



Vision for Libya: towards prosperity, justice and strong State institutions

A rights-based socioeconomic vision and road map
for sustainable development



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Economic and Social Commission for Western Asia

Vision for Libya: towards prosperity, justice and strong State institutions

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and road map for sustainable development**



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The vision was based on three in-depth background studies¹ prepared by Libyan experts in sociology (Ali Abdellatif Ahmida), economics (Abdullah Hamed al-Hassi) and governance (Amal Suleiman al-Obaidi). Valuable inputs were provided by Libyan experts in four successive consultative meetings, held in 16 sessions over eight days, in which an accomplished group of Libyan academics and technical and community experts participated. The meetings were held in Tunisia between 2019 and 2020, with the aim of supporting and enriching the background studies by discussions of a number of international experiences having challenges and prospects similar to those pertaining to Libya. A research team comprising Youssef Mohammed Al-Sawani, Sahar Al-Taqdisi Rad and Andrew Friedman linked these international experiences to each of the three dimensions

of the studies being undertaken (sociology, economics, governance). A range of policy options (8 studies)² were developed, with the aim of contributing to implementation of the vision and addressing the challenges involved, as well as facilitating formulation of policies and strategies attuned to the socioeconomic and institutional dimensions of the vision. The vision was also supported by a special study prepared by the late Mahmoud Jibril, as well as by a separate study addressing the economic cost of the conflict in Libya,³ and another discussing the impact peace in Libya would have on neighboring countries.⁴

Formulation of this vision was based primarily on discussions among Libyans, through a platform provided by the United Nations Economic and Social Commission for Western Asia (ESCWA), in eight open virtual dialogue sessions, attended by 262 participants, which were broadcast live on social media and attained more than 38,760 interactive views involving viewer comments and posts. Moreover, eight questionnaire-based surveys, with questions on the topics addressed in each dialogue session, were conducted to enable Libyans to provide views, as well as written contributions, more than 850 of which were recorded.

Notably, laying down the theoretical, academic and technical foundations of the vision involved

1. Electronic versions of these studies are available on <https://www.unescwa.org/> <https://libyadialogue.unescwa.org/>.

2. (1) Towards an inclusive national identity in a just state for all its citizens; (2) Social protection system; (3) Human capital, youth and women empowerment and integration of former combatants; (4) The role of the state in sustainable economic development and Libya's strategic positioning in the global economy; (5) Strengthening state power and the rule of law in Libya: role of human rights principles and universal justice in establishing a just social system, an impartial and independent judiciary, and sustainable human security; (6) State-building, regional integration and international cooperation; (7) Restoration of trust and reconciliation: the road to a Libyan national charter; (8) Mechanisms of reform and economic recovery.

3. E/ESCWA/CL6.GCP/2020/TP.8.

4. E/ESCWA/CL6.GCP/2020/2.

a series of debates and discussions aimed at linking requirements of practical research with Libyan reality and realistic aspirations. This phase of eighteen months of research and dialogue informed by Libyan community development priorities was followed by a second phase lasting eight months of technical discussions and community-dialogue meetings focussed on articulating the base, structure, content and conclusions of the vision. This latter phase, which also involved validation and verification of feasibility and merit, was carried out on two consecutive integrated levels leading to the final version. The vision was prepared and formulated under the leadership of Ahmed

Mohamed Ahmed Jahani and Mohamed Zahi Al-Mugherbi. The teams included Khair Milad Abu Jarada, Azza Omar Bou Ghandoura, Salaheddine Abdelkader BouGhrara, Abdullah Hamed al-Hassi, Fatima Zahra Ahmed Langhi, Nasser Milad al-Maarfi, Jazia Jibril Shaitir and Suliman Salem Alshahmy. The Working Group on Libya at ESCWA contributed to the revision of the text, supported the team of researchers and experts and completed the procedures for its publication. This team included Tarek Alami, Youness Abouyoub, Ibrahim Musa Grada, AlTayeb Al-Dajani, Haitham Mohammed Al-Keeb, Karam Karam, Lubna Ismail, Jala El-Akoum and Nada Aoun.

EXECUTIVE SUMMARY

Aren't we to agree on our way forward?

An attempt was made to answer this pressing question in Libya of today through a series of large-scale grassroots dialogues that lasted nearly three years, aimed at developing a vision from a socioeconomic, rights-based perspective reconciling the right of the household, the right of central government, the right to property, and the right of local government.

This vision is apolitical, independent, evidence-based, and time boundless. Furthermore, it is not top-down, but based on broad and diverse participation by Libyan citizens in dialogue across socioeconomic and institutional areas and disciplines and derives its mandate from having been developed under the auspices of ESCWA.

The call for the Libyan Socioeconomic Dialogue Project came at an opportune time for integrating the multiple tracks addressing the Libyan crisis. The project has the distinction of being purely Libyan in all phases: foundation, academic, advisory, technical and dialogue, culminating in a vision that offers proposed strategic policies. Having succeeded in building knowledge through a national dialogue, involving Libyan citizens from all walks of life, over issues of sustainable socioeconomic development and good governance, in search for a comprehensive, balanced and stable development, the vision hopes to contribute towards averting a relapse into conflict.

At the outset, three background studies were written on: socioeconomic issues, institution building, and good governance, followed by a dialogue that identified a series of complementary topics:

- State-citizen relationships (within the framework of a proposed social contract).

- Social transformation and development (through enhanced investment in human capital).
- Social justice and social care.
- Inclusive sustainable economic development (through building a modern productive economy having effective and strong institutions).

These four planks underpinned a successful Libyan national dialogue aimed at achieving peace and sustainable, balanced socioeconomic development, away from existing political tensions and local, regional and tribal alignments, i.e., a non-representative, non-prescriptive dialogue that supports, rather than supplants, existing official tracks, while being comprehensive, objective, flexible and research based. Moreover, the dialogue drew its strength and moral legitimacy from being purely Libyan, aimed at narrowing areas of disagreement and expanding areas of convergence over key public issues of socioeconomic development, good governance, and reform, to arrive at a common vision for the future of Libya. Further strength and legitimacy were derived from the credibility of the neutral international institutions that offered support. The dialogue, thus, served as a key platform for promoting debate, developing innovative ideas, formulating consensus, and coordinating efforts to stabilise the country and advance towards the sustainable development goals (SDGs).

The Project adopted several mechanisms and methodologies, including face-to-face and virtual dialogues (webinars) involving hundreds of Libyans, questionnaires, social

media, and live broadcasts. Tens of thousands across Libya took part, as well as many Libyans living abroad. Moreover, discussions and questionnaire responses played a fundamental role in finalising the common vision, as well as in identifying ensuing strategic political options.

The vision also benefited from inputs provided by Libyan experts, who spared no effort in enriching dialogues and developing knowledge through novel, innovative participatory and interactive approaches, thus contributing to reaching common understandings that lead to adoption of strategic policy options from which public policies can be derived for the benefit of both public opinion and decision makers.

The vision addressed the fundamental challenges thwarting efforts aimed at laying down the foundations for a civil, rights-based State in Libya. The four fundamental rights underpinning State reconstruction, namely, the right of central government, the right of local government, the right of the household and the right to property, were thoroughly examined, while highlighting complementarity between civil and political rights and socioeconomic and cultural rights, and linking the concept of rights to the integrated areas involved in foundational development during State reconstruction. In terms of historical context, the vision noted the lack of mechanisms for strategic planning and institutional implementation, and with regard to current socioeconomic challenges, it highlighted strategic options aimed at ending fighting over resources, which engenders instability, perpetuates armed conflict and fragmentation of institutions, foils anti-poverty efforts, and leads to dilapidation of infrastructure, instability of public policy and underdevelopment of legislation.

The vision analysed the central superstructure and concomitant dilemmas, such as rent

seeking, opacity of institutions, and dissolution of values (culture of misappropriation and supplication). The strategic goals and objectives of the vision are: a State of justice and equal citizenship; social protection and social justice; an alternative diversified economic model; and institutional reform, transparency, and good governance. Complementarity between these goals and objectives and human rights within the framework of comprehensive human security is highlighted, as is the linkage with the goals of the UN 2030 Agenda for Sustainable Development. Moreover, the vision also developed a new implicit social charter that defines rights and obligations of individuals and charts State powers and responsibilities.

Chapter 4 of this document addresses success factors and explains strategies for confronting future challenges and the cultural, security, socioeconomic risks involved. It, further, suggests ways for providing protection and support through adoption of clear and transparent policies, as well as measures for: promotion of popular and community participation, entrenchment of a rights-based national social contract, and espousal of standards of efficiency and accountability in management of State institutions. The vision benefits from the lessons learned from previous reconciliation attempts, as well as from experiences of several countries that have recovered from civil conflicts and wars. It also explains the roles of the key actors: the international community, legislative and executive authorities, civil society and communities, and individual citizens.

The vision document of a future united, independent Libya can serve as a reference for an integrated series of development documents that chart long-term routes towards balanced sustainable development, as well as policies and mechanisms to ensure growth in both the short and medium terms.

Most importantly, however, this vision reminds Libyans that they can dream of a better future and work for putting the country on the path to success; all provided they reach consensus and collaborate in achieving their vision and goals.

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■ DEFINITION OF TERMS

- **Right:** Linguistically, a right indicates what is indubitably true, and as a term indicates that to which the individual and the community are entitled, based on justice, equity and ethical principles. The State, which is the product of the social contract, is a tool for ensuring respect for the rights and freedoms of individuals. Indeed, legal codes issued in 1953 in Libya embody the idea of rights, which is essential for understanding Libyan law. The main headings of the Civil-Law Code emphasise, inter alia, “the law and rights”, “legitimate use of rights”, “illegitimate use of rights”, “personal obligations or rights”, “material rights”. A “right” is a privilege given by law to a natural or legal person. The concept of “right” is closely linked to political, economic, and social systems, and rights have social implications.
 - **Laws by Decree:** Laws issued formally by the ruling authority at its whim and may violate the Civil Law Code of and other laws and their general principles and provisions. Laws by decree seek, in a totalitarian fashion, to legalise infringement of legal principles.
 - **Equity of the Libyan State:** is the net sum of current and future financial assets and liabilities, which may change, with some being fulfilled and others falling due.
 - **Household:** The household is the nucleus of society and encompasses family members living under one roof. The United Nations has adopted the term “household” to indicate the family as both a natural and a socioeconomic component of society.
 - **Pitfalls:** These are socioeconomic and governmental/institutional hurdles that this vision aspires to overcome, which can only be achieved by devising a basic charter for developing the envisaged strategy for advancing Libya. The vision aspires to a “state of win for all” and advances future strategies for the post-stability phase, while explaining prerequisites for restructuring and reform.
-

Areas of development

- **Sustainable Development:** Spatial and social development throughout the country, as well as laying down solid foundations for the rights of future generations, and comprehensively encompassing continuous socioeconomic and environmental advancement.
- **Foundational Development:** Development of the foundational constituents of the State: identity of Libyan society, unity and security of the Libyan geographical area, and formulation of the social contract.
- **Social development:** Development of human capital and human resources, especially unemployed young people, and provision of social protection to families, the marginalised and people with disabilities.
- **Economic development:** Strengthening domestic capital; encouraging the private sector, as well as national and foreign investment; providing alternative energy sources; and building a diversified economy involving industry, agriculture and tourism.
- **Institutional development:** Combatting corruption; instituting good governance, integrity and transparency, and oversight; and institutional framing of organisational structures and functional staffing across all legislative, judicial, military and security institutions.
- **Cultural development:** Development of the value system, ethical norms, media messages and social formation.

KEY MESSAGES

The future Libya is a State of institutions based on justice and equity, universal rights and fundamental freedoms with a productive, diversified and renewable economy and a peaceful and prosperous society.



EXECUTIVE SUMMARY

- This vision is apolitical, independent, evidence-based, and time boundless. Furthermore, it is not top-down, but based on broad and diverse participation by Libyan citizens in dialogue across socioeconomic and institutional areas and disciplines.
- The vision developed a new implicit social charter that defines rights and obligations of individuals and charts State powers and responsibilities.
- This vision reminds Libyans that they can dream of a better future and work for putting the country on the path to success; all provided they reach consensus and collaborate in achieving their vision and goals.

Chapter 1

1

- The vision is based on four basic rights to rebuild the State: **the right of the State (central government), the right of local government, the right of the household, and the right to property.**
- The total cost to date since the outbreak of conflict in **2011** is estimated at **783.4 billion Libyan dinars** (\$580 billion at the official exchange rate).

Chapter 2

2

- **Peace in Libya** would enhance regional cooperation by enabling significant gains in growth, employment, and investment in neighbouring countries (Egypt, Tunisia, Algeria, and Sudan).
- Over the period 2021–2025, total gains across the region could amount to **\$161.9 billion.**
- To address the distortions plaguing Libyan society and culture, this vision aspires to the dismantlement of the authoritarian centralised superstructure, providing an **alternative framework to ensure just reconstruction of society and State and stability of State institutions.**

Chapter 3

3

- The **foundational development** that we advocate is of the **highest priority for the Libyan State.** By foundational development, we mean **developing the foundations of the State: people, geographical area, and social contract.**
- **The Libyan Socioeconomic Dialogue**, managed by the United Nations Economic and Social Commission for Western Asia (ESCWA), contributes to **building peaceful ways** for achieving the principles and goals of the hoped-for societal system, catalyses the foundational development that would lead **establishment of the future State of Libya.**
- The vision contains the outlines of a new implicit social contract defining the rights and obligations of individuals together with the powers and responsibilities

of the State. The new social contract aspires to achieve sustainable institutional development to reach the **future Libya: a State of institutions based on justice and equity, universal rights and fundamental freedoms with a productive, diversified and renewable economy and a peaceful and prosperous society.**

- The vision is based on four pillars: **a State based on justice, citizenship and identity; protection and social justice; an alternative diversified economic model; and institutional reform, transparency and good governance.** The vision shows the complementarity of human rights in the context of human security broadly construed, and their connection to the 2030 Sustainable Development Goals.

Chapter 4

4

- Political changes, internecine fighting, and armed conflicts over resources after 2011 imposed **new conditions and challenges**, exacerbating the consequences of old challenges and their impact on sustainable development, the socioeconomic environment, and the behaviour of individuals and institutions.
- The Libyan economy faces **numerous structural challenges and economic imbalances** at the macro level and economic distortions at the sectoral level. The real challenge to the economy is lack of diversity.
- Political instability, armed conflict, faltering institutions and widespread corruption due to lack of governance, transparency, and accountability constitute severe challenges, with centralisation impeding reform and development, leading to **numerous economic and social crises and failures.**
- Libya faces **several social challenges in terms of standard of living**, access to social services, and the social fabric and social harmony, including the following: Poverty, Education, Health, Displaced persons, Informal migration, Reconstruction and infrastructure development.

Chapter 5

5

- For making the dream a reality, **strategies and policies need to be developed** to overcome risks and turn challenges into opportunities, in accord with clear core guidelines.
- The Libyan people are looking forward to ending the conflict soon and developing a **road map to restoring democracy** and State institutions, rebuilding and organising the economy to advance economic and social sectors on new foundations.
- The vision for the future of the Libyan economy is based on a set of national priorities to be realized through specific strategic objectives, which are: **Creating a diverse and sustainable national economy, Building an overarching national identity in a state of justice with equal citizenship, Restoring trust and national reconciliation, Strengthening state authority and rule of law, Human capital development and empowerment policies.**

Chapter 6

6

- With its goals, targets, the vision for Libya is **eminently aligned with the SDGs with their targets of achieving sustainable development** of all natural, material and human resources economically, socially and environmentally.



Conceptual framework and background for the vision for Libya



A. Philosophical foundations of vision

It is not possible to trace the origins of human rights back to a definite moment. However, it is certain, nonetheless, that they have long been upheld worldwide and that determined efforts have been made to entrench them. Religions, including Islam, do heed human rights. For example the Quran says: “We have honoured the children of Adam, and have borne them on the land and the sea, given them for sustenance things which are good and pure; and exalted them above many of Our creatures” (Quran Surah al-Isra, 70), and “Indeed, We created humans in the best form” (Quran Surah al-Teen, 4).

Successive civilisations, movements and social revolutions have contributed to current understanding of human rights, including how policy commitments can rise to the level of rights to improve and advance societies. Over centuries, understanding of the true value of human rights deepened, culminating in the aftermath of the Second World War with the United Nations issuing the Universal Declaration of Human Rights on 10 December 1948, which proved to be a global human rights document laying down the main principles of civil, political, socioeconomic and cultural rights and individual freedoms. However, intensifying cold war tensions led to treating “economic, social and cultural rights” as if distinct from “civil and political rights”, even though the Universal Declaration made no such distinction. As a result, two separate covenants: one on civil and political rights and another on socioeconomic and cultural rights were subsequently adopted. However, this strict separation has since been abandoned and the original structure of the Universal Declaration restored, with all rights incorporated in recent decades into human rights treaties, such as the Convention on the Rights of the Child and the Convention on the Rights of Persons with Disabilities.

Libya gained independence on December 24, 1951, applied for accession to the United

Nations on February 3, 1952, and was given its seat among States in 1955, acquiring the concomitant rights and obligations towards the international system, as well as towards its people, based on charters of rights and duties. Thus, at its inception, the Libyan State chose to be a civil, rights-based State and adopted a civil law code enshrining rights and obligations.

The first step towards consolidating rights and obligations was establishment of the Reconstruction Council and laying down fiscal rules: 30 per cent of oil-export revenues allocated to administrative expenses, with the remaining 70 per cent allocated to development expenditures. Indeed, over the first six decades of the life of the independent Libyan State, the average rate of expenditure on central government functions never exceeded 20 per cent of State budget.

The general rules to which the State is committed constitute the basis for dispute resolution among citizens. We, Libyans, need to work for the restitution of these general rules, upon which a rights-based civil State, rather than a State based on arbitrary decrees, would be established.

The keystones of the hoped-for State would be:

- The household, which is the nucleus of society.
- Property, which is the basis for development.
- The central government, which represents the country, promotes foreign relations, organises the economy, and maintains national security.
- Local government, which serves and sustainably develops the local community.

Rights are interlinked and complementary. “Civil and political rights” and “socioeconomic and cultural rights” are not mutually independent, but, rather, constitute an integrated whole. Human dignity requires that individuals enjoy all these rights and liberties without exception.

In this context, the structural relationship between socioeconomic rights and reestablishment of the State is a cornerstone of the vision of restitution. Indeed, linking rights to foundational development aimed at State reconstruction is part and parcel of the emphasis on the centrality of the State resuming responsibility for Libyan society, as an independent civil State officially accepted

by the world as a member of the international community as from December 24, 1955.

The vision is based on four basic rights to rebuild the State:

- The right of the State (central government).
- The right of local government and development.
- The right of the household.
- The right to property.

B. Historical and cultural context of vision

Interest in strategic planning began with independence. Efforts have been made to formulate development plans, such as the five- and 10-year plans of yesteryear. However, a forward-looking vision was always missing, and criticism was levelled at these efforts for neglecting such crucial issues as governance, human security, and gender (i.e., role of women in sustainable development). Moreover, some such efforts addressed economic issues solely to the exclusion of social considerations.

Some of the most prominent strategies put forward after 2006 are the following:

- **Vision 2019** offered plans and strategies for economic competitiveness, based on a study of possible competitive advantages and ways of ensuring participation and competition in the economy. Libya and other countries in the region, it was noted, adopt a distributional economic model, in which institutions serve only to extract and expend rent. Political stability, it was argued, is the only advantage Libya has over neighbouring countries. This vision faced criticism during the first National Public Policy Conference organised by The University of Qaryounis in Benghazi in July 2007, with most papers arguing that the strategic plans therein neglect requisite functional, structural and institutional adjustments while failing to give due importance to political structure and legal framework.
- **Vision 2025** was put together as a result of the National Planning Council

commissioning the Research and Consulting Centre of Qaryounis University to develop a socioeconomic vision. Three scenarios were considered: the first assumes that the current situation would persist albeit with some non-substantive adjustments; the second, the scenario of advancement and sustainable development, assumes prevalence of a set of positive factors, such as political will and adoption of human security as a goal; the third, the scenario of containment, envisages an intermediate path between the other two. The concept of containment was based on certain assumptions, including: policies and actions respond to internal and external pressures; focus would be on implementing economic reforms; some progress would be achieved in political reforms; and dominance of the oil sector would persist. However, lacking political support, this vision was not implemented, nor were its strategic objectives translated into programmes and plans of action.

- **Vision 2040** developed Vision 2025 by combining sector reports. It issued from several considerations, such as human security, culture, globalisation and the current situation. Emphasis was placed on security and political challenges and those of institutionalising a democratic process and development of political mechanisms, as well as on the rise of extremist groups. Several scenarios were considered, the

most important of which are: the culture of advancement scenario, the failed State scenario, and the successful State scenario.

- **Vision 2030** addressed society, institutions and the economy, but has not been published or handed over to the government, possibly because it was not completed or due to instability and political divisions since 2014.
- **Other visions and strategies** resulted from attempts made by individual political parties, research centres, international institutions, and social fora. Some were based on previous visions; others were programmes or proposals aimed at contributing to the resolution of the crisis in Libya.

Culturally, Libya underwent significant changes: widespread violence and anarchy; escalation of

attacks on women; imposition in some instances of alien conservative norms, such as gender segregation; spread of extremism; proliferation of use of weapons by some organisations; worsening of corruption and crime rates; exacerbation of regional, ethnic and ideological discrimination; demise of moral compunction; and frustration of society due to widespread destruction and conflict.

However, the most destructive cultural trait is, perhaps, **rent seeking** and the associated centralism, totalitarianism and dictatorship, in addition to **supplication**, manifested in ineptness, parasitic dependency and disguised unemployment. Moreover, **institutional opacity** has resulted in widespread corruption, and there is, furthermore, a widespread culture of **misappropriation**, marked by lack of respect for property rights and admiration for plunder.

C. Socioeconomic challenges

Here we present some challenges that create an environment destructive of values and institutions and repellent to assets and investment:

- **Fighting over resources.** Continued fighting over resources thwarts establishment of a strong State capable of maintaining and diversifying resources.
- **Political instability and continued armed conflict** militate against building and diversification of the economy, reconstruction and promotion of foreign investment.
- **Inflated Employment in the public sector** needs to be addressed urgently by innovative mechanisms, exploration of possibilities and support for the private sector to absorb State employees surplus to actual need.
- **Failures of the education system** and training centres need to be remedied to ensure that outputs keep pace with international developments; meet needs of the business sector; tackle unemployment, as well as lack of employment opportunities for Libyans that perpetuates reliance on foreign labour.
- **Burden of subsidies.** Ending subsidies to goods and fuel would contribute significantly to providing funds for reinvestment in development, as well as to reduction of crime and smuggling.
- **Fragmentation of institutions** engendered by political conflict has already diminished prestige and sovereignty of the State, as well as its representative status vis-à-vis the outside world. Moreover, loss of oversight and control has administratively impacted the work of institutions, utilities and bodies, leading to carelessness, idleness and waste of public funds. Hence, consolidation of institutions without first appropriately addressing the status quo is likely to lead to entrenchment of fragmentation of institutions.
- **Poverty.** Wars, internal and external displacement, destruction of property and assets, deterioration of value of salaries of government workers, price inflation of goods and services, and decline of health services have all exacerbated widespread poverty.

Economic cost of conflict in Libya

The conflict in Libya has led to economic shrinkage, particularly in terms of GDP, as investment declined and consumption contracted. Comparing IMF projections with actual performance of the Libyan economy reveals an estimated loss in GDP in the 2011–2015 period of 292.2 billion Libyan dinars (\$216 billion at the official exchange rate).^a

Similarly, through comparison with IMF 2009 projections, the cost of war in Libya in the 2016–2020 period is estimated to have reached 491.2 billion Libyan dinars (\$364 billion at the official exchange rate). Thus, the total cost to date since the outbreak of conflict in 2011 is estimated at 783.4 billion Libyan dinars (\$580 billion at the official exchange rate).

If no peace agreement is signed in the coming years, the cost of the conflict will rise sharply. Our estimates indicate that in the 2021–2025 period, it would be 628.2 billion Libyan dinars (\$465 billion at the official exchange rate), bringing the total to 1,411.6 billion Libyan dinars (\$1,046 billion at the official exchange rate).^b

Economic losses have been due mainly to destruction of capital assets, loss of productivity, and decline in oil prices. However, our estimates indicate that most of the losses are linked to the devastation caused by the conflict.

^{a/} At the time of the publication of the ESCWA report on the Economic cost of the Libyan conflict (Executive Summary) E/ESCWA/CL6.GCP/2020/TP.5 in December 2020, the exchange rate was 1.35 Libyan dinars to the dollar (2 December 2020).

^{b/} On June 3, 2021, the official exchange rate, according to the Central Bank of Libya, was 4.46 Libyan dinars to \$1.

- **Criminal networks and institutionalisation of crime.** Lack of security and control by armed factions of the security and military sector and their involvement in the government business sector pose a major challenge to economic growth and reconstruction and fend off foreign investors.
- **Corruption and nepotism.** Proliferation of corruption and nepotism and the increasing tendency towards regionalism and tribalism have intensified public discontent, as well as causing rifts among regions, with some benefiting to the exclusion of others. These issues pose real challenges to efforts aimed at developing or restructuring the economy.
- **Reconstruction and development of infrastructure.** Rebuilding and maintaining the badly damages infrastructure all over the country, particularly roads, ports, and airports, would require substantial funds to import materials, procure resources and recruit specialist expertise.
- **Compensating foreign and domestic companies and citizens for war damage.** Continued failure address this challenge is hampering reconstruction and completion of projects. Companies operating in the country have suffered damage to property and some have won legal compensation cases, while others continue to claim their dues. Moreover, numerous compensation claims for damage to private property are still outstanding.
- **Private business environment and competition with public and foreign companies.** The private sector faces a range of challenges that hinder its development. Insecurity, widespread corruption, bureaucracy, and weakness of

sources of funding have negatively affected stability and development of the private sector, more so in view of control by the informal sector of certain areas of work.

- **Policy unpredictability.** Frequent changes of State policies drive off investors and the formal private sector, hampering initiation and completion of projects.
- **Financial challenges.** Financial problems continue to impair development capacity of the State, weaken the banking sector, limit financing for the private sector, and discourage bank finance of investment projects.
- **Weakness of industry and agriculture and dependence on imports.** Due to scarcity of agricultural land and water resources, most agricultural products are imported. Moreover,

lack of experience of Libyan workers in industry constitutes a challenge.

- **Legislation.** Most business-related legislation is inappropriate to current needs, nor is it in line with international standards, and, hence, needs to be developed, updated or repealed.
- **Capital flight.** Continued outflow and smuggling of capital enfeebles the private sector, hampers economic recovery, hinders peace building, and undermines stability and development.
- **Illegal immigration.** The large and increasing numbers of illegal immigrants is a real socioeconomic challenge at all levels. It also raises issues of human rights and involvement in the informal economy and organised crime.

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General rights-based framework and envisaged strategic objectives and goals



A. Four rights informing vision

This vision issues from the fundamental idea that it should be possible to harmonise and balance society with State by changing their destructive interactions into constructive ones and launching equitable sharing in public money to enable consensus. Such an outcome should be possible provided there is a socioeconomic mechanism for changing nature and channels of financial flows, replacing current reliance on central rent-derived benefits with guaranteed rights, and proper functioning of institutions.

Hence, it is envisaged that there would be a phase of radical change of all laws, decrees and structures based on the current “rent model”, especially those through which current fiscal, monetary, and commercial policies are managed. The aim would be to institute new mechanisms for governance and management of public money to ensure gradual restructuring of functions.

The current situation in Libya is reminiscent of pre-State human communities when each group fought to achieve its particularistic interests, which remain, by their very nature, in conflict with the particularistic interests of other groups, unless and until group interests are regulated. The relationship between power and money

has an indisputably crucial role to play in stimulating motives and incentives, as well as in determining relations between society and State and the resulting institutions, especially since the socioeconomic framework is a major entry point for good governance.

To transform this vision into a solid socioeconomic charter in which all Libyans, individuals and groups, government and people, have “inalienable rights in conjunction with specific responsibilities and roles”, a series of two-year dialogues was launched. These identified and discussed the overlapping and complementary issues involved in candidate policies for enabling Libyans to realise their dreams of peace, stability and development on the basis of justice and equity. Thus, the basis of this vision was laid through broad and diverse grassroots participation.

The most important distinguishing feature of the vision, one which will ensure its success and that of all ensuing strategies, is that it provides the bedrocks for solving the socioeconomic crisis of Libya, as it determines the fair rates of distribution of State income, so as to allow promotion of responsibilities, duties and rights from a comprehensive perspective covering central and

Peace in Libya: benefits for neighboring countries and the world^a

Peace in Libya would enhance regional cooperation by enabling significant gains in growth, employment, and investment in neighbouring countries (Egypt, Tunisia, Algeria, and Sudan).

Over the period 2021–2025, total gains across the region could amount to \$161.9 billion: \$99.7 billion for Egypt, \$22.7 billion for Sudan, \$9.7 billion for Tunisia and \$29.8 billion for Algeria. Peace in Libya will bring opportunities for other countries as well in the form of economic gains for its main trading partners, which are expected to reach \$13 billion in Italy, \$7.5 billion in Germany, \$6 billion in France and \$5.5 billion in Turkey.

Moreover, reconstruction could create a large number of jobs. Over the same period, Sudan could see a significant drop in unemployment, estimated at 13.93 per cent, compared with 8.84 per cent for Egypt, 6.07 per cent for Tunisia and 2.18 per cent for Algeria. Similarly, estimated increases in investment over the period could be 5.98 per cent for Egypt, 5.49 per cent for Tunisia, and 2.01 per cent for Algeria.

^{a/} E/ESCWA/CL6.GCP/2020/2.

local government institutions, as well as society as a whole, households and individuals.

The vision is indeed based on a new understanding of what the **Libyan Charter** would be, particularly with regard to the results and responsibilities borne by the State and society as a whole, so that revival of the State would be based on consensus over on what constitutes socioeconomic rights.

Elaboration of the vision of socioeconomic rights is a process for Libyans themselves to undertake for themselves, aimed at deciding how such rights align with their particular reality, in light of the profound post-globalisation transformation of humanity. And there are precedents in this regard in Libyan heritage and history.

The framework of the rights-based socioeconomic vision consists of four planks that constitute an integrated whole: the right of the State (central government), the right of local government, the right of the household, and the right to property.

Each of these four rights consists of four elements:

(a) **Locus:** which is part of the equity of the Libyan State.

(b) **Power:** assignment of the right to its holder, be it the State, the community, the household or the individual.

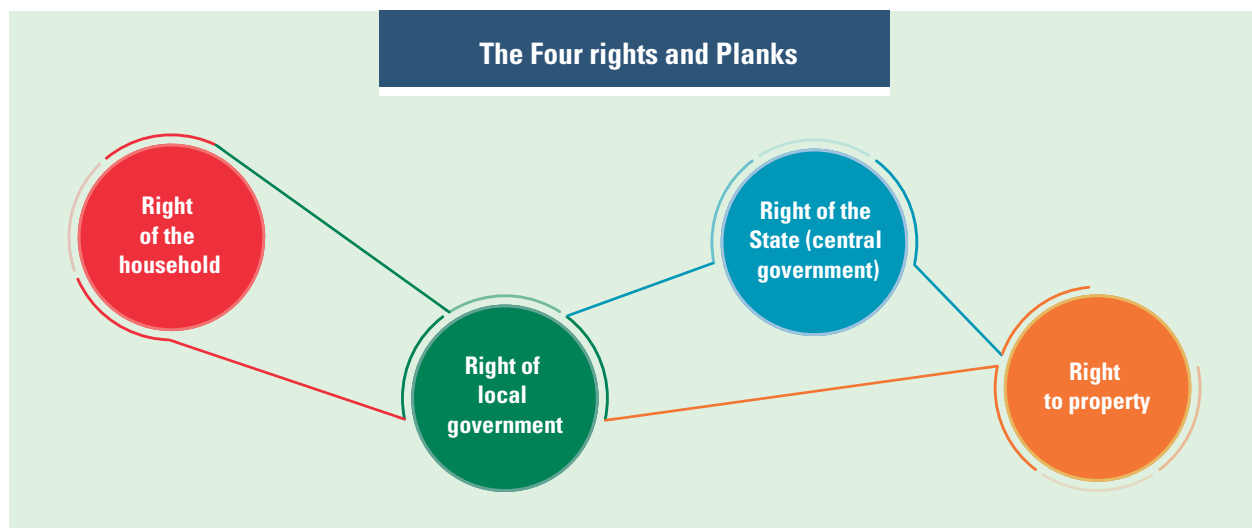
(c) **Legal nexus:** relationship between the right holder and others to ensure mutual respect of rights through legal obligations and entitlements.

(d) **Legal protection:** guarantees rights and reconciles interests of the right holder with the interests of others.

According to the vision, the rights of central government, local government, household, and property owners are guaranteed. The locus of all these rights would be the equity of the Libyan State, i.e., State income, resources, and riches.

Clearly, the social charter is the source of legal relations among individuals, households, the community and the central government, and these relations entail legal statuses, rights and mutual obligations.

The legal cornerstones would, it is hoped, guarantee socioeconomic and institutional development of the envisaged State of citizenship, paving the way for horizontal and hierarchical national reconciliation within the framework of a transitional justice system, thereby establishing the foundations of a new charter between State and society. These same cornerstones would also, hopefully, lead to a charter that identifies a general vision subsequently informing legislative and constitutional provisions, whether through modifying the current constitutional



and legislative legacy or through abolishing it altogether in favour of a new constitutional and legal structure.

The legal cornerstones are also intended to ensure that the rentier culture rooted in Libyan life is changed through gradual transition of society from a State of supplication for donations and grants to a State of empowerment through rights, as well as through controlling horizontal and hierarchical relations in State and society. The principle of separation of powers must then be established and a clear statement of the duties and powers of the parties must be arrived at through a rights-based socioeconomic system that ensures abolition of the rentier culture and enhances productivity, thus helping rebuild institutions. Through all this, State institutions would acquire true legitimacy based on principles of citizen rights and justice, thereby ensuring institutional stability and sustainability.

