



REFORMING PUBLIC ADMINISTRATION IN LIBYA

By
Hamza Ateş & Anwar El Feitori





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List of Abbreviations

ACA	Anti-Corruption Agency
AP	Action Plan
CSO	Civil Society Organisation
ECfA	Economic Commission for Africa
EU	European Union
FR	Functional review
GNC	General National Congress
HRM	Human resources management
IsDB	Islamic Development Bank
IT	Information Technology
LPRD	The Libyan Program for Reintegration and Development
MoLG	Ministry of Local Governance
NPM	New Public Management
NTC	National Transitional Council
OECD	Organisation for Economic Cooperation and Development
OIC	Organisation of Islamic Cooperation
PA	Public administration
PAR	Public Administration Reform
PE	Public Enterprise
SAI	State Audit Institution
SDG	Sustainable Development Goal
SESRIC	The Statistical, Economic and Social Research and Training Centre for Islamic Countries
SIGMA	Support for Improvement of Governance and Management at OECD
TCD	Transitional Constitutional Declaration
UNDP	The United Nations Development Program
USD	US dollar
WB	World Bank

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The common wishes of all individuals and institutions contributing to this report are: the provision of public services in an effective, efficient, timely, high quality manner and in line with the demands and expectations of the citizens; the creation of an efficient and corruption-free public administration that delivers services through participatory methods by leveraging the energy and synergy of all sectors in the country; and the building of a stable, peaceful and prosperous Libya, where the relationship between citizens and the state is based on trust. This report will have served its purpose if it can contribute to this goal.

Prof. Dr. Hamza Ateş & Dr. Anwar Elfeitori

Foreword

The Bina program is a state-building program that was launched to support fragile and conflict-affected countries. The program was initiated by the Libyan Program for Reintegration and Development (LPRD), the Islamic Development Bank (IsDB) and the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC). The main goal of the program was to help Libya and its people overcome the challenges they face in the endeavor to build a new strong and prosperous Libya. The program was launched after consultations with Libyan, Turkish, OIC and international experts and think tanks, all of whom suggested that one of the components of the Bina program should include research projects focused on analyzing the fragility of state institutions, the challenges facing the rebuilding of the new Libya and presenting a set of solutions for Libyans to implement.

It is in this context that the research project on reforming public administration in general and the health sector in particular was conceived. It was decided that the outputs of the research project would be documented in two reports: a report on reforming public administration in Libya and a report on reforming the health system in Libya. This project is very crucial for the State Building process in Libya, as Libya and its Public Institutions are in a weak and fragile state. In addition, it was decided that the research would be conducted by Libyan, Turkish and international experts in public administration reform and health reform, in order to benefit from Turkish and International experiences and to involve Libyan researchers and practitioners who would provide the research team with local insights and perspectives. The engagement of Libyan researchers also had the benefit of building their capacity by engaging with the rest of the international team of experts. This model of research team formation presented management challenges, but proved to be rich in expertise and provided accurate analysis and practical solutions to the Libyan case. The research analyzed the status of Libyan public administration in a holistic approach.

After almost a year of hard work including many workshops, interviews with Libyan practitioners, officials and experts; the mission of analyzing and proposing solutions to reforming the public sector in Libya has been successfully accomplished. The main goal of the Bina research project is to help Libyans rebuild their institutions with a clear roadmap and solutions that can be implemented with the will of the people and the decision makers in Libya. The Bina program will continue to support Libyans in

their state-building efforts, with the firm belief that Libyans will reach their goal of rebuilding a secure, stable, strong and prosperous Libya for all its citizens.

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Mustafa Elsagezli

General Manager

LPRD

Executive Summary

Over the past few decades, well-functioning public administration has become a prerequisite for increasing the legitimacy of the state, a way of providing public value, and a key element in discussions about economic development and democratization. The recognition of the critical importance of accountable public administration to democratic governance and economic development is consistent with the United Nations Sustainable Development Goals (SDGs). SDG Goal 16 – among others – refers to the promotion of peaceful and inclusive societies, access to justice for all, and the development of effective and accountable institutions at all levels.

To achieve the necessary standards of public administration, reforms are needed in many areas of policy and administration. If reforms are planned and implemented in a fragmented and *ad hoc* manner, the desired objectives of transforming the governance system and improving the functioning of a public administration may not be achieved. In order to obtain effective results, governments need to lead and coordinate the implementation of a comprehensive reform vision with prioritized objectives. In addition, a clear vision, effective leadership, cooperation and coordination among key stakeholders within a country, effective implementation mechanisms, clear lines of accountability, popular support and financial sustainability are at the heart of any successful reform strategy. They are essential to ensure that a strategy is actually implemented and does not just exist on paper. There is a need to provide practical ideas and advice, as well as easy-to-use tools for those involved in the development and implementation of public administration reform, rather than offering general suggestions.

Libya, with an estimated population of 7 million, continues to face many challenges in its transition to a democratic rule in the wake of the 2011 revolution. The country's public institutions are very weak, and lack the capacity to produce effective public policies and present them to the public in an effective, economical and efficient manner. Recent studies show a continued and growing lack of public trust in state authorities. The failure of state institutions to meet the basic needs of the people, especially security, reduces public trust in the state and therefore its legitimacy becomes questionable. Public service delivery remains inadequate, despite efforts to restore services, particularly at the municipal level. Increasing public trust in the state and hope for the future depends on the implementation of new and innovative ways to bring the state closer to the public, as well as increase the efficiency and productivity of the public services provided.

Political, economic and administrative problems are intertwined in Libya, a fragile post-conflict country. The overall governance in Libya remains weak. The system is centralized, composed of national institutions that lack the appropriate capacity to develop and implement citizen-centered, transparent and accountable policies and

processes. Moreover, the central government has become progressively less able to fulfill its command, control and support roles as the conflict has intensified. Where possible, local authorities took over certain tasks of the national government (particularly with regard to local stabilization and the restoration of essential public services), thus increasing the pressure on the relationship with the institutions at the national level. The lack of adequate and regular financial transfers from central authorities to the municipalities has further weakened the vertical linkages between national and sub-national institutions.

In order to address the complex and interrelated political, economic and administrative problems in Libya, the first step is to restore the authority of the state throughout the country, to convince the conflicting parties to engage in participatory and inclusive political negotiations, and to restructure public institutions in a comprehensive manner. The recent peace talks and consensus on the country's political future look particularly promising. The consultations and mediation efforts sponsored by the international community in preparation for the National Conference have demonstrated that the Libyan people want clear and effective leadership by legitimate bodies through elections and fair representation. Technical preparations for the elections are underway, although no date has been confirmed in the absence of a political settlement. In the meantime, the risk of further state disintegration remains real unless agreement on an inclusive governance system is addressed in a comprehensive manner by all parties.

Through the adoption of decrees and ad hoc measures, the Government of National Accord succeeded in taking steps toward limited but essential reforms, such as the initial implementation of parts of the 2012 Decentralization Law 59; the introduction of a stronger child protection system; and the establishment of a national anti-corruption commission and an asset management office. These limited reforms are expected to continue and a formally endorsed decentralization of service delivery (gradually implemented in key sectors) seems likely. The implementation of the more robust reform processes needed to strengthen overall governance in Libya will remain limited in the absence of a unified government, a clear vision for Libya's future and a nationally endorsed local governance strategy.

With respect to fighting corruption and promoting transparency, the efforts undertaken so far have resulted in a very fragmented institutional landscape, with unclear relations among the relevant agencies, including the National Anti-Corruption Commission, the Libyan Asset Recovery and Management Office, the Prosecutor-General and some other law enforcement agencies (including Ministry of Justice and Ministry of Interior), and the Central Bank of Libya that houses the Financial Investigation Unit. A justice-oriented approach could be envisaged to ensure the credibility of the anti-corruption legislation currently in place, but at present, agencies appear to be mired in conflicting mandates and unclear leadership.

Based on Law 59 of 2012, municipal councils were introduced and started to play a role in organizing service delivery at the local level; Law 59 specifies limited competencies for municipalities (i.e. civil registry, public facilities (transportation, hygiene, parks, cemeteries etc.), urban planning, construction, local permits and small business incubators. However, no regulations have been adopted on fiscal decentralization and municipalities are – to date – not allowed to generate revenue directly. Specific social services (e.g. health and education, water and sanitation, garbage collection) remain under the control of central line ministries and/or public utility companies that provide services at local level but are centrally directed.

In this connection, strengthening public service delivery to be more responsive to citizens at the national and municipal levels should be a primary objective of any public administration reform initiative in Libya. More responsive public service delivery requires improving the channels through which public services are currently delivered and developing new community-based service delivery channels. To ensure that basic services such as security, water, food, sanitation, education, and health care are provided to all communities, the role of the national government versus municipal governments must be clarified.

Due to their proximity to local communities, municipal government institutions are better positioned to understand and respond to local needs. However, many local government entities lack the tools to effectively provide basic services to citizens. Therefore, over the next few years, Libya should focus on building the capacity of local governments and facilitating working relationships with the central government. Adopting a more community-based approach to public service delivery will help address the marginalization of certain areas in the country and ensure that resource allocation takes into account historical inequities.

The decentralization of service delivery, coupled with a linkage between municipal government budgets and improved service delivery will enable municipal governments to meet universally accepted service delivery standards and respond to the needs of their communities. At the national level, public sector service delivery reforms must focus on increased customer orientation, more responsive delivery, and enable citizens and businesses to access key government services online. This effort will include defining clear lines of accountability, developing administrative control and oversight structures for each government entity, ensuring consistent processes across government entities, limiting instances of corruption, and adopting online service delivery modes. Change management systems must be created to ensure that the pace of reform is aligned with the ability to incorporate and sustain significant changes in processes and structures.

Against this background, Libya is still grappling with many significant and entrenched administrative problems, which includes:

- political instability and conflict,
- a divided society and some security problems,
- weak state organizations and the need to restore the legitimacy of the state,
- inadequate financial resources,
- high personnel costs,
- a large number of civil servants,
- declining economy and heavily dependence on oil,
- cultural and structural impediments to reform
- insufficient ties / relationship between central government and local governments
- excessive political centralization and politicization
- overlapping roles and responsibilities among public servants
- limited administrative accountability, transparency and capacity
- various kinds of corruption
- low levels of inclusion in policy and delivery

Public administration reform to address these challenges has been on the agenda of Libya since the Gaddafi era. Many reform initiatives have been launched over the past few decades, but most of them have not been fully completed. Many factors have played a role in this outcome, at the same time and with varying weight over time. The major country-specific factors in determining the extent and content of reforms are: (i) tribes/clans and traditional leadership for better governance and public services, (ii) state formation in Gaddafi period, (iii) uneven decentralization and chaotic state of local government and (iv) the structure of the scattered and small population over a vast territory.

It is also important to look at other regional and global practices in public administration reform to consider alternative approaches in the case of Libya. Public administration reforms in other developing countries and more developed countries over the past four decades have focused on the following priority areas:

- Policymaking and coordination
- Human resource management
- Increasing responsibility, accountability and transparency
- Using information technologies in public administration and development of e-government
- Local government administration
- Public service provision methods
- Minimizing bureaucracy
- Adopting new managerial philosophies and techniques
- Improving the strategic direction and performance of public organizations

- Providing collaboration and coordination among public organizations
- Setting mechanisms for public participation and better governance, including public-private partnerships and public-civil society collaborations

These experiences offer important insights for designing and implementing public administration reforms in Libya. Drawing also on experiences in other fragile, post-conflict and transitional countries, as well as the findings of the field study conducted during the research project, specific recommendations for public administration reform in Libya can be made. While presenting the results of the desk research and field study, this report focuses on accomplishing the following general goals in its recommendations for public administration reform in Libya:

- Policies designed to be effective, efficient and inclusive
- Expert and professional administration, free from political influence
- Responsible, accountable and transparent work of the institutions
- Provision of public services in a quick, simple and easily accessible way
- Depoliticization of public administration and restoration of citizens' trust in institutions
- Functional legal state and rule of law
- Improved policies that will ensure development in all spheres of society
- Building administrative structures and capacities to serve the Libyan people
- Institutionally reorganized and optimized public administration;
- New and retained professional and competent administrative officers
- Simplified and more effective application of modern information technologies
- Responsible, accountable and transparent institutions, managers and employees
- Quality services delivered to citizens and businesses

Based upon the findings of the research project on reforming public administration in Libya as well as the experiences of administrative reform efforts in other developing, fragile, and post-conflict countries, this report has identified ten (10) priority areas for public administration reform in Libya, as presented below:

- Improving the policymaking and coordination process
- Reforming organizational structure of central government
- Reforming Libyan civil service and investing in public personnel
- Fostering public integrity and preventing corruption
- Introducing new management techniques
- Promoting wider usage of information and communication technologies and developing e-government

- Empowering the participation of civil society into public policy design and implementation process
- Decentralization and rethinking the role of local government in public service delivery
- Developing private sector: Making private sector a partner for providing public services and an alternative employment resort
- Improving public service delivery

Taking into consideration the problems identified, the obstacles to reform, factors specific to Libya, and the experiences of other developing and fragile countries, an original reform program that responds to the real needs of the country has been developed and presented in Chapter 5 of this report. The report also provides further recommendations on the actual implementation of the reform proposals, including implementation methods, timing and sequencing issues, taking into account views of national and international experts, academics specializing in public reforms issues and senior officials at the national and local levels, politicians, and representatives of civil society gathered during the above-mentioned research project, as well as lessons learned from previous reform efforts in Libya, the nature of reform proposals, and international experiences with public administration reform, particularly in other fragile, post conflict and developing countries with similar features.

1

Introduction

In modern states, public administration is the main tool for implementing political decisions. The effectiveness of a state is possible thanks to the implementation of these decisions by the public administration in a fast, inexpensive and best possible way, just like the political decisions taken. The proper functioning of this mechanism offers many benefits not only for the effectiveness, efficiency and legitimacy of the state, but also for society and every individual in the country. “First, it enables governments to achieve their policy objectives and ensures proper implementation of political decisions and legal rules, and therefore promotes political efficiency and stability. Conversely, poor public administration causes delays, inefficiency, uncertainty, corruption and other forms of maladministration, which lead to citizens’ resentment, disappointment, resistance and protest against the state and its institutions. These undermine the legitimacy of the government and can lead to a failing state” (Sigma, 2018: 5).

Society, like many other beings, is in a state of constant development and movement. Social development, in turn, obliges not only the change of culture but also the apparatus of the state, especially the public administration, to change and transform itself according to social needs. Public administration reform is thus one of the most fundamental actions of the state in surviving and strengthening its ties with society. By nature, public administration reform programs are grand visions, filled with hopes and dreams of real change. However, there is not only a specific reason for reforming public administration, but also motivations that change with time and circumstances. They may be simple statements aimed at solving real or perceived political problems or they may be simple instruments aiming to appeal to certain parts of the electorate. Whatever their origins, the actual reforms introduced by governments can be quite different from those presented to the public, and the effects of these reforms often diverge substantially from what was intended. To study public administration reform and its effects in depth, one therefore must look beyond the rhetoric, the reform propaganda, and the media hype. Although not immune to self-aggrandizement and

social desirability bias, public servants who lead organizations subject to reforms or reform ideas are likely to be well informed about what has actually happened as a result of administrative changes.

Indeed, there is a progressively increasing trend toward using quantitative methods to understand the effects of public administration reforms (Avellaneda, 2009; Dahlberg and Holmberg, 2014; Lapuente and Suzuki, 2020; Dahlström, Nistotskaya and Tyrberg, 2018; Suzuki, 2020). However, a large number of studies on public administration reform have consistently relied on interviews with top executives as key informants; as they have seen reforms emerge, unfold, and then succeed or fail. In many cases, senior officials have witnessed successive reform programs roll through the public sector, and have been or are responsible for the implementation of specific reforms, or even the development of entire reform packages.

There is no universal blueprint in the field of public administration improvements, but rather few prescriptions, while past reform experiences and academic / theoretical explanations are of great importance in designing a public administration reform program in any country. In writing this report, therefore, we are particularly aware that the lure of fashion and direct imitation of any reform program by another country can be as costly as the attachment to the traditional. A number of public administration scholars argue that developing countries should avoid copying reform content and models developed in the Western countries, as the majority of the elements of these reform modules were produced to meet the needs of developed countries (Milward et al., 2016; Bertelli et al, 2020; Roberts, 2018; Schuster et al, 2020). However, we attempt to provide a reasonable menu of different systems and practices in public administration, carefully selected based on the needs of Libya and their likely costs and benefits, as well as a fair and informed account of international experience in administrative reform.

Although previous international experience clearly shows that an effective public administration system is linked to the economy, democratic mechanisms and culture, and well-designed policies, issues that are not directly related to public administration reform are excluded from the scope of this report. However, where necessary, the report briefly addresses these issues. We address public administration issues here primarily from their instrumental aspects. There is a distinction between the policy question of “what” should be done, and the management question of “how” it should be done—between objectives and instruments (SIGMA, 2018). Unreasonably rigid boundaries between policy and implementation ultimately lead to both unrealistic policies and poor implementation. Also, an “implementation” question at one level is a “policy” at another level. Nonetheless, the distinction between the strength of administrative instruments and the objectives they are intended to achieve remains a

useful starting point. Moreover, when the analysis focuses on the instrumental, it is more generally applicable regardless of the economic orientation, strategic priorities, or policy choices of the country in question.

“Public administration reform can be very comprehensive and include process changes in areas such as organizational structures, decentralization, personnel management, public finance, results-based management, regulatory reforms etc. It can also refer to targeted reforms such as the revision of the civil service statute” (UNDP, 2015: 2). While this report focuses primarily on the executive branch, it does not address the administration of other aspects of public administration in Libya. It takes an approach that draws on recent thinking in the realm of public administration and governance in fragile countries, borrows from a number of other research areas to find new solutions, places the public sector in its cultural and political environment (UNDP, 2015), and considers the role of public administration as an instrument for development.

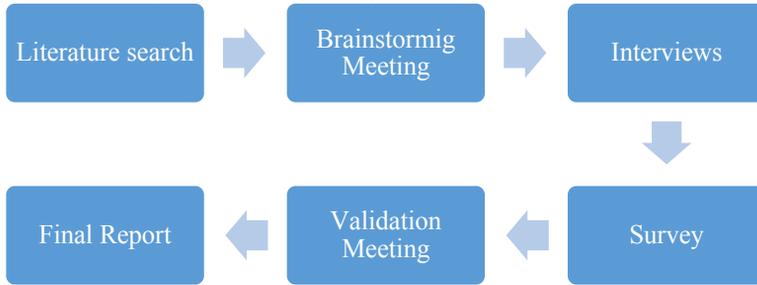
This report presents the findings of the research project on “Public Administration Reform in Libya”, designed and funded by BINA /SESERIC. The main issues discussed in this report include the history, current characteristics and problems of public administration in Libya; identification of the main challenges and risk factors in public administration reform; alternative approaches and Libya's readiness in reforming public administration; reform proposals and suggestions for effective implementation of these reforms.

Methodology

The research project was launched with the main objectives of identifying weaknesses and gaps in the Libyan public administration, and proposing concrete policies and actions to overcome these weaknesses and gaps in order to establish a functional, accountable and transparent public administration. The research project also takes the health sector as a case study to provide more in-depth policy reform proposals.

In order to achieve these objectives, the research project used a number of research tools. Specifically, these included a literature search, expert meetings, survey and in-depth interviews (Figure 1). The expert meetings included brainstorming meetings as well as validation meetings to use the experts' skills in identifying gaps, developing the conceptual framework, and validating the roadmap and key findings.

In order to collect information to understand the main issues and challenges as well as the different models of public administration reform, a comprehensive literature review was conducted at the initial stage of the desk research. Then, the research project included a brainstorming meeting to generate new ideas and perspectives on public administration reform in Libya.

Figure 1: Methodology of the Research Project

The project continued with in-depth interviews primarily with national officials, policy makers, civil society representatives and academics. The main issues and challenges identified by the desk research will be elaborated through face-to-face discussions with experts and representatives of relevant authorities. A survey is planned to collect primary information on the health sector case. In the final phase, all findings will be compiled into a comprehensive report with policy recommendations.

Desk Research: The research project started with a literature search to understand the weaknesses and shortcomings of Libyan public administration and examine recent international developments and practices in public administration reform, with a focus on best practices in countries experiencing prolonged political instability. Models of effective public administration were also examined at this stage to establish a comprehensive foundation for the following steps.

Brainstorming meeting: The purpose of the meeting was to bring together national and international public administration reform experts to learn about the latest practices in public administration reform, particularly in post-conflict countries. The meeting also aimed to benefit from the knowledge and expertise of a wide circle of international and Libyan participants in terms of identifying key focus areas of interest and problems, and to guide the research team in providing appropriate solutions while devising policy recommendations. In addition, the meeting aimed to use the participants' skills to identify gaps, develop the conceptual framework, and validate the roadmap and findings from the desk research. The brainstorming meetings were held online in two phases. On November 9, 2020, brainstorming meeting on public administration reform was held with the participation of Libyans and internationals from several countries such as Turkey, the United Kingdom, Belgium, Pakistan, and Germany. The second phase of the meeting, Brainstorming Meeting for Health Sector Reform, was also held online on November 10, 2020, with the participation of health experts, academics, bureaucrats and other experts. The meetings were recorded and the new ideas gathered during the meetings were evaluated and main results were used to prepare the final report writing process.

Field visit: A field visit was planned to meet with key stakeholders in Libya to understand the constraints facing Libya and to learn more about their perspectives on how to improve public administration; increase the efficiency and quality of public services, and strengthen justice and reconciliation mechanisms in Libya. Although field visits could not be conducted due to the Covid-19 pandemic and some security concerns, online personal interviews were conducted to collect primary information. Interviewees were selected from among senior managers, academics, civil society representatives, and politicians as key informants, following the rules of *elite interviewing*, a qualitative research method frequently used to gather first-hand information from key informants. The total number of interviews was 15 for the public administration reform component of the research project, and 16 in the health sector component. The information gathered from the interviews was coded, evaluated and the key findings were used in the final report writing process.

Survey: In order to collect empirical data and information on the Libyan national health system to better understand its capacity/limitations in meeting the demand for health services and its responsiveness to the country's health challenges, a survey was designed and conducted with relevant stakeholders, including hospital managers, insurance companies, and health workers' and patients' associations, among others. The information gathered from the survey was also evaluated and key findings were used in the process of drafting the final report on health sector reform.

Validation meeting: After completing the first draft, a validation meeting was held in Turkey to bring high-level officials from Libya and key international experts to discuss the outcomes of the report and finalize it based on the feedback and comments of the participants. A similar meeting was held for the health reform research, which was identified as a sub-module and field study of this project and for which the final report was written in the same time frame.

Taking into consideration the identified problems and country-specific factors in Libya and using the research methodology described above, an original reform program tailored to the real needs of the country has been suggested in this report. Where appropriate, the directions of action plans have been proposed as part of a reform plan to be implemented in conjunction with each other in order to ensure the achievement of the targeted results, and at the same time to provide appropriate instruments to those responsible for the public administration institutions for their achievement.

Structuring the report

The rest of the report is organized as follows. The next chapter provides a brief assessment of the history, main features, and problems of public administration in Libya. In addition to historical development of the country, the major milestones of

its public administration system are briefly sketched. The chapter then moves on to explore the current structure of central and local governance in Libya.

The third chapter identifies the main challenges and risk factors for public administration reform in Libya. Libya's sociocultural landscape and nation-building issues, the role and impact of tribes and traditional leadership in governance and public services, the risks associated with decentralization and effective central-local government relationships and the state of political instability and conflict in Libya constitute the content of this chapter.

The fourth chapter focuses on alternative approaches and Libya's commitment to public administration reform. In this context, the chapter begins by examining the main approaches and models of public administration reform, including Weberian approach to Public Administration, New Public Management, Governance and the Neo-Weberian Approach to Good Governance, other Western approaches to public administration reform, and indigenous models of public administration in the world. The chapter then examines the issue of developing and implementing public administration reforms in fragile countries and the implications for Libya. The chapter concludes with a presentation of previous public administration reforms in Libya and their consequences, as well as identifying some requirements for a successful transformation of public administration system.

The fifth chapter presents the main reform suggestions for Libya. This includes a comprehensive review of the ten (10) reform proposals, ranging from improving policy formulation and coordination to improving service delivery. It provides a detailed discussion on the rationale for policy reform and how the current system can be improved by implementing reform proposals.

The sixth chapter presents a number of recommendations for effective implementation of the reforms presented in the fifth chapter. The chapter also proposes a sequencing model for the reform proposals and identifies priorities for the post-conflict and transition period in Libya. The chapter concludes with some suggestions on the roles and functions of international community in the successful implementation a public administration reform program in Libya.

The seventh chapter presents a summary of the main findings of the health sector case study. Finally, the last chapter presents some concluding remarks, in addition to summarizing the main findings of the report. In addition, an action plan for prioritizing, sequencing and indicators of success for the suggested reforms is presented in Annex I at the end of the report.

2

Public Administration in Libya: History, Current Characteristics and Problems

This chapter focuses on the distinctive features of Libyan public administration. The success of public administration reforms in post-conflict countries such as Libya depends largely on the success of the process of rebuilding the country's state structure.

Libya is a country that is included in many different categories due to its geography and the components of its population. It is an Islamic country, an Arab country and a Mediterranean country as well as an African country. Each of these features plays a role in shaping public administration. In this section, the basic features of Libyan public administration, as well as its strengths and weaknesses, are examined as a whole.

2.1 A Brief History of Public Administration in Libya

The development of Libya's public administration is closely linked to the country's economic, political and especially social characteristics and development. "These have reflected changes in the political system of the country, from a monarchy right after independence in 1951, to the rule of Gaddafi from 1969 until his fall in 2011 and a transitional government afterwards. However, the finances and the role of the central authorities in controlling the public administration have remained much the same. Despite changes in the political system, economic and social factors (i.e. the rentier economy and the tribal nature of society) became more influential than the merits of any administrative model" (Savani, 2018:1). These developments have an important role in the failure of public administration reforms. "The monarchy maintained a simple administrative model whose capacity to infiltrate society was limited by shortages of both finances and human resources. During the Gaddafi era, public administration became more sophisticated and developed into the largest employer and spender of state revenues. Gaddafi introduced a model of popular

administration as early as 1973 that was based on decentralization schemes that claimed to be a unique approach to direct democracy but were in fact only a façade or disguise for authoritarian rule” (Savani, 2017: 1).

2.1.1 The Gaddafi era: the contradictions of theory and practice

Despite Gaddafi’s claim to build a system of direct democracy, his era was strongly marked by centralization rationalized by a populist discourse that mocked popular administration and local governance in favor of patronage and subordinate elites. Though a formal and sophisticated public administration existed, this system faced a strong competition from powerful informal and personal power arrangements (Mattes, 2014).

Gaddafi realized in the last years of his regime that reforms were needed. The regime’s legitimacy was rapidly eroding and it was necessary to avoid further damaging international isolation. The reforms coincided with a global trend of narrowing the gap between state and society, a third wave of democracy, and a decentralization movement (Mattes, 2014). However, they were more of an outcome and a precondition for its rehabilitation on the world stage and a rapprochement with the West well suited to serve security and existence of the regime (Savani, 2018).

The objective of public administration units and the civil servants was to maintain all the advantages made possible by the informal system that benefited from rent-seeking and patronage. The public administration operated for the benefit of its allies or clients rather than for the population as a whole. However, the two parts of the dual system – the formal and informal – were mutually dependent. The formal system was unable to perform without the intervention of the informal system to obtain results. Conversely, the system as a whole – including the informal system – relied on the formal system for legitimacy (Savani, 2018).

In 1975, Gaddafi published the Green Book, in which he expressed his new philosophy and his Third Universal Theory. This marks the second period of institutionalization examined here. The Green Book stipulated that the country’s citizens directly manage its political and economic life via a form of direct democracy (Geha, 2016). Gaddafi denounced the idea of a constitution, parliament, elections and democracy, claiming that these notions were based on propaganda and demagoguery. He claimed that political parties were modern forms of dictatorship, Gaddafi thus stated that “this new theory is based on the authority of the people, without representation or deputation.” The Libyan population was to be organized through grassroots people’s congresses (*lijan shaabiya*) from which several People’s Committees were formed and appointed by the congresses. The committees were responsible for running municipalities, hospitals, schools and business under the guidance of the congresses. They could also make proposals and suggestions to the

General People's Congress, which brought together representatives of the local congresses (Geha, 2016).

A third power structure was made up of Revolutionary Committees (*lijan thawriya*), whose mission was to direct and control all the work undertaken by local congresses and committees. The Revolutionary Committees were effectively a paramilitary organization with the power to arrest, imprison and execute suspected enemies of the regime outside the law. Naturally, the Revolutionary Committees were closely monitored by Gaddafi's Coordination Office. But the local congresses were far from being a direct democracy because funding and policing tools were not under their control. In this sense, they were para-public, as they could not provide control over the public bureaucracy, which was directly controlled by Gaddafi and his allies. Lastly, to overcome intra-elite struggles, Gaddafi stifled opposition to his appointees in local congresses and committees through a complex internal security apparatus.

This policy of local congresses illustrated a logic of "de-institutionalization" that entrenched Gaddafi's personal rule and created an institutional vacuum. The multiplicity of ad hoc committees with overlapping responsibilities created an anarchic structure with no clear chain of command. Instead, the congresses supported by the Revolutionary Committees used patronage and local connections to select working committees to manage public services and represent their respective municipalities in the provincial congresses. In the late 1970s Gaddafi's revolution became a more openly cultural revolution (*thawra thakafiya*), with the regime frequently exiling members of the Amazigh and burning books about the Amazigh and other non-Arab groups.

After 1977, in particular, the institution of government, in its traditional legal-bureaucratic sense, was dismantled, and the 'people's authority', exercised through people's congresses and committees, was proclaimed. This new political order led to the official renaming of the country to *Jamahiriyah* – a neologism from *jamaheer*, meaning the masses. In 1977, the "era of the masses" had arrived and Gaddafi officially announced the renaming of Libya as the Arab Socialist People's Libya (*al Jamahiriyah al Arabiyyah al libiyah al shaabiyyah al ishitirakiyyah*). As had already happened with the Arab Socialist Union party, Gaddafi failed to gain political support for the system. This failure led Gaddafi to become more repressive internally. On the other hand, tribe and religion were the main forces shaping loyalties and political participation, even under the strict order of the *Jamahiriyah* (Geha, 2014).

When the regime fell in late 2011, the transitional authority was faced with the challenge of governing a country that had long lacked an efficient public administration. What remained of the fallen regime was a weak and corrupt public

administration while the civil war paved the way for the periphery to take over from the center.

From 1973 and particularly after 1977, when the Jamahiriya system was established, Gaddafi regime embarked on a unique model of governance that claimed to abolish the traditional government structure and establish a bottom-up direct democratic governance with extensive devolution/de-concentration. A populist administration model replaced the public administration system. The new model maintained the structure that still relied on civil servants, but lost its independence as public administration was integrated into the government machinery. Heads of administrative units at different levels were no longer selected on the basis of meritocracy but on political loyalty. The 1990s and early 2000s saw the introduction of formal decentralization. The number of ministries and central departments or authorities was reduced to a handful of ministries while central providers were chaotically distributed at the regional level (Savani, 2018). The country was divided into a number of governorates (Shabiyat).

The system of Jamahiriya failed not only because of some political, cultural, social and administrative factors such as the traditional value system, tribalism, international sanctions and the drop in oil revenues. As a result, a dual structure emerged. The dual system of government with strong informal structures, often took precedence formal state structures, making effective government unattainable. While the dual system consisted of a relatively weak, atomized and disorganized formal system, the informal system was powerful and centralized. The formal system was characterized by ill-defined decision-rights and an emphasis on deliberation and consensus building, meaning that all actions must be extensively debated at all levels of the system before being accepted (Savani, 2018).

The informal system was better able to act effectively and decisively, while the formal public administration was becoming less capable to act in order to implement policies at the national level while local levels were not effective. Local bodies did not receive the information they needed to develop and implement policies effectively policymaking. Citizens' needs were mainly managed from the center, supported by intervention of the informal sector. Local government was not able to make operational decisions affecting the lives of citizens.

The concept of *popular administration* and *Jamahiriya governance* was based on the gradual dissolution of the central organs and the consolidation of the local and regional bodies. The Jamahiriya Governance system envisioned a number of administrative units, such as governorates, shaabiyats and local councils. Gaddafi argued that "each governorate was to become a self-governing mini-state". At the local level, each unit had defined roles, functions and responsibilities that included

the management of all services and the right to raise local revenues. Budget allocations were included in the national budget, which limited the capacity of the local level to act. At the regional level, each Shabiyyat was an independent legal entity and had its own budget approved by the national legislature, constituting a single administrative unit / entity on employment and budgetary functions (Savani, 2018). Each Shabiyyat has a decentralized local government system that resembled that of the national level. Each Shabiyyat has a people's executive committee, administrative bodies, and executive agencies to deal with all socio-economic issues. These covered all aspects of policies excluding the spheres of foreign policy and defense, which were preserved for the central government. However, the Jamahiriya experience did not adequately yield its fruits. The initial bottom-up governance and true devolution did not materialize although they were advocated as a goal, and the power structure remained centralized.

2.1.2 Public administration in the post-Gaddafi transition period

Much of the public administration that exists today is, in a sense, a continuation, albeit under different titles, of the (efforts) undertaken so far under Gaddafi's regime (Mezran and Mohammed, 2014). This is particularly the case in the structure and geographical distribution of public administration, planning, economic liberalization, reduction of state intervention in the economic sphere, and public finance management (Mukhtar, 2015).

A number of the articles in the Transitional Constitutional Declaration (TCD) proclaimed by the National Transitional Council (NTC) on August 3, 2011, detail the structures and identify the functions of national and local governments and their relationships. Articles 17–29 specify the operation of the interim government while Article 30 provides a roadmap for the transition. The governance system is that of a unicameral legislature with both the legislative and executive powers. The council of ministers is the main executive body, responsible for formulating policies approved by legislative bodies. According to the Libyan Political Agreement signed in Skheerat in Morocco on December 17, 2015, a Presidential Council, and heading a Government of National Accord, in addition to the House of Representatives, and the Supreme State Council together make the only legitimate authorities. However, the governance structure remains unclear as the country suffers from ongoing violence and dwindling resources. This situation has affected public administration and has almost brought it to a standstill (Savani, 2018).

With the fall of the Gaddafi regime, Libya entered a transitional period and had its first elections in over five decades. The country has yet to develop a constitution and determine its political system, which is likely to take longer given the current political and military divide (Winer, 2019). Huge challenges stood in the way and the

transition turned into a bloody civil war. The lack of security and the widening space of conflict dealt a severe blow to the country's finances, as oil production and exportation almost ceased. This had a serious impact on the budget, with fiscal and current account deficits reaching record levels. The impact has been destructive on the economy and living standards while the public administration and the dominant public sector have become almost non-existent. Hopes and attempts to create a vibrant private sector have evaporated, unemployment, especially amongst the youth has soared and all hopes of the population remain in limbo.

The post-Gaddafi era witnessed the intensification of a debate about the relationship between the central and the regional. This was part of a wider debate about the shape and nature of the future Libyan state and its political system of government. Therefore, the issue of federalism arose right after the establishment of the first transitional authority, the NTC, and its expressions were visible as early as summer 2011, well before the fall of Gaddafi regime (Savani, 2018).

2.2 Current Structure of Central and Local Governance in Libya

Although the number of civil servants is quite high compared to the population of the country, it would not be appropriate to claim that public services are provided equally in Libya. "In many ways, it acts as a social safety net. By implication, any reform process should take into account the unintended consequences of institutional downsizing on social cohesion in Libya" (Evans and Barakat, 2105:37).

Basic information about the structure and functioning of the Libyan public administration is presented in Table 1, below.

Table 1: Key Administrative Characteristics of Libya

Legislative branch	Uni-cameral General People's Congress comprised of elected representatives from local Basic People's Congresses (BPC) through universal suffrage for post 18 year olds. Limited party list
Executive branch	Transitional government Chief of State: President (with a Presidential Council) Head of Government: Prime Minister
Judicial branch	Court system in transition
Territorial system	Libya has a history of decentralization through its large 22 Sha'biyat, or districts sub divided into 600 BPCs
Systems	Systems of government are being constructed. Traditionally centralized systems combined with decentralization of functions to local militias funded by the Rentier State
Staffing and Costs	Public administration costs constitute 50% of GDP, with 81% working in the Sha'biyat. While Libya's public workforce is one of the largest in the world, Gaddafi has pursued a deliberate policy of statelessness to avoid any opposition to his regime Gaddafi. Hence, there is a large leadership gap, limited capacity, and lack of transparency and accountability.
Super-ordinate Culture	Traditional public management system. Centralized power and resources, rampant corruption and statelessness.
Strengths	Libya has a failing state apparatus, so the task of reform is to build rather than rebuild the public administration. Its strengths lie in the continued existence of oil reserves and some positive steps toward the inclusion of women in politics. In 2012, 33 women were elected (out of 200) after the NTC passed electoral laws that required parties an equal number of female and male candidates.

Source: Compiled by the authors through adapting from Evans, and Barakat, 2015: 30.

2.2.1 Central government in Libya

For ordinary Libyans the terms “state” and “governance” often generate intense discussion as the only two systems they have known are the monarchy or the Jamahiriya. However, after successfully toppling the Gaddafi-regime, Libyans disagreed on the form of the new system (Mikail, 2016; Megerisi, 2018). In part due to the way the armed insurgency was organized, the period between 2011 and 2013 witnessed increasing calls for a federal system, especially from the Eastern region. Intellectuals and activists also openly debated whether Libya should have a presidential or a parliamentary system, whether the monarchy should return, and whether a liberal democracy was even possible (Laremont, 2013; İhya Libya, 2014).

In the dialogues the most prevalent view among participants was that constitution should ensure federalism, or at least undertake decentralization to empower local authorities. The second most popular view was that the constitution should account for decentralization, but within a unified state system. However, probing into the reasons for this unveils the underlying aspirations of citizens for greater participation, the desire for a greater voice, and greater equity (Geha, 2016). The most repeated demand regarding the state system was for a system that could guarantee public services in an equitable manner across all regions. The second most frequent demand was for the state system to guarantee that the dictatorship would not return (Hamada, Sökmen and Zaki, 2020). The third most frequent demand was that the new system should distribute resources equitably and ensure sustainable development (Kathiri, 2012).

These demands reveal two underlying issues. The first is that the terms ‘federalism’ or ‘decentralization’ are politically loaded and that, once asked about their basic needs, citizens in all the regions have similar grievances and expectations of the state system. The only regional disparities observed during the dialogue sessions were that the pro-federalists were more numerous in the eastern region, indicating an element of continuity from the pre-Gaddafi era. This indicates, first and foremost, the aspirations of citizens for an effective central state, but also for responsive and competent local authorities. In the meantime, we need to take into account the different regional priorities and expectations of the New Libya, as the Eastern Region focuses on the regulation of oil and natural resources, the Southern Region prioritizes citizenship and immigration issues, and Western Region focuses on justice and reconciliation issues (Geha, 2016).

Libya’s contemporary history has been characterized by the steady accretion and concentration of political and economic power at the center by former President Muammar al-Gaddafi and his family combined with the decentralization of functions through the Sha’biyat system (22 districts subdivided into cantons represented by councils), remunerated through direct payments. Local councils therefore play an important role in public administration, mainly by providing local public services and a sense of security to the local population.

“In this way, the organization of the current government remains unclear. This is clear from Article (18) of the Constitutional Declaration issued by the NTC which states that: ...the NTC shall consist of representatives of local councils, elected and nominated by these councils. Article (35) states that any reference to the ‘People’s Congresses’, the ‘General People’s Congress’, shall be deemed as a reference to the Interim Transitional National Council or to the National Public Conference. Any reference to ‘General People’s Committee’ or the ‘People’s Committees’ shall be deemed to be a reference to the Executive Office, the members of the Executive

Office, the interim Government or the members thereof, each within its respective area of jurisdiction. Any reference to the Great Socialist People's Libyan Arab Jamahiriya shall be deemed a reference to Libya" (Evans and Barakat, 2015: 37).

Considering Gaddafi's "statelessness" policy, one can easily conclude that Gaddafi's main motivation in pursuing these policies is to eliminate the threats to his rule, at the expense of mismanaging state resources as well as declining values such as transparency and accountability in government. "In the same vein, the size and mandate of ministries fluctuated under Gaddafi rule from 7 to 26 ministries at one point. Policy processes were confusing and arbitrary, based on the whim of the executive. Funds were allocated and withdrawn in the same manner, further destabilizing core public sector functions. Libya faces the additional challenge of reforming its public sector and administration within the context of a failing state apparatus and weak governance" (Evans and Barakat, 2015: 37).

As a result of the previous regime's policies to deliberately discredit public administration and weaken the state apparatus, the already low motivation of civil servants for public service began to disappear altogether and an almost random administration began to emerge. The problem of the deterioration in management and the loss of standards and the decline in the quality of public service continues today. "Institutions in Libya do not function on a merit-based system; nor are there any review or evaluation mechanisms due to the existence of a highly centralized system (at least in financial terms) with no regulatory, accountability, or management mechanisms in place. Governance structures have overlapping mandates, lack quality control, and do not follow established process. With respect to the modus operandi of the public service in Libya, rampant corruption impacts the functioning of the public administration at all levels. This corruption is particularly found in the areas of procurement, resource collection (grants and tax), and licensing" (Evans and Barakat, 2015: 38). Therefore, in order to bring about real change in the Libyan public administration, small-scale administrative reforms are not enough, a restructuring or even reconstruction project is necessary.

2.2.2 Local government in Libya

There are two types of local government units in Libya, in accordance with the law number 59: Municipalities and Provinces (*Muhafazat*). However, although the law clearly states that these will be established, the establishment of provinces has always been postponed due to the extraordinary conditions in the country. Currently, there are only municipalities as de facto local government units in the country. However, although they are not considered local administrations by virtue of their status, many local public services are carried out by the executive bodies of line ministries and state agencies. In addition, since Libya is a predominantly traditional society, some

traditional social structures actually use some of the powers of local governments and even central government, particularly in rural areas, and help to provide some local services.

Municipalities

Following the adoption of Law 59/2012, the Cabinet instituted the establishment of 997 municipalities with Decree No. 180/2013 – 23 of them corresponding to the capitals of the former *shaabiyat*. During 2013 and 2014, 85 municipal councils were actually elected under the supervision of the Central Committee for Municipal Council Elections (Esen and Chibli, 2020). Where elections have not yet taken place, ad hoc local councils, inherited from the 2011 revolution period and selected by popular acclamation or through other non-official electoral processes, remained in place (UNDP, 2015).

In certain larger municipalities, the municipal administration also has lower-level branches to bring municipal services closer to the population. In addition, municipalities are divided into a number of wards or *mahallat*, but there is no representative local government structure at that level – though some few municipalities have taken the initiative to promote the formation of *maballa* committees with their citizens. Each *maballa* has a *mokhtar*, or chief. The *mokhtars* do not enjoy executive power; they are part of the municipal administration and also help resolve conflicts at the local level. According to Law 59, *mokhtars* are to be appointed based on efficiency and merit by the Governor, upon the proposal of the mayor (Esen and Chibli, 2020). Given the absence of governorates and governorships currently in Libya, Mayors share responsibility for nominating *mokhtars* with the Ministry of Local Governance (MoLG). The Shura Councils are composed of local experts and personalities. Their main role is to advise the Municipal Council (but not to vote) on issues of importance to local governance and development.

