those involving foreign workers - could not be implemented (Fitchsolutions, 2019).

Legal confusion and the lack of transparency in the government in managing finances are one of the factors in investors' distrust of investing in Libya (Ammar, 2015). In fact, investment is one of the factors that can increase Libya's economic growth. Business and investment require stability of services at the political, administrative and legal levels (El-Hamoudi and Aimer, 2017). And, at the moment, these three things cannot be fulfilled by any government group in Libya.

Another factor that hinders investment, especially foreign direct investment in Libya, is the difficulty of accessing transportation to and from cities in Libya. This difficulty occurred because there was no guarantee of security from militia group attacks. The lack of public services, such as the availability of water and electricity, is also a major factor affecting capital inflows for businesses in Libya (El-Hamoudi and Aimer, 2017). The distribution of goods through airports and ports is often disrupted due to competition between militia groups in the struggle for control of the two institutions (BTI, 2019).

The conflict and the Libyan security crisis have had a negative impact on the availability of jobs. The spread of the conflict which is almost evenly distributed throughout Libya and security threats limit the movement and mobility of the population, including when going to work. As a result, many jobs are neglected, increasing the unemployment rate in Libya.
The youth labor force unemployment rate in Libya was above 40% in 2016 (UNFPA, 2018; El Tarablusi et.al, 2019).

Youth groups form an important part of the conflict-affected Libyan workforce. Young people were vulnerable to recruiting militia groups to increase their military strength. According to a survey conducted by the World Values Survey in 2015, as many as 20% of Libyan youth felt insecure and so they armed themselves. The growth of militia groups is still a threat to the career continuity of Libyan youth (UNFPA, 2018).

Conclusion

This research was conducted to answer three important issues related to the political conflict in Libya, namely the reality of the current Libyan conflict, the reality of the struggle for economic resources in Libya by various groups, especially between pro-Islamist and nationalist groups, and the influence of the conflict on economic growth. The theories used to describe the three problems above are Conflict theory, Economic Growth theory, and Greed and Grievance theory. This research is a descriptive study with a qualitative approach, analyzing the data obtained through literature study.

The results of this study are, first, the reality of Libya's political conflict is manifested in at least four things, namely competition for political and economic power, exploitation of weak government institutions, ideological competition, and outside state intervention (proxy war). Libyan political conflict involves many actors both internal and external. Internal actors include GNA, HoR, GNS, GNC, LNA, and militia groups (Cyrenaica, Fezzan, and Tripolitania). External actors include Egypt, Saudi Arabia, United Arab Emirates, Qatar, Turkey, France, Italy, Russia and the United States.

Second, the reality of seizure of economic resources by militia groups in Libya is manifested in four ways, namely: competition for infrastructure and oil resources, competition for influence over state institutions, competition over control of
smuggling activities, and competition over border routes. The competition involved internal actors with the support of militia groups and external actors. Weak central government coupled with foreign intervention caused the Libyan political conflict to drag on.

Third, the impact of the conflict on economic growth can be seen from the decline in Libyan income, a decrease in business activity and investment, a decrease in employment and an increase in unemployment. These three things happened because of the unstable security conditions and the large amount of physical damage to infrastructure due to the conflict.

The political conflict, which is preoccupied with competition from various internal and external actors for economic resources and power, has had a negative impact on Libya's economic growth. As long as the actors involved in the struggle for economic resources and power still prioritize the interests of their groups, Libya will continue to experience endless conflicts and violence. As a result, civil society will continue to be under threat to security and economic hardship.

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