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Deutsches Institut für
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German Development
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Priorities for Stability & Development in Libya: International Support for the Post-Gaddafi Social Contract

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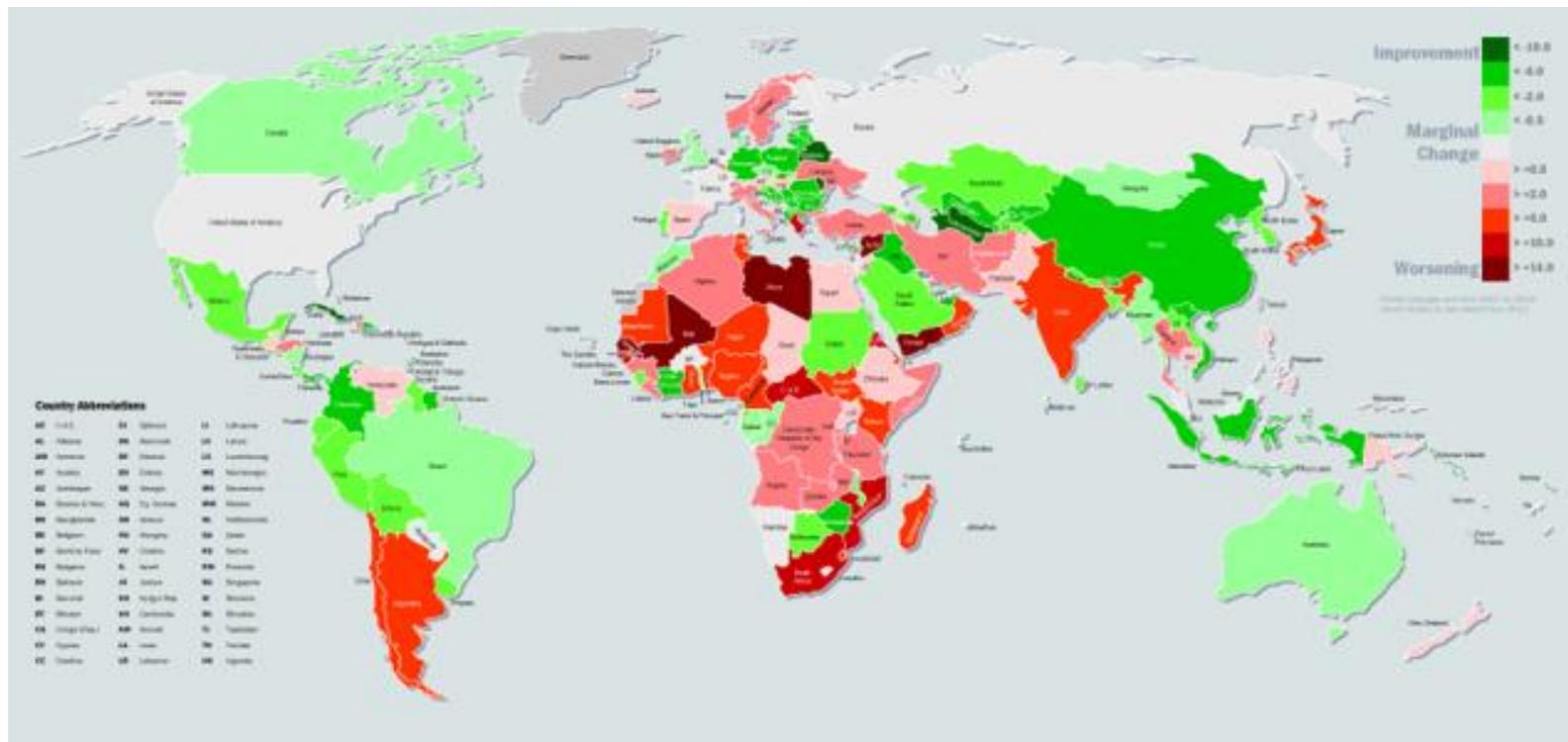
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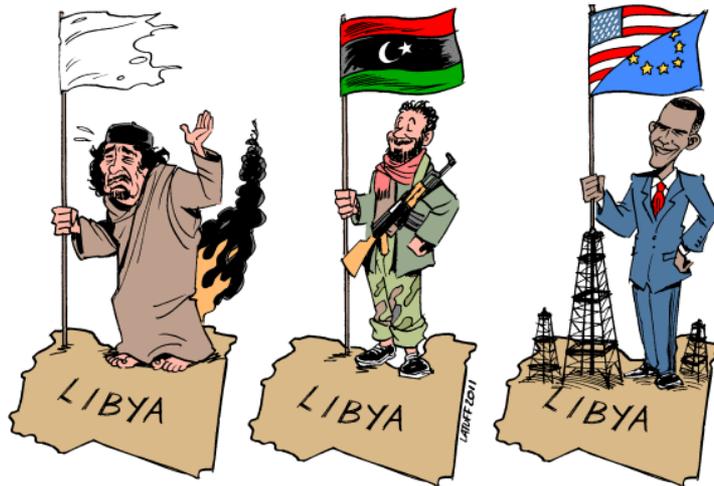
IPR-MENA social policy conference, Bonn 5 – 6 December 2016