To address the distortions plaguing Libyan society and culture, this vision aspires to the dismantlement of the authoritarian centralised superstructure, providing **an alternative framework to ensure just reconstruction of society and State and stability of State institutions**. Moreover, this vision seeks to overcome four interacting pitfalls, while also seeking to motivate the families, local communities, citizens, and the State to create

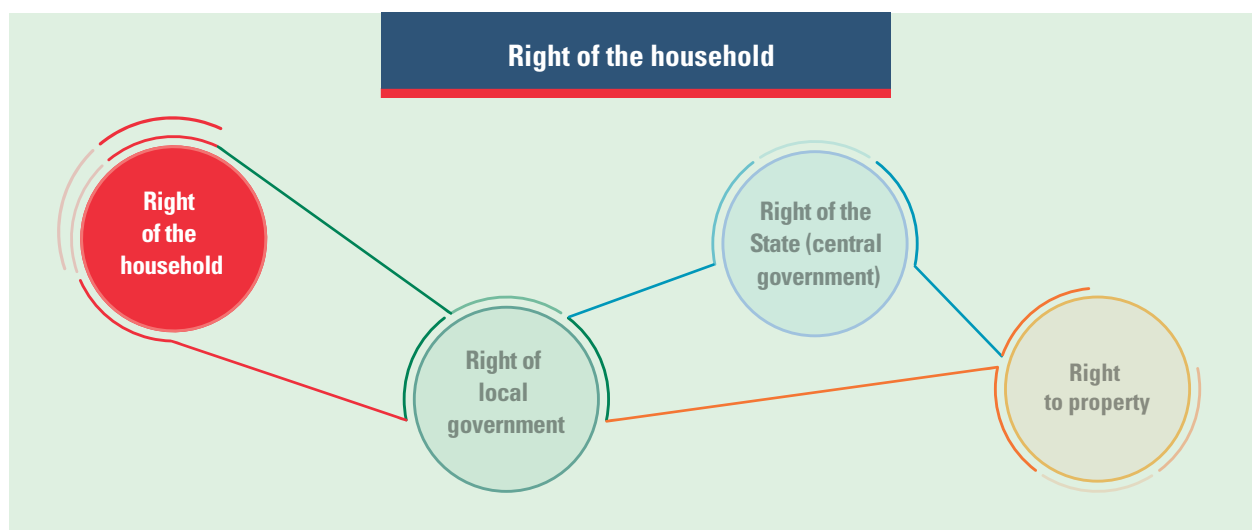
a new partnership and a common interest in reconstruction.

The first pitfall is that of **rent seeking** and the associated centralism, totalitarianism and dictatorship. **The second** is **institutional opacity** and widespread corruption. **The third** is the pitfall of degradation of values, manifested in a culture of **misappropriation** marked by lack of respect for property rights and admiration for plunder. **The fourth** is that of **supplication**, ineptness, parasitic dependency, and disguised unemployment.

For the partnership to succeed, framing a new charter (contractual, voluntary, consensual) based on socioeconomic rights is imperative. Simple and clear planks defining socioeconomic rights of key stakeholders and an alternative development framework may be arrived at by addressing two fundamental issues:

- Determining State equity, made up of above-ground assets (ports, airports and various productive facilities) and external assets (annual oil revenues, fees and taxes).
- Change the current system of central financial flows to ensure and protect rights and serve interests of stakeholders to enable a true partnership.

The first plank is the right of the nucleus of society, the household, to basic social



protection, i.e., its inalienable right of sharing in the riches of the State. Indeed, the right to subsistence entails that every entitled household would receive a fixed, direct monthly income from State coffers. Thus, decent living conditions and provision of basic needs of goods and services would be ensured and stability of society during socioeconomic transformation, restructuring and reform would be safeguarded.

Moreover, this right would address the huge expansion of chapters 1 and 4 of the State budget due to inflation of the civil service (itself a form of disguised unemployment), which exacerbated the burden of “salaries and similar” in the State budget. Moreover, a basic household income would lighten the burden of unfair and economically destructive “subsidies and price balancing expenditure”, while tackling the concomitant deterioration of services and various distortions, particularly serious threats such as terrorism, smuggling, liquidation of reserves, uncontrolled growth of the parallel currency market and other forms of waste of public money.

The entitlements would thereby be transformed into an inalienable right of the household that would be exercised without fear or favour, irrespective of political-economic tensions and conflicts undermining State institutions. The hoped-for transformation would be implemented gradually until all subsidies and other forms of support are substituted with a fixed monthly stipend paid directly by central government, ensuring fulfilment of basic food and living needs.

Moreover, the right of the household to security and socioeconomic stability has an essential role in ensuring dignity for all, reducing and mitigating poverty, averting social exclusion, and promoting integration of all groups without discrimination.

Further, the right of the household needs to be extended beyond social security to cover all needy households unconditionally, thereby ensuring that everyone has a stake in the

State, with reliable mechanisms ensuring inclusivity, gender equality, and integration of the marginalised and the vulnerable.

Additionally, this right would advance socioeconomic equity, as well as help overcome all pitfalls, particularly that of the culture of supplication, dependency and disguised unemployment, driving instead towards endowing society with vital and capable human capital.

Freedom from need would also expand the range of options open to households, leading to a shift from **the psychology of scarcity to the psychology of abundance**, which by stimulating initiative, belief in life and solidarity would enhance social cohesion.

Through a variety of mechanisms, socioeconomic stability would give people a sense of power and ability throughout their lives:

- Income security would motivate people to make work choices that are more appropriate to their aspirations, rather than being driven by financial need.
- Welfare would be improved by endowing people with greater independence.
- Concerns regarding distributional justice would be allayed by ensuring the right to a minimum income and equal access to social welfare, health, and education. Indeed, giving each household a specific share of the equity of the State for it to control freely would raise the income level of both individuals and communities, help eradicate poverty, and enhance human capital, thereby helping change the culture of supplication.

A universal basic income has a greater and better impact on public life than other social protection mechanisms, such as intermittent benefits programmes. Traditional social protection programmes may reduce incentives for seeking work or better paid work and may render labour markets inflexible. Indeed,

securing a fixed basic income for the poor as a right protected by law, in contrast with a minimum wage, would not affect demand for employment. Moreover, since workers would not be entirely dependent on their wages, it may help ensure a greater degree of labour market flexibility. Hence, a universal basic income can help re-engineer the social protection system imbuing it with higher efficiency.

Furthermore, access by women to a fixed income would promote gender equality, freeing and empowering women economically and socially through their ability to support themselves and those who depend on them without having to beg or rely on men. Similarly, young people would be able to support their young families, securing a decent life for themselves and their children.

Finally, the right of the household to a decent life complements the other three rights. In addition, rights of future generations would also be protected with strong, capable young families enjoying socioeconomic wellbeing, leading to a vibrant society and sustainable development. The estimated 30 per cent of State expenditure allocated to supporting deserving households would also energise demand and tallies with fiscal rule that sets a ceiling of 30 per cent of income for central and local administrative expenditure and 40 per cent of income for development.

The second plank is the right of local communities to conduct their administrative, financial, and economic affairs (local government); an inalienable right to be exercised through elected local councils and local referenda as a mechanism for involving citizens in decision making and management of local affairs, while enjoying the.

This right is an entry point for the reform of the “blackhole” of disastrous economic contraction and accompanying large-scale corruption. On the operational and development side of the economy, clear

theft of both the State and the people stands out, driving away foreign investment, threatening the inner fabric of society, undermining social security, and subverting confidence of citizens in the State and its organs.

In addition, this right ensures that communities would control their fair shares of State income to finance local government budgets and develop local economies. Such budgets guarantee the right to the “administrative and operational expenditure item”, which covers repairs and maintenance and all procurement of materials and services necessary for assured operation, but not, as per the State budget, capital expenditures. Moreover, administrative and fiscal independence and economic vitality for communities would be assured by giving local government institutions broad powers and budgets devolved from central government. Fiscal independence would involve the right to levy local taxes and charges, benefit from own revenues, and manage own local budgets in the interest of the community. It also affords local governments the right to form unions and joint institutions among themselves and cooperate with local governments in other countries. However, when establishing, abolishing, or integrating local government units or modifying their boundaries, due consideration must be given to political, economic, social, historical and cultural particularities, as well as to the opinion of local populations.

Thus, the right of local government gives citizens and communities the powers and competences needed for playing a key role in development and reconstruction by instituting local policies and plans in coordination with the central government, since local communities are better placed to know their problems and appropriate solutions. However, the most important task of local government in exchange for this right is perhaps the task of bringing about community reconciliation, protecting local households, dismantling armed groups, and building

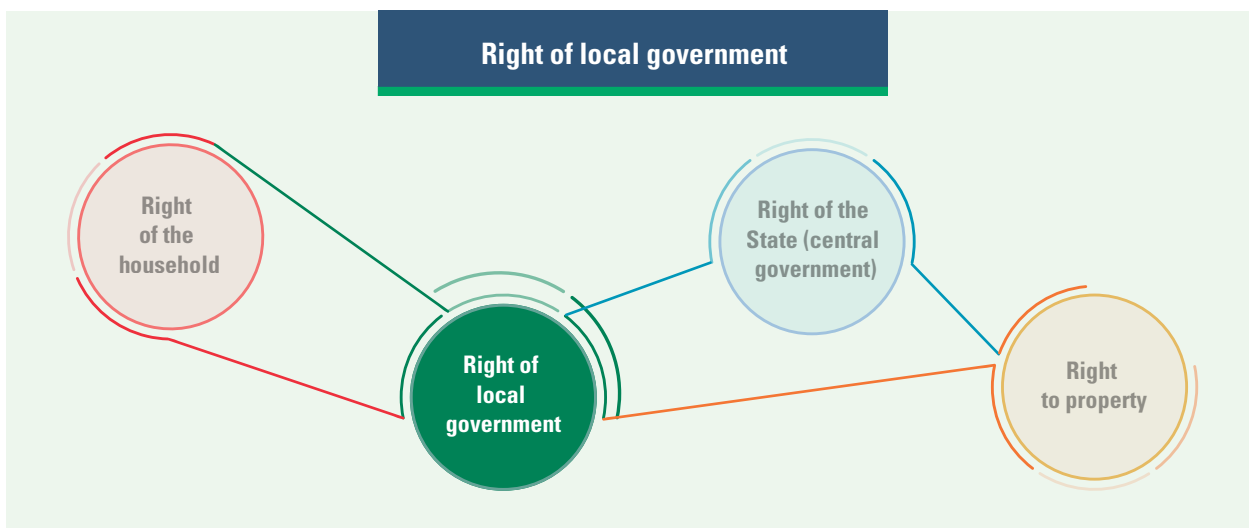
regular security institutions, in coordination with central government.

Local government independence would be enhanced within multiple mechanisms and levels of oversight, accounting, auditing and performance control, with emphasis on the oversight role of local councils over executive leaders and the right of communities to withdraw confidence from them. Moreover, executive leaders would be subject to local decisions, and judicial and legislative oversight and review by regulatory bodies as per relevant laws. In addition, legal mechanisms would be needed for resolving differences between the central government and local governments, as well as for reconciliation among the latter. Local governments would also have the right to resort to the constitutional court and the judiciary to protect their rights.

This rights-based framework underlying the vision protects local governments by establishing a firm right for them in State income, rather than forcing them to resort to supplication and submission to central authority, as at present. Indeed, State income is verily owned by all Libyans, with defined shares going local government, basic income for households and social protection.

The right of local government also involves independent control of local budgets and management of local services, including education, health, and social affairs, as well as shaping an environment conducive to domestic and foreign investment through partnership and contracts with local companies, thereby ensuring the growth of local civil society.

Furthermore, this important plank is contingent upon existence of capable, effective local governments, which, along with the other three basic socioeconomic rights, would facilitate overcoming all the pitfalls in which Libyan society has fallen. Rent-seeking centralism is the first culprit in hampering development of communities throughout Libya. In fact, local communities now suffer widespread corruption, institutional opacity and property misappropriation, causing people to shift from production to misappropriation, supplication and dependency and deepening marginalisation and mismanagement under unaccountable authorities; all of which has drained society of socioeconomic vitality and caused breakdown of the rule of law, which, in turn, contributed to proliferation of armed groups, endangered security and peace, and rendered the economy mostly informal.



Local governments are widely varied in scope of services offered, for they range from those that cover large urban areas to those that comprise smaller rural and desert areas. Nonetheless, their traditional role of providing services to and meeting the needs of citizens make them indispensable in achieving socioeconomic justice, distributional justice, and sustainable national development.

Socioeconomic development is not an end in itself, but an important means by which people promote their wellbeing and ability to live a life of their choice, i.e., socioeconomic development is not just economic growth; it must also be inclusive, and provide support and opportunities for the marginalised, particularly women, youth, minorities and persons with disabilities. It also needs to be environmentally sustainable, ensuring rights of and opportunities for future generations, in addition to being guided by cultural policies enhancing the ability of people to determine the meaning and purpose of their participation in socioeconomic life.

Local socioeconomic development would be based on partnerships by local authorities, the private sector, public-sector agents and civil society. Collaboration can take various forms, such as establishment of social protection institutions that respond to the needs of marginalised groups, and micro, small and medium-sized enterprises. Furthermore, since local economic development initiatives would be fully governed by local authorities, though integrated at the national level, this would be where people meet face-to-face to create partnerships, alliances, and synergies, unleashing innovative local development (spatial) strategies and policies.

To break free from rent-based centralisation, the hoped-for State should be built from local communities, with local governments enjoying clear responsibilities to enable them to drive socioeconomic transformation towards capable human capital, and promote

social justice through diverse, productive, and prosperous sustainable economic development processes; all under a State of rule of law and institutions. It is, moreover, imperative for local governments to be within an institutional framework based on rights, particularly the right of the community to have its local government born of its own free will to provide services and meet needs.

The share of local communities in the central budget under the two items of administrative expenditure (10 per cent) and development (40 per cent) would be specifically determined, with the mandates and responsibilities of the local authorities clearly and precisely defined. Thus, local governments would have equities that are subject to accountability within clear audit and evaluation frameworks.

Local authorities and communities should be able to build and develop capable human capacities that would benefit from education and training and engage in productive work, thus breaking free from the pitfall of supplication, while advancing efficiency, effectiveness, and competition over traditional inherited considerations, such as nepotism and cronyism.

Local governments and civil society should lead and coordinate planning and implementation of local socioeconomic development initiatives, either directly or through delegation to community agencies, in addition to building a social capital and involving it in generating innovative solutions to meet local needs. On a larger scale, in an attempt to accelerate economic recovery, the formal economy needs to be developed by integrating the informal sector. The key needs that arise in this context include creating better quality jobs, eradicating poverty, attaining environmental sustainability and integrating marginalised groups, particularly women, youth, persons with disabilities and the homeless.

The wide variety of local economic development initiatives should respond

to local needs and conditions; work on infrastructure development; promote research, innovation, and skills training; attract new investments; develop technical and financial services for new and existing institutions; rationalise procurement policies and support marketing; and establish a culture of respect for property and institutions.

As the public institutions closest to people and the most capable of understanding local needs, local governments are best placed for bringing together stakeholders in the community and local economy (individuals and institutions). Moreover, they will also be capable of initiating the incentives and drivers that help involve stakeholders in shaping the local economy, and in local decision-making, good governance, and accountability, such as: chambers of commerce and representatives of businesses; education and training institutions at the central government level; NGOs, particularly civil society institutions; and representatives of vulnerable and marginalised groups.

By bringing decision closer to the community, adoption of this framework would bring about remarkable democratic transformation. Indeed, decentralisation ought to be complete and comprehensive, and financial and human resources need to be made available with local governments having their fair share of State equity. Moreover, to ensure that the right of local government is integrated with the right of central government to run the country at the macro level, responsibilities within the rights-based socioeconomic framework ought to be fully delegated.

Local economic development aimed at developing inclusive, flexible societies is a long-term time-consuming process that involves building local capacity and drawing in marginalised groups. Hence, for decentralisation to succeed in creating a conducive environment, a variety of enabling policies need to be made. Furthermore, the

decentralised framework would require constant follow-up and determined efforts to build a coalition of partners, including local civil society. Such a coalition would be involved in local governance, follow-up, and control; establishing government and management structures; encouraging entrepreneurship and attracting investment; fostering innovation; eradicating poverty; and promoting local culture.

The third plank is the right of the State (central government) to sovereignty, peace and stability, as well as to independence and absolute jurisdiction and authority within its territory, with the State entrusted with extending order and securing social peace for all citizens and subjects, through subjecting everyone to the rule of law.

For sovereignty to be complete, the central government would exercise key foreign-relations functions that include entering accords with other nations, and establishing genuine partnerships based on mutuality and cooperation to achieve common goals. However, playing such a role successfully would necessarily require establishing appropriate, capable institutions.

Another key function of central government is to maintain security within its borders; preserve lives and properties; secure internal peace; and prevent crimes, resolve crime cases and punish perpetrators. Additionally, it would be entrusted with defending State territory and citizens against external attacks, as well as maintaining safe borders against infiltration aimed at destabilising internal security.

Furthermore, the central government would be responsible for enforcing law and order and dispensing justice; and enacting laws governing State-citizen and citizen-citizen relations and establishing the organs responsible for implementing these laws. Such tasks would be the exclusive purview of an impartial, independent judiciary.

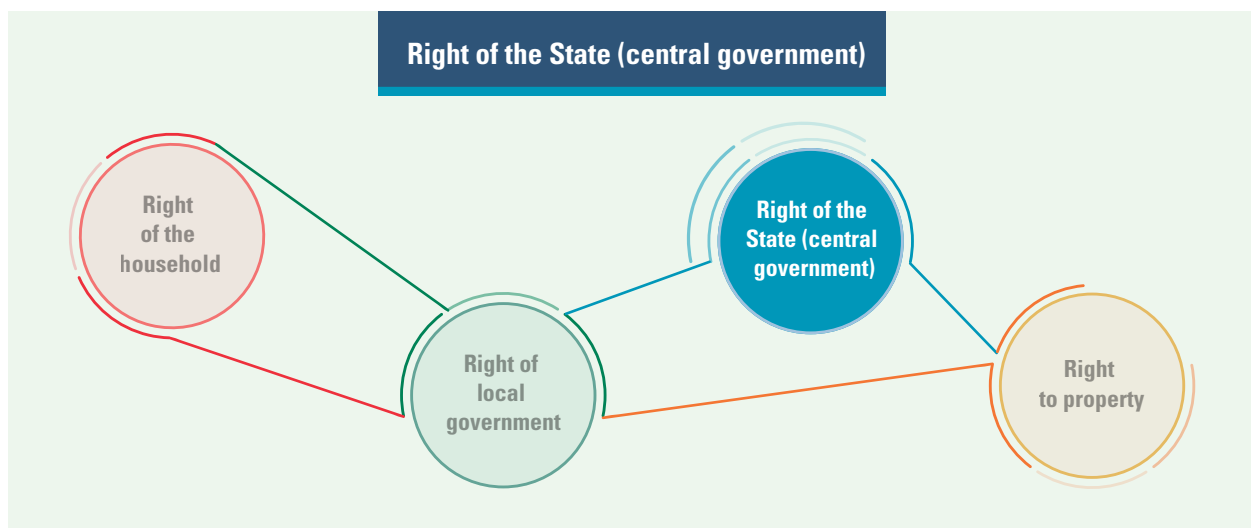
As far as economic and social development is concerned, an essential function of central government is that of controlling the social market economy, with the aim of achieving social equality of citizens and safeguarding the rights of future generations. Several responsibilities ensue, the most important of which are: development of monetary, financial and commercial policies; organisation of State institutions; development of social functions through healthcare, culture, education, and social insurance systems; regulation of socioeconomic activities and financial transactions; and management of natural resources, including extraction and export. It is thus imperative that central government take into account interests of both consumers and producers; set a minimum wage through ensuring fair competition, antitrust laws and strategic planning; stimulate development of priority socioeconomic sectors; develop industries; and stabilise the national economy while improving its competitiveness within the global economy.

Accordingly, the central government has a fundamental right to a fixed and specific share of gross national income to finance its functions and activities and enable central-

government institutions to discharge their responsibilities fully.

As noted above, functions and powers of central government include development, coordination and implementation of the national security policy; ownership of natural resources and monopoly over their export and revenues; protection of vital facilities; distribution of State revenues in accordance with financial rules that ensure fulfilment of agreed obligations in accordance with an agreed financial system and budget structure, at both central and local levels; development of socioeconomic policies for macroeconomic stability; and management of foreign policy and international relations.

Government powers include border protection and conflict prevention, policy independence, law enforcement, accountability, and control of the economy. Clearly, at present, the central government has no authority over territory, nor does it have conflict-prevention capacity. It is also incapable of independent political decision making, and has lost ability to enforce the law and stem the continuing quantitative and qualitative deterioration of services. All of this is, unfortunately, compounded by the absence of accountability.



Here, as in the cases of all three other planks, Libya has fallen in several pitfalls and is facing fundamental (structural) challenges to the rise of a just State. The current centralised rent seeking system, injustice of current distribution of income, perpetuation of totalitarian and authoritarian practices, and inflation of powers of the centre are all factors that have led to exacerbation of problems, and destruction of institutions and the increasing opacity of their functioning. Not only are these institutions ineffective, they also subtract socioeconomic value, waste opportunities, and create a societal reality in which destructive values, such as the culture of misappropriation and booty, lack of productivity, and absence of respect for property, are rampant.

Clearly, the optimal way to break out of the current existential impasse and restore the Libyan State is to escape these pitfalls altogether. Indeed, the central government needs to be judged by its ability to assume the basic responsibilities of protecting sovereignty, representing Libyan society internationally, protecting rights, establishing the rule of law, enforcing security, and supporting the administrative and developmental work of local governments.

In order for the central government to be effective, its responsibilities need to be clearly defined and distinguished from those of local governments. Additionally, to enable it to carry out its functions, particularly defence, national security, supervision and regulation of public finances and management of the national economy, its share in State income needs to be specified. Moreover, central government needs to be freed from responsibility for services and commodities by full delegation to local governments.

The most important measure for ensuring that central government does not monopolise all power is to have set an unbreakable ceiling on its share of State income calculated

accurately, based on local and international evidence.

Central government should also control investment in resources, but it should not be allowed to distribute income from State coffers at will. Rather, its share of State equity would be sufficient only for carrying out its functions, while being responsible for dispensing the rightful shares of local communities and households in accordance with clearly defined fiscal rules and regulations. It would then be possible to undertake local socioeconomic development, as well as national sustainable development, based on dynamic, diverse communities enjoying greater freedoms and capable of participation, appraisal, regulation, and control. In turn, this would rebuild trust between central and local governments, as well as among institutions, and facilitate agreeing consensually on a new socioeconomic charter based on justice, equality and the four sets of rights, thereby clearly determining relations between society and State. The ensuing clarity in fiscal regulations and responsibilities would reflect positively on the social fabric, thus reinforcing a confident, tolerant and constructive national identity.

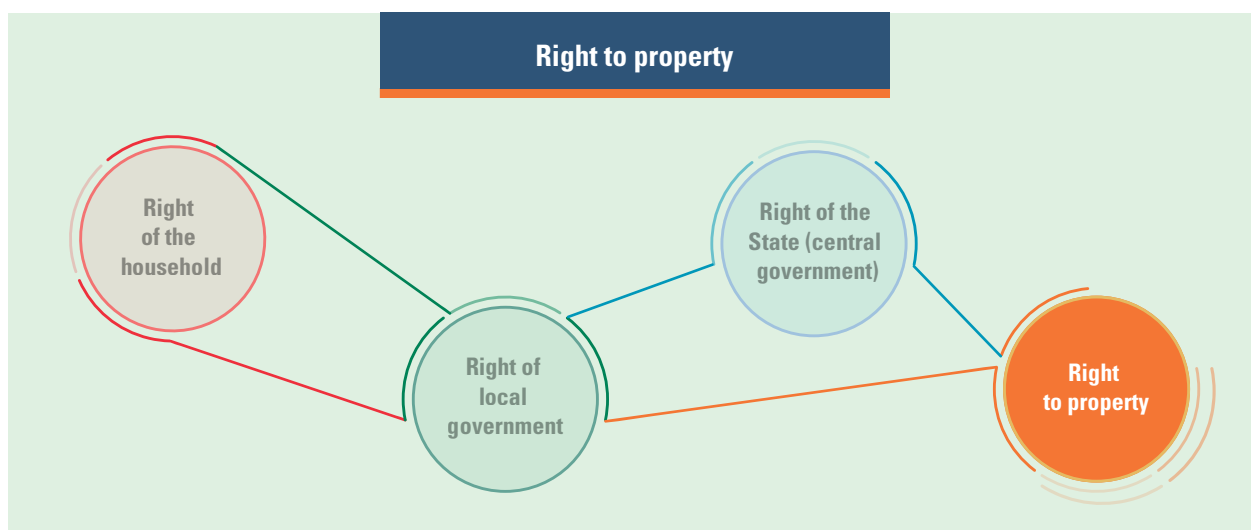
The fourth plank is the right to property, which is essential for the development of a just socioeconomic system. Indeed, the right of citizens to a collective share in State-owned assets is imperative for controlling fiscal affairs, enabling citizens to defend their collective property and maximise its market value, profitability, and productivity. Since citizens would have equal shares in institutions, they would be entitled to holding their management accountable for achieving continuity and sustainability of services to the community. Moreover, this right militates against the culture of booty; promotes the principle of private property; reconciles individual private interests with collective interest; contributes to development and profitability of such economic institutions and sectors as

ports, airports, agriculture, industry, and trade; and promotes such social services as health, education and security. Furthermore, this right establishes a solid basis for resolving local disputes over property; establishes optimal use of land and industrial zones adjoining cities, with income arising from various investment and production activities contributing to development. Such activities would be carried out directly by local governments, or indirectly by the private sector and foreign investment, in partnerships or through other forms of investment contracts. Thus, individual and collective property rights would be promoted; legitimate freedoms safeguarded; optimal distribution of income among members of society achieved; and horizontal and vertical balance between current and future generations ensured. Hence, everyone would enjoy equal rights to resources, with socioeconomic justice achieved and social disparities reduced.

This right is at the heart of restructuring of the rent seeking, monopolistic central government framework, currently based on returns from State-owned assets and corporations, for it would be replaced by all citizens having equal shares in these returns, through new financial and

supervisory instruments accountably controlled by central government. However, gradual structural reforms at the macro level are called for to allow re-evaluation based on market considerations, as well as implementation of plans to improve performance of institutions in step with rebuilding the economy.

Fulfilling this right would lay a solid foundation for the rule of law, thereby contributing to addressing destructive cultures such as rent seeking, corruption and supplication. Perhaps one of the most destructive pitfalls in terms of socioeconomic and security impact is that of the culture of booty, misappropriation, lack of respect for ownership, and seizure of property without moral scruples or legal deterrent, whether by individuals, institutions, or the State. Unfortunately, this culture has become deep rooted, causing waste of resources, time and energies, and preventing performance of responsibilities and delivery of services. It has thus become a huge barrier to national socioeconomic development at all levels, creating a complex reality based on various forms of seizure, with the right to property vanishing over time under a heap of laws, legislations, and decrees.



The culture of booty has perpetuated misappropriation as a tool of socioeconomic injustice and exclusion, turning ordinary people into supplicants, dependents or dictators who seize whatever they can of property, such as powerlines, water and sanitation plants, hospitals, and private and public lands.

In view of the widespread lack of respect for property and the desire for **“restoring the system of values better”**, there is urgent need for breaking free from this pitfall to achieve justice in ownership of State assets

by both present and future generations. Indeed, when distribution of ownership of State assets is restored, every citizen would become a stakeholder having an interest in the protection, preservation and development of these assets, and the resulting sense of responsibility would engender respect for property breaking away from the cultures of booty and looting. Libyans would then live in a developed society that respects both individual and community ownership and values good governance, transparency, and accountability.

B. Envisaged strategic socioeconomic goals and objectives

This vision envisages a productive, diversified economy, in which the private sector plays a leading role and the State undertakes economic management aimed at optimal use of resources. The economy would then acquire competitive advantages that increase growth rates, ensure equitable distribution, and raise standards of living. The desired goals are summarised below.

Goal 1: A State of justice, citizenship, and Libyan identity

Objectives

1. A vibrant, capable, and confident household that contributes to the State of citizenship and enjoys its advantages in a way that promotes Libya's overarching national identity.
2. Citizens integrated into their communities and a central government that represents their views.
3. Civil society and communities that participate in public affairs and hold their governments accountable within a framework of trust in the State.
4. Sacred property and a good government that promotes national belonging and community partnership.
5. Citizens enjoying their rights and fulfilling their obligations in accordance with a secure, coherent socioeconomic, rights-

based contract in a modern country based on universal justice.

Goal 2: Social protection and social justice

Objectives

1. A State based on distributional justice creating human capital that promotes development and wellbeing.
2. Citizens capable of holding authorities accountable and governments capable of achieving prosperity.
3. Citizens living within a system of social justice that maximises prosperity and consecrates the principle of respect for property.
4. Communities and individuals empowered through local institutions that contribute to social justice effectively.

Goal 3: Alternative economic model

Objectives

1. Self-satisfied, productive households within communities enjoying sustainable economies within the framework of integrated national institutions, in partnership with an effective private sector based on respect for and sanctity of ownership.
2. Empowered, responsible communities and individuals, and accountable officials and local and central governments.

3. Capable, productive citizens, active local governments, and an effective central government; all imbued with economic vitality that supports diversity and renewal within an integrative, local, national, and international framework.
4. A household living in dignity, and able, productive communities and individuals within prosperous local economies, and a central government that achieves inclusive development.

Goal 4: Institutional reform and good governance

Objectives

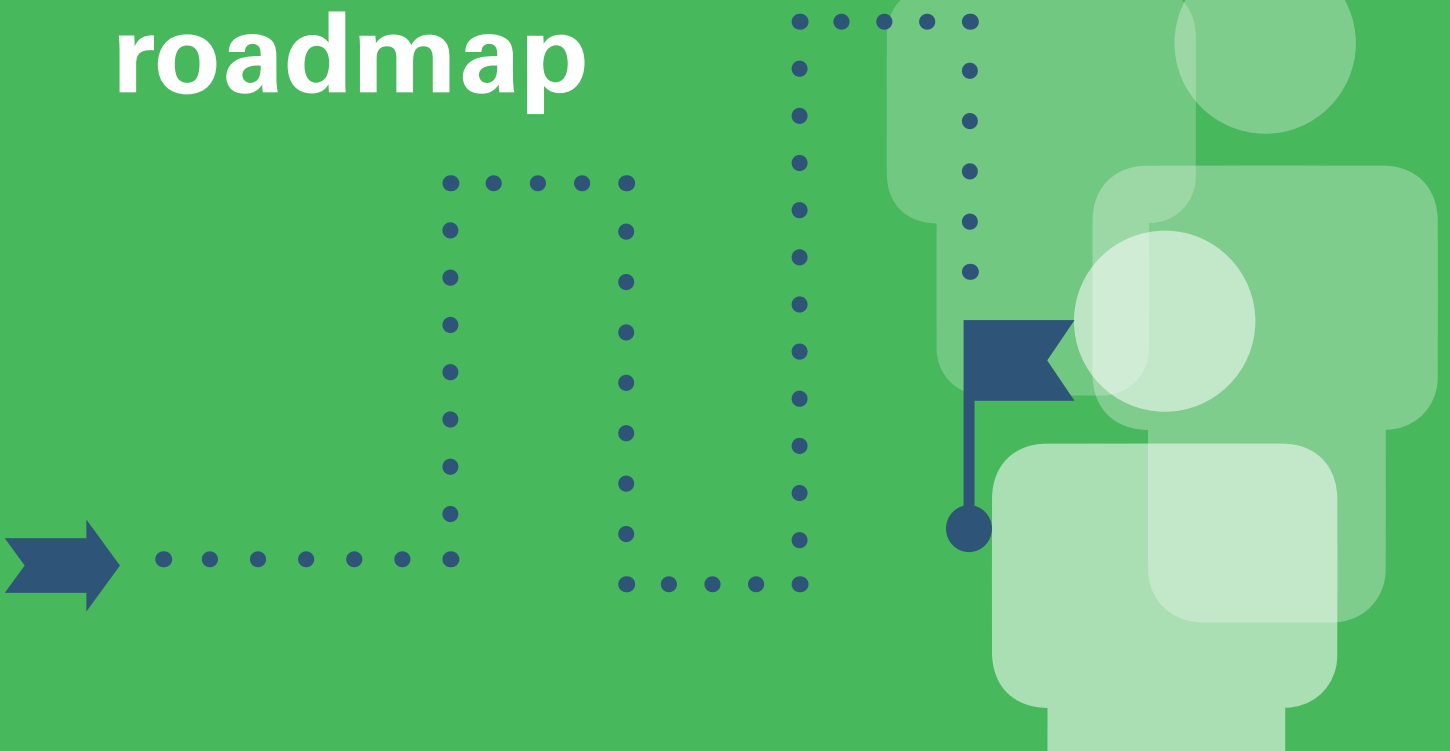
1. Balanced, effective local and central institutions and a society living in peace

and stability and enjoying sustainable development.

2. A society that holds accountable transparent, local and national institutions, achieving peace, stability and development.
3. Households living in dignity, whose properties are protected under a State of rule of law, institutions, and equity, in which wealth, particularly human wealth, is maximised and communities actively participate in maintaining peace, stability and sustainable development.
4. Vibrant productive communities and institutions that achieve justice and equality within a framework of regional and international integration and cooperation.

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Pillars of socioeconomic vision and foundational roadmap



The hoped-for foundational development of the State of Libya

In 2015, UN member States adopted the Sustainable Development Goals, which constitute a global call to action to end poverty, protect the world, and ensure that all people enjoy peace and prosperity by 2030. The 17 goals are mutually interdependent, i.e., working to achieve one impacts results in areas covered by the others. Hence, development needs to balance socioeconomic with environmental considerations to ensure sustainability. Unfortunately, this global call coincided with intensification of the political and security crisis in Libya.

Some, among both the elite and ordinary people in both international and national circles, advocate, as a solution to the current crisis, focussing on socioeconomic development, including developing human capital and motivating human resources; addressing youth unemployment; providing households with social protection; enhancing local capital; incentivising the private sector and national and foreign investment; developing alternative energy; and building industry, agriculture, and tourism.

Two other trends are notable. The first is that of espousal of institutional development of all legislative, judicial, military and security institutions without exception: combatting corruption, good governance, integrity and transparency, oversight, and institutionalisation of organisational structures and cadres. In contrast, the second trend emphasises cultural development: the value system, ethical rules, media messages, and social upbringing as simultaneously a precondition for and an outcome of socioeconomic development.

All of that is indubitably important. However, the foundational development that we advocate is of the highest priority for the Libyan State, recognising the specificities of current conditions in the country. By foundational development, we mean developing the foundations of the State: people, geographical area, and social contract.

Libyan people need foundational development that would remind them of their common Libyan

identity overarching the diverse, rich sub-identities, whether ethnic, religious, political, or regional. Such a development would also promote respect for differences, whether political provided they are expressed peacefully, or ethnic provided they are expressed in conjunction with the overarching Libyan identity, or religious provided they are practiced without infringing on the religious rights of others.

Furthermore, foundational development would lay the foundations of a State in which people are proud of their political stances, expressed through party platforms advocated by parties working under agreed democratic rules. The primary concern would be national reconciliation through various justice mechanisms in a comprehensive programme of transitional justice. Such a development would also cover school curricula, the media, academic institutions, and research centres.

The social contract envisaged by foundational development, based on popular consent, is a necessary cornerstone of the desired Libyan State, and a precondition for maintaining societal cohesion, as well as for the simultaneous and diverse processes of sustainable development. This contract would be two-pronged: “horizontal”, binding people by a common social will, and “vertical” between State and citizens based on two indispensable values: justice, i.e., right, not force, as the basis of all societies, and freedom, i.e., will, not force, as the basis of all systems.

This charter would include the rights and duties of the community vis-à-vis the powers and responsibilities of the State authority, as well as framing inter-relationships of members of the community, covering the most important components of the identity of the State, in addition to its form and the political, financial, economic, institutional, and social system. The often-suggested need for drafting a modern constitution is part and parcel of these same concerns. However, there is no reason to preclude preceding the constitution with foundational social documents to enrich the constitutional legacy of the State.

