A decade of conflict and political instability has undermined the foundations of Libya’s electricity sector. The conflict destroyed infrastructure, drove out foreign investment, and led to a loss of human capital. The sector is also poorly managed. Despite Libya’s substantial hydrocarbon wealth and potential for renewables, rolling blackouts are now a staple.

KEY POINTS

- Libya has a highly centralized electricity sector, which is a legacy of the Gaddafi era. The state utility (GECOL) controls every aspect of the value chain.
- Political instability has frustrated successive governments’ efforts to reform the electricity sector.
- Energy subsidies have crowded major private actors out of the market and encouraged wasteful consumption. Poor bill collection exacerbates these issues.
- Beyond GECOL, various multinational corporations, international states, and local actors wield influence in the electricity sector and benefit from current conditions.
- Libya has significant potential for renewables, but the government has made little progress towards its goals.
- The capital costs of renewable technologies have deterred Libyans from investing in them at the local level.
- Donors’ leverage to encourage large-scale reform is reduced by vested interests’ benefits from the status quo and the fact that Libya does not depend on aid.

RECOMMENDATIONS

- Support local renewable energy projects and publicize their impact to build public receptivity to alternative systems of electricity provision.
- Bolster the development of local capacities in the electricity sector and reduce dependence on external expertise, by developing vocational schools and training courses.
- Pursue opportunities to build trust with Libyan authorities by helping to mediate grievances between local communities and state authorities over electricity.

For more information about the report, please contact Lubna Yousef at lyousef@csis.org.
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