- Libya's post-Gaddafi transition: is there a social contract?
- Maybe, but not at the level of state-society relations
- Very difficult to put the country back together after Gaddafi
- 4 priorities for development in Libya: the peace process, public sector governance, economic development and migration
- All are key aspects of Libya's social contract (if Libya is to have a social contract)
- All require solid international support

Conceptual perspectives on the social contract in fragile/conflict affected countries

- State fragility: three dimensions: Authority, Capacity, Legitimacy
- Formal and informal agreement(s) between politically relevant groups over who gets what and why
- Policy Framework: SDG 16; OECD New Deal for FCA countries





The Internal Split in Libya

A view of major local affiliations held by Libya's warring factions.



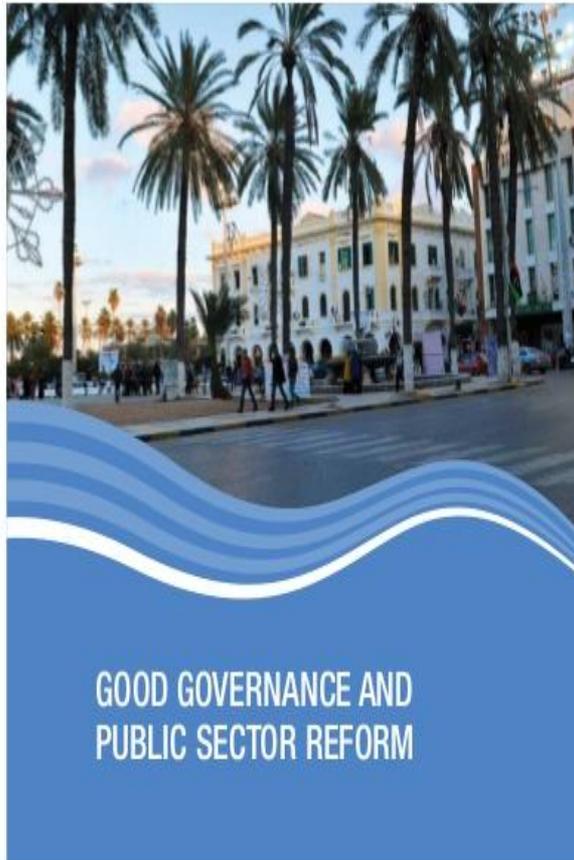
Source: IISS Armed Conflict Database

By The New York Times

- Fragmented: 3 'governments' all internally divided, armed militias...
- East-West-South split: Cyrenaica, Tripolitana and Fezzan, but much more complex than that!
- UN process, GNA in danger
- Libya's domestic political actors struggle to put broad national interest first
- International support focussed on ISIL, migration



- Peace elusive: complex conflict system
- Needs to be inclusive: tribal groups, women, civil society
- Urgent need for international support to security sector reform
- Key issue: property rights, following Gaddafi era dispossessions



CREATING AN EFFICIENT, TRANSPARENT, AND ACCOUNTABLE GOVERNMENT

Improving governance is essential to attaining the goals set out in the Vision 2030 and establishing a stable and self-financing nation. Libya's public sector currently provides poor quality services, lacks transparency, and is not accountable to the people. These challenges are a direct result of the historical governance situation that Libya inherited from the previous regime. During the country's political transition, the development agenda for the government is to provide essential services to all citizens and to ensure public sector services are efficient, effective, transparent, and accountable to citizens.

- Public administration mostly has to be built from scratch
- The GNA needs to demonstrate its capacity and value to citizens
- Corruption is a problem
- Civil society needs support, but which civil society?