Municipalities are expected to operate within the parameters defined by the Local Administration Act (59/2012)⁸ and the subsequent Cabinet Decree 130/2013 concerning its Bylaw. This legal framework assigns them a set of competences and functions, which broadly fall within the following areas (Esen and Chibli, 2020):

- Urban planning and management, including building licensing
- Establishment and regulation of local facilities delivering public social and administrative services.
- Business and other local licenses issuing
- Civil registration
- Municipal guards
- Local economic development
- Public health and environment monitoring

Yet, the majority of services and functions remain under the purview of executive bodies and branches of state agencies or corporations, while municipalities are not up to the task, particularly in the areas of local development planning and budgeting or the promotion of local economies. This is largely because the legal framework remains incomplete, unclear and lacks the regulatory tools to support its full implementation. Under the current circumstances, municipalities are not empowered to take leadership in the areas assigned to them. Indeed, the roles assigned to municipalities under Law 59 overlap with roles assigned to executive bodies. For example, no institution, whether central or local, is clearly identified in the law to initiate policy development, policymaking and resolve major policy issues. The legal uncertainty translates practically in a lack of coordination and complementarity between municipal bodies and executive bodies (of line ministries) (Esen and Chibli, 2020).

The current situation is not linked to the impact of the conflict – although the latter undoubtedly exacerbated pre-existing issues in this regard – as it was inherited from the unfinished attempt at decentralization initiated prior to the Revolution. Over the years, the mission, mandates, design of and resources allocated to different governing institutions have been frequently modified. The lack of institutional stability reinforces paralysis of the subnational governance structure, hinders organizational capacity building and acts against innovation and change.

Executive bodies of line ministries and state agencies

The following central ministries and state agencies are represented by an executive body or office in the municipalities:

- Planning Economy Agriculture, Marine Wealth & Livestock
- Finance Electricity Water & Environment
- Labor Environment Sewage & Sanitation
- Housing Youth & Sports Affairs Religious Affairs
- Education Tourism
- Health Industry

The mandates of executive bodies are mostly expressed in terms of administrative and procedural tasks to be conducted, and sometimes national programs to be administered, rather than in terms of strategic missions from which functional assignments are derived. In addition, the mandates of executive bodies were not revised following the adoption of Law 59/2012, leading to the overlap and poor coordination issues with municipalities mentioned earlier.

A previous UNDP assessment in 2013 showed that executive bodies fall into two categories:

- i. In the 23 municipalities that were previously Shaabiya, the executive bodies are considered to be relatively more powerful and well- staffed, especially in financial departments, in order to be able to implement the operating and capital budgets allocated to them. These offices also have a voice in the centralized sectorial planning processes.
- ii. In newly created municipalities, the executive bodies are less well-endowed and less influential. They lack well-staffed financial departments and their investment budget directly entrusted to their oversight and execution is sometimes nil. The mandate of these offices remain essentially administrative (oversight and enforcement) and they cannot contribute effectively to improving service delivery at the local level – or simply to maintaining services when they are threatened with collapse due to on-going conflict.

Traditional structures

Traditional structures remain prominent, if not dominant, in many local governance systems in Libya. Elders and tribal figures are particularly important in conflict prevention and resolution, customary justice and crime control. Traditional leaders routinely sit in Shura Councils, and it is also common to find a Council of Elders at the municipal and neighborhood level to which local authorities can refer on specific issues of public interest.

Local public service delivery

The Libyan state and society are strongly committed to providing accessible and equitable public services, including education, health and other social support for families and children. For example, Libya has one of the highest literacy levels among peer countries. Nonetheless, the impact of the conflict on access and quality of services is becoming a major concern for the population and is affecting state-society relations and the social contract.

The service delivery model used in Libya is heavily controlled by the state and primarily involves the central government. With limited space for local actors, including municipalities, CSOs and the private sector in producing public goods and services, the resilience of Libyan service delivery system - and that of Libyan communities by extrapolation – is at stake. At the municipality level, the ineffective division of responsibilities in responding to the current crisis in service delivery systems is seen as a major problem constraining the resilience of services.

While several central ministries are engaged in sector restructuring and reform efforts, the principles of decentralization as set forth – tentatively and vaguely – in Law 59 are not well understood from these ministries and are met with entrenched resistance

from some senior officials, but also often at the operational level. The ministries lack policy units that could help revise organizational structures and business processes to ensure a greater role for local authorities and other local actors in service delivery at a time when the central government is handicapped by the contest of legitimacy at its apex.

Although service delivery may seem like an obvious and uncontroversial entry point, interventions to improve the service delivery capacity of local communities should be carefully designed. In the case of the quest for quick results, donors and international actors take the lead in providing services, which undermines state capacity. In addition, service delivery should be a neutral and non-political activity, which benefits all people and for which divided communities can mobilize together. However, in many cases, the political and institutional factors in service delivery provision are quite strong and service delivery is far from neutral.

In any case, what is needed in Libya in terms of local government is to improve its capacity to deliver local services. The potential benefits of local government delivery of public services include a greater chance of local ownership, a greater likelihood of collective action and accountability to users, greater legitimacy vis-à-vis the central government and greater awareness of local needs. However, a number of challenges need to be considered when designing local government reforms, including the risk of elite capture and the difficulty of ensuring effective participation, poor service delivery due to poor institutional, financial and human resource capacities of local government units, and the widening gap between national and local service plans.

An Evaluation of local governance system in Libya

One consequence of the 2011 revolt was that local councils and militias assumed local functions while pursuing an almost completely independent course. Local councils were established clandestinely during the revolt, mostly run by rebels and many of these councils reflected Islamist and tribal activism. These bodies, in addition to the *self-appointed Shura, wise and elders' councils* and other entities, dominated the scene by resisting central government policies when it did not suit them for whatever reason. The *de facto* councils were integrated into the interim authority, the NTC (Savani, 2018).

The TCD provides some safeguards for local governance, but lacks any clear provisions to protect it from the central authority's propensity to encroach on its role. Article 18 of the TCD paved the way for elected local councils and municipalities. The article, however, provides no basis for the establishment of any intermediate level of governance at the provincial or governorate level that connects the local to the central. Local Governance Law passed by the defunct General National Congress (GNC) in 2012 assigned the MOLG the task of serving a guide to local councils.

Although experience shows an unbalanced and problematic relationship between the two levels, local councils are obliged to listen and adhere to what the MOLG sees fit, or risk being replaced and/ or deprived of funding, as the MOLG is their sole source of revenue (UNDP, 2015; Savani, 2018).

The pre-2011 legal framework for public administration remains largely intact. Specialized central authorities and sectoral ministries remain the core components of public administration. However, as a UNDP report states, the proclamation of the Local Governance Legislation set up a four-tiered system of public administration: national, regional, local, and semi administrative, called economic regions (UNDP, 2015). The law does not determine the number, location, or boundaries of these units, but gives the central government's council of ministers the power and right to determine the number of governorates and municipalities and their geographic scope.

The governorate level has never been implemented, while the council of ministers has repeatedly modified the number and boundaries of municipalities to accommodate regional and tribal concerns and demands. The minister of local governance acts on behalf of the government in consolidating this model and has the power to approve or nullify decisions made by municipalities. Though the law prescribes that councils are directly elected (Article 26) by local citizens, its decisions at the regional and local levels are subject to official approval by the Minister. Moreover, all local elected officials are accountable to the national minister (Articles 16+18) in each sector, who holds the power to veto their decisions. However, as in many other countries, Libyan municipalities are currently the only legal or formal local governance entity in place and have been able to gain public approval (Savani, 2017).

Furthermore, the performance of municipalities is severely restricted since there are still real issues in the formulation of intergovernmental relations. The chaotic situation is obviously the result of a lack of clear-cut procedures, interference and conflict between official bodies, as well as a lack of transparency and widespread corruption. There is no clear-cut division of labor, with municipalities almost entirely dependent on the financial allocations from the national budget.

Rifts and civil war have prevented municipalities from obtaining adequate funding or have left them underfunded. In the absence of a proper taxation system at all levels, municipalities face enormous challenges without adequate resources, while irregular budget allocations are almost entirely devoted to oversized civil service salaries and operating costs (UNDP, 2015). A major issue has been the way government policies, or the lack thereof, have been reactive rather than proactive. All post-Gaddafi governments have lacked clear-cut policies and objectives and have merely responded

to concerns, provided resources, and created local bodies to respond to local pressures (Megerisi, 2018; Savani, 2018).

According to UNDP (2020), Libyan local authorities face serious capacity challenges, both at the human and financial. Although these handicaps existed long before the current conflict, they have been further exacerbated (Savani, 2018).

"At the central level, the Ministry of Local Governance is not able to pursue policy formulation nor to provide comprehensive guidance and capacity development support to the newly- elected MCs [municipal councils]. At the local level, many of the incoming municipal councilors and staff seem inexperienced with the management of local affairs. On the other hand, a large share of the local civil servants (on the central government payroll) has remained but is reluctant to any type of change. This human capacity predicament does limit the possibility for municipalities to assume more important roles, as envisaged by the new law, but also to respond aptly to the crisis impacts. In particular, municipalities struggle to conduct multi-sectorial needs assessment and integrated planning and to involve significantly civil society and wider population in such exercises. Municipalities also suffer from limited experience and means for public outreach and strategic communications" (UNDP, 2015: 4).

This is likely to remain the case given the ongoing conflict, which almost eroded the ability of the central authority to act and infiltrate the country thus enabling the periphery to flourish at its expense (Megerisi, 2018). Given the inherent weaknesses in the law itself and the inability to implement its provisions, local governance remains weak and calls for further consolidation.

Risks over decentralization and effective relationships between central and local governments

Although the administrative infrastructure of local government will have been totally devastated by the violence, in these scenarios, some system of governance is likely to have endured, for example through traditional structures. To understand local governance structures in Libya, it is essential to identify the groups that are involved in providing governance – usually a combination of political, social and armed actors with varying interests (Schaeffer et al, 2019). The provision of governance and security is fragmented into spheres of influence within cities, and some municipalities can be best described as ‘city-states’, in the sense that they are governed more or less independently of the central government. In many areas, non-state actors like militias and tribal councils have assumed governance competencies, including citizen protection and conflict mediation (Mikail, 2016). Supporting local governance in Libya, and the power structures that form its reality, is therefore not a panacea to Libya’s instability. The legitimate alternative the eyes of the respondents is the

strengthening of national state institutions and state security forces, how ineffective and weak they may currently be (Schaeffer et al, 2019).

2.3 Social Profile of Libya and its Effects on Public Administration

Libya is one of the few countries that preserves its traditional structure to a large extent. Tribes and kinship relations also play an important place in the traditional structure. Tribes not only function in the context of social solidarity and kinship, they have many political and economic effects as well. For example, particularly large tribes have a great influence on local and even national politics.

On the other hand, civil society in the modern sense of the term is still in the development phase in Libya. The number of nongovernmental organizations, which were almost completely banned during the Gaddafi period, increased rapidly after the 2011 revolution. However, it would not be appropriate to claim that civil society has sufficiently demonstrated its effectiveness due to the civil war, difficult conditions and socio-economic problems in the country.

2.3.1 Libya's sociocultural landscape and problems of nation-building

Libya's social composition, culture-related traditions, and political climate can also pose significant challenges to establish a well-functioning state and public administration institutions. There is scholarly evidence that these internal social divisions can fuel intense social fragmentation and incite conflict. However, religious, ethnic, or cultural divisions do not always necessarily lead to conflict and fragmentation, as there could be other explanations for identity-based motivations. In Libya, strong rivalries exist between rural villages, cities, and regions, many of which clash, driven by deep-seated fears of what the other might do (Perroux, 2019). These rivalries, though long-standing (prior to the 2011 revolution), have historically been exploited and instigated by political elites during the Gaddafi era (Perroux, 2019).

Fukuyama (2014, p. 3360) explains that "successful state building thus depends on the prior existence of a sense of national identity that serves as a locus of loyalty to the state itself rather than the social groups underlying it". Nation-building is essential to the success of state-building and requires the creation of shared national traditions, symbols, and histories that foster deep-rooted loyalty and trust of one another (Fukuyama, 2014). Libyans have difficult histories to come to terms with, and often these political memories have hindered efforts to mediate and reconcile the fractures within their society.

According to Fukuyama (2014), while the state has an important role to play in nation-building, civil society actors also have an important role to play in creating a sense of national identity. As can be seen, nation-building is a multi-invested process, whereby consultation and mediations with stakeholders take place over a gradual period of time. In Libya, trust-building will require long-term investment and commitment from the part of the state and will involve listening, mediating, and working alongside the country's different ethnic, tribal, and religious groups. This may have implications for demobilizing the ongoing security threats and restoring some order to the Libyan state.

2.3.2 The State of civil society in Libya

Prior to 2011, civil society was almost non-existent in Libya. Civil society organizations have mushroomed in Libya since 2011. In a sense, formerly suppressed actors have gained power as a result of the Libyan revolution. The total number of CSOs operating in Libya reached 2000 in 2014, only three years since voluntary associations were allowed to exist in Libya, but the number of active CSOs has been reduced since then due to the deteriorating security situation in Libya after May 2014 (Perroux, 2015). CSOs were formed in almost every sector of life in Libya, including youth, women, charity, media, conflict resolution, and politics.

However, whether or not Libya has an established civil society tradition is a matter of debate. "The surge of civil society organizations, including campaigns and social networking communities, is more attributable to a lack of organization in the country rather than a culture of civil society. For the most part, civil society organizations focus on human rights, women's rights or humanitarian issues" (Sawani 2012: 20). Furthermore, many organizations still remain weak. Local sources estimate around 100 civil society groups, with a focus on human rights, are active in Libya, but only a few dozen are effective. Armed groups often target civil society activists.

While a vibrant civil society remains the core of nation-building, the current situation in Libya does not allow for this. "Rivalries, instability, political and ideological divisions, direct threats against CSOs and their members, and general insecurity are among the main factors forcing CSOs to hold off on their activities. Political parties are becoming isolated in similar ways" (Mikail, 2016: 4).

Members of civil society operate in a constrained environment. In November 2015, the Ministry of Culture and Civil Society announced that all individuals working for civil society organizations (CSOs) were required to provide notice and seek approval from the authorities before attending meetings, workshops and conferences outside Libya (Mikail, 2016). In 2016, the Civil Society Commission issued further regulatory procedures for national CSOs, around reporting requirements and for foreign CSOs concerning access to inspect premises and financial and administrative

records. The US State Department's 2017 Human Rights Report noted that while the government did not prevent human rights organizations from operating, it was unable to protect them from violence that often specifically targeted activists.

Civil society organizations in Libya grew out of voluntary and charitable work done to address the most urgent needs of the conflict-affected population. Gradually volunteer groups and charities evolved into more structured entities, such as Civil Society Organizations. However, the concept of civil society organization is still quite new to the Libyan context, resulting in a lack of knowledge on how to define a CSO (Perroux, 2015), and this weak identity has a negative impact on the implementation of their activities on the ground.

CSOs generally count on a good level of acceptance from their communities, including local authorities and private institutions. However, it has been pointed out that CSOs that engage in advocacy and awareness-raising activities have a worse reputation compared to those that carry out charitable activities (Perroux, 2015). Furthermore, the lack of information on the source of CSO funding and poor or non-existent transparency mechanisms related to financial expenditures have generated some mistrust of the sector among private citizens. In addition, Libyan activists have increasingly become targets of threats, aggression, kidnappings, and killings. Insecurity and volatility, the protracted political and economic crisis, lack of liquidity, and high commodity prices have all contributed to a reduction in CSO activities.

A last feature of Libyan civil society is its strong ties with tribes and other local kinship-based social organizations. "Tribes have a history and their members rely on memory, follow ancestral traditions, and even guarantee social justice. Their importance is the reason why the Libyan population and political leaders take the opinions of tribal leaders seriously. Even Moammar Gaddafi relied on agreements with tribes and clans to ensure stability. Currently, political divisions and the absence of state sovereignty give tribes an even more pivotal social role. Tribes will remain important players in Libya, but the question is whether they will have full sovereignty in parts of Libya due to the absence of a central government. Many Libyans do feel that in the twenty-first century, it can be problematic to overemphasize the role of tribal dynamics". (Mikail, 2016: 5). Nonetheless, there remains a strong tribal factor in Libya and this system must be taken into consideration, especially given that tribes have a considerable impact on security issues (Schnelzer, 2016).

2.3.3 The Role and impacts of tribes and traditional leadership in governance and public services

There is a close relationship between the public administration systems of some Middle Eastern countries and tribes, because tribes influence administrative processes in these countries in one way or another (Keshishian, 2013). This influence is mainly manifested in the recruitment of public personnel and political appointments and processes. It would be possible to identify the historical, political and social roots of tribal and clan-like structures in the countries like Libya. Throughout the ages the conflict in this region is primarily a secular power game between those who have it and those who do not, particularly, in terms of tribes and other domestic social actors (Anderson, 1984).

Although clan and tribe as forms of social organization have received considerable scholarly attention, these groups have never been fully integrated into the study of Middle Eastern public administration. For those interested in understanding public administration in the Middle East, this oversight is discouraging insofar as clans' compliment and compete with state administrative structures and processes.

Indeed, various forms of governance institutions exist around the world to deal with issues such as the customs, rules, and traditions in indigenous systems and ethnic groups where chiefs or traditional leaders have held leadership positions for generations. These structures have been established to express the belief systems of particular societal groups. In a rapidly changing and modernizing sociopolitical environment, it has become necessary to integrate the essence of traditional leadership into the mainstream of democracy to improve governance (Ben Lamma, 2017).

Not only in Libya, but in many other parts of Africa, "communities (and later countries) were originally ruled by traditional leaders; they were strongly family-oriented political leaders, and they imposed customary laws to maintain order among their people and rule their communities. This pre-colonial era, when the economy was regulated on a family basis, can therefore be considered an era of communalism. The family orientation began to fade over time as family members gradually dispersed geographically for better occupation prospects and, in the process, developed their own territorial authorities" (Vyas-Doorgapersad, 2013: 211).

There is an ongoing debate about how to integrate traditional leadership into modern public administration. There is strong argument that within a decentralized state structure and a democratic mode of governance, it would be useful to recognize traditional leaders as one of the important actors in sustainable development and to leverage their traditional social powers to restore state authority and enhance the

functioning of state institutions in a local area. In the case of Libya, since the tribal structure is a historical reality in this region, the central state can benefit from this decentralized structure to enlist the help of tribes and other social actors in implementing public policies and restoring law and order in remote areas.

Libya has a population of about 6.5 million, most of whom are settled along the coast of the Mediterranean (about two-thirds in Tripolitania, one-third in Cyrenaica, and around 5% in Fezzan), since only 1% of the total territory of the country is arable. The Libyan population – in line with Arab standards – is young, but aging rapidly. The median age is 24.5 years, and 32.8% of the population is under 14 years of age. Although this ratio is relatively high in European standards, it is on the decline. (The ratio of the population above 65 is less than 5% only.) On the one hand, life expectancy has considerably increased in the past decades: from the 45-46 years average in 1960 to 77.65 years of today.

On the other hand, with rapid changes in living conditions, such as education or urbanization, women give birth to far fewer children with the total fertility rate estimated at 2.96 children born per woman (down from 6.32 in 1995 and 3.71 in 2000). Illiteracy has been virtually eliminated, with 82.6% of the total population able to read and write. Urbanization is 78% (compared to 27% in 1964 and 40% in the 1980s) and is growing at an estimated annual rate of 2.1% (compared to 8% per year in the mid-1980s).

The Libyan population is composed of Arabs, Berbers, Tuaregs, Tebus and some other black Africans, as well as an unknown number of foreigners. The Berbers, Tuaregs and the sub-Saharan Tebus are considered the ancient inhabitants of the territory, but their numbers have always been too small – their more numerous ethnic relatives live outside the borders of Libya – to play a significant political or economic role in the country. Their traditional way of life was a mixture of farming and pasturing (Fanack, 2020).

The Arabs reached Libya in the 7th century, then in a new wave in the 11th century, with the arrival of the Bedouin tribes of Bani Hilal and Bani Salim. The Arabs introduced Islam and the Arabic language to the Berber and Tuareg population. By the beginning of the 16th century, all the main ethnic groups and formative elements were present, and gradually the special mix – ethnic, cultural, linguistic and social – mix that has come to define and characterize the Libyan society today developed. Although Ottoman Turkish rule officially governed Libya until the early 20th century, its impact on the social context was less decisive than expected. Italian colonial rule in the first half of the 20th century also failed to make an impact. In both cases, the reason is probably that the territory of the present-day Libya was a

kind of in-between land, on the border of the Arab Maghreb and Mashreq, between the British and French spheres of colonial interest (Rozsa and Tüske, 2011). The new state, the Kingdom of Libya, when established in 1951, reflected this same “in-between” or “overlapping” character: it included Cyrenaica, historically linked to the Mashreq, Tripolitania, linked to the Maghreb, and Fezzan, a sub-Saharan desert. In some ways, these differences are reflected in the events of the time, in spite of all the efforts made within the framework of the Kingdom and the Jamahiriyya to establish an integrated state and a “nation” (Fanack, 2020; Rozsa and Tüske, 2011).

Most of Libyan society is therefore relatively homogenous – Arab-Berber -with only a few individuals standing out. The Tebus, who live mainly in the far south, belong to a much darker-skinned African race and a separate family of languages (the Nilo-Saharan language family, while Arabic and Berber belong to the Afro-Asiatic family). There are other sub-Saharan Africans, most of whom are considered the descendants of black slaves, but who have been integrated into Libyan society for decades, if not centuries (Rozsa and Tüske, 2011).

Although Libyan society is considered to be dismissive of dark-skinned people, it seems to distinguish between blacks of the country and those who have recently migrated from neighboring states, such as Mali, Niger, Sudan etc. The number of foreign workers from other countries – whether from the Arab states, Europe or elsewhere – is very difficult to estimate, but they became a source of concern as the Libyan civil war unfolded: on the one hand, the huge waves of refugees on Libya’s Tunisian and Egyptian borders included large numbers of foreigners.

The ethnic composition is colored by tribal and clan affiliations, the exact significance of which can only be guessed at. Historically, the tribalism of the ancient Berber population was re-strengthened by the tribal organization of the Arabs (Rozsa and Tüske, 2011). Yet, when Gaddafi and the Free Officers came to power in 1969, in the vein of modernization, they tried to eliminate the tribal system – in many analyses, the main reason was the relative inferiority of Gaddafi’s own tribe, the Qadadfa as compared to the two largest tribes in Libya, the Warfalla and the Magariha, but on the other hand, it was exactly this inferiority, which brought Gaddafi to power in 1969, when he could play the balancing factor between the two major tribes. Another factor was the possible resistance of the tribal elites to the change in the political and social structure of the country (Fanack, 2020). By 1979, however, it became evident that the tribal organization of society could not be suppressed, so Gaddafi decided to rely on the tribes to build his power. Besides his own tribe, it was especially the two major tribes that received favors and positions. However, when in 1993 some Warfalla tried to stage a (failed) coup because of the

perceived inferiority to the Magariha, Gaddafi introduced the so-called Leadership Committees.

These were organized around tribes and headed by tribal leaders, who were not only empowered to reward their kinsmen for good service, but were also responsible for the actions of the tribe. As Gaddafi's regime became more and more dependent on the tribal leaders, other forms of non-governmental organization were increasingly suppressed, while the tribal character of his rule and guidance became more and more evident (e.g. the bay'a, the oath taken by tribal leaders in a written form on display for everyone to see, the way he lived - in a tent - or the way he wore traditional Libyan clothes, etc).

Tribal life and tribalism have always been strong in Arab lands, even in pre-Islamic period (Rozsa and Tüske, 2020). During the Islamic period, the basic underlying relationship in the traditional Arab society can be characterized by the 'God - ruler – subject' paradigm. In Libya, Gaddafi cut down this relationship to the 'ruler (Leader) – subject' dimension, when he and the Free Officers toppled the monarchy, which derived its legitimacy from its religious affiliation to the Sanusi order. The new revolutionary leadership replaced the former patrimonial structure by a neo-patrimonial one, whose ideology is neither socialist nor capitalist, but claims to create a Third World Theory, in which Islam (i.e., the regime's interpretation of Islam) plays a constitutive role (Rozsa and Tüske, 2011).

As a result, Libya has acquired a dual structure, where traditional and tribal organizations and the Western institutions of the state coexist and overlap. Within this patrimonial structure, decisions are made in the "real" sphere of politics by clients whose position and power are defined primarily by their proximity to the center of "real" power, the Leader of the Revolution (the khassa, or the privileged). What happens in the "virtual" sphere of the state is of secondary importance, as the role of the "virtual" sphere is to realize the internationally "accepted" frameworks of practice – whether imposed from the outside by other players (e.g. the colonialists in the past) or drawn up to accommodate international development trends in the less recent past.

Libya is considered one of the most conservative and tribal societies in the Arab world, with the ethical ideals and guiding principles of the – centuries old Arab-Berber-African - desert way of life still very much present in everyday life (Rozsa and Tüske, 2011). This provides a unique pattern characteristic of the Libyan society only, therefore, incomprehensible for others, while at the same time making certain reactions within the society predictable within the Libyan context of social thinking. Recent modernization, urbanization (resulting in, among others, a change in

marriage customs) and globalization – suspended from time to time by political events – do have an impact and have initiated the transformation of these patterns, yet, the depth and breadth of this transformation is as yet unknown. News and analysis differ across a broad spectrum of understanding as to what role, if any, the tribal structure still plays in the Libyan events.

Some claim that it is the tribes that will define the final outcome of the Libyan civil war. Others argue that while tribal relations may be important in everyday life, e.g. when applying for a job or other position, they have no significant role in politics. While it is often cited that there are about 140 tribes in Libya, constituting about 30 major tribal groups, at the Istanbul talks of the Libyan opposition, some 100 Libyan community and tribal leaders came together – mostly from the Warfalla of Bani Walid, while in the counter-event (“National Conference of the Tribes of Libya”) organized by the regime in Tripoli 2000 chiefs from 851 tribes and tribal fractions were present.

These figures reflect the complex and intricate set of structures of the tribal system. Tribal groupings are a loose – similar to a confederation - structure of several tribes, sub-tribes, clans and families, each of which has local leaders and local concerns as well as varying degrees of loyalty to the regime. Many people are urban residents, whose family names may reflect tribal affiliation, but this does not necessarily mean that the person receives or accepts direction of tribal elders. It is estimated that about 15% of people have no tribal affiliation, being descendants of Berbers, Turks and other communities. Therefore, all that can be said is that despite the many attempts at “nation-building” (starting with the establishment of the country, then its restructuring to ensure equal distribution of oil incomes, to the attempts by Gaddafi to involve the masses in direct participation in decision-making), the tribes have survived and still provide the ethical and traditional model of social organization, everything else having failed so far.

The Libyan tribal organization encompasses Arab, Berber, and African traditions, Islam and the moral law of the desert, and it rejects every outside force and model. Only their own model is credible. And while the changes due to modernization and globalization are recognized, the basis of legitimacy continues to be the Libyan tribal model of social organization. That is why the regime and the opposition refer to it and try to mobilize as much tribal force as possible, even if this can only serve a symbolic purpose. After all, the decisive question will be whether urbanization and industrialization have exerted enough power to restructure society along geographic, urban and occupational lines in order to create new identities and loyalties, or rather to break down the old tribal structures once and for all.

It is often claimed that Gaddafi behaves like a tribal leader, which raises questions about the context in which his power – without holding an official state function or title – is realized. In fact, the Jamahiriyya has so far operated within the tribal framework. The 2011 “revolution” in Libya was therefore not (could not be) a real, deep-rooted social initiative, but wanted to challenge the present system of power distribution, and as such it can and should be understood as a tribal struggle.

It is about power, and not about social concerns (unlike in Tunisia and Egypt). Benghazi, in asserting its claim to be the new centre, is waging a regular tribal – patrimonial – war for power. Its alliance policy also reflects this: The West should provide the opposition with money, arms and protection, and should do so immediately. In this context, the Arab Spring protests, the internet revolution, etc. (in the “virtual sphere”) only provided an opportunity to oust Gaddafi and the old elite from power (in the “real sphere”). The former ministers and other government officials who switched sides and joined the opposition tried to seize and capitalize on this opportunity and (re) establish the power of their tribes.

By framing their demands in the context of the Arab spring and by including Ahmed al-Zubair Ahmed Sanusi, a descendent of King Idris, in their ranks, they have ensured international and regional support in the “virtual sphere”. Yet, Ahmed al-Zubair Ahmed Sanusi and the opposition’s contacts with the country’s suppressed religious leaders provide the religious legitimacy needed to win the “real sphere” as well. Should this logic prevail, the Transitional National Council will have pulled off a *coup d’etat* (which will probably be called a “revolution” later), and a new tribal leadership/alliance will lead the country and control its oil wealth. This is made even more likely by the absence of a Libyan “middle class”. The logic of the patrimonial system cannot allow anything independent to emerge.

Benghazi was the centre of the Kingdom and there has been an almost historical rivalry between Tripoli and Benghazi. Gaddafi’s power rested on powerful intelligence and security forces, carefully selected from the tribes engaged in tribal fractures, who were blindly obedient to him. As such, they constituted - along with a very small group of intellectuals who spoke highly of him —the upper echelon of Libyan society, the *khassa*, or the privileged.

Everybody else belongs to the commoners, the ‘amma’, thus manifesting the traditional “ruler-subject” paradigm. When in the mid-1980s the small private enterprises were permanently shut down, they extinguished the financial conditions of a cautiously emerging “middle class”, and were thus eliminated once and for all. While data are scarce on the small business that was (again) allowed afterwards, we can only suppose that the once suppressed economic positions and contacts were then

attributed to those loyal to the regime and to Gaddafi. In the end, in the absence of a “middle class”, the new power center is going to win.

A particular challenge for future engagement with traditional authorities is that it is becoming increasingly difficult to define these entities, and the distinctions between formal and informal governance structures in southern Libya are becoming increasingly blurred. Such a situation is not new in Fezzan, particularly among the Tuareg, who have a history of selective co-optation into the Gaddafi security and governance apparatus. But since 2011, and with the dwindling state presence in the region, traditional authorities have become more formally entwined with municipal authorities, rather than existing as distinct entities. This could have lasting impact on the legitimacy of traditional authorities – who have gained a reputation in the eyes of the community as being more flexible, approachable and effective than state counterparts. The phenomenon could also have an impact on future policy interventions in the region; the increasing state incorporation of traditional authorities broadens the spectrum of entry points for governments and international organizations and the potential actors they can work with.

The amalgamation of formal and informal authorities stems in large part from the 2012 local governance Act 59, which served as an entry point for traditional authorities to gain democratic political representation through local elections. This represents both a challenge and an opportunity for traditional authorities – an opportunity in the sense that they have access to greater resources and capacity through the influence and high-ranking positions within the state apparatus. However, it also poses a challenge as traditional authorities have gained credibility by presenting themselves as an alternative to the state mechanism, and many traditional figures interviewed keep their distance from the state. Moreover, those who are not directly affiliated with a traditional or official authority identify a clear boundary between the two. It remains a challenge for traditional authorities to balance their growing involvement at municipal level with the unique advantages of informal governance as identified by their communities.

Interviewee Perceptions on the Roles and Functions of Tribes

- Tribes are social nets, operating mainly in rural areas not in big cities. If we establish strong municipalities in rural towns, there will be no need for tribes.
- Some tribes claim to control everything from oil wells to airports and highways. A strong public authority over the entire country is necessary, whether central or local.
- Allegiance to tribes is not a major issue in Libya. In some parts of Libya, particularly rural places, people have no choice but to join tribes. The tribes provide security and welfare. If the government regains its full sovereignty throughout the country, the need for and therefore the loyalty to the tribes will diminish.

3

Major Challenges and Risk Factors in Reforming the Public Administration

Public Administration (PA) reform in contemporary Libya faces many challenges and risks. These include administrative, political, economic, security and social challenges. Despite the many challenges facing the country, the way out of this crisis and the continuation of PA reform will depend on the new government and the wisdom of the new leadership, with international support. Also, it is important that the Libyan people themselves join forces and take responsibility to move their country forward. The international community can also play its own role, especially in light of the experience and lessons it has learned from PA reform in post-conflict societies.

This chapter identifies the major challenges facing the Libyan public administration system and anticipates the risk factors associated with any serious reform. Most of the identified challenges were inherited from the previous regime era. However, no serious attempt to reform the PA took place after the 2011 uprising, which resulted in exacerbating the PA's existing problems and introducing new challenges. The following subsections discuss the various challenges facing the Libya PA system. We categorize these challenges into administration, political, economic, security, and social challenges. Different challenges in each category and the root causes are identified and discussed (Elfeitori, 2018).

3.1 Administrative Challenges

This category includes a number of challenges that require immediate attention. In the followings, thirteen challenges are presented as the major administrative challenges influencing the effective functioning of the PA in Libya.

Lack a political will, vision and strategic plan

Despite a number of reform attempts that have taken place in Libya over the past fifty years, there has been a lack of political will, vision and strategy. During Gaddafi's era, no serious decisions were taken for a well-planned PA reform but rather the PA system inherited from the era of King Idris was changed in a haphazard manner, which led to a deterioration of the PA system. There was no clear national vision or strategy for the country, which made it difficult for the PA reform to succeed.

A strong central government will enable the development and implementation of coherent national strategies for reform and development; ensure the distribution of national income and resources (including oil) based on national needs and priorities; and promote national identity (and consequently social cohesion) above regional or tribal affiliations.

Unstable government organization structure

Due to the authoritarian nature of the previous regime, Libya's PA system underwent random and unstudied changes that led to a chaotic and ineffective PA system. Since the independence, Libya has had a federal system for about 13 years during King Idris era. The Libyan constitution was modified in 1963 to introduce a new system of local governance with 10 provinces. After the 1963 military coup, the constitution was put on hold and the revolutionary legitimacy was introduced. This simply means that there is no written constitution approved by the public, but instead Gaddafi can decide on new regulations, policies and laws whenever he wishes. The PA organizational structure has followed the random changes in governance, policies and laws, which has created instability. Accordingly, government institutions have had to be stable and work on long-term plans.

Problem of government effectiveness and fragile state

The Worldwide Governance Indicators Project demonstrates that governance effectiveness in Libya has not improved much since 1995, although there was a slight improvement between the years 2002-2005. However, a decline was observed after 2005, with historically low figures reported in 2012, indicating a deteriorating governance situation and an urgent need for reform. In 2004, the Ministry of Manpower Training and Employment was established to reform the civil service and was tasked with a general overhaul of the public service, focusing on establishing transparency in government, merit-based recruitment and training to enhance capacity development.

The 2012 Failed States Index Report by the Fund for Peace shows that the Arab Spring countries ranked the highest in the world in terms of the 'most deteriorated

state apparatus' that year. Libya occupies the unenviable top spot as the worst performing state year-on-year between 2006 and 2012, with a 16.2% increase in deterioration.

The magnitude of this decline is noteworthy, as it is the largest annual decline ever recorded in the Failed States Index. Individual scores are marked out of ten, and are combined to create a final ranking. In terms of state legitimacy, there is a double decline in the years following 2011 and a small increase (0.7) in terms of decline in public services from a starting point of 8.3 in 2011. Elite factionalization also exhibited a large increase from 4.4 to 9 and 8.8 in 2012 and 2013, respectively.

The reform recommendations from these assessments tend to focus on security sector and political reform to affect stabilization. They then address governance issues, including capacity development and the establishment of accountability and transparency mechanisms within government, including monitoring and evaluation processes.

The scale of Libya's challenges as a fragile state is considerable, yet it is to some extent helped by the availability of resources to combat the problems and, of course, the attention of the international community for geopolitical reasons has led and will lead to investment. The focus on stabilizing the security situation and political reform in Libya has obscured the magnitude of the institution-building challenge. Moreover, the persistence of rentier state activities poses a major obstacle to the development of a stable administrative system in the country.

Although the country has a permanent and neutral civil service in theory, in practice it is perceived to have been politicized to some degree. Therefore, depoliticizing the civil service remains a key task for reform. This is a unique opportunity to re-evaluate public service values and codes through an inclusive 'bottom-up' change strategy. Moreover, Libya requires a culture shift in the norms and values of public administration to develop the structures, systems, culture of leadership, and staff needed to foster change. Also, it needs to urgently address issues of territorial management, both to ensure more inclusive and stable government and to build trust with the people. Decentralization is therefore viewed to be a panacea for many of the social and political problems facing the country. However, as previous decentralization strategies have been quite successful the formulation of these strategies is taking a comprehensive, evidence-based approach rooted in indigenous learning.

Furthermore, the political and institutional crisis that Libya has faced in recent years has shown that the rule of law principles and the functioning of the legal state have been completely violated, and that the sharp division of civil and public institutions

has seriously undermined the integrity and credibility of institutions. The failure of the state and the institutions to quickly cope with the political crisis has led to a situation where Libya has been described as a “fragile post-conflict state”.

During the uprisings against Gaddafi’s regime and afterwards, local non-state actors emerged almost haphazardly, aggravating an already cumbersome situation. Self-appointed *local councils*, *revolutionary bodies*, *councils of elders* and *Shura bodies*, as well as armed militias, prevailed and became the de facto regional and local governments, growing at the expense of the official bodies. Tribes also regained some of their lost functions and became more resilient, adding more chaos to an increasingly ineffective, corrupt and fragile public administration.

The post-Gaddafi turbulence has left Libya with a fragmented state of undeniable weakness, as well as a growing influence of armed groups and the periphery at the expense of a weak center. The country suffers from the devastating impacts of an ongoing conflict/civil war, which paralyzes public administration by reducing its already strained resources and ability to deliver services, particularly at the provincial and local levels. The finances of the country are in disarray with the deficit and public debt mounting and foreign reserves being severely eroded. Public administration has been unable to perform its functions; salaries have not been paid for months and, when they are, people cannot get cash from banks making the country close to a failed state.

Institutional capacity

In Libya, public sector institutions have been afflicted by problems of corruption, nepotism, inefficiency, poor coordination, poor management and institutional capacity, non-existent wage policies and political interference.

It is therefore likely that the endurance and sustainability of the country will be determined by the effectiveness, fairness and public accountability of its political and public sector institutions. Good political governance entails an effective separation of powers between the legislature, the judiciary and the executive. Legislatures are mandated to have adequate constitutional powers. An independent judiciary is an important institution for ensuring accountability, transparency and legitimacy. If appropriately constituted and able to perform its constitutionally mandated functions, the judiciary is the only independent institution in the entire governance system that can ensure justice to the poor, illiterate and disadvantaged. However, this institution lacks financial resources, material and supportive administrative infrastructure, electronic equipment and sufficient legal libraries. In addition, the political appointment of judges and magistrates, claims of corruption, low salaries and poor working conditions have had a negative impact on its performance in Libya.

With the support of the civil service, or public administration, the executive is mandated to formulate policies, programs and strategies, and monitor their implementation. However, in Libya, partly due to the internal conflict and partly as a result of the weakened institutions by Gaddafi regime up to 2011, the executive is unable to respond effectively and efficiently to the demands of the people. It lacks the institutional capacities to fulfill these functions efficiently and effectively.

In the case of the public service, civil servants are mandated to manage the institutions of governance, and also to advise ministers on a wide range of issues such as health, education, transportation, economic growth and poverty reduction. They are also involved in the design and delivery of public services, and in drafting rules and regulations. However, most of the public servants lack the ability to formulate, implement and monitor policies, programs and strategies for economic growth and sustainable development. In addition, they lack the expertise, physical infrastructure and other facilities necessary to perform their duties in a professional manner. Many civil services lack motivation and are mostly demoralized due to low salaries, poor working conditions, and appointments based on criteria other than merit.

It becomes evident from the foregoing analysis that the main vehicle of government is the public service and the people who run it. Mobilizing and harnessing this resource is therefore essential. Building essential institutional capacities in Libya for good governance, economic growth and development is therefore a prerequisite. However, any reform to this end should be carefully formulated, programmed and implemented, taking into consideration the specific needs of the country.

Inadequate government regulations and policies

As mentioned earlier, Libya had no constitution since 1969 and regulations, policies and laws were modified amended randomly. The Libyan constitution had been put on hold since 1969 and the amended regulations and policies were baseless and inadequate. To successfully reform the PA system, new regulations, policies and laws are required. New policies need to be aligned with new government's vision and strategy.

Overstaffed government

In 1978, the old regime decided to ban all private sector activities and confine all businesses and services to the public sector. Today, the Libyan government employs more than 1,800,000 civil servants in a country of only 6.5 Million people. This number of civil servants is far greater than that required for the government. More than half of the country's annual budget is spent on civil servants' salaries and benefits, which

means that there is not enough money for the country's development and new projects. Government jobs are a means to secure employment with a minimal income. In the absence of electronic systems and biometric databases, some civil servants can earn multiple government salaries without working. A long-term plan for downsizing is needed and must be implemented gradually given the current political and security situation.

Incompetent civil servants

The other challenge facing any PA reform is the large number of incompetent government employees. Many of them work for the government for decades with minimal training and capacity building. Even though some government sectors have training programs, most of these programs are not planned according to the needs of the government and the skills and abilities required by government employees. In many situations, International training programs are a means for civil servants to get a financial break and vacation time. Capacity building programs for competent civil servants need to be well planned and executed based on the skills and needs required.

Declining civil service morale

Declining civil service morale is an impediment to the implementation of public administration reforms not only in Libya, but in almost all developing countries. The argument is that public sector reform is unlikely to succeed if public servants regard themselves as unwillingly committed to externally imposed standards without commensurate remuneration. Fear factors include:

- Fears of being measured, and increased possibility of job loss;
- Fears that staff do not have the necessary skills;
- Increased paper work and workload; and
- Health and safety concerns.

These fears underlie resistance to the changes embodied in the NPM. Poor pay and inconsistent management practices in many African public services have also contributed to low morale.

Lack of competent leadership

In order to start PA reform, there is a great need for visionary leaders in different sectors of the government. The nature of the previous authoritarian regime made it difficult for leaders to shine and lead change. At times, it was even forbidden to announce the names of ministers, officials and even soccer players. Everyone had to blindly follow the only one leader in the country and innovation was forbidden. Also, the education system did not help in this regard and leadership training programs were not common. Natural leaders need a good environment that encourages

leadership and innovation which did not exist. In addition, the instability and frequent random changes in the PA system were a barrier to the growth and flourishing of leaders. There is a need to introduce well-designed leadership programs with proper training and healthy environments that encourage leadership and innovation.

Lack of merit based hiring and compensation

Currently, civil servants are recruited in masses without a transparent professional process. There are no clear selection criteria, and civil servants are not hired based on actual needs and clear job descriptions. Moreover, regardless of the performance of civil servants, pay and benefits are similar. There is no distinction for competent civil servants in terms of compensation, which discourages them from performing well in their work environment. In addition, current regulations do not provide for punishment or dismissal of civil servants for poor performance or behavior. Due to the lack of motivation of competent civil servants, many of them lose interest in excelling in their work and become discouraged for any innovation. Solutions are needed in this regard.