Thus, the envisaged development would be aimed at securing unity of identity of the State,

nation, and country, ensuring achievement of the goals of 2030 Agenda, and adopting a rights-based vision that guarantees the interests of all Libyans: at home and abroad, including the displaced, oppressed, bereaved, and excluded. Furthermore, this development would shape the perceptions of Libyans of the foundations of the Libyan State, which would form the basis of sustainable development ensuring future survival. In short, the envisaged development would serve both current and future generations.

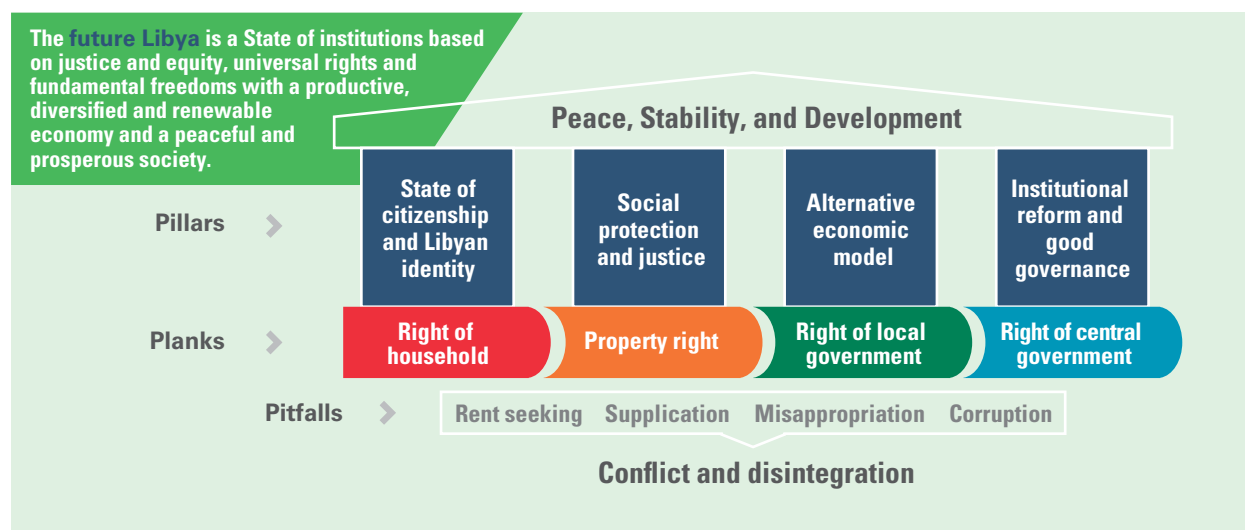
In that same context, friendly countries and the United Nations Support Mission in Libya saw that the country is in dire need for a vision. The UN Special Envoy to Libya, Ghassan Salame, foresaw this in his four-year plan in 2018, at the Ghadames Forum, and the consultative meetings organised by the Centre for Humanitarian Dialogue that preceded that forum.

The Libyan Socioeconomic Dialogue, managed by the United Nations Economic and Social Commission for Western Asia (ESCWA), contributes to building peaceful ways for achieving the principles and goals of the hoped-for societal system, catalyses the foundational development that would lead establishment of the future State of Libya. The comprehensive technical consultative process of the Dialogue aims to develop a future vision for institutional,

socioeconomic development within the framework of the four pillars. That process teaches us to love our country, to cherish it even if we are driven out of it or alienated within it, to defend it against internal and external threats, and protect it from pollution. It also encourages us to imagine canals, bridges and trains spanning the country and electricity, water, communications, and transportation networks binding it together.

The vision contains the outlines of a new implicit social contract defining the rights and obligations of individuals together with the powers and responsibilities of the State. The new social contract aspires to achieve sustainable institutional development to reach the **future Libya: a State of institutions based on justice and equity, universal rights and fundamental freedoms with a productive, diversified and renewable economy and a peaceful and prosperous society.**

The vision is based on four pillars: a State based on justice, citizenship and identity; protection and social justice; an alternative diversified economic model; and institutional reform, transparency and good governance. The vision shows the complementarity of human rights in the context of human security broadly construed, and their connection to the 2030 Sustainable Development Goals.



A. First pillar: State of citizenship and Libyan identity

The issue of national identity is hotly debated around the world. Indeed, identity is a living being sustained by what citizens create amidst tribulations of life and scientific, industrial and cultural developments, with value systems constantly evolving in times of peace, war, destitution and prosperity.

Like all countries, in its continuous struggle to weave its own identity, Libya embodies a past and a present. Such is the legend of life.

“From Libya”. That is how we answer, anywhere and in all languages, when someone asks: where are you from?

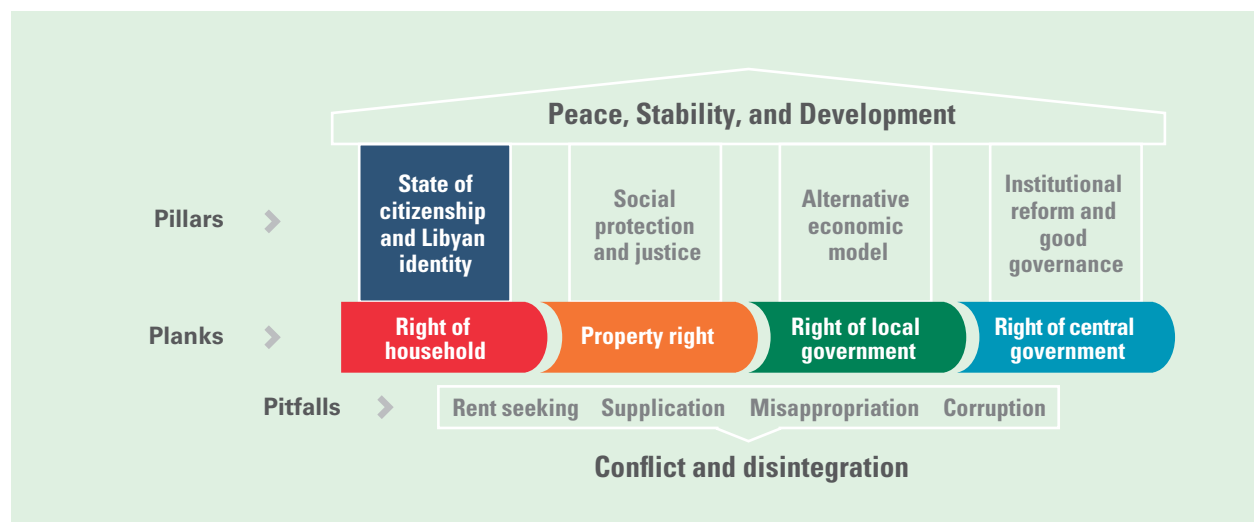
1. Libyan identity from a “rights” perspective, in face of challenges

The country is facing enormous challenges. Nonetheless, the overarching Libyan identity, established since independence, is alive in every Libyan, even though numerous sub-identities have appeared in the last decade as a result of the demise of central government disappeared in 2011 and consequent emergence of tribal, regional and ideological formations.

The concept of rights arose in Libya after independence with adoption of the Code of Civil Law. Since then, the notion of having “one destiny” prevailed among Libyans, notwithstanding the

existential challenges over the past years that caused the present chaos. Each day, we live the Libyan one destiny for two reasons: first, we are the inheritors of the Libya that our ancestors built and defended, and secondly, we are the inheritors of the land and its resources. Our existence is predicated upon the existence of Libya, our survival upon its development. In turn, development is predicated upon our reaching consensus, which, in turn, is predicated upon our feeling that justice is done. Only thus can Libyans perceive justice. Only thus would Libyans feel they are partners in Libya. Only thus would Libyans be capable of ridding themselves of the culture of misappropriation and supplication that is tearing the country apart, replacing it with a culture based on rights and responsibilities.

We may ponder the magnitude of the challenges facing the individual and society in preserving the national identity. These have made the individual either conqueror or conquered, with a personality said to be representing the threesome of tribe, plunder and dominance. It was also opined that the challenges have succeeded to a large extent in arousing a history of factional, social, and geographical conflict, when in fact it was believed that this history had, since the Harabi Charter and independence, faded in the collective memory of the people.



We also ponder the corruption that afflicted Libyans as a result of mismanagement of the oil wealth, with first signs of popular protest appearing in the work of the poet Jaafar al-Habbouni.⁵

We ponder how the ancien regime failed at the time in distributing wealth, though, ironically, wealth should not be distributed, but rather created, accumulated and be human-centred. The ancien regime also maintained a “forced” overarching Libyan identity. However, that distorted identity disintegrated immediately after its fall. In fact, distortions of the Libyan overarching identity, however different in degree, depth, and impact, are all caused by unjust distribution of wealth and thus unbalanced development.

When oil was discovered, economic experts at the time considered that Libya still needed help and was even included in the Marshall Plan after World War II. A few years into oil production, experts concluded that Libya has more wealth than it can manage. Society and State were not ready for the abundance of wealth and the country suffered the “curse of resources”.

Today, Libya faces serious challenges arising from location, area, and wealth, in addition to the challenges of smallness of population and demographic composition, quality and cohesion. It is also experiencing events and phenomena that threaten the individual, society and State.

Intensified conflict and the level of external interference indicate that the country is experiencing an identity crisis that exacerbates division and paralyses the State.

2. Hoped-for Libya: foreseeing future within a just socioeconomic framework

When a system that destroys values, harms national identity, subtracts from macroeconomic wealth, and enhances a culture of misappropriation, reducing people to supplicants, is reversed.

When the citizens know their rights and those of households and local communities to a defined share of revenues, and when there are no unfulfilled promises of support or unjustly given salaries that promote dependency and living under the sway of usurpers of the wealth of the people.

When citizens do not fear for their property because it is protected by laws that also safeguard rights to work, creativity and prosperity.

When rights and duties are equal and members of society have equal opportunities, when law is the only reference for determining rights and duties, when justice and equity prevail, and values of equality and equal opportunities guarantee unity and stability of the nation.

When citizenship is based on an integrated legal, political, social and moral system that precludes discrimination on basis of gender, colour, ethnic origin, beliefs, political and cultural activity and affiliation.

When citizens and households enjoy security within the framework of effective local services that guarantee the right to invest in city and village, and when there is a local government that looks after all aspects of life and enables sustainable local development that feeds into national development.

When central government does not own and distribute everything whenever it wants to whom it wants, but is a capable, effective, strong and democratic government that safeguards sovereignty, ensures security, enforces justice and law, and plans socioeconomic prosperity, a government that does not exceed its powers and operates within a framework of transparency, auditing and accountability.

When a rights-based system is instated and rights are restored to citizens, households and society, through a comprehensive social contract that ends structural imbalances in the economic framework of the State and macro finances that

5. These works speak of poverty, mismanagement by senior officials, corruption, bribery, nepotism and favoritism, and call for justice and equality. A famous poem of his is “Petroleum”, which caused a stir and was published by newspapers and broadcast on radio.

have hitherto been responsible for the existential threat to the social fabric, as well as for distorting and fragmenting Libyan collective identity under a prejudicial system of values that forces the citizen to be “either a predator or a prey” leading to fights for survival.

When Libyans are able to hold their governments accountable and data and information are transparently made available and disseminated.

When the policy of rent seeking supplication that is incapable of meeting the needs of society at large is scrapped.

When everyone in Libya commits to launching a social-reform project based on:

- Values, the most important of which are moderation, cooperation, tolerance, justice, benevolence and standing against falsehood, while rejecting all anti-social and destructive behaviours, such as negativity, corruption, prejudice, fanaticism, lawlessness and hatred.
- Dissolving sub-loyalties in favour of belonging to the homeland.
- Respect for cultural and ethnic diversity.
- Cognisance of importance of having a collective intellectual reference for launching a modernisation project based on solidarity and national unity and derived from the civilisational heritage of the country.
- Ensuring that the political aspects of armed conflict do not turn into social alignments causing society to collapse or the State to suffer further paralysis.
- Recognition of importance of commitment to the public good and realisation of the relationship between awareness, commitment, and stability on the one hand and the need for an enforceable legal system and a security system that safeguard freedoms and keep order on the other.
- Rejection of fanaticism, apathy, disunity, isolationism and extremism.
- A contract built on principles confirming the desire of the Libyan people to live together under defined rules for consensus making and coexistence, supported by binding moral charters.

When all these elements are realised:

Households would be able to enjoy an income sufficient for educating children and raising them as active members of society, healthy of body and soul, having full confidence in themselves, approaching life in hope and aspiration.

Citizens would be able to grow and work, with property and fruits of effort secured, in conditions conducive to creating and accumulating wealth, and could invest in the local community to achieve sustainable national development.

Local governments would be able to: provide the best of services and achieve prosperity by securing their right to a specific share in central budget; take and implement investment, development, and capacity-building decisions; and create sustainable, decent job opportunities; with the local community having the upper hand in establishing transparency and holding both local and central governments accountable, and establish institutions based on reality, rather than imposed from above, to add value and contribute to total societal wealth, rather than diminishing it.

Citizens would promote inherent Libyan, human and Islamic values, thus enhancing tolerance, moderation, responsibility, discipline, proficiency, transparency, perseverance, justice, and care for marginalised groups through a coherent, sustainable social protection system.

Respecting diversity and recognising diverse cultural identities would directly enhance social cohesion in a unified Libyan society.

Loyalty to the homeland would become a bond transcending tribal, clan, and party loyalties and regional and foreign affiliations, imbuing citizens with a sense of belonging to the homeland, along with a realisation that citizenship is not fully achieved without voluntary adherence to resulting obligations and duties.

A national sense of belonging would be reinforced, enabling citizens to instil national principles and values, care for cultures, languages, and dialects, and be proud of the diversity of the Libyan

heritage; a diversity that, with arts, literature and traditions, proves the multiculturalism of people of Libya and their espousal of the principle of embracing, rather than “conquering”, the other.

The true Libyan identity would be manifested in high morality and generosity in dealing with others, not for self-interest, but rather out of occupying the high moral ground, with corruption becoming an exception abhorred by society, even though it prevailed in the past and was practiced for survival.

Libyans would build a civil nation, with identities that have historically coexisted, under a State that cares for citizens and their rights and upholds their dignity, and enhances personal freedoms and creativity, with public morals prevailing in the dealings of Libyans with one another, as well as with foreigners in their country and abroad.

Life and physical and mental health of citizens would be protected and maintained in cities and villages characterised by vitality and a healthy,

sustainable environment, and citizens would be able to entertain themselves and enjoy art and creativity.

National development policy would mobilise all, including youth and women, to address national, regional, and international challenges, and live together, build peace and overcome the legacy of armed conflicts, violence and war.

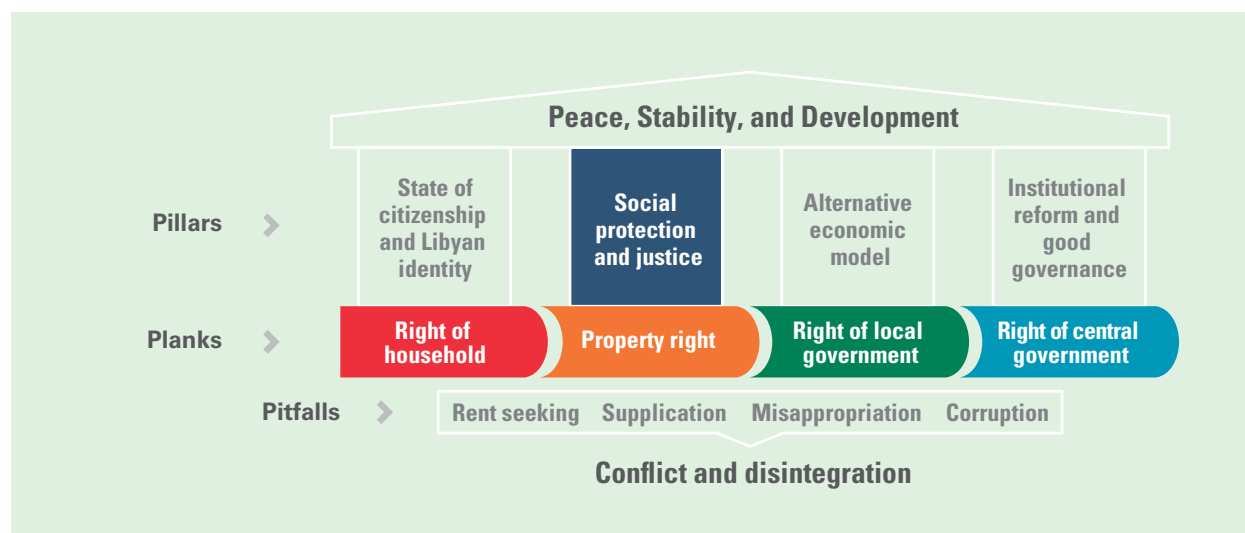
Aftereffects of war and destruction would be erased from memory by development, reconstruction, upgraded public services and sanitation and promotion of safe traffic. People would not resort to cutting trees to sell charcoal; beaches would turn into public assets, rather than be misappropriated and made inaccessible; environmental reserves would flourish; and marine and animal wealth would be conserved and developed.

Only then would the overarching Libyan identity reflecting authenticity, history and geography emerge.

B. Second pillar: social protection and social justice

Since independence, harsh conditions and severe shortages of financial resources notwithstanding, authorities in Libya have

attached special importance to social security, with legislation enacted to provide social, health and legal care to vulnerable groups.⁶



6. The first such law is Law No. (53) of 1957 on Social Insurance.

To this day, the State has been responsible for providing social welfare by improving living conditions, through provision of food security, housing, education, healthcare, and a minimum wage, as well as through progressive tax policies aimed at redistributing income at the national level for the purposes of social justice. However, social protection should no longer be monopolised by the State; rather, partnership with the private sector and involvement of civil society need to be embraced to ensure enhancing monitoring and accountability, with the aim of achieving spatial and human social justice across cities and regions.

Using oil revenues to finance consumption at the expense of production leads to detracting from social justice at two levels:

1. Among the current generation, particularly between those in of power and their cronies and the marginalised toilers.
2. Between the current generation and future generations.

When we are free from those who benefit from quotas and inequity, from the silence of the vulnerable majority that has become content with little after being deprived for long, from mismanagement of revenues, and from the lack of visions through which a sound economy would be built and fair distribution of income between current and future generations would be assured.

When revenues are subject to accountability through effective oversight bodies, the rent-based approach of subsidies and false employment is ended, and the loyalty-based system of gifts and grants is eliminated to be replaced with a system of efficiency and merit.

When we rid ourselves of the corruption that distorted social structures, and led to loss of rights, social and distributive inequity and failure of social protection services; all caused by those in power monopolising the largest share of revenue and wasting public money, through double and fictitious salaries, forged credits, money smuggling, over

employment, and unnecessary contracts with public institutions.

When we embrace social-justice values based on:

1. Reforming the system of salaries and wages to ensure a decent life for all, as well as implementing a tax policy that achieves fair income distribution and employment programmes that reduce poverty and unemployment.
2. Creating a culture of values that rejects all forms of behavioural, educational, and legal corruption.
3. Enacting laws that boost resilience of vulnerable groups to socioeconomic crises and challenges.
4. Developing and strengthening administrative bodies responsible for management and financial control.

When values of social justice prevail in distribution of revenues and resources, when conflicts and wars end, when manifestations of corruption, such as bribery, nepotism, embezzlement, unemployment, poverty, abuse of power, manipulation of government projects, deprivation of segments of society of their economic and social rights, and wasting State gains, are eliminated.

When an end is put to waste of public funds, depletion of public revenues, abuse of public finances, distortion of development due to imbalances and poor investments, as well as to degradation of values, underestimation of the value of productive work and nepotism.

When we restore respect for ownership, whether by individuals, institutions, or the State, and end deprivation and socioeconomic marginalisation that have prevailed for long, and eliminate the culture of supplication by the politically and economically marginalised.

When an stop is put to hyperinflation, dilapidation of economic structures, depletion of public budget allocations, dependence of people on public sector for jobs, and disguised

unemployment, with youth seeking employment in an innovative private sector.

When the private sector becomes a major partner in economic growth through: rebuilding trust with the public sector; providing a climate conducive to making investments; creating a partnership characterised by complementarity, interdependence and mutual support; activating a system of control and accountability; and providing social protection.

Together, these factors would then create a short- and long-term enabling policy, built on a consensus over established rights, responsibilities, and roles, which would give rise to innovative solutions that make a tangible positive difference to living conditions and build a creative individual sustained by justice and permanent social protection. Thus, individuals and groups would participate in decision-making and accountability processes to strengthen the nexus between justice and social protection, and thus a balance would be achieved between protecting socioeconomic rights of citizens and sustaining sovereignty of the State.

For social justice to be achieved, equitable distribution of revenues, provision of basic social protection, welfare, health and education services, and recognition that social protection enjoyed by all is a right, not a grant, are imperative. Indeed, for protection to be combined with social justice, it needs to be inclusive of all individuals and groups without discrimination and associated with such principles of social justice as equality, equity, rights and participation.

As such, social protection becomes an inalienable right for all members of society, linked to the social justice principle of equitable distribution of revenues, thereby securing assured finance for social security and protection programmes and for provision of services that help secure a decent standard of living, avert vulnerability to hunger, destitution and poverty, and achieve equality in education, healthcare and social services to

enable development of personal capabilities and physical health.

To build social protection systems for individuals and households; protect women, especially female breadwinners, and raise their ability to find jobs; improve productivity; invest in health and education of children; protect the elderly; enhance human capital; and reduce disparities in opportunities and incomes.

To shield communities and protect their social security and dignity; create a safe environment socially, educationally, psychologically and economically, with the aim of entrenching peace and stability.

To ensure that eligible households benefit from the right to a secure and stable income and be able to get an adequate level of services and social care and security.

To implement human-capital programmes and diversify the economy to create employment opportunities for young people based on: linking work with productivity and motivation, launching entrepreneurship programmes, rescuing youth from the clutches of armed groups and reintegrating them in society, involving the private sector, and correcting rent-seeking induced imbalances by correcting relationships of citizens with government and of the executive branch of government with the legislative branch, and transitioning to a social protection model.

To improve wages and eliminate large wage disparities to ensure decent, dignified living for all, combat poverty and adopt a fiscal policy that guarantees equitable income distribution, and for local governments to participate in reconstruction, development and economic revitalisation in partnership with the private sector, central government and civil society to reduce unemployment, relieve bottlenecks and ensure optimal use of resources in order to provide services that fulfil aspirations of people and achieve justice and social protection without discrimination.

Ensuring that all the aforementioned becomes possible requires breaking out of the confines of traditional service provision and in-kind assistance; healthcare and education to become more

efficient, fair, comprehensive, transparent and of better quality; and a participatory social justice and social protection system that also contributes to economic integration.

C. Third pillar: alternative economic model

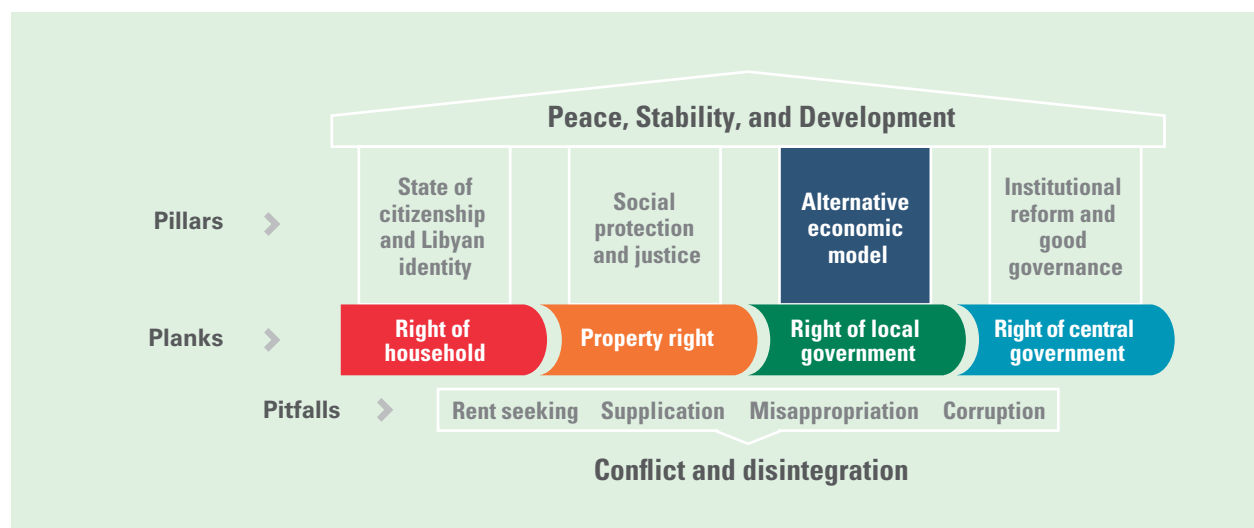
Libya is a rentier State, with complete dependence on the export of a single commodity, oil, leading to totalitarianism, centralisation, distortion of the economy, reliance on imports and utter disregard for production and productivity, and with central government expending oil revenues on salaries and other expenditures through budgets that are not in the least reflective of the needs and aspirations of society.

Institutions had been operating under an authoritarian State that interfered in economic, banking and financial activities, rendering these sectors incapable of setting or implementing any strategic policy, with successive governments promoting a rent seeking culture and causing the economy to become undiversified and inflexible.

The most serious socioeconomic consequence of rent seeking has been the exclusion of

the private sector from economic activity and lack of respect for ownership. Indeed, uncontrolled rent seeking was the major cause of deterioration of the national economy and the high unemployment rates, as well as the driving force for corruption, centralisation, entrenchment of a culture of plunder and supplication, and disguised underemployment.

Hence, the economic objective of this vision is to build an alternative economic model, ensuring sustainable economic development and building a comprehensive, prosperous, productive, diversified and revitalised economy. It also seeks to eliminate the four pitfalls mentioned earlier, which have severely ravaged Libyan society, in an attempt to move towards a rights-based alternative economic framework, based on the notion that the State is an integrated system of stakeholders who strive to serve communal interests and



consolidate the four mentioned sets of rights of which they are the rightful owners.

To begin to traverse the right track towards creating a sustainable State, its economic **identity** needs to be defined, for this is the starting point for setting laws and regulations and securing the interests of the country, its citizens and future generations. The State needs to be built on a national economy shared by the holders of the rights, namely, households, local communities and central government, in which prosperity is maintained under the rule of law by institutions dedicated to development.

The vision adopts as an **economic identity** a **social economy** based on the comparative advantages of Libya, from geographical location to economic assets and opportunities. This would provide a new promising environment and development incentives, guaranteeing the social role of the State, ensuring justice and social protection for citizens, achieving diversity in sources of income, enhancing the role of the private sector, and defining a new role for the State in economic activity.

The alternative model would ensure development by escaping rentism that obstructs socioeconomic development, with spatial (local) development and decentralisation playing a significant role in combating corruption, eliminating the culture of plunder, and remedying the opacity of institutions. Indeed, the essence of development lies in determining the most appropriate location for resources and investments and the best distribution of economic activities and services by local communities and capable, and accountable local governments.

The **economic philosophy of the vision** envisages sustainable socioeconomic and institutional structures focused on sustainable production patterns and technologies that would improve the standards of living of current generations and secure a decent life for future ones, with the desired economic

development a main tool for achieving the goals and objectives of sustainable development.

Consolidation of rights and attributing them to their rightful holders facilitates development, since these rights guarantee a partnership bringing together central government, local governments and the private sector in the effort to eliminate rentism by diversifying the economy, increasing its productivity, developing its instruments and exploiting available and promising economic resources and sectors.

Thus, spatial development is the appropriate method for achieving a balanced economy, equitable investment and distribution of proceeds, developing infrastructure and foundations of economic activity, reducing poverty and unemployment by generating job opportunities, and providing education, health and social services in all regions and local economies. Moreover, decentralisation and local government are concomitants of spatial development, for they enable citizens to participate in the management of local agencies.

Regions and local economies should be relied upon to diversify economic growth, through their participation in economic, productive, and service activities, and by activating the private sector, which is essential for economic diversification and spatial development. Indeed, there could be no active role for the private sector without diversified economic activities distributed in a balanced manner in all regions and local economies.

In this way, the economy would grow spatially for the benefit of all residents in all regions, without discrimination against any region depriving it of the fruits of national economic and social development, while keeping channels to the central government, so that no region or a local economy would acquire advantages over others.

For regions and local economies to be amenable to spatial development and local government,

they would have to be built geographically and economically on the basis of a balanced set of considerations pertaining to population, economic resources, and security.

Thence, it would be possible to bring about diversification of the economy and break out of the pitfalls of rentism and supplication, through a qualitative change in the economic structure linked to diverse spatial economic development. This, in turn, would have a key role in enabling the country to enjoy its comparative advantages of geographical location, tourism potential, marine wealth, and renewable energy and other inexhaustible resources. There would also be opportunities for establishing economic zones that will generate income for local communities under local governments that coordinate and encourage investment.

Thus, qualified economic sectors would be developed and opportunities made available by special economic zones would be seized, thereby contributing to achieving diversity and breaking out of the pitfalls obstructing progress and economic development, within the framework of expanding the role of the private sector, reducing the role of the central State and endowing local communities with broader powers.

Development **needs** an effective central government that would catalyse and support progress. Indeed, development should not be market led, but be based on a true partnership between the central government and local governments. Central government would undertake activities that have social returns, but require large capital investment and advanced technology, from which the private sector may shy away, particularly public-good infrastructure, such as main roads, electricity, water, air transport, ports, heavy industries, and oil and petrochemical industries.

Central government would also be responsible and accountable for economic policies that directly impact economic diversification

and economic development, as well as for creating an environment conducive to the success of the private sector in leading the economy: providing appropriate conditions for business growth, developing legislative and legal frameworks for regulating investment, ensuring financial and monetary stability, and applying adequate intervention tools for monitoring and controlling markets and correcting market deviations.

Private-public partnership would become one of the main mechanisms of development by changing the traditional boundaries between central government, and both the private sector and local governments. Such partnerships would contribute to economic development, giving central and local governments sufficient flexibility in the use of human and financial resources to achieve common objectives with the private sector, particularly bridging gaps in resources, demand, quality, and risk-sharing.

However, partnership between central government and the private sector does not mean reliance by the latter on government funding, holding it captive to government. Instead, the private sector would seize initiative. Privatisation of economic activities would create added value and highly flexible production structures, in addition to developing small and medium enterprises throughout the country and in all economic sectors.

The roles and functions of central government, local governments and the private sector need all be subject to a well-thought-out and clear strategy that identifies the mechanisms and areas in which these parties work together to achieve balanced national development, enhance competitiveness of the national economy, and qualify promising sectors for diversifying sources of income.

Moreover, central government institutions, local governments and the private sector would, within the framework of a national strategy for economic development and

economic growth, establish international economic cooperation, including investment partnerships and twinning. Strengthening partnership in development and giving the private sector a leading role in international investment and cooperation would contribute to competitiveness of promising sectors, positioning Libya in the global economy as a global commercial and financial centre.

Thus, central government should provide the business environment, investment needs, the legal framework and infrastructure for international partnerships, cooperation and integration that would attract foreign investment in promising sectors meeting global demand. This would help enhance competitiveness of the national economy by raising levels of efficiency and productivity, diversifying the production base and increasing the contribution of exports to the global economy.

When future ownership of current and future assets, whether fixed or financial, is distributed in equal shares for all and equitably between current and future generations, Libyan society would then respect ownership and hold it sacrosanct.

For all this, the vision proposes organising private property as independent economic wealth and emphasises protecting it, as well as public property, from misappropriation and plunder, while developing both through investment. Such an approach guarantees benefiting from all the economic resources of the country and living in a society that respects all forms of private and public ownership. Everyone would then enjoy an equal share in public assets (ports, airports, facilities) and public equity, and that would engender a sense of responsibility towards community ownership and enhance transparency and accountability.

Through this perspective, private ownership would be strengthened, private and public interests reconciled, and economic and financial resources developed.

In addition, profit would be generated from facilities (such as ports, airports, heavy and petrochemical industries, and investment institutions guarding the rights of future generations) through investment in State assets, either directly by central government, or indirectly through partnership with the private sector, or through investment and other contracts that guarantee development of these assets, optimal and equitable distribution of benefits and the rights of future generations.

Distribution of income is associated with just regulation of public finances; rules that uphold the social and economic rights of households, the rights of local government as the authority responsible for spatial and economic development, the rights central government as the supporter and catalyst of economic development, and private-property rights as the guarantor of economic stability and development.

Effective management of public funds requires improving financial regulations by changing the system of central financial flows, in such a way as to guarantee and protect rights. However, this is contingent upon restructuring institutions and managing budgets in aid of distributive justice. Moreover, financial independence of local communities requires giving them the authority to manage their own budgets, as well as adopting performance paradigms in planning and implementing central and local governments budgets.

Financial and economic transparency is the basis for maintaining integrity of public finances and achieving stability and high performance. However, transparency has to be accompanied by participation of citizens and civil society institutions with full disclosure of all information on central- and local-government public funds. Such transparency would contribute to ensuring accountability and rational expenditure, thereby reducing waste of public money and national wealth, and ensuring sound

economic implementation of development programmes and projects.

Lastly, integration of informal activities into the formal economy would safeguard public

finances by integrating the parallel economy into the system of formal financial flows, thereby ensuring justice, inclusivity, equality, balance, and the right of the individual to social protection.

D. Fourth pillar: institutional reform and good governance

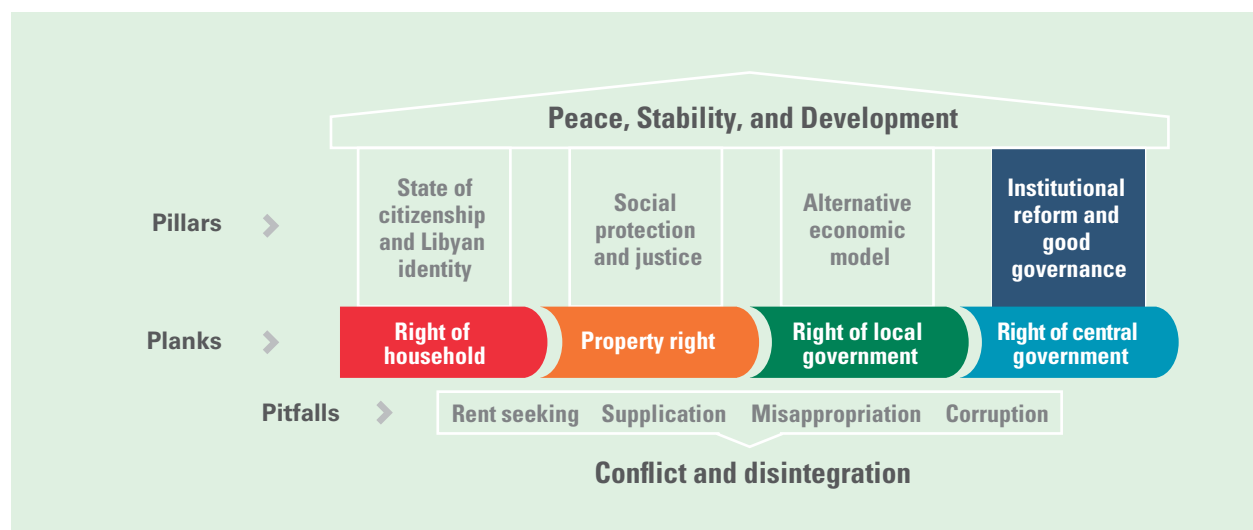
Institutional development is a fundamental task in the comprehensive reform that Libya needs to bring State institutions to a position where they would contribute substantially to safeguarding the rights and interests of individuals, households, and local-government and central-government institutions. Under the rule of law, institutional development entails structural repair of State institutions and correction of their modus operandi to ensure the highest level of harmony. They would then regain the ability to create an appropriate legislative fabric, based on community participation in developing appropriate policies and law enforcement to assure justice for all.