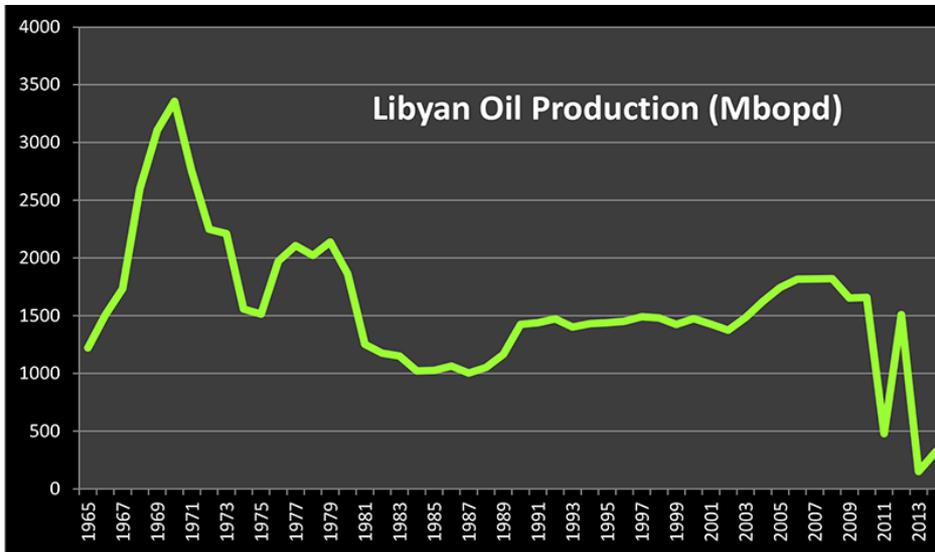
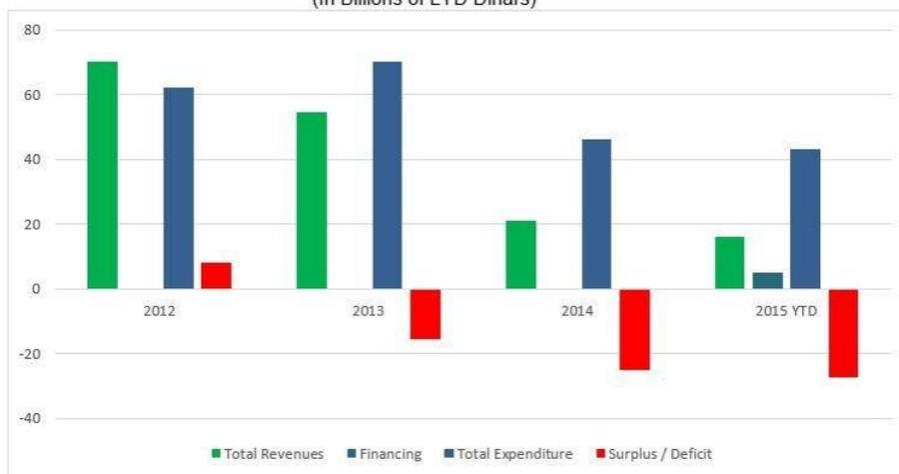
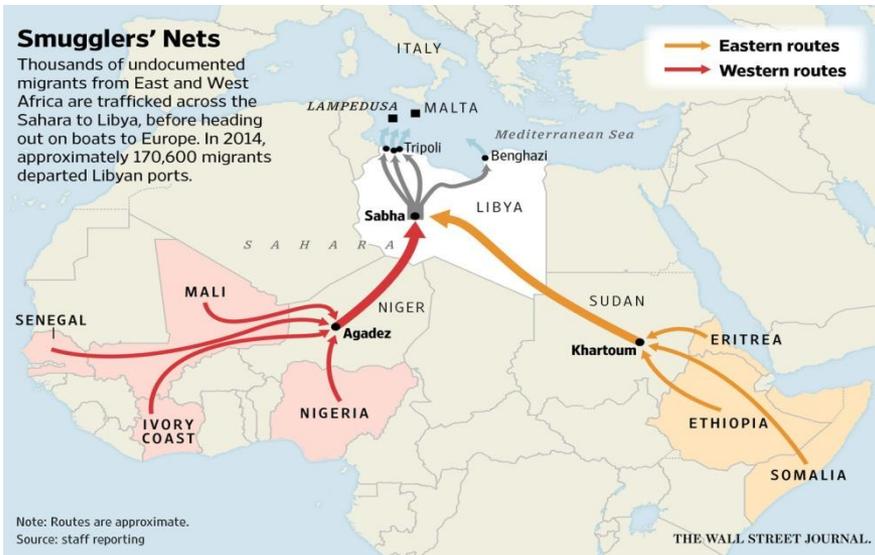


Figure 1: Libya Total Budget Revenue - Expenditures 2012-2015
(In Billions of LYD Dinars)



- Oil and gas revenue has fallen
- Food prices have driven inflation
- The GNA's fiscal position is perilous
- Libya needs to diversify away from hydrocarbons
- The private sector needs support, access to finance



- Libya is traditionally a destination country
- People smuggling is disruptive to Libya's peace process
- Two priorities: manage migration through Libya, and solve Libya's employment problem
- Europe: manage migration flows, but respect own values

Together for Peace in Libya



“The status-quo in Libya is not sustainable”

The situation in Libya is bad and getting worse. There is no military solution to Libya's current problems; the Libyan people need peace.

The longer the fighting goes on, the more divisions will deepen, and the harder it will be to reach a peaceful agreement acceptable to all

Continued fighting puts Libya's national unity and territorial integrity at risk. No one should be allowed to break up Libya into pieces

- Crisis management measures first
- The GNA needs quick wins
- Medium term: lots of technical assistance
- Longer term: Libya can take care of its own development, if this is what power-brokers want
- Trade-offs: European security, Libyan unity

Thanks for your attention!