Centralization and ineffective local governments

After independence (1951), Libya adapted a Federal Governance system which divided the country into three states, Tripoli, Barga (Cyrenaica) and Fazan. Each state has its own parliament, its own police force, its own share of natural resources and services. This system has been very effective since the independence. Since 1963, the country has experienced different systems of local governance, ranging from ten provinces to the current system of 116 Municipalities directly reporting to the minister of local governance in the central government. Currently, despite the existence of about 116 elected municipal councils, decisions, development, services and budgeting are controlled by the central government. This governance structure has hindered development and made it difficult to provide services in different parts of the country. There is an urgent need to find solutions for an effective local governance system.

Weak private sector

This issue had its roots in the Gaddafi's era and was caused by the so-called Gaddafi's World's Third Theory described in the Green Book, which was a mixture of communism and socialism (Bishara, 2013: 278). Chapter 2 of Gaddafi's Green Book presented the economic part which gave the public sector the lion's share and banned almost all private sector business activities, including wholesale, retail, construction, transportation services and real estate businesses. The government confiscated all private sector assets and businesses and turned them over to the public sector to

operate. Every Libyan, including businesses owners, had no choice but to work for the public sector (Rejwan, 1998: 247).

Given the poor performance and corruption of the Libyan public sector, most companies failed and even went bankrupt. This fact negatively impacted the availability and quality of goods and services provided to the Libyan people. There was a shortage of supply of most goods and services, and the high demand urged some Libyans to use all means to satisfy their demand. Corruption and bribery became common, and people suffered to obtain their basic needs. For example, private housing projects were not available, and people had to rely on public government housing projects, which were scarce. Other goods and services were not sufficient to meet public demand and people suffered, and private business disappeared. These policies harmed the Libyan GDP and economic growth and resulted in economic recessions during the Gaddafi's era (Chivvis and Martini, 2014: 6).

Libya needs PA and economic reforms that will empower the private sector and create a more business-friendly environment, as well as better regulations that, in turn, will encourage domestic and international private investments (African Economic Outlook, 2012). The postwar Libyan government has taken a few steps in the right direction, but it has also been forced to increase government salaries and subsidies, which distorts the economy and work against sustainable, broad-based economic growth (Chivvis and Martini, 2014: 56).

Slow adoption of digital transformation of government

Libya is still lacking in terms of transformation towards digital governance. This is no single, recognized national biometric database for citizens. This has created several problems, including duplicate salaries for civil servants, National ID Cards, passports control, and obtaining meaningful data and statistics for different government decisions.

Also, most government services are provided manually using traditional means, making them ineffective and costly. Citizens and visitors need to visit different government departments to obtain basic government services. In 2012, there was an initiative to develop Electronic Government Services (e-government) which was branded e-Libya. This initiative did not see the light of day; however, we can build on it since the blueprint for a digital government was completed and ready to be executed. Digital government services can be another quick win for providing efficient and transparent government services.

Lack of transparency and accountability

These are major issues facing PA reform in Libya. There is minimal transparency in most government decisions and operations including strategic plans, procurement, infrastructure projects, hiring of civil servants and last but not least, government revenues. Transparency is required in these areas, which will result in public confidence, engagement and minimizing corruption.

In addition, civil servants in different positions within the government are not held accountable for wrong decisions, bad performance and failures. There are no government plans and related Key Performance Indicators (KPIs), which makes accountability a challenge. Also, accountability requires relevant laws and the enforcement of those laws by strong and fair ministerial institutions and legislative bodies.

Corruption and lack of integrity

The phenomenon of corruption should not be viewed in isolation, but as an integral part of the broader issue of governance and effective public management. Hence, the international recognition of the serious problem of corruption in the late 1990s was a logical consequence of the understanding of the link between governance and development at the beginning of the decade. Corruption has existed in all societies since the dawn of time. Virtually every aspect of public administration can be a source of corruption— large-scale procurements and major public works projects, tax administration, debt management, customs, ill-designed privatizations, etc.

Definitions of corruption can be extremely complex. Its simplest definition is “*corruption is the misuse of public or private office for personal gain*”. “Misuse” (unlike “abuse”) covers both sins of commission (i.e., illegal actions), and sins of omission (i.e., deliberately turning the blind eye). And the inclusion of the term “private” in the definition of corruption underlines the fact that there cannot be a bribe received without a bribe given. In the context of developing countries, this underscores that much corruption is externally generated. Clearly, attention needs to be paid to “imported corruption” as well as to the local variety” (ADB, 1999: 14).

Beyond moral and legal considerations, there is now solid evidence that corruption harms operational effectiveness; that it distorts resource allocation away from the more efficient to the least honest; and that it is usually the poor who suffer most (Ndikumana, 2006) “Many economists, country officials, and development professionals have long been aware of the inefficiencies and inequities of corruption. However, it is only recently that the taboo on the “C-word” has been removed. In contrast to just a few years ago, corruption is increasingly seen as neither beneficial (“grease for the machine”), nor inevitable (“the way the system works”), nor

respectable (“everybody does it”). This new consensus is reflected in the concrete policies of international organizations and governments around the world” (Schiavo-Campo and Pachampet Sundaram, 2000:13).

Due to the closed nature of the previous Muammar Gaddafi’s regime, data sources on corruption in Libya are, compared to other countries, relatively scarce. “Libya’s political future has yet to be mapped out following the massive civil society uprising and civil conflict. The NATO-led intervention and subsequent death of ex-leader Muammar Gaddafi in Sirte in October 2011 may have ended his 42-year rule, but it did not clearly ensure what the government that is to follow will look like, that is to follow. Transparency International’s *Corruption Perceptions Index* shows a critically high level of perceived public sector corruption in Libya over the past 10 years” (Johnson, 2012: 7). Corruption in Libya is believed to be widespread within the public administration, affecting both low-ranking and high-level officials.

Major forms of corruption frequently seen in Libya are

- Bribery,
- Political corruption,
- Cronyism
- Direct and indirect stealing and embezzlement of public money;
- Favoritism in employment,
- Nepotism in performing personal favors for relatives and friends
- The use of public resources for personal interest,
- Laying hold of certain amounts of money as commission for trade contracts or purchases;
- Money laundering as a mean to evade the law.

As a vital component of the Libyan economy, oil wealth has contributed to the development of specific patterns of corruption in Libya. The country is seen to be in need of significant institutional reforms that produce substantial and real change in the fight against corruption. In a post-Gaddafi era, any approach to meaningful institutional reform should be holistic, take into account the multifarious factors which have contributed to a highly corrupt system. In Libya, a variety of measures have been taken to curb ethical violations, including Audit Office (Court of Accounts), anti-corruption bills, and a variety of institutional mechanisms to enforce ethical behavior. However, these anti-corruption initiatives have only been partially successful in achieving some of the objectives underlying these measures (Johnson, 2012).

First of all, many were introduced in an overall political and policy environment that was not sufficiently encouraging to the success of the measures. The nature of the

State (democratic and fully accountable to its citizens), advanced governance and a high-level commitment at the highest political level are therefore crucial prerequisites for any successful drive to curb and punish ethical violations. Secondly, some of the anti-corruption measures that have been introduced have been partial in nature, focusing mainly on sanctions, and not the source. Thirdly, many of the institutions that were established to promote ethics and accountability often lack the resources, public visibility, impartiality and public support that are critical to their success.

The enormity of the task of dealing with corrupt practices and promoting ethics and accountability in the Libyan public service is not to be underestimated. In spite of setbacks experienced in this regard, significant progress can still be made. Central to this dimension is the need for dedicated and sustained implementation of comprehensive measures by the government and the public within the framework of democratic, inclusive, transparent, and accountable governance.

Education outcome

Major reforms are required for the Libyan education system in a number of areas, including planning, curriculum, educators, and quality of education. Currently, university graduates are entering the labor market in large numbers and in areas with minimal manpower need. On the other hand, there is a shortage of manpower in other areas and foreigners are employed instead. We need to plan student enrolment based on the workforce that the country needs. We need focus on teaching the skills needed in the labor market.

Divergence between rules and behaviors

Another major problem in Libyan public administration is the discrepancy between the formal rules of conduct and the actual actions of civil servants. Although there are certain rules of conduct, civil servants tend to fail to follow them. “The challenge is ensuring that governance and public administration institutions do not become totally captive of dysfunctional behavior, and certainly not captive of personalities... An institution is only viable when it retains its substance and character over time, even when personalities and circumstances change” (UN 2010: 27). Therefore, in order to improve public administration in Libya, policy-makers need to focus particularly on “institutionalization” in the sense that roles and values of the public administration, the values of ethics and integrity as well as the formal procedures, become internalized by civil servants.

3.2 Political Challenges

Currently, the foremost challenges facing Libya are political challenges that have complicated the formation and establishment of a free, civilian, democratic state.

This was the main reason for the uprising, and it, therefore, constitutes a major issue and challenge. The country has witnessed a political vacuum since the collapse of the Gaddafi regime. There is an urgent need for an entirely new political and PA system to be designed, as well as other institutions and operating norms that need to be established (UNU-CRIS, 2012). The political challenges remain significant and can be explained as follows (Chivvis and Martini, 2012: 1).

Lack of a constitution

During King Idris Era, a constitution was established based on a Libyan nationwide consensus. This important step was a priority for King Idris shortly after Libya's Independence, in order to build a constitutional monarchy. Libya was a leading state in the region, as some neighbouring monarchies were still struggling to achieve this status (Chivvis and Martini, 2012: 2).

Straightaway after Gaddafi's military coup in 1969, the Libyan constitution was annulled and replaced by Gaddafi's so-called "Revolutionary legitimacy". This was essentially a way of ruling the country by inventing unstable and inconsistent roles, laws and regulations. This one-man-show style of governance continued throughout Gaddafi's era and resulted in the devastation of democratic institutions, restrictions on freedoms, an inconsistent governance system and chaos in all aspects of life (Chivvis and Martini r, 2012: 11).

Like anywhere else in the world, the country's transition from dictatorship to democracy would require a new social contract. This social contract shall be drawn from the country's new governing constitution. This process will require either the complete abolition of the old constitution or the amendment of the old constitution and the drafting of the new constitution which will allocate more social participation in the political process. However, there have been many demands for the country to revert to the 1951 constitution or the 1963 constitutional amendments and to introduce changes and amendments appropriate to post-Gaddafi era. The significance of the 1951 Libya constitution lies in the fact that it was the first drafted document which was formally established to define the rights of Libyan citizens following the post-war establishment of the Libyan state. This new constitution was drafted by the country's National Assembly and came into effect on October 7, 1951 during King Idris era. The constitution adopted some European and American "legal rights". However, this does not simply mean a secular state, as Article 5 of the country's constitution proclaims Islam as the religion of the state. The country's constitution sets out rights for its citizens, such as rights pertaining to equality, the rule of law applies to all equally, as well as equal civil and political rights, equal opportunities and responsibility for public duties and obligations (Chivvis and Martini, 2014: 2).

The National Transitional Council (NTC), the first de facto legislative body after the uprising, had to decide on a number of options, including reviving the 1951 constitution, reviving the amended constitution of 1963, or drafting a new constitution. The NTC had decided to ignore King Idris era 1951 and the 1963 constitution, and initiate a process for a new constitution. During the uprising in 2011, it was not possible to write a constitution that reflected the wishes of the Libyan people and hold a national referendum. Accordingly, the NTC initiated an interim constitution called the Constitutional Declaration. It included a roadmap for the transitional period and paved the way for democratic elections which brought the first democratically elected parliament, the GNC (Chivvis and Martini, 2014: 8).

Thereafter, the GNC was mandated by the Constitutional Declaration to appoint the permanent Constitution Drafting Committee known as the Constitutional Assembly. However, public pressure forced the GNC to call for a direct election of the Constitutional Assembly. This decision took almost ten months to make, which contributed to causing the GNC surpassing its term defined in the Constitutional Declaration, as claimed by opponents of GNC. Supporters of GNC claimed that the deadlines for achieving different GNC obligations (including its term) defined in the Constitutional Declaration are general guidelines rather than strict deadlines for dissolving the GNC. This debate continued until the GNC established the February Committee to draft a roadmap map for the dissolution of the GNC and the election of a new interim legislative body. The February Committee recommended an amendment to the Constitutional Declaration that would allow for the early election of the interim House of Representation (HoR) with a maximum term defined by either the completion of the permanent constitution or eighteen months, whichever came first (Chivvis and Martini, 2014: 42).

Direct elections of the Constitution Drafting Assembly took place on February 20, 2014, and it convened on April 22, 2014. The term of the Constitution Drafting Assembly was set at 120 days by an amendment to the Constitutional Declaration. However, this target has not been achieved to date. This delay has raised legal concerns about the legitimacy of this Assembly and its outcome.

Libya is still in dire need of a permanent constitution in order to proceed with the transition to a democratic state. In doing so, it must determine the degree to which power is centralized in Tripoli and how to ensure inclusive, yet stable government institutions. This may require some adjustment as Libya struggles to gain control of its security situation, establish a constitution, build institutions, and develop its economy. These tasks that are all urgent, and progress has been rather slow in recent years (Larémont, 2013).

Nonexistence of democratic institutions

As mentioned earlier, Gaddafi's coup led to the annulment of the Libyan constitution and the dissolution of democratic institutions. The country's institutions, including the democratically elected parliament, senate and legitimate government were dissolved, and most of their members were arrested. This political vacuum was filled with the new governing tools and bodies. The constitution, the parliament and the government were replaced by the "Revolutionary Legitimacy", the Council of Revolutionary Leaders and a new government formed by the young officers that participated in the coup.

During the Gaddafi era, the governmental system was altered many times. Political parties were banned, and Gaddafi invented the World's Third Theory described in his Green book. As a result, the General People's Congress (Parliament) and People's Congresses in every village and city were established to realize this theory and the People's Direct Governance. The local government system has been changed many times and has varied between the extremes of one single central government to more than 1700 local governments. This political instability and chaos continued until the February uprising (Sensini, 2016).

After the uprising, rebuilding the democratic institutions, which were dissolved by Gaddafi's coup, represents a major challenge that cannot be met without stability and security. Libyans, with the support of the United Nations and international community, have made efforts to launch the democratic transition process and rebuild the democratic institutions. The most significant political achievement of this journey was the holding of the first democratic election in July 2012, which resulted in the establishment of a moderate parliament (GNC) from which a more legitimate government was formed. However, this election was unable to do much to promote peace, as other scholars argue that the outcome of the election could even trigger a war (Collier, 2009).

A number of other steps were taken in this regard, including the democratic elections of the Constitution Drafting Assembly, the HoR and Local City Councils. In addition, a number of government cabinets were appointed by the elected legislative bodies. However, due to a number of factors including political division and the security situation, multiple competing legislative bodies, governments and city councils coexisted which required efforts by Libyans, the United Nations and the international community to unify them under a single legitimate umbrella representing all Libyans (Chivvis and Martini, 2014).

Negative international interventions

The United Nations and the International Community played a positive role from the start of the uprising until the fall of the regime in 2011 (Horace, 2013). A number of positive decisions were taken by the United Nations and implemented, such as the protection of civilians from Gaddafi's war machine. Thereafter, during the transitional period, the United Nations support to Libya was minimal and limited to the minor capacity building project and support extended to the High National Electoral Commissions (HNEC) during various elections. Support to Libya from many of the major International and regional players was minimal and ineffective. Other International and regional players have chosen to play a negative role, due to their own agendas. Some regional actors, with the green light from some major powers, have supported one or another of Libya's political rivals through all means, including media, political support and arms, despite the UN arms embargo on Libya. This fueled the civil war and amplified the political division (Campbell, 2013).

The International community can play a positive role in bringing stability to the country and reforming the PA system. Libyans must determine their needs and be selective in choosing international partners based on need and relevant expertise.

Need for power-sharing and inclusive policies

A basic literature review reveals the weakness of state institutions in performing the basic functions of granting citizenship, redistributing wealth, and mitigating conflict. This could lead to the rise of non-state power-brokers whom Libyans will resort to during the transition. The weakness of state institutions in providing basic services and fulfilling basic functions further supports the argument that the GNC and NTC were weak players in the process of constitutional development. The path-dependent outcomes resonate with the Libyan historical tradition of the state's incapacity to institutionalize revolutionary outcomes which remain at the level of discourse. In practice, revolutions give more leeway to non-state actors or to a specific leadership that controls the political process without reforming it into an inclusive process for citizens, civil society and minority groups.

The transition phase also brought back the politics of exclusion. The political isolation law brought back Gaddafi's old practice of sanctioning public officials who had served in the previous regime, and the exclusion of civil servants left out a large segment of the population with experience in running public organizations. In turn, the tendency of the government to give in to the demands of regional forces, Islamists and armed groups has led to a form of power sharing. By guaranteeing representation to some groups, isolating others and marginalizing the voices of citizens, the constitutional process so far demonstrates a shift towards a power-sharing formula.

Given the significance of the transition phase as a critical juncture, it is likely that this decision will be difficult to overturn in later stages.

While the transition gave citizens the right to formally debate their aspirations and explore their demands from a new constitution, this formal right was not backed by a capable and responsive state structure. Libya, during its most recent transition, continued to exhibit very weak state institutions, confronted by old political forces and a vibrant, albeit ineffective, civil society.

Premature Power Struggle

One of the most fundamental mistakes made right after the fall of the Gaddafi regime was premature struggle for power (Horace, 2013). For forty years prior to the Arab Spring, Gaddafi was the sole ruler of Libya, and political dissent was not allowed. Political parties were banned and direct political participation was an arena beyond Libyan's reach. Immediately after the fall of the Gaddafi regime and before the establishment of a constitution, Libyans started forming political parties and civil society organizations at a fast pace and in great numbers. Political parties representing different ideologies and political views were established. Media outlets, including TV channels, newspapers, and social media, were created to promote these political parties. In the absence of any control over the newly established media outlets, attacks and false accusations against opponents started, which led to spreading rumours in an effort to harm opponents. This unhealthy political atmosphere led to premature competition on power while deviating from the main goal of establishing the country's constitution and relevant political institutions (Deeh, 2012).

Political division

Several political, security and economic issues have paved the way for a political division in Libya leading to a segmentation of sovereign institutions. The country's sovereign institutions, including political, military, security and economic institutions, have been segmented between two Libyan authorities; one operating from the western city of Tripoli and the other operating from the eastern city of Tobroq. Each authority has its local and international supporters. The country ended up with two legislative authorities, two governments, two armies, and two security and police agencies. The only two institutions that have remained intact are the Central Bank of Libya and the National Oil Company. This is a major challenge facing PA reform in Libya that needs to be resolved. Many public institutions need to be unified prior to proceeding with PA reform. However, some PA reform actions can start gradually as will be discussed in the next chapter.

3.3 Economic Challenges

Libya's economic policies under the Gaddafi regime were aimed at ensuring the survival of the regime, and recurrent efforts to improve economic performance through economic reforms were halted as soon as the revolution succeeded in removing Gaddafi from power (Chivvis and Martini 2012). Following the revolution, most energy sectors were not operational, leaving citizens facing a major crisis in electricity and energy production, which accounted for a significant share of GDP, and government revenues decreased to very low levels, leaving one-third of the Libyan population living below the poverty line (Clancy-Smith, 2012).

During the Gaddafi's era, the Libyan economy went through periods of recession due to the regime's economic policies, which focused on the public sector, while weakening the private sector. Thanks to recent economic reforms prior to the uprising, Libya's economy was considered the fastest growing economy in the World. The country's GDP per capita has increased, according to Global Finance report (Global Finance, 2017).

With the collapse of the Gaddafi regime, Libya needs to begin rethinking the management of its economy, and especially the management of its energy resources, in order to maximize the benefits for its citizens, reduce corruption, and enable private enterprise to flourish in other areas, such as tourism (The Economist, 2012).

The country's economic challenges are more complex than one might think. After the Arab Spring, Libya faces several economic challenges, including deteriorating national income, high unemployment, a weak private sector and the freezing of all national development projects due to the country's poor security situation. Some of these economic challenges are a result of the uprising. However, other economic challenges are rooted in the damage caused by the Gaddafi era (Vandewalle, 1998: 9).

Deteriorating national income

One of Libya's economic problems inherited from the Gaddafi era is the total dependence on oil as the sole source of national income. Gaddafi's regime failed to diversify the economy despite potential opportunities. Libya's oil reserves are the largest in Africa and among the top ten nations in the World. Furthermore, the country is rich in natural gas reserves (Vandewalle Dir, 1998: 11). However, the total dependence of the Libyan economy on oil and gas is considered a serious problem that has not been fully addressed and solved (Chivvis and Martini, 2014, P65).

Libya's civil war affected the economy in such a manner that oil production had dropped to its lowest level, which is arguably the country's main source of revenue (Libya, 2012), reducing its output to virtually zero. As a result of these developments, the economy of Libya shrank by 41.8% in 2011.

The first government after the fall of the Gaddafi regime (the government of Dr AbdelRahim Keeb) managed to resume oil production and attained the production levels that were attainable prior to the uprising (1.6 Million barrels per day). This accomplishment was achieved during the first six months of Dr Keeb's government, which was responsible for the unprecedented growth of 104% in 2012. However, the economy had not reached pre-uprising levels. In addition, the surge in worldwide oil prices helped increase the nation's revenues to 70 Billion USD in 2012. Salaries for all government employees were almost doubled, and government spending increased. This situation continued in 2013 with the start of Government of Mr. Ali Zidane.

In 2014, the decrease of oil prices worldwide accompanied, by a decrease in oil production led to a decline in national income. Oil production went down to 200,000 barrels per day due the occupation of oil fields and oil export ports by different militias. A significant decline in oil production was caused by the militia of Ibrahim Garden, who proclaimed himself the ruler of Cyrenaica (Eastern geographical area of Libya which is the source of the majority of oil production). He occupied by force oil fields and ports in Cyrenaica and halted oil production in 2015 and part of 2016. The reduction in oil production was aggravated by the International reduction in oil prices, causing the total national income to decline to the unprecedented level of US\$ 12 Billion in 2015. The country experienced a large annual budget deficit, and the government failed to meet its financial obligations, including paying annual salaries of US\$ 20 Billion, covering different governmental operational expenditures, and subsidizing basic food, fuel and services. In addition, national infrastructure and development projects were halted, and the already weak private sector was severely affected (Chivvis and Martini, 2014, P65).

After the UN political dialogue and the establishment of the Government of National Accord in 2016, oil production was partially resumed. However, oil production and export have been halted several times by different Hafter forces. Also, although oil production is currently at 1.3 Million barrels per day, the corresponding revenues are frozen and the central bank has no access to it. National income is still below acceptable levels, causing the consecutive governments to fail in fulfilling their promises. Consecutive governments have borrowed money from the Central Bank of Libya which has depleted Libya's foreign exchange reserves. If this situation continues, the entire foreign exchange reserves of the Central Bank of Libya will

vanish while governments will continue to fail to meet their financial obligations. The future of the country's economic recovery will depend on the government's ability to bring the country back to its knees (Sensini, 2016: 268).

High unemployment rate

As mentioned earlier, the old regime's economic policies harmed the private sector and favoured the public sector. All Libyan manpower had to either work for the inefficient public sector for low salaries and small workloads or choose to be unemployed. The Libyan government employs 1.8 Million people out of the 6.5 Million Libyan population. Many of those public workers have no real jobs or assigned duties and contribute very little to the growth of the economy and the well-being of their fellow citizens.

In 1989, the old regime realized the inadequacy of its economic policies and the failure of the public sector and private businesses were legalized. However, the rehabilitation of the private sector took time to be realized. Prior to the uprising, other economic reforms were introduced which marked the empowerment of the private sector and the privatization of some of the public sector. More jobs opportunities were created in the private sector; however, these efforts were inadequate.

As a result of the outbreak of the Libyan uprising and the political and security unrest that accompanied it, both the private and public sectors suffered, and many private sector jobs were lost, leading to a further rise in unemployment. Many of the public sector workers and armed groups earned their salaries while staying at home. However, despite consecutive governments' efforts to stimulate the economy and create more jobs, these efforts are below acceptable levels, and the solution to unemployment depends greatly on the stability of the country and the resumption of economic activities and development (Sensini, 2016: 61).

Poor infrastructure

Physical infrastructure, information and communication technologies, as well as other facilities, are also lacking or inadequate. Accessing ICT-borne data requires a range of additional resources, including a telecommunications infrastructure to provide network access, an electrical infrastructure to run the ICT, a skills infrastructure to keep all the technology working, money to buy or access the ICTs, user skills to use the ICTs, and literacy skills to read the content. Libya has some difficulties in providing these resources to its civil service and citizens. In a world where a great deal of the population has limited access to reliable telecommunications and electricity, it is hardly surprising that the introduction of e-government and its various applications has been slow in Libya.

However, the transition to the information age and global technological innovations in recent years, along with other structural and economic developments, have led to rapidly falling costs for ICTs. These factors, combined with changes in the global and national telecommunication regimes, provide a clear window of opportunity for appropriate “leapfrog” strategies to accelerate the development of the country.

In order to diversify Libya's income and move away from full dependency on oil and gas, other sources of income must be considered. For instance, there is great potential for the development of other industries, including tourism, fishery, transit trade, airlines, marine and agriculture. For all these industries to succeed, a relevant state-of-the-art infrastructure must be developed.

Freeze of national projects and development

The former regime realized the importance of building reliable infrastructure as a vehicle for the economic reform that took place a few years before the uprising. Contracts for new airports, harbours, roads, trains, aircrafts, ships and ICT infrastructure were signed for a total value exceeding US\$120 Billion, and development started, however, all these new projects were halted due to the security unrest caused by the uprising. Another reason for freezing national infrastructure projects is that governments that followed the uprising accused the old regime of corruption in reaching agreements with contracted vendors (Sensini, 2016: 53).

In addition to the halting of infrastructure projects, the implementation of pre-uprising reform plans was discontinued. These include privatization of the public sector, reform of the education system, reform of the health system and new housing projects. Accordingly, many jobs were lost, public demands were not met, and economic growth was negatively affected.

Parallel foreign currency market

The Libyan Dinar was one of the strongest currencies in the world, reaching a value of about US\$3.3. This was the case during King Idris era, and continued during the early Gaddafi era until the 1980s. Due to Gaddafi's economic policies, the value of the Libyan Dinar declined in the parallel market to US\$0.28. Some Libyans had to resort to unethical means to obtain foreign currency from Libyan banks at the attractive official price. The old regime had to devalue the Libyan dinar and make it available in banks at a price equal to the parallel market price (US\$1 = 1.25 Libyan Dinars). This remained the case even after the uprising until 2014, after which the Libyan Dinar started depreciating on the parallel market until it declined to around US\$0.19 nowadays. Among many reasons, the Libyan central bank had to devalue the Libyan Dinar to a new value of US\$0.22, which is not far from the parallel market value.

Shortage of local currency

Currently, another challenge affecting the lives of most Libyans is the shortage of the Libyan Dinar in the national banks. Every day, people have to queue in front of banks to draw limited amounts of Libyan Dinars from their bank accounts. The Libyan Central Bank attributes this situation to the country's security situation and the lack of public confidence in banks. Businesses keep large amounts of cash instead of depositing it in their bank accounts, because they use this cash to purchase foreign currencies from the parallel market.

In addition, ATMs are not common and cash is not available. Money withdrawn from banks and ATMs is never deposited back into the banks. Despite efforts by the Libyan Central Bank to solve this dilemma by printing additional bank notes, obtaining cash remains a problem for people and damage done to businesses continues. The situation has somewhat improved in recent months, however, urgent solutions to the cash shortage are needed to end the damage and misery caused to people and businesses.

Widespread rent –seeking attitudes and inadequacy of accountability

Gaddafi and his successor governments have not found it necessary to tax the population in order to continue operating. This reinforces rent-seeking by politicians and officials at all levels, and reduces the ability of citizens to hold the government to account. Therefore, any future governance must be concerned with diversifying the economy to avoid oil dependency and create a more pluralistic and entrepreneurial sector and foster a culture of accountability.

3.4 Security Challenges

Libya, since the fall of Gaddafi, has witnessed an increase in the level of violence and insecurity. As a result and impact of the revolution, arms have been passed into the hands of armed groups which have spread throughout the main regions of the country. This situation made it difficult to form a national army to support the democratic transition and stability (Wehrey, 2014: 13). In addition, the security and military landscape during the Gaddafi era has contributed to the challenges faced by contemporary Libya. The security challenges that require immediate attention can be summarized in the following.

Lack of strong military forces during Gaddafi era

The Senussi Liberation Army, established by King Idris in 1940, formed the basis of the Libyan armed forces. This Army played a major role in the fight against the Italian occupation of Libya. After Libya's Independence, the development of Libyan military forces continued under the role of King Idris. Right after Gaddafi's 1969 coup, most

of the officers of the Libyan armed forces were arrested and forced to be transferred to the civil service. Later, Gaddafi started building security guard forces under different names, such as the Revolutionary Guards with the main mandate of protecting Gaddafi's Regime rather defending the Libyan territory. The traditional Libyan armed forces received minimal attention from the regime, which forced many soldiers to resign and leave the military services. In addition, most of the government spending on arms and logistics was directed to the regime's security guards, rather than the traditional Libyan armed forces. At the time of the 2011 uprising, the Libyan armed forces were weak and fragile, whereas the regime's security guards were strong, well organized and loyal to the regime. Gaddafi deployed his security guards to fight Libyan protestors and part of Libyan weak armed forces. After the fall of Gaddafi's regime, contemporary Libya had weak military forces that contributed to Libya's security challenges.

Weak police and security forces during Gaddafi era

Similar to military forces, the official police forces were unorganized and fragile during the uprising. The security and intelligence forces were focused on Gaddafi's regime rather than the Libyan People. A small part of the police and security forces supported the Libyans during their uprising; however, the rest played little or no role. After the fall of the regime, the armed brigades that led the armed struggle during the uprising were skeptical about relying on the existing police and security forces and demanded the creation of new forces loyal to contemporary Libya, which was an unrealistic target to achieve in a short period of time. Since the fall of the regime, neither new police nor security forces have been established; nor have any existing forces been reorganized. This resulted in a security vacuum and increased chaos (Sensini, 2016: 272).

Armed groups and lack of arms control

As mentioned earlier, the uprising started peacefully, but when the Gaddafi regime used security guards to put an end to it, it turned into an armed conflict. Civilians and a small part of the military and security forces were forced to take up arms and fight back. These civilians, with the participation of some military and police, organized themselves into many armed groups that gained more followers and power after the fall of the Gaddafi regime.

Efforts have been made to disband and unify all major armed groups and the hybrid security formations, and to integrate non-state armed groups into the united Libyan arm forces, but these efforts have all failed due to political stalemate and polarization, which are seen as the reason why major armed groups have not united to form a state

army in the country. As a result, Libya's security has suffered from the lack of complete institutional organs, considered essential to coordinate efforts and maintain the security situation at its normal state. The absence of this inclusive and functional institution has encouraged a widespread insecurity in the country. The new post-Gaddafi government needs to take some proactive security measures to bring the country's security back under control, such as unifying the major armed groups, developing a policy of retirement for senior officials and formally assisting the International Community in efforts to rebuild a new security army for Libya.

Compared to other post-conflict nations, Libya has advantages in some aspects; the rebel victory was undisputed and fully supported by the majority of the population. Moreover, the geopolitical environment was helpful in the sense that a peaceful transition was achieved, with the peaceful revolution also taking place in neighboring Tunisia and Egypt, making the Libyan revolution and transition a viable process. Libya also united all forces against a common enemy and did not fight against each other during the revolution. Despite these positive outcomes of the revolution, a number of major challenges still remain. Among them is the damage caused by the war, which has raised political and security concerns (Hass and Lesch, 2012: 1).

The main problem facing Libya after the death of Gaddafi in its state-building efforts is the need to create a single, centralized army that would be loyal to a civilian leader in the new government (Chivvis and Martini, 2012: 1).

The Libyan war to overthrow Gaddafi was fought by a loose grouping rather than a single, unified military force under a single authority. This would make it difficult for the post-war government to take full control of the militia, as the post-war government lacked legitimacy. It lacked the ability to gain full control of the country's security until the country prepared for new elections, which would lead to a new, more legitimate government taking control of the entire country's security (Chivvis and Martini, 2012: 4).

Local and international terrorism

One of the main challenges facing contemporary Libya is terrorism practiced by a few groups and factions (Chivvis and Martini, 2012: 4). However, consensus among Libyans for a clear definition of terrorism and accordingly identification of terrorist groups is necessary. Otherwise, political rivals will use the term to label their opponents and deploy all political, media and armed forces to fight those they have labelled as terrorists (Zoubir and Dris-Aït-Hamadouche 2013: 149). The UN Security Council has identified two terrorist groups in Libya namely the Islamic State in Iraq and Syria (ISIS) and Ansar Alsharia (Jones, 2014: 86). In addition, Libyan

political rivals label other groups as terrorist groups such as Fajer Libya military operations and Karama military operations led by retired General Khalifa Hifter. There is a consensus among Libyans for labelling ISIS as a terrorist group and using all means to fight it, however, labelling other rival groups as terrorist organizations is questionable and divisive. Terrorist acts and human rights violations have been committed by a number groups, and individuals and immediate countermeasures are required. These countermeasures cannot be confined to the use of military force, but rather should include political, educational, social and economic treasures.

Illegal immigration

One of the complex challenges facing contemporary Libya is the influx of illegal immigration (Michela, 2012). This issue does not only affect Libya, but also other neighboring counties in Africa and European across the Mediterranean. Illegal migrants, mainly from African countries, use Libya as a transit country in their journey to European countries like Italy. This challenge has been a concern for consecutive governments since the Gaddafi era. Many researchers addressed this challenging problem, its causes and its remedies. (Venturini, 1994: 327).

Due to the security issues currently facing Libya after the Arab uprising, the problem of illegal immigration has increased. Libya shares insecure borders with a number of countries experiencing difficult economic situations. Citizens of these countries and beyond flee their homelands in search of a better life in Europe. They use Libya as a transit point in their journey and settle in Libya while preparing for their new migration. Some of these illegal immigrants settle illegally in Libya and compete with Libyans for employment, housing and other services. Human trafficking is becoming an organized crime in different parts of Libya specifically in the western region. Some of the existing militias benefit financially from human trafficking and would fight to keep this business going (Chivvis and Martini, 2014: 84).

A number of courtiers in Europe and mainly Italy are harmed by illegal immigration. Many illegal migrants face a deadly fate in the Mediterranean on their journey to Europe, while boarding crowded boats with minimal or no security provisions. Survivors land on the European beaches and move to many European countries, posing many challenges to those countries and the EU. From a security perspective, there is a high risk of terrorists and criminals among these illegal immigrants. In the absence of strict security measures in Libya, ISIS could mobilize its members to become illegal immigrants to Europe, where they could launch terrorist operations in the heart of Europe. Other crimes could also be committed by illegal immigrants, due to their difficult financial and humanitarian situation in their new European

homes. European countries face other economic, political and social challenges due to illegal immigration. For instance, illegal immigrants compete with Europeans for scarce jobs, which may lead to increased unemployment in European countries. Since the Gaddafi era, there has been cooperation between Libya, European countries and the EU and a number of agreements have been signed in this regard. However, the implementation of these agreements and the measures to prevent illegal immigration have been insufficient (Chivvis and Martini, 2014: 84).

Illegal immigration is a major issue that adds to Libya's security, economic, social and political challenges. Libyans with the assistance of the United Nations and the International community, must find relevant solutions and implement them with immediate effect (Noam, 2016).

3.5 Social challenges

After the Arab Spring, Libya faces a number social challenges that can be explained in the following subsections. Libyans, with the help of the International community and the United Nations, need to address these challenges in order to move forward and achieve stability, justice and prosperity.

Domestic violence

The post-Gaddafi crisis in Libya poses a serious blow to the United Nations' inability to protect the Libyan society from ongoing violence and other social challenges. The violence has resulted in many civilian casualties and many people have been displaced or have fled the country to other parts of the World in search of safety. From the perspective of the International community, the United Nations, under its Security Council, should have done more to protect civilians from the ongoing violence.

From a national perspective, governments are expected to bear full responsibility for protecting their society and civilians from violence. The ongoing crisis in Libya has its root dating back to the Gaddafi era. Social inequality and the high rate of youth unemployment were among the other main reasons for Libya's uprising against the Gaddafi regime in 2011. The fall of Gaddafi created an opportunity for Libya to adopt comprehensive social reforms, getting Libya through excessive economic crisis and great political challenges (Thakur, 2011: 220).

Lack of a democratic culture

For forty-two years, during the Gaddafi era, democracy was unheard of and the creation of political parties was criminalized. Libyans today have never practiced democracy and tolerance for other Libyans with different political views is uncommon. This issue has its roots in the era of King Idris, where political parties

were banned, although democracy was practiced in the form of the existence of a constitution and democratic institutions such as a House of Representatives (HoR), a Senate and democratic governments appointed by successive HoRs.

Libyan Society is supposed to be very homogeneous, with 6.5 Million population sharing the same religion of Islam and common culture and values. However, the lack of democratic institutions and practices, the values of the education system, the absence of civil society role, and the devastating impact of the former dictator's media resulted in intolerance towards others and violence. In order to spread democratic culture and values and enhance tolerance towards others, major developments in the education system, media and civil society are required. The United Nations and the International Community can play a major role in crisis management.

Weak civil society organizations (CSOs)

CSOs play a very important role in promoting good governance, acting as watchdogs for human rights against the abuse of power and authority. They also play the role of forging partnerships between society and governments, thus providing channels of communication and flow of information between government and citizens. Lack of regular funding is a major factor affecting CSO capacity. Many of them lack the organizational and management capacity to raise funds, as well as the technical expertise in advocacy. Many others are not democratically organized and are not accountable to either stakeholders or beneficiaries. This undermines their capacity and effectiveness to voice the concerns of the poor and promote their interests.

The future government need to take measures to develop civil society and a dynamic entrepreneurial economy. It is crucial to educate and motivate citizens to play an active part in their own governance and to take more responsibility for their individual circumstances. Some previous analyses show that there is a need for strengthening civil society and its capacity to act. This is a prerequisite for having an active citizen-centered governance as well as for efficient local governance.

Human rights violations

Since the fall of Gaddafi, many human rights violations have been recorded and many families have been displaced, not to mention the many individuals and families who have gone into exile. All these factors could contribute to create another dimension of the social problem in the future if they are not promptly addressed and solved.

Human rights violations were common during the Gaddafi era. The lack of a constitution and laws protecting human rights and the practices of the old regime's security forces resulted in many human rights violations. Human rights organizations

were banned and the media was prevented from covering these violations. Regime's political opponents representing different ideologies were imprisoned, tortured and executed, which explains the regime bad Human Rights record in this area. The United Nations and International Community's efforts in condemning and taking action against the old regime were slow and tardy.

After the uprising, the new Libya had the opportunity to establish a better record in human rights and denounce Gaddafi's violations. However, a number of human rights violations continued including torture, unlawful imprisonment, enforced disappearance and execution. In the absence of law, order, legal institutions and civil society organizations, these violations will continue and even rise further. On a daily basis, illegitimate armed groups commit human rights violations in the absence of legal government institutions and public suffering prevails. Libyans need to put an end to human rights violations and enforce law and order through legal government institutions.

Tribal system

Another question under scrutiny for the social contract in Libya is that of the tribal politics, which has played important roles in the past regimes, from the regime of King Idris to the regime of Gaddafi and to the transitional government after the February 17 revolution. Will Libya be free from its deep-rooted Tribal and regional politics? (Baxley, 2011)

Due to the western colonization of Libya, the country was divided into three states namely; Tripoli in the west, Cyrenaica or Barga in the east and Fazan in the south. This regional division has roots in Libyan history. In addition, each region is composed of many tribes, the majority of which are of Arab origin, with the rest representing the indigenous inhabitants or Amazigh. The Arabs brought the Islamic religion to Libya more than 1400 years ago and lived in harmony with the Amazighs who adopted Islam, making Sunni Islam the religion of 100% of the population.

Historically, the tribal system played a positive role in the Libyan struggle against foreign occupation as well as in bringing stability and order in the absence of an authoritative central government. Tribal leaders played a major role in arbitrating and bringing people together in case of dispute and disagreements. They had a say in Libyan politics during King Idris and Gaddafi eras, and were allocated a quota in successive legislative and executive bodies. Tribes and tribal leaders' engagement in the political life of the country made them loyal to the political system and involved them in solving different challenges facing the country and resulted in stability.

One of the fatal mistakes made after the uprising was marginalizing the role of tribes and tribal leaders in the political life of Libya. Libya's new leaders tried to adopt the Western democracy model while ignoring the specific nature and requirements of the original Libyan society. Tribes and tribal leaders were not involved in important decisions and were not given leadership positions in the nascent democracy. Their views on establishing the Interim Constitution, the Constitutional Declaration and other important decisions were not solicited, and their leaders and subordinates were not appointed to key positions in the central and local governments. This happened countrywide, but its effects were clearly felt in the eastern part of Libya (Barga), away from Tripoli's central government. This marginalization of the tribes and tribal leaders, coupled with marginalization of the eastern region in terms of new infrastructure and services development, urged tribal leaders in eastern Libya, along with other activists, to call for a federal system. Many of them considered the federal system as a way to end the claimed east's marginalization, to have a fair share in new infrastructure projects and public services. A minority called for the separation of Barga and its establishment as a separate sovereign state. However, these voices do not represent the mainstream for the federalists.

Libyans cannot bring peace and order to the country without the participation of the tribes and their leaders. A decentralized system that can fairly serve remote regions and the population in large, sparsely populated and sometimes resource-rich geographical areas. The long-awaited constitution should define the proper democratic system, tailored to Libya's specific social nature and needs. However, tribal leaders should be involved in major decisions in order to reach a consensus for the country's stability.

Humanitarian needs

Libyan civil war has resulted in the displacement of hundreds of thousands of families and individuals and many Libyans losing their jobs and shelter. This war has claimed many lives, leaving behind orphans, widows and a broken social structure. In addition, the value of the Libyan Dinar against foreign currencies has dropped dramatically, leading to an increase in the prices of goods and services. Furthermore, the purchasing power of the Libyan Dinar has deteriorated causing many Libyans to fall below the poverty line.

Consecutive Libyan governments have failed to address the needs of war-affected citizens. Many newly formed national humanitarian organizations lack the experience and resources to satisfy the urgent humanitarian needs. Despite this, national humanitarian agencies and individuals have exerted all efforts to alleviate the

suffering of their fellow citizens and meet their urgent needs. International humanitarian organizations role in Libya falls far short of expectations.

War-affected families and individuals need assistance in several areas, with a crucial need for shelter, food, medicines and capacity building.

Divided society

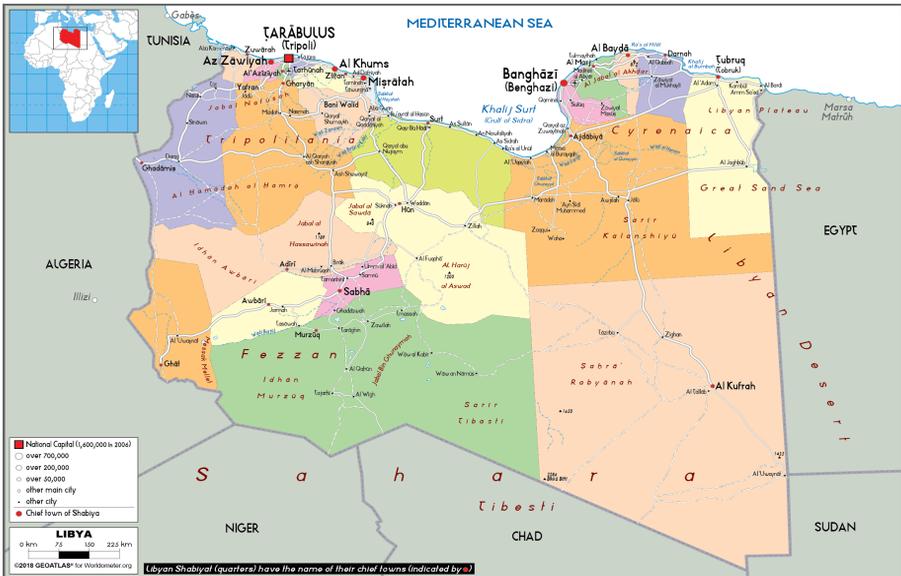
Libya is a country located in in the North of the African Continent, between Tunisia and Egypt. The populations of these two neighbors revolted against their authoritarian regimes during the Arab Spring and succeeded in overthrowing them. The country is divided into three main provinces, namely the eastern province or Cyrenaica, the western province or Tripolitania and the southern province or Fazan.

During the western occupation of Libya, the three provinces were occupied by different western colonizers, namely the United States of America in the west, the United Kingdom in the east and France in the South. The people of these three provinces have some standing differences that sometimes lead to violent tensions with regards to geographic, cultural and political divisions. When Gaddafi overthrew the monarchy and came to power through a military coup in 1969, he marginalized some areas of Libya and even tried to create conflicts between the provinces, as part of his “divide and rule” strategy to remain in power.

When the Libyan uprising broke out, the Libyan society was divided into two segments; those supporting the regime and the opponents who participated in the uprising peacefully, the clash between the two sides escalated into some form of armed conflict. Due to the refusal of Gaddafi to cede power, opponents of the regime, of different backgrounds and ideologies, unleashed their fury on the regime supporters. Deaths on both sides were common and many people were injured.

After the fall of the regime and the defeat of its supporters, the victorious uprising backers called for exclusion of the regime’s supporters from political life. Many regime supporters fled the country to seek refuge in neighboring countries. Others decided to stay but faced various threats. Many other regime supporters, who held key middle-management positions, chose to continue business as usual. However, they retaliated by exerting every effort to make the uprising a failure. Even though revolution supporters occupied key political positions such as ministers and deputy ministers, while pro-regime middle management contributed to the failure of the state and made the lives of Libyans miserable.

Figure 2 Political Map of Libya



Source: https://www.worldometers.info/img/maps/libya_political_map.gif

Thereafter, the unified uprising supporters started to realize their political differences and began their competition for power. In the absence of democratic culture and tolerance, the disputes amongst them started peacefully in the media and ended in civil war. People were divided according to their political views, and the animosity is aggravated when deaths amongst them took place. Blood begets blood and retaliation, resulting in a broken society. The war must end, reconciliation must start, and tolerance and forgiveness must prevail.

Declining social values

One of the major challenges to public sector management reforms is the decline in the social value of society itself. Values such as integrity, honesty, dependability, helpfulness, impartiality, courteousness, and fairness are gradually disappearing from the public services. Unfortunately, in Libyan society, the system for reinforcing these values is not adequate. A key factor underlying the ineffectiveness of administrative and financial accountability systems is the adherence of Libyan society to the principle of "wealth at any cost". Public office holders and public servants who do not appear to have "prospered" in public office are treated with little respect. This devaluation tends to encourage inefficiency and misappropriation of public money.

Negative impact of media

The media played a constructive role in the success of the uprising. However, its role was mostly negative and destructive thereafter. The outbreak of the uprising on

February 17, 2011 was publicized through social media. Facebook pages created by Libyan youth commended people to participate in the uprising. Updates on the progress of the uprising, pictures, and videos were posted instantly on social media. Many new TV and radio stations and newspapers were established and helped to convey important information about the progress of the uprising. When the revolution was suppressed, all media channels worked in harmony to support the success of the revolution.

After the fall of the regime, competition among political rivals started, and their affiliated media followed the same pattern. The media supporting one political group or another started spreading rumors about the others. The media freedom gained by the revolution has been abused and misused. In the absence of related laws and regulations governing the establishment and operation of media operators, great chaos reigned in this area, which contributed greatly to the instability of the country. The relevant regulations need to be established and enforced in order to control the free media and direct it towards the stability and development of the country.

Interviewee Perceptions on Challenges to Libyan Public Administration

- The system itself is a problem that needs to be replaced rather than reformed. Because it is over-bureaucratic, over-centralized and does not allow to change. Everything is solved from the Capital city, Tripoli. ...The policy-makers are not willing to change the system as they benefit from the corrupt system.
- Social structure is not a barrier to change, rather it can be an advantage. Infrastructure is a problem at the moment, but it can easily be improved.
- How can we describe the public administration in Libya? A chaos administration. The chaos was more evident during the Gaddafi era. Loyalty was to the regime and the tribes, rather than to the state... Rules change frequently and therefore there is little administrative tradition and fixed behavior and guidelines in the country.”
- There was an administrative system in King Idris’s time... Gaddafi regime destroyed this system and almost all public institutions. Even though a revolution happened in 2011, a stable system could not have been established. Now, there is no public administration system, no national or organizational plans... Just ordinary work... There are no standardized work procedures. The government operates in a random manner. No laws or regulations work as a whole... The Size of the damage is huge.

4

Alternative Approaches and Readiness of Libya in Reforming Public Administration

The main purpose of this chapter is to examine the existing reform models and approaches and to reveal to what extent these reform models can be used for fragile and post-conflict countries including Libya. The chapter starts with a brief review of the main existing reform models and continues with an analysis of how and within the framework of what constraints and principles these models are being used in ongoing public administration reforms in the world.

The fact that major reform models have been produced in Western countries and in accordance with their specific conditions raises questions about the applicability of these models in developing countries. What kind of public administration reform should be designed in countries where the state does not fully function with its institutions and rules and where the vacuum left by the state in terms of security and services is filled by non-state forces, especially paramilitary organizations from time to time, is a very important matter of debate. Therefore, special attention is paid to the concept of the fragile state and the distinctive features of public administration in these states in this chapter. The chapter concludes with comments on Libya's readiness for reform, particularly with respect to the e-government infrastructure, after an analysis of what aspects of Libya constitute a fragile state and how successful the reforms have already been made in this country.

4.1 Major Public Administration Approaches and Reform Models

This chapter deals with the theoretical context of public administration reform issues. It evaluates major reform models developed over the past four decades. Although the Weberian paradigm in public administration has been in practice since the early 20th century, other models of reform have been developed in turn since 1980s to complement each other, New Public Management in 1980s, Governance in early

1990s and Neo-Weberian Approach in early 2010s. Recent trends in reform, to a great extent, follow the path of one reform model, or, in some cases, a combination of two models at the same time. The chapter then addresses the issue of integrating traditional leadership structures with contemporary public administration mechanism for innovative governance and improved service delivery. This will draw a framework for examining traditional informal governance mechanisms in Libya and how they can be integrated into the official state apparatus.

As most of the reform models have been developed to address public administration problems in Western developed countries, there is a long-standing debate about the applicability of these reform models to developing countries, particularly the ones with fragile and post-conflict character. Whether we need to design public administration reforms in fragile and post-conflict countries differently than in other countries is ongoing debate. The approach we are taking in this report is that it is possible, and necessary, to produce a specific / distinct reform program for fragile countries. Therefore, this chapter explores in particular the notion of the fragile state, whether public administration reforms in fragile and post-conflict countries should be designed differently from those in other countries, and the possibility of developing a public administration reform program for fragile countries.

The chapter ends up with a discussion of Libya's fragility and the role of the institutional and cultural context in exacerbating conditions of fragility in Libya.

4.1.1 Reform models

Worldwide, four major reform paradigms have been distinguished in public administration literature and practices. The administrative reform program to be developed for Libya will seek to systematically capture elements of each of these reform paradigms and enrich them with traditional administrative practices. Major reform models and some samples of their implementation means are provided in Table 2.

Table 2: The Implementation Means of Major Public Management Reform Movements

Reform Model	Means	Ends
Weberian Public Administration	Laws, public service training, charismatic authority, rational division of tasks	Effectiveness, order, economic power
New Public Management (NPM)	Deregulation, decentralization, market competition, outsourcing, performance measurement	Effectiveness, efficiency, accountability, customer focus, entrepreneurialism
Governance and Good Governance	Decentralization, collaboration, empowering civil society and involving it to public policy process, information and knowledge sharing, democratization, rule of law, accountability, participation	
Neo-Weberian Approach	State-building, institutionalization, regulating economy and society, limited intervention to economy	

Source: Compiled by the authors, using Ingrams, Alex, Suzanne Piotrowski and Daniel Berliner, 2020: 279.

On the other hand, each theoretical frame and reform model focuses on different administrative problems in accordance with its basic theoretical framework. Table 3 below identifies the main problematic issues and suggested approaches to solving these particular problems.

As this report is not a fully theoretical study aiming to evaluate public administration theories /models, there is little room for giving details about major reform models. However, it would be useful to recall them briefly, as these models would draw a framework for the issues within this report.

Table 3: The Context for Reform: problems and approaches

	Problem	The Approach to Remedy the Problem
1	How can we make government better organized and broadly competent?	'Weberian' public administration and capacity-building
2	How can we get government closer to the grassroots?	Decentralization
3	How can we make government more affordable?	Pay and employment reform
4	How can we make government perform better and deliver on key objectives?	New Public Management
5	How can we make government more honest?	Integrity and anti-corruption reforms
6	How can we make government more responsive to citizens?	'Bottom-up' reforms

Source: McCourt, W. (2013).

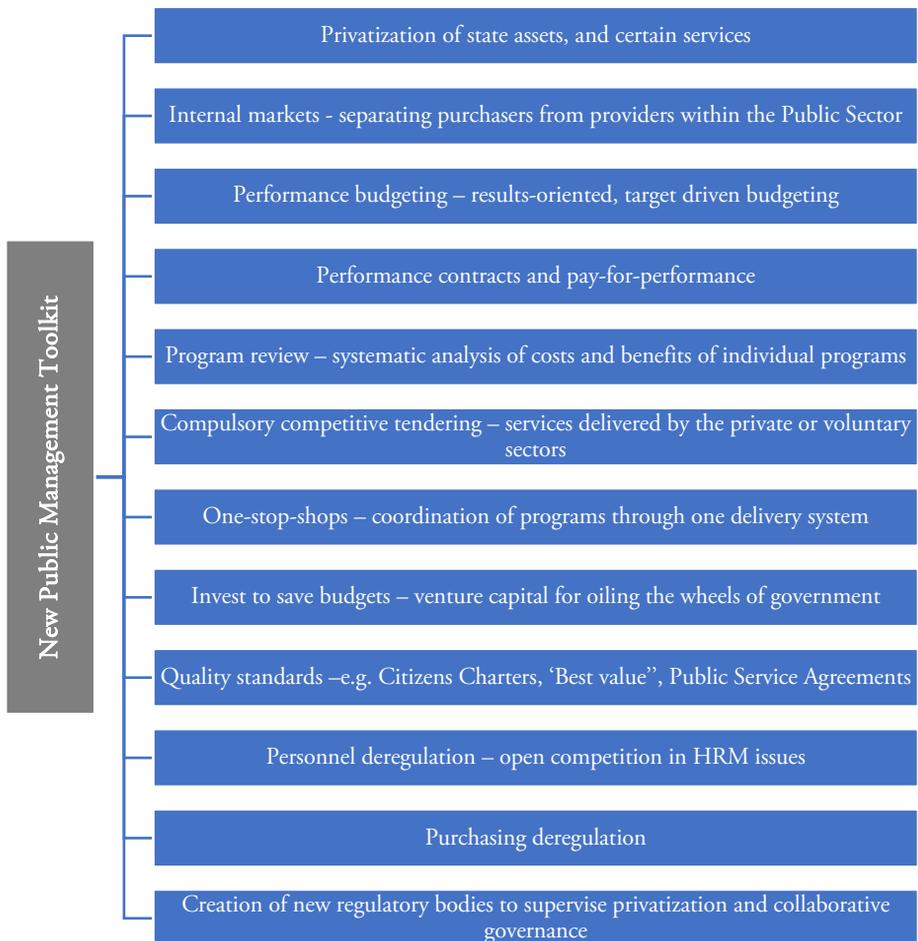
Weberian Public Administration

A first reform paradigm relates to the implementation of Max Weber's ideal bureaucracy principles to transform patrimonial systems into modern administrations with formal procedures for the observance of legality and the rule of law. "Indeed, one of the core elements of public administration reform in the former communist countries in Europe was civil service reform aimed at (re)introducing basic Weberian elements into public administration and incorporating merit-based principles" (Hammerschmid, et al, 2016:2). Although NPM paradigm claims that Weberian Public Administration represents old-fashion and inefficient administration style, a large number of scholars have stressed the crucial importance of Weberian bureaucratic features for the well-functioning governments. Moreover, a number of recent scholarly work has claimed that Weberian model of bureaucracy remains an important reform alternative, particularly in developing countries which lack a proper bureaucratic /administrative mechanism, emphasizing some its elements such as meritocracy in the public sector and impartiality in administrative decision-making (Rothstein and Teorell, 2008; Dahlström, Lapuente and Teorell, 2012; Nistotskaya, and Cingolani (2016). However, patronage, politicization and abuse of power remain characteristics of many public administrations in some countries, all attributed to Weberian style practices.

New Public Management Approach (NPM)

There is almost universal agreement in many quarters that the tools of New Public Management (NPM) provide a methodology for ensuring transparency and accountability and for creating an economical, efficient and effective public sector. NPM is a toolkit of administrative techniques which had its origins in the English-speaking world, but was always practiced very differently in the United States, Australia, the United Kingdom, New Zealand and elsewhere (Hood 1995; Peters, 1997).

Figure 3: New Public Management (NPM) Toolkit



Source: Evans, and Barakat, 2015: 28.

Figure 3 describes the range of “administrative reforms implemented under the banner of NPM – a short hand term for describing the raft of reforms geared around issues of ‘economy’, ‘efficiency’ and ‘effectiveness’ which were introduced in the 1980s in a big bang response to global economic crisis and incrementally thereafter. These can be organized around market-inspired reforms and deregulatory/regulatory reforms” (Evans and Barakat, 2015: 27).

In addition to developed Western countries, a large number of developing countries have also tended to adopt the NPM toolkit. “But what does the evidence tell us about the performance of NPM? Does it provide a methodology for ensuring transparency and accountability and creating an economical, efficient and effective public sector? This, of course, depends on how these tools of public management tools are applied and the administration is capable of using them. There is therefore much evidence to suggest that NPM can be used to embed dominant administrative norms and values and insulate bureaucratic elites from meaningful reform” (Evans and Barakat, 2015: 27). Moreover, while many developing countries have adopted certain tools of NPM, their impact has been felt primarily in political rhetoric rather than in substantive institutional reform (Lapueute. and Van de Walle, 2020).

Most significantly, although NPM provides important tools for any public administration reform program, it is not sufficient to meet the challenge of administrative development in transition states. Indeed, NPM tends to privilege the role of public servants as arbiters of the public good at a time when there is a need for broader ownership of development problems. NPM takes the politics out of public policy deliberation and its market orientation is at odds with the concept of public service, which is more easily adapted to the language of the consumer rather than that of the citizen (Boruvka and Perry, 2020). In a transition period, citizen and stakeholder engagement in policy development and implementation becomes pivotal to the achievement of social progress. This is not least because many components of administrative reform require co-production and adaptive behavior from citizens and often stakeholders.

Moreover, the critical challenges confronting development administration in a more complex and fragmented world require the most adaptive form of power to enable community interests to blend their capacities to achieve common goals. This is called soft power or the power of persuasion. In the aftermath of the Arab Spring, the most difficult problems confronting public administration tend to require soft power solutions rather than managerial ones.

The NPM approach also poses problems related to attempts to affect cultural change. NPM signals a shift in administrative structures, systems, personnel, and

superordinate culture from traditional forms of public administration and, therefore, seeks to change dominant norms and values; elite resistance is an inevitable corollary.

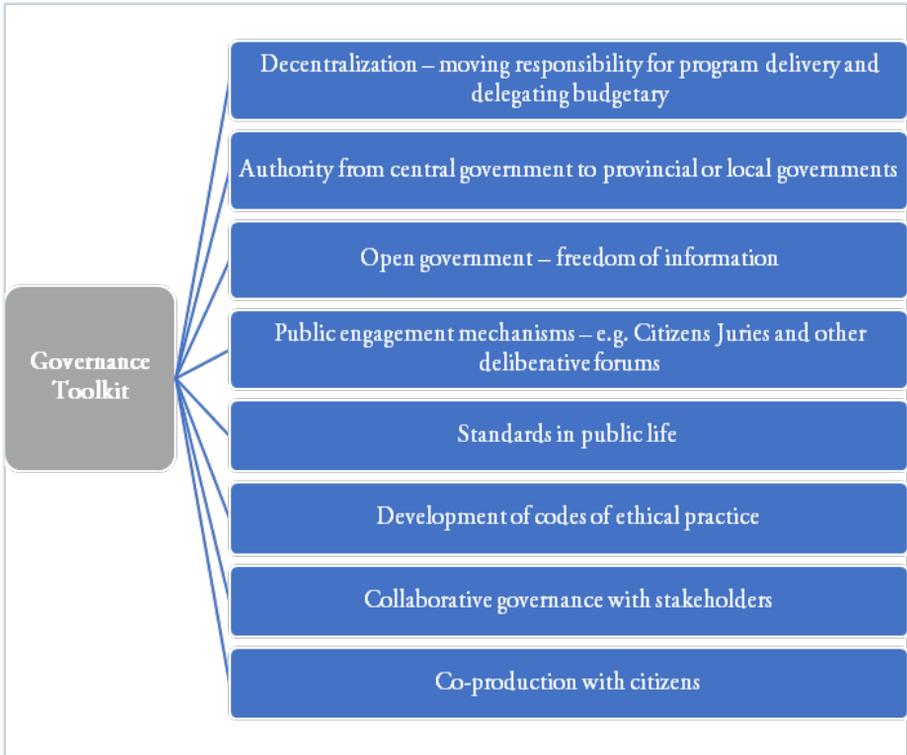
The marketization of public service production also poses other governance challenges because it involves the increasing use of non-accountable third parties to manage and deliver government services. An integrity paradox often emerges in which the quest for 'economy', 'efficiency' and 'effectiveness' through NPM, governance, and risk management, actually increases rather than reduces the scope for maladministration or corruption.

In consequence, the success of administrative reform in transitional contexts relies in particular on the establishment of a strategic purpose in relation to the direction of the reform process and the development of an inclusive change governance strategy to affect meaningful and legitimate change (Evans, 2012). That is a significant reason why the NPM toolkit was supplemented in 1990s and 2000s with a range of governance reforms as described in Figure 4.

Governance and good governance

Governance is the result of interactive social-political forms of governing. The rise in the popularity of the term 'governance' is closely linked with the redefinition of the role of the government in relation to development undertakings and the management of a state's economy in an efficient and effective manner. However, the term gained widespread popularity only during the late twentieth century, thanks to international economic and financial organizations such as the World Bank, the International Monetary Fund, the United Nations Development Program and International Development Assistance. International financial organizations perceive the government as ineffective and inefficient in achieving policy objectives related to the progress and welfare of the people in developing countries.

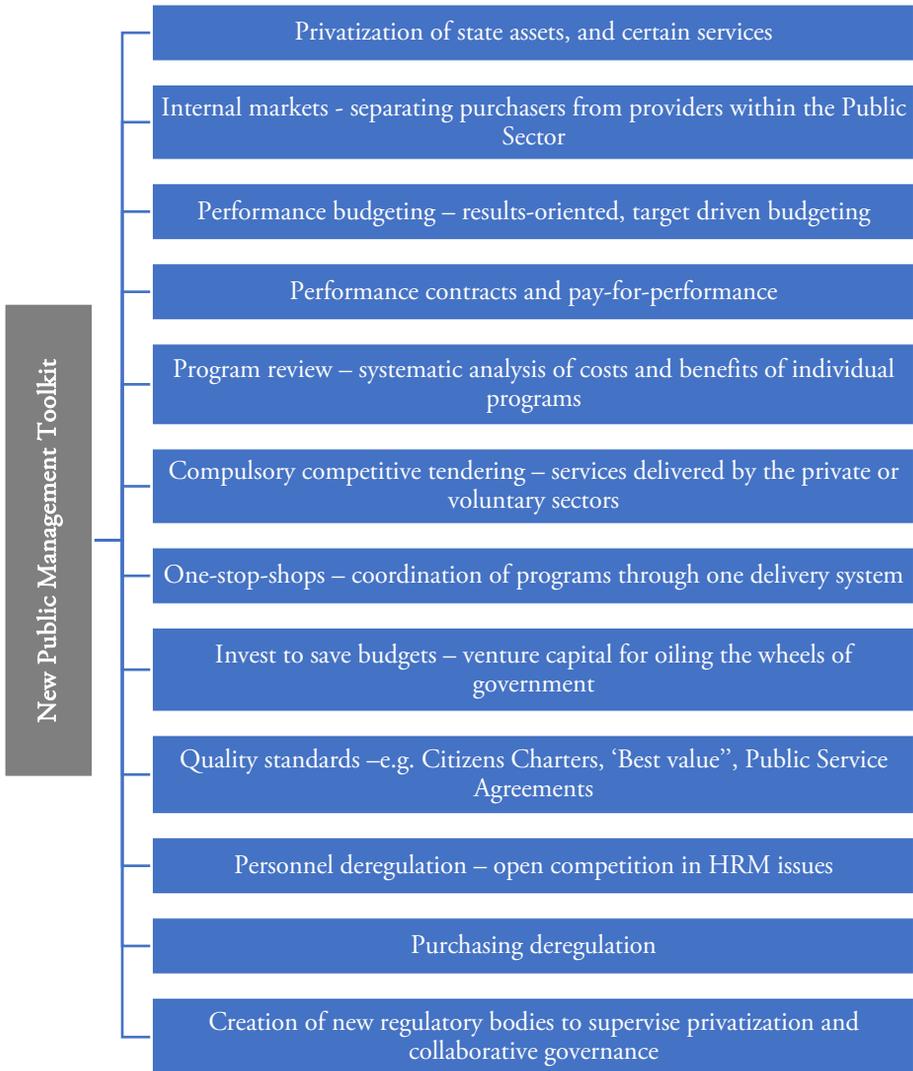
Governance has different meanings and is used in a variety of ways. But there is minimum baseline agreement that governance refers to the development of governing styles in which the boundaries between and within the public and private sectors become blurred. What were once unquestioned roles of government are now increasingly seen as more common, generic, societal problems, which can only be resolved through cooperation between political institutions and other social actors, rather than through top-down governmental issues only (Stoker, 1998: 19).

Figure 4: Governance Toolkit

Source: Evans, and Barakat, 2015: 28.

In many ways, the notions of governance and good governance have emerged simultaneously. While the notion of good governance involves a concern for sound administration, it also emphasizes competitive democratic politics. It focuses primarily on the relationship between democracy and development and on administrative improvements.

Various characteristics, principles and proposals of good governance have been derived from the policy documents of the international donor agencies and from good practices adopted by various successful liberal democracies around the world. These principles are participation, rule of law, equity and inclusiveness, transparency, responsiveness, consensus and legitimacy, effectiveness and efficiency and accountability. These principles are essential requirements of good public administration, although some principles have political connotations and ideological (neo-liberal) ingredients at the same time (Figure 5).

Figure 5: Good Governance Toolkit

Source: Grindle, 2002: 31.

A specific model of governance for fragile countries: Good enough’ governance

Fragile states find it difficult carry out the long lists of governance reforms funded by donors. Strong but unwilling states that do not provide services to their citizens are unlikely to do so in the face of pressure from donors to strengthen governance. Governance reforms need to be prioritized, achievable, and context-specific.

Development and stability can be achieved with very different governance arrangements.

‘Good enough’ governance involves effective states fulfilling certain basic functions, including protecting people from harm and providing an economic framework for people to support themselves. It may involve practices that would not exist in an ideal government – corruption may be rife, staff may lack the necessary skills, and capacity may be chronically weak and underfunded. Several studies have called for increased selectivity and realism in the reform plans proposed by donors.

Six criteria are useful when designing short-term measures to strengthen state capacity to a stage where it is good enough in fragile states (DFID, 2005):

- i. selectivity, focusing only on the main causes of instability and the main capacities of the state;
- ii. achieving visible results in the short term, however modest, to build momentum for future reform;
- iii. avoiding the most politically or socially controversial issues;
- iv. avoiding reforms that are too ambitious for the implementation capacity of the country;
- v. ensuring that reform does not erode what capacity already exists; and
- vi. strengthening accountability and legitimacy of government wherever possible

Neo-Weberian approach

The fourth reform paradigm brings together elements of Weberianism with aspects of NPM. Some scholars (e.g. Pollitt and Bouckaert, 2011) describe this paradigm as neo-Weberianism, which is an attempt to reconcile Weberian impartiality, legality and neutrality with NPM instruments designed to enhance responsiveness to citizens and public demands. In this context, they argue for a rediscovery of the state. There are different names to describe this approach, such as “post-NPM era”, network approach”, ‘new public governance’. While the terminology used to refer to this third reform paradigm remains in flux, its main characteristics include reasserting central political control, increasing coordination, effectiveness and outcomes.

It is important to note that the typologies of reform models mentioned above (Weberian, New Public Management, Governance and Neo-Weberian) are not mutually exclusive. There are also relatively recent but less well-known reform approaches, such as Public Value. In addition, none of the above-mentioned reform models is generally seen in any single country or public institution in its purity. For example, the Weberian bureaucracy plays a significant role in the daily functioning of public administration, even in countries, institutions and sectors where NPM is most highly implemented. Often, NPM, governance, and Neo-Weberian approaches are intertwined in institutions. This suggests a hybrid administrative approach rather

than a purely Weberian model of bureaucracy, NPM, or governance (Dahlström, Lapuente and Teorell, 2012; Suzuki and Demircioglu, 2019).

4.1.2 Recent trends in public administration reform

In spite of the influential neoliberal arguments of the 1980s and 1990s to roll back the state, recent surveys reveal that citizens want state institutions that are democratic, efficient in the use of public resources, effective in the provision of public goods, but also strong and capable of standing up to powerful global forces. Citizens want the state and its public administration to act as a social and economic promoter, capable of ensuring equitable distribution of opportunities, sustainable management of resources and equitable access to opportunities (political, economic, social and cultural) (Verma, 2006: 31).

Historically, a well-established public administration has proven to be far more vital to economic development than free elections or parliaments. In less developed countries and post-conflict states in particular, underdeveloped private sectors require the public administration to play a major role in the delivery of services and the provision of essential economic infrastructure. But more importantly, an established, nonpartisan civil service is vital to democracy as it makes it possible to have a peaceful and orderly political succession, and thus genuine pluralism. In recent years, public sector management is increasingly seen as more than simply modernizing state institutions and reducing civil service costs. It is also about fostering dynamic partnerships with the civil society and the private sector to improve the quality of service delivery, enhance social responsibilities, and ensure the broad participation of citizens in decision-making and feedback on public service performance (Verma, 2006: 31).

There are at least four main issues that need to be carefully considered in the public administration reform process, particularly when it comes to MENA countries like Libya (Evans and Barakat, 2015: 29).

- Firstly, since there is a direct positive relationship between public administration reforms and political restructuring, public administration reforms and political and even economic reforms should be considered together, both in terms of unity of implementation and mutual support of their content.
- Secondly, while implementing public administration reforms, especially reforms carried out in accordance with the concepts of governance, good governance and sufficient governance, it should be well calculated that cultural variables and social habits will directly affect these reforms. “It will mean different things in different places, reflecting the state of development of the country, existing norms and values, and institutional capacity. Reform is therefore as much a behavioral challenge as a problem of institutional design, and structural reform is often used to mask deep-seated

cultural problems and a failure to confront reality” (Evans and Barakat, 2015: 29).

- Thirdly, it would be overoptimistic to expect one reform model or approach to solve all the administrative, cultural and political problems of a country. In today's complex world, almost all problems are intertwined and interact with each other. Just as there is no single aspect of a problem, it is also difficult to provide a solution to that problem with a single action. It should not be forgotten that every reform model and concept aims to produce solutions for specific conditions of the time period, country and even organization, and therefore does not have the capacity to solve all the related problems. For instance, New Public Management is a toolkit used to varying degrees by public organizations in developed countries. Therefore, NPM should not be considered a panacea approach, particularly for less developed countries, while it has very useful reform tools for many administrative problems. Moreover, its success depends on a wide range of conditions such as the country's readiness for reform, cultural similarities and a relatively well-developed physical and social infrastructure. Therefore, it would be more appropriate for each country to make a unique selection by determining the reforms it needs based on its own socio-cultural and socio-political situation, rather than directly copying a model.
- Fourthly, the success of administrative reform in fragile and post-conflict countries would require the establishment of a strong reform coalition including all state actors in the country, as well as high-level coordination with the international community, such as donors.

4.1.3 A Theory of inclusion: Can the theory of representative bureaucracy play a role in public administration reforms?

Representative bureaucracy, quite different from its current meaning, was first proposed by Kingsley (1944) as "a bureaucracy representing the dominant class in society". According to him, those employed in the public sector should only be those representing the dominant class of society. Indeed, in the opposite situation, it is possible to encounter situations such as the sabotage of party programs and the non-fulfillment of political demands because parties and bureaucrats come from different classes and therefore adopt different ideas. Therefore, Kingsley's concept of bureaucratic representation is more concerned with political stability. On the other hand, Krislov (2012) defined this concept as the representation of social groups in the bureaucracy and thus expanded the representational bureaucracy theory to represent the whole society within the bureaucratic apparatus by rescuing Kingsley from a class-oriented and one-sided viewpoint.

Mosher (1968) examined representative bureaucracy in two dimensions and divided it into active and passive representation and claimed that active bureaucratic representation was a common phenomenon in the USA. By active representation,

Mosher means representation assumed by individuals (bureaucrats) lobbying for their interests and desires. The decisions and practices made in favor of the represented group in this context are a product of active representation. Passive representation concerns the extent to which bureaucracy reflects individuals in society in terms of demographic origin. In other words, the number of representative bureaucrats refers to passive representation.

Today, the most recent research on the theory of representative bureaucracy has focused on "symbolic representation". Symbolic representation, which is a current type of representative bureaucracy, means that the bureaucrats benefit from the change they create in the attitudes and behaviors of the citizens they represent, through the perceptions and behaviors of citizens (Ricucci, Van Ryzn & Li, 2015: 121).

Those who work on the theory of representative bureaucracy have attempted to prove the benefits of the theory through their studies in certain fields. In these studies, it has been found that the theory has many benefits. In this context, it is claimed that it is a highly functional mechanism in ensuring justice, especially in public service. This happens when bureaucrats act in a biased way in favor of their groups, which results in them getting more public services (Favero and Molina Jr., 2016: 12). Another important benefit is that the decisions taken especially for disadvantaged groups are affected in their favor. Representative bureaucrats involved in the decision-making mechanism in bureaucracy can influence decisions for the benefit of their own groups (Andersen, 2017: 405). Another benefit of this theory would be to break down the prejudices against these groups. The presence of disadvantaged groups, which they previously did not think would be effective and efficient in the bureaucracy, will destroy the prejudices of society and their colleagues against these groups. Perhaps this will enable more disadvantaged group members to be employed in the bureaucracy (Holt and Gershenson, 2019: 1975).

On the other hand, some criticisms have made of the assumption that representative bureaucracy will be a useful mechanism. One of these is at the level of training. Accordingly, higher education is required to be employed in bureaucracy. Higher education is in line with the economic situation. Therefore, the number of educated individuals to represent disadvantaged groups with very poor economic conditions is very low.

Another criticism is whether the principle of partiality required by the representative bureaucracy will be detrimental to the general public interest. Employing many bureaucrats who all have different interests and demands and creating a bureaucratic structure in which conflicts of interest are intense may reveal a divided and ineffective bureaucratic system in the long run (Subramaniam, 1967: 1014). In addition, this bias situation may reveal discriminatory behavior. It is also possible that the group holding power behaves in a discriminatory manner towards other groups (Lim, 2006:

200-202). Furthermore, these negative situations may have an increasing effect rather than reducing bias against these groups (Meier, 2019).

As can be seen, it can be argued that in underdeveloped and developing countries where democratic values are not fully adopted and bureaucratic systems where structural problems are abundant, it can do more harm than good. Due to the low level of education, patronage, politicization in administration, lack of legislation to prevent discriminatory behaviors, etc. are quite obvious in these countries. It can be stated that a mechanism that should be built on solid bureaucratic foundations such as reasons and representative bureaucracy will become quite dysfunctional and will even cause negative effects to emerge (Kennedy, 2014).

It would not be too optimistic to assume that the concept of representative bureaucracy would play a serious role in public administration reforms of Libya. First of all, it would be appropriate to refer to this concept in the context of ensuring representation of ethnic minorities in the south of the country in the state mechanism. For it is known that these groups are not sufficiently represented in public institutions and municipalities in the capital. In addition, one of the main objectives of public administration reforms in Libya should be to ensure that vulnerable groups in society, especially women, the poor and refugees, benefit equally and fairly from public services, solving their own problems and ensuring their active participation in the democratic process.

4.2 Developing and Implementing Public Administration Reforms in Fragile Countries and Implications for Libya

The main purpose of public administration reforms in both developed and developing countries is to make the public administration a convenient tool for the implementation of public policies produced by politicians by ensuring that the existing bureaucratic public administration is operated more effectively, efficiently, with high quality and economically. According to this approach, there is still a state structure that has become a modern state for several centuries, and when its implementation tool, the public administration, becomes cumbersome, it should be reformed and renewed and thus continuity is ensured.

However, in many countries of the world, there is still no state apparatus capable of exercising sovereign power over the entire territory of the country due to civil war, riots, economic failures and other similar reasons. In these countries, public institutions are very weak and the state authority is shared by different institutions, traditional social structures or armed organizations. Naturally, just as the functioning of public administration in these countries is different from others, public administration reforms will also differ from modern nation-states in purpose, method and scope.

In this section, the concept of a fragile state is first explained, and then the issues surrounding what aspects Libya can be considered a fragile state and therefore how this situation can affect public administration reforms are discussed.

4.2.1 The notion of fragile state

Although there is no internationally agreed definition of fragility, most development practitioners have adopted the OECD definition: “a state with weak capacity to carry out the basic state functions of governing a population and its territory, and that lacks the ability or political will to develop mutually constructive and reinforcing relations with society” (OECD, 2007). As can be seen from the definition, the state’s ineffectiveness in service delivery and inadequacy of the state’s authority and legitimacy are the underlying factors for fragility. ADB adds the following features to the list characterizing fragile countries: weak governance, ineffective public administration and rule of law, and civil unrest (ADB, 2007: 6)

Policy makers as well as social scientists are increasingly concerned about what appears to be a growing body of “weak”, “fragile”, or “failing” states. This is understandable, as few issues are as central to contemporary international politics – to issues of development, management of the global commons, and human and collective security – as the issue of well-organized cooperation between effective states. States retain central responsibility for ensuring the safety and security of their citizens, protecting property rights and providing public goods to enable the market to operate efficiently. Many states do more, taking on critical welfare functions for their populations (OECD, 2008).

Fragile states can also be divided into different categories based on their fragility. The fragility category of countries varies depending on the economy they are in, as well as the severity of their social and political problems. Table 4 includes scenarios for fragile states created according to their levels of fragility and their tendency to overcome or produce more fragility.

Table 4: Fragile State Scenarios

Category		Scenario
Declining	Arrested Development	Stagnation with low levels of effectiveness and legitimacy
	Deterioration	Declining levels of effectiveness leading to lower legitimacy, rising risk of violence or collapse
Stabilizing	Post-conflict transition	Low levels of effectiveness, transitory legitimacy, recent violence, humanitarian crisis
	Early recovery	Rising levels of effectiveness and legitimacy, declining international resource requirements, emergence from conflict or other crisis

Source: OECD, 2008.

In countries experiencing fragility, the delivery of public services—such as security, social protection, education, health care, clean water, energy and waste management—is often inhibited by conflict, weak public institutional capacity and insufficient infrastructure. In fragile contexts, gaps in service delivery are often filled by non-state actors, including civil society organizations, armed groups, and religious communities.

It is widely recognized that the provision of services that meet the needs of citizen improves the public's perceptions of the state. As such, many state-building interventions use support for public service delivery as a means to improve the perception of state legitimacy. In fragile and conflict-affected contexts, where the delivery of public services such as education, health care, water and sanitation tends to lag behind other countries, service delivery has become a central focus of many interventions. In fragile and conflict-affected contexts, the political environment, the level of state capacity, the degree of public trust in government, and the dynamics of conflict may determine the service provider, which may be the state or a non-state actor (Slater and Merry, 2016).

At least a quarter of the world's population lives in fragile and conflict-affected situations—affecting either an entire country or a region or area within a country—where the state is functionally and institutionally weak, unable to extend its authority effectively, and where political legitimacy is challenged by conflicting interests and values. The abnormal circumstances brought about by fragility and conflict require special attention and the international community needs to work differently in fragile and conflict-affected situations. Working in fragile and conflict-affected situations involves a greater commitment of resources and time, as well as greater risk. These countries require a significantly different, long-term commitment to seemingly intractable problems for which a short-term response is insufficient. In addition, no single agency or actor can provide all the resources needed to address the following challenges (ADB, 2012).

A key task in these countries would be to deal with state-building process which involves achieving the following objectives (ADB, 2007: 36):

- Foster inclusive political settlements and processes, and inclusive political dialogue.
- Foster regional stability and cooperation.
- Establish and strengthen basic safety and security.
- Achieve peaceful resolution of conflicts and access to justice.
- Develop effective and accountable government institutions to facilitate service delivery.

- Create the foundations for inclusive economic development, including sustainable livelihoods, employment, and effective management of natural resources.
- Develop social capacities for reconciliation and peaceful coexistence.

State-building in fragile states is a critically important and highly challenging task (OECD, 2008). The complexity and contextual specificity of the state formation process, as well as the limits of external influence, mean that sustained and serious efforts, research, and policy innovation are needed urgently. Successes will contribute to human security, development and international stability – benefits requiring substantial national and international engagement.

As in any other sector, a key issue is the interaction between local and international actors providing assistance. The main activities in which these actors engage include determination of the form of public administration to put in place, civil service reform, inspection of public institutions, different possibilities and forms of decentralization, modes of governing at the local level, means of dealing with corruption issues, and models of participation and civic engagement processes (Ingrams, Piotrowski and Berliner, 2020).

4.2.2 Should we design public administration reforms in fragile and post-conflict countries differently from other countries?

Issues of public administration, governance, public service delivery, legitimacy and participation play important roles in overarching issues of peace-building and state-building processes. During the 1970s and 1980s, a process of neoliberalism instituted programs that envisioned a diminished role of government and administrators. This made the process of governance particularly difficult given the lack of financial capacity allocated to these sectors. At times, this intensified conflict by limiting the state's ability to reign in patronage networks. As a consequence, a new focus has been placed on institutions, and the essential role of the state in peacebuilding. This system not only illustrates a traditional perspective on sovereignty, but notes that the legitimacy of states also rests on their capacity to effectively deliver public services to citizens as well as to perform specific government functions. A well-functioning public administration is a prerequisite for this end (Peacebuilding Initiative, 2009).

Based on the general guidelines mentioned above, it would also be beneficial to investigate best practices in fragile and post-conflict countries in Africa, Asia and South America. Although it is not possible to find a successful reform program with all its elements and dimensions in any post-conflict and fragile country, areas of reform where each country has progressed partially can be found. Table 5 brings

together some of the reforms identified by academic research, selected from different continents and cultures and implemented with some degree of success.

Table 5. Best practice of PAR in fragile and post-conflict countries

Reform Area	Country / region	Source
Civil service reform	Aceh, Indonesia	Hillman, 2013
Public-private partnerships	Afghanistan and Liberia	Rahman and Maio, 2020
Anti-corruption strategy	Sierra Leone	McCourt, 2013
Citizen charters	India	McCourt, 2013
Decentralization	Indonesia and Uganda	McCourt, 2013
Accountability mechanisms	India and Brazil	McCourt, 2013
Performance-related pay	Mauritius and Malaysia	McCourt, 2013
Establishing a public service legal framework	Tanzania	McCourt, 2013
Downsizing	Russia, Tanzania, India	ECfA, 2010
Human Resource Management reforms	Bulgaria, Bolivia and Albania	ECfA, 2010
Organizational reforms	Russia, India, Tanzania	ECfA, 2010
Training/ capacity building	Ethiopia, Russia	ECfA, 2010
Building partnerships with private sector and CSOs	Ghana and South Africa	ECfA, 2010; Ayee, 2008
Performance management	South Africa, Kenya	ECfA, 2010
Promoting accountability and transparency	South Africa	ECfA, 2010; Ayee, 2008
E-government	South Africa	ECfA, 2010; Ayee, 2008

Source: Compiled by the authors

Considering the set of best practice examples in the table, the elements that ensure successful implementation of public administration reforms that can be described as successful in these countries can be summarized as follows: Ownership (political will by top leadership), changing economic trends, administrative load imposed by reform, political constraints, existence of a coherent executive team in charge of reform, 'reform readiness', trust between government and entrepreneurs, government-donor and donor-donor coordination, administrative capacity and financing, national consensus on reform, and project design (ECfA, 2010).

4.2.3 From new public management to neo-Weberian state and beyond: Quest for a public administration reform program for fragile countries

A considerable amount of resources and attention is allocated to building effective public administrations during the reconstruction and stabilization of fragile states (Brinkerhoff, 2015; Ayee, 2008)). For successful implementation of administrative reform, institutions and structures need to be based on modern administrative practices, which is, however, difficult under conditions of fragility. For this reason, not only NPM, which aims to make the state and public institutions more effective, flexible and efficient, but also the Governance Approach, which advocates the involvement of civil society organizations in the country, especially the nongovernmental organizations, in the process of providing public services, and even the Good Governance, which requires the development of political rights and freedoms and the strengthening of rule of law in the country, all require the existence of a strong public administration apparatus as a precondition.

The process of neoliberal reform largely influenced public sector reform and the move toward a New Public Management (NPM) approach. These neoliberal policies were instituted through the funding mechanisms of the international financial institutions from the 1970s onwards. During the first generation of reforms, the loans encouraged a retreat from state administration through a double process of deregulation and privatization. Though there are various perspectives on these issues, most analysts have shown that in the period following these programs, many developing countries experienced the evolution of a 'governance gap,' that is, a disparity between the governance needed, and the ability of the government to fulfill that need (Peacebuilding Initiative, 2009). This gap left public administration limited and unaccountable to the state apparatus, allowing national and local governance structures to be largely controlled by powerful elites, undermining political balance and contributing to violent conflict.