This reform would be within the context of making workers in institutions, individually and collectively, aware of “institutionalisation”

as a concept for the State to regain its ability to establish security and provide services within the framework of partnerships with society and voluntary organisation, under a regime of respect for rights.

The vision envisages breaking out of the four major pitfalls under a regime of rule of law, effective justice and human security. Restricting the exercise of power by checks and balances and subjecting authority to laws thwarts abuse of power, thereby achieving inclusivity in institutions of justice, as well as ensuring recognition of justice and security needs of society (households and individuals).

For Libyans to enjoy protection by independent, impartial judicial institutions that apply legal proceedings within the context of justice, human rights, seeking to end conflict, building national peace, restoring communal peace,



and raising resilience to internal or external threats, such as local and cross-border organised crime.

For law to apply to all, rulers and ruled, with fairness and equality, for Libyans comply with a system of laws applied without discrimination, and for ensuring that State institutions strive to achieve the rule of law through participatory development of policies, laws and decisions, which would generate confidence and endow institutions with legitimacy.

For the fruit of participation to be transformed into a genuine consensual contract free of coercion and acquiescence, for participation to create general regulations based on principles of public order, and for economic development and social protection to be achieved in accordance with the rule of law.

For all of this to be achieved, distributive justice of the revenues of development for the benefit of all is imperative, in order to achieve comprehensive socioeconomic stimulation, the essence of which are policies aimed at fair law enforcement. Such policies would also guarantee the principles of good governance, integrity, transparency, and accountability, with independence of the judiciary being one of the most essential elements, in addition to providing easy access to justice and ensuring user accessibility of legal texts.

Overemployment in State institutions should also be addressed within the context of facing the challenges of totalitarianism and centralisation to break out of the pitfall of rentism. State institutions would need to maintain transparency in recruitment, retention, and promotion of staff, applying professionalism and performance as criteria, and adopt public participation, good governance, and decentralisation.

Moreover, for public participation and good governance to be enhanced, State institutions would need to combat rentier practices and the concomitant deviations and distortions

of governance, which lead to totalitarianism, arbitrariness, and centralisation. Efficiency should become the basic criterion for recruitment, retention, and promotion of staff in State institution at all levels. It also behoves these institutions to combat nepotism and cronyism, for there is correlation between centralisation and these practices.

State institutions should also organise themselves and the public space in accordance with the roles and functions assigned to them, through integrated policies, legislations, decisions, and procedures based on scientific studies and proper, adequate consultation. Additionally, institutions would need to combat practices that lead to arbitrary enactment of laws and decrees resulting from centralisation of power.

For central and local governments institutions to communicate effectively with the aim of balancing their respective rights, interests, and obligations through consensual approaches that include effective dialogues and discussions and formation of joint and negotiating committees governed by the criteria of public interest, objectivity, and fairness.

For local government institutions to exercise their right to establish security at the local level and provide services in coordination with central government, and to determine the political and administrative functions and equities of both the national and local economies.

For local government institutions to communicate with community and civil society organisations, and to balance the interest of the State with the interest of society, thereby enabling State institutions to plan in accordance with the needs, interests and demands of society.

For all employees of State and community institutions to be aware that they belong to one country and one State that manages the affairs of one society and that issues of

balancing interests and rights of the State with those of society may arise naturally.

For all of this, State institutions should adopt economic empowerment policies that stimulate the economy and employment and adopt social protection policies within the context of addressing challenges of lack of productivity, parasitic practices, and disguised unemployment, in order to break free from the pitfall of supplication.

Moreover, State institutions should address the multidimensional deprivation experienced by the majority of Libyans, which resulted from institutional and economic failures during the transitional phases due to a wide range of factors, the most important of which are violence, armed conflict, disruption of trade, decline of spending and rampant corruption, in addition to plunder of communal property. Indeed, the sharp decline in productivity and the associated disguised unemployment and parasitic employment are not a function of an entrenched social tendency, but are rather due to deficient economic policies that lack respect for human dignity and keep society captive to supplication.

Removal of deprivation factors would activate policies of economic empowerment and social protection, as in in most countries. Most cases of parasitism would necessarily disappear, as would illegal recruitment and disguised unemployment. These policies would serve to enhance productive and competitive employment, based on partnerships with private sector institutions, with the aim of expanding the right of individuals to a decent job with an income that guarantees adequate living.

Managing the economy of Libya is the responsibility of central and local governments, in partnership with the private sector. This cooperation would ensure development of human capacities and employment policies, while encouraging job seekers to engage in entrepreneurship and self-employment, giving priority to economic

empowerment and social protection, both of which contribute to ending poverty and unemployment, and providing support to the most vulnerable in society. Thus, as many households and social groups as possible would become productive. Additionally, managing the economy should stem from the realisation that a distinguishing feature of economic activity in Libya is intensive reliance of economic activity on natural social formations such as the household and the extended family, which argues for special support to entrepreneurship and small and medium enterprises.

Managing the economy in the manner described above also means that State institutions would be responsible for achieving distributive justice in society, precluding concentration of income. Furthermore, women should participate in developing policies to ensure equality in rights and eliminate the multidimensional discrimination that disadvantages women economically and socially. In this context, State institutions would need to cooperate with civil society organisations and the private sector to secure a participatory social protection process and benefit from social solidarity networks, as well as to enable State institutions to ensure optimal use of resources and removal of obstacles to implementation.

Decentralisation allows local government institutions to contribute to the design of more efficient and effective economic policies, as they deal directly with their communities, are cognisant of their needs and are close to implementation systems and law enforcement.

On the legal level, ability of judicial institutions to implement policies that promote judicial redress on economic and social rights requires that these rights be integrated into the legal and judicial system, for them to become the bedrock of all other legislation. Moreover, the judiciary should acquire the requisite technical knowledge, both theoretical and practical, for dealing with issues of redress. Furthermore,

judicial institutions should have libraries and archives that cover literature on economic and social rights and document precedents. Additionally, special chambers with expertise in economic, social, and constitutional cases would need to be established to settle redress claims.

State institutions would need to adopt institutional policies to address the challenge of institutional opacity at all levels, and functionaries need to be aware that this opacity leads to corruption, nepotism, and cronyism, with serious repercussions on society as a whole. Thus, a new system of values based on principles of good governance, the most important of which are integrity, transparency, and anticorruption, would need to be established in institutions and systems and owned and espoused by officials.

For institutions to enjoy a degree of stability and sustainability, the values referred to above would need to include inclusivity, national ownership, national sovereignty, the rule of law, partnership, a combination of horizontal and vertical approaches, and upholding principles of rights. Moreover, for institutions to be flexible and capable of withstanding pressure and surmounting difficulties, they need to be resilient, have clear functions and responsibilities, be based on due diligence, accountability, and auditability and subject to rotation of positions. Finally, to overcome the other three pitfalls that are interrelated with the pitfall of opacity, these values must also include productivity, competitiveness, building partnerships with local communities and civil society, and the principle of decentralisation.

Institutions attempting to modify or replace an existing solid institution need to be aware that each institution must adopt a set of uncontentious *modus operandi*, rather than be plagued with improvisation and chaos. Moreover, institutions and their functionaries need to understand that the values referred to above are an integral part of their work

and need to be mainstreamed in strategic planning and consequent policies, procedures and processes.

In order to achieve higher levels of societal value discipline in the face of indolence that has been rampant in some circles and led to negative modes of behaviour (such as disrespect for property), public policies would need to build partnerships with society, since laws regulating the work of State institutions make radical contributions to the elimination of the phenomenon of disrespect of property. Legislation regulating the work of institutions would need to be based on principles that preclude legalisation of misappropriation of property in whatever form. Building partnerships with society by State institutions would serve to coordinate and formulate innovative solutions to the problem of the culture of misappropriation and lack of respect for property. As there is no one-size-fits-all solution, legislation, though necessary, is insufficient.

For society to regain appreciation of the risks and negative repercussions of disrespect for property on it, as well as on the State, institutions would need to coordinate their efforts within the various dispute-settlement frameworks and develop sustainable solutions based on the social values heritage.

To prevent centralisation of social and economic decisions related to financial flows and the consequent emergence of authoritarian frameworks at all levels of governance, totalitarianism and unilateralism should be avoided, with resource management distributed at all levels in accord with the principle of participation. Financial returns and control methods would also need to be distributed, and development and economic approaches integrated across various levels of governance of financial, administrative, and economic control. This is exactly where the importance of local government lies, due to its proximity to the local environment and its ability to identify projects and investments that meet local requirements.

E. Complementarity of social and economic pillars with the four sets of rights

Since money moves around in markets through the exchange of services and goods among members of society, money movement is both social and economic. Accordingly, markets express a social movement based on trust among people who exchange benefits equitably. Unfortunately, this value exchange has been marred by erosion and distortion. Rights principles and keystones call for entrenching the principle of preclusion of supplication, as well as restoring trust among members of society and markets. The vision relies on the intersection and complementarity of the social, economic, and institutional pillars with the four rights principles in the State rebuilding process. Thus, markets would need to be built on new foundations: putting an end to fights over money and the ensuing social conflict, through a social contract that establishes a modern State with the social function of restoring dignity and peace to citizens, and with a well-established social market that preserves and protects property rights.

The four pillars outlined above in the vision are linked to and integrated with the framework of rights.

The First pillar, that of establishing the hoped-for State of citizenship and the new coherent social contract, emphasises importance of developing a consensual national, cultural value system that establishes an overarching harmonious identity precluding the hate discourse and eliminating marginalisation, exclusion and discrimination. Local communities have their own identities of which they have the right to be proud, and from these diverse identities, the overarching national identity is formed. Furthermore, the right to disagree would generate a culture of citizenship that rejects authoritarianism, tyranny, and centralism, through restoration of trust and societal tolerance, preservation of the social fabric, national reconciliation, and laying down the foundations of transitional

justice. Thus would arise a common concept of the role of State and community participation in establishing the central government, as the organiser and guarantor, and building local government institutions entrusted with tasks and responsibilities towards local communities. As such, the State of citizenship would be achieved through respecting the right of each of the partners in the homeland and defining duties of local communities, households and citizens, and through commitment by everyone to their role while respecting the rights of others.

The second pillar, that of social transformation aimed at sustaining capable human capital to enhance prosperity, entails advancement of healthcare and social care through development of the education system and rehabilitation of the health system, to ensure equal citizenship, protect households, combat unemployment and poverty and secure inclusion for the vulnerable and marginalised. Thus, the principle of social protection intersects with the rights of local communities, as they are the most capable of managing their own administrative and financial affairs, while maintaining central State oversight and regulatory functions to help local communities achieve their full goals. Furthermore, the principle of protection intersects with the right of the household to a secure and direct income from the State to provides basic needs of goods and services, without the precondition of having a job or a position. The perspective of the right to participate in development and social welfare derives from emphasis on the role of citizens in the development process, the role and right of local communities to participate in transitioning towards production and provision of services through partnership and contracting, and the role of civil society in monitoring and accountability. This would lead to structuring the civil service and restoring the correct balance between its different levels in a rational governance

system that achieves real development of human capital, in accord with clearly defined rights, functions and responsibilities. Such a process would contribute to socioeconomic development that secures wellbeing for citizens, households, and local communities, through equitable distribution of annual State revenues according to fixed ratios, and with emphasis on wealth creation and accumulation, especially human resources.

The third pillar, that of achieving sustainable spatial economic development aimed at creating an inclusive prosperous economy characterised by diversity, productivity and innovation, intersects with the four sets of rights in emphasising importance of diversifying the economy, increasing its productivity, developing its tools, and benefiting from available resources, sectors and opportunities. The intersection would be realised through balanced sustainable spatial development and local participation, by supporting the private sector and partnering with it in reconstruction, especially if societal transformations are ensured by changing the central public funds system, and if the sets of rights are strengthened by establishing new types and forms of institutions at the local level to provide services and ensure income growth and fair distribution. This may be a catalytic essential factor in achieving real spatial development in which local communities participate strongly through new frameworks that define responsibilities and include their right to working capital through transfers of agreed upon shares of State income. Accordingly, the duty of partnership lies in carrying the administrative and financial burdens of the local economy, to achieve socioeconomic vitality of the service and commercial activities, through devolution of powers, budgets and duties to local governments, for them to play a pivotal role in bringing about social reconciliation, integration of the displaced, and dismantlement of armed groups and their integration into the security institutions, under the jurisdiction of local governments, in partnership with central government

to ensure civil peace and stability. Thus, socioeconomic development would be achieved through local development projects contributing to education, retraining and rehabilitation to combat unemployment and poverty and assimilate the vulnerable and marginalised. Local civil society would play an essential oversight role over local services. Intersectionality and integration are essential in consolidating basic rights, assuring partners of the right to participate in local and national development and to shoulder the ensuing responsibilities, so that rentism is eliminated, waste in subsidy and employment budgets reduced, and the shadow economy integrated into local institutions, thereby achieving socioeconomic justice within the framework of productive local societies that achieve human development, empower women, encourage investment, and increase competitiveness of local economies and consequently improve the position of the national economy globally.

The fourth pillar, that of building a balanced, effective structure of the State of institutions and law, contributes to achieving stability, peace and sustainable national development, within a framework of regional and international integration and cooperation, reinforced by an independent judiciary, and based on respect for human rights and principles of justice, leading to a State of equal citizenship, through which principles and tools of participation are enshrined. With the values of equality and parity, transparency and accountability, and combating corruption established, the intersection and complementarity with the four sets of rights lies in emphasis on importance of the right of the central State to exist by virtue of international law. This right is manifested in major functions performed through institutions that represent the State locally and internationally and guarantee its sovereignty. It is also important for local communities to have the right to their own social, economic, service and production institutions, in addition to the equally important right of the household as the basis of society and the right

of the citizen to property, which includes the right to ownership of all State-owned assets (that are in fact the property of all Libyans) through financial market instruments. Thus, every citizen would have an inherent right to State assets, through accountability, work and production in new local economies that provide for growth of private ownership.

All partners would enjoy rights that guarantee a new way of participation in building effective institutions that have the exclusive right to controlling the financial assets of the State (in accord with specified ratios). Each partner would have a specific role in a system of checks and balances that subjects public finances and financial flows to accountability. Thus, good governance would be assured through separation of powers, thereby enhancing the legitimacy of a rights-based State founded upon consensual contractual rights and providing peace and stability to all Libyans. In this way, society would break free from the currently prevalent rentier culture of supplication to establish a culture of citizenship grounded in rights and duties. Moreover, public finances would be controlled, putting an end to the culture

of supplication, centralised authoritarianism, and corruption.

Intersection and integration

All pillars intersect in comprehensive security:

1. Human security.
2. People's security.
3. Economic security.
4. Social Security.
5. Institutional security.

with the sets of right constituting the points of intersections:

1. Rights of the State with the State of citizenship and the social contract (central government).
2. The right to property with the State of citizenship and the social contract.
3. Rights of local communities with economic and social rights (local government).
4. Rights of the household with socioeconomic rights (household).
5. Foundational development as a prerequisite for entitlement to all rights.



Obstacles and challenges to the success of the vision: challenges to economic and institutional construction and sustainable development

This chapter focuses on exploration of challenges, identification of basic vectors, setting of strategic objectives, and formulation of policies to meet the difficulties and challenges involved in turning the dream of the vision into reality.

After decades of independence and dominance of the rentier, centralised State model and State interference in economic activity, reform and development in Libya face several challenges that impede improvement of economic performance. These are old challenges engendered by the “Dutch disease”, which is caused by discovery in a country of a natural resource that has high prices on the world market. Reliance on revenues derived from export of hydrocarbons exacerbated these challenges under conditions of lack of diversity in and inflexibility of economic

structures, weakness of economic system and institutions, and low policy effectiveness.

Political changes, internecine fighting, and armed conflicts over resources after 2011 imposed new conditions and challenges, exacerbating the consequences of old challenges and their impact on sustainable development, the socioeconomic environment, and the behaviour of individuals and institutions. Political instability and armed conflict remain the biggest challenge to development, diversification of the economy, reconstruction, and promotion of private investment; especially as the economic cost of the conflict since its outbreak in 2011 amounted to about 783.4 billion Libyan Dinars, and if lasting peace is not achieved, this cost will rise during the period 2021–2025 to about 1,411.6 billion Libyan Dinars.⁷

A. Economic challenges

The Libyan economy faces numerous structural challenges and economic imbalances at the macro level and economic distortions at the sectoral level, despite advantages and economic strength that could enable the country to reach the highest levels of development, such as geographical characteristics (length of coast on the Mediterranean Sea, vast area, and strategic position), advantages in tourism, and marine wealth. Indeed, the economy faces the challenges of unstable and unsustainable economic growth, linked to fluctuations in oil prices, with hydrocarbons accounting for up to 70 per cent of the gross domestic product (GDP), over 95 per cent of exports, and more than 90 per cent government revenues.⁸

The real challenge to the economy is lack of diversity. Contribution of non-oil sectors to the GDP is as low as 30 per cent, the oil sector remains the main engine of economic

growth and source of revenues, and unstable growth rates are still linked to fluctuations in international oil prices. Clearly, this has been the most prominent risk and the main cause of instability, even before 2011.

The economy faces the risks of instability of international oil prices, as well as the challenge of sustainability of oil production and exports as a result of conflicts and infighting subsequent to 2011. Economic growth rates have recently recorded a sharp decline. After growth rate increased in 2012 by 122 per cent, economic performance receded to record significant contraction due to resumption of armed conflicts, causing the loss of over 75 billion dollars.⁹ Due to loss of hydrocarbon income, which resulted in a deterioration in economic performance, economic growth rates fell below zero to minus 6 per cent in 2013 and minus 53 per cent in 2014.

7. ESCWA, Economic cost of the Libyan conflict, 2020.

8. Central Bank of Libya, Monetary statistics and finances during the period 1966–2017, Studies and Statistics Department, 2018.

9. The National Oil Corporation, 2018.

Libya then recorded a significant improvement due to reopening of oil fields and ports and resumption of oil production and export. Economic growth reached 8.4 per cent in 2016, 28.3 per cent in 2017, and 7.4 per cent in 2018. However, oil production stopped again in 2020 due to the South of Tripoli war, which will negatively impact the GDP, with economic growth rates facing the challenge of sustainability of oil production and export. Moreover, the Covid pandemic has negatively impacted the economy due to the great recession in the global economy and consequent decrease in global demand for oil, leading a decline in oil revenues and causing the economy to shrink. According to the World Bank, the rate of deflation is estimated to be 19.4 per cent for 2020.

Fiscal policy

The following are the major challenges:

- Unstable public financial conditions due to heavy reliance on oil revenues in financing State budget. In the 2018 budget, these amounted to 93.2 per cent of total revenues, rising to 97 per cent in the 2019 budget (excluding revenues accruing from foreign exchange fees).
- Marginality of fiscal policy, evident in low tax and other sovereign revenues, which, due to feebleness of non-oil economic activity, did not exceed 6.2 per cent in 2018 and 3 per cent in 2019.
- Weak fiscal policy incapable of achieving financial sustainability due to growth of consumer spending at the expense of development spending. Over recent years, consumer spending exceeded oil revenues. In 2017, current spending amounted to 30.8 billion LYD, against 19.2 billion LYD in oil revenues; in 2018, 35.8 billion LYD against 33.4 billion LYD, and in 2019, 41.7 billion LYD against 31.3 billion LYD. Continuation of these trends threatens the future ability

of the State to pay salaries, which in total amount to about 25 billion LYD.¹⁰ The growing volume of current spending clearly indicates the large volume of ineffective spending.

- The growing volume of domestic public debt that does not serve the economy and economic development amounts to approximately 250 billion LYD. The high volume of public debt is due to its short-term use to finance the budget deficit, with various governments borrowing from the Central Bank and commercial banks throughout the country. The value of local bank debt is estimated at 130 billion LYD, and other current financial obligations of the State are estimated at more than 120 billion LYD.

Monetary policy

Challenges pertain to the following:

- The Libyan economy is facing the problem of containing high inflation rates due to the rise in food prices, and the growing volume of the black market in foreign currencies and the consequent devaluation of the Libyan dinar. Over the 2010–2018 period, inflation rates increased by an average of 11.5 per cent, jumping from 9.9 per cent in 2015 to 25.9 per cent in 2016 and to 28 per cent in 2017.
- Failure of the foreign exchange policy (levying fees on foreign exchange sales) in curbing devaluation of the national currency. Mismanagement of foreign exchange rates and the growing the black currency market due to ineffectiveness and lack of stability of the adjusted rate (fees on foreign exchange sales of 183 per cent and 163 per cent were imposed in 2018 and 2019).
- Depletion of international reserves and increase in demand for foreign exchange

10. Central Bank of Libya, Economic Bulletin, 2019.

along with the decline in foreign exchange earnings due to interruption of oil production and exports and the decline in international oil prices. In 2018, foreign reserves were lower by 35.4 per cent compared with 2012, decreasing from 124 billion to 80 billion dollars, and the decline in these reserves is continuing.

- Ineffectiveness of monetary policy in achieving monetary stability, due to the large expansion of the money supply. The money mass available for circulation increased from 46.3 billion LYD in 2010 to 110.7 billion LYD in 2018, and volume of currency printed rose steeply from 8.4 billion LYD in 2010 to 36 billion LYD in 2018. The split of the Central Bank between Tripoli and Al Bayda negatively affects management of money and national currency and control of commercial banks.¹¹

Investment

The following are the major investment challenges:

- Inadequate business environment for local and foreign investment, which poses a major challenge to the economy and to economic diversification. Business environment problems are manifested in difficulty and length of administrative procedures in starting a project, issuing building licenses, connecting electricity, registering property, and obtaining credit, in addition to weakness of protection for rights of investors, enforcing contracts, trading across borders, and settling construction cases. Good governance and transparency are structural challenges to the development of the business environment, in view of widespread corruption and bribery. In 2020, Libya ranked low (185 out of 190) in the overall ranking of doing business.

- Lack of an attractive, stimulating investment climate, due to political and economic instability, which constitutes a major challenge to building and diversifying the economy, reconstruction, and promotion of local and foreign investment.
- Inadequacy of most legislation related to business, investment, and economic activities, which needs to be developed and updated since it does not meet current requirements nor international standards.
- Lack of stability of public policies, which militates against attracting local and foreign investments.

Employment

Libya has one of the highest unemployment rates in the world. Employment in the government sector continues to be sought after due to mistrust in the private sector, which hampers instituting an effective economic diversification policy.

The most important employment challenges are:

- Employment in the government sector is comparatively very large. In 2019, government employment accounted for 85 per cent of those employed, who numbered 1.8 million.¹²
- Unemployment rates are comparatively high; was about 17.3 per cent in 2019.
- Youth unemployment is particularly high, standing at 47.7 per cent.
- Proportion of female workers is low, amounting to only 30.4 per cent of total labour force.
- Ratio of women in government positions to total working women is very high, estimated at 93 per cent.

11. Central Bank of Libya, Economic Bulletin, 2019.

12. Abdullah al-Hassi, An Introductory Study of economic development in Libya, ESCWA, 2019.

- Unemployment among young women, at 69.2 per cent, is quite high.¹³
- The labour market is characterised by low efficiency, lack of necessary local skills, and inadequacy of outputs of the education system in meeting market needs. This poses a major challenge to diversification, given the centrality of education levels and skills development.

Informal economy

Following the events of 2011 in particular, Libya has faced significant increases in informal activities, leading to growth of the shadow economy, which constitutes a real threat and challenge to sustainable development. Though this phenomenon is not new, informal activities have become an independent parallel economy. Clearly, informal activities, which exceeded 60 per cent of the economy in 2019, need to be curtailed.

These thrive in an environment characterised by a liquidity crisis, a foreign exchange crisis, circulation of billions of dollars in the informal economy, with total transactions outside the banking system estimated at 35 billion LYD.¹⁴ However, the main driver is the war economy. Moreover, illegal shadow economy practices have proliferated and include kidnappings; protection rackets; human trafficking; trade in imported goods sold at parallel-market prices or smuggled abroad; and smuggling of fuel, money and illegal goods to neighbouring countries.

The informal economy poses the following challenges:

- Opportunities for investment and deployment of domestic savings are reduced, since informal activities have the advantage of tax evasion.
- Informal activities have negative repercussions on social harmony and social justice.
- Waste and abuse of financial and human resources exacerbate unemployment.
- The large number of those involved, particularly expatriate workers, means that remittances sent abroad are not under control by the monetary authorities.
- The growing size of the shadow economy at the expense of the formal economy gives misleading and unrealistic information and data on the true potential of society, leads to misallocation and misdistribution of economic resources and the domestic product, and increases income inequality.

Economic sectors

The various economic sectors face clear challenges that hinder their ability to build and implement any strategies for contributing to growth, development, and economic diversification.

Financial sector

- Low contribution of private banking activity to lending and financing operations.
- Reliance of the sector on commercial banks.
- Ineffectiveness of non-banking financial institutions in financing economic activity.
- The severe liquidity crisis suffered by the banks.
- Poor management and corruption in the banking sector, in addition to money smuggling, illegal bank transfers abroad, and manipulation of credit procedures.
- The split in the Central Bank of Libya, which complicates coordination of liquidity, banking

13. 2017. هالة بوقعقيص، محمد تنتوش، المرأة في سوق العمل الليبي، واقع وتحديات.

14. Abdullah al-Hassi, 2019.

services, transfer of funds among banks, and clearing procedures.

- Underdevelopment of the banking sector, with slow take up of banking mechanisation for connecting banks and provision of banking services.
- Weakness of interaction of local banks with global banks. Lack of lending capacity at most commercial banks, which negatively impacts investor confidence.
- Poor application of legal controls and normative rules that impairs financial and banking security.
- Weakness of private banks and their lack of institutional capacity.
- Low competency of staff in public and private banks and the need for continuous training and development.

■ Energy sector

The National Petroleum Corporation faces the following challenges:

- Closure of oil fields and ports, interruption of production and export due to armed conflicts and ongoing fighting, and looting and theft of equipment and excavators in oil fields and ports due to the lack of security.
- Lack of a governmental framework for guaranteeing that society benefits from oil resources, according to the resource governance and natural resource management quality indicator.
- Increasing demand for imported refined products (gasoline and diesel), due to inability of refineries owned by the Corporation to satisfy demand at subsidised prices.
- Poor funding for development of existing oil fields and new explorations.

The electricity company faces the following challenges:

- Theft and looting of and repeated attacks on the electricity grid.

- Major difficulties in financing projects, as the company is heavily subsidised by the State, and in the event of lifting fuel subsidies, the challenge will intensify.
- Failure of numerous consumers to pay for consumption, as well as illegal connections to buildings built outside approved schemes.

■ Telecommunications and information technology sector

The sector faces the following challenges:

- Weak institutional and administrative capabilities.
- Disruption of telecommunications, destruction of cell phone towers, and theft of important equipment due to ongoing armed conflicts.
- State control over telecommunications, all fixed and mobile telephone lines, the Internet, and mail, and the limited role of the private sector.
- Repercussions of institutional division, which has impacted in particular the Libyan Telecommunication Holding Company, which is the main driver of the sector, with three boards of directors, each claiming to be the legal board.
- A legal and regulatory environment that is inadequate for meeting technological needs.
- Poor spending in localisation of communications and information technology.
- Lack of a digital culture and weakness of the e-commerce system and the connection with the Internet.

■ Transportation sector

- Lack of periodic maintenance of existing roads as a result of armed conflicts and neglect.
- Suspension of contracts, particularly for the new road project linking 'Ras Jadir' and 'Musaed', which was contracted in 2011.

- Dilapidation of ports and their assets, with their low service level and with limited depths that make them unable to receive large ships.
- Deterioration of airports and destruction of Tripoli Airport due to conflicts and fighting, and inability of current airports to operate.
- Lack of passenger and goods rail transportation services, leading to increased traffic costs.

■ Housing and utilities sectors

- Underdeveloped infrastructure and halt of development projects contracted before 2011.
- Failure to resolve issues with local and foreign contracted to implement the housing and infrastructure projects suspended due to conflicts.
- Growth of slums and lack of approved urban plans in most Libyan cities.
- Rising housing prices and construction costs for low- and middle-income people, deterioration of water infrastructure and need to treat brackish water.
- Deterioration of existing sewage networks and need to establish new sewage networks in most cities.
- Population migration towards major cities, especially Tripoli and Benghazi, because of displacement and search for better services.

■ Agriculture, livestock, and marine sector

- Lack of arable land, currently estimated at only 2 per cent of total area of the country.
- Reduction of arable land due to decreasing water levels and increasing salinity because of groundwater depletion.

- Encroachment on agricultural and forest lands and their transformation into residential zones.
- Limited funding for development of agricultural projects.
- Shortage of skilled local agricultural labour, and limited availability of seeds, fertilisers, and pesticides.
- Poor agricultural extension services.
- Limited grazing land, estimated at only 4 per cent of total area of the country.
- Deterioration of fishing ports and severe shortage of fishing supplies and equipment.
- Poor funding for development of marine wealth and fishing activities.

■ Tourism sector

- Low contribution of tourism to GDP compared to North African countries.
 - Low level of infrastructure necessary for developing tourism and increasing its contribution to the national economy.
 - Limited role of the private sector in tourism activities, which is limited to operating 3-star hotels and some seasonal tourist villages.
 - Insecurity and political instability debilitating development of tourism.
 - Limited electronic services available to tourists, as only a few hotels offer online services.
 - Complete or partial State ownership of 5-star hotels.
 - Closure of many State-owned tourist villages due to armed conflicts.
 - Low quality of tourism services by international standards.
 - Weak tourist marketing capacity.
-

B. Institutional challenges

Political instability, armed conflict, faltering institutions and widespread corruption due to lack of governance, transparency, and accountability constitute severe challenges, with centralisation impeding reform and development, leading to numerous economic and social crises and failures.

Institutional splits

Following the transitional period in 2011, institutional failure played a role in the slide into violence. Several factors contributed to this failure, but the most important is that institutions, particularly sovereign and representative bodies, were poorly constructed and lacking in competencies. However, proliferation of weapons, external interference, and rent seeking that weakened the social fabric were also contributory factors. The armed conflict had a negative impact on what was left of the State structure and led to a very acute political and institutional division that has become the gravest challenge to building the capacity of the State and the national economy, as well as to sustainable development, with many institutions incapacitated and public services greatly diminished.

Institutional division is one form of splits. A large number of institutions ostensibly maintain unity, but in reality, they are divided, with each branch dealing with the dominant government in its region. Such is the case with the judiciary institutions as well; for example, the Case Administration Authority, which represents government institutions legally, represents the Government of National Accord in Tripoli and simultaneously the Interim Government in the east of the country. Another example is that of the Food and Drug Control Authority, which is managed from Tripoli, but delegates dealing with the existing order in the east of the country to its Benghazi branch.

Institutional symmetry is a second form of splits, with the two competing governments creating corresponding institutions, sometimes with different names. While the Government of National Accord operates from the headquarters of institutions located in Tripoli, the Interim Government established its own bodies, recruiting and seconding public-sector employees and contracting other from the private sector.

A third form is that of partial division where some institutions operate parts of their departments and divisions, while relying also on branches of the corresponding government. For example, members of the Board of Directors of the Central Bank split. The governor and one member continued to work in Tripoli, while the deputy governor and three members moved to Al-Bayda and established rival headquarters there, thus paralysing the board due to impossibility of getting a quorum. However, the Central Bank in Al-Bayda did not establish some the administrative units, since their assets and financial data were not under its control.

The fourth form is establishment of entirely new institutions that one government or the other deemed necessary. For example, the Libyan Interim Government established a Women and Children Authority, and split both the Ministry of Labour and Social Affairs and the Ministry of Economy and Industry into two ministries each, while the other government did not follow suit.

Nonetheless, a number of institutions maintained their unity, perhaps due to the fact that their work is security sensitive. Examples include the Passports Authority, which grants passports, entry visas, the Public Property Authority, which documents public and private property, the Prisons Administration, and the Civil Registry.

A future unified government will face great challenges in unifying these institutions, as well as in correcting the measures they took, since most lack sound management methods and have not electronically archived documents. An additional challenge is the burden of the large number of employees appointed to these institutions, since making redundancies may lead to resentment and social rifts that are difficult for a weak State to deal with. On the other hand, once the institutions are unified, profligate spending could be ended easily and their assets, if acquired legally, could be readily incorporated.

In general, the challenges raised by institutional splits are:

- Excessive expenditure by rival institutions.
- Excessive recruitment.
- Ill-considered decisions, such as that approval by the Ministry of Justice of the Interim Government of a debt to a foreign company to the tune of 450 million LYD,¹⁵ consequent on an arbitration ruling issued abroad.
- Wasting public money in proving the legitimacy and eligibility of institutions, as in the case of the Libyan Investment Authority, and loss of funds of ordinary people.
- Taking financial measures and making financial arrangements worth billions without any legal basis, thus undermining respect for laws and legislations.
- Administrative corruption and lack of oversight, with officials using the political split as justifications.
- Widespread corruption at all levels in all State institutions.
- Violation of court and judicial rulings by some continuing to represent an institution illegally and imposing financial and legal

obligations on it, and in some cases seeking international support to remain in the job.

- Conflicting judicial rulings between Tripoli, Benghazi and Al-Bayda.
- Administrative and financial laxity and severe weakness of government performance and public policy outcomes.
- Undermining institutions and their role in society through domination by certain individuals.
- Wasteful decisions entailing financial obligations on the State.

Corruption

Administrative, political, and financial corruption is of the most serious obstacles to building the Libyan economy and a major reason for the failure of reform attempts. In 2017, Libya was ranked by Transparency International among the ninth most corrupt countries in the world, giving it 17 points out of 100 for integrity and transparency.

Corruption is manifested in favouritism, i.e., giving jobs and contracts to relatives and cronies, collusion, bribery, abuse of position for private interest, speculation in foreign exchange, fraud, and monopoly. This is clearly reflected in high government spending, which amounted to 270 billion LYD during the period 2012–2017, without any tangible impact on development. Close to 25 billion LYD are spent on salaries annually, and there are more than 1.8 million State employees, with a productivity rate of a quarter of an hour or less per day.¹⁶

Corruption at this level of has devastating economic, social and security impacts. Indeed, widespread corruption in all State institutions, including regulatory agencies, and mounting bribery, nepotism, embezzlement,

15. Abdullah al-Hassi, 2019.

16. Libyan Audit Bureau Reports, 2017, 2018.

abuse of influence and manipulation of government project contracts, disadvantages certain social groups, wastes State revenues and public funds, and distorts development through poor investments in the national economy.

Widespread corruption, nepotism, regionalism, and tribalism have led to popular discontent and social tension among regions, both of which constitute a significant real challenge and hinder development and reconstruction of State and national economy.

Centralisation

Centralisation of decision-making by the sovereign institutions of the State undermines local government and hinders spatial development. At the beginning of the independence period, there was a mixture of decentralisation and centralisation, but gradual expansion of centralisation followed. From 1977 to 2011, administrative and organisational instability at the local level prevailed, with separation and merger of municipalities and changes to administrative boundaries, within the framework of the so-called 'Shaabiyat'. Moreover, centralisation failed when the central government proved unable to provide services and achieve

economic goals in view of the vastness of the geographical area, intensity of tensions, conflicts, and successive wars.

In response to the demand for decentralisation and local self-administration, the Transitional Council decreed Law 592012/. However, application of that law was beset by numerous legislative, administrative and financial challenges and difficulties.

In general, centralised development gave rise to the following challenges:

- Migration to large cities in search for jobs and investment.
- Pressure on resources and infrastructure of major cities.
- Concentration in residential areas by regional origin, which deepened internal divisions and regional rivalry and impacted distribution of opportunities in the government sector.

The next stage faces the challenge of establishing the most appropriate system to geography and demography of Libya (vast area and the majority of the population is concentrated in a small area), enhancing decentralisation and local governance as an option and a better alternative to public and economic administration.

C. Social challenges

Libya faces several social challenges in terms of standard of living, access to social services, and the social fabric and social harmony, including the following:

Poverty

Estimates indicate that poverty rates are high, with about a third of the population living below the national poverty line.¹⁷ One reason is that government spending on public services was impacted by the unpredictability of oil revenues, as well as by inflation due to lack of security and political stability. Most Libyans work in the public sector earning low wages. Hence, most segments of society are vulnerable to the impact of inflation. In addition, poor public sector services, especially medical care, force citizens to use their savings for treatment abroad.

Another cause of poverty is reliance on food imports; estimated to cover 80 per cent of all food consumption. These are priced at the parallel market exchange rate, making it difficult for many Libyans to purchase food stuffs, with their difficulties exacerbated by lack of liquidity.

Moreover, the policy of maintaining subsidies has failed, leaving people prey to high inflation rates that weakened the resilience of vulnerable groups, and eroded savings and the standard of living of people with limited income. As a result, the middle class has all but disappeared.

Education

The education system does not meet the demands of society and the labour market. Its outputs lack skills and do not respond efficiently to developments and keep pace with the global changes and digital knowledge.

Access to educational institutions has far exceeded their capacity. Nearly 90 per cent of tertiary students are enrolled in public universities that strive to meet demand. Large numbers of job seekers are thus added annually, with qualifications and specialisations the labour market cannot absorb. Government scholarships are also granted to some 20 thousand students to study abroad. However, payment of stipends is erratic, and many do not return to the country after graduation.

There are also several private universities and institutes, covering most of disciplines, but their attainment is poor, are profit oriented, and their curricular are aligned with those of public universities. Moreover, vocational education and training do not meet labour market requirements, and the private sector faces difficulties in recruiting skilled labour.

Health

Health is a major concern. The system is clearly weakened by the institutional splits, limited financial resources, lack of human resources, severe shortage of life-saving medicines and basic equipment, and deterioration of the

17. African Development Bank, 2018.

neglected primary healthcare network, leaving more than 2 million Libyans in need of basic health services. The country spends annually on the health sector nearly 5 billion LYD, and the cost of treatment abroad, particularly in neighbouring countries, amounts to around 6 billion LYD a year.

Severe shortages of subsidised medicines in public hospitals have led private commercial pharmacies to flourish. Numerous medical centres and hospitals have been closed in areas afflicted by conflicts, making it difficult for citizens to obtain healthcare services. In the past few years, 17 out of 97 hospitals and 273 out of 1,355 healthcare centres have been closed; only 4 hospitals are operating at 75–80 per cent of capacity in various parts of the country. Moreover, only 40 per cent of beds are usable; a rate of 15 beds for every 10 thousand citizens.¹⁸ Readiness of emergency health services is estimated to be less than 50 per cent, while human resources are estimated to be inflated by more than folds by international standard. Additionally, there is a marked lack of efficiency, possibly caused by irregularity of payment of salaries and shortages in medicines and supplies. In the south and remote areas in particular, hospitals services, including kidney medical treatment, are deteriorating, forcing patients to seek treatment in neighbouring countries, especially for diseases such as cancer.

Private-sector healthcare is promising, with clinics providing treatment to employees of companies and public institutions that have medical insurance. However, the sector lacks funding and equipment and demand for its services is weak.

The health sector in Libya exemplifies the challenges facing administration of the State. Services are significantly degraded due to acute shortage of supplies, and political and institutional splits and internecine fighting that have exacerbated the difficulties. Notwithstanding the huge funds allocated to confront this Covid-19 pandemic, the disease continues to spread in all cities due to lack of enforcement of social distancing measures, intensifying healthcare challenges.

Displaced persons

The increasing number of displaced persons as a result of the ongoing conflicts, fighting and wars is a real social challenge. International institutions have estimated that 435 thousand people have been displaced internally, and about 125 thousand to other countries. About 200 thousand have returned to the country but are encountering the challenges of reintegrating into society and rebuilding their lives. At the beginning of 2017, more than 1.3 million people, including internally displaced persons, returnees, migrants, refugees, asylum seekers and vulnerable non-displaced persons, were in need of humanitarian assistance. According to the Office of the High Commissioner for Refugees, the number of people displaced as a result of the war in southern Tripoli has reached approximately 425,714. The displaced face numerous problems, the most pressing of which are loss of sources of income, deterioration of living conditions, and difficulties in obtaining education and health services.¹⁹

18. WHO, 2017.

19. UNHCR, 2019.

Informal migration

The large and increasing number of informal migrants is a real challenge socially and economically, especially in terms of human rights violations, involvement in the informal economy and organised crime. There are in the country 800 thousand migrants²⁰ who benefit from free medical services and fuel subsidies, and largely work in the informal private sector without paying taxes.

Continued flow of migrants entrenches smuggling and crime, increases involvement of Libyans with migrant smuggling networks, and other illegal activities, such as transporting and housing migrants. Migrants who fail to reach their European destinations stay in the country, which will result in demographic change as they will eventually be granted citizens' rights and citizenship.

Reconstruction and infrastructure development

In most cities and regions, infrastructure has been greatly impacted by the protracted conflicts since 2011. Hence, large funding is needed for reconstruction and infrastructure development.

Some cities were afflicted by insecurity, with armed groups believed to be non-Libyan taking control, especially in the southern region, such as in the cities of Sabha and Murzuq, where people were displaced and infrastructure greatly damaged. In addition, damage was sustained due to prolonged conflicts and fighting between cities and tribes in the West, such as the

war in Al-Syaan, Kakla, Al-Mashashiah, Al-Zintan. Collapse of security made it possible for armed groups and smugglers to tamper with the telecommunications and electricity networks and infrastructure especially in the south; for example, wires were robbed, melted and sold outside the country.

Reconstruction requires well designed measures, including replanning some areas, rebuilding and developing destroyed cities, and redeveloping and rehabilitating infrastructure, including roads, utilities, and communications.

Challenges facing reconstruction of damaged cities and infrastructure may be summarised as follows:

- Without ending to wars and conflicts and achieving lasting peace and stability, it will be difficult to initiate reconstruction.
- Large funds, possibly exceeding what the country could afford, are needed, while spending on nondevelopment exceeds 90 per cent of the State budget, while funding development does not exceed 7.5 per cent.
- In 2012, the Libyan government approved compensation for the owners of damaged properties and facilities and has already compensated some from Misrata and Sirte. Thus, the government has accepted the principle of compensation and would need large sums, in excess of hundreds of billions of LYDs, to compensate for war damages.
- Replanning the destroyed cities would need new urban schemes that would require changing the status quo. Thus, the State would find that it is required to compensate

20. International Organization for Migration, 2020.

owners of destroyed properties and offer them alternative properties.

- Reconstruction plans would have to include completing projects, the contracts for most of which were signed before 2011. The companies involved would likely demand compensation for damages to machinery, equipment and sites and revision of agreed prices. Moreover, numerous companies have been liquidated. Replacing them would require large funds for transferring contracts and dealing with the associated technical and financial issues.
- Funds allocated to disrupted projects must have been used since. To replace such funds would now be difficult due fluctuations in oil prices, high public spending and increasing war expenditures.
- A solution may be offering reconstruction projects for foreign investment. However, prevalent lack of security has a deterrent effect. Moreover, current legislations are deficient and do not provide the sovereign guarantees normally required for investment in infrastructure, and instability of the exchange rates is an additional impediment.

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**Success and
realization of the
vision: national
development
strategies**



For making the dream a reality, strategies and policies need to be developed to overcome risks and turn challenges into opportunities, in accord with clear core guidelines.

The armed conflict that raged from 2011 to 2020 left deep wounds in Libya. Repercussions were not limited to the economic sphere, but also led to widespread corruption, waste of resources, and missed opportunities for economic prosperity. The conflict also weakened capacities of institutions and rendered fragile the government financial system and its inability to achieve sustainable development. Moreover, due to institutional divisions and collapse of depositor confidence, ability of the banking system to act as an intermediary for money exchange and organise various money operations collapsed, leading to a liquidity crunch that reflected the depth of the economic crisis caused by political conflict and armed clashes. A report issued by ESCWA in 2020 on the Economic Cost of the Libyan Conflict²¹ indicated that over the past 10 years, it has had devastating effects on the economic landscape, causing economic losses to the tune of 783.2 billion LYD. The study, which adopted a standard economic model to estimate economic cost, also indicated that a prolonged conflict extending to 2025 would increase the economic cost by 627.6 billion LYD, i.e., by more than 80 per cent, with total GDP losses amounting to around 1,410.8 billion LYD in 2025.

The Libyan people are looking forward to ending the conflict soon, restoring democracy and State institutions, rebuilding and organising the economy to advance economic and social sectors on new foundations that would ensure equity of distribution of income, transparency, economic freedom and administrative decentralisation, in the interest of enhancing spatial and local development in all regions.

The desired peace, stability and development should be based on the following four main keystones:

First, a State of Libyan citizenship and identity, achieved through a framework of justice that preserves public and private property rights and respects the cultural specificities of the constituents of the Libyan identity. The hoped-for State would eliminate conflicts and disputes through reconciliation and promotion of sustainable development in all respects: human, environmental, economic, and social.

Second, protection and social justice, achieved by reforming salaries and wages; creating an anti-corruption culture, behaviourally, educationally, and legally; strengthening resilience of vulnerable groups to economic and social challenges; and enhancing administrative, financial, and social control capabilities of the State.

Third, replacement of the rentier economic model with one based on the interaction of different parties, by eliminating heavy reliance on a single source of income; creating a stable economic environment attractive to investment; promoting equitable income distribution; achieving spatial development; enhancing community partnerships; refashioning the role of the State for it to become a regulator and organiser of economic activity, rather than a competitor of the private sector; and providing for transparency in management of public funds and investments.

Fourth, institutional reform, by adopting a comprehensive system of institutional governance for all State institutions and strengthening the foundations of local governments on the basis of transparency and community participation.

Formulation of the draft economic and social vision for Libya took inspiration from hopes and aspirations of Libyans and was based on contributions from experts on building an effective economy capable of facing local

21. ESCWA, Economic cost of the Libyan conflict: Executive Summary, 2020.

Available at https://www.unescwa.org/sites/default/files/news/docs/en_executive_summary-_libya_cost_of_conflict.pdf.

and international challenges that takes into account environmental, geographical and demographic specificities of Libya and its various natural resources, as well as the requirements of the era of globalisation and the knowledge economy. Hence, the vision of the future of the Libyan economy must inevitably be based on a set of national priorities and strategic guidelines: economic diversification, sustainability of public finances, competitiveness of the private

sector, restructuring of government agencies and reform of their governance, provision of a social safety net and economic prosperity, spatial development and local government, and financial and banking institutions. These priorities are all reflected in a set of basic strategic goals that must be achieved within a specific timeframe, subsequent to achievement of peace and stability. Moreover, all this must be subject to well-defined indicators to measure progress.

A. Creating a diverse and sustainable national economy

The vision for the future of the Libyan economy is based on a set of national priorities to be realised through specific strategic objectives, as well as on implementation a

roadmap to achieve the socioeconomic pillars. This requires that government, all economic sectors, the private sector, and civil society institutions adopt policies and programmes

	National economic priority	Guidelines for future Libyan economy
A	Economic diversification	A diversified, sustainable, knowledge- and innovation-based economy, governed by fair competition and transparency.
B	Sustainability of public finances	Public budget geared towards achievement of development goals and focused on creating the infrastructure needed for diversity and sustainability and promoting spatial development and good local government.
C	Private sector competitiveness	A qualified, well-governed private sector to lead the economy with a high degree of competitiveness.
D	Restructuring of government agencies and governance of their performance	A flexible, innovative government administration that uses technology and is based on principles of good governance and combat of administrative and financial corruption.
E	Social safety net and economic prosperity	A developed social safety net that secures a decent and economically sustainable standard of living for individuals and households.
F	Spatial development and local government	An inclusive geographical development based on solid foundations to implement decentralisation and promote sustainable spatial development.
G	Financial and banking institutions	An advanced financial and banking system and well-regulated financial and banking institutions capable of contributing effectively to sustainable economic development.

for advancing the national economy on foundations of justice, transparency and guaranteed rights.

The following table summarises the seven priorities underlying the alternative economic model and the guidelines for each, which are themselves reflected in a number of strategic objectives that will be detailed later.

The following are the core priorities and guidelines for the future of the Libyan economy:

Economic diversification

The oil sector dominates the economy. In 2018, it contributed more than 70 per cent of GDP, 90 per cent of government revenues and more than 95 per cent of exports.²²

This single source of national income exposes the economy to the high risks of price fluctuations in the global oil market and disruption of production and export due to local security conditions. The economy is also vulnerable to external factors, as it depends on imports for most of its needs. As for per capita income, a report issued by ESCWA, entitled “Introductory Study on the Status, Challenges and Prospects of the Libyan Economy”, indicates that most Libyans work in the public sector receiving government salaries that are not commensurate with the global poverty rate of \$1.25 per day (ESCWA, 2020). Moreover, in December 2020, the Central Bank of Libya adjusted the exchange rate of LYD against Special Drawing Rights (SDRs),²³ to 4.48 LYD to the dollar; an increase of 320 per cent over the

previous official price of 1.4. This adjustment will have a clear impact on individual income, unless extensive structural, financial, and commercial remedies are implemented to maintain social peace. Perhaps the biggest challenge faced by the economy is that of adoption of a comprehensive strategy for diversification and development of sources of income to enhance stability of growth rates and diversify the GDP, and improve individual income.

First guideline

A diversified, sustainable, knowledge- and innovation-based economy, governed by fair competition and transparency

Adjusting the contributions of the various economic sectors to the GDP in a diversified, sustainable economy requires that these sectors achieve strategic goals announced by government. Economic diversification, away from total reliance on oil, is vital. A diversification programme needs to be gradual, defining the required contribution of each sector to the GDP and the targeted increase in the contribution of non-oil sectors in each period. Naturally, the oil sector will continue to be a major contributor, but alongside contributions from other major sectors: industry, tourism, agriculture, real-estate, finance, communications and information, and trade. Crucially, the goals need to be reflected in annual programmes for the various sectors, implemented within specific periodically reviewed timeframes. Furthermore, the planned transformation would include creating the environment and infrastructure required for expansion of production, services, and knowledge.

22. Central Bank of Libya, Annual Report, 2018.

23. Central Bank of Libya, Statement of Central bank of Libya regarding Exchange Rate modification.

Available at <https://cbl.gov.ly/en/2020/12/17/statement-of-central-bank-of-libya-regarding-exchange-rate-modification/>.

A future Libyan economy, based on technology and innovation, would enable production of competitive goods and services with high knowledge and technology contents, thereby enhancing competitiveness of most activities and sectors, such as tourism, education, and industry. The oil and gas industry would initially be the main engine of economic growth, but other economic-growth engines would be sought to drive the economy forward within specific timeframes, and growth would be imbedded in an appropriate environment and backed by an advanced system of education based on knowledge and innovation.

The following performance indicators may be used periodically to measure progress in achieving economic diversification:

1. Economic development.
2. Relative contribution of non-oil revenues to GDP.
3. Relative contribution of knowledge economy to GDP.
4. Relative contributions of various sectors to GDP.
5. Readiness for future production, structure of production, production engines.
6. Readiness of networks.
7. Contribution of private sector to implementation of development projects.
8. Contribution of private sector to management of investments.
9. Government spending.
10. Transparency.

Strategic objectives for economic diversification

1. Declared sectors as engines of economic diversification, with other complementary sectors, as per an annual programme for improving degree of economic diversification.
2. A competitive, diversified, integrated economy, based on foresight, innovation, and entrepreneurship.

3. An integrated, interconnected system for promotion of SMEs in each economic sector, within a clearly defined finance and guarantees framework and transparent criteria for supervision and control.
4. A legislative and regulatory environment characterised by vitality, flexibility, keeping pace with developments, and equal opportunities, alongside a sound judicial system and legal framework for arbitration and settlement of economic disputes.
5. An advanced technological infrastructure enabling all sectors and capable of keeping pace with developments, a governmental framework for control of specifications, and transition to e-government in all fields and sectors.
6. An integrated research and development system covering economic sectors, scientific and research institutes, and civil society institutions.
7. Transparent governmental and semi-governmental tenders, regulated at the administrative level of the State, and clear rules for promotion of economic diversification in each sector and fair competition between the private sector and the public sector.
8. A regulated, competitive private sector free of all forms of monopoly participating in implementation and management of various infrastructure and investment projects.
9. A framework for gradual development and promotion of industry, agriculture, local tourism, and international trade dependent on local components as far as possible to reduce degree of exposure of the economy to external factors.
10. Comprehensive restructuring of government institutions for economic planning, studies, information, and statistics, with economic policy development in all sectors entrusted to a competent authority, to ensure follow up and monitoring of economic diversification.
11. Transition towards e-State or e-Government in all sectors, services, and transactions, along with creating the requisite infrastructure.

Sustainability of public finances

Throughout the ten-year conflict, most general budget expenditure was for administrative, rather than developmental, ends. Salaries constituted more than 60 per cent of the budget, while 20 per cent was spent on fuel subsidies, with the share of development spending limited to 6 per cent.²⁴ Moreover, use of public debt to finance the budget deficit escalated due to faltering oil revenues and political and institutional divisions. This is contrary to the requirement of sustainability of public finances and development through current spending, rather than through debt, as well as to Planning Act No. 13 of 2000, which requires that 70 per cent of oil revenues be directed to development.

Financial sustainability, as defined by the International Monetary Fund, is achieved when government, as a borrower, can service its debt without fundamental changes to the structure of public expenditures and revenues. More clearly, financial sustainability is attained when public debt is not accumulated or allowed to exceed the safe limit of 60 per cent of GDP, while limiting budget deficit to less than 3 per cent of GDP.

In the case of Libya, achieving sustainability of public finances requires comprehensive restructuring of the government budget, setting specific controls and targets for spending, revenue collection, and diversification, while conserving depletable natural resources, such as oil. The aim would be to ensure sustainability of infrastructure and vital strategic facilities and services, such as transportation, electricity, water, education, and health, which contribute to providing an environment conducive to stimulating the economy, achieving greater diversity, and creating varied investment and development opportunities. Furthermore,

financial sustainability requires that the government implement public finance management systems, as well as integrated electronic financial information management systems, to enhance ability to manage the unified treasury account of the State comprehensively and accurately and provide real-time financial information and data on spending and collection.

Second guideline

Public budget geared towards achievement of development goals, and focused on creating the infrastructure needed for diversity and sustainability and promoting spatial development and good local government
.....

Achieving sustainability of public finances requires comprehensive restructuring of government spending and revenue collection, by re-engineering financial laws and addressing shortcomings of mechanisms for general budget preparation, ensuring transformation from traditional spending budgets to budgets that meet specific objectives and cater for implementation of approved sectorial economic programmes in line with the proposed vision for the future Libyan economy. Transparency and fairness of spending, collection, and local borrowing for implementation of development projects needs to be enhanced within a framework of community participation. The trend towards enabling local government to manage local resources responsibly and efficiently, thus ensuring fair distribution of income and increasing spatial development capabilities, would also need to be strengthened. Indeed, a disciplined government budget with declared goals and based on transparency of spending and collection is the essence of development and the basis upon which social and economic justice is built. Sustainability of the State budget must focus on restructuring spending, diversifying revenues, and achieving comprehensive

24. Libyan Audit Bureau, 2018 annual Report. Available at <https://audit.gov.ly/home/pdf/LABR2018-.pdf>.

decentralisation, in addition to allocating the largest proportion of oil revenues to spending on infrastructure projects. Moreover, the system of local government budgets must be expanded and its ability to be locally sustainable should be improved.

The following performance indicators may be used annually to measure progress in achieving sustainability of public finances:

1. Ratio of current account deficit or surplus to GDP.
2. Ratio of total public debt to GDP.
3. Ratio of public spending to GDP
4. Ratio of development spending to total budget.
5. Ratio of non-oil revenues to total revenues.

Strategic objectives for sustainability of public finances

1. Informed, integrated and sustainable financial, trade, investment, and monetary policies.
2. Public budgets effectively and transparently employed in achieving sustainable national development targets.
3. Diversification and enhancement of ability to collect public revenues at both national and local levels.
4. Transparency of government spending and a budget with set goals and programmes for achieving appropriate spatial development within a specific monitorable and verifiable framework.
5. Regulation of government debt instruments at both national and local levels and creation of financing instruments that promote broad participation of individual and institutional investors within a framework of spatial development.
6. A new structure for the system of public-sector wages, salaries, pensions and social security payments that entrenches social justice, in parallel with a clear and transparent framework of salaries and wages in the

private sector that encourages employment in it.

7. A new framework for taxes, customs and dues that encourages investment, enhances ease and transparency of dealing with financiers, entrenches social justice, and enables local authorities to manage their law-prescribed local resources.
8. A framework for governance and control of public spending and electronic systems that enhance ability to manage the financial system at the sectorial level and by effective local government and raise the ability of the financial system to respond, verify and monitor continuously.
9. Amending the legislative framework governing local administration to enhance powers and responsibilities of transparent, community-based local governments and re-manage State budget to promote transparent local government within a clear framework of development objectives and programmes.
10. An advanced, effective, real-time system for managing general budget operations relating to expenditures, revenues, assets, public property, consolidated treasury accounts, and closing accounts to achieve effective and timely control and reporting.

Private sector competitiveness

According to local and international reports, the private sector in Libya accounts for no more than 5 per cent of GDP. There are numerous private-sector companies. However, they are mainly concentrated in the trade sector, primarily in importation. A World Bank report indicates that the sector is beset by difficulties, with company formation involving a lengthy process, making Libya rank very low in international rankings for ease of doing business. Furthermore, there are difficulties in obtaining finance,²⁵ and these and other difficulties have been aggravated by the current conflict, widespread corruption, deterioration

25. World Bank, Doing Business 2018. Available at DB2018-Full-Report.pdf.

of banking services, as well as by access-to-finance problems, particularly subsequent to abolition of interest giving by Law No. 1 of 2013 and institution of Islamic banking exclusively by Law No. 47 of 2012, which amends Banking Law No. 1 of 2005.²⁶ In addition, there is the problem of expansion of the informal private sector in the so-called shadow economy, due to weakness of government control and failure to provide incentives for reform.

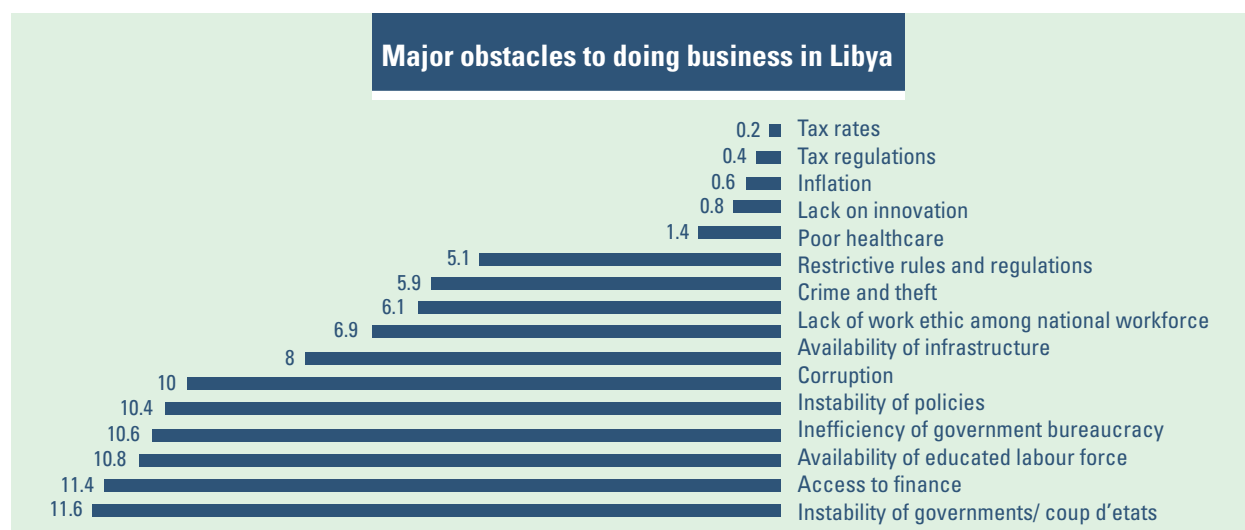
The Global Competitiveness Report of 2014–2015²⁷ noted that the major obstacles to doing business in Libya are government instability, bureaucracy, lack of qualified human resources, instability of economic policies, corruption, and poor infrastructure; all of which undermine competitiveness of the economy.

The following chart illustrates the challenges to improving competitiveness of the Libyan economy. It is worth noting in this regard that competitiveness indicators of the Libyan economy have not been included in the Global Competitiveness Report since 2015, due to inadequacy of data as a result of prolonged conflict.

Third guideline

A qualified, well-governed private sector to lead the economy with a high degree of competitiveness

Enhancing competitiveness within the economy, whether in the private or the public sector, is a prerequisite for distributional justice, particularly for job creation. Through multiple indicators, competitiveness goes beyond merely examining ability of the economic system to combat monopolistic or dumping practices. The Organisation for Economic Cooperation and Development (OECD) has defined competitiveness as the ability of the country to produce goods and services under free and fair market conditions, thereby endowing the economy with the ability to compete in global markets. Moreover, in the long run, competitiveness increases real individual income. The annual Global Competitiveness Report, issued by the World Economic Forum (WEF), uses 175 indicators of competitiveness grouped under



Source: World Economic Forum, The Global Competitiveness Report 2014–2015.

26. Central Bank of Libya, Laws. Available at <https://cbl.gov.ly/en/laws/#>.

27. The Global Competitiveness Report 2014–2015.

Available at http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_201415-.pdf (weforum.org).

several headings: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods-market efficiency, labour-market efficiency, financial market development, technological readiness, market size, extent of advancement of business environment, and innovation. The report of the Libyan Organisation of Policies and Strategies on competitiveness of the Libyan economy and the requirements for upgrading it²⁸ offers the following recommendations for improving the climate and environment of competitiveness in the Libyan economy:

- Provide an environment conducive to entrepreneurship and incentivisation of the private sector.
- Reform tax systems, eliminate bureaucracy and corruption, and improve public services.
- Enhance effectiveness of the stock market and its role in the global capital market.
- Reform the education sector for its outputs to meet the needs of the labour market.
- Develop the infrastructure of a digital society and communication networks.
- Develop a competitiveness strategy based on political, economic, and social stability.
- Ensure market diversity and administrative efficiency.
- Promote and protect intellectual property.
- Reduce waste of funds, bribery, and nepotism.
- Ensure judicial efficiency to improve Libya's ranking in competitiveness indices.
- Adopt a national methodology for annual evaluation of competitiveness.

The following indicators may be used to measure progress in improving competitiveness of the private sector:

1. Ease of doing business.
2. International economic freedom.
3. Market concentration

4. Ratio of net flows of foreign direct investment (FDI) to GDP.
5. Private sector contribution to GDP.
6. Ratio of private investment to GDP.
7. Size of shadow economy relative to formal economy.
8. Private-public partnerships (PPP) infrastructure.
9. Ease of doing business.

Strategic objectives for private sector competitiveness

1. Creating an attractive, competitive business environment in which the government exercises a regulatory role with administrative effectiveness and efficiency.
2. Developing a specific programme for examining competitiveness requirements as per global competitiveness indicators and regularly improve the position of the Libyan economy in global competitiveness ranking, within the framework of an integrated action plan, led, and supervised by a National Competitiveness Council that reports on progress annually and guides government efforts.
3. An empowered, organised, and competitive private sector that leads the economy with consideration of social and environmental dimensions within a framework of oversight by government.
4. Effective partnership between the public and the private sectors to improve productive, financial, and administrative efficiency of projects within a specific governance framework.
5. Clear governance rules for organising and registering economic activity instruments and managing them transparently through an independent institution.
6. Launching a Central Depository and Registry Centre for keeping private property records of all listed joint-stock companies and

28. تقرير القدرة التنافسية للاقتصاد الليبي ومتطلبات الارتقاء، 2016.

governing ownership transparently, with the Centre exclusively controlling all processes of property transfer to preserve rights and ensure transparency and justice.

7. Reorganising the capital market and its institutions to enhance investment opportunities and transparency, promoting listing by private-sector companies, developing acquisition rules and minority rights in listed joint-stock companies, launching a gradual, diverse programme of privatisation of eligible government companies, and liquidating failed government companies.
8. Establishing a partnership and integration framework between SMEs in various economic sectors, supported by incubators and venture capital funds.
9. Establishing a centre for corporate governance in both the government sector and the private sector to provide rules for all types of institutions and enhance good governance and control.
10. Ensuring equity of opportunity and access to finance between enterprises wholly or partly owned by the State and the private sector, as well as fairness in terms of investment rights and duties, in parallel with building a framework for promotion of domestic and foreign investment either directly or through the money market.

Restructuring of government apparatus and governance of its performance

The hoped-for State apparatus would be characterised by a high degree of flexibility, effectiveness, and productive capability, built on clear rules of planning, organisation, control, evaluation, and development. Constituent institutions would provide services using electronic means and the best modern methods of work and would monitor citizen satisfaction. Moreover, this apparatus would need to be supported by a budget having predetermined objectives and be based on advanced evaluation criteria. It would also reward and incentivise good

performers, sanction underperformers, and provide opportunities for innovators.

The government administrative body and its institutions have been enfeebled by several factors including lack of efficiency and effectiveness, widespread administrative and financial corruption, nepotism, clientelism, a culture of rent seeking, lack of clear policies to motivate the private sector, and unfettered expansion of the public sector. As a result, governmental and semi-governmental institutions have become havens for getting salaries without productivity. Indeed, many employees have more than one job and more than one salary, with the number of government employees reaching more than 1.8 million and salaries accounting for more than a third of the State budget.

Undoubtedly, there is an urgent need for rehabilitation of State apparatus and development of its infrastructure, transition to e-government, and implementation of good governance. The 2018 Administrative Audit Bureau Report cites lack of a clear organisational structure and clear terms of reference of the various positions, in addition to slow transformation to e-administration, which remains inadequate for meeting service demands.

Fourth guideline

A flexible, innovative government administration that uses technology and is based on principles of good governance and combat of administrative and financial corruption

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Administrative reform and development would be based on an integrated methodology for identifying defects and deficiencies in institutional performance in line with the most up-to-date international standards, with the aim of raising standards of performance, enhancing resilience, preserving the status of the State, and

strengthening confidence of citizens in ability of government agencies to provide services efficiently and effectively.

Ensuring sustainable institutional performance must be based on balanced and transparent partnership between the public sector and the private sector, as well as with civil society. Such a partnership would play a crucial role in managing and accelerating economic development, moving towards a “knowledge economy”, keeping pace with advanced industrial and technical developments, and supporting implementation of e-government to enhance transparency and fairness in provision of services. In tandem, the role and size of government would be delimited, in accordance with an established long-term policy, in order to ensure efficiency and effectiveness. Government administrative apparatus would thus avoid playing multiple roles involving ownership, management, supervision, and control to focus on control only.

The following indicators may be used to measure progress in developing performance of government apparatus:

1. E-government development.
2. Government effectiveness.
3. Global governance.
4. Number of smart government solutions and applications created or offered within or with the private sector.
5. Extent of application of e-government in each sector.
6. Number of government services allocated and managed by the private sector, relative to the total number of government services.
7. Rule of Law.

Strategic objectives for development of government apparatus

1. An effective government apparatus capable of planning, organisation, control, and

evaluation, with a sectoral structure and ability to plan for the future.

2. High quality government services and effective governance of resources and projects in accordance with rules and guidelines for each activity and service.
3. Clear, regulated competition criteria for filling leadership positions in the government sector and affiliated institutions, and transparency in recruitment and selection procedures.
4. Restructuring government-owned companies and economic units under direct supervision from Ministry of Finance as a representative of the State; organising selection and appointment of boards of directors of these companies and units, recruiting their membership, and managing their business professionally in accordance with declared governance rules; separating their ownership from management; and involving the private sector in their management and ownership and restricting State intervention to supervision and oversight according to specific, regulated standards.
5. Comprehensive transparency and responsible corporate disclosures that are technology-based and ensure access to information for all.
6. Sustainable partnership among the public sector, the private sector and civil society in managing government institutions and raising professional and technical capabilities of government workers through continuous training.
7. Balanced, sustainable partnership among the public sector, the private sector and civil society to integrate their roles and ensure effective institutional performance.
8. Public, clear programmes for transition to e-government and entrusting the transformation to a specialised institution contracted by the State that would measure and direct transformation processes at the level of government sector.

9. Adopting organisational structures that take into account the transformation towards a knowledge economy and promote comprehensive adoption of e-government and evaluating the work of the new organisational structures by quality indicators.
10. Interconnecting government electronic systems to enable and facilitate provision of high-quality services and achieve sustainability and ease of doing business.

