



Libya, economy and geography

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► To cite this version:

Olivier Pliez. Libya, economy and geography. John Middleton éd.; J.-C. Miller éd. New encyclopedia of Africa, Thomson/Gale, p., 2008, 978-0-684-31454-9. halshs-00585304

HAL Id: halshs-00585304

<https://shs.hal.science/halshs-00585304>

Submitted on 6 Dec 2018

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Libya: Geography and Economy

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In John Middleton éd.; J.-C. Miller éd. *New encyclopedia of Africa*, Detroit : New York : San Francisco : Thomson/Gale, 2008, p., 2008

When Libya gained independence in 1951, it was one of the poorest countries in the world, ravaged by its struggle against Italian colonization between (1911-1931) and World War II.

Reconstruction of the Kingdom of Libya began in 1951 and gained pace after the first discoveries of oil in 1956, but the economy only benefited from this newly found wealth after Mu'ammār al-Qadhafi came to power in 1969, transforming the Kingdom in the Great Socialist People's Libyan Arab Jamahiriya. His first objective was to free the country from the characterized as Libya's foreign economic stranglehold. Qadhafi then used the 1973 oil shock to accelerate the nationalization of energy resources. Thus independent Libya had exceptional resources with which to develop itself but remained dependent on the fluctuating price of oil (95% of exports), foreign labor (representing one-half of workers) and the importation of food, materials, and technology.

From 1969 until the mid 1980s, the increasing power of the State accompanied the implementation of a socialist economy with control over entire sectors of production, and the massive employment of Libyans in the public sector. However, the economy's fragility was revealed during the oil counter-shock of the mid-1980s that subjected the regime to a drop in its revenues, 75 percent of which came from oil. In 1987, a limited economic liberalization, the *'intifāh* ("opening" in Arabic) began and continued despite UN sanctions (1992–1999). Living conditions deteriorated, the GNP per person dropped from \$8,520 in 1984 to \$4,300 in 1997, but in 2003 increased to \$6,400 due to the recent increase in oil prices.

With its 1 million square miles, Libya is the fourth largest country on the African continent and a real crossroads, bordering six countries: Tunisia and Algeria in the Maghrib, Egypt in the Mashriq, and Niger, Chad, and the Sudan. Its 1,242 miles of Mediterranean coastline are in sharp contrast to this arid country of which 95 percent is desert. Consequently, only 7 percent of Libya possesses a Mediterranean climate whereas in the rest of the country the average annual rainfall does not exceed 1 inch and temperatures vary in extremes: Ghadames is the hottest (106 degrees Fahrenheit), as well as the coldest (38 degrees Fahrenheit) town.

These physical constraints are overcome by a strong regional master planning policy based on urbanization, and water self-sufficiency, financed through oil revenues.

As of the 1960s, the three geographical regions of Tripolitania (northwest), Fezzan (southwest) and Cyrenaica (northeast) are linked by road to each other. At the end of the 1970s, the asphalted Libyan road system was 2,500 miles long; it multiplied sixfold in the ensuing fifteen years until the oil counter-shock. By 1985 asphalted roads linked all populated areas.

Eighty percent of Libyans live along the coast and the population density is only 2.6 people per square mile (compared to 31 per square mile in the United States). Consequently, the Libyan regime attempts to balance the different parts of its territory to benefit regions in the interior of the country by creating administrative cities and by diversifying the economies of medium-sized cities already possessing basic infrastructure in health, education, and housing. Thus Libyans are no longer Bedouin or farmers but mainly city dwellers (88%), half of whom live in one of the two largest cities, Tripoli (1.3 million inhabitants) and Benghazi (660,000 inhabitants).

Faced with critically needed groundwater resources, a limited average annual rainfall of 2.2 inches, and the absence of permanent water tables, Libya's Great Man Made River Project has become the most important fossil water extraction and transfer program in the world. This project will be completed by 2010 enabling the pumping of 2 billion cubic meters of water per year, at a cost of \$30 billion. Its life expectancy will probably not exceed fifty years, but will give Libya a delay during which other, more long-term options will be developed.

The modernization of Libya since its independence is undeniable: population has grown fivefold to about 6 million (5,882,667 in 2004) and up to 7 million including foreigners; school attendance has gone from 20 percent to 100 percent; farm worker numbers (7%) has been divided by a factor of 10; the childbirth rate per woman has fallen from 7.5 to 3.2 in 25 years the Human Development Index is the highest in Africa (64th in 2000).

Although Libya has found an original path to development, the various projects begun in the mid-twentieth century have yet to be completed. In the coming decades less economic dependency on oil revenues (that make up 30% of gross national product), a more diversified list of foreign trading partners (60% of imports are from the European Union, Libya's primary trading partner resulting from U.S. sanctions taken against Libya in 1982), a better balance between regions, and surmounting its need for water are all on Libya's horizon.

See also Libya: History and Politics; Libya: Society and Cultures.

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