As a result, in the aftermath of conflict, any intervention to reform public administration and establish mechanisms of governance is met situations in which most institutions, governance mechanisms, and processes have been disintegrated or degraded. The most challenging situations are those in which the conflict has weakened the state's ability to control territory, and where the public administration and security apparatus has been significantly corrupted by rent-seeking activities, as has been the case in Libya and some other states (Peacebuilding Initiative, 2009).

Some practitioners and analysts now consider it important to move away from this NPM approach and perceive the state as an integral component to any solution. This new approach, widely referred to in the public administration literature as Neo-Weberian State Approach, presents a significant challenge as well. Complete reliance on the state may not be possible in the immediate post-conflict period, nor is it advisable. In the absence of administrative legitimacy, bolstering these networks can actually exacerbate societal tensions and undermine peacebuilding in post-conflict societies (Kisner and Vigoda, 2017).

Even assuming that political will exists and that administrative channels would be used for legitimate purposes, this approach takes little account of the reality of post-conflict government capacity (Paris, 2004). As scholar Roland Paris points out in his synthesis of these debates, most of the literature and interventions assume that "the existence of *functioning states* is a given...But this methodology offers little insight into the challenges of peacebuilding, since war-shattered states typically lack even the most rudimentary governmental institutions." (Paris, 2004: 6).

Thus, an intermediary solution may be presented by the motto developed by Roland Paris: "Institutionalization before Liberalization". This approach involves laying the foundations for effective political and economic institutions, and then taking incremental steps to build democracies and market economies. More specifically, it could involve delaying reforms until political conditions are less fragile, spreading reforms over a longer period of time, and generally ensuring sound legal and governance frameworks in place as a starting point (Paris, 2004: 199). This meets other recommendations to contextualize decisions in accordance with an appropriate sequencing and prioritization of reforms in Libya.

4.2.4 Governance and administration as possible facilitators of state-building in Libya

The structure and capacity of state institutions is widely considered as a key factor in fragile and post-conflict countries, like Libya. "Rebuilding the capacities of the state and the (re-) establishment of credible, transparent, participatory and efficient governance and public administration institutions in fragile post-conflict settings is the key ingredient to achieving peace, stability and sustainable development. A solid governance infrastructure, based on well-articulated horizontal and vertical divisions of power, is crucial to delivering on political promises and providing necessary public goods such as security, health care, education and infrastructure. State or nation building is the central objective of every peacebuilding operation and depends on the reconstitution of sustainable governance structures. Post-conflict nation-building

comprises, at a minimum: the rule of law, judicial, constitutional and security sector reform, the establishment of mechanisms of political participation and inclusive policies, the effective provision of basic services and goods, the fight against corruption, the promotion of a democratic culture; free and transparent elections, and the promotion of local governance" (UNDESA, 2007: 9).

Indeed, there is increasing acceptance of the idea that modern states must perform a variety of functions beyond holding the legitimate monopoly on the use of force in a given territory, as suggested by Max Weber a century ago. The capability to perform these functions enhances either stability or instability. Where functions are performed in an optimal and integrated manner, conflicts are channeled through inclusive institutional channels and tensions can be mediated through peaceful processes (Verma, 2006).

However, fragility stems from the weakness in the dynamic political process which matches citizens' expectations with the states' capacity to deliver services." The inability of the state to perform its functions can lead to a loss of trust and legitimacy between citizens and the state, perpetuating a further weakening of the state's functionality (which then cyclically erodes the social contract and trust between the citizen and the state, and so on). "Stabilization and structural reform, as well as institution- and capacity-building activities" are also considered as "necessary to reactivate the economy and bring it to a sustainable development path" (Castillo, 2003: 5).

Perhaps the centerpiece of an effective governance model is a well-functioning public administration, which is the channel through which policies are implemented. "At the center of credible governance and public administration is *an effective public service* [...]. Therefore, a capable public service, based on a merit and incentive system, has a greater influence on recovery than is generally recognized, both in terms of delivering aid and basic services and in rebuilding national cohesion and credibility, legitimacy and trust in government" (UNDESA, 2007:11). Of course, public administration mechanisms may have been significantly eroded by the conflict. Yet those that make up this sector are central actors in the implementation of public policy, and therefore, when legitimate, are paramount agents of state-building. On this basis, "the public service is called upon to be an agent of change and to ensure that it undergoes self-transformation to adapt to and manage the changed and evolving socio-politico-economic and social governance terrain" (UNDESA, 2007: 11).

4.2.5 Role of local governance

Several government tasks are only possible or are best carried out at the central level: the state's monopoly on the use of force, major economic regulatory functions and fiscal and monetary policy requirements, and large-scale infrastructure programs that affect a large part of the country or a region. However, there are numerous other governance issues that do not require the exclusivity of the central level, and indeed may be better addressed through some degree of decentralization. Broad generalizations, of course, oversimplify the issues, as both fragile states and subnational governments vary widely (Brinkerhoff and Johnson, 2009: 589). Central government provision of a large amount of public services could cause additional problems in fragile states, particularly for the following reasons: Weakly rooted national government, poor distribution of services and resources and weak national integration.

The potential benefits of decentralized local governance include avoidance of 'winner takes all' politics, experimenting with alternative solutions, increasing legitimacy, building democratic and conflict management capacity, accelerating service delivery and mitigating regional inequities (Brinkerhoff and Johnson, 2009: 590). In fragile and post-conflict states, good governance reconstruction programs often aim too high. It is more realistic to aim for *good enough governance* solutions. Decentralized local governance can be an integral part of these solutions, and offers several advantages in countering problems faced by central governments: weak roots beyond the center, poor distribution of services, and weak national integration.

4.2.6 Is Libya a fragile state?

In academic studies, the taxonomy of effective state capacity evolves around the concept of fragility: Is a state fragile or not? However, this study argues that a state has a life cycle, one that goes through four transitional phases along the state transition curve, resulting in different levels of effective capacity over time (Ali, 2018: 765). This taxonomy is consistent with Grimm's (2014) continuum of state governance: ranging from the "consolidated state," which has governance effectiveness, legitimacy, and authority, to the "failed" state, which has little or no governance effectiveness, legitimacy, and authority. The "fragile state" category was placed somewhere between these two polar state groups. Although Ali (2018) places Libya among "failed states" in the MENA region, there is a large number of other academic works that classifies Libya as a fragile state.

4.3 Previous Public Administration Reform Efforts in Libya and Their Consequences

The size of civil service, the level of corruption, and the inefficiency of public administration have increased considerably over the last decade of the Gaddafi rule. Several policies to address this situation, focusing on system reform, size, recruitment, efficiency and performance evaluation, were designed with the help of international organizations and private consulting firms. These included the introduction of measures such as early retirement, offering rewards for transfers to the private sector, easy loans for SMEs and other financial incentives to encourage state employees to forsake their jobs. However, these attempts fell on deaf ears as the civil service continued to increase in size and budget (Savani, 2018).

One of the most ambitious attempts at governance reform took place in 2006, when the Libyan government contracted a U.S. consulting firm, Monitor Group. The government also commissioned a British consulting firm, Adam Smith International, to help develop a strategy for the development and reform of the civil service and public administration. The two consultancies compiled a number of reports containing proposals and a set of policies and programs. These included upgrading political institutions, eliminating the informal system, providing civil services, developing human resources and capacity building, and promoting public sector decision-making mechanisms (Savani, 2018).

The reforms proposed by the Adam Smith Institute and the Monitor Group consultancies focused on a variety of proposals and action plans. These involved the reduction of government red tape, the launch of a one-stop-shop to coordinate intergovernmental services for businesses and entrepreneurs, facilitating licensing, easing the regulatory burden, establishing a business school, simplifying administration and increasing decentralization. In particular, Adam Smith International's proposals included the restructuring of civil service, especially the Prime Minister's office and ministries, to clarify roles and responsibilities. It analyzed the policymaking process and how strategic decision-making can be strengthened. The work of Monitor Group, with the supervision of a local team of experts, produced a Governance Blueprint that detailed plans to upgrade political institutions and become more democratic and efficient in addition to advocating for the adoption of a constitution (Savani, 2018; Wimmer, 2009). As a result, a constitutional document, draft laws for civil service, labor, new organizational structure for the executive branch, ICT projects, free press, civil society, and a proposed civil service commission organizational structure and plan were drafted. A detailed plan for the

establishment of senior civil service, diagnostic reports on salaries and grading, training development plans, and a draft civil service code of conduct were prepared. Their reports also addressed the reform of the wider executive branch and the local government branch including fiscal arrangements to effectively manage the local level of government (Wimmer, 2009).

The reform program included measures in areas such as training and restructuring of ministries. What is revealing is that due to the conflict and civil war that Libya is witnessing, the transitional governments have ignored most of the reforms, initiatives and policies adopted or partially implemented before 2011. The governments preferred the return to more centralization and rigid practices that run counter to all democratization claims and betray the aspirations of the people who revolted against the former regime. There are still no adequate and functional controls and balances on public administration, with central government organs expanding their powers (Savani, 2018). Although these partial reforms, which were undertaken in the Gaddafi period but did not reach a concrete result, were promising developments indicating that the existence of important administrative problems in the country was accepted by the political elites, their unsuccessful results may also have led to a partial syndrome of learned helplessness in the country. Although the Gaddafi regime was overthrown and a new phase started in the country's history after 2011, many important administrative problems in the country are still waiting for solutions due to the ongoing civil war. Among these, the most important ones are the dependence of the public on the state due to the continued weight of the public in the economy, the excessive centralization and weakness of local governments, the low efficiency of the public personnel despite the large number of public bureaucracy, and the continuity of old and citizen-unfriendly methods in the provision of public services. In Libya, the weakness of the state and the inability to provide public services allow non-state forces, especially tribes, to fill this gap.

Interviewee Perceptions on the Roles and Functions of Tribes

- Previous reform attempts did not touch the real problems in the field. For example, they did not mention fundamental economic reforms, the issue of corruption and structural changes. Political, economic and administrative changes are interdependent... It was not tribalism, regionalism or financial problems that prevented previous reforms, but a lack of vision for the future... Not only politicians, but also the majority of citizens do not demand fundamental reforms, because people are accustomed to a culture that everyone is dependent on the state in one way or another.

4.4 Assessing the Readiness for Technology-Enabled Public Service Delivery

There is a common perception in available specialized reports that Libya is still lagging behind in ICT in general and e-governance in particular. Specialized and comparative studies on e-governance readiness in the region all point to the country's rather backward position in ICT. As early as 2003, prior to the launch of the economic and political reform package, government departments and local authorities had had no internet presence. Just before the popular uprisings against the Gaddafi regime broke out in early 2011, internet services and social media usage increased dramatically. The official Libyan government website went online in 2008. Along with economic reforms, the country acquired new technologies and a state-owned internet provider was established enabling the country to improve its ranking in 2008. In 2011, Libya took the initiative with a new project called E-Libya aimed at turning the country into an information-based society.

Currently, the Libyan government has more than 70% of its national ministries online, with the provision of service information (Savani, 2017). This development has been well placed in a broader vision for Libya's future and with the aim of increasing its competitiveness, but has not lived up to a full-fledged internet-based government interaction with citizens. Though the government included an ICT component in its Inclusive National Economic and Social Strategy, with the help of foreign consultants who have sought to increase the role of citizens in policy, government ministries' websites remain underdeveloped. The Information and Telecommunication Authority contracted with a multinational company in 2013 to execute the project as part of a five-year plan to bring the country to a fully-fledged e-services by 2018. The project, stalled because of current insecurity, would have included e-government, open government (access to information), e-commerce and e-education (Khamallag, 2018; Mohamed, 2017) The same applies to an ambitious e-education project announced in 2009 to provide online educational content, but which only became a static website displaying textbooks in PDF format for students. The post-Gaddafi era has so far witnessed no real development in any field; the country essentially lags behind other MENA countries or those in the Middle Income Group as identified by the UNDP. Users struggled with painfully slow internet speeds and could only get limited interaction with the government, via emails. The latest figures suggest that the number of Libyan Internet users have increased to an all-time record of 1,362,604 representing nearly a quarter of the population (Savani, 2018).

The effects are evident as Libya now ranks at the bottom of the lists published by the UN. The studies conclude that Libya figures between stages one and two of the e-government stage model, with many ministries and central authorities not yet having reached the initial stage. However, the Libyan government must continue to improve its e-government in order to conduct government transactions online (Darbok, 2019). The ICT physical infrastructure is abundant but not designed with the objective of e-governance in mind. All government departments and authorities and other public institutions funded by the central government as well as local bodies have acquired hardware and employed a significant number of IT and computer specialists. However, such development does not really spring from the conviction of the merits of e-governance. Government officials still think that having a website on the internet is enough. Most of the ICT infrastructure in Libya is designed to be used within the organization and is not centered on serving citizens. Governments departments in Libya are using different ICT tools, which makes it difficult to centralize services from various departments and make them available to citizens through an e-government platform.

A rigorous plan deemed inevitable given the dire needs of the country to improve services and service delivery. Libya remains in the lower margin of countries with rather poor performance in online services relative to income, with a near-bottom rank on the service index that measures the value and role of online service utility and its impact on service delivery and on the business environment (Savani, 2018).

5

Reform Proposals

The previous chapters provided a comprehensive review of the current structure, challenges and problems associated with public administration in Libya, and discussed several alternative approaches in reforming public administration. In the light of these discussions, this chapter presents alternative reform proposals developed in response to these challenges. Each addresses some of the challenges of public administration and is expected to contribute to a more effective functioning of the public administration system in Libya.

The reform proposals developed under the project to address the needs of Libyan public administration can be grouped into 10 categories, as presented in Figure 6. This chapter provides a detailed explanation of the reform proposals by discussing the rationale and main features of these proposals.

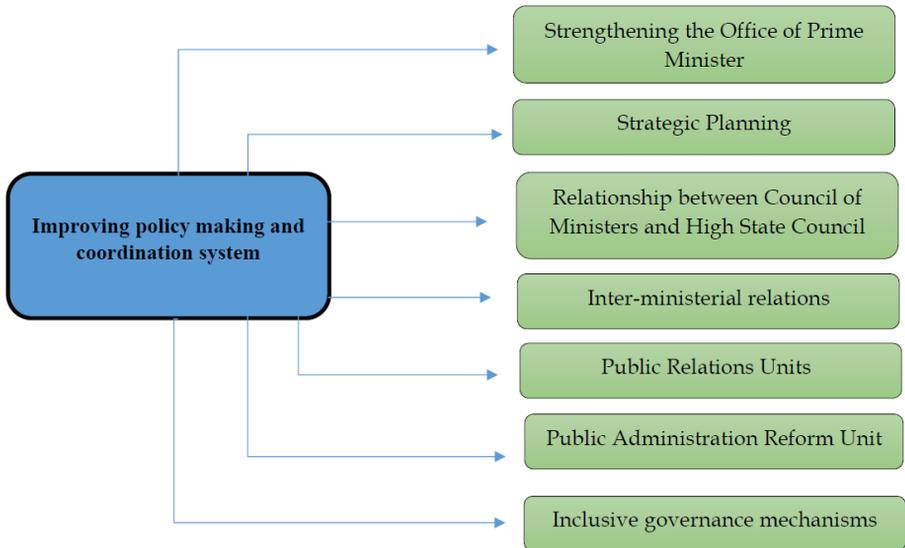
Figure 6: Ten Priority Areas for Reforming Public Administration in Libya



5.1 Improving the Policymaking and Coordination Process

At the end of the conflict, the new Libyan government may be formed on the basis of power-sharing arrangements, and therefore, the government's leadership may not have had previous experience in public administration, and the skills necessary to successfully lead or defeat an insurgency may not easily translate into the management of the public sector. Executive coordination at the center of government sits at the intersection between the political and administrative elements of government (United Nations/World Bank, 2017). As in other areas, it can be difficult to identify whether apparent dysfunctions in the policy coordination process are rooted in low physical and human capacity, or reflect the incentives of policymakers.

Figure 7: The proposed reforms in the field of improving policymaking and coordination system



Source: Compiled by the authors

5.1.1 Rationale for dealing with policymaking and coordination processes

Central mechanisms for policy formulation and coordination play an essential role in ensuring the consistency, transparency, and predictability of government policy. “The first requirement of an effective administrative apparatus is to define and communicate clear policy directives and decisions to it. It is therefore necessary to have institutions capable of producing decisions that are consistent, affordable, and implementable. There is also a need to improve transparency and predictability in

the policy process, so that powerful individual ministers do not short-circuit the system and undermine collective goals in pursuit of their parochial interests” (Beschel and Manning, 2000: 98-99). However, they alone do not guarantee effective policy coordination. Much of the day-to-day operational coordination takes place at lower levels of the bureaucracy, and for this reason governments have devised a wide variety of mechanisms to promote formal and informal collaboration. In a well-known metaphor, the central mechanisms for policy coordination and implementation can be compared to the brain or central nervous system of government (Beschel and Manning, 2000:79).

In Libya, it seems that political authority has traditionally been concentrated in individuals, who rely on personal relationships and patronage to exercise their authority. Business is conducted directly and verbally, and through personal agreements rather than rules. Issues are addressed in an ad hoc and informal manner as required. Advisors are chosen for their personal loyalty, and qualified administrative staff are present in modest numbers or absent altogether. In the period following the 2011 revolution, the council of ministers plays the central role in policy formulation and coordination in Libya. The fundamental objective of the policymaking apparatus is to ensure high-quality decision-making by the senior leadership.

However, decision-making and policy coordination system in Libya has some weaknesses, reflecting the country's fragile conditions; in that, the policymaking process in Libya is opaque, and the priorities of policymaking bodies (council of ministers, presidential office, ministries, etc.) are ad hoc. Therefore, PAR should focus on improving the efficiency of the policymaking process. This involves strengthening the cabinet secretariat or equivalent, creating mechanisms for horizontal coordination around policymaking and implementation, developing a process for setting the policymaking organ's agenda, designing a system of ensuring that draft policies are based on appropriate analysis, and creating systems for disseminating policy decisions and monitoring their implementation.

With respect to policy coordination within Libyan government, it seems that at least 3 basic capacities need to be restored; the capacity to structure decision making at the center of government; the capacity to manage government records and documents; and the capacity to communicate to the administration and the population.

The vision of a reformed and well-functioning public administration and a strategy to realize that vision need to be elaborated and a broad consensus within government must be built around it. The vast majority of policy issues are resolved through such mechanisms, and the Council of Ministers serves primarily to ratify consensus arrangements that have been reached at lower levels.

Coordination of policy within large ministries is particularly critical. To enhance cooperation among all the organizations that report to a given minister—

departments, service agencies, administrative tribunals, etc.—Libya can use the concept of *portfolio management*. Its purpose would be to improve the coherence of policy formulation and decision-making processes within and across ministries, to provide advice on legislative reforms, to exchange information and experience, and to work on horizontal issues. This approach is especially suitable for large ministries with a substantial span of control.

Policy coordination mechanisms need not be confined strictly to executive departments. The Council of Ministers should establish a strong parliamentary affairs office to maintain good relations with the legislature, to seek the advice of influential lawmakers on matters of relevance to the executive branch, and to obtain their support for priority policies and initiatives soon after national reconciliation is achieved. Besides, policy formulation and coordination should not be confined to the government; the Libyan government should establish a governance mechanism such as business-government council to facilitate coordination with the private sector on key policy initiatives and receive views from the private sector on how to attract investment and develop economic activities.

In addition, a strong and effective secretariat within the Prime Minister's Office is necessary for effective policy coordination. That office can ensure an orderly flow of traffic and facilitate the decision-making process and monitor implementation of the decisions, while ensuring prior consultation of all relevant government stakeholders.

Libya has yet to develop a national development strategy and lacks a framework for aligning and coordinating priority actions to achieve the Sustainable Development Goals. Libya also requires additional capacity to collect and analyze the data necessary to develop such strategies and monitor progress. Within a proposed two-year timeframe after the newly elected government takes office, the focus of the country program should be to strengthen policy capacity and to develop action plans for each development priority, including public administration reforms.

For Libya to move forward on the path of sustained peace and increased prosperity, the theory of change suggests that it will be necessary to overcome the lack of political, social and economic inclusion and cohesion. This will be dependent upon the emergence of a legitimate and unified government authority capable of exerting control over institutions of governance, security and the economy. Short-term development priorities include improving the effectiveness, oversight, and reach of existing public institutions; ensuring the rule of law; improving public services; expanding civic engagement and participation in political and development processes; and increasing economic opportunities. These are key elements to building the trust among communities—and between communities and the Government—necessary to build legitimacy for a unified State.

Coordination of policy within large ministries is particularly critical. To enhance cooperation among all the organizations under a given minister—departments, service agencies, administrative units, etc., to improve coherence of policy

formulation and decision-making processes within and across ministries, and to work on horizontal issues, a consultative mechanism can be established among the heads of each unit. This approach is particularly well suited to large ministries with a large span of control as well as to large state-owned enterprises (SOEs). However, the legacy of authoritarian rule and the absence of effective and accountable governance institutions, combined with the tribal aspects of governance, the discriminatory elements of traditional norms and values that govern Libyan society, and a flourishing “economy of predation”, pose significant structural challenges to State-building and addressing inequalities.

Major problems identified in the field of improving the policymaking and coordination process in Libya and the suggested reform measures to remedy them are presented in Table 6.

Table 6: Identified problems and reform suggestions about policymaking and coordination

Identified Problems	Reform Suggestions
Lack of relevant legal framework	Streamlining the legal framework on policy planning
Lack of unified policy planning system and methodological guidance	Introducing strategic planning and comprehensive but flexible middle /long term national development plans
Lack of a comprehensive analysis, strategic framework and clear policies for public policy areas	
Weak linkage between policy planning and law making	Designing a uniform system of policy planning and ensuring methodological guidance
Weak linkage between policy planning and budgeting process	Ensuring linkage between policy planning, aw making and budgeting
Lack of institutional capacity for the coherent and well organized policy development and coordination	Building institutional capacity to enhance policy analysis, planning and coordination at the central government level by strengthening the Office of Prime Minister Developing governance and consultation between central and local governments
Weak monitoring, reporting and evaluation systems	Developing comprehensive management, monitoring, reporting and evaluation systems
Weak legitimacy of government institutions	Establishing public relation units in each major public organization
A culture of self-managed institutions with weak horizontal policies	Developing governance and consultation between central and local governments

Source: Compiled by the authors

5.1.2 How to improve policy making and coordination system in Libya

Strengthening the Office of Prime Minister to fulfill its policy-planning and coordination functions

A well-functioning policymaking system is a key pillar of a transparent and effective democratic system. The institutional architecture at the center of government (CoG) for carrying out policy planning and coordination functions should be in place and able to ensure the well-organized and competent functioning of the policymaking system (OECD, 2017). The institutional set-up within and across institutions responsible for the policy planning, coordination and development functions should be without significant gaps and overlaps, and should not be too fragmented.

The policy and legislative outcomes of the government should be planned within the capacity of the administration and the government's financial situation, be coherent, focus on priorities, and ensure that the government performs collectively and keeps its promises to the public. The government should regularly oversee the existing legislative framework to ensure that it remains relevant and up-to-date.

Although the legal framework for establishing critical functions is in place in Libya, the routines for the basic functioning of the system are poorly established, in that there are shortcomings in the implementation of the coordination of the preparation and approval of government priorities and work programs. The primary challenges related to the effective implementation of functions that require well-developed capacities and good inter-institutional cooperation.

The Office of Prime Minister in Libya should be strengthened to fulfill its functions. In addition to preparing the government sessions and ensuring legal conformity, the following other functions should also be undertaken by the office: Coordinating the preparation and approval of the government's strategic priorities and work program, coordinating the policy content of proposals for government decision-making, ensuring that policies are affordable and coordinating public sector resource planning, monitoring the government's performance to ensure that the government collectively performs effectively and keeps its promises to the public, and handling the relations between the government and other parts of the state (president, parliament, etc.).

Institutional coherence or fragmentation does not in itself determine how well the system works, for three reasons. First, even within an institution, cooperation can be poor. Second, the division of functions among several institutions can be balanced by well-functioning inter-institutional co-ordination mechanisms (formal or informal). Third, functioning depends on the center of government's staff capacity,

including sufficient staffing for proper implementation, as well as the requisite legal and administrative tools.

“A good-working decision-making process should perform at least five basic functions in turn: to provide upstream information to ensure that government concerns and strategic priorities are identified and addressed in a timely manner; to ensure that the key participants in the policy process are consulted and have adequate time to review and prepare, and that meeting agendas have been prepared and disseminated in advance, to ensure that the cost of proposals is estimated, their legality ascertained, and viable alternatives are explored, to record and disseminate the decisions, and archive them in a readily accessible database; and to monitor their implementation” (UN/WB, 2017).

Beyond these basic functions, the executive office may be given an analytical role or be asked to help coordinate between the executive branch and the legislature. It could be charged with overseeing strategic priorities, and monitoring performance in areas of particular importance to the government. Eventually, it can play a role in supporting the development of a national strategy, which can provide a common vision for development.

Setting strategic priorities is a crucial function to ensure that the government is able to meet its political commitments. Libya is advised to assign the function of *strategic management*, including the setting of short-, medium-, and long-term priorities, to a separate institution as is the case in many European countries. Currently, these functions are allocated to a separate ministry, Ministry of Planning, in Libya.

Coordinating the policy content of the proposals for government is the most challenging function in Libya, as it is the case in many other African countries. Although the Libyan government has established this function within the Prime Ministry, it has difficulty analyzing and managing policy content because of an administrative culture where civil servants do not handle policy issues, limited staff capacity, and an unclear division of tasks among structural units. Libya can solve this problem by creating a separate policy analysis unit or by streamlining all necessary functions across the different policy sectors within the core executive.

Monitoring of government performance is crucial to ensuring that the government delivers on its promises. This is a challenging function, as it requires properly designed and articulated aims and objectives to monitor their implementation. Structurally, there are two options for Libya to monitor the government’s performance: either to create a separate unit to fulfill this function, or to assign this task to the officials who are also responsible for setting priorities and programming the work of the government. At present, the Libyan government seems to have only

basic monitoring capacities in place. However, in order to disseminate and monitor the implementation of decisions made by the Council of Ministers and the President, it is necessary to preserve, protect and retrieve proposals and documents. Indeed, adequate records management is essential in all core government functions (UN/WB, 2017). A senior person within the Office of the Prime Minister or the President's office should be assigned responsibility and the office should adopt policies and procedures to guide the *records management* function. The responsible person or entity needs to have the influence and authority to assure that all government agencies follow records management rules and to have access to all records repositories and systems, especially if there is some division of control among agencies along ethnic or political lines. For this reason, it would be appropriate to place responsibility for records management within the central executive office or in one of the core entities of public administration close to the center of government in Libya.

Last but not least, a function which the core Libyan government should take seriously is *communication and public relations*. It is expected that in the near future, in the process of transition to the democratic system, strategic messaging will play a more important role in forging a stable political settlement and building the new government's legitimacy. It is therefore important that a communications capacity be established quickly within the executive office. This can promote consistency in government messaging; help dispel potentially destabilizing rumors; and raise the public profile and visibility of the nascent government. Care also needs to be taken to ensure that such a communications capacity does not simply become a propaganda tool for the government or the politicians in power. Rather, it should serve in the interest of the state and the institution of government as the organized and legitimate representative of Libyan society. *Public Relations and Communication unit* should be assigned various tasks pertaining to relationships with citizens (e.g., answering letters and complaints of citizens and ensuring access to information) that overshadow the main task — communicating the government's message and explaining its objectives and policy measures to the public. This task can be carried out by a ministry (Ministry of Information and Public Relations) or by a strong unit working directly with Prime Minister and The President.

While effective policy coordination is grounded on the functions outlined above, there is no "one best way" to accomplish them. The composition of the cabinet and the conduct of cabinet meetings can vary significantly, and will influence executive coordination structure. Libya's interim government seems to lack an adequate supporting unit at the center. The provisional government (and the elected permanent government when it is established in early 2022) could use a number of different alternatives to obtain administrative support and guidance. For example, it

can establish *sub-cabinet committees* to identify and resolve major issues, develop policy recommendations, and oversee and coordinate implementation. Such committees can be formal or informal, as well as permanent or ad hoc, depending on the nature and extent of the issues. However, no matter which alternative has been chosen for the sub-committees, the Office of Prime Ministry should be strong, with adequate number of experienced officials, as it will have a number of difficult and extensive duties to perform, ranging from basic secretarial issues to comprehensive monitoring of policy implementation and performance measurement of major public organizations, including ministries, SOEs and the (to be established) regulatory agencies.

Improving strategic planning and policy development

Strategic planning, coordination of policy development and implementation should be among the core activities of the public administration system. The quality of the policy-making process determines the efficiency and effectiveness of policy implementation. In addition, it is essential to ensure public interest and awareness of the future changes.

The current state of affairs in terms of policy development and coordination of its implementation in Libya is characterized by the following:

- insufficient quality of the policy development process, no strategic planning;
- overlap of executive bodies' responsibilities,
- low level of coordination and interaction among the central executive bodies,
- over-centralization within the ministries,
- misalignment between the Government's action plan and those of other central executive bodies;
- insufficient preliminary analysis and unclear problem definition,
- formalistic approach to developing alternative policy options in various public policy fields, and
- insufficient oversight and auditing mechanisms.

As a result, the Council of Ministers is overburdened with addressing operational and technical issues instead of discussing strategic priorities and identifying long-term objectives. The existing work flow organization within ministries as well as in other public organizations hampers the development and implementation of consistent and coordinated public policy.

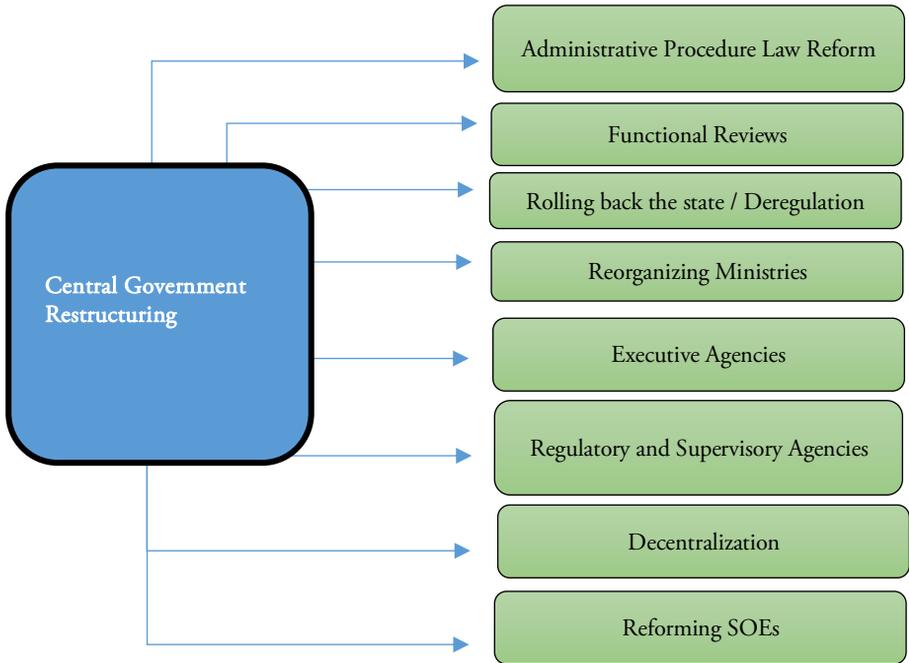
In order to improve the capacity of the Council of Ministers, the various ministries and other public organizations, both at the central and local levels and to enable these organizations to focus on important issues, the Libyan public administration needs a

strategic management framework and coordination arrangements. What is needed within this framework is to define through legislation a list of state strategic planning documents and to create the conditions for the Council of Ministers to prepare and adopt substantiated and coordinated decisions that would contribute to the achievement of the country’s development priorities.

5.2 Reforming Organizational Structure of Central Government

Administrative institutions constitute a major component of the government, and they are the vehicle of government to implement the decisions made by politicians and deliver public services to citizens, particularly important in instability and crisis situations. Governments need to have the capacity to identify problems, formulate policies to overcome them and to provide public services in an efficient, effective, timely, and sustainable manner; but these are not possible without capable and strong institutions. The state is a major player in the field of economics in all kinds of states, either as a regulator or direct provider of economic activities. Therefore, the relationship between a strong state apparatus and capable administrative institutions and national economic development is strong. Besides, low-quality institutions and poorly delivered public services would decrease state legitimacy in the eyes of its citizens.

Figure 8: The proposed reforms in the field of central government restructuring



Source: Compiled by the authors

It would not be too optimistic to suggest that states which provide good quality public services are not prone to civil unrest and non-peaceful protests. Internal peace is more likely in countries where the distribution of government funds and the majority of people living in that country benefit from the public service in a fair, effective and efficient manner, as this makes it difficult for rebels to organize and find sympathizers. On the other hand, in cases of distributive injustice, “when low-quality administrative institutions deliver goods or contracts based on ethnic loyalties, this makes minority groups feel excluded and lead to challenges to the State” (ESCWA, 2014: 53).

Ideally, administrative institutions should consist of formalized, neutralized, standardized and specialized units filled by professional staff who are recruited on the basis of merit and who are committed to carrying out their assignments within certain administrative and ethical guidelines produced by politicians. The actions of public administrators should be transparent, predictable and based on uniform procedures. However, traditionally, administrative institutions in Libya have exhibited many features of the patrimonial management style, in that personal considerations, favors and privileges dominate the actual functioning of the public administration. The state apparatus has long been quite politicized and some unethical behaviors are prevalent. Recruitment is often based on kinship or loyalty.

5.2.1 Rationale for restructuring the central government: bringing the institutions back in a stateless state

One of the main challenges facing the interim government in Libya is the creation of political and administrative institutions to enable the functioning of an effective democratic state. Since the end of the Ottoman period, Libya has been the paradigm of the “stateless state”. The extent of Ottoman control over Libyan territory was quite limited and the *Tanzimat*, the Ottoman program of economic and constitutional reform that began in 1839, reached the country only in the late 19th century and was unevenly enforced. Italian colonialism tended to destroy Ottoman and tribal institutions, while avoiding building non-colonial institutions. Since its creation as an independent state in December 1951, Libya has never developed a strong set of centralized state institutions, except for those dedicated to overseeing investment and oil extraction, to some extent under pressures of other countries. These and more modern efforts to prevent state-building or undermine existing institutions were exacerbated by the attempted Jamahiriya of Gaddafi and the internal conflict that followed the 2011 revolution (Pack, 2019).

The provisional government inherited a *stateless state*, as Gaddafi dismantled all the political institutions that were in place under King Idris and replaced them with

people's committees after seizing power. This dismantling of the state was more of a process than a single event, the latest development being in 2008, when Gaddafi announced a controversial plan to abolish most of the ministries as a measure to fight corruption. In fact, the dismantling of the state went as far as abolishing the position of the head of state. Since the replacement of the Revolution Command Council by the General People's Council in the late 1970s, Gaddafi had claimed to hold no official position. His official title was "Leader of the Revolution." The state bureaucracy, though highly repressive, remained largely ineffective and unresponsive during the Gaddafi era. Official representative institutions were merely on the surface, with all key decisions made and enforced through a parallel set of highly personalized organizations. Up to 2011 Revolution, Libya had no proper constitution in the Western sense, no separation of powers, and no experience with political parties. Rather, a number of political committees exercised executive and legislative powers, with routinely overlapping powers and responsibilities and no clear division of agencies.

Because of the absence of a clear accountability system, all economic and political institutions within the country served the interests of a small ruling elite (Kathiri, 2012). "The institutions which survive are those whose partisanship and power was the most indirect. These tended to be the economic institutions whose means of delivering patronage were circuitous, whereas Libyan political and military institutions tended to be overtly partisan" (Pack, 2019: 4). The lack of a unifying ideology among the ruling elite after the 2011 revolution and disagreements over how resources should be divided prevented the creation of a new social contract within the country. Furthermore, due to the lack of a shared vision for the future, few reforms have been passed, let alone implemented, since 2011.

In other words, Gaddafi's Libya had the features of a stateless nation; state institutions were hollow shells that simultaneously accommodated traditional local loyalties and highly personalized rule. Consequently, the Libyan bureaucracy lacked the experience and skills to carry out its functions. One telling indicator of this bureaucratic failure in the three years following the end of the 2011 revolution has been the inability of the transitional governments to spend the budgets allocated to them. This was because ministries were hamstrung by their lack of specialized staff and their need for clear and detailed directives. Typically, decision-making and implementation required multiple signatures from various departments and bureaucratic echelons in order to assuage the concerns of civil servants.

However, a surprising development in the realm of institutions since the revolution has been the rise of a number of semi-sovereign economic institutions, mainly

financial and economical in nature (Pack, 2019). Libya's semi-independent and independent economic institutions have exerted a greater stranglehold over Libya's economic life than ever before, unable to be dissolved due to the lack of a Libyan consensus on what or who should replace them. The head of each economic institution has a vested interest in staying in power and enjoying the wealth and power that his or her position grants him/her. The percentage of Libya's budget which is allocated to salaries, subsidies, or spending of semi-independent institutions has increased since the last two decades (Pack, 2019). The heads of the semi-sovereign economic institutions, such as the Central Bank and National Oil Corporation, were generally quasi-meritocratically appointed. In many cases, they are the most skilled and knowledgeable technocrats in Libya and almost all have experience in liaising with multinational institutions.

The inability of Libyan political bodies to deliver on economic development, security, justice, or even very basic services has alienated Libyans from their national state institutions and their politics and left them no alternative but to continue to appeal to their communal identities and interests. Therefore, the transitional governments that emerged after the 2011 revolution have to deal with state-building on many fronts. All dimensions of this transition process are closely interrelated and mutually reinforcing; the government is simultaneously obliged to end armed violence in the country, put an end to human rights abuses, make the rule of law work, reform public institutions and provide public services to its citizens in an efficient and timely manner (Perroux, 2015). On the other hand, a disruption or omission in any of the reform areas mentioned here may reduce the chances of success in other areas. Furthermore, achieving all these goals requires, in addition to good intentions, a change in people's ways of thinking. Under these circumstances, transparency and participation must be the guiding principles of any effort to reform the Libyan public organizations.

As a result of the historical development briefly mentioned above, attempting to improve or reform public administration in Libya requires, in a sense, ending the decades-long weakening of state institutions and re-establishing strong public institutions. This is a process of administrative reform on one hand and state reconstruction on the other.

The reconstruction of state institutions requires, in addition to reinvigorating the dismantled political institutions, that of the private sector and civil society,

- reshaping of the existing government structure;
- closing dysfunctional, illegitimate or corrupt public institutions and establishing new ones;

- transforming public institutions into institutions that are free from excessive political pressure and influence and focus only on the functions assigned to them;
- strengthening the decision-making infrastructures of central government and political institutions;
- ensuring communication and coordination within the central government;
- delegating power to local governments by reducing the excessive work and task burden on the central government;
- making use of the private sector and non-governmental organizations in the provision of public services; and
- establishing of a strategy and performance oriented administrative structure

However, in the process of large-scale public administration reform or state-building, the use of appropriate methods is vital to the success of the relevant reforms. For instance, as far as administrative re-organization is concerned, practitioners often look for an ideal type of good (or even better) administration, a model that would have to be followed and regarded as the ideal, in the sense of the best form. However, there is no “one best way” to structure and operate public administration. Rather, there are some administrative models and traditions in various parts of the world, such as the Nordic Style of Public Administration, the Napoleonic administrative tradition, the Westminster model of government etc. Yet, exchanging “best practices” between policy-makers and public officials of different countries is a major source of inspiration for policy reform, along with the endogenous reform plans of government agencies in charge of public service. The diversity and abundance of these sources of inspiration have the advantage of multiplying examples and points of view, which may contribute to a better organization of public services, if governments take into account genuine preoccupation to ensure domestic consistency in the creation of institutions and agencies.

In other words, with regard to institution-building, reform and management of change in public administration, it is necessary to place practices from foreign countries in their legal, political and social context, not only to make them understandable but also to determine whether it is worthwhile trying to import or imitate them. While it is true that foreign models or practices can be used as an incentive to win over the modernizers in politics, the civil service and segments of the economy and civil society that have a clearly identifiable general interest and/or stake in improving the functioning of public administration, the use of foreign models and practices has to be incorporated into the overall reform and change management strategy and ensure domestic consistence.

Major problems identified in the field of central government restructuring in Libya and suggested reform measures to remedy them are provided in Table 7.

Table 7: Identified problems and reform suggestions about central government restructuring

Identified Problems	Reform Suggestions
Very centralized state structure	Decentralization and devolution of excess functions and authority to local government and civil society
	Deregulation and withdrawal of the state from some areas to enable civil society, private sector and local government to develop.
Centralized authority structure within public organizations	Delegation of authority to lower levels within institutions, as a measure to increase the accountability of civil servants
Overlapping functions among central government organizations, particularly among ministries	Job and function descriptions for each posts in the central government
Absence of a legal framework regulating organizational structures and procedures of public administration	Issuing an Administrative Procedure Code
Weak policy implementation capacity of ministries/ stateless state	Establishing executive agencies
	Establishing regulatory and supervisory agencies
	Reforming SOEs
No standard bureaucratic organization in ministries, some of which are too large but others are quite small.	Functional reviews
Poor system of supervision of the work of central administration bodies by the ministries to which they report.	Reorganizing ministries
Irrational and over-centralized internal organization of ministries	
Parallel state institutions in the eastern and western parts of the country	Uniting the state structure and establishing legitimate and strong public institutions

Source: Compiled by the authors

5.2.2 Functional reviews as a way of reconsidering the role and functions of the state

Libyan government should consider how the government should intervene in the provision of goods or services once it has been decided that public interest is at stake and that, therefore, some form of government intervention is appropriate. The first question is whether the government should regulate the provision of the service by non-government entities or whether it should itself be involved in such provision.

The direct government delivery of public services is only one way of government intervention. Public services may be also delivered by autonomous public entities, private businesses, or non-governmental organizations (NGOs). The basic distinction is between service policy, service financing, and service delivery. Depending on the nature of the service and the administrative capacity, the appropriate government involvement is a continuum—from full and direct involvement in all aspects of service provision to only setting a few ground rules.

If the government decides to become involved (in some capacity other than regulation), several choices come to the fore. The most immediate is the direct provision of the service by a regular organ of government itself—a central ministry, a provincial government, or a municipality.

The traditional reflex of making government directly responsible for providing services should be resisted whenever it can be justified. Ministries should focus on core governance issues, such as foreign affairs, law enforcement, judiciary and health services.

The distinction between the policy and implementation functions has recently led some developed countries to a complete separation between the government organization charged with setting policy and an executive agency responsible for service delivery—fully autonomous and responsible for results. The conceptual justifications for such a complete separation have been the need for the leadership to focus on policy without operational distractions, or the risk of capture of policy by the bureaucracy that delivers the service.

Public functions can be separated into their component parts, some of which can then be assigned to different non-ministerial government entities, and some of which can be delegated to local governments, civil society or private sector. How to choose from among the available options for public service provision depends mainly on the following factors:

- the nature and importance of the public interest at stake;
- the type of service and its users;
- the technical and economic characteristics of its production;
- the administrative capacity of the government; and
- the government's ability to exercise adequate control over alternative service providers. All alternative modes of service provision revolve, however, around a basic distinction and three fundamental criteria.