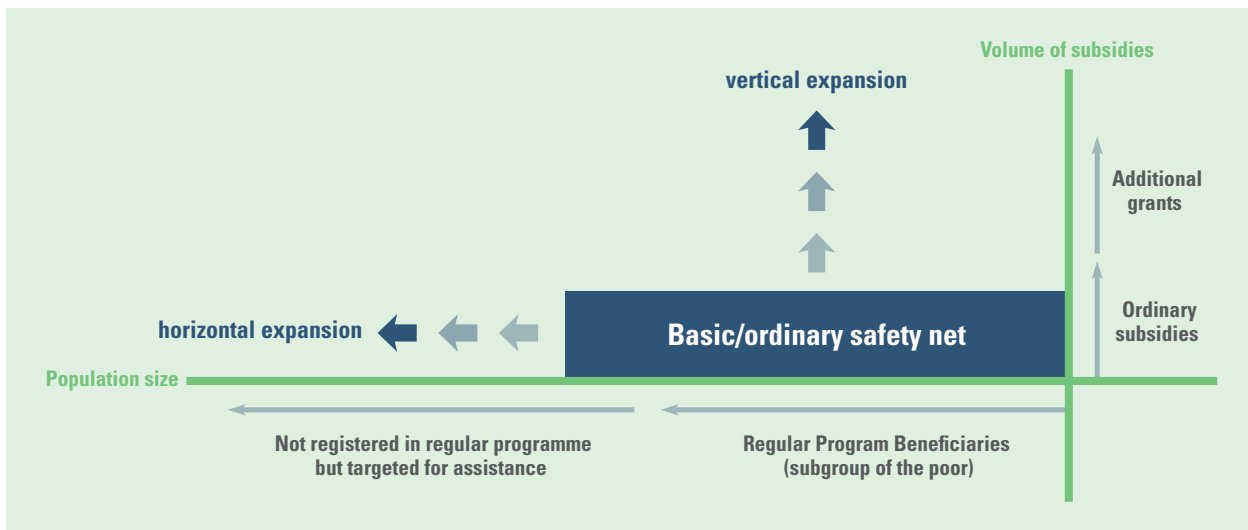
Social safety net and economic prosperity

One of the most prominent challenges in developing economies afflicted by internal conflicts, as in the case of Libya, is escalation of poverty and loss of social security, due to deterioration of humanitarian, health and educational services, and the weak financial capability of the State. The need for developing and sustaining a safety net and social protection arises from the necessity of supporting a decent life for the vulnerable and marginalised groups: those with

low incomes, the unemployed, and those not covered by social security programmes and pensions.

According to the World Bank, social safety nets are regular, predictable cash or in-kind transfers to the poor and vulnerable. Such nets may include temporary employment and income support programmes, as well as services that build human capital, such as training and microfinance programmes, helping to achieve three important outcomes: social inclusion, improvement of standards of living, and enhancement of resilience to economic shocks.

These nets can alleviate poverty and reduce vulnerability to crises by reducing the impact of negative shocks on the poor and marginalised. Social protection is part of the sustainable development goals (SDGs), especially the goal related to ending poverty by 2030.²⁹ Importantly, the safety net should have the ability to expand to include non-covered categories and additional programmes to achieve broader protection. The following diagram illustrates this concept:



Source: World Bank, 2017.

29. World Bank, The State of Social Safety Nets 2018.
Available at <https://openknowledge.worldbank.org/bitstream/handle/10986/29115/9781464812545.pdf?sequence=5&isAllowed=y>.

Rehabilitation of the social safety net in Libya and improving its ability to protect the vulnerable groups that were most severely affected during the conflict requires involvement alongside government by other actors, such as the private sector and civil society institutions. Strengthening the role of the Islamic endowment (Waqf) to include models and applications that reflect societal contribution to enhancement of the social safety net would also be necessary.

Fifth guideline

A developed social safety net that secures a decent and economically sustainable standard of living for individuals and households

The existing social safety net is currently based mainly on the old system established by the previous regime of government salaries and subsidies (that no longer exist) to basic foods, energy, and fuel. This no longer feasible system has distorted the structure of the Libyan economy. Moreover, the net was supposed to involve the Economic and Social Development Fund, with nearly 300 thousand poor households owning each a portfolio of shares in companies in which the Fund invests, valued at 30 thousand LYD; thus securing monthly payments against the annual returns of the portfolio. However, for several reasons, the Fund has faltered, with its investments failing to play the hoped-for role in promoting social protection, and its continuance has become questionable.

Hence, to protect the vulnerable, and enhance the role of the social protection net in promoting resilience to economic shocks and raising household incomes above the poverty line, redesigning and rebuilding the social protection system has become a matter of great urgency.

The following indicators may be used to measure ability of the social safety net to provide socioeconomic protection:

1. Social progress.
2. Human Development.
3. Youth Development.
4. GDP per capita at constant prices.

5. Level of final household consumption expenditure relative to general price level.
6. Gross national income per capita.
7. Contribution of civil society to social protection.
8. Contribution of IslamicWaqf to social protection.
9. Empowerment of the neediest.
10. Contribution of the private sector to social protection.

Strategic objectives of social safety net

1. Comprehensive coverage by health insurance and a transparent, insurance net for all.
2. Effective partnership for social development involving the public sector, the private sector, civil society and IslamicWaqf.
3. Coherent, integrated socioeconomic protection, and economic projects with a social content contributing to the GDP and geared towards women, children, young people, the elderly, and persons with disabilities.
4. An organised and active civil society capable of contributing to social protection programmes and sustainable development.
5. A new integrated social protection net that guarantees the right of the marginalised and vulnerable to live in dignity.
6. Comprehensive, administrative, financial and investment restructuring of the Economic and Social Development Fund, enhancing its capacity as an investment entity independent of government and part of the social protection system.
7. Building a clear model for the role of the Islamic Waqf, Zakat and Islamic charities in providing transparent support and assistance aimed at creating economic assets that enhance sustainability and help people escape poverty.
8. Strengthening private-sector contribution to the social protection net through job creation by providing the sector with commensurate incentives.
9. Reinforcing the role of civil society institutions in providing support and assistance as part of the social protection net.

10. Including financial allocations for bolstering the social protection net in central-government and local-government budgets.

Spatial development and local government

Planning major and small cities, as well as all other types of population centres, to meet socioeconomic development requirements (provision of industrial, commercial, service, and recreational zones) is a crucial factor in promoting sustainable development, which requires enhancing the capabilities of all regions, according to size, future growth expectations, and comparative advantages. Modern technology would need to be employed and harnessed to build new cities and rebuild existing ones as smart cities along three dimensions: spatial, social, and economic. Libya is a vast country. As a result of administrative and financial centralisation of all government institutions, the regions have been suffering the effects of high bureaucracy, causing dissatisfaction with deterioration of local services; hence, the urgent need for a broad national project for spatial development and enhancement of local government. Achieving this goal is contingent upon administrative and financial decentralisation, with the appropriate administrative divisions made through broad mandates under close, transparent institutional and societal oversight. Of importance in this regard is the use of e-government tools that develop local financial resources, control expenditures, and ensure respect for the law.

Due to lack of appropriate spatial development in the various regions, societal demands for a fair distribution of national income accruing from oil and gas revenues are legitimate. Hence, at least 70 per cent of these revenues need to be allocated to infrastructure and spatial development, as defined by Libya's Planning Law, in order to enhance provision of basic infrastructure within the framework of a national plan for spatial and economic development in governorates and municipalities. This would entail multiple responsibilities for regions and local administrations, in terms of strengthening financial capacity, rationalising spending processes, and developing the contribution of the Waqf and civil

society institutions to the development of the local economy. Moreover, there would be need for a clear legal local government framework with clearly defined roles and responsibilities for the various administrative and financial entities to ensure governmental and societal oversight, in addition to a framework that defines mechanisms for management of local budgets and their relationship to the State budget, in accordance with agreed-upon criteria for distribution of national resources. Moreover, local government would need to have the ability to manage, deploy and use local resources for local development.

Sixth guideline

An inclusive geographical development based on solid foundations to implement decentralisation and promote sustainable spatial development

Future spatial development is contingent upon sustainable development of provinces and municipalities in terms of infrastructure, government services, public utilities, and regulatory environment conducive to domestic and foreign investment. Value would also be added by interconnecting provinces and municipalities. Such development would ensure appropriate standards of living based on investment of available resources and promote expansion of access to existing facilities and projects for public benefit, within a framework of good local government and broad participation of the private sector in investment.

A planned, effective spatial development would help achieve comprehensive socioeconomic development of governorates and municipalities, within a framework of good local government based on clear legal foundations and a set of supportive legislations to enhance management of local affairs, mobilisation and expenditure of resources, and coordination with the central government with regard to administrative and financial mandates and means of managing local resources and development allocations (with a specific share of the natural resources of the State). The most important challenge lies in deploying local leaders and administrators capable of transparently implementing

decentralisation, under a regime of oversight by regulatory authorities and the civil society. In turn, this would entail having the ability to plan and take decisions compatible with the future directions of the State and contribute to development of local communities, in addition to: creating jobs; promoting innovation in all governorates and municipalities; encouraging use of modern technology, sustainable use of real-estate, land and available local resources and investing these resources effectively. The project of transformation to broad local government must be based on a set of objectives, including:

- Enhancing ability of local authorities to prioritise projects in accordance with urgent community needs.
- Improving effectiveness of local authorities in providing services and planning local development.
- Contributing to enhancement of economic recovery.
- Rebuilding confidence of citizens in the State and restoring trust between society and local authorities.
- Training and rehabilitation of local leaders, preparing them for carrying out their duties and playing their roles.

The following indicators may be used to measure progress in promoting spatial development and local government:

1. Decentralisation of government administration.
2. Decentralisation of management of local resources.
3. Implementation of zoning plans in municipalities and provinces.
4. Availability of infrastructure in municipalities and governorates.
5. Ability to move towards smart cities.
6. Human Development.
7. Share of local government in national income allocated for development.
8. Degree of transparency in financial disclosure by local government units.
9. E-government implementation in service units of local government.

10. Civil society contribution to promoting spatial development.

Strategic objectives for spatial development and strengthening of local government

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1. Continuous, planned, balanced and fair development that enhances comparative and competitive advantages of governorates within a legislative and legal framework for local government that regulates administrative and financial relations and powers and controls distribution of national income for local development purposes.
2. Empowered local communities that formulate their own social, economic and environmental priorities, and work within the framework of administrative, financial and economic decentralisation.
3. Planned urban and rural areas, and diverse human, historical, natural, and cultural heritage that promotes preservation of the environment.
4. Smart and sustainable cities, enhanced by economic capabilities and characterised by high urban quality, that are favourable for living, working and recreation.
5. Civilised infrastructure providing an adequate basis for meeting human needs while taking future developments into consideration.
6. Diverse, accessible, and integrated means of transportation in line with the urban development goals of municipalities and governorates.
7. A framework for approving local plans in aid of enhancing investment opportunities and spatial development.
8. An integrated project for distribution of income from natural resources in accordance with specific criteria (within the framework of the Planning Law) in aid of advancing infrastructure.
9. Enhancing capabilities of local administrative units to implement e-government and ensure transparency of their operations.
10. A civil society and Islamic Waqf contributing to spatial development and environmental preservation.

System of financial and banking institutions

Financial institutions include all establishments, institutions and companies that provide funds to the local market, transferring them from investors to customers in the form of loans, deposits, or investments. Commercial banks are the most prevalent financial institutions in Libya, followed by investment banks, guarantee banks or institutions, and brokerage firms or investment agents; in addition to investment funds, asset management funds, insurance companies, and many other types of financial institutions operating in the market, such as credit unions and micro-finance companies.

Financial institutions are key factors in economic development. Hence, their performance needs to be controlled and developed. Through injecting money into local markets and granting credit to individuals by these institutions, the local economy is developed, and spending rates are increased, greatly advancing macroeconomic development. Indeed, existence of an interconnected network of financial institutions contributes to advancing the entire economic process, since such a network would provide various economic activities with finance or financial guarantees, which in turn encourages participatory financing institutions (through venture capital funds or banks) that target SMEs, rehabilitating them by enabling them to acquire a share in capital and directing their management. Subsequently, after developing and maximising their value, successful SMEs are offered for subscription or are sold directly in the financial market. An agile banking system, able to manage cash in the economy and settle payments quickly and efficiently, contributes crucially to development of economic activities and incentivises growth and prosperity.

Seventh guideline

An advanced financial and banking system and well-regulated financial and banking institutions capable of contributing effectively to sustainable economic development

The Libyan financial and banking system is suffering structural and legal difficulties, the most

important of which is government ownership of the main financial institutions, including banks that have been partially privatised through the Economic and Social Development Fund, such as the Union (Al-Wehda), Commercial, Sahara and Al-Jumhuriya banks. As a result of continued indirect government control of banks and their inability to develop their operations, and failure of the strategic partnership with some foreign banks due to both the conflict and persistence of the management modes of the previous government, the main financial institutions (such as the Internal Investment Fund established by commercial banks and the Central Bank of Libya, with a huge capital in order to contribute to internal investment) have not played an effective role in the economy. Similarly, the Economic and Social Development Fund (which has the largest investment portfolio, through owning shares and managing institutions in the industrial, real-estate, tourism, service, oil, insurance and banking sectors, for the benefit of its more than 250 thousand owners from among poor households, within the framework of the Wealth Distribution Programme of the previous regime), faces major financial and administrative challenges and needs long postponed structural reforms due to failure of many of its projects and its inability to achieve returns to holders of its financial portfolios. In addition, the work of the stock exchange has been disrupted for no reason since 2013. In contrast, in other countries, such as Syria and Lebanon, stock exchanges remained operational thorough years of internal conflict. The disruption of the stock exchange has caused investors to lose confidence in its role as a regulator, as well as a custodian of their ownership rights to their listed shares that they should be able to dispose of at their market value at any time.

Likewise, specialist banks, such as the Real Estate Bank, the Development Bank, the Agricultural Bank and the Rural Bank, are weak and ineffective due to their limited ability to work as real banks, since they are in fact part of the government financial system, undertaking limited banking activities while acting mainly as lending institutions. Indeed, they are unable to implement their basic programmes and lack appropriate banking mechanisms, rendering them in dire need of comprehensive restructuring.

As directly or indirectly controlled by government, major financial and banking institutions do not operate in accordance with the rules of governance, with absence of separation between executive management and ownership limiting their effectiveness. Although partly privately owned, the financial and banking sector remains weak and unregulated. It faces several technical and legal obstacles preventing it from contributing to development, in particular its failure in fulfilling the core task of supplying credit due to abolition of bank interest, suspension of land registry services, and absence of approved real-estate schemes, in addition to other difficulties including limited prevalence of financial dealings and paucity of real-time electronic payment and settlement mechanisms.

The Libyan Investment Authority is the largest financial and investment institution investing outside Libya, with a network comprising more than 500 companies operating in numerous foreign countries. It has not, however, made any real contribution to the State budget or to supporting development programmes, thus failing to justify its *raison d'être*. Moreover, it is also struggling with the freezing of its cash balances and deposits in foreign banks by international resolutions and has great difficulties in developing its ability to manage and organise its operations. Thus, notwithstanding its attempt to regain control and implement a governance programme, it is still exposed to several risks.

In light of the all the foregoing, the time has come to completely reorganise and restructure the financial and investment sector to reorient it towards contributing to achieving development goals and a better future for the Libyan economy.

The following indicators may be used to measure ability of financial and banking institutions to achieve sustainable development objectives:

1. Contribution of foreign direct investment (FDI) to GDP.
2. Contribution of government investments to State budget.
3. E-Government Development.
4. Worldwide Governance Indicators: government effectiveness.

5. Perceptions of corruption.
6. Contribution of the Libyan Investment Authority to investment in infrastructure projects.
7. Worldwide Governance Indicators: voice and accountability.
8. Capital market indicators: market depth, market capitalisation, development of listings, investor structure.
9. Contribution of financial sector to GDP.
10. Contribution of banking sector to financing economic projects.
11. Contribution of investment funds and venture capital funds to financing investment projects.

Strategic objectives for enhancing role of financial and banking institutions

1. Comprehensive restructuring of State-owned financial institutions to enhance their role and separate ownership from management, in accordance with rules of good governance.
2. Restructuring of the specialised banking sector owned by government to enhance its competitiveness and strengthen its development role.
3. Reorganisation of the Capital Market Authority to enhance its broad and complete oversight over the non-banking financial sector.
4. Enhancement of role of stock market in stimulating local investment and creating investment tools by expanding listing and trading.
5. Review of the Banking Law to reorganise relationships among banks and develop their performance, and to enhance independence of the Central Bank and its role as a regulator of monetary policy and guarantor of monetary stability.
6. Development of the banking system to improve its ability to respond to financing requirements and electronic payment services and enhancing financial inclusion for all institutions and individuals.

7. Reorganisation of the Libyan Investment Authority, structuration of its operations, and enhancement of its role in financing development and infrastructure, achieving partnership with the private sector and providing guarantees for strategic investments.
8. Comprehensive governance of public and private financial institutions, including ownership structure, management, transparency, and financial disclosures.
9. Provision of the right environment for attracting foreign investments and enhancement of their contribution to economic development.
10. Enhancement of capacity and effectiveness of the judicial system in resolving economic and financial disputes efficiently.

Building an economic future that fulfils aspirations of the Libyan people entails an integrated economic project based on two foundations. The first is an alternative economic model founded on a set of economic priorities that sets strategic objectives and draws basic guidelines for roles of stakeholders; the second is an institutional reform project for instituting comprehensive institutional governance in both the public and the private sectors.³⁰

B. Building an overarching national identity in a State of justice with equal citizenship

History consistently shows that violence and bloodshed bring only short-lived results, while peaceful development of relations among the various groups remains the best way to ensure freedom, equity and social justice. Conflicts in human relations may not be always avoidable. However, means of resolving such conflicts must be peaceful and constructive; hence the necessity of urgently addressing divisions and conflicts in Libya. Indeed, every intellectual effort must be harnessed to build better foundations for coexistence based on inclusion, for social exclusion exacerbates inequality, perpetuates turmoil, and leads to decline. Ability of the State to exercise oversight over and control of socioeconomic interactions must be supported. However, understanding complexities of Libyan society is a prerequisite. These complexities are:

- Libya has gone through various historical phases that created social fissures. These deepened after 2011, as a result of unjustified intransigence in dealing with differences manifested in severe reactions to issues that could have been easily addressed.
- The crisis is comprehensive, multifaceted, and serious. It is at once political, economic, social, and cultural. Dealing with it requires mobilisation of capabilities, taking requisite measures, and passing appropriate legislations.
- The scope of the crisis has expanded: geographically, to include most areas of the country; socially, to involve the tribes and social and cultural components of society; and politically and administratively, to include major institutions of public affairs.
- There are the problems of prejudice, inequity, intolerance, ignorance, indifference, and irresponsibility, in addition to escalating anti-social and anti-State behaviours.
- Intensity of personal and tribal hostilities and ideological fanaticism has worsened, with a clear absence of rational, impartial, and firm social actors, which has led to a social vacuum, no less dangerous than the political, and to interaction of social with political issues.
- Difficulty of combining freedom with order has been compounded by fear for self, society and State (fears of kidnapping, stray bullets, tribal battles, and augurs of division or bankruptcy of the State).
- In a situation like that prevailing in Libya, accusing governments alone is not sufficient for

30. The appendix includes key elements of a forward look to the Libyan economy of the future.

determining causes of problems or implementing policies; rather, a prerequisite is awareness of importance of reaching consensus and willingness to make concessions.

- Development of a legal framework for the movement of society as a whole, i.e., all segments at all levels in all fields, and commitment to consequent regulations, rules and legislations, is predicated upon reaching a genuine consensus based on clear principles, the foremost of which is the principle of respect for the rights of others.

Concept and dimensions of citizenship

Citizenship is a social, legal, and political idea that has contributed to development of human society and advancement from the State of injustice and tyranny to that of equality and justice, by promoting democracy and transparency through involving citizens in governance and ensuring their rights and duties. In Libya, interest in the Libyan identity began with the project of Mr. Abdel Hamid al-Bakoush, known as “The Call to Resurrect the Libyan Identity”, which he launched in a statement on November 21, 1967.³¹

First, the legal dimension of citizenship regulates relationship between citizen and authority based on laws that take into account individual interests and interests of the group, enabling citizens to achieve their own interests legally without violating those of society. Secondly, the political dimension of citizenship is based on loyalty of citizens to the homeland as a political body, as well as on citizens enjoying political rights, including participation in elections, engagement in civil society institutions, and full human rights. Thirdly, the social dimension is that of social values that regulate behaviour of individual and society, and in which loyalty and belonging to the homeland play a key role in achieving solidarity and social harmony within a framework of full protection of human, social, intellectual, political, economic and cultural rights. Fourthly, the economic dimension reflects the extent to which citizens enjoy economic rights manifested primarily in secure minimum requirements for

a decent life for everyone, especially housing, food, clothing, and a job that matches ability; as well as in provision of basic services to fulfil the rights to health, social care, and education. Finally, the cultural civilisational dimension is that of the cultural and historical heritage which contributes to acceptance of difference. Together, these complementary dimensions serve to define the identity of the citizen and the homeland.

Citizenship rights

As long as the culture of citizenship is not entrenched in general social awareness, exercise of citizenship rights would remain incomplete and fraught with dangers of retraction and abuse. However, raising such public awareness requires building legal bases that guarantee political and legal citizenship rights, spreading a culture of citizenship and democracy, and mechanisms for monitoring any violations of citizenship rights and mobilising public opinion to address them.

Citizenship rights must be guaranteed by law, and there must be legal equality for all these rights, the most important of which are the rights to:

- Physical safety and freedom from torture.
- Work according to ability and skill.
- Education.
- Basic public services.
- Healthcare.
- Property.
- Personal and intellectual freedom.
- Protection and compensation.

All these rights are guaranteed in the Civil Code No. 53, particularly Articles 49 and 50, in addition to the details set out in Article 53 of the same law.

Citizenship, diversity and disagreements

A State of citizenship covers a set of groups having diverse identities, but share common

31. سليم نصر الرقعي، البعد الوطني في فكر البكوش - ملف الأمة الليبية وشخصيتها الوطنية، 2008.

features and characteristics, coalescing to form an overarching homeland while retaining their own special identities in a spirit of belonging and loyalty. Multiplicity and diversity of entities in Libyan society could have been a sound and healthy phenomenon. However, weakness of the State, political divisions, and deterioration of internal security have led to fears that made each group entrenched behind its own sub-identity, seeking safety and protection that the State proved unable to provide.

The Libyan national character that we aspire to would be based on commonalities among Libyans, moulded together into a national identity, with the aim of strengthening national and cultural ties and increasing cohesion, and heightening the sense of common identity and destiny, while recognising diversity and respecting the rights of the cultural constituents of society.

Achieving a State of citizenship and diversity necessitates:

- Recognition of the diverse sub-identities and establishment of mechanisms for integrating them into a national overarching identity, while valuing national and cultural ties and heightening the sense of common identity and destiny.
- Respect for natural rights (of State, citizen, and household).
- Development of a national strategy for comprehensive, equitable spatial development of all regions, based on specificities and spatial characteristics of the natural resources in each.
- Establishment of mechanisms for achieving distributional justice in management of natural resources in a manner that leads to satisfaction and understanding by citizens.
- Development of policies for economic, institutional, and legislative reform.
- Provision of an effective system of governance and transparency for all State institutions to engender satisfaction among citizens and trust in equality of opportunity, while preserving resources.
- Establishment of a new social contract that guarantees the rights of all citizens, minorities, tribes, and other groupings.

- Assumption of a greater role by the civil society to create a spirit of citizenship and overarching national identity.
- Launch of social dialogue to set current priorities and agree short-, medium- and long-term plans for elimination of marginalisation and abuse.
- Elimination of hate speech, prohibiting it by law.
- Use of educational curricula to cultivate national values and principles and citizen rights.

Citizenship, marginalisation, discrimination, exclusion and hate speech

Discrimination on the grounds of gender, race, colour, or culture obscures the collective national identity and renders it worthless, driving citizens to withdraw into their sub-identities. There are several groups that complain of marginalisation, discrimination, and exclusion; for example, cultural groups (Tebu, Tuareg, and Amazigh), women, youth, people with disabilities, and women married to foreigners.

■ Cultural groups

The discourse of cultural groups (Amazigh, Tebu, Tuareg) stems from the perception of denial of cultural diversity, in contradiction with the facts of history and principles of democracy, pluralism and human rights. For modern societies, diversity is a source of wealth, cultural dynamism, economic prosperity, and social cohesion. Certain groups in Libya do have distinguishing characteristics in culture, art, literature, and music. Full recognition of historical and cultural facts would entail ensuring that all citizens and groups enjoy equal rights in all fields, without discrimination for any reason.

However, observance of freedom should not mean lack of responsibility, and religious foundations of dialogue must be rational, as religion is a crucial element of the overarching identity of all Libyan. Consensus would be real and useful only if arrived at through reaching a common minimum that satisfies all parties without imposing any fait accompli on flawed grounds. Indeed, awareness

of the strength of cultural norms could support the overall process of democratisation.

Combating discrimination against and subsequent marginalisation of cultural groups necessitates:

- Production, in partnership with specialists, of audio-visual materials that enable cultural groups to express their own experiences, hopes and aspirations, with the aim of ensuring equitable and fair representation, promoting a diverse range of cultural and heritage expressions in cultural programmes and the collective memory, and enhancing interactions of the varied cultures in national life.
- Regular funding of cultural projects and meeting places, such as various cultural centres that represent diverse creative works (music halls, theatres, dance studios, artist ateliers).
- Setting of place names (streets, squares, monuments) as to commemorate events, especially those related to the anti-colonial struggle, and recognise contributions of historical figures, as a contribution to the collective memory and common identity, with the aim of ensuring mutual respect, supporting equality and citizenship, and promoting respect of diversity.
- Holding national, regional, and international festivals for culture, entertainment and creativity that celebrate and highlight diversity.
- Studying possibility of empowering cultural groups to develop their languages, by establishing modern language centres.
- Use of significant symbolic means to express respect for identities, such as issuance of postage stamps and coins.
- Accommodation of differences and integrating elements from the various groups, while addressing fear of ethnic and cultural fragmentation by creating societal awareness that guarantees the rights of vulnerable and cultural groups.

■ Women

Roles of women gained prominence in the fifties, sixties, and seventies of last century,

especially after production of oil, which spurred modernisation. Education of women enabled them to enter public life and several pieces of legislations reinforced their role in the community. However, equality of men and women in Libyan law notwithstanding, gender discrimination and inequality do persist.

Combating marginalisation of women and discrimination against them necessitates:

- Empowerment programmes to raise basic capabilities of women to ensure that they enjoy their legal rights and allow their participation in areas that have been the preserve of men, through appropriate public policies based on participation and inclusion, equal opportunities and ensuring the right to a life of dignity.
- Involvement of women in peacebuilding and peacekeeping, as well as in decision-making political and leadership positions, especially those related to public policymaking.
- Incorporation of the principle of gender equality into the constitution and ensuring its practical realisation through legislation and other appropriate means.
- Taking appropriate measures and imposing deterrent sanctions to prohibit all discrimination against women and guaranteeing effective legal protection for women through competent courts.
- Review and remedy laws, regulations, customs, and practices that discriminate against women (e.g., some customs deny married women outside the family or tribe the right to inherit land from parents).

■ Youth

Young people constitute 50 per cent of the working population and 43 per cent of the workforce and are the most educated and most responsive to modernity and development. The ratio of young people aged 25–29 who do not have any education is 12.7 per cent and the ratio of those who have a secondary certificate is 77.3 per cent. In contrast, for the 55–59 age

group, the ratios are 56.6 per cent and 29.4 per cent, respectively.³²

Young people face several challenges. They are the most vulnerable to unemployment and less involved in economic work. Many have positive expectations of development and transformation of the country for the better, expecting immediate improvements and economic integration. Disappointment can lead to instability and unrest and may lead to involvement in armed groups; hence the need for plans to contain youth and encourage them to participate in peace dialogues and economic development.

Combating marginalisation of youth and discrimination against them necessitates:

- Providing young people with the requisite skills for joining the workforce and facilitating of access of university students to facilities, such as transportation and accommodation, as well as to scholarships, in addition to benefitting from developed curricula and advanced technologies that are current in higher education internationally.
- Providing security for young people and ensuring their participation in the administration of the State regardless of origin and social affiliation.
- Developing plans and strategies for creating jobs and providing funding for private projects to integrate young people in society away from armed groups and crime networks.
- Enhancing social awareness of young people, preparing them for understanding and celebrating differences and multiculturalism, with the aim of consecrating the fundamental values upon which social cohesion, stability, and peaceful coexistence are based, and building and promoting a culture of negotiated conflict resolution.

■ Historical regions, tribes, and sects

Though its impact may have become more evident recently, tribal and regional fanaticism in Libya is neither new nor limited to the post2011- period.

Clearly, the tribe is a genuine constituent of Libyan society and is not in itself a negative affiliation. In addition, regions such as Barqa, Fezzan and Tripoli have a long-standing cultural and political history. Moreover, diversity of ethnicities (Arabs, Amazigh, Tebu and Tuareg) and intellectual, sectarian, and other differences are undeniably real and do not necessarily undermine citizenship.

Addressing discrimination and marginalisation necessitates:

- Giving a vital, positive role to the tribe, especially socially, to create communal peace and end tribal conflicts.
- Establishing mechanisms and policies for providing security and stability and enforcing the rule of law to ensure that the citizens need not resort to the tribe for redressing marginalisation and exclusion.
- Respecting the historical division into three regions due to its persistence in both collective memory and history of the country, striving to coalesce regional identities into the unified national identity, rather than cause rifts by considering regional identities as a danger to unity.
- Developing plans and strategies for dealing with the various ethnicities and schools of religious thought (Madhabs) and instituting mechanisms for peaceful societal coexistence.
- Promoting cultural integration by seeking to merge customs and traditions into the overarching national identity through mechanisms such as geographical dispersion of institutions and redistribution of employees among regions and cities regularly.

Citizenship crisis

Causes of the citizenship crisis are several. Having long been neglected, they have taken root. Some major causes are:

- Absence of an organised State, with agencies, institutions, and security apparatus, has caused

32. World Bank, Labor Market Dynamics in Libya: Reintegration for Recovery, 2016.

citizens to resort to tribe or armed group for assistance. These “institutions” provide the citizen with a job by pressuring officials, solve his/her legal problems by customary law or the strength of arms, and provide social cover.

- Concentration of particular groups of people in certain geographical locations leading to emphasis on group rights, such as those of an ethnic group or tribe. In contrast, diversity in a region or locale diminishes intolerance and reduce prejudices. For example, there are places (cities and villages) where priorities and entitlements are given to members of the dominant tribe, unlike in the cities of Tripoli and Benghazi.
- Concentration of resources, wealth and political power in certain parties or groups is a major cause of prevalence of fanaticism, due to unwillingness to forgo privileges.
- By failing to recognise individual differences, preconceived stereotypes that presume certain characteristics in some tribe or region help spread intolerance and hatred.
- Marginalisation and exclusion lead to disaffection and fanaticism as a defence mechanism by the marginalised. Causes of marginalisation are several, the most important of which is injustice of the economic system, manifested in the distribution of investments, institutions, economic resources, bank credits, unemployment, and employment opportunities in leadership or diplomatic positions. Discrimination against women in government jobs is also a manifest example.
- Failure to end tribal feuds fuels intolerance and hatred as the victimised feel aggrieved when redress is forfeited and perpetrators are not held to account.
- Use by some of tribal and regional tensions for self-gain.

Addressing the citizenship crisis necessitates:

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- Acknowledging existence of differences, rather than facing demands of others, no matter how extreme, with denial, and opening dialogue with everyone without exclusion or accusations.
- Proposing structural economic reforms to ensure justice and equality among social groups and regions.
- Combatting administrative and financial corruption, actuating regulatory tools and empowering accountability mechanisms and the associated executive agencies.
- Strengthening the judiciary and enabling it to perform its work.
- Effecting transitional justice, paying reparations, and ending antagonisms among social groupings.
- Using the media to promote citizenship values through seminars, community activities and cultural festivals.
- Emphasising, developing, and disseminating values of reconciliation, tolerance, forgiveness, acceptance of differences, pluralism and diversity, justice, equality, rule of law and its primacy over customary law, coexistence, and good neighbourliness.
- Identifying marginalised groups and determining the grounds for marginalisation: colour, race or membership of a particular tribe or entity. Special attention should be given to marginalisation based on gender, as well as to discrimination against persons with disabilities and vulnerable groups. Mechanisms need to be put in place to address all types of marginalisation.
- Through community dialogue sessions, data collection and studies, identifying areas of discrimination in employment generally, as well as employment opportunities in sovereign and diplomatic positions; education and training; investment opportunities; access to loans and credits; infrastructure; and public services.
- Consensually and equitably developing clear mechanisms for distribution of resources, jobs and institutions among regions and cities, as well as within each region.
- Consolidating citizenship values by mainstreaming them across the education system and focusing on values that call for tolerance, coexistence, good neighbourliness, and acceptance of differences and the other.

C. Restoring trust and national reconciliation

Restoration of trust and reconciliation at the institutional and socioeconomic levels is vital, as it fortifies already built bridges of trust and protects previous reconciliations efforts made over the past decade. It is, moreover, a key step towards reform of the social fabric and socioeconomic relations that have been torn apart and distorted by ongoing conflict.

Confidence-building measures aim to increase mutual trust and understanding among the parties to the conflict and diminish doubts, within the context of ending violence, initiating settlements of disputes, and building peace. Examples of confidence-building measures include disarmament, reduction of military spending, release of detainees, issuance of goodwill statements coupled with practical measures, resumption of movement of citizens and trade, and economic cooperation. At the socioeconomic level, examples include withdrawal of a complaint filed against others, relinquishment of a lawsuit in a civil or commercial dispute, reversal of threat of action against others, removal of barriers that prevent citizens from returning to their cities and properties, and withdrawal of control over disputed assets.

Reconciliations may be horizontal or vertical. The former take place between social groupings, without intervention by the State or any other authority, such as reconciliations between natural social formations (tribes and extended families), between population groups, and between non-State armed groups that do not have considerable administrative authority. Vertical reconciliations, on the other hand, take place between influential political forces, or where the State is a party to the conflict, or between two powers (one “legitimate”, the other *de facto*) or societal reconciliations achieved by informal societal forces within the framework of a more comprehensive process.

Informal societal forces usually undertake reconciliation when official political agents

prove incapable of so doing due to inability to enforce authority fully. The aim of societal reconciliation would be to address the effects of war and the ruptures of the social fabric and lay the foundations for peaceful coexistence and communal peace, so that violations would not be repeated, which is something political dialogue alone would not achieve.

Historical factors leading to poor confidence and disruption of social reconciliation

For more than a century, there has been a legacy of economic, social, political, and legal factors that have, directly and indirectly, enfeebled trust among social groupings, as well as among political forces. Should this mistrust remain unaddressed, it may become a structural characteristic of the Libyan society. The factors involved include, for example, concentration of economic development in the major centres, while utterly neglecting the periphery, coupled with policies adopted in the past by some Ottoman governors in several cities leading to class, regional, social, and tribal polarisation. Another factor is the failure of traditional social formations, such as the extended family and the tribe, in managing conflicts and disputes. Add to all this the failure to meet challenges of modernisation. Moreover, Italian colonial rule dismantled existing political and societal structures and planted internal division within the context of appropriation of natural resources to the exclusion of local communities. During the independence period of 1952–1969, more polarisation ensued out of certain structural designs, monopoly by the State of all public functions, and lack of partnership between State and society. During the succeeding period 1969–2011, policies were implemented to prevent participation of political forces, in addition to legislations that impacted inter-community relations, such as the “the house belongs to its occupant” law, pursuant to the third theory of Muammar Gaddafi, which gave real-estate occupants the right to seize private property and expel its owners, and nationalisation of

private companies, which caused cracks in social structure and resulted in extended hostilities across society.