The fundamental criteria are good governance, efficiency and equity. The mode of service provision chosen should, on balance, improve the four pillars of governance: accountability, transparency, participation and predictability. Improvements in

governance may occasionally need to be balanced against significant efficiency considerations or pressing social needs.

Experience in other countries suggests that to improve the efficiency of service delivery, it would be appropriate to distinguish between the policymaking and implementation functions. Separating what the agency should do (policy) from how it does it (implementation) is seen as a key strategy for reducing the size of central government and making it more effective, efficient and responsive to the needs of the citizens.

Separate organizations for service policy and service delivery may be appropriate when policy can be fully specified prior action, the process of implementation does not raise policy issues, and policymakers do not need advice from implementers;

Aside from executive agencies, the search for alternative modalities of service delivery has led to the growth of various non-ministerial government bodies. Because they fall somewhere between direct service delivery by a regular ministry and a fully autonomous executive agency these bodies enjoy greater autonomy and flexibility than the former, but are subject to a greater degree of government control than the latter.

Perhaps the first starting point for implementing the strategy to reconsider the role and functions of the state in Libya could be *functional reviews*. These reviews would identify the strengths and weaknesses of the system, reveal areas in need of urgent reform, and propose a roadmap for a broad public administration reform. At present, the priority will naturally be to restructure the central government, as the Libyan public administration relies heavily on the superiority of central government organizations and many services are performed at the central level. In addition, there is an image in the eyes of the public that central government institutions and especially ministries are much more cumbersome, inefficient and involved in corruption compared to local governments.

PAR in Libya should take a more holistic approach to reform and seek to balance a focus on internal reform with a concern for the changing relationship between government and society. Functional reviews should be one of the main tools of structural reform, to provide the analytical basis and guide for reform.

5.2.3 Restructuring the machinery of government

The expression 'machinery of government' refers to the allocation and reallocation of functions between departments and includes changes in the internal structure of departments, the allocation of functions within ministries, and increasingly, the

allocation of functions to bodies other than ministerial departments, with the creation of executive agencies and privatization of government bodies.

Structural reform of the machinery of government should be a key element in the reform of the governance system in Libya. Decentralization is, of course, the most frequently mentioned reform of the government structure. In addition, new tools, notably those based on information and communication technologies, would open up new possibilities for better coordination the different branches of government, and for forging a more direct link between the citizen and the government.

Reorganizing ministries to strengthen their policy development and implementation capacities

The organization of government is not an end in itself, but a means for achieving national objectives. The purpose is to allocate the tasks of government in such a way that they are performed in an efficient and economical manner, with a minimum of duplication and overlap. It is important to define the areas of authority and responsibility of administrative units, so that they may be properly subject to constitutional and political controls. A sound organization, based on the principle of delegation of authority to ministries according to their competencies and responsibilities, also encourages flexibility and responsiveness to new policies and developments. Poor organizational structure of ministries is often a major cause of ineffective implementation of government policies.

A ministry is first-level grouping of governmental functions, headed by a major political officer known as a minister. A department is a subdivision of a ministry, and is in turn divided into divisions, branches, and sections, in descending order of hierarchy. On the other hand, the term "agency" normally refers to a government entity attached to ministries and created for special government purposes. The allocation of functions to ministries and the choice of number of ministries involve three related questions: how important is the function, how should functions be grouped, and what type of central control is desirable.

With respect to the number and types of ministries, it should always be kept in mind that the number and designation of ministries vary across countries. As Libya has chosen the "parliamentary government" system rather than the "presidential system", the Prime Minister is mandated to decide on the number and workload of ministries, taking into account workload of each ministry, the priorities of the government and the political and social realities of the country. As a general principle, the number of ministries must neither be too large to impede coordination nor too small to impose an excessive workload on each ministry.

Given Libya's political, economic and social realities, it can be suggested that, in principle, only the top-level groups of substantive government functions should be organized into ministries, and that secondary-level functions and local public services should be delegated to local authorities. A tentative list of suggested core ministries includes finance, foreign affairs, internal affairs, defense, information and communications, foreign trade, transportation, labor, energy, law and justice, industry, agriculture, education, health, urban and local development, social welfare, and public works. Other essential functions of the national government can be undertaken by autonomous agencies. An over-proliferation of ministries and agencies would lead to major confusion for the public and complexity for the political executive. As Libya is a developing country, its administrative structure can be amended, when necessary, to reflect the social and economic realities of the country, through a systematic review of the functions and organization of the government.

The issue is also important to government efficiency for a number of reasons. Too many ministries add to overhead costs because of the staff and infrastructure associated with each new ministry. Each ministry seeks to find new tasks, fueling the bureaucratic pressure for expansion. Problems arise when multiple ministries perform similar functions and tread on each other's toes. Finally, dialogue and coordination among ministries may be easier to arrange when they are fewer. However, the principle of span of control and effective accountability is jeopardized by the excessive size of ministries due to their very small number.

There is a general tendency around the world to reduce the number of ministries and make the government "leaner" and "meaner", in the hope of producing efficiency, reducing costs and consolidating checks and balances across ministries. Libyan authorities need to consider the real costs and advantages of merging ministries, and ruminate the possible advantages of overlapping jurisdictions from the citizens' perspective.

Besides, the principal challenge is not to define this or that ideal number of central government organizations, but to identify the core tasks of government, establish a reasonably coherent organizational structure to perform these tasks and put in place the rules and incentives that will promote good performance by public managers and employees.

Ministries are in a unique position to play a leading role in a number of steps of the policy development system. These steps are all related to the content of the policy: policy development, project preparation, consultation, implementation, monitoring and evaluation. What these areas have in common is that they are very directly related to the substance of the policy itself and to the responsibility of the individual minister for a specific field of activity rather than to the collective responsibility of the government as a whole. This is the logic of the division of responsibility between

ministers on the one hand – as individual members of government, supported by their respective ministries – and on the other the government as a whole, supported by the Government Office.

Within the ministry's specific area of expertise, the ministry has (or should have) an advantage in performing these tasks, because it is precisely the ministry that is responsible for ongoing development and maintenance of contacts with the public affected by the policies and legislation implemented by the ministry; for ongoing, in-depth expert knowledge of the particular area of activity; for knowledge of existing policies and legislation, including their weaknesses, such as beneficiary dissatisfaction; and for knowledge of implementation and enforcement needs and difficulties.

However, this is a double-edged sword. Unless the ministry maintains the above elements in good order by remaining in constant contact with the people and groups under its jurisdiction, and unless the ministry listens and learns from experience, it will not be able to develop good policy and legislation, and will instead increase expectations and frustrations. Fundamentally, policy development is a matter of judgment that evolves through an interactive process between the ministry's experts and the societal actors whom they serve and whose actions they regulate. Therefore, Libyan ministries should make more frequent use of the governance approach and participatory mechanisms in policy development process, in order to include major stakeholders within the country and achieve greater legitimacy in their actions.

To improve the role of ministries in the policymaking process and to strengthen policy implementation capacities of Libyan ministries, the following should be considered:

1. The “rules of procedure” of the government should describe more fully the responsibilities of ministries in providing high quality information to the government in support of their proposed items for government decisions. The rules might specify the type of analysis to be conducted (e.g. impact assessment, cost/benefit analysis, comparative analysis). They could also specify the type of information required (e.g. impact on industry, distribution of benefits and costs across the country, advantages and disadvantages of options, views of NGOs and civil society organizations, and substantive views of other ministries).

2. The Government Office should develop its capacity to assess the quality of the information provided by ministries in support of their items and should be given the authority to return items for further work if the information is insufficient or of low quality.

3. The rules of procedure should require that policy documents be presented and discussed by the government before legislation is drafted, at least in cases where major policy changes are contemplated. Making this requirement operational is not easy, but it is possible and necessary.

4. Ministries should also review and revise their internal procedures. The Libyan Government would consider a number of reorganization alternatives within ministries and other public organizations, including the following elements summarized in Table 8. In a reorganization, a complex range of interrelated actions may be taken, affecting several ministries at the same time, so many changes will combine elements of two or more of the changes below.

Table 8: Types of reorganization that can be used in ministries

Type of Change	Description
Mergers	Ministry level merging of entities or significant functions into a new organizational entity
Demergers	Ministry level demerging of significant functions into their own entity
Start-ups	Creating a wholly new ministry with new functional priorities requiring new corporate centres
Major acquisitions/ transfers of functions	Sub- Ministry level mergers and demergers of functions
Terminations	Legal cessation of ministerial departments and transfer of remaining functions to other organizational entities

Source: White and Dunleavy, 2010.

5. Ministries should establish a method and a procedure for internal coordination and quality control of their policy and legal output. Current approaches to policy management within the ministry should be reviewed, and ministries should seriously consider more centralized and comprehensive management by top-level officials (e.g. the Ministry Secretary).

6. Ministries should clarify and regularize the roles and responsibilities of the legal unit in the policy process.

7. Ministries should develop the expertise of staff in all sectoral departments in policy analysis and impact assessment. Training of staff in all sectors in policy development techniques should be a priority. As a first step, ministries might consider establishing a small unit with technical expertise in these areas to serve as internal “consultants” to sectoral departments.

Agencification (Establishing executive agencies)

Agencification is a reiteration of the notion of “distributed governance”. In Europe, a number of organizational forms which can be described as distributed governance have existed for a century or more (SIGMA, 2007). Over the last three decades, the formation of agencies (agencification) has been emphasized as one of the most significant developments in public administrations worldwide, driven by new administrative reforms in public management and the regulatory state agenda, and

enhanced through activities and support of international organizations, such as the OECD or the European Union. Agencies are considered to be organizations which perform public tasks at arm's length from the central government, based on specialization and expertise (Pollitt et al, 2004). Their important feature is a fragile relationship between, on the one hand, a higher level of autonomy in their daily activities (management, organization, financing and personnel) and decision making, and, on the other hand, specific ex ante and ex post control mechanisms which replace the typical hierarchical political oversight of central government.

The agency model in public administration seems to be an unavoidable part of contemporary public management. Although delegation of public tasks to autonomous organizations is not a completely new practice, the fashion of agencification relates to a large extent to the New Public Management (NPM) approach, which emerged in Anglo-Saxon countries in the 1980s and has spread worldwide. With the spread of the regulatory state concept, the activities of governments have shifted over the past three decades towards privatization, liberalization of various sectors, agencification, deregulation and simplification of economic environment, often referred to as 'rolling back the state'. Today, in many democratic countries, agencies exist in all areas of public activity, from the economic activities of the state to health care, the funding of scientific research and regional development.

The distribution of central executive functions and powers among small, efficient and effective specialized agencies can be considered as a manifestation of a reorientation of the Weberian type of bureaucracy towards an economy-oriented approach accentuating the 3Es (economy, efficiency, effectiveness), transparency and accountability. Many academics and practitioners in public administration argue that possible dysfunctions of the agencification, such as control and coordination can be resolved through performance management techniques (Hood, 1991; Bouckaert and Halligan, 2008). One major benefit expected from establishing agencies, (called independent authorities, self-regulating bodies, etc. in various countries) is to enforce compliance in various public services, insulated from political pressure.

The main role of an agency is implementation of public policies, which includes the whole range of public functions – from issuing regulations or other type of generally applicable rules, to making decisions about individual rights, maintaining public records, licensing, pricing, supervision, inspection, sanctioning, transferring funds, collecting and disseminating information, monitoring, etc. For instance, independent regulatory bodies, a specific kind of agency, are concerned with issuing regulations, monitoring, sanctioning and inspecting the behavior of market forces, especially in sectors previously dominated by state-owned enterprises, such as energy sector or telecommunications, or in various societal sectors, such as, health, social

welfare and consumer protection, as they ensure government's credible commitment to certain policies.

Agencies are most often characterized as public bodies structurally disaggregated or even formally separated from the central ministry, which carry out public tasks at the national level on a permanent basis, are staffed and financed mainly from the state budget, and are subject to public law (Pollitt et al, 2004, Pollitt and Talbot, 2004). They are independent of ministries and have a certain level of autonomy in decision-making, organization, finances and personnel. They perform specific tasks (as opposed to the multifunctional character of ministries), are staffed by experts, which gives them additional legitimacy, and their leadership is not directly elected (Christensen and Laegreid, 2005).

However, agencification initiatives should be applied with caution, particularly coupling with explicit indicators of performance. The main issue of agency design would be the delicate balance between autonomy and control. Therefore, agencies should be independent of political and market interests, relying on their expertise, as well as their organizational, financial and personnel autonomy, while at the same time being expected to be under control in legal, financial and political terms, being accountable to the public and political bodies, including transparency, openness, and participation.

Increasingly, governments in developing and developed countries are creating new institutions, sometimes clearly separate from with some oversight function, sometimes integral to the formal public administration, whose function is to further democratic governance. All these institutions provide new spaces for political inclusion, both for civil society and for the opposition, and arenas in which democratic political culture can be nurtured and promoted. For example, National Human Rights Strategies usually call for the establishment of independent institutions such as human rights commissions, ombudsmen, and outreach and advocacy groups.

Independence, transparency, effectiveness and accessibility of these institutions is important if they are to successfully fulfil their mandates in states where governance is weak and the interest of the few dominate the balance of power and resources. Such institutions need to be legally secure and institutionally linked to other national and international organizations in order to fulfill their missions. Examples of such organizations include ethics or anti-corruption commissions, electoral commissions and reconciliation commissions found in some post conflict countries. They are included under the rubric of PAR because they are an increasingly important part of many public administrations, and because they enhance the public administration by making it more transparent, accountable, open to greater public participation, subject to checks on abuses, and less prone to conflict (Musa, 2010).

In Libya, executive agencies can be established by converting ministries or ministerial departments, which previously operated in a hierarchical civil service system, into semi-autonomous contracting units operating under administrative accountability mechanisms. The reason of suggesting the establishment of such organizations is that they can focus on the efficient execution of the functions they perform without being distracted by policy making, evaluation and so on. Clear, well-designed targets will allow them to focus on their core functions. Targets will also help improve accountability vis-à-vis the supervising ministry. Moreover, by moving the execution of functions out of central government, managers of agencies are not encumbered by heavy administrative and bureaucratic rules but are encouraged to manage. All this improves the possibilities for creating contractual arrangements that will enhance performance.

Besides, the demand for executive agencies coincides with parallel processes of institution building, public administration reform, efforts to improve governance and the fight against corruption in Libya. The speed and multiplicity of change, the variety of environmental and internal pressures for reform, and the need to position oneself in the competitive environment to facilitate reforms and transform the traditional, hierarchical, and monolithic state administration to a smaller but more efficient government apparatus, would lead the country to introduce new institutional forms or procedures, such as autonomous agencies. When applied properly, agencification would address some of the weaknesses of the Libyan public administration, such as low salaries, lack of motivation, overly regulated state administration procedures, and an overly centralized and inefficient government structure.

Revenue authorities and hospitals in particular could be chosen as pilot institutions to implement agencification in Libya. In order to ensure greater transparency and to avoid the possibility of corruption, it is recommended that the boards of these agencies include representatives of private sector, government and civil society organizations.

Establishment of Regulatory and Supervisory Agencies

Another suggestion to manage, supervise and monitor different types of markets and business activities in Libya is establishment of regulatory and supervisory agencies. In order to make the private sector work more efficiently and, in the case of state monopolies, such as the national oil company, to make them work as if they were operating in a competitive market, Libya can establish regulatory agencies. In this way, managers of public and private organizations are supposed to be freer to manage but at the same time they are supposed to be more clearly accountable for performance, thanks to regulatory arrangements.

Regulatory agencies are also referred to as regulatory authorities, regulatory bodies or functional authorities in the academic literature and can be considered as a special kind of executive agency which is not responsible for execution but for regulation of activities and their supervision. By nature, they are autonomous government agencies charged with exercising regulatory functions in a specific field of human activity, mainly in the area of economics. They are typically a part of the executive branch of government and have statutory authority to perform their functions under the control of the legislative branch. Their actions are generally subject to legal control. "The existence of independent regulatory agencies is justified by the complexity of certain regulatory and supervisory tasks, and the drawbacks of political interference. Some independent regulatory agencies perform investigations or audits, and other may fine the relevant parties and order certain measures. In a number of cases, for a company or organization to enter a sector, it must obtain a license to operate from the sector regulator. This license sets out the conditions by which the companies or organizations operating in the sector must abide" (Wikipedia/Regulatory Agency, 2021).

However, government and regulatory agencies need substantial capacity to meet their pro-market regulatory and enabling roles. Market conditions and incentives must be understood and assessed continuously; information must be collected and analyzed to help make appropriate regulatory and business promotion decisions; and there must be some distance and protection from political and business self-interest (Thekildsen, 2008).

The suggested fields which are suitable for establishment of regulatory and supervisory agencies includes Banking, Energy Market, Public Procurement, Supervision of Private Broadcasting and Media, Information and Communication Technologies, and other areas of public policy which are important to the economy and society and where there is a competition between public and private sectors.

Establishment of executive and regulatory agencies is distinct from other methods of distancing the state or reinvigorating the public sector in that it usually deals with its core functions (Thekildsen, 2008). It is typically used when certain functions are considered "core," yet there are no firms to privatize them to, or privatization is resisted by political/administrative elites or the public, while at the same time the efficiency gains of market competition and/or de-bureaucratization of these functions are regarded as attractive. Indeed, this is the case in Libya.

Decentralization

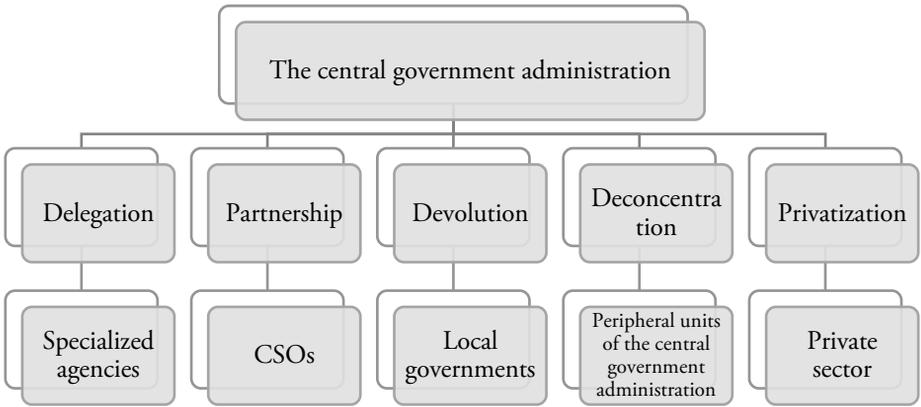
Decentralization can be considered as an important step that can be taken to create a more functional and stronger central administration by reducing the work and task load of the central government. Decentralization is inevitable, especially in countries such as Libya where centralization is excessive and where institutions are weak and dysfunctional. However, decentralization does not just mean the devolution of power to local governments, as it is popularly known. What is important in localization is the reduction of central government jobs and duties, transferring them to other institutions, making the central government smaller and more effective, and providing the central government with the necessary energy and the opportunity to control whether the assigned duties are

being properly performed. In other words, decentralization is necessary to strengthen not only local governments and other institutions, but also the central government.

The primary modes of decentralization are de-concentration, delegation, devolution and privatization. De-concentration is the passing down of selected administrative functions to lower levels or sub-national units within government agencies or departments. It is the least extensive form of decentralization. However, it is the most common form of decentralization employed in the agriculture services, primary education, preventive health and population subsectors (Silverman 1992).

Delegation is the transfer of specific authority and decision-making powers to organizations that lie outside the regular bureaucratic structure and that are only indirectly controlled by a government, such as parastatals, regional development corporations and semi-autonomous agencies. For example, autonomous hospitals with independent management boards can be established to improve the efficiency of service delivery; better respond to user needs and preferences through market-based initiatives such as user fees; and reduce the financial and management burden of large hospitals on the ministry of health. Decentralization of local service provision to local governments provides a mechanism for public participation in the governance process, as well as a framework for community interests to be represented in government decision-making structures. Figure 9 shows the proposed decentralization for Libya.

Figure 9: Proposed forms of decentralization



Source: Compiled by the authors

Reforming SOEs: Privatization or corporate governance?

Historically, State Owned Enterprises (SOEs) and public enterprises (Pes) (i.e., enterprises that are majority-owned by the state, directly or indirectly) have played an important role in the continuum of service delivery in Libya. Their rapid and largely excessive growth in 1970s and 1980s, in line with the principles of Gaddafi's

Green Book for a socialist economy, produced a bloated SOE sector in dire need of reform. Of these reforms, privatization is the best known and often the most appropriate. However, given Libya's economic, social and political conditions, it would be overly optimistic to pursue a large-scale privatization of SOEs program, as a great segment of the society is dependent on the state in one way or another, and SOEs, particularly oil and gas companies, are the main sources of state funding. Even if some small-scale privatizations could be carried out by the government to achieve efficiencies and provide liquidity to the economy, a number of state-owned enterprises will remain in the public sector indefinitely, and others will take a long time to privatize. It is therefore necessary to find effective ways to manage and control these enterprises and protect their assets. Corporate governance is therefore a component of SOE reform, not an alternative to reform.

Given that direct government delivery of public services is only one of several options, and not the best, Libya should periodically reexamine the effectiveness of direct delivery of public services against the potential for private and NGO involvement. This is particularly recommended for local governments, which are normally responsible for providing those services that are generally more suitable for non-government delivery. Close monitoring is needed, however, to ensure that quality and access to services do not decline due to “capture” by powerful local private interests.

A similar middle ground approach is recommended for managing the relationship between service policy and implementation, in the form of a separation between policymaking and service framework definition on the one hand and service implementation on the other. Within the existing and new organizational arrangements, Libya needs to consider ways to place greater emphasis on formulating good service policy and standards, while giving more flexibility to government managers in the actual delivery of public services.

In Libya, as in other fragile and post-conflict countries, almost all SOEs are a drain on the public finances, with no countervailing benefit in terms of providing services to groups that would be underserved by private business. There is therefore a strong case for reducing the size of the sector through privatization and for improving the efficiency and responsiveness of those enterprises that remain in the public sector. Because privatization carries special risks in countries with governance weaknesses, Libya needs to pay attention to the process of privatization, with all the expert assistance they can obtain from both inside Libya and outside the country. The government also focuses the quality of privatization, in addition to its quantity, i.e. the “what” and “how” of privatization processing.

Concerning the improvement of the efficiency and responsiveness of the remaining SOEs, corporate governance reforms are necessary (White and Dunleavy, 2010). In this area, the selective approach recommended above is not desirable because corporate governance reforms and procedures must be uniform across sector.

Administrative Procedure Law Reform

The Libyan public administration urgently needs to issue a law on administrative procedure, in order to adapt to the new realities of the society and the new expectations of citizens, businesses, investors, international actors and other subjects in the post-revolutionary era. A heavy, detailed, casuistic, and formalistic regulation of the general administrative procedure does not have the same impact as a more modern regulation focusing on wide principles and the most important issues of protection of citizens' rights. While the former can cause red tape and non-transparent situation in the public sector, the latter can streamline both procedures and administrative control to impacts of administrative procedures (Koprić, et al, 2016). Administrative procedures should be reformed and simplified, if they are to produce desirable results.

However, the full implementation of the above-mentioned law is as important as the enactment of such a general law on administrative processes and procedures. In order to do so, a number of problems arising from the bureaucratic administrative culture as well as administrative, political and economic realities must be addressed, including the relatively low level of education in administrative procedures in Libya, the resistance and unwillingness of senior officials to implement the script and spirit of the new laws (e.g., to propose a reduction in the number of special procedures or establishment of one-stop shops, etc.), the lack of a clear definition of the law. The experience of other countries clearly shows that amending a law is the easier part of the change process, and that the real challenge is to change the administrative mindset, inertia, and bureaucratic resistance during the implementation phase. Only strong and continuous political support and attention can result in successful reforms of administrative law and public administration.

Interviewee Perceptions about Restructuring Central Government

- PAR process can begin from revising administrative structure of the ministries. Each ministry should have a non-politicized bureaucratic structure headed an undersecretary, as foreseen in Max Weber's bureaucracy model. We can take Turkish administrative structure as a best practice... Even the police department does not have such a structure.
- Council of Ministers should be restructured and optimized. The functions of Council of Ministers and the local government need to be redefined. The government should consist of small number of ministers... Then, we need to decentralize the system as much as possible in terms of functions, budget and personnel. At the moment, the work load of the Prime Ministry is huge. There are 30-40 public institutions reporting directly to the Prime Minister, they should be distributed among the ministries and local government. These institutions are generally corrupt, therefore I suggest to dissolve them and establish agencies based on the principles of neutrality, efficiency and accountability.
- Moving from a parliamentary system to a presidential system might be an option for Libyan governance. At the moment, political and administrative decisions are taking long time, and the Presidential system would accelerate the decision-making process. However, in the absence of strong institutions, democratic culture and good leaders, presidential powers could be misused... The Gaddafi experience is still fresh in the minds of Libyans.
- Public relations sector is one of the weak points of the government. How to deal with the citizen, how to answer phone calls, what actions will be taken against the demands of citizens, are completely handled by personal methods. There is a need and necessity for specialized units in these matters, which manage public relations and thus increase the legitimacy of the government in the eyes of the people... Especially if you want to bring some innovations through reforms, you have to speak the language of the citizens, understand them and create a management style that suits their demands in order to provide public support for the reforms.
- We need to create agencies and boards, both executive and regulatory/supervisory, but we should include civil society and the press in the advisory and governing boards of these institutions, in addition to government officials.

5.3 Reforming Libyan Civil Service and Investing in Public Personnel

The civil service can be defined as “the core and permanent administrative arm of government. It includes officials working in government ministries, departments and agencies: personnel who advise, develop, and implement government policies and programs and manage day-to-day operations, as well as the wider public service, such as the military, the police, teachers, health workers, and public enterprises” (Rao, 2013). Schiavo-Campo and Sundaram (2001) outline six reasons for the importance of a competent, motivated, and effective civil service with a professional ethos: governance, public goods and services, improved economic policies, public expenditure and revenue management, fiscal sustainability, and institutional development. According to UNDP (2015), a high performing public service meets the needs of citizens, provides strong leadership and strategic direction, contains a highly competent workforce, and operates efficiently and at a consistently high standard.

Figure 10: The proposed reforms in the field of Civil Service



Source: Compiled by the authors

5.3.1 The State of civil service in Libya

In Libya, civil servants are underpaid and many work without any standard job description or orientation. The rapid turnover of civil servants not only prevents them from gaining experience in their jobs, but also from developing an “esprit de corps” in the workplace (Arab Governance Report). Therefore, loyalty and long term commitment to their institutions remain weak. In addition, as most civil servants are

underpaid, they are prone to various kinds of corruption and other non-ethical behaviors, particularly taking bribes and getting a second job at the same time, even if this reduces their level of loyalty to their own institutions. In order to increase the quality of public services and make civil servants more accountable, responsive and efficient, the Libyan government should therefore focus particularly on meritocratic recruitment and promotion of civil servants, increase the competitiveness of their salaries and develop a neutral civil service with a high degree of ethical values. Besides, there appears to be an urgent need for Libya to adopt a specific law for civil servants which defines rights, duties and responsibilities of civil servants, gives way to modern human resource management in Libyan public workplaces, defines disciplinary measures for employees who breach the laws and regulations, and defines basic performance indicators for civil servants. One of the chief problems of the Libyan civil service is the ambiguity of its composition.

Libya's labor force numbers 1.5 million. While public sector employment accounts for the majority of activity, employment in industry (mainly the oil sector) and agriculture accounts for only 10 percent of the labor force. Given the predominance of the public sector as the main employer, job security is high, particularly for those aged 45 and above, who tend to have open-ended contracts. Nearly all public sector workers are covered by some form of social insurance. Wages in Libya are buttressed by substantive state subsidies for fuel and food, as well as social benefits for maternity, dependents, and the aging. On the other hand, Libya has one of the highest unemployment rates in the world, particularly given its high rate of tertiary enrollment.

Given the inflated public sector, these patterns likely reflect a shortage of private sector jobs for both unskilled and skilled Libyans. Highly skilled jobs also tend to be filled by non-nationals, as many firms have difficulty recruiting qualified Libyan nationals. Firms recruit Libyan staff to meet labor regulation quotas while hiring foreign workers at various skill levels to fill actual business needs. In recruiting, firms also tend to give more weight to previous work experience than to educational background. This pattern suggests that labor market programs should be designed to develop job-related skills more directly. The main problems identified in the field of Libyan civil service reform and public personnel investment management in Libya, as well as suggested reform measures to remedy them are presented in Table 9.

Table 9. Identified problems and reform suggestions about civil service and HRM reforms

Identified Problems	Reform Suggestions
The civil service and public service are too bloated	Downsizing civil service and SOEs through a concrete plan mainly by redirecting excess civil servants to the private sector and using social insurance and safety net systems
Wages are low and not directly related to actual performance	Improving the salary system of the civil servants by analyzing the current situation in greater detail and come up with a logical, transparent, performance-based and equitable model of remuneration that retains, attracts and motivates professionals in the civil service
Remuneration system is not sufficiently transparent and adequate	
The existing legal framework does not provide optimal solutions of institutional set-up in the public service	Adjusting existing legislation in order to ensure merit based recruitment of civil servants and equal treatment in all phases of it
Absence of merit- based recruitment of civil servants and equal treatment	
Civil service is susceptible to political influence	Analyzing how political influence is exercised on senior managerial positions in the public service and providing a unified solution for its prevention
Professional development of civil servants and performance management is not sufficient	Creating a sustainable environment in the civil service that guarantees constant professional development
Insufficient mechanisms of disciplinary liability and monitoring of the prevention of corruption	Improving disciplinary liability of civil servants and creating a monitoring system to prevent corruption at civil service
Need for a Civil Service Agency to lead the civil service and HRM reforms and ensure their implementation	Establishing a Civil Service Agency to lead the civil service reform and ensuring its implementation
Absence of regular training for civil servants	Introducing an extensive pre-service, in-service and out-door training program for civil servants in partnership with universities and professional training institutions

Source: Compiled by the authors

5.3.2 Civil service reform: Methodology, content and implementation issues

Civil service reform (CSR), which implies developing the capacity of the civil service to fulfil its mandate, defined to include issues of recruitment and promotion, pay, number of employees, performance evaluation, and related matters, should be a major component of Libya's public administration program. One of the most

important administrative reforms to be undertaken in Libya is the adoption of a statutory framework for the civil service and the establishment of a professional, merit-based civil service, capable of serving the public interest competently and effectively. The main aims of CSR can be three-fold: to reduce the costs of public sector employment, to create a government workforce of adequate size and skills, and to establish a human resource management (HRM) system that emphasizes staff motivation, work ethics, customer-citizen orientation, and accountability. As there is no single globally recognized conceptual framework for civil service reform, reforms in this area should be tailored to Libya's specific circumstances and in accordance with the reform vision of the policymakers.

Given the Libyan case, any attempts to reform the civil service should begin with a practice of establishment control, the creation of an independent Civil Service Agency, addressing the unequal distribution of civil servants across regions and organizations, and choosing a public employment system (career or job system). Other key elements of the civil service reform strategy should include resizing, developing professional standards, pay and pension reforms, enhancing Human Resources Management practices in the Libyan civil service, measuring and rewarding performance, and training and capacity building,

Establishment control is the foundation for all other civil service management functions. The first step in a civil service reform program is to determine who is employed by the public sector, to perform which tasks, and how much they are being paid. However, such a census is predictably difficult to carry out in Libya, and can be time-consuming. While it has some visibility and short-term benefits in terms of eliminating 'ghost' workers, these benefits are not as large as hoped and the census is rarely useful in the long term unless it is linked to some form of permanent reform of payroll and personnel system. Adequate training of data collectors and compilers is essential, as are effective mechanisms for conflict resolution.

In Libya, non-permanent positions account for a large share of the overall payroll, and 'temporary' workers are often permanent in fact. While the state usually has limited legal responsibility towards these workers, they do have political responsibility. Traditional forms of establishment control consist of staffing tables approved by the Ministry of Labor or Ministry of Finance or both, containing all positions for a given structure. This structure forms the basis for budgeting as well as recruitment and promotion. The traditional establishment model used in Libya can be considered as being inherently incrementalist, in that managers fight for each new position one at a time, and it discourages the holistic approach to staffing and budgeting that would give managers greater discretion over resources, both human and financial. Therefore, Libya needs innovative approaches which promote a more

managerial approach to institutional control, with a greater focus on achieving results.

A strong civil service agency and stronger HR units in each state organization are vital for effective and efficient HRM in the public sector and for attaining each country's development goals. The fact that two of the three least successful HRM subsystems (HRM Function Organization and Planning) typically rely on the capability of the central civil service agency shows that in order to move forward with the professionalization of the civil service, it is essential to start at this stage. The fact that institutional arrangements for HRM tend to be more fragmented in Libya should not be an obstacle to implementing this recommendation. Staffing HR units in the ministries with professionals and training public managers in talent management are some of the measures needed.

Merit based public employment systems can be divided into two broad categories: career systems and position-based systems. Each system has its merits and disadvantages. While the position-based system can bring new talent into the civil service where it is needed, and tends to free managers to focus on results, a career system is better able to provide incentives for good performance and to ensure that investments in training remain within the civil service. Therefore, choosing the appropriate system is the responsibility of the government and must result from consultation and deliberation between the relevant technical staff and the appropriate policy makers. However, as almost all developed country systems are increasingly hybridizing and adopting aspects of both a job and a career system, Libya can use elements of both systems in a carefully designed civil service system.

On the other hand, Libya does not have a framework of occupational standards. This means that it has no firm basis for developing vocational or professional learning and development and no means of measuring an individual's skills and performance against a national standard. The Ministry of Labor's Quality Standards Centre is responsible for establishing occupational standards for Libya but lacks the expertise to develop them.

For Libya, it is in fact a question of *setting up a civil service system*. The first issue that arises is *how to deal with the administrative machinery left by the previous regime*. The first issue that arises is how to deal with the administrative machinery left by the previous regime. The transition period in Libya did not lead to a total upheaval of structures and personnel already in place, despite the "Isolation law" issued right after the revolution. Efforts should be made to transform the existing civil service system through cutbacks and restructuring. The Polish example can be replicated in Libya's efforts to transform the civil service. "In Poland, the abolition or reorganization of a number of departments led to staff cutbacks. The aim was to eliminate overstaffing

or to take advantage of it, especially during the 1990-92 period, to dismiss officials tainted by their close ties to the former regime. These reorganizations were an opportunity to get rid of certain officials without incurring financial consequences. At one point, heads of departments were asked to designate 10% of their staff as redundant to the requirements. Due to the automatic aspect of this operation, it affected both overstaffed departments and growing departments, such as the office dealing with European integration issues. In a number of cases, the dismissed officials were subsequently reinstated by the labor jurisdiction. In the Ministry of National Education, for example, which had dismissed 60% of its staff, nearly all of the heads of department dismissed at that time have now been reinstated” (Sigma, paper 21, 1997: 11-12).

Civil service professionalization should be one of the main tasks of the Libyan public administration reforms. Building a professional Civil Service involves developing both professional competence and political responsiveness. “The application of the merit principle is at the core of attaining competency. This means making appointments based on qualifications and competence, eliminating discrimination in all aspects of employment, and promoting values and attitudes that result in law-abiding, transparent, ethical and performance-based behavior. Political responsiveness is also needed in the SCS to build a functional and trusting relationship between ministers and senior administrative officials: this means that the SCS is committed to professionally implementing the sitting government’s policy, which expresses the preferences of the electorate” (OECD/SIGMA, 2018: 11).

An analysis of the state of Civil Service in Libya demonstrates that, despite considerable efforts to establish a sound legal basis, the current system is not yet capable of producing professional-level Civil Service. In practice, the crucial components required for a professional Civil Service are missing, so professional competence is often superseded – and in some cases even overruled – by political interference. The crucial components that are weakly institutionalized or that are not functioning in practice include clearly defined roles, responsibilities and accountability lines; the ability to appeal to and attract a wide pool of candidates; rigorous testing to comprehensively and systematically screen competence levels; and independent and professional selection committees to verify the levels.

A change is needed not only in the practices but also in the overall culture of Libyan public servants in order to effectively implement principles of merit. Although some initial steps have been taken in this regard, further professionalization of the civil service should be a priority for the government. Libya needs a long-term and consistent strategic approach that must not be reversed after changes in government, the main motive being that a professional, efficient civil service is a valuable partner

in helping governments implement policies effectively and efficiently. The input of politicians and senior civil servants is crucial for designing, implementing and maintaining reforms. Thus, decisions to advance these reforms will require political leadership and wide consensus, as well as mutual trust and long-term commitment from politicians and senior officials.

The following specific recommendations have been made to pave the way for further professionalization of the Libyan Civil Service:

First of all, Libya needs to formulate *a new legal framework based on the principles of equality and merit*. In Libya, a new law that lays the foundations for a civil service (hierarchical system of grades, salary scale, advancement by seniority and merit) should be issued. The adoption of a civil service law results from a need to clarify the respective roles of central government, dependent public bodies or agencies, regional authorities and public sector enterprises. The concerned officials themselves requested such a clarification of their working conditions, rights and duties. However, the implementation of legislation granting a civil service status has only just begun and, as with any major reform, particularly in the context of transition, it gives rise to difficulties in implementation and attempts at adjustment. Furthermore, the implementation of the Civil Service Law would require extensive secondary legislation.

Although civil servants represent the majority of officials employed by the public authorities in Libya, there are still a large number of officials who fall outside the scope of this definition, such as workers and private sector personnel working on certain public works, whose qualities and professionalism have an equally important impact on the efficiency of the administration.

Secondly, the country needs to strike a balance between *ministerial autonomy* and the difficulty of coordinating and implementing a national policy for human resource management, as the weakness, if not total absence, of coordinating structures is clearly evident in Libya. The collapse of the Gaddafi regime left a huge gap in the planning and monitoring of public affairs, which has yet to be entirely filled. The difficulty in achieving consensus among the political elite during the course of the transition to the new political system exacerbates shortcomings in coordination and management. This situation is encouraging the fragmentation and diversification of management approaches between ministries and in some cases even within the same ministry, with ministries and administrative bodies are granted substantial autonomy in the area of human resources management ministries and administrative bodies enjoying significant autonomy in the area of human resources management. Managers have in fact considerable freedom in implementing (or sometimes

defining) regulations, and it seems that the system does not always counterbalance possible political pressures or favoritism.

Thirdly, in order to enable the HRM approach to take root in civil service, *personnel administration units should be replaced by HRM units* within ministries. No personnel management unit can perform successfully without a well-developed HRM function in individual institutions. Within individual ministries and other institutions, the personnel function is currently viewed as purely administrative; there is little evidence of active personnel management or a strategic perspective on human capital. Developing HRM capacities, as opposed to the management of purely technical personnel services, should be achieved in parallel with the strengthening of the role of these units. Introducing HRM units instead of technical personnel units will involve a substantial and profound change in personal management. This will require the introduction of specialized HRM units in larger organizations, or the development of the knowledge and skills of a key person to take on this responsibility in smaller institutions. Another significant issue in the Libyan civil service is the need to encourage all managers to be proactively involved in the development and motivation of staff. This will require an investment of time and resources to build individual capacity and understanding of good HRM skills.

Fourthly, there can be no comprehensive and efficient administrative reform across Libya without greater *harmonization of HRM practices at different levels*. The objective is to avoid introducing different systems or individual approaches to each level of the administration, and to rationalize and harmonize regulations as much as possible. For example, specific rules apply in each institution on the scope of civil service. The longer-term objective of this strategy is to clarify the definition of 'civil servant' at all levels, to ensure consistency across Libya.

Harmonization of legal provisions should be a continuous process. It should not be limited to the current law provisions and practices, but should provide an opportunity for all public organizations to jointly review and revise their policies, with a view to achieving a common approach to modern HRM. On an ongoing basis, new policies must be developed in a coordinated way, introducing new work behaviors, and verifying the implementation of the international experience in Libya.

Fifthly, Libyan civil service needs to *make greater use of information systems and have a concrete database on civil servants*. A good and efficient HRM system requires current information technology. The issues of developing HRM information systems need to be solved jointly and simultaneously. Ideally, a unique software solution should have been used at all levels from the beginning; until the new common software solution is in place, the central databases at each level will have

to be interoperable with each other, to guarantee exchange of data. The use of vertically integrated software is a common practice in many countries, including Turkey and United Kingdom, because it allows each institution to update and access data about its own civil servants and other employees. Each organization would have access to the data and would be allowed to update the data on their own employees. The database should be regularly updated locally; and each public organization would be able to create more accurate reports on its own public service employees.

Last but not least, an issue of vital importance to the Libyan civil service is *decreasing the level of politicization and patronage*. Civil service reform efforts around the world, to various extents, have all stressed the need for increased depoliticization of the civil service, promoting the ideal of a neutral and merit-based civil service. The evidence shows, however, that purely merit-based systems are the exception and that political appointments are common in most civil services. Proponents of a patronage system argue that it creates a cadre of loyal and efficient civil servants. It also enhances democracy, as it enables the regular rotation of senior staff in accordance with the will of the people. Those in favor of the merit system argue that it is more consistent with a rights-based approach to civil service management (non-discrimination and equal access to public office) and that it allows for continuity and neutrality in public administration. A more realistic policy line takes into consideration the pros and cons of the merit system and the patronage system in a given political and socio-economic context.

In general, patronage should be exceptional and restricted by means of efficient checks and balances that limit the discretionary powers of politicians over recruitments and promotions. Therefore, in carrying out civil service reforms, the policy-makers in Libya need to keep in mind that patronage in the civil service should be linked to merit selection, embedded in a strong ethical framework, and counterbalanced by an effective system of checks and balances.

5.3.3 Downsizing

Years of mismanagement in the Libyan public sector have contributed to a legacy of overstaffing, a growing wage bill, and inefficiency. These three reasons justify downsizing government institutions. These should be driven by government's efforts to rationalize programs and functions, and to reduce the number of ministries and departments as part of the process of redefining the role of the state. Downsizing programs can be difficult to design and there are usually several options to consider. It is important to identify and select the most cost-effective option and to avoid forms of support, such as credit programs for retirees, which are often costly and ineffective. Donors should be prepared to provide technical assistance to review retrenchment

options, design programs, and help strengthen personnel management and monitoring systems to prevent reemployment.

Options that the Libyan government can use to downsize overstaffed civil services and state-owned enterprises include: voluntary separation programs, involuntary layoff programs, outsourcing programs, and employee ownership. Voluntary separation programs can be expected to be more attractive to those who stand to lose the least from separation, and these tend to be the most productive public sector workers. Public sector workers usually differ in their productivity. Troubles start at the recruitment stage, where weaknesses in selection mechanisms, coupled with widespread patronage and favoritism, allow large numbers of people with little skill or dedication to get public sector jobs. But they are compounded at the vetting stage, where seniority-based promotions and job security suppress any incentive for good performance.

From a financial perspective, reducing overburdened organizations appears to be a very cost-effective operation, even when employees receive substantial severance pay. It is also important that individuals work where they are more productive. In their new assignment, their productivity must exceed that of their current public sector job by an amount greater than the cost of the transition to a new job. Unfortunately, productivity in the public sector is difficult to measure. Particularly, it is difficult to identify the most productive workers in government administration. If the most industrious workers leave while the least productive employees stay, the payoffs to downsizing are lost, if not negative. Ironically, we have seen that severance packages often have the adverse effect of inducing the most productive people to leave. Quite often, the best civil servants have to be rehired, which is a costly return to square one.

Well-designed retrenchment programs should address economic, financial and social issues. Governments should ensure that the costs of retrenchment take into account both additional pension payments as well as the severance pay, and that the overall cost is in line with similar schemes in other countries. Retrenchment programs are likely to have substantial economic benefits arising from the redeployment of retrenched staff to the private sector or from improved use of public sector resources. Nevertheless, for budgetary reasons, the present value of the cost savings to the government from retrenchment should outweigh the present value of the initial cost of retrenchment, and any additional pensions paid to those retrenched. In general, programs should have a quick payback period and generate net budget savings within a few years.

Particular attention needs to be given to *the social consequences of retrenchment*. Criteria for selection need to be open and transparent to the staff being laid off and are also required to identify any adverse social consequences, ensure the adequacy of

severance payments, and consider the need for other measures. Consideration also needs to be given to the potential effects on the informal sector of any displacement of employment by better-qualified retrenched civil servants.

Reducing the size of the civil service is often a prerequisite for governments to maintain and fund a smaller, better-paid public service over time. However, unless such efforts are well designed, they can have *negative consequences for morale and productivity*. These risks can be minimized by developing programs in close consultation with those affected, and by combining them with other measures to improve administrative capacity. The challenge is to combine restructuring with capacity building in a program which can ultimately enhance overall performance.

There are traditional forms of social and formal organization in Libya. Central features of these bureaucracies include solidarity, appointments based on criteria other than technical merit, important rules that are neither transparent nor codified, a lenient attitude toward corruption and poor performance of assigned tasks, and idiosyncratic careers (Blunt et al., 1992; Jones et al., 1996). Reforms such as downsizing and resizing threaten not only the careers of civil servants in such settings, but also the well-being of the kinship network, etc. supported by the incumbent. This is important in Libya because of the absence of state-provided social security safety nets. Leaders in such settings may take advantage of downsizing programs to get rid of political opponents and to refill positions with relatives and ethnic cohorts.

Despite these advantages, the downsizing could not be as effective as one might expect if it is carried out before functional reviews of ministries are completed and before an effective personnel control system is in place. One of the main purposes of downsizing is to generate fiscal savings. There are at least two dimensions to this. All downsizing efforts are intended to generate savings from civil servants who are no longer on the payroll, net of severance payments. In some cases, these savings are intended to be used to increase the compensation of civil servants still on the payroll. Although elusive, there could have positive long-term results. For instance, the nominal compensation of public servants would increase because of the increased share of government expenditures devoted to payroll taxes, and because there are fewer employees to pay.

The downsizing process can be started in a simple way, in that consultants or designated officials can prepare a review of the functions of all government departments and quasi-public agencies. The reviewers would ask each agency to answer questions such as: "What is our mission?", "Is it still the right mission?", "Is it still worth doing?", "If we were not already doing this, would we go into it now?". The Cabinet can analyze the recommendations, and agree on the overall structure of ministries. A government task force should be constituted to study the internal

structure of each ministry on the basis of the functions review and the Cabinet decision, and to determine which staff are needed. The process can take about one year.

To ease the pressure on public employment, the Libyan government needs to find alternative avenues for young graduates and redundant public servants. Once the security situation stabilizes, *investment climate reforms will be needed to accelerate growth and offset the loss of job creation as a result of recurring conflict.*

Libya will need to establish a viable financial sector and widely improve access to credit, significantly simplify business regulations, and create strong incentives for investment in new sectors. Based on an analysis of business prospects, the infrastructure, trade, hospitality, and agriculture sectors in the short to medium term, and services and manufacturing in the long term, are expected to create the most jobs. Based on interviews conducted for this report, businesses expect to grow by about 6 percent over the next two years, despite security concerns. However, preliminary estimates suggest that growth will need to double this level to readily absorb job seekers.

While Libya had initiated a process to reform labor legislation, it stalled due to internal conflict in the country. To stimulate job creation in the private sector, labor reforms should be combined with broader social protection reforms. Reforms will be needed to restructure civil service employment, address the quota system for hiring nationals versus non-nationals, and streamline regulations regarding the types of hiring contracts. Social security coverage is weak in the private sector, where only 46 percent of employees are covered. Further analysis is necessary to evaluate the benefit structure, sustainability, and the cost of labor to determine how best to strengthen social protection while stimulating job creation.

5.3.4 Performance management: Merit, promotion, and tenure

Modern performance management is substantially more than an annual report on the performance of an organization or an individual. The starting point must be clearly defined expectations and job descriptions, leading to agreed objectives and task assignments for individuals linked to organizational priorities. At the heart of the system, there should be an annual dialogue between the individual and their line manager/supervisor, to agree on future objectives and to discuss the extent to which the previously agreed expectations, and set objectives have been achieved. Senior staff should provide staff with objective feedback on their performance, recognizing achievements and encouraging them to do better by recognizing strengths and potential, and identifying areas for improvement. Skills development issues, such as training, should also be addressed, along with

personal aspirations and opportunities for career development. An open and fair performance appraisal requires strong policy, supported by comprehensive guiding documents, resources, and training to all parties involved. Above all, a comprehensive Performance Management cycle requires that supervisors and staff are equally committed to how the job is to be done effectively, and what it entails.

A central part of merit-based systems proposed in this report is a framework for performance evaluation, and rewards for good performers. In practice, almost all performance management systems are costly to administer. Traditional appraisals tend to be closed to the employee in question, and feed-back is limited, which has a negative effect on motivation. More recent approaches have focused on results rather than personal traits, on viewing appraisals as a developmental tool, and on participatory appraisals. Open performance appraisal systems relate individual performance to organizational goals, test competencies, and help create a climate of open discussion within the public service. A neutral oversight body, such as a Public Service Commission or a Department of Public Service, with appropriate appeal mechanisms, is a precondition for any performance management system. However, caution should be exercised when linking appraisals to pay and promotion. The benefits of performance pay remain to be demonstrated, and the management requirements and set-up costs of such systems can be considerable.

Experience also shows that performance-based pay is likely to meet resistance and should be a low priority to start off with. Managers prefer not to differentiate among their subordinates, and performance-based bonuses tend to be too small to be an incentive. In addition, performance appraisal should be only one element in determining suitability for promotion, others being aptitude tests, structured interviews, etc. In general, when designing pay and performance systems, the focus should be on senior officials who can be subject to greater scrutiny and where the likely impacts can be much greater. However, *incentivizing staff* is also important for improving public administration performance and has been both a consistent challenge and an objective of many reform efforts in other countries. It appears that the establishment of a merit-based civil service is the most effective way of incentivizing staff, while pay reform and performance monitoring have been less effective.

Civil service performance is difficult to monitor and assess directly, at least prior to reform. It would be possible to implement a performance management system for the Libyan public administration, at least in selected pilot administrative units, based on the outcomes produced – i.e. services delivered – but even then it may be difficult to use it as a measure of performance, as jobs in civil service are often too complicated.

In order to implement a performance management system, therefore, it would be useful to establish a separate unit in the core executive for this purpose, or to assign such a duty to an existing public agency. The existence of a performance measurement system would encourage ministries, public agencies and local governments to set measurable performance targets and establish measurement systems as well as sensitize public servants to the issues of parsimony, discipline and public interest in using public resources. Furthermore, such a performance management system would change the culture of policy planning, monitoring and evaluation in Libya to data-driven processes.

In order to eliminate negative aspects of the traditional top-down, hierarchical approach to performance management, community-based ('bottom-up') approaches have been designed to monitor performance and even guide reforms. This approach uses instruments such as citizen scorecards for monitoring public services, citizen and client surveys. It is expected that if top-down performance measurement and management system is strengthened with a bottom-up, citizen-based approach, public servants can face informal pressures for good performance and accountability, in addition to formal ones. However, these 'bottom-up' approaches to performance management may be more viable for service delivery (e.g. health care services) than for core public administration functions (such as financial management, policy advice, or administrative processes). Service users can readily observe and potentially give feedback on how service providers are doing their jobs to create pressure to improve performance.

On the other hand, two other issues indirectly related to personnel performance management, seem to be important in the Libyan case: the development of codes of ethics for public servants and the increase of intrinsic motivation of public servants.

An "ethics infrastructure" – a combination of standards, legal regulation and practice reform – can help prevent misconduct and corruption in the public sector. However, a decisive implementation of a code of ethics is necessary to reduce corruption problems in public administration.

An important point regarding public personnel management, which was generally expressed in the interviews conducted for this project, is that not only the performance of public officials in Libya, but also their morale and motivation are low. Since the enforcement of the public administration reforms proposed in this report will be driven primarily by public officials, their high morale, increased motivation and strong willingness to do business will facilitate the reform implementation processes. On the other hand, if public officials have low morale and motivation, it will be difficult to force them to increase their performance by threatening them with sanctions, which will result in their silent resistance. This is

because, in addition to incentives imposed externally or by senior management, civil servants also have intrinsic motivations for performance. For this reason, it is necessary to take into account the morale and motivation of public officials in the preparation and implementation of every public administration reform, as well as to initiate initiatives to increase their morale and motivation, and to take relevant measures.

5.3.5 Human resource management reforms

The abilities and dedication of the people working in the public services are vital for the administration to work effectively. In fragile administrative and political conditions, getting the best quality of human resources is the greatest challenge. The human resources management (HRM) system needs to be transparent, neutral, fair, based on merit and professionalism, and provide incentives to staff according to clear criteria. These policies cover access to civil service, merit-based recruitment and promotion disclosure of assets and staff rotation for sensitive positions. Above all, an impartial and high-quality civil service will enable institutions at all levels to contribute to the economic and social development required by the Libyan citizens.

The Libyan public administration needs a strategy that envisions the continued development and modernization of human resources policy and the establishment of a modern civil service in Libya. The overall goal of personnel reform should be to develop *a professional, politically impartial, nationally balanced, ethical, stable and responsive public service, which is respected, and able to deliver effective services to the government and citizens*. Several areas of human resources policy, which deserve particular attention in the years ahead have been identified below.

Human resources planning is an essential part of modern HRM, to develop both individuals and organizations for the future. There are a number of techniques supporting human resources planning, including job evaluation, job classification, workload assessment and career planning. A common approach will not only improve manpower planning but will also allow for comparisons of staffing structures and levels across government and will allow for flexible movement of individuals across public organizations.

To operationalize HR planning strategies, Libyan officials need to agree on a common methodology, techniques and criteria for job evaluation, job classification and workload assessment as well as standards for manpower planning that all the central personnel management bodies can adopt and promote in order to support the process of harmonizing HR practices in Libya.

As a number of interviewees clearly suggested, there is currently no consistent recruitment policy in the Libyan civil service. Recruitment policy should be based

on open competitions for candidates, and aim to provide all levels of government with more qualified and reliable civil servants. This issue is also directly related to human resource planning in civil service. In addition to formal qualifications and seniority, optimal recruitment requirements need to take into consideration skills, capability, motivation, attitude and potential of candidates. The absence of such a developed policy limits the ability of the administration and managers to identify and maintain high potential candidates and possible future leaders. Therefore, the government should work with universities, government officials and representative of CSOs to develop a set of skills and competencies that will be identified and tested during the recruitment process. In addition, those involved in recruitment and selection must understand the established regulations, and must also be equipped with the skills and capability to conduct good recruitment interviews and make objective judgments of candidates in an open and fair competition. Recruitment policy also needs to consider equal opportunities across all segments of the society. It will be important that diversity policies are clearly visible and implemented throughout Libya.

A practical suggestion made by interviewees for rewarding high performers is developing a high-flyers program. It could be designed to recruit from within the ranks of existing civil servants. Those who have "worked hard" could be selected and guaranteed a career path in the Service.

Access to timely and accurate data by using a HRM system is essential for effective decision making and management. A technically solid civil service agency must have the right tools to ensure adequate workforce planning (one of the weakest areas in Libya) and other key processes, leading to a better use of talent in the public sector. The fact that Libya tends to have smaller workforce should make the implementation of these systems easier than in other countries. An effective integrated HRM system would automate and facilitate processes and eliminate existing errors and inefficiencies. It would also help in future recruitment planning in the context of fiscal constraints. For a successful implementation of an integrated HRM system, some of the most critical considerations are moving from payroll systems to talent management platforms, ensuring comprehensive coverage and providing adequate training.

Merit-based recruitment and predictable, *rewarding career rankings* improve civil servants' capabilities and performance and are valued by citizens as an accountability mechanism. Basing personnel decisions on professional competence and merit would also systematically reduce the level of corruption. A merit-based system can also help attract well-educated individuals. This is important as higher level of education

among civil servants is linked to higher tax revenue mobilization, reduced corruption, better public financial management and higher economic growth.

The Libyan government can promote merit-based appointments in the civil service through organizational arrangements: for example, legal provisions, a central recruitment agency, an internal code of conduct, and separation of the administrative and political spheres. It would also be possible to take other key steps to promote merit-based systems by declaring adherence to merit principles, specifying any exceptions, auditing existing practices, and establishing a sound selection procedure. The latter includes a job analysis, an advertisement, a standard application form, a scoring scheme, a shortlisting procedure, a final selection process, and appointment based on scoring, with notification of results. In this 'tiered' screening process, it is important to ensure that no one person holds the decisive vote or veto power at all stages (Reid 2009). Given that an assessment center procedure involving an interview and written or other oral activities remains the gold standard of staff selection, an autonomous organization should be established as part of civil service reforms.

In a context where most civil servants are permanent, it is essential for Libya *to invest in talent development and establish a career management system within the public sector*. Unlike the Gaddafi regime, where political appointees make up a larger share of total employment, the government of Libya should pay more attention to providing career development opportunities for civil servants, especially those who will become future permanent secretaries or midlevel managers. In this context, the fact that development management is the lowest performing HRM Subsystem is a very clear call to action. This could entail implementing a skills gap analysis and a training action plan in prioritized segments of the civil service, as well as a stronger career development model.

Competitive pay and incentives are necessary, but not sufficient, conditions for *building capacity* to effectively perform critical tasks. Improving task performance needs to begin with mapping the organizations involved in its performance. *The organizational map* is a picture of the task's network: the organizations with primary responsibility for carrying out the task, those that are less central but still play a role, and those that provide various kinds of support to task performance. The description of interactions between these organizations is important, as is analyzing whether the interactions among the institutions are effective or a weakness in terms of capacity.

Based on such assessments, the government can initiate training programs that would help develop skills and build capacity in CSR-related areas, perhaps with donor funding and assistance. Such training should cover technical and process aspects. It should also take into account the country's institutional and absorptive capacity for optimal use of these skills. In a country like Libya, with a large public sector, this will

often involve organizational changes and improvements in incentive structures designed to enhance performance and productivity and to promote redeployment of personnel in private sector.

Under-qualified and under-experienced personnel, frequently promoted too quickly to management positions, is a key problem in Libyan civil service, so training should be a central feature of the PAR program. The needed interventions would range from specialized technical training to general education and management skills.

The problems facing the training systems in Libya are intrinsically no different from those encountered in many other developing countries: lack of a clearly defined training policy at the national level, absence of formulated objectives, lack of coordination between ministries, uneven distribution of resources and access to training, insufficient evaluation of needs in relation to available resources, absence of any assessment of the content and impact of training seminars, difficulties in motivating personnel, etc.

The existing few training programs are often far from covering all staff and are rudimentary programs with more technical information. However, although their number and content are rare, it is possible to come across training programs that improve the leadership capacities of the staff, aim to ensure their personal development and be more efficient in their work. Other big training issues in Libya include the adequacy of training, the selection of candidates for training and the retention of trained employees once they have been trained.

While several types of training can be chosen, in-service training remains the most common. For junior personnel, this may include training at a local training college, or on assignment, while for mid-level and senior personnel, specialized training has proven helpful. Study trips abroad are generally popular and can provide benefits, but they are expensive and can easily be abused. All training provides a form of perk, and transparency is required in the selection of candidates.

Therefore, a national training policy and the establishment of quality training centers for public administration are important to ensure the sustainability of training programs. Finally, training is generally confined to central government employees. With decentralization, it is increasingly important to include local officials in national training programs, as more local public services will be devolved to local governments in the near future.

Under these circumstances, international donors and certain well-established universities can provide some technical assistance to fill specific skill gaps in core government functions. Where possible, “twinning” relationships should be developed between local staff and expatriates; and the transfer of knowledge to the

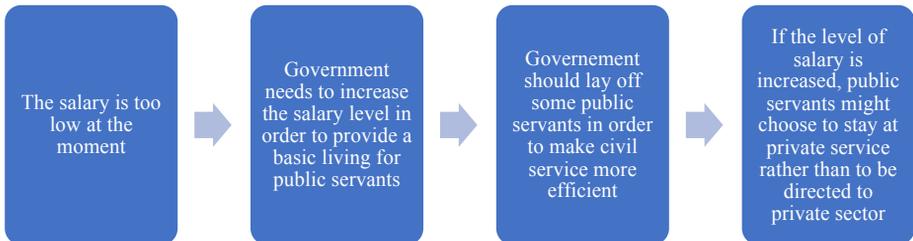
local staff should be demonstrated at the end of the expatriate's assignment. In addition, measures should be taken to rebuild the work habits of Libyan government employees, such as showing up on time, respecting deadlines and following instructions. These work habits were eroded during the conflict, and quick training in this regard would be appropriate across the entire public administration.

Finally, donors and the government should formulate a human resource strategy to reduce dependence on external technical assistance services in the medium and long term. This strategy should include the delivery of broader programs to train government employees in necessary basic skills such as accounting, basic computer skills, and simple administration.

5.3.6 Reforming pay and incentives

Inadequate working conditions for civil servants remain a major impediment to improving the performance of the Libyan civil service. To succeed, the government must commit to moving the base salary towards a living wage (MLW) over time, and to reforming pay and benefits structures by restoring differentials, introducing performance-related aspects. However, a cautious and pragmatic approach to civil service reform is needed. Performance-related pay should be introduced where possible but initially on a pilot basis, and focusing on measures such as attendance and achievement of other easily measurable targets and objectives.

Figure 11. The Salary dilemma



Source: Compiled by the authors

One reason for Libya's chronic pay problems is that the size of the civil service has increased over the past three decades as the economic conditions of the country have deteriorated. With less money to pay more people, salaries have plummeted. However, downsizing generally does not generate adequate savings to finance significant pay increases, at least in the short run. When nothing is done, the default option is that underpaid civil servants are forced to take a second and third jobs, and/or to make the most of public service. This results in many civil servants spending very little time or attention on their government work. It would also have a negative effect on anti-corruption efforts.

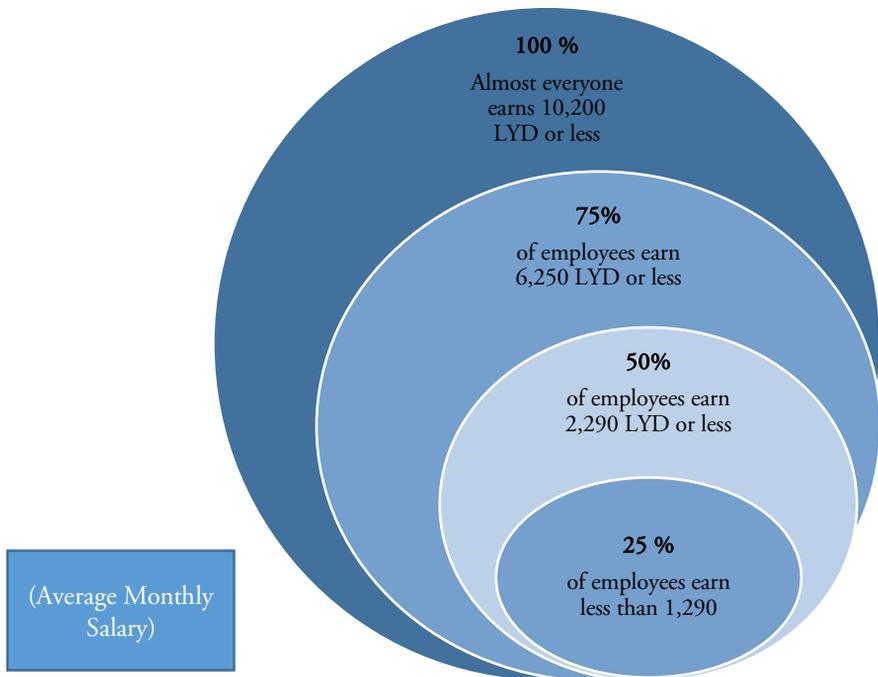
There are three main issues with pay and compensation, all of which derive largely from efforts to contain the overall wage bill while implementing reform programs:

i. Wages are too low – public sector staff in Libya often face pay scales that are, at best, barely sufficient to live on; are not competitive with the private sector; or do not compensate for postings to remote locations. For instance, the average salary for a university professor is around US\$400, while a secondary school teacher receives little more than US\$100.

ii. Wages are compressed – executive salaries do not reflect their skills, training, and seniority.

iii. Wages in the public sector are not equitable.

Figure 12. Distribution of salaries in Libya



Source: <http://www.salaryexplorer.com/salary-survey.php?loc=122&cloctype=1>

Although one of the main reasons for low wages is the bloated size of the public sector workforce and some sort of downsizing seems essential, the mechanisms for downsizing should be selected carefully, with a focus on voluntary separation and early retirement, and should be coupled with retraining, redeployment, credit and public works programs for redundant employees.

Poor compensation and benefits in Libya, particularly due to overstaffing, lead to low motivation, corruption, loss of qualified staff, poor service in remote areas, and undermine investments in training, as well as leading to a number of potentially detrimental ‘coping strategies’. In the context of Libya, according to some interviewees, such coping strategies include second jobs, predatory behavior such as under-the-counter fees, and freebies. However, interventions to improve wages and working conditions will bear fruit if they are coupled with other initiatives and civil service reforms such as performance management. In any case, in order to improve service delivery and attract, retain, and motivate employees in a context of limited resources and bloated public services, the Libyan government needs to find an optimum solution to the circle of low salaries and redundant public personnel.

Considering low level of salaries in public sector and civil service in Libya, it is easy to conclude that a sufficiently high level of base salary would motivate Libyan public servants. However, tailoring pay to the relevant labor market conditions is usually a necessary, but not sufficient, factor for good performance. Closing the wage gap between the salary and social expectations of private sector professionals and the conditions that the public service can offer is unrealistic in Libya, at least at present, given the fragile economic conditions. In addition, civil servants’ non-financial incentives, such as a sense of civic duty or accountability to the public, are important too.

A medium and long term solution to both low performance and low salary problems is to introduce *performance-related pay* schemes. However, for some jobs in public administration, such as a number of complex jobs in core civil service (i.e. involving complex tasks and difficulty in measuring outcomes), it would not be easy to reach a generalized conclusion concerning the effects of performance-related pay schemes. Furthermore, some interviewees claimed that performance-related pay would be difficult to implement in many cases because of the difficulty of measuring performance as well as resistance from public servants stemming from their concerns about its efficiency and fairness under the conditions of widespread corruption, nepotism and favoritism.

On the other hand, permanently raising civil servants’ salaries to competitive levels in Libya is unrealistic. In the short term, donors can provide salary supplements or top-ups to discourage staff from taking on additional jobs (‘moonlighting’), which is quite widespread in Libya, and to quickly recruit skilled staff. Such supplements involve official cash payments or in-kind benefits that a civil servant receives beyond the level of his or her colleagues of the same grade. However, there is a risk that competition among donors to recruit the best staff, often by offering higher salaries,

can ‘cream off’ competent staff from other ministries. This can contribute to a vicious circle, creating pressure for further Project Implementation Units outside the civil service. This can also distort the local labor market, creating inflationary pressures and skewing the balance between wages and skills, with language skills becoming the most lucrative. Furthermore, such ‘top-ups’ can contribute to perceptions of donor favoritism and impropriety. Instead, what would be recommended in the Libyan case is implementing regulations to ensure that all government allowances are clear, and preventing incumbent civil servants from receiving salary support from any source other than their primary job within the civil service in Libya.

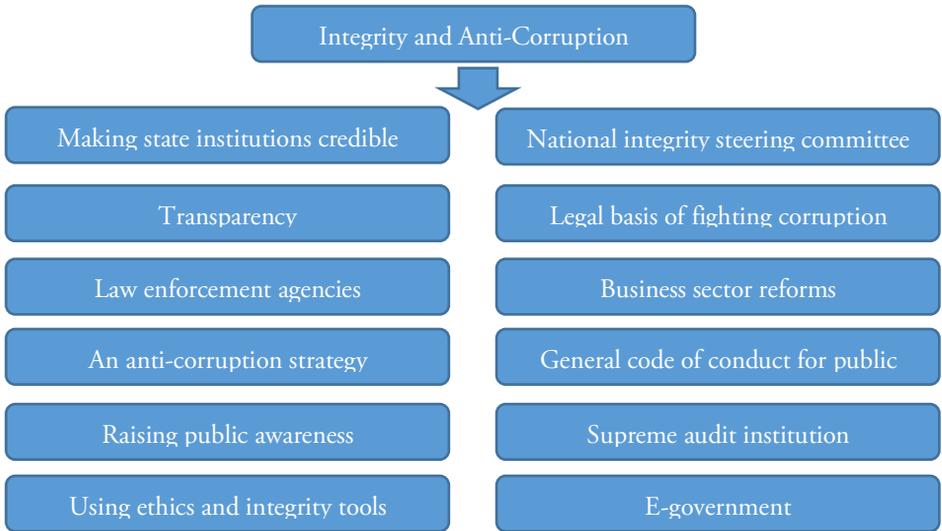
Interviewee Perceptions about HRM and Civil Service

- Downsizing should be long-term plan, and its implementation should be accompanied by employment insurance which guarantees 80% of their current salaries.... Retiring them at a certain percentage of their salaries would be more acceptable than keeping them as civil servants or public sector employees.
- Pay for performance is essential. There should be minimum wage for every civil servant as insurance for feeding his/her family. However, we need to differentiate hardworking and lazy people through performance-related pay.
- We need one hundred thousand to two hundred thousand public employees, but we have at least 2 million right now.

5.4 Fostering Public Integrity and Preventing Corruption

Transparency International (2018) defines corruption as “the abuse of power for personal gain”. It is a very serious problem not only in Libya but almost all of World today, but the extent of corruption is at a very acute level in Libya and is believed to be embedded in the core government as well as in other public organizations, and therefore requires serious attention.

Figure 13: The proposed reforms in the field of fighting corruption and providing integrity strategy



Source: Compiled by the authors

5.4.1 Corruption and its dimensions in Libya

In 2018, Transparency International ranked Libya 170 out of 180 countries with a score of 17 out of 100 (Akhagbeni, 2019). The Libyan economy has suffered from widespread corruption in all sectors; the public sector and the judiciary are among the most affected. Although corruption was pervasive under Gaddafi's rule, and the situation only got worse after the revolution following 2011.

“Corruption in Libya has become the main reason the ruling Libyan regime has failed to achieve its socio-economic and developmental goals. These factors include, but are not limited to, weak and retroactive administrative and functional legislations that do not allow for the development of the public service sector, constant changes to the administrative framework, and the cancellation or merging of administrative units that result in the lack of clear management lines” (Akhagbeni, 2019).

This has resulted in poor service provision and a lack of public trust in the state, its institutions and agencies. The Gaddafi's regime never took any serious precautions against the elements of corruption. There are several reasons for this reluctance. He used corruption to gain absolute loyalty to his own regime. However, international organizations and observers such as Transparency International and the World Bank claim that corruption intensified following the 2011 Libyan revolution against the regime of Muammar Gaddafi. Libya was characterized by an impunity for corruption

under Gaddafi's rule, despite efforts to combat it. In recent years, several post-revolutionary governments have also failed to address the very real and serious problem of widespread corruption in the country.

To examine corruption in Libya, the political, economic and social factors will need to be analyzed as these factors have fallen short and led to the on-going corruption, which is now widespread across all sectors. Each factor is briefly described in terms of the issue and its association, which leads to instability and insecurity in Libya.

Corruption is higher when political opportunities do not materialize; for instance, when policies and institutions are weak (Anderson and Grey 2006). Weak institutions lack the capacity to implement processes which facilitate or constrain policy provisions, or when the policy itself does not meet the legitimate needs of a social entity. With absolute power considered to be the reason for political corruption, the Gaddafi's 42-year rule in Libya provided a political environment conducive to corruption. Even though a change in political regime took place in 2011, because of the ongoing internal conflict and civil war, Libya has yet to establish a strong political authority. Therefore, the institutional framework for combating corruption in the country is weak and the political instability has undermined the rule of law. The Libyan Constitutional Assembly is still drafting the constitution, so all laws are derived from the Constitutional Declaration, which came in force after the ousting of Gaddafi. Nonetheless, the judicial system and security apparatus are ineffective, making law enforcement extremely weak (Libya Corruption Report, 2016).

The GNC has made significant improvements in terms of public access to information about its activities compared to the legislature during the previous regime. In addition, the GNC has adopted a set of rules of procedure that guarantees that the GNC will be highly independent, will be able to hold the government accountable and that parliamentarians will not be immune to prosecution for crimes committed in the course of their official duties. However, these rules are not yet in force because the GNC has no code of conduct and lacks a transparent system (Akhagbeni, 2019). Therefore, given the lack of transparency in the political system, the risks of Libya becoming a fragile state and opportunities of political corruption have increased.

There is a strong public feeling in Libya (Akhagbeni, 2019) that the public sector is the most corrupt institution in Libya. Bribery, favoritism and nepotism are in most cases the problem of this sector. This practice is known as *wasta* in Arabic, which means "intermediary". It is a deeply rooted practice in the Libyan society, whereby those in power favor their relatives or friends, especially by giving them jobs.

The political dimension of corruption also concerns the weak strategies which administrators have established to help create an environment where famous personalities are not immune to the implementation of justice (Heywood, 2014). Due to minimal repercussions directed at powerful and influential leaders in the society, the majority of the heinous acts committed by leaders go unpunished. In Libya, politicians abate corruption by shielding their teammates from prosecution, paying bribes to achieve their goals and deterring anti-corruption bodies from carrying out their mandates. For instance, the political elite in Libya threatens anti-corruption bodies in the state. This form of corruption in the public sector severely undermines the democracy of the state.

Economic dimension challenges the accumulation of public wealth and may lead to the shift of scarce resources. The economy of a state is oppressed by high-level corruption when there is abuse of power. The economy of Libya is highly dependent on its oil. The oil sector is government-controlled and 95% of all government revenues comes from oil exports. The key significance of oil in the country makes way for different political actors to compete to control oil resources. Since 2010, Libya's oil production and exports have dropped sharply. This fall is due to the corruption in the political system. Oil is obviously essential for the Libyan economy, but it has become a potential source of government corruption in the country.

The economic concept of corruption also postulates that a nation's economic development and growth are significantly impeded by high levels of corruption which adversely affect the allocation of public or private resources in a nation. Notably, corruption creates an environment that deters businesses from operating optimally, thereby reducing a country's opportunity to effectively generate revenue through taxes. In the case of Libya, the economic dimension of corruption is evident in the levels of returns which investors generate from their operations (Wijaya, Supriyono, & Shariha 2016). A significant decline in the levels of investment returns due to unethical business operations in a market significantly reduces Libya's economic improvements.

The social dimension ultimately leads the agent to interact with its environment. However, corruption has consequences when trust in the structure and processes of the political system is undermined. The corruption which takes place in societies is a behavioral consequence of power and greed. The high level corruption that prevailed under the previous regime in Libya limited civil society, and since the revolution, the growth of civil society has been slow. Moreover, the Libyan media industry suffers heavily from the legacy of the former regime. During the Gaddafi regime, the public media was exclusively used to secure state power and the interests of the political elite.

However, the new media tried to thrive after the 2011 revolution, but failed because the necessary law was not implemented due to poor governance.

In practice, the ongoing political corruption, absence of a civil society, unstable institutions and poor management of the political system have reinforced corruption in the Libyan society, which has presently created opportunities for brokers to use their connections and collect bribes to get things done for people (Khan 2013). Corruption at a higher level encouraged others to follow the same route, which has become the most serious problem as it has changed attitudes in general; people now see corruption as the norm. On the other hand, the private sector, banks, universities and militias see it as an opportunity to make money. All this is done discreetly, of course, with a random excuse. The idea of working professionally or systemically is simply absent and is sufficient to work in Libya (Khan 2013).

The social dimension of corruption also concerns the loss of public trust in the bodies which govern various activities in a nation (Wijaya, Supriyono, & Shariha 2016). Through the prevalence of corrupt activities among the top officials of an organization that administers public institutions, the citizens develop a negative attitude towards the institution and hence decline to support the bodies in performing their mandate. In the case of Libya, the public has lost trust in institutions such as the police force because the former associates the latter with high level of corruption in the country. Consequently, members of the public are not willing to report any acts of corruption to the security officials. The social dimension of widespread corruption is also evident in the absence of justice in systems such as judiciary and the security agencies (Chivvis, Martini & Rand 2014).

The increase in the corruption index in Libya is a sign of governmental decline, weak laws and the absence of proper legislation. Corruption is prominent in the absence and failure of standards, regulatory and legal principles, and the prevailing individualistic principle, leading to the misuse of government offices and state resources to achieve the interests of individuals or groups at the expense of the central role of the government (Loop Research, 2016). Although different laws in Libya provide for close cooperation and coordination between the various national competent authorities on the issue of fighting corruption and promoting ethics in public workplaces, this cooperation is hindered by several factors, primarily the current situation of internal war in the country.

In 2013, Libya established that international conventions take precedence over domestic legislation. The legal principles adopted by the Supreme Court are binding on all courts and all other judicial entities in Libya, in accordance with Law No. 6 of 1982, as amended by Law No. 33 of 2012 (UNODC, 2018). This leads to the conclusion that although the national anti-corruption legislation is not sufficient, the

lack of legal framework is not a real reason for the inadequacy of the fight against corruption, firmly established by international agreements. Conversely, if the national legislation is holistic, open and strong enough to include sanctions, this will increase the deterrence of the legislation. However, it would be overly optimistic to claim that Libya's national legislation is adequate in this regard and that it serves the purposes of combating corruption and establishing an ethical culture in public institutions.

5.4.2 Libya and global corruption indexes

As explained in the previous sections, the Libyan situation has worsened in the recent decades due to widespread corruption and has experienced little or no positive changes in the post-revolution era. Libya's rank has retreated in Transparency International corruption index reports. These factors illustrate the existence of significant corruption in the Libyan economy and the failure of the government to curb it. Table 10 shows Libya's Corruption Perception Index from 2008 to 2018:

Table 10. Libya's CPI Result 2008–2018

YEAR	Corruption perceptions Index (0–100)	Rank on the corruption rank	Number of countries that follow Libya
2008	26	126/180	54
2018	17	170/180	10

Source: Transparency International's Reports (various issues)

The above table shows that corruption has worsened in the post-revolution era when compared to the previous regime. The corruption rate since the 2011 revolution has not been stable instead, it has been constantly increasing.

Major problems identified in the field of Libyan civil service reform and public personnel investment management in Libya, as well as suggested reform measures to remedy them, are provided in Table 11.

Table 11. Identified problems and reform suggestions about fighting corruption and providing integrity

Identified Problems	Reform Suggestions
Absence of ethics and integrity set-ups in institutions	Establishment of ethics and integrity set-ups in institutions
Absence of a national anti-corruption strategy and action plan	Developing and implementing a national anti- corruption strategy and action plan
Existing policy and legal framework for anticorruption needs to be improved	Increasing transparency in budgeting public financial management processes
	Ethics and integrity training for civil servants
	National and local ethics and integrity awareness campaigns
	Establishment of a strong and independent State Auditing Institution and independent auditing units within each large public institution

Source: Compiled by the authors

5.4.3 How to eliminate corruption and promote ethics and good governance

There is no comprehensive anti-corruption strategy in Libya. A 2012 survey of senior officials from ministries, government, civil society and the private sector confirmed that there are no clear state methods or mechanisms to fight corruption (Voluntas Advisory et al. 2016). However, several activities to support the anti-corruption agenda have been undertaken. First, there has been a growing popular demand for a state based on democratic principles, good governance and respect for human rights, as well as a focus on public administration reform after the fall of the previous regime (JMW Consulting and NDI, 2014).

Therefore, a few efforts have been made to help combat corruption, including support from the Grand Mufti (Voluntas Advisory et al., 2016). Second, several attempts have been made since 2007 to reform the public sector to improve transparency with the assistance of internal and external experts and donors. This reform process has persisted after the revolution and the public institutions themselves took a series of anti-corruption initiatives (Bertelsmann Stiftung, 2012). Former Prime Minister Zeidan started the process to help promote the anti-corruption agenda by improving transparency in the general public sector, and the Executive branch participated in the establishment of several public entities, such as the GNC and the Audit Bureau, equipped with legal tools to effectively monitor the Executive branch (Voluntas Advisory et al., 2016).

The Executive branch also introduced a system of national identification numbers that assigns a unique number to each person, which aims to prevent corruption by maximizing the likelihood of transfers and payments made to the right individuals. The GNC has also set up a committee to improve transparency so that the public can be aware of what is going on in the state and has been able to provide employees with anti-corruption training programs, but with inadequate outreach, partly due to the lack of experienced key actors to consistently develop and advance the policy platform (Voluntas Advisory et al., 2016).

The Audit Bureau has become a more and more critical voice and key supervisory role for the executive and the legislative branches. It has conducted comprehensive financial management audits and assessed the performance of public institutions, and in its 2013 annual report, it reported poor performance, poor governance, lack of transparency and poor implementation in a wide range of sectors of the executive and legislative sectors (Voluntas Advisory et al., 2016). It has thus helped hold the public sector accountable and raise awareness of the sector issues. It remains to be seen how this affects the national integrity system of the country, but the audit bureau appears to play a major role in increasing awareness of misconduct in the public sector (Voluntas Advisory et al., 2016).

Third, while the public sector was the focus of most anti-corruption efforts, the Libyan authorities also made considerable efforts to combat corruption in the private sector, both in practice and under law. Recent legislation has laid down provisions punishing individuals, companies and armed groups engaged in certain illegal activities in the country, and in some cases law enforcement has been pursued by authorities. For example, the state of Libya has filed several lawsuits against companies suspected of fraud and corruption (Voluntas Advisory et al., 2016). Fourth, the international community has also supported anti-corruption efforts in Libya and has undertaken various programs, mainly from UN organizations and the European Union (EU), to increase transparency and accountability in capacity development and public administration. In cooperation with the Office of the Auditor General, the United Nations Office on Drugs and Crime and the United Nations Development Program are working on institution building (Voluntas Advisory et al., 2016).

In the fields of public procurement and policy, public control, and national accounts statistics, the Ministry of Finance cooperates with the International Monetary Fund (IMF) and the World Bank (United Nations Country Team, 2012). In addition, the Libyan government is cooperating with the EU to build a more sustainable public sector in the long term. The EU has allocated €4.5 million (LYD 7,526,445) (US\$ 6,083,129) to the EU Public Administration Facility for Libya, which concentrates on state-building and public administration support (Voluntas Advisory et al. 2016). The progress of these projects remains to be seen, but the country's poor security

conditions have impaired initial reforms (Bertelsmann Stiftung, 2014). Finally, civil society organizations (CSOs) and the independent media have also been involved in anti-corruption efforts. The provisional constitution established an independent media and a right to form CSOs and political parties, thereby increasing the potential for watchdog organizations in Libya. Although the lack of financial and human resources limits these institutions, they have succeeded in raising public awareness of corruption and have taken several initiatives to challenge the government. One example is the “Eye on the GNC Movement”, and CSOs report on GNC meetings and decisions on a monthly basis, with the goal of increasing transparency, informing the public about parliamentary activity, and enabling the public to hold the government accountable (Voluntas Advisory et al. 2016).

The Libyan Audit Bureau has played a critical role in solving the issue of corruption in Libya despite some of the challenges the body encounters. According to (Wijaya, Supriyono, & Shariha, 2016), the Libyan Audit Bureau helps solve the problem of corruption by auditing the financial statements of public institutions, reporting any fraud to the relevant authorities, or recommending the prosecution of individuals culpable of forging official documents. Through analysis of the financial records and monitoring of official documents from various institutions in Libya, the audit team manages to curb the problem of corruption by ensuring that workers develop honesty in the performance of their duties.

In Libya, the current security situation seriously compromises the implementation of the following recommendations. In order to improve the integrity system and hence reduce corruption, a degree of stability must first be established. That being said, improving access to information and the participation of CSOs and citizens in the process of on-going reform could have a positive impact on building trust in the State. Particularly, the constitution-making process provides an opportunity for various stakeholders to participate, which can increase the Libyan’s accountability and ownership of the new constitution (Voluntas Advisory et al. 2016).

Making state institutions credible

One key suggestion in this process is to ensure that the executive, judicial and legislative branches of government are clearly defined and do not overlap, and that the independence of each institution is guaranteed. The judiciary and law enforcement agencies in Libya urgently need to become more credible institutions to help secure the overall integrity system and avoid parallel structures which oppose the government. International donors and national partners should make the reform process transparent by, for instance, conducting public hearings and communicating with stakeholders and citizens; involve and recognize citizens and organizations, by

reserving seats for CSOs on boards and committees; and make the judicial reform process legitimate.

Transparency in the public sector and access to information

The low level of trust in the highly dominant public sector of Libya is extremely detrimental to the whole system. To build trust, it is recommended that the focus be on improving transparency of the public sector to provide citizens, CSOs and the media with access to information about their work and operations. Therefore, it is recommended that *a law on access to information be established, enforced and made accessible* and that legislation, rules and regulations be made easily accessible through the collection of all key documents in a central repository, such as an online database/web site.

CSOs and the media play important role in attempting to create a society in which different stakeholders participate more equally and, as a result, *increase accountability mechanisms* in Libya. Therefore, it is worth recommending the establishment of a legal framework to enable CSOs and the Media to operate independently, to involve citizens and organizations in the creation of new legislation (for example, through a reserved seat in decision-making bodies) and to hold public hearings on all new legislation. And also, create a civic education program on rights and responsibilities that would raise awareness of public sector rules and regulations and inform people of the possibilities and mechanisms of complaints (Voluntas Advisory et al. 2016). Also, improving the anti-corruption agencies in Libya will enable the agencies to prevent corruption, initiate reforms to prevent corruption and increase awareness of corruption prevention.

Reforming and strengthening law enforcement agencies

In addition, there should be *a reform of law enforcement agency*. The Libyan law enforcement offices are faced with a number of major challenges, particularly armed militias who pose a threat to the country. In this regard, it is recommended that the agency establish procedures for dealing with crimes, including disciplinary and penal codes, adequate investigative capacity, sanctioning procedures and appeals proceedings, between the police, militias and public prosecution officers.

Designing and implementing an anti-corruption strategy based on preventing corruption rather than punishing corrupt acts and criminals

The anti-corruption strategy to be developed for Libya's particular needs would rest on four pillars: the presence of rule of law and democratic reforms, a strong civil society with access to information and a mandate to oversee the state, and sustainable

economic development. Based on these four broad contexts, there are four basic areas in which action can be taken against corruption in Libya:

First, the basic institution of good governance needs to be strengthened. At the top of this list is the judiciary, which is itself the guardian of laws and integrity. But if the judiciary is itself corrupt, the problem is compounded and the general public does not benefit from rule of law.