Historical factors contributing to promotion of trust and social reconciliation

In contrast, Libya has also a positive historical legacy in terms of social ties and mutual societal trust among, reflected in a set of practices that contributed to restoring trust and building reconciliations. In the middle of last century, restoration of trust and reconciliation at the political (vertical) and society (horizontal) levels took place when “Al-Harabi Charter” was concluded in 1946, which ensured that all collective and/or individual disputes are frozen pending establishment of the State. The consensus embodied by the Charter was the main lever for completing full official political unification of the regions, declaration of independence in 1951, and emergence of the State. Notably, the Charter was concluded during a period of political transition, which justifies considering it a form of transitional justice.

In the case of Libya, socio-economic reconciliation is often mixed with political-legal reconciliation, where horizontal social reconciliation constitutes an essential complement to vertical political reconciliation. Indeed, transitional, conciliatory and reformist justice is the form of justice most appropriate for Libyan society.

Lack of adequate institutional efforts and sustainable conflict prevention mechanisms

From 2011 to 2020, the transitional period was marked by a lack of sufficient efforts and effective mechanisms for early prevention of conflict. The vast majority of transitions are normally characterised by instability and armed conflicts of varied severity, particularly when transitional phases follow the end of a prolonged authoritarian rule and involve protests and external interference. In Libya, from 2012 onwards, the overwhelming majority of people and political forces were preoccupied

with capturing spaces in the new political map through political, economic and armed pressure.

Restoring trust and reconciliation, and external intervention

Numerous external interventions pushed the opponent parties to sit at the negotiating table. However, the peacebuilding and reconciliation process was not effective, as it did not achieve inclusivity and full national ownership. External actors assigned primary seats at the negotiating table to forces that had political influence and military power, with secondary roles assigned to women and youth. Moreover, quick, pre-packaged solutions were imposed (the Skhirat Agreement of 2015). Although the level of mutual trust among opponents was extremely low, the peace process did not call for confidence building measures, making it appear to be one of striking bargains and sharing power, rather than one of genuine reconciliation.

During the period 2015–2020, political and armed conflicts intensified, becoming increasingly divisive, and were accompanied by increasing political and military intervention by external powers allied with the parties of the internal conflict, with these powers seeking to secure what they perceived as their interests in Libya, within a context of sharply contradictory geopolitical and economic interests. Deployment of foreign forces increased everywhere, and the external parties explicitly managed the scene. Feebleness of local will was evident in the abject failure of the peace negotiations sponsored by the United Nations Support Mission for Libya that were held in Geneva in February 2019. Lack of mutual trust was then clearly reflected in positions and statements by the various political forces, and the increasing complexity of issues finally led to a slowdown in existing reconciliation efforts and to fewer new such efforts.

Achievements in restoring trust and reconciliations to build on

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During the transitional phase, efforts and achievements were made in restoring trust and

concluding political and societal reconciliations. However, sustainability of horizontal reconciliations proved to be greater than that of vertical ones. Efforts were made to restore trust and reconciliation among tribes, as well as cities, and the process has been marked by emergence of new elites that included large segments of young people and women at home and abroad, with evident presence in both civil and official spheres. Self-acquisition of technical and specialised expertise by these elites was through specialised study, as well as through interaction with regional and global experts.

Inadequate treatment of deep-root causes of conflict

While political peace processes and societal reconciliations have made progress, many of the deep-root causes of the conflict, especially at the macroeconomic, social, and political levels, have not been addressed. The most important of these is the chronic failure to design a macroeconomic model that fits the social, demographic, and geographical map of the country, and achieves equity, justice, and regional, demographic and gender balance. Other remarkable issues that have not been addressed include: equitable distribution of proceeds of development and management of national wealth; fairness in appointments, jobs, retention and promotion; and diversification of the economy. The structural and economic imbalance has been reflected in duplication of sovereign economic institutions and monetary policies, and intensification of conflict over management of public institutions.

Transitional justice and restoration of trust and reconciliation

Certain scholars and observers believe that the transitional justice project has faced severe challenges and that it is difficult to implement reconciliation and transitional justice within the context of weak State institutions and public insecurity. Some also argue that large sectors of Libyan society and political forces have their own understanding of mechanisms of

reconciliation and transitional justice. Hence, importation of typical approaches is likely to end in failure. For example, revealing the truth and public apology are not part of Libyan culture and rigorous prosecution may in fact hamper reconciliation and repair of the social fabric. In short, justice based on application of legal sanctions is inappropriate in the Libyan context.

In contrast, the above difficulties notwithstanding, some observers argue that an appropriate environment for the implementation of transitional justice (in a broad and flexible form) should be created first. This should not be taken to mean at all that there is in Libya a principled position in favour of perpetuating a culture of impunity, unaccountability, denial of truth, rejection of the need for reparations and compensations, in favour of illusive fragile “reconciliations”. In fact, there are Libyan traditional justice mechanisms, manifested in the customary reconciliation councils and the customary conflict resolution by mediation, as embodied in the 1946 Harabi Charter.

The legislative authority has established the Transitional Justice and Reconciliation Commission, which consists of a seven-member board of directors and has a number of sub-committees. The Commission was due to have started work in 2012 to consider the period from 1969. However, not much has been achieved so far.

Achieving transitional justice necessitates:

- Instituting a rights-based National Charter aimed at achieving fair distribution and national reconciliation.
- Leveraging the historical legacy to develop mechanisms and practices for restoring mutual trust and reconciliation and formulating alternative mechanisms of justice and fact finding based on local characteristics.
- Encouraging inclusive national narratives and preserving in the collective memory of the historical legacy of trust restoration and reconciliation.
- Leveraging achievements made in horizontal reconciliation and at the local community level

and building reconciliations among political forces on a basis of fairness for all.

- Establishing mechanisms to end violence and build a society that exercises freedom, and enjoys rights, a decent life and political participation.
- Addressing corruption, lack of transparency and arbitrariness, within a framework of restoring trust and establishing reconciliation.
- Establishing consensus within a national partnership framework aimed at sharing roles in building a sound democratic project that ensures equal opportunities for all and achieves balanced, comprehensive political and social development.
- Developing mechanisms for reorganising society and reproducing its values and culture based on equality, equal opportunities and non-discrimination in rights, duties and responsibilities.
- Revitalising the Transitional Justice and Reconciliation Commission.
- Developing plans and mechanisms to reform State structure and institutions as a basis for reconciliation, rebuilding of trust and achievement of full national sovereignty.

Tolerance, trust, and reconciliation

Under current circumstances in Libya, tolerance is a most important civil virtue that society needs. Indeed, tolerance has become a global issue, much needed to address hot spots of conflict and remove seeds of hatred that fuel violent crises leaving in their wake numerous victims, much destruction, and tragedies. Thus, tolerance is not only a moral, but also a political and legal duty. Hence, its adoption should not be construed as an act of generosity towards others, but as a commitment by all to pluralism, respect for differences, equality, dialogue, and participation.

Achieving tolerance and reconciliation necessitates:

- Disseminating values of tolerance to achieve national reconciliation and laying down foundations of transitional justice through adoption of an inclusive national identity.
- Establishing mechanisms for addressing manipulation of social cognition that has

engendered deterioration of the spirit of responsibility and social values.

- Redressing both material and moral harm to members of society.
- Developing mechanisms for overcoming problems of inequity, prejudice, intolerance, ignorance, violence, indifference, and irresponsibility.
- Providing psychological support for those who have suffered in order to build on values of tolerance and restore public trust.

Participation of women and young people in restoring trust, reconciliation, and peace building

Participation of women and youth in mediation and peacebuilding efforts is essential, with mediation taken to mean broadly forms such as dialogue, negotiation, conciliation, arbitration, reconciliation, building understandings, assistance in taking confidence-building measures and concluding agreements, focusing on both internal conflicts and conflicts that have external dimensions.

Women are the group that is hurt most by violence and conflict. Hence, their participation is vitally important for protecting them. Indeed, their participation in restoring civil harmony, repairing confidence and building peace is a responsibility they share equally with men.

Similarly, participation of young people is imperative, for they are the group most involved in armed conflicts. Moreover, many young people have positive aspirations for the country, and expect immediate economic returns and improvements to their prospects.

Ensuring participation of women, young people, and civil society in restoring trust, reconciliation and peacebuilding necessitates:

- Supporting institutional and individual official and societal mediation efforts and initiatives by women and youth, as well as societal platforms that contribute to settlement of social, economic, and political conflicts.
- Documenting history of contribution of Libyan women to local mediation

efforts, while recognising that the category of “women” is characterised by diversity.

- Promoting gender-responsive decentralisation and provision of public services, while

providing links with efforts of women and young people in local mediation.

- Developing effective mechanisms for ensuring an active role for civil society institutions and trade unions.

D. Strengthening State authority and rule of law

Restoration of an organised, stable Libyan State is a difficult task, in view of the prevailing chaos, slim prospects of a solution, and corruption, in addition to divisions that are systematically exploited by internal and external parties. Yet, the challenge must be faced to save society and State from political, economic, social and security dangers.

In the absence of the rule of law, institutions, whether legislative, political, legal, economic or administrative, have suffered attack, infiltration, infringement, and violation, rendering them incapable of safeguarding the interests of society.

Indeed, at all levels, whether that of individuals, legislative institutions, government, or legal institutions, negative attitudes towards law and order are manifest in disobeying, ignoring, circumventing, suspending and obstructing laws; slow litigation procedures; and complete absence of security. Cases of extrajudicial detention, disappearance, and other instances of degrading, inhuman treatment in non-State prisons abound, while the roles played by the judiciary and civil society are severely circumscribed.

Law enforcement and justice include social justice, satisfying human needs and sharing resources equitably, as well as provision of basic services, equal opportunities, and protection of and care for individuals and groups.

Coexistence, partnership, and cooperation are essential elements of social harmony. However, they are disrupted when equality before the law is compromised, leading to instability.

The rule of law opens the door to participation in public life, politically, economically, socially and culturally, without discrimination, from children enjoying the right to education, training, cultivation of citizenship and human rights; to citizens benefiting from public services; to freedom of economic, cultural and social initiatives and intellectual, artistic creativity; through to the right of participating in managing public affairs directly in public decision-making positions or indirectly in freely engaging in political parties, and having a say in policies and participating by electing members of representative bodies at local and national levels.

Equality and justice instil in citizens a feeling of belonging to a society that respects identity and rights. When rights and duties are equal for all, when all members of society have the same opportunities, and when law is the only reference in determining rights and duties, justice and equity prevail. When the principle of citizenship is based on an integral legal, political, social, and moral system, free of any discrimination on the grounds of gender, colour, ethnic origin, religious belief, intellectual conviction, affiliation, or political or cultural activity, values of equality and equal opportunity guarantee unity and stability of the nation.

Non-discrimination and human rights

The concept of non-discrimination is based on the two inseparable principles of equality and dignity, which entail accepting the individual as a complete entity, while discrimination defines individuals according to gender, race, colour, religion, or other characteristics.

Justice has various legal, judicial, social, and economic aspects that must be taken into consideration, as they form the basis on which society preserves dignity of people and ensures their security and safety.

Dangers of tyranny under a government with unlimited powers, or under undisciplined armed groups, are exacerbated by passivity of citizens. In Libya, passivity, hindering achievement of democracy (equality, justice, accountability, rule of law, and public freedoms), has prevailed for long. Such surrender of freedoms and non-participation constitute relinquishment of responsibility, which in turn leads to a multiplicity of problems undermining the spirit of the nation and its unity.

There is a relationship of complementarity between awareness of rights, and commitment to duties and compliance with the law as manifested in doing military service, paying taxes, respecting traffic laws, resorting to litigation rather than use of force, and supporting anti-corruption efforts.

A healthy political environment entails participation of all citizens in political institutions without discrimination of any kind and without excluding anyone for other than constitutional or legal reasons, as well as establishment of a system based on respect for individual rights, freedoms and dignity.

Successful public policies strike a balance between individual rights and responsibility towards society, and link together entitlements, duties, and obligations. Importantly, values embodied by laws need to be focussed upon. Any social contract would define rights and obligation; yet, it is rights, rather than texts that matter. Moreover, policies need to accommodate the characteristics and complexities of social reality and the specificities that led to a complex crisis threatening society and State, while being firmly grounded in the principle of resorting to law. Indeed, this is all the more important in view of the collapse of security and judicial and reform institutions.

Building institutions

Building institutions underpins the rule of law. However, after the 2011 events, violence ensued from failure of institutions due to their poor design, feebleness of their capabilities, and overlap and conflict of their mandates. After 2014, greater institutional chaos and fragmentation prevailed in all fields, both legislative and executive, with judicial institutions indirectly impacted. As a result, Libya faced great challenges, including inflated administrative expenditure resulting from new appointments, creation of new financial centres, loss of State rights due to conflicts over representation, and collapse of the police and the military. Hence, there is an urgent need for measures such as: unifying institutions and developing long-term plans for redesigning institutional structures to meeting local requirements and international standards, and establishing a system of comprehensive justice, stability, and growth, free of overlap and conflict.

Achieving institutional reform, necessitates:

- Addressing divisions of institutions by developing plans and mechanisms for integration and consolidation of both the institutions themselves and their expenditure budgets.
- Supporting efforts to unify institutions of the opponent governments.
- Developing mechanisms for reviewing legislations and addressing inconsistencies.
- Developing strategic plans for re-designing, reforming, and renewing institutional structures, including security forces and the judiciary, to ensure political stability, economic progress, and social cohesion.
- Involving international institutions in making proposals aligned with Libyan realities for restructuring State institutions, separating powers, and defining rights and obligations.

Community and vulnerable groups

At the community level, a most damaging development has been the rift resulting from

fighting and wars since 2011, which has created complex inter-communal crises, led to predominance of hate speech at the expense of harmony and reconciliation, and gave rise to greater significance of tribes and other social groupings at the expense of the State of citizenship and the collective identity. In addition, there emerged a discourse of marginalisation in opposition to calls by groups such as the Tuareg, Tebu and Amazigh for equality and universal rights, including their right to teach their own languages and develop their own cultures.

Equally, women and young people have been demanding justice in employment, representation, and participation in decision-making. Moreover, there are the conflicts among cities, supporters of various political groups, and displaced persons within and outside the country. All these societal challenges call for instituting mechanisms to accommodate complexities, restore trust among the various entities, achieve consensus, and give ascendancy to the principles of mutual understanding, reconciliation, tolerance and ending violence and fighting.

Achieving mutual understanding at the community level necessitates:

- Defusing crises; establishing mechanisms for communication and dialogue; upholding public interest; and adopting reconciliation, mutual understanding, and tolerance, rather than resort to violence.
- Establishing consensus building mechanisms based on recognition of the need for equity, especially in distribution of resources, employment, and representation.
- Equal participation of various social forces and groups.
- Developing programmes for raising societal awareness of importance of the role of citizens in enhancing State authorities and enforcement of law.
- Building partnerships with the voluntary sector and civil society.
- Aligning citizenship with international efforts calling for equality and non-discrimination.

- Ensuring the right of marginalised groups to vote in all elections and referenda and their eligibility to be elected.
- Ensuring the right of marginalised groups to participate in the design and implementation of government policy, hold public office, and perform all public functions at all levels of government.
- Designing social protection programmes with clear objectives.
- Providing education and training to marginalised groups and establishing for that purpose sponsoring institutions guaranteed by legislation.

Political participation, civic culture, and role of civil society institutions

Institutional and social divisions resulting from armed conflicts have undermined participation in public life, as can be seen in low participation in elections and public affairs. Moreover, criminal practices, kidnappings, targeting activists and human-rights advocates in some cities and regions without due processes and accountability have all led to mounting reluctance to participate in community affairs. Furthermore, inflammatory rhetoric by the political elites has engendered hopelessness and aversion.

Awareness of civic duties could be an effective, key driver in achieving political participation. However, raising such awareness, along with a sense of patriotism and belief in the foundational premises upon which society is built, requires political action that embodies the values and principles of society in public policy and institutional building. Though civil society institutions have been active since 2011, they could also play a much more significant role in creating societal awareness, evaluating the work of political and executive institutions, and actively participating in rebuilding and restructuring the State, thereby enabling individuals to express their demands and defend their rights.

To encourage political and societal participation through civil society institutions would require

enactment of laws that guarantee their rights and freedoms and sanction violators, all within the bounds of democratic practice.

Ensuring political participation, revitalising a civic culture and civil society institutions necessitates:

- Enacting legal texts that protect public rights and freedoms.
- Adopting values as a principal criterion for determining restrictions on exercise of rights.
- Supporting institutions that promote public rights and freedoms and defend injured parties.
- Engaging international institutions in developing integrated action strategies to revitalise communal and civic participation.
- Supporting the spirit of communication and follow-up that drives the political system to be a guarantor and defender of rights.
- Controlling outputs of the political system for it to achieve the desired goals and embody the values upon which its legitimacy is based, and which are generated by confidence by individuals and groups in its usefulness.
- Developing mechanisms to raise level of performance of institutions, individuals and groups in all areas of economic, cultural and political life.
- Establishing channels for dialogue, communication, and response to problems of society, while raising the issues involved openly, responsibly and without equivocation, through enhanced participation quantitatively and qualitatively. As a result, participation would expand horizontally (to cover problems of all groups and regions) and vertically (through consideration at all levels of authority and administration, as well as in the best scientific research centres).
- On the basis of equal duties and responsibilities and equal treatment of all by all institutions, raising community awareness of rights, which

may be through workshops and programmes designed in cooperation with international and national institutions.

- Giving a greater role to civil society institutions, considering them to be partners in proposing, evaluating and monitoring policies.
- Developing communication mechanisms to enable individuals to express their rights, interests, and values outside the framework of government and independently of it, through promoting civil society institutions.
- Developing plans to reinvigorate citizenship through civil society activities, with the aim of consolidating values, especially integrity, perseverance, self-control, personal responsibility, observance of the law, and serving others.

Status and specificity of role of judiciary

As it encounters serious challenges, the judicial system is hardly able to function.³³ Some of these challenges are security related, such as fear of intervention by armed groups, kidnappings, extortion, and general lack of protection; others are regulatory, resulting from overlapping jurisdictions and absence of clear legal and judicial frameworks; while others are political, ensuing from the impact of divisions and lack of clear independence of judicial institutions from the Ministry of Justice; yet others are procedural, with current legislation giving the Minister of Justice a mandate that overlaps with that of the Supreme Judicial Council, enabling interference in running the business of the courts and selection of candidates for judicial positions. Other significant constraints include poor educational attainment of and lack of training for legal staff and advisors, rudimentary operational procedures, and lack of computerisation and legislations regulating electronic transactions.

To build an independent judicial system, the above-mentioned challenges need to be

33. Challenges for the Libyan Judiciary, International Commission of Jurists, 2014.

addressed, including exclusion of interference by the executive branch and establishing principles of transparency and justice.

Enabling the judiciary to play their envisaged role necessitates:

- Taking decisive measures to guarantee independence of the judiciary by precluding executive branch influence on judicial processes, while emphasising the need for the judiciary to be true to its values, which are important for revitalising society, economically, politically, and socially.
- Ensuring integrity, reliability and efficiency of the judiciary, and respect for court rulings and their ramifications.
- Providing forces capable of enforcing law and order and ensuring security of the judiciary in the exercise of their role of protecting the principle of equality of all citizens.
- Putting in effect legal guarantees enabling recourse by injured parties, whether violations are committed by natural or legal persons.
- Ensuring independence of the judiciary and legal protection of judges to enable them to perform their duties without pressure or interference, and excluding the Judicial Inspection Department from membership of the Supreme Judicial Council.
- Shielding the judiciary from political pressure. The more rulings of the judiciary are influenced by political considerations, the more they will be targeted by political groups that exploit all possible means of influence.
- Adopting constitutional guarantees of independence of the judiciary and separation of powers to preclude politicisation of the judiciary.
- Combatting corruption and curbing nepotism in the judicial system by enhancing the Judicial Inspection Department.
- Giving citizens direct access to the Supreme Judicial Council and seriously considering their complaints by the Council.
- Establishing a Supreme Constitutional Court.

- Evaluating the judiciary by international standards.

Security establishment

Like others, the security sector was affected by the crisis, especially after 2011. Not only was there a distinct lack of national strategies for rebuilding security institutions, but also parallel security forces and bodies were established outside the control of the State. Moreover, armed groups were established in affiliation with certain cities, tribes, and social groupings. These went on to control parts of the country and have been directly or indirectly involved in criminal acts and acts of corruption, especially in banking sector, as well as in controlling key State and sovereign institutions, and some have become part of the decision-making process. Hence, it is imperative that security institutions be built to combat terrorism, ensure peaceful coexistence, and enhance the rule of law.

Rebuilding the security establishment necessitates:

- Using the power of the security establishment in the comprehensive war against all forms of corruption, and adopting mechanisms for accountability, auditing, monitoring and legal follow-up in order to confront organised looting of State property and assets and acts of sabotage of the public sector.
- Establishing a disciplined, strong, organised, and well-trained police force.
- Restructuring and reforming the judiciary and security institutions to ensure transparency and equal opportunities in appointments, while safeguarding the rights of vulnerable groups.
- Centralising security functions for now to ensure sufficient capabilities and effectiveness, while gradually enhancing decentralisation of the security establishment.
- Keeping some security agencies centralised for coordination and external liaison, as in most countries.
- Adopting clear criteria for recruitment, and assigning leadership positions based on competence and experience.

- Providing material and technical support to the security system and ensuring its integrity and impartiality.
- Putting in place mechanisms to eliminate impunity and restore the criminal justice system.

E. Human capital development and empowerment policies

Human capital plays a vital role in achieving development. Indeed, the strength of an economy is now measured by the quality, efficiency, and good use of human resources. In Libya, human capital development is an essential component of socioeconomic reform during the transitional phase.

Challenge of demographic composition

Libya's population is estimated at 6.3 million, 90 per cent of whom live in 10 per cent of the coastal land area. Population density is around 50 per square kilometre in the northern regions of Tripoli and Burqa but drops to less than one per square kilometre elsewhere. According to 2018 estimates, the urban population constitutes about 80.1 per cent of total population, with Tripoli accounting for 1.158 million people, while Benghazi ranks second with about 801 thousand people, followed by Misrata with about 799 thousand people.³⁴

Population growth fell from an annual rate of 2.17 per cent in 2007 to 1.06 per cent in 2018,³⁵ due to several reasons, including reluctance to marry as a result of high living costs, low wages and salaries, high marriage expenses, and lack of housing, in addition to loss of life due to continuing wars since 2011. Most of those lost in wars are young people, which is expected to have an impact on future population growth.

Youth

Young people are most vulnerable to unemployment. In addition, they are under-

represented at all decision-making levels, and their participation in civic and political institutions remains exceedingly low. During the transitional period, large numbers of young people engaged in armed action, due to several factors, including the need to earn income and susceptibility to violent extremist rhetoric.

Perhaps the most important development in relation to human capital during the transitional period is emergence of a youth elite concerned with public affairs, made up of experts and activists, of both genders. This elite focused on issues the most important of which are freedoms, poverty reduction, decent work, women empowerment, and State building. Several civil society platforms were established and several initiatives launched, while a number of young people were appointed in official institutions.

Women

As in all conflicts, women and girls suffered far greater violence and damage than men.³⁶ Though the need for protection was acute, because of inaction, the legislative environment failed to secure it, and various forms of violence against women escalated during the transitional period.

However, the transitional period also witnessed a new institutionalisation of participation and empowerment of women, with integration of a gender perspective into the general national agenda. An elite group of women and girls, that became well recognised, raised a number of issues, the most important of which are those of

34. مصلحة الإحصاء والتعداد، والمنظمة الدولية للهجرة، 2018.

35. Ibid.

36. آمال العبيدي، المرأة في العالم العربي وتحديات الإسلام السياسي، 2013.

ending violence against women, gender equality, gender mainstreaming, institutionalisation of participation of women, women empowerment, and reversal of stereotypes of the role of women.

At the level of civil society, hundreds of platforms were established focusing on empowering women, gender equality and mainstreaming, and the role of women in security and peace, with activities ranging from awareness raising campaigns to capacity building and exchange of experiences on peacebuilding, mediation and human security.³⁷

Integration of former combatants

Armed conflict has had severe repercussions on human capital in relation to nation and State building. Large segments of young people abandoned education and professional work to engage in armed action for years, and the conflict led to divisions, polarisations, confrontations, and disintegration of the social fabric along regional (East-West), tribal, cultural, ethnic, and social (urban-Bedouin) lines.

Efforts to disarm and demobilise young people and reintegrate them into society must, therefore, be redoubled. Reintegration is a long-term process that would be aimed at ensuring permanent disarmament and continuing peace, and rehabilitation efforts would include institutional reform (prisons, schools, social services, particularly healthcare), as well as reintegrating former combatants in society by training in civil action programmes (human rights, peace building, media) and sound religious education.

Involving the international community in reintegration of former combatants is vital, in

view of the need for stemming the flow of illegal weapons; reforming and rebuilding the security establishment on a rights-based, gender-sensitive foundations; instituting rehabilitation programmes; and creating job opportunities.

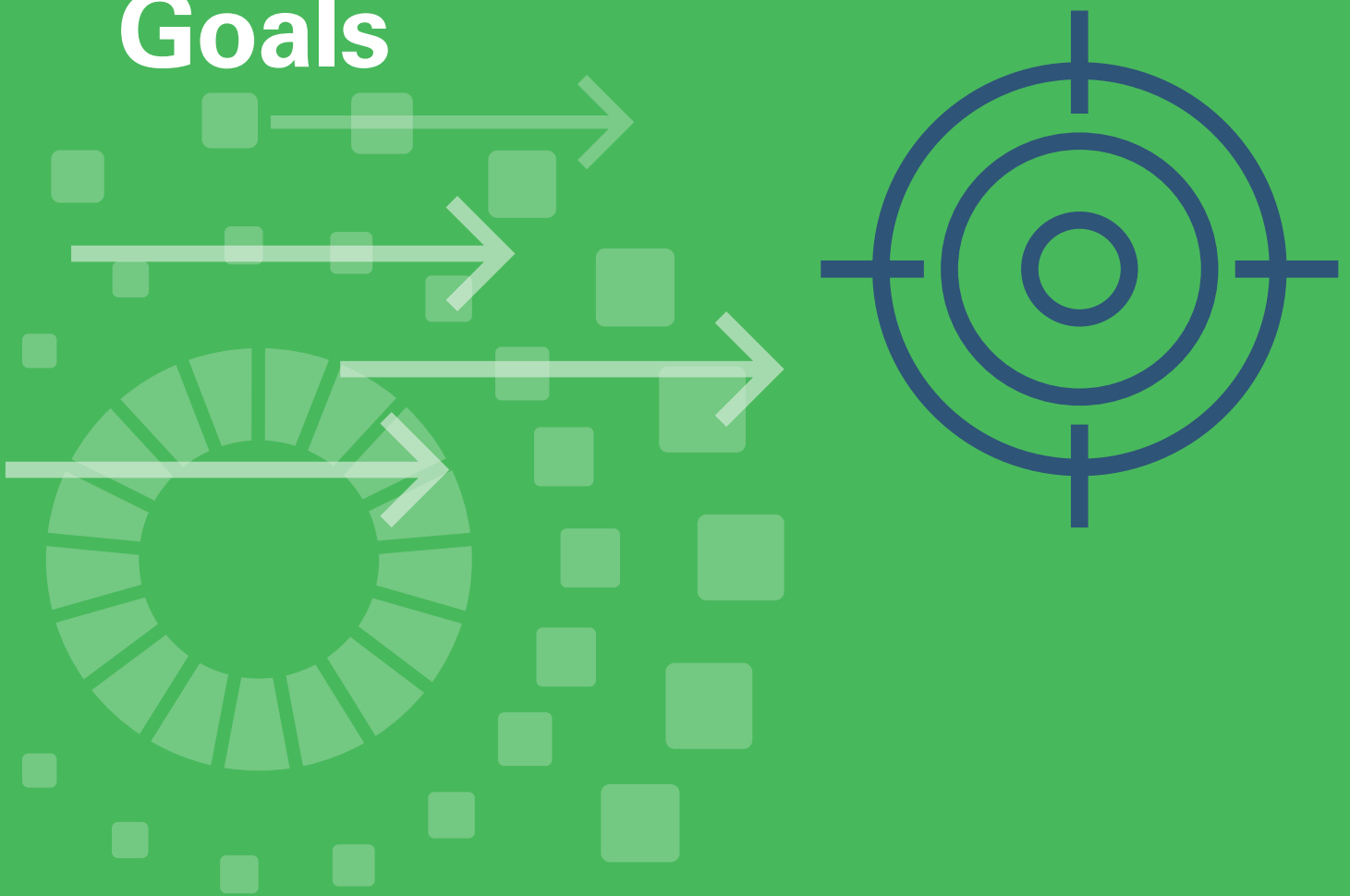
Reintegrating former combatants necessitates:

- Developing a unified vision of reintegration on a socioeconomic basis.
- Developing a methodology for collecting information, data, and statistics.
- Developing a political will to deal with the issue of armed youth.
- Psychologically rehabilitating young former combatants before reintegration.
- Eliminating sources of support and funding for armed youth, with reintegration including all groups and segments (former combatants, displaced persons, women, persons with disabilities, returnees).
- Reintegrating armed youth and empowering women based on a comprehensive social approach.
- Developing and enhancing trade unions, cultural and sports clubs, student unions and civil society organisations.
- Eradicating extremism and violence within the framework of a culture of tolerance and confidence restoration.
- Providing financial support to small projects, especially those owned by former combatants who have war caused permanent physical disability.
- Establishing institutions for professional training and rehabilitation with participation by young former combatants.

37. 2020. الزهراء النقي، أنماط واتجاهات انتهاكات حقوق المرأة في ليبيا ومجال حركة التشريعات والسياسات ذات الصلة.

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The vision and the Sustainable Development Goals



Developing a national vision for Libya to establish stability, undertake reconstruction and achieve medium- and long-term social development and economic growth goals needs to be informed by all relevant studies and explore all data, but most of all be guided by the 2030 Sustainable Development Goals adopted by world leaders during the 2015 UN summit. These goals should guide national visions and social, economic, and environmental strategies to ensure a better, safe and stable future for all.

In any society, particularly in developing countries, growing social disparities, depletion of natural and financial resources, and increasing rates of poverty, unemployment and disease are indications of failure to achieve economic and social development goals. Over six decades, Libya has gone through a development process with varying degrees of success and failure; hence the need for a comprehensive review, as well as for setting a vision that has definite goals. These are to: establish a modern, independent, civil and sustainable State; achieve transition from underdevelopment to progress, from need to sufficiency, and from tension and conflict to security, stability and peace; respond to peoples' needs; undertake spatial development of all regions to achieve economic growth and guarantee job opportunities and a decent life for all; achieve economic diversification, provide investment opportunities and sound exploitation of human, natural, and material resources that abound in Libya, leading to development and sustainability of all regions, socially, materially, economically, and environmentally, through a comprehensive development process that would be carried out in accordance with sound national strategies; and develop and rebuild, guided by the internationally agreed upon SDGs, in particular the following main goals:

- End poverty in all its forms everywhere and achieve food security and improved nutrition and promote sustainable agriculture. (Goals 1–2).
- Ensure healthy lives and promote well-being for all at all ages and ensure inclusive and equitable quality education and promote lifelong learning opportunities for all and achieve gender equality and empower all women and girls (Goals 3–4–5).

- Ensure availability and sustainable management of water and sanitation for all, and ensure access to affordable, reliable, sustainable and modern energy for all.
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, and build resilient infrastructure, promote inclusive and sustainable industrialisation, foster innovation and ensure sustainable consumption and production patterns (Goals 8–9–12).
- Reduce inequality within and among countries, and make cities and human settlements inclusive, safe, resilient and sustainable (Goals 10–11).
- Take urgent action to combat climate change and its impacts; conserve and sustainably use the oceans, sea and marine resources; protect, restore and promote sustainable use of terrestrial ecosystems; and sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss (Goals 13–14–15).
- Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions; strengthen means of implementation and revitalise the Global Partnership for Sustainable Development (Goals 16–17).

Vision for future Libya

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The vision ensues from a comprehensive consideration of the various relevant socioeconomic issues, based on an understanding of what a Charter for Libya would stipulate as duties for State and society, as well as on a concept for reviving the State on foundations of consensus over socioeconomic rights. The four fundamental pillars of the vision ensure good citizenship, equity in distribution of resources and fruits of development, and equality of opportunity for all. The pillars are the rights of the State and local government to manage wealth and development, the rights of households, and property rights. These rights would ensure reconciliation of

individual and collective interests, development of resources, profitability of public activities, equitable distribution of income among all members of society, and reduction of disparities in living standards. As such, they would guarantee socioeconomic development, pave the way for a new contractual relationship between State and society, and put in place a national charter that will ensure gradual change of the rooted rentier culture from supplication to rights-based empowerment, as well as controlling horizontal and hierarchical relations between State and society through separation of powers and a clear demarcation of duties and mandates of all parties. Thus, a comprehensive legal system would be built, thereby ensuring eradication of the rentier culture, enhancement of productivity of society, and stable, sustainable institutions based on principles of citizen rights and justice.

The vision for Libya is also based on keystones that would ensure achievement of all national goals, the most important of which is transformation of the national economy for it to become diversified and productive, characterised by optimal use of resources, growth rates, and equitable distribution that would lead to improvement of standards of living. The targets may be summarised in the following:

- A State of justice, citizenship, and Libyan identity
- Social protection and social justice.
- An alternative economic model.
- Institutional reform and good governance.

These targets aim to achieve:

- **Sustainable development:** development of all regions, cities and villages and laying solid foundations for future generations, guided by a comprehensive concept covering economic, social, institutional, and environmental aspects.
- **Foundational development:** development of the foundations of the State; namely, identity of the Libyan people, territorial unity and security of Libya, and a social contract holding society together.

- **Social development:** development of human capital and human resources and provision of social security for households, marginalised groups, and persons with disabilities.
- **Economic development:** strengthening domestic capital and encouraging the private sector, national and foreign investment, energy alternatives, and diversified industry, agriculture and tourism.
- **Institutional development:** combating corruption, good governance, integrity, transparency, accountability, and institutional framing of organisational structures and cadres.
- **Cultural development:** development of value systems, ethical norms, media messages, and social upbringing.

With its goals, targets, the vision for Libya is eminently aligned with the SDGs with their targets of achieving sustainable development of all natural, material and human resources economically, socially and environmentally.

End poverty and hunger, achieve food security, improve nutrition and promote sustainable agriculture

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Successive governments have supported people with limited incomes, through housing, family and children allowances for public-sector workers, a social protection umbrella, subsidises to food commodities and electricity, free education and health services, and public housing projects. These measures reduced poverty rates significantly. As oil exports declined and oil prices plummeted, State revenues declined, and this coincided with disallowing private-sector economic activity. As a result, the economy went through a period of recession, with public spending declining and development plans and projects halted from the 1980s to the beginning of the millennium, thus exacerbating poverty. In a 1992 study, the General Information Authority set the poverty and need lines at 270 and 460 LYD per month, respectively.³⁸ On that basis, it was estimated that 19 per cent of

38. General Information Authority, periodic reports.

the population were below the poverty line (the minimum wage then was 150 LYD per month). Measures of support for low-income people, including increasing the minimum wage and subsidisation of commodities, food, electricity, and fuel, reduced the ratio of population below the poverty line to 9 per cent in 2001. However, from 2006 to 2010, increases in public spending, financial corruption, consequent unbridled inflation and unemployment, and failure of subsidy policies caused a rise of poverty rates in 2009 to almost 29 per cent.³⁹ Subsequently, political instability and armed conflicts since 2014 impacted living conditions, with the poverty rate escalating dramatically (estimated at 45 per cent of the population).

Migration of farmers and their households from villages and rural areas to the cities notwithstanding, agricultural activity remained a major resource and an important economic activity for a large segment of the population. Indeed, agriculture could contribute to development and economic growth should new methods be used and modern technology introduced, particularly in regions with reclaimed agricultural land or reclamation potential. To this end, vocational and technical education outputs need to be directed towards this important economic activity. Such reorientation is the responsibility of the central government in terms of planning and implementation of strategic projects and enactment of regulatory legislations, of local governments in terms of supporting existing and newly developed agricultural projects, and of all Libyans in terms of safeguarding the development of an important economic activity that provides food, job opportunities and stability.

Healthy lives and wellbeing for all ages

Good education, comprehensive quality education and promotion of lifelong learning for all

To achieve sustainable development, good health must be ensured for all ages. The second

proposed plank of the vision for Libya maintains that social transformation towards creating able human capital that promotes prosperity entails development of healthcare, social care and education systems, and retraining and rehabilitation. The aim is to achieve justice at the national level, as well as protection of households, and promote participation of all in socioeconomic development for prosperity of individuals, households and communities in all regions without marginalisation or exclusion, based on fairness and availability of national wealth to all. This vision is predicated upon the belief that the individual is of pivotal importance for economic activity, as a producer using physical and mental faculties to create wealth, as a consumer of goods and services, and as an investor creating new means of production.

The State has a national responsibility for promoting social care and healthcare services for all citizens in all regions; and for developing medical, nursing, and auxiliary cadres, with participation by the private and civil sectors; as well as for investing in the following available infrastructure:⁴⁰

- 25 medical centres and specialised hospitals.
- 97 general hospitals, with 20,689 beds; a rate of 38 beds for every 10,000 people.
- 37 combined medical services clinics.
- 415 medical services and outpatient clinics.
- 1,355 primary healthcare units.
- 297 dental clinics.
- 311 laboratories.
- 1,934 pharmacies.

Enrolment rates in education have improved, with the number of students in public education increasing to about 2 million students enrolled in 4,500 modern schools having 46 thousand classrooms. However, the design of the schools and their equipment are not in line with modern

39. مجلس التخطيط الوطني - سياسات دعم ذوي الدخل المحدود - دراسة.

40. اللجنة الشعبية العامة (مجلس الوزراء) - البرنامج التنموي الموسع 2008-2012م.

educational requirements. Moreover, in a number of densely populated cities, the number of students per classroom is too high, hence the need for developing school buildings and adding about 12 thousand classrooms.

Higher education (universities and higher institutes) has been expanded geographically and science and applied faculties (Medicine, Engineering, Agriculture) established in areas that could not absorb graduates. As a result, graduates end up being unemployed, or accept work as teachers in middle and high schools or take marginal administrative positions. Hence, there is an urgent need for a national strategy to address constraints and offer a roadmap for sustainable development through building a community of knowledge and technology, with emphasis on quality of educational outcomes at all levels, as well as on openness to the outside world to benefit from international experiences and expertise. Of paramount importance in this regard is development of curricula and teaching methods and use of modern technologies to effect a shift away from memorisation and indoctrination to learning, research, and analysis. Equally, there is a need for developing a comprehensive educational system that considers labour-market requirements, in accordance with the economic activities, job opportunities and development plans in each region. Central government would then be entrusted with fostering the sector, developing appropriate plans, and spending on facilities, equipment, and development.

Achieving gender equality and empowerment of all women and girls

Historically, Libyan women participated actively in public life. In the 1950s, the constitution granted women the right to education through compulsory free education for all, as well as the right to vote in parliamentary elections. Legislations ensured equality in citizenship, engagement in public work and political

participation, and nationality rights. The status of women was also enhanced by their working in numerous fields; not only in education and medicine, but also, inter alia, in the legal profession, the judiciary, and the security forces and the military (army and police).

There is no disparity in wages between men and women, nor in entitlement to higher posts. However, participation of women in such posts has remained limited, despite high rates of participation in education. Indeed, girls accounted for 49 per cent of all enrolment in primary education, 57 per cent in intermediate education, and 55 per cent in higher education.⁴¹ Similarly, employment of women in economic activities grew to 23.6 per cent of the total workforce in 2014 from 14.32 per cent in 1984.⁴² Rates of participation of women in government employment were also high, particularly in education and health, while their participation in private-sector activities did not grow. Levels of participation of women in entrepreneurship are also lower than the regional average due to limiting social and cultural factors.

Prevailing belief in male superiority in Libyan society needs to change. Changing social attitudes towards women, enhancing values of equality, and reducing gender gaps would enable women to play their pivotal role in development.

Clean water

The water deficit is estimated at 4 billion cubic metres/year and is expected to increase significantly as a result of reactivation of development programmes and projects and return of economic activities to their normal levels. Groundwater represents about 97 per cent of total consumed water, while 87 per cent of the currently used groundwater comes from non-renewable sources. Annual direct recharge amounts to about 600 million cubic metres, while total current consumption is

41. الهيئة العامة للمعلومات - التقرير الوطني للتنمية البشرية، 2018م.

42. مجلس التخطيط الوطني - السياسات الوطنية للتعليم - 2012م.

estimated at about 5 billion cubic metres, leading to unsafe withdrawal from limited non-renewable groundwater reserves. By 2030, demand for water is expected to reach between 9 and 10 billion cubic metres per year, based on an estimated population of 8.162 million, while production is estimated at only 3.8 billion cubic metres/year. Total freshwater groundwater resources are estimated at about 3.65 billion cubic metres/year, in addition to about 170 million cubic metres/year of runoff water held behind dams. Available data for 2012–2013 indicates that agriculture consumes about 85 per cent of available water resources, industry about 4 per cent, and domestic consumption and services 11 per cent.⁴³ Most cities face significant shortages of drinking water due both to constrained resources and inadequate water supply networks. There is also a significant shortage of sanitation services due to uncontrolled expansion of cities and villages and informal settlements on the periphery of cities (In existing urban neighbourhoods, water supply reaches about 70 per cent and sanitation about 30 per cent of dwellings).

Thus, there is need for tighter control of water resources and rationalisation of water management to ensure sustainability, through implementation of a medium- and long-term strategy, the most important elements of which are: development, sound exploitation and demand management of conventional and non-conventional water resources; and continuous enhancement, renewal and enforcement of legislation on water resources conservation and sustainable management of water and sanitation.

Clean, renewable, affordable, and sustainable energy for everyone

Libya is one of the largest oil producers and exporters, with oil reserves estimated at 47 billion barrels and natural gas reserves at 53

trillion cubic feet. Electricity is relied upon in all activities. Of the total electric energy produced, domestic use accounts for about 31.18 per cent, commercial activity 13.08 per cent, public utilities 11.68 per cent, agriculture 10.66 per cent, industry 10.09 per cent, and public lighting about 19.4 per cent.⁴⁴

Moreover, there is ample potential for renewable, particularly solar, energy. In fact, the country has one the highest rates of sunshine globally. Wind power is also potentially plentiful (solar power is estimated at 140 million GW and wind power at 8,000 GW), and it is possible to employ nuclear power using the new generation of nuclear reactors. An effective energy planning strategy is needed to ensure the future energy supplies required for comprehensive, sustainable development.

Sustained, inclusive and sustainable economic growth, and full productive employment and decent work for all

Industry, innovation, and infrastructure, and providing resilient infrastructure, promoting inclusive and sustainable industrialisation and foster innovation

Economic growth has been faltering despite concerted efforts, preparation and implementation of development plans and budgets, setting development goals for all phases of the development process, abundance of financial resources, and diverse natural resource endowments. Policies and strategies drawn up by planning bodies have not been followed, and implementation has been plagued by improvisation and misuse of allocated funds. Moreover, unfair distribution of allocated investments among regions led to unbalanced development spatially and across sectors.

A comprehensive reform process to transform the economy structurally is imperative.

43. مجلس التخطيط الوطني - السياسات الوطنية للأمن المائي 2015-2020م - دراسة 2014م.

44. مجلس التخطيط الوطني - الاستراتيجية الوطنية للطاقة - دراسة 2015م.

Currently, the economy is rentier, constrained by State domination of all economic activities, and based on use of oil and gas revenues to finance investment and current expenditure. It thus suffers distortions, the most prominent of which is economic vulnerability, with oil exports accounting for about 97 per cent of total exports and imports covering about 80 per cent of the total basic needs of the country.⁴⁵ Escalating unemployment, weak production, inflation, and financial and administrative corruption also pose severe problems. The hoped-for transformation would lead to a free, efficient, diverse, and competitive economy, based on knowledge, scientific progress, and optimal use of technology and information.

To achieve comprehensive, sustainable economic growth, it is imperative to change general trends, legislations, institutions, and work mechanisms to create an environment conducive to proper exploitation of national resources, and correct imbalances in economic structure and income distribution. Serious efforts need to be made to free the economy gradually from oil-sector hegemony, through economic diversification and use of oil revenues to finance investment in high-quality infrastructure and provision of adequate public services. Efforts will also need to be made to create a highly productive, skilled workforce; stimulate innovation; enable active participation by the private sector; and attract local and foreign investment. Moreover, it is vital to move towards a free, unregulated, effective, and competitive knowledge-based economy, an economy that is productive, has a human dimension, enjoys a variety of sources of income, and benefits from scientific progress and optimal use of technology. In addition, promotion of spatial development requires provision of basic services and facilities to all medium and small growth centres to ensure their stability, while linking them to large cities and other urban centres. Emphasis should be placed on programmes for comprehensive economic development and job creation in all

regions, particularly marginalised and remote areas, subject to availability of resources and raw materials (agricultural-industrial development, transit trade, and tourism), which in turn requires supporting establishment of small and medium enterprises, particularly those that create job opportunities in complementary businesses.

Reduce inequality within and among countries

Importantly, development needs to be comprehensive, sectorial, and spatial, covering the various regions, to ensure fair distribution of investments, proceeds of development, and the basic infrastructure for economic activities. The result would be alleviation of poverty and unemployment and reduction of marginalisation and inequality, with the economy growing for the benefit of all regions without discrimination or inequity. Thus, emigration of expertise would be minimised, and economic diversity would be achieved. Indeed, comprehensive, balanced spatial development among all regions achieves sustainable development goals and equality among citizens. All of this requires concerted efforts by all: productive, active citizens; and a good central government that supports local government, establishes a climate conducive to legislative and regulatory development, and contributes to efficient implementation of the infrastructure of the national economy in all regions.

Over the past four decades, Libya experienced rapid growth of urban population. Tripoli and Benghazi had the largest share, with their population constituting about half the urban population of the country. Demand for new housing increased (estimated in 2015 at 500 thousand units)⁴⁶ to meet natural growth and reduce the cumulative housing deficit, and the need for adequate educational and health facilities also mounted, while significant shortages of drinking water, sanitation, roads, communications, and electricity were experienced in all cities.

45. National Planning Council, Economic Reports.

46. اللجنة الشعبية العامة (مجلس الوزراء) - البرنامج التنموي الموسع 2008-2012م.

The planning system, established through a second and third generation of studies, divided the country into four planning regions based on geography (eastern, central, western, southern). Full studies of social and economic conditions were conducted, indicators of natural growth identified, future expansion of urban plans delineated, areas of natural resources identified and ways of exploiting and investing them to contribute to economic growth outlined, size of workforce determined, and ways of directing education in line with requirements of socioeconomic development recognised. In addition, environmental studies were conducted to determine land use modes and investments required for protecting and ensuring sustainability of natural resources.

Structural development covers the various urban communities (regional centres and major cities, local centres, medium sized cities, and villages, primary and secondary service centres) and lays down the foundations and priorities of comprehensive spatial development for the period from 2000 to 2025. It also identifies principles of preparation and adoption of comprehensive master plans for 350 cities and villages, covering 370 thousand hectares. Urban settlements are expected to increase by 2030 to 90 per cent of all settlements from 88.16 per cent in 2006.⁴⁷ Planning studies are needed to address bottlenecks; deterioration of cities and villages; and overcrowding, especially in major cities.

Responsible consumption and production and ensuring sustainable consumption and production patterns

Over the past decades, legislations for protection of the natural environment have been enacted. Four were enacted in 1982: Law No. 2 on regulation of use of, and protection from, ionising radiation; Law No. 3 on organisation of exploitation of water resources; Law No. 5

on protection of grasslands and forests; law No. 7 on protection of the environment, human health, drinking water sources, seawater, and soil from pollution. Two were enacted in 1984: Law No. 13 on sanitation and hygiene, and law No. 14 on exploitation of marine resources. Two were enacted in 1985: Law No. 15 on protection of animals and trees, and Law No. 17 on protection of pastures and livestock. Law No. 15 on protection of agricultural land was enacted in 1992, and Law No. 19 on production and reproduction of improved seeds was enacted in 1998. In 2003, Law No. 15 on protection and improvement of the environment, amending extensively Law No. 7 of 1982, was decreed. Notwithstanding all these laws – most notably the 2003 law⁴⁸ that decreed strict penalties, compliance remained low. Indeed, there is still need for effective programmes for preserving the natural environment and ensuring its sustainability. This is a social responsibility to be shouldered by central government, local governments, civil society, and all citizens.

Action to combat climate change and its impacts

Mostly arid desert lands constitute 95 per cent of the territory and the rest of the country is threatened by desertification and drought. Groundwater is the major source of water for both drinking and agriculture. Withdrawal rates, exacerbated by rising temperatures due to climate change, are threatening this source with depletion. In recognition of the threats posed by climate change, Libya signed the Kyoto Protocol in 2007 and the Paris Agreement in December 2015.

There is need for developing climate-change national strategies and effective programmes to address and reduce risks and take advantage of international efforts to assist developing as per the Paris Agreement. All institutions in energy, industry and transportation should comply with international regulations and standards for reducing greenhouse emissions. Cities and communities

47. مصلحة التخطيط العمراني – السياسة الوطنية المكانية – 2006-2030 م.

48. Researcher; from several reports.

should commit to a green environment, as well as other mitigation measures, such as rationalisation of water consumption and conservation of forests and the vegetation cover.

Life below water: conserve and sustainably use the oceans, sea, and marine resources

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Life on land: protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

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Libya is endowed with natural diversity and a privileged location on the Mediterranean, with beaches about 2 thousand kilometres long and highlands, plateaus, and deserts. The pristine nature on land and in sea is a national treasure. Looked after sustainably, these riches would contribute to stability and achievement of national security, and social, economic, and environmental goals. Hence, legislations aimed at preserving and investing in natural resources rationally are needed, as well as planning for sustainable development and banning overfishing. This is a responsibility for central government, local governments, and citizens to shoulder. Education programmes to raise awareness of importance of resources, their conservation and sustainability are needed, in addition to encouraging the private sector to invest in them to provide job opportunities and effectuate development programmes in all regions.

Just, peaceful, and inclusive societies, and accountable and inclusive institutions at all levels

.....

Libya has enacted integrity and transparency legislations, such as Law No. 2 of 2005 on combating money laundering, and anti-corruption legislations, including Law 63 of 2012 on establishing the Anti-Corruption Commission, mandated with uncovering corruption cases of

all types and forms, establishing a doctrine of integrity and transparency in governmental and civil-sector economic, financial and administrative transactions to ensure sound governance of public money and use of resources, enhancing the role of civil society organisations and institutions in combatting corruption, and raising public awareness of dangers of corruption. This law was modified by Law No. 11 of 2014.⁴⁹

Libya signed the United Nations Convention against Corruption in 2003 and ratified it in 2005.⁵⁰ Yet, it is considered one of the most corrupt countries in the world, with Transparency International ranking it 172 out of 177 countries. In fact, notwithstanding establishment of the Anti-Corruption Commission, corruption remains a severe challenge.

Partnerships for achieving goals for sustainable development and strengthening global partnership.

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Achieving the multiple goals of sustainable development requires investments of no less than \$5 trillion annually⁵¹ to provide official development assistance and support many developing and poor countries that do not have sufficient resources to achieve the ambitious goals and targets of the 2030 sustainable development plan, especially with regard to ending hunger, achieving food security, providing health requirements, combating diseases, and providing clean water and sanitation. As a member of the international community, an active member of North-African and Arab groupings of countries, and a signatory to numerous regional and international agreements and partnerships, Libya is entitled to benefits of international expertise in achieving development goals and targets, investing in natural resources, improving trade, promoting innovation, transferring knowledge and indigenising technology.

49. Researcher- from several reports.

50. Researcher- from several reports.

51. Researcher- from several reports.

ANNEX.

FORWARD-LOOKING APPROACH TO FUTURE OF LIBYAN ECONOMY

Introduction

After years of internecine conflict, the economy of Libya is in need for comprehensive restructuring. To advance investment and growth, new economic drivers need to be launched, the private sector empowered, and local and foreign investments attracted. The hoped-for diversified, competitive economy would be one in which opportunities are equitably available to all, with priority given to employment and production. However, aspirations will not be met unless a comprehensive review of economic and social realities is undertaken, and clear, transparent rules and mechanisms are implemented to guarantee justice, accountability, and transparency.

The future of the Libyan economy lies in comprehensive restructuring within the

framework of a plan that defines roles of all parties, enables the private sector to lead economic development competitively, and achieves sustainable social and environmental development. Thus, economic reconstruction would be built on new foundations, to achieve stability, justice and transparency and develop a social safety net to protect the vulnerable.

The requisite integrated economic project would be based on two planks: an alternative economic model that sets economic priorities, guidelines for roles of stakeholders, and strategic objectives; and institutional reform of both public and private sectors. The following model summarises the basic elements of the prospects of the Libyan economy, which will be discussed in some detail below:



A. Restoration of development

Development has been disrupted since 2011 due to the civil war and various conflicts. The State has continued with government expenditure as before. In fact, current expenditure has increased, mainly on salaries and other administrative outgoings, as well as on some non-productive assets, such as cars and office furniture.

Moreover, organised investment came to a complete halt. Restoration of development would require adoption of a clear model to stimulate both private and government investment. The latter would focus on re-mobilising and completing halted infrastructure projects. Naturally, this would require a great deal of financing over years, in addition

to agreements with contracted countries and companies. However, all depends on advancing the current fragile state of stability through persistent efforts to unify executive authority and divided institutions. Involvement of the private sector in financing and implementing faltering development projects would be vital, hence the need for incentives and mechanisms for real-estate development and reconstruction. The government would need to lead securing the requisite financing in conjunction with the banks and the private real-estate development sector, which, along with the oil sector, would drive restoration of development and economic growth.

In its turn, real-estate development requires the State to launch new schemes, as well as resume disrupted and discontinued projects in accordance with specific timetables. Private-sector real-estate developers could launch various housing, service, and commercial projects, with finance from the banking sector and other investment institutions. In this regard, it would be vital to decree legislations to regulate real-estate development and other investment institutions, providing an appropriate framework for all parties involved in real-estate development and investment activities. It would be absurd indeed to insist

on the government undertaking projects without involvement of other actors in finance and management, especially real-estate developers, contracting companies, investors, and commercial banks. This would serve to focus on the two main sectors of oil and real-estate and associated sectors, to achieve balanced economic diversification through creating new economic players for development of the economy as a whole.

Restoration of development inevitably requires a detailed programme for advancement of the various economic sectors to ensure economic growth and involve youth and new entrepreneurs, such as service and technology providers and business operators. Indeed, the time is opportune for shaping the future of the economy and reformulating the economic model in a way that enhances the role of the private sector and supports its participation in government investments that seek to achieve the SDGs (the 17 goals of Agenda 2030.) In connection with these goals, it is vital to use a standard index to monitor contribution of the various economic tools to SDGs, such as preservation of terrestrial and marine ecosystems, reduction of poverty, ending hunger, and ensuring cultural and heritage rights (see last section below).

B. Stability of economic institutions

It is generally believed that achieving growth or major development in any economy, whether developed or developing, depends on basic elements, the most important of which are: investment, the workforce and its productive skills, natural resources, and technology and the extent of its use in production and services. However, recent studies of growth rates in several countries found that these elements together constitute only a small fraction of the components of sustainable growth. Indeed, economic growth means sustained development over a long period of time in which real income increases at a rate greater than that of growth of population to

enable wealth creation that is circulated in the form of individual incomes, expand the economy, reduce poverty, and create job opportunities. However, the most prominent factor is presence of effective, influential universally accessible economic institutions listed in the financial market, as well as increase in the proportion of free shares in accordance with capital market rules. Such institutions should transparently publish regular performance reports and make social responsibility contribution. Covering energy, communications, construction, banking, industry, technology and investment, these institutions, along with an effective judiciary

and transparent civil society institutions, could play a major role in managing key economic assets, and monitor good governance in public and private institutions and their social responsibility contributions.

Having natural wealth, such as oil, does not guarantee prosperity. Many countries that depend mainly on a single source of income have not escaped complex economic problems resulting from excessive reliance on rent and uncontrolled interference of the State in economic life that diminished the role of other economic sectors in contributing to the gross national product, led to rampant unemployment and concentration of employment in the public sector, and distorted the economy by ill-conceived subsidy policies.

Even though laws guarantee economic freedom, the bulk of the economy in Libya is run through public or semi-public institutions owned by government and its investment institution, with private sector institutions incapable of contributing to development and economic growth and often operated in the same bureaucratic and authoritarian manner as the public sector.

Continued collapse of monetary, financial, service and production institutions and their inability to function due to divisions and war, expansion of the shadow economy, and absence of a money market that would regulate the economy and monitor transparency and financial disclosures, are all factors that constrain ability of the economy to raise real income and the GDP, reduce poverty, and provide young people with job opportunities. Hence, it is imperative that economic institutions, both public and private, be reorganised through restructuring and reform of governance. Failed public companies would need to be liquidated or sold, and ownership of successful public companies widened to include the private sector and individuals. In addition, private economic

institutions would also need to be reorganised, mainly by moving small and medium enterprises from the shadow to the formal economy through tax and customs incentives and appropriate financing. Moreover, various investment and venture capital funds would need to be developed to finance private sector companies in preparation for subsequently joining the money market. Furthermore, establishing rules and mechanisms to control competition, enhance governance, regulate ownership, and ensure transparency and disclosure of financial information are all of essential importance, as is guaranteeing that State institutions compete fairly with the private sector in a transparent and regulated capital market.

Economic stability necessitates disengagement of the State from productive and service economic activities to make room for the private sector, while public-private partnerships are needed to implement projects and provide services. Moreover, financing investment activities through governmental funds, portfolios and companies would need to be discontinued, except for major infrastructure projects. The role of the State would then be restricted to monitoring, regulating, and safeguarding fair application of rules, while supporting diversification of the economy, which entails relinquishing the current practice of placing ownership, control, and management in the hands of the State, which undermines competitiveness of the economy. The aim of all these reforms would be to ensure a stable economic model that enables the private sector to play a broader role and to make a greater contribution to the economy within a transparent framework of regulation of property rights, financial and administrative transparency, and trust in governmental regulatory institutions.

C. Social and economic justice

Social and economic justice necessitates equal opportunities for all through access to healthcare, education, housing, and employment, thereby reducing class differences through a fair wage and salary system in both the public and the private sectors, along with a system of social and economic protection for the poor, elderly, and children, and progressive taxation.

Social justice is measured in socioeconomic literature by applying the standard known as the “Gini coefficient”, which is a statistical measure used to calculate income or wealth inequality within a nation or any other group of people. It is a measure of the width of the gap between the total shares that various classes or segments of society, rich, poor and middle-income, get (or spend) and the shares that they would have secured had full equality had been achieved. The wider this gap (i.e., the higher the Gini coefficient), the further society is from equality and social justice.

Equitable income distribution in society derives its importance from its impact on the income share of the poor and lower strata who do not usually have the luxury of saving. Hence, their income is transformed into an effective demand for goods and services. This motivates the State or private investors to initiate economic activities designed to meet the resulting increase in effective demand. In turn, these new activities employ new employees and workers and distribute new incomes, which increases demand for goods and services and thus encourages initiation of new economic activities. This “investment multiplier” cycle is the main driver of sustainable economic advancement and prosperity. Thus, social and economic justice is a condition for continued economic growth as much as it is a prerequisite for political stability on the basis of consensual arrangements and coexistence among tribes, ethnicities and regions.

History proves that proliferation of political and armed conflicts and lack of social and economic justice inevitably leads to a socioeconomic explosion that causes social catastrophes and economic collapse. Hence, establishing social and economic justice is imperative and requires focusing on a set of important mechanisms within the framework of vision for the future of Libyan national economy. These mechanisms include the following:

- Fair distribution of all income, be it rent from oil or other natural resources, public revenues from taxes and fees, or returns on government investments. Distributional justice would be achieved through a public budget responsive to socioeconomic justice considerations, with a focus on development spending rather than current expenditure, upgrading infrastructure, and programmes for transparent support for marginalised and poor groups managed by local authorities.
- Reorganisation of wages and salaries based on efficiency and skill, introduction of a minimum wage in both the public and the private sectors, and provision of incentives for employment in the private sector.
- Enhancement of local governments by giving broad mandates and mandates to governorates and municipalities to enable them to provide support to the marginalised and vulnerable, including children, unemployed youth, the elderly, and persons with disabilities, with civil society institutions exercising societal control.
- Economic empowerment of the poor by providing them with access to finance and supporting them in establishing their own economic projects, under a system of social incubation.
- Institution of industrial, commercial and service zones in all cities and near population centres, as well as housing, service and real-estate schemes to facilitate various economic activities, and enhancement of the role of business incubators in support of

entrepreneurs and economic activities based on creativity and innovation.

- Regulation of ownership of real-estate and financial and intellectual assets and associated processes of ownership transfer, management, mortgaging, recording, buying and selling. This would protect groups that are vulnerable to social and economic inequity, helping them to achieve their aspirations of

living in dignity and facilitating their economic participation.

- Financial inclusion of all by providing innovative financial services to meet project launching and asset acquisition needs, and expansion of the e-payment network, instant settlement of payments, and e-finance applications, within a framework of competition under comprehensive institutional control.

D. Comprehensive institutional governance

Institutional governance, a term in economics and business administration coined relatively recently, denotes how various departments and bodies in an economy are organised and connected. As a concept, it addresses competencies and responsibilities, and enhancement of transparency of decision making and implementation. Rules of governance define roles and tasks of the board of directors, the executive director, and the general director, as well as the committees that must be formed to follow up work, assess risks and review and evaluate internal control.

In Libya, governance was unknown except in the banking system, and only since 2005. Although instituting a governance system became mandatory in banks in 2010, this was not taken seriously, and application remained at best a formality. Moreover, the Governance Manual issued by the Central Bank of Libya is poorly structured and needs to be comprehensively revised. In reality, both public and private institutions, banking and non-banking, are in dire need of internal governance that regulates relations among the various levels of responsibility, while enhancing financial transparency.

To rebuild the Libyan economy and enhance its ability to advance, it is vital that all economic actors, including governmental and supervisory institutions, observe separation of ownership, management, and control. Private economic institutions in all sectors must apply institutional governance to

control internal work and internal relations, particularly between the main owners and the board of directors or executive managers. Transparency and disclosure should be facilitated using electronic technologies that help speed up response and achieve justice. There is also an urgent need to establish rules of governance and transparency for both public units and economic government institutions, including rules for management and decision-making at the level of the board of directors and executive management. Such rules would enhance the work of the boards on the basis of real participation in decision-making through committees specialised in drafting policies, such as a Risk Committee, an Investment Committee, an Audit and Financial Control Committee, a Remuneration and Compensation Committee, and a Strategies Committee. Governance rules also include procedures and mechanisms for monitoring expenditure and bids and tenders and publishing reports thereupon to enhance community participation and supervision.

Implementation of an integrated system of institutional governance at ministries and local government units requires redesigning the administrative and functional structure of the State to achieve effectiveness and efficiency in administrative and financial decision-making, as well as in use of public finances and provision of services. Moreover, governance should be applied in economic institutions owned fully or partially by government and those owned by the private sector, to effect

separation of powers and reduce overlap of ownership, management and oversight, and enhance transparency.

Comprehensive institutional governance is of extreme importance for combatting corruption, which has become endemic (as shown by Transparency International reports),⁵² as well

as for establishing transparency, credibility and reliability, and setting mechanisms for internal control and governmental and societal supervision. It will also be important to entrust issuing governance regulations, rules and standards to an independent body that would also promote sustainable development.

E. Major role for private sector

The difficulties and obstacles facing the private sector in Libya are legion and complex. Some are due to government control of much of production, distribution, and service delivery; weak institutional capacity; poor infrastructure; and pervasiveness of the informal shadow economy. The most important obstacles, however, are perhaps lack of credit due to disruption of banking operations as a result of discontinuance of banking interest; suspension of the real-estate registry that documents properties and mortgages on real-estate; and lack of approved urban development plans that allow expansion and development of projects and provide an investment environment conducive to accelerated development of the national economy.

Moreover, establishing an economic activity takes too long and is, in some cases, bedevilled with lack of transparency, bureaucracy and corruption. International reports and indicators on business environment, competitiveness, and transparency show that the economy of Libya is indeed way down the list and has not made any tangible progress for many years.

A cause for worry is the continuing lack of a national economic identity, as well as imbalances, instability, and deepening fragility, compounded by inability of the private sector to function in an orderly manner for several reasons. These include problems

that beset regulatory authorities, ambiguity of the private sector in terms of ownership and overlap between ownership and management, especially in private institutions that have major investors. There is indeed a need for transparency, disclosure, and amendment of laws to protect small investors. Furthermore, disruption of financial and banking operations has had a negative impact. However, the most pronounced impact on the performance of the private sector during the period of conflict has been the persistent ambiguity of the exchange rate policy.

Subsequent to cessation of armed conflict and achievement of political stability, Libya's economy needs to be restructured to transform it from being dedicated to narrow interests to an economy capable of creating wealth and engendering prosperity. State control of production and service activities should gradually cease, and the financial market reinstated and developed to play a role in attracting domestic and foreign investment to key sectors and activities, in accordance with disclosure and transparency regulations. Enabling the private sector to play an important role would be facilitated by establishing an Independent Economic Competitiveness Council operating according to established global standards to enhance competitiveness and achieve economic diversification.

52. Transparency International reports. Available at <https://www.transparency.org>.

F. Economic diversification and sustainability

Diversification of national income sources away from total reliance on a single source is a strategic goal. However, such a shift is predicated upon financial sustainability through focusing on development, reducing current expenditure by allocating the bulk of the State budget to investment in infrastructure, in accordance with the Planning Law (a minimum of 70 per cent of oil income), and controlling budget deficit to acceptable levels within the range of 3 per cent of GDP.

Economic sustainability would necessitate gradual economic diversification to end rentier reliance on oil, which has distorted the national income structure and left the economy vulnerable to turmoil in global oil markets. Such diversification would not mean ceasing to invest

in the oil sector, but, rather, enhancing its added value, and harnessing its revenues to rehabilitate and expand other economic sectors, such as real-estate, industrial production, tourism, agriculture, communications and information, and financial and electronic services.

Future stability and prosperity of the economy of Libya will depend on its ability to achieve comprehensive, sustainable diversification. The proposed economic strategies and programmes would serve as guidelines for putting the economy on solid foundations. The revived economy would ensure a decent life for all citizens, provide broader prospects for aspiring youth, be leading in the Arab and African region, and interact with the global economy in a more stable and sustainable way.

LIST OF PUBLICATIONS ISSUED BY THE LIBYA PROJECT

Document Number	Title	العنوان
E/ESCWA/CL6.GCP/2020/TP.3	An Introductory Study on the Status, Challenges and Prospects of the Libyan Economy Part I of a Baseline Study for the Libya Socioeconomic Dialogue Project	دراسة تمهيدية عن الاقتصاد في ليبيا: الواقع والتحديات والآفاق الجزء الأول من دراسة أولية لمشروع الحوار الاجتماعي والاقتصادي الليبي
E/ESCWA/CL6.GCP/2020/TP.2	An Introductory Study on the Status, Challenges and Prospects of the Libyan Society Part II of a Baseline Study for the Libya Socioeconomic Dialogue Project	دراسة تمهيدية عن المجتمع في ليبيا: الواقع والتحديات والآفاق الجزء الثاني من دراسة أولية لمشروع الحوار الاجتماعي والاقتصادي الليبي
E/ESCWA/CL6.GCP/2020/TP.1	An Introductory Study on the Status, Challenges and Prospects of Governance and Institutions in Libya Part III of a Baseline Study for the Libya Socioeconomic Dialogue Project	دراسة تمهيدية عن الحوكمة والمؤسسات في ليبيا: الواقع والتحديات والآفاق الجزء الثالث من دراسة أولية لمشروع الحوار الاجتماعي والاقتصادي الليبي
E/ESCWA/CL6.GCP/2020/TP.8	The economic cost of the Libyan conflict	الكلفة الاقتصادية للصراع في ليبيا
E/ESCWA/CL6.GCP/2020/TP.5	Economic cost of the Libyan conflict Executive Summary	الكلفة الاقتصادية للصراع في ليبيا ملخص تنفيذي
E/ESCWA/CL6.GCP/2020/2	Benefits of Peace in Libya : Neighbouring Countries and Beyond	السلام في ليبيا: فوائد للبلدان المجاورة والعالم
E/ESCWA/CL6.GCP/2020/2/ SUMMARY	Benefits of Peace in Libya : Neighbouring Countries and Beyond Executive Summary	السلام في ليبيا: فوائد للبلدان المجاورة والعالم ملخص تنفيذي
E/ESCWA/CL6.GCP/2021/TP.1	Vision for Libya: towards prosperity, justice and strong State institutions	رؤية لليبيا: نحو دولة الازدهار والعدالة والمؤسسات
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF.1	Towards an inclusive national identity in light of a just citizenship State	نحو هوية وطنية جامعة في ظل دولة العدالة المواطنة
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF.2	Social protection system	منظومة الحماية الاجتماعية

Document Number	Title	العنوان
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF3	Human capital, youth and women empowerment, and the integration of militant forces	رأس المال البشري وتمكين الشباب والمرأة ودمج المسلّحين
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF4	The role of the State in sustainable economic development and the strategic positioning of Libya in the global economy	دور الدولة في التنمية الاقتصادية المستدامة والتموضع الاستراتيجي لليبيا في الاقتصاد العالمي
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF5	Strengthening the State authority and the rule of law through a fair and independent justice system, and human security based on human rights and the principles of comprehensive justice	تعزيز سلطة الدولة وسيادة القانون في ليبيا: دور مبادئ حقوق الإنسان والعدالة الشاملة في إرساء منظومة مجتمعية عادلة، وقضاء نزيه ومستقل، وأمن إنسانيّ مستدام
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF6	Restoring trust and reconciliations to establish a national charter	ترميم الثقة والمصالحات: الطريق نحو تأسيس ميثاق وطني لليبى
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF7	Building a State of institutions, regional integration and international cooperation	بناء دولة المؤسسات والتكامل الإقليمي والتعاون الدولي
E/ESCWA/CL6.GCP/2021/ POLICY BRIEF8	Mechanisms for economic reform and recovery	آليات الإصلاح والتعافي الاقتصادي