Second, the capacity and integrity of enforcement need to be enhanced. The best law is worthless if it is not enforced. The best judges and magistrates are useless if cases are never brought before them. Good investigations are wasted effort if the judge or magistrate is corrupt.

Third, a government needs to put in place a solid set of preventive tools. Codes of Conduct and strong independent oversight bodies can help ensure that acceptable standards of behavior are respected in both the private and public sectors. Political leaders in all branches of government, legislative and judiciary can be required to be transparent in their own financial dealings by declaring their assets and those of their family members.

Fourth, the public needs to be made aware of the benefits of good governance and involved in its promotion. The public itself has a large responsibility for insisting on honesty and integrity in government and business. The public needs to learn to teach their children the right values; e.g. that integrity is good and corruption is bad, not to let anybody buy their vote; to report incidents of corruption to the authorities and not to pay bribes themselves.

Broad-based participation is essential for sustainable development. Only programs that achieve local ownership and value will ultimately thrive. The broader the ownership, the better. Logically, therefore, anti-corruption strategies should work to greatly enhance participation in program design, implementation and evaluation to improve accountability (Langseth, 1999). The Libyan government and international donors, therefore, need to develop, train and mentor local stakeholders to facilitate wider circles of participation. These participants can then turn to experts to design solutions that are technically competent but also locally developed, adapted, and appropriate. Empowerment of the society and CSOs, combined with other practical tools constitutes a good practice in preventing corruption.

Raising Public Awareness about Corruption

Educating and involving the public in building integrity is the key to preventing corruption and thereby the key challenge and keystone of this integrated holistic strategy and can take different forms:

- Public education and awareness campaigns (radio, newspapers, TV);
- Conduct annual broad based national/municipal integrity workshops where all stakeholders are invited to discuss problems and suggest changes;
- Inform citizens about their rights (Citizens' Charter); and empower the citizens to monitor the government through periodic service delivery surveys;
- production and dissemination of a national integrity strategy and an annual corruption survey at national, municipal level;
- production of integrity surveys at the municipal level;
- investigative journalism and information by the media.

Using Ethics and Integrity Tools and Activities

The process of strengthening a National Integrity System begins with a national dialogue followed by national action. To promote national reform, the following prevention and integrity tools will be developed:

- Corruption Surveys
- Municipal and regional Integrity Workshops
- External oversight in tender process
- Enforce code of conduct including declaration and monitoring of assets
- National and Integrity Workshops (NIWs) (broad based action planning)
- The Integrity Pledge
- Islands of Integrity
- National Integrity Steering Committee (NISC) and National Integrity Unit (NIU)

The “integrity surveys” or “corruption surveys” are used to identify areas of public service where corruption is a problem and to raise awareness of the extent of corruption. They can also be used as part of an anti-corruption strategy. In addition to the formal integrity surveys, informal participant surveys are sometimes included as part of an integrity workshop or symposium to draw attention to a particular corruption issue.

Conducting an Integrity Survey generally involves a workshop where different stakeholders discuss the causes of inefficiency and corruption and seek to build consensus on possible solutions. This method assembles representatives of all the major stakeholders or integrity pillars in society: the executive branch of government, parliament, the judiciary, the media, civil society, watchdog agencies, and others. The workshop can start with a presentation of Integrity Survey data, papers written by representatives of each of the “integrity pillars” describing how corruption is present

in the different stakeholder groups, and international experiences and best practices in controlling corruption. External actors can facilitate the process, but the dialogue and its results must be developed and therefore owned by the local stakeholders.

Integrity workshops can also be used in local level. Conscientious mayors and municipal managers are generally concerned about the quality of municipal services and how to improve the efficiency, effectiveness, transparency, accountability, and value for money of municipal services. They want to know what residents think of the services provided, where corruption may be siphoning off resources, install a Local Integrity System to improve service delivery, and enhance the image of the municipality.

Like the National Integrity Workshops, the municipal or other subnational workshop should produce tangible outputs, including: (a) an integrity pledge, which expresses the consensus of the workshop on corruption, and (b) a local integrity action plan that sets a time frame for specific actions to address priority areas and identifies a group (probably an NGO) that will be responsible for monitoring the achievement of the plan's goals and tasks. Being held accountable for decisions made at the workshop makes the participants role models for accountability throughout the country.

Lastly, the "Island of Integrity" or "enclave" approach was developed by Transparency International as one way of guaranteeing a transparent process in procurement. This approach fences off an area of government activity to address corruption in isolation from other influences. As translating dialogue into action is a critical step in the process of building a National Integrity System, action plans need to be developed in accordance with the local needs.

Establishing a national integrity steering committee

A practical first step in strengthening a National Integrity System is to establish a National Integrity Steering Committee (NISC) which brings together all stakeholders. Within government this would include representatives from the executive, judiciary, cabinet, electoral body, and officials from key departments such as customs, procurement, revenue collection, and local government. Representatives from outside government would include leaders from religious, business, media and special interest groups. The committee's task is to analyze the framework, identify and prioritize areas for reform, and develop a plan that includes short-, medium-, and long-term goals along with a public awareness-raising program. It should assign subcommittees to follow up action and receive reports on the progress toward the goals set. The working group should publish the names of its members, its overall plan, and regular progress reports. The group should pay particular attention to

achieving several “quick wins” to build public confidence early in the process. In order to avoid a politicization of the process, the steering committee should be as broad-based as possible.

There are also a number of possible challenges to these reforms in Libya. Firstly, the question of sequencing anti-corruption and ethics efforts is an important issue, as the starting point of the process will determine what happens next. Secondly, some interviewees claim that it would be hard to identify the appropriate and clean partners in Libya, as corruption is so widespread in the country. This requires civil society to play a particular role from the outset, to ensure that the reform process is promoted by the right “champions”. Thirdly, the credibility of law enforcement and watchdog agencies is crucial to building public trust; credible agencies will attract public cooperation, both as complainants and as witnesses, and an institution lacking trust will not.

To fight corruption, it is essential to undertake and maintain public trust in the State as an institution. It depends on the people’s loyalty to its philosophy and policies regarding the development of the social, economic, and political well-being of society.

Providing a legal basis of fighting corruption in Libya

There is no “general code of conduct for all public officials”, but several laws and by-laws and regulations in the Libyan national legislation comprise a number of important rules of conduct for civil servants and other public officials. Since these legal regulations are very scattered and lack a specific methodology and philosophy, it would be appropriate to bring them together and produce a legal text that includes all aspects of the matter.

The most important items of the national legislation which can be suggested to ensure ethical conduct and combat corruption are as follows:

- The Constitution should lay the foundations of a clear and no-corrupt civil service, society and politics.
- The Law Concerning Civil Service (Labor Law) should clearly identify prohibited activities of public servants (including the retired civil servants)
- The Penal Code should heavily punish the ones who commit unethical conduct and corruption
- The finance laws should include some items about financial disclosure and all public officials (whether elected or nominated) must be obliged to declare property
- The Civil law should explain the mechanisms of redress of grievances including the usage of petition right

- A specific law should be issued to regulate the right of access to information by ordinary citizens and to penalize the civil servants who refuse legitimate demands of information by the citizens
- An Ethics Council directly accountable to Prime Minister and consists of respectful academics, judges, civil servants and representatives of the Civil Society should be established by a specific law.
- A number of by-laws concerning the principles of ethical behavior for public servants, politicians and major segments of the society should be issued by the Ethics Council.
- International conventions about prevention of money laundering and Income comes from Crime should be ratified by the parliament.
- The Public Procurement Law and the Public Contracts Law should be revised to include measures to combat corruption.
- A general public financial management law laying the foundations of financial accountability mechanisms and other codes of financial conduct should be issued by the Parliament.

These major pieces of legislation should comprise various legal instruments necessary for preventing various kinds of corruption. In addition to these major legal regulations, various ethical principles and rules of conduct should also be incorporated into the organizational laws of many public bodies and into the laws and regulations of major professions. In addition to these national legislation, the Libyan authorities are also expected to sign and ratify, in the coming years, various international anti-corruption conventions, such as the UN Convention against Corruption.

Reforming business sector

The Libyan business sector has traditionally been weak in Libya with the economy dominated by the public sector. With corruption being widespread in the country, the business sector is seen as both a victim and a contributor to the problem. In this respect, the following measures are recommended:

- Ensure implementation of the existing law requiring budget transparency for business entities, particularly the banking sector; ensure stricter enforcement of Law no. 47 2012 excluding companies involved in certain illegalities from conducting business and of Law no. 2 2005 on combating money laundering
- Establish stricter legislation regulating business integrity, to include stronger punitive measures and the crime of foreign bribery
- Establish forum for engagement between civil society and the business sector, especially the various chambers of commerce, to collectively engage

in promoting an anti-corruption agenda in Libya. This could include a campaign to promote business membership in the UN Global Compact initiative

- In collaboration with the leading Chamber of Commerce, develop an updated and comprehensive corporate governance code to enhance the integrity in the business sector, including provisions on transparency and openness, financial reporting, risk management, internal controls and audit.

Developing, adopting and enforcing a general code of conduct for public service

There are no common rules of procedures/codes of conduct applicable to the entire public sector in Libya. It is therefore recommended that a general code of conduct be developed, adopted, and implemented, including rules and regulations regarding recruitment, gifts, hospitality, post-employment, etc.; that training be provided to public officials on conflict of interest in employments and duties; and that a public agency be established to deal with citizens' complaints regarding the public sector.

Reforming justice sector

There is an urgent need for the judiciary and the law enforcement agencies in Libya to become more credible institutions to secure the overall integrity system and avoid parallel structures that undermine state authority. It is recommended that international donors and national partners ensure that the reform process is transparent, for example by conducting public hearings, communication with stakeholders and citizens; that citizens and organizations are involved and heard in the reform process by reserving seats for CSOs on boards and committees; and that the legitimacy of the judiciary reform process is established from the outset by involving both the supply side (the judiciary, the public sector, etc.) and the demand side (citizens and CSOs).

Reforming and strengthening supreme audit institution

Establishing the Supreme Audit Bureau has been one of the major positive steps taken by Libya to combat corruption, particularly in the financial sector. The bureau demonstrates a degree of openness and transparency and publishes most of its reports on its website. Legal provisions ensure the independence of the bureau, and there is also evidence that it has been able to conduct annual audits of the executive branch without undue interference, though there has been criticism that it has become politicized. However, it suffers from a lack of financial and human resources, resulting in a lack of depth in many of the reports it has issued. In addition, its independence is frequently challenged by attacks from armed militias. A key

suggestion would be to strengthen Supreme Audit Bureau with administrative and financial resources and to increase its authority over other public institutions in the cases of corruption, similar to the supremacy of court decisions.

Encouraging e-government and IT usage

Although it is frequently assumed in many quarters, including among intellectuals, CSO representatives and policymakers in Libya, that the introduction of more advanced ICTs reduces opportunities for corruption; the reality is more complex. While ICTs can sometimes detect and eliminate corruption, they can also have no effect at all, or even create new opportunities for corruption.

Wescott et al. (2000) rightly suggest that e-government and the extensive of information technology lead to changes in one or more of the following related aspects:

- **Skills.** Computerization is often associated with an “upscaling” of corruption, providing new corruption opportunities for those with ICT skills, and removing opportunities from those without.
- **Confidence.** With computer systems seen as an objective, omnipresent and omniscient, corrupt officials lose confidence and refrain from corrupt practices.
- **Access.** Computerization of records often closes down access to some staff members but opens up access to others who operate the ICT systems. Depending on relative integrity, corruption may increase or decrease.
- **Control.** Data quality and computer omnipotence lead some officials to believe that ICT removes the possibility of corruption.

They may therefore fail to institute controls on computerized systems. And this last trend is probably the most dangerous, for the lack of controls will be evident precisely to those in a position to take advantage of them. In Libya, corruption is rooted in the cultural, political, and economic circumstances of those involved, and therefore ICT has little influence on these root causes; its potential role is limited and only part of a much larger picture.

Ensuring transparency in the public sector and access to information

The low level of trust that the Libyan people have in the very dominant public sector is detrimental to the integrity system. In order to build trust, it is recommended to focus on the improvement of transparency in the public sector in general so that citizens, CSOs, media, etc. can access information about its work and functioning. It is therefore recommended that a law on access to information be developed, adopted and enforced, and that easy access to laws, rules and regulations be ensured

by collecting all essential documents in one central place, e.g. in an online database/website. Abbreviated versions in the common language of all laws, rules and regulations should be published for easy public access, and the state budget, public sector vacancies, asset declarations and financial interest of public officials should be made public.

Interviewee Perceptions about Fighting Corruption

- We can divide corruption in Libya into two groups: small-scale corruption and large-scale corruption... We need to focus particularly on large-scale corruption.... For instance, political parties need money to stay in power, and corruption is a way to do that.
- We already have an anti-corruption Department. But this is not a way to curb corruption in this country. Nobody can monitor the activities of this institution and there are no clear regulations on how to fight corrupt. My only solution is transparency and openness of government.”
- In order to comprehend in which sector corruption is high, just follow the money.
- Religious values can be a significant element of the fight against corruption. Islamic ethical principles seem to be forgotten. Schools and universities do not promote adequately Islamic ethics. But we have no better weapon in this battle than Islamic ethics, as almost all Libyan people are Muslims. We need to remind our children in schools that Islam forbids corruption and all kinds of obtaining illicit property and capital.
- We need new oversight institutions, as the oversight institutions of accountability and supervision are quite contradictory to each other.

5.5 Introducing New Management Techniques

“The greatest danger in times of turbulence is not the turbulence - it is to act with yesterday’s logic”

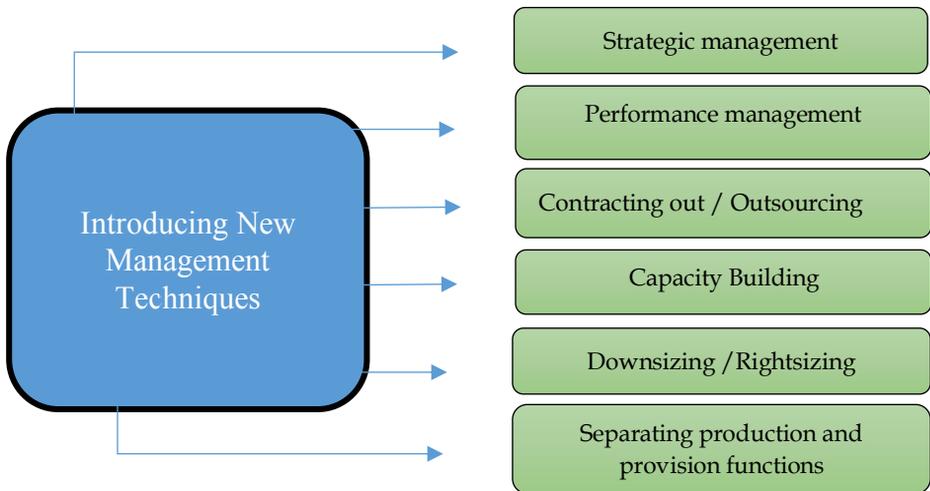
[Peter Drucker]

The public sector plays a significant role in national development. To remain viable, efficient and effective in meeting the dynamic needs of citizens, it has to embrace strategies that can improve productivity and the quality of services delivered. To this end, a number of management techniques and strategies to enhance public sector performance are offered for the Libyan government to adapt. These strategies, while

not exhaustive, touch on the key requirements for improving public sector performance in general, and public service delivery in particular. Among these are Performance Management, Total Quality Management (TQM), Strategic Management, and Training and Development. These strategies are based on the concept of a “lean” government, which means a government that is run in partnership with all stakeholders, whose focus is to promote the advancement of the private sector and citizens through a well-managed policy and regulatory environment.

Two main sources were used to select the proposed management techniques for Libya in this section: The approaches and techniques most mentioned and recommended in the interviews conducted as part of this project and those that have proven successful in less developed countries.

Figure 14: The proposed new management techniques



Source: Compiled by the authors

Major problems identified in the philosophy and management approaches in Libya and the suggested reform measures to remedy them are provided in Table 12.

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5.5.1 Performance management

Introducing a stronger performance orientation in public administration is important for Libya. However, this task is neither simple nor self-evident. Experience shows that mistakes and counterproductive results in this area have usually due to a neglect of the complexity and difficulties of implementing performance measurement. Many

of these mistakes could have been avoided by identifying the real administrative problem, correctly defining the objective of the intervention, and being realistic about the actual monitoring and implementation.

Table 12. Identified problems and reform suggestions about introducing new management techniques

Identified Problems	Reform Suggestions
Inadequate efficiency and effectiveness	Separating production and provision functions
Bloated workplaces	Downsizing /Rightsizing
Absence of long-term and strategic thinking	Strategic management
Absence of technical skills as well as managerial and leadership skills among public managers and employees	Capacity building
Weak linkage between remuneration and actual performance of employees and civil servants	Performance management
The need to benefit from the energy and synergy of the private sector and civil society in public service delivery due to inefficiency and cumbersome in public institutions	Contracting out

Source: Compiled by the authors

Performance is a complex issue partly because the concept itself is not simple—with a subjective dimension in terms of individual effort and an objective dimension in terms of results. While it is important not to entirely neglect the subjective effort, and recognize it appropriately, performance should be measured mainly in terms of results. However, the results themselves need to be carefully defined. They can be specified in terms of inputs (the resources used to produce a public service); or outputs (the service itself); or outcomes (the purpose achieved by producing the service); or good process. The performance criteria for inputs, outputs and outcomes are, respectively, economy, efficiency, and effectiveness.

Each of these performance indicators has advantages and disadvantages. An exclusive focus on the proper acquisition and utilization of inputs leads to a means-ends mentality that neglects the purposes for which the resources are obtained. Output indicators are more appropriate for activities close to the ultimate user but not for upstream public activities such as policy analysis.

Outcome indicators are generally more relevant, but also less useful for allocating responsibility. And attention to due process, which is essential in the long run, becomes sterile formalism if it is viewed as an end in itself.

Because outputs are more quantifiable but narrower, while outcomes are broader but also influenced by factors beyond the control of the civil servant or organization in charge, there is a trade-off in accountability—whereby accountability can be either strict but narrow (through output indicators) or broad but loose (through outcome indicators). Consequently, it is important to use a combination of performance indicators, and never to rely exclusively on one indicator. In general, a good performance indicator must meet the “CREAM” criterion—that is, be clear, relevant, economic, adequate and controllable. If any of these conditions are not met, formal performance measurement should not be introduced, and other ways of assessing and stimulating good performance should be considered.

If and when performance indicators are introduced, appropriate target levels need to be set. Targets that are too easy or too ambitious both lead to underperformance. Setting ambitious but achievable targets can be facilitated by benchmarking, i.e. comparison with performance standards of similar organizations or the same organization at different times. In general, comparisons with other organizations or countries are problematic because the circumstances are rarely the same. For example, when assessing student achievements, schools in poor neighborhoods generally compare unfavorably with schools in rich neighborhoods, but for reasons that are not necessarily related to teacher or administrator performance. More reliable are time comparisons, provided that resources and other basic parameters have not changed between the two periods being compared. Finally, an interesting option is process benchmarking, which compares the performance of similar organizations not in terms of outputs but in terms of the soundness of the procedures followed.

Injecting formal performance-related elements into public management requires extreme caution, particularly in fragile country contexts, both because better performance orientation is essential to improving public administration and because there are many wrong ways of pushing it and only a few right ways of doing it. The suitability of performance measurement and the specific indicators themselves depend, among other things, on the organization in question.

Concerning the overall approach to fostering better administrative performance, the lessons from international experience are as follows:

- Never confuse the end goal of improved performance orientation with any one of the specific means to achieve it. There are many ways to foster performance. Depending on the circumstances, improving performance may justify the use of quantitative indicators; or it may require qualitative indicators; or rely on dialogue, moral suasion, peer pressure, and other means that do not entail overt performance indicators. When performance indicators are appropriate, they should normally be introduced without

wholesale changes in administrative or budgetary systems. Consider the probable impact of introducing performance indicators on individuals' behavior, especially in multi-ethnic societies and very small economies, and take compensatory or "insurance" measures. Understand the different uses and limitations of input, output, outcome and process performance indicators, and tailor the use of each to the specific sector and issue in question. Whenever possible, use a combination of indicators to assess performance, rather than a single indicator.

- Ensure rigorous performance monitoring, with swift and predictable consequences.
- Performance indicators can be used in the dialogue between line ministries and central ministries (or the public), but direct and mechanical links to procedures, personnel, or budget allocations should generally be avoided in developing countries.
- Build-in provisions for the systematic assessment of *performance of the performance system itself*. It is inherent in the logic of any performance management system that it, too, must be subject to a reality check, and to periodic proof that its concrete benefits outweigh the cost.

Beyond the above cautions, it is important to constantly be on the lookout for opportunities to expand public administration awareness of services; raise the rewards (not necessarily monetary) for good performance and sanctions for unsatisfactory performance; and keep under constant review the possibility of introducing the various performance measurement and monitoring tools. In all these tasks, systematic feedback from employees, service users, and the general public is invaluable, as is an informed and aggressive free media.

Given the fragile conditions in Libya, the actual process of introducing performance indicators into the Libyan public administration can involve the following stages:

- select one or two government departments that provide services directly to the public;
- introduce simple performance measures at an acceptable cost (including transaction costs);
- monitor the functioning and impact of the measures;
- debug the measures and adjust them as needed;
- gradually expand the application of performance measures to other governmental areas as and when appropriate; and, most importantly,
- stop upon reaching the point of diminishing returns.

Performance-based budgeting, a tool widely used in developed Western countries, is another key instrument of NPM approach to improving service delivery because it

provides strategic planning, performance measures and incentives for employees to achieve fiscal and operational efficiency.

Over the past three decades, budgetary reform has been driven by a concern for efficiency and effectiveness in government agencies, resulting in reform tools, such as performance-based budgeting. Fiscal and operational efficiency can be achieved by adopting a country specific approach to a performance-based budgeting system that encourages performance and cost measures (inputs, outputs and outcomes) as a fundamental factor in strategic planning and management as a means of building consensus to guide policy (Brown, 2008). Like many other fragile developing countries, Libya usually operate from a conventional budgeting perspective whose main objective is to control and promote competition among public agencies to maximize the budget, which often discourages cost-saving techniques. Instead of penalizing public managers for cost savings achieved through process improvements, the performance budgeting approach posits that the system provides incentives and sanctions to ensure that programs are carried out as planned.

It would not be over-pessimistic to assume that Libyan politicians seek to maximize political power and retain office by supporting short-term projects that can generate immediate pay-offs, and that bureaucrats seek to increase their budgets as much as possible by recruiting more staff into their organizations. One of the benefits of performance-based budgeting will be to curtail these types of behaviors by implementing performance measures that guide resource allocation based on outcomes and citizen preferences.

Performance and management contracts are the most well-known management tools that have the potential to produce the most results when properly applied.

Performance contracts are defined as negotiated agreements between the government and the senior management of a public organization, in practice mostly state economic enterprise, wherein quantifiable targets are explicitly specified for a given period and performance is measured against the targets at the end of each period.

Performance contracts are agreements between governments and *public* managers, while management contracts are between the government and *private* managers. In a *performance contract*, the government sets strategic objectives and public managers decide on the operational strategy to achieve those objectives. The process of developing performance contracts is beneficial in itself, as it leads to a dialogue about the facts and helps each party become familiar with the needs and problems of the other. Most performance contracts are indicative rather than prescriptive, and their success depends more on genuine commitment of both sides than on the level of detail in the contract.

Once the functions of the public organization have been clarified and suitable cost accounts developed, it should be possible to provide the senior management with an improved incentive structure by linking their rewards to performance through performance contracts. However, if performance contracts are to be effective, they should be well designed. In addition, there should be experienced people to oversee performance contracts, management contracts, whether the targets set for these contracts are realistic, and the penalties to be imposed when the penal conditions set out in the performance contracts are not met by a unit to be established in the prime minister's office or in the higher court of audit. Otherwise, even with improved accounts, managers can usually negotiate easy targets for themselves. And managers can further impede the monitoring process by delaying the return of essential and audited data. If targets are relatively soft and bonuses are paid for achieving them, public managers will have little incentive to improve performance further.

Taking into account Libyan administrative traditions, another serious pitfall is that sanctions for poor performance would rarely be enforced. The government may therefore choose to bring in external agents, such as professional auditors, to strengthen the government's position *vis-à-vis* the public organization whose managers sign a performance contract with the government. Moreover, the government may renege on the contract if its fulfilment requires it to take actions that have a high political cost, such as sanctioning the retrenchment of redundant workers as a cost-reduction measure. However, despite these various disadvantages, some form of monitoring and incentive to improve performance is essential if public organizations are to perform effectively in the absence of a true competition, as is the case in Libya.

Performance contracts between governments and public enterprises (PEs) can be an instrument for restructuring PEs and managing the interface between government and PEs. Performance contracting is based on the belief that, while granting operational autonomy to PE management, it is necessary to hold them accountable for performance. Although the capacity to implement performance contracts in public enterprises in Libya has been limited, it seems that the adoption of a performance-oriented public sector culture would increase the accountability of public enterprises and improve their performance.

One of the most important pillars of performance management is the *performance audit*. Conducting this audit by independent supreme audit organizations that externally oversee the institutions, guide them in performance management, and have the authority to hold them accountable and sanction them if noncompliance is detected as a result of the audit will increase the effectiveness and legitimacy of the audit. Supreme Audit Institutions (SAIs) are apex-level national external audit bodies

that are the mainstay of ex post oversight. Particularly (but not exclusively) in countries following the Westminster system, SAIs depend on parliament to act on their findings by reviewing their reports and recommendations and monitoring their implementation. As national oversight bodies that audit government expenditure, SAIs are mandated to check whether public spending complies with the laws and policies adopted by parliament, to provide an x-ray of the financial administration of the state, and to ensure that public funds are spent efficiently. SAIs are an integral part of the fourth and final stage of the budget process. While government internal controls (including internal audit) are an integral part of the implementation phase, only SAIs provide independently verified ex post information on public spending.

In countries with a system of parliamentary democracy, parliaments scrutinize SAI reports, endorse and supplement SAI recommendations and monitor government implementation of these recommendations. An important rationale for the establishment of SAIs is that any democratic government needs objective, external views on policy formulation, implementation and evaluation, which should complement the government's internal controls and evaluation capacity. SAIs contribute to a stronger evidence base by complementing government-led evaluation with external assessments. Furthermore, a proposed SAI in Libya could go beyond its oversight role and contribute to the implementation of national priorities through performance (value-for-money) auditing and the development of suggestions for new public policies as well as better implementation of existing public policies. In other words, the SAI can be organized to play an advisory role in addition to its external financial audit role.

COVID-19 has demonstrated the systemic weaknesses of Libya's political and economic system. For the Libyan government to achieve its policy goals, it is necessary to establish a national SAI that is mandated and tasked with providing independently verified analyses of the gaps and obstacles in public administration. To achieve this transformation, the proposed Libyan SAI will need to think beyond incremental changes and embrace comprehensive and fundamental changes within the public administration.

In terms of how a proposed SAI could contribute to improving Libyan public administration, it would be possible to develop an action plan for such a supreme audit institution.

In the short-term, it will publish all audit reports on websites in a timely manner, conduct a follow-up review of the implementation audit recommendations and publish a summary of key findings, engage in dialogue with CSOs on priority and high-risk areas to be audited, and begin benchmarking in the public sector.

In the Medium-term, it would put in place systems and independent controls to provide assurance on and improve the quality of audit reports. In addition to timely follow-up review, it would maintain public monitoring of the implementation of key recommendations. It would also create meaningful and inclusive mechanisms for public participation in all relevant aspects of your work, including the determination of high-risk areas to be audited, the conduct of audits, and the publication and follow-up of audit recommendations. Whenever possible and useful, work with CSOs to better target audits, expand coverage, and improve capacity.

5.5.2 Contracting out

As part of the efforts to reconfigure state-market relations in order to give greater prominence to markets and the private sector, outsourcing the provision of public services is increasingly being advocated in fragile and post-conflict states, including Libya. Contracting out refers to the outsourcing or purchase of goods and services from external sources instead of providing these services in-house. It involves a legal agreement, but the agreement is for the provision of goods or services by other actors. Contracting may be between a public organization and a private sector company, between one public organization and another, or between management and internal staff who bid to provide these services internally. The responsibility of the public organization is to specify what it wants and let the private or voluntary sector provide it.

Contracting out represents more explicit efforts to emulate the market in the management and delivery of public services, especially where outright privatization, i.e., change of ownership, has not been possible. The rationale for contracting out is to stimulate competition between service-providing agencies in the belief that competition will promote cost-saving, efficiency, flexibility and responsiveness in service delivery. It also reduces areas of discretionary behavior for individuals and groups in an organization and imposes discipline that results in improved performance. As can be seen, contracting out puts competitive market forces directly at the service of government.

Contracting out may take several forms depending on the public-private divide. For instance, it can take the form of management contracts where government transfers to private providers the responsibility for managing an operation such as a water utility, a railway or a hospital i.e., buying the management of the operation. Under this arrangement, the assets are retained by the government, but the responsibility for managing and operating these assets is contracted out to a private firm. This increases management autonomy and minimizes the risk of political interference in the day-to-day operations of the public organization (World Bank, 1994).

Although contracting out is not new to government management, what is new is the extension of the practice to activities that have traditionally been carried out by in-house bureaucratic arrangements, including various activities in public health and water services.

Best practices in contracting out suggest that when outputs are easily specified but direct competition is impossible, competition managed through various forms of subcontracting can yield benefits.

In Libya, the poor execution of major infrastructure projects by public agencies would lead to the consideration of turning over their management to the private sector. This could give way to a management autonomy for the operators to enable them to operate efficiently, impartially, and transparently, free from political pressure. This would enable them to complete projects largely on time, at lower cost and with greater efficiency.

Another form of contracting out is service contracting. This involves transferring responsibility for the management and delivery of a specific service (e.g., cleaning) to private providers, using their own staff. Other forms of contracting out are leasing, which may involve the public sector renting or leasing an asset from the private sector or vice versa; and subcontracting of operations (e.g., hiring temporary clerical staff).

5.5.3 Separating production and provision functions

A major dimension of the decentralized management style is the divorce between the provision and production of public services. This separation of provision and production implies a clearer distinction (organizational and financial) between the definition of needs and payment for public services (the role of indirect provider) and the actual production of these services (the role of direct provider). This is clearly seen in the reform of the National Health Service (NHS) in the United Kingdom, where autonomous hospitals (NHS Trusts) produce services for which the District Health Authorities provide funding by “purchasing” the services. In parts of the Libyan public sector, such as health and education, this model would be applied to ensure efficiency and competitive public service standards.

There are several elements related to management decentralization. The first and the most important trend is that public bureaucracies, traditionally huge and monolithic, are downsizing, contracting out functions and dividing internally into more autonomous operational units or executive agencies. This involves a split between a small strategic policy core and large operational branches of government with increased managerial autonomy (Phippard, 1994; Greer, 1994). Agencies are then required to relate to each other and to central departments on a contractual basis rather than through the traditional hierarchy, i.e., they are independent of each other.

In practice, executive agencies have brought about structural changes in the organization of government. In principle, these agencies have greater managerial flexibility in the allocation of human resources in exchange for greater accountability for results.

5.5.4 Downsizing / Rightsizing

Another widely used element in contemporary management is downsizing, i.e., rationalizing and trimming the public sector to achieve “leaner” (smaller or compact) and “meaner” (cost-effective) public service. This has taken different forms, such as the detachment of operational branches of government to form autonomous agencies and the outsourcing of government activities to private providers. However, in crisis states, the most dominant form of downsizing has been retrenchment of staff in state agencies. Downsizing arises from the concern over the size and cost of public sector employment. Public service employment expanded rapidly until the early 1980s in developing countries (about 10 per cent a year in some African countries). This reflected the high degree of government intervention in the economy, as well as practices such as guaranteed employment to new graduates, and the use of employment for political patronage. The resulting payroll overhang not only contributed to the fiscal crisis and growing budget deficits, but also depressed real wages and maintenance and capital budgets.

In Libya, staff layoffs are expected to be the main tool for downsizing, which includes reducing the size of civil service and optimizing the country’s average nominal wage bill. However, massive downsizing could not bring the desired results because of the high cost of compensating those retrenched. Furthermore, any delay in compensation payments and the poor management of retraining and redeployment programs would create enormous hardships for those retrenched, most of whom would join the ranks of the unemployed. Besides, quantitative reductions in employment would not always lead to qualitative improvements in services, because low staff morale.

5.5.5 Capacity building

Capacity building has at least three legs: “Capacity development at a human level is defined as “human resource development”; capacity development at the organizational level is “organizational strengthening”; and environmental improvement at the public administration level is called “environmental reform” (adapted from Grindle, 1997).

The first level of capacity concerns aspects of embedded capacity in public sector employees. Grindle (1997) defines it as the capacity of individuals to “carry out their professional and technical responsibilities.” The main aim of human resource capacity building is to increase the knowledge, skills and attitudes of individuals,

separately or as a group, and their competence to undertake the responsibilities assigned to them. Research on Libyan public administration (e.g. Sawani, 2020) and ordinary citizens almost universally agree that Libyan public officials urgently need to be trained on a wide range of subjects in order to be able to fulfill their responsibilities. Interventions targeted at capacity building in Libyan civil service would include education and training programs, improving knowledge management through tools such as databases and libraries, and knowledge and skills transfer programs through networking, twinning, workshops, and seminars. To further develop human resources in Libyan public sector, other measures such as retaining competent staff, ensuring competitive compensation structures, improving working conditions for public sector employees, and performance-related compensation schemes can also be suggested.

For human capacity building initiatives to be of value, an organization capable of utilizing the increased human resources is needed. Organizational or institutional capacity development would involve enabling policies, changing the legislative framework and revising the financial structure, initiatives to change organizational culture towards a positive direction and improved public sector leadership, in addition to organizational restructuring. Reforms in various dimensions of public organizations, such as deregulation, improved administrative procedures, decentralization, privatization and agencification, all improve the chances of increasing capacity. In other words, reforms aimed at creating a strong organizational culture, good management practices, and effective communication networks should be pursued alongside with reforms in the fields of regulation, procedures, improved service delivery, anti-corruption, and improved human resource management. “Capacity building at the organizational level should include initiatives to build the capacity of these other actors in the public service provision network. This could include policies aimed at stimulating private sector growth, or ensuring an attractive investment climate for them... The building of public sector regulatory capacity is also important in this regard, as it greatly influences the risk-profile of private sector participation” (Jooste, 2008)

The final level of capacity building broadens the scope to include the aspects of the county in which the public sector operates (the operating environment). This dimension of capacity building is also of importance for Libyan public administration. In Libya, any capacity building reform program should also aim at creating a stable and enabling environment for capacity development and learning. As the environmental context includes the rules, norms, and values (or beliefs) that determine the way people act and behave; it would have a great impact on the capacity of the public sector by determining what is acceptable and satisfactory in society, and by providing the framework within which any capacity-building

intervention will be internalized (Jooste, 2008). Therefore, if the Libyan government wishes to launch a capacity-building initiative for its public administration, it needs to examine the environmental context, which includes societal values and expectations, the administrative habits of public officials and the legal framework within which the public administration operates, and even the state of development of private sector and civil society, before pursuing capacity-building measures. As the public administration, civil society, local government, political actors, the private sector and social norms affect each other mutually and together form the social, administrative and political ecosystem of the country, it is necessary to consider all these elements together.

5.5.6 Strategic management

Strategic Management integrates all major activities and functions of an organization and directs them towards advancing an organization's strategic agenda. It integrates all other management processes to provide a systematic, coherent and effective approach to establishing, attaining, monitoring and upgrading an agency's strategic objectives. Given the dynamic political and institutional environment within which many public agencies operate in Libya, effective strategic management capability is essential for maintaining or strengthening the links between the organization and its external stakeholders as well as managing for results. Libyan Public Service agencies need to formulate their strategic plans and use the plans as the basis for effective public service management.

Strategic planning is a process that outlines the strategic goals and objectives of the administration and determines the method for achieving them. It is a part or version of strategic management concept. In this context, it includes a point of view for the future and controls the future. The functionality of strategic plans depends on the budgetary implication of the strategic plan's goals and objectives requiring a certain cost among others. The priorities of the governments are reflected in strategic plans. The preparation of budgets on the basis of strategic plans also means that government priorities are correlated with resource allocation. These plans should be prepared in line with the priorities identified in development plans, medium-term programs and plans, and regional and sectoral plans and programs (Kesik and Canpolat, 2011).

However, strategic management process should be an application that covers strategic priorities. The question here is what these strategic priorities are. These strategic priorities should focus on areas that facilitate everyone's life in the country by analyzing the global economy and the global competitive system that carry real risks at the state and societal level and by producing solutions that can serve critical priorities (improvement of income distribution, opportunities provided for the elderly, objectives for the children in the poorer segments of t society, measures

against global warming, objectives for improving business environment, educational objectives, etc.) statewide and agency-wide response to predefined long-term challenges.

Even though strategic management experience in the public sector around the world frequently envisages strategic plans for a five-year period, the government and individual public organizations Libya may also prepare longer-term strategic plans, in addition to the standard five-year scale strategic plans. For instance, sectoral plans can be developed to provide a longer-term vision; each vision will guide and motivate people within those particular sectors.

Within the process of developing a strategic plan, public organizations are envisaged to prepare strategic plans using participatory methods to define their missions and visions for the future; to determine strategic goals and measurable objectives; to measure their performance against previously defined indicators, and to monitor and evaluate this process within the framework of development plans, programs, relevant legislation and basic principles they adopt.

The Office of the Prime Ministry in Libya can be authorized to determine the public administrations that will be responsible for preparing strategic plans and the schedule for transition to strategic plan, and other principles and procedures for strategic plan. Pursuant to this authority, the Office should issue regulations on the procedures and principles for strategic planning in public organizations and strategic planning guide. The Strategic Planning Guide would provide a general framework for the strategic planning process and scope and content of strategic plans.

Interviewee Perceptions on Management Techniques

- Weberian culture is modus operandi in Libyan ministries.... Results-oriented culture should be fostered.
- Libya has a quite well infrastructure, but not have adequate expertise on how to run public services. The government needs to create a long-term plan to fill this expertise gap. In this framework, some new management philosophies and techniques can be adopted. ... From strategic management and outsourcing to performance contract and KPIs... In any case, the existing managers should be trained for these new management techniques.... They can work in Libya too, if selected carefully and implemented taking into account the conditions and needs of Libya.

5.6 Promoting Wider Usage of Information and Communication Technologies and Developing E-Government

Developing Information technology (IT) and e-government and using it to improve public administration should be one of the key elements for public administration reforms in Libya. Its importance especially lies in its role as an essential facilitator of service improvement.

The terms ‘digital government’, ‘electronic government’ or ‘e-government’ have no specific definition. It is difficult to define these terms from one perspective, as there are different views in different areas by different people. However, for the purposes of this report, it can be defined as the usage of information technology to enhance public services delivery and business processes of all institutions and agencies of a specific government. However, e-government is not only web application portals or network systems, it is a platform for government transparency, citizen participation, and government accountability (OECD 2010).

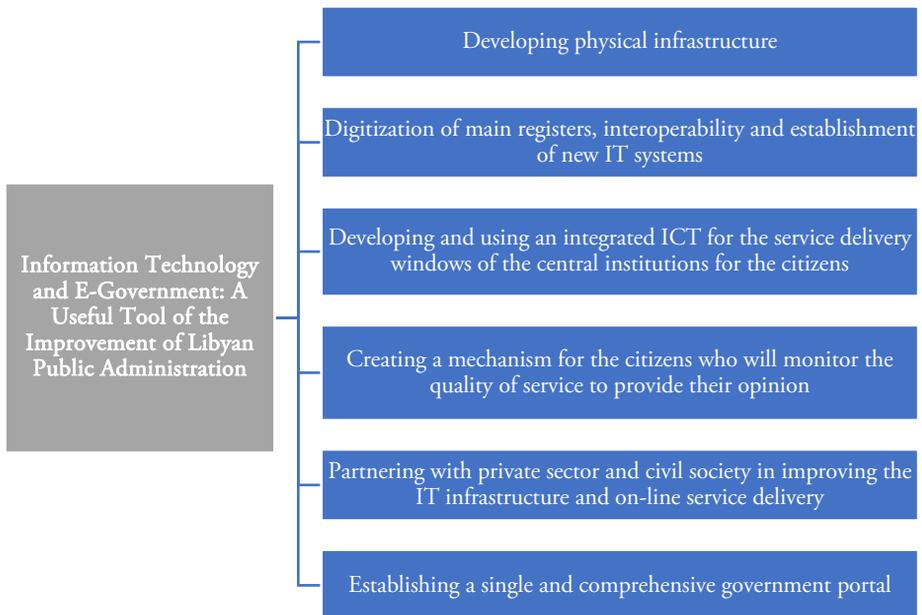
In the twenty-first century, e-government offers an excellent opportunity to advance the relationship between governments and citizens, and to provide the public with high quality and efficient public services within adequate financial resources. Among other things, one of the best dimensions of e-government is that it is a dynamic and continuous service provision process. Another benefit of e-government is making public services “accessible to all citizens, with multi-channel delivery of public services in an effective and efficient management process” (Khamallag, 2018: 25).

From the perspective of public administration, using the socio-political angle, e-government is an organizational system in a social and political context which can be utilized to reform public administration and to provide public services much better and in a more accessible way than traditional hierarchically organized public service provision. However, to make the most of e-government tools, the process of delivering public service should be as transparent and accountable as possible. While initially perceived as a one-way channel (from government to citizens), the notion of e-government has evolved into an interactive process among government institutions, citizens and civil society organizations and private sector companies. To describe the new functions of e-government, other terms are used in the academic literature, such as joined (or citizen-centric) government, open government and smart government. In this report, the term “e-government” is used to express electronic government or digital government.

In the context of Libya's 2011 regime changes and subsequent post-conflict turmoil, e-government represents a strategic tool for much-needed political and economic reforms. However, given Libya's vast geographical area and the wide spread of its

population in less developed regions, it is likely that proper implementation of e-governance would greatly aid in achieving record levels of growth and stability in the post-conflict country. However, despite the considerable opportunities offered by the e-government systems in general, the issue of e-government readiness in Libya remains a critical factor. Although there are a number of e-government projects in Libya, some of which are contributing to public sector reform and providing efficiencies in service delivery; diffusion of e-government in Libya has been quite slow. A major explanation is financial. However, there are also strategic challenges such as undeveloped telecommunication systems and networks, as well as ineffective legal, human and institutional infrastructures that restrict Libya's readiness for e-government.

Figure 15: The proposed reforms in the field of IT and E-government



Source: Compiled by the authors

5.6.1 Rationale for developing IT and e-government

The growing synergy between information technology and telecommunications has begun to enable governments to be much more flexible in the way they capture and exploit information. In turn, these new flexibilities will offer important new opportunities for designing business processes and configuring organizations, based on vastly expanded possibilities for human connectivity. In particular, factors such as

time, geography, organizational boundaries, and national jurisdictions will become less significant in the conduct of human affairs (Wescott et al., 2000).

New ways of processing and communicating information can allow governments to escape the dilemma between reducing costs and increasing quality, creating a government that works better and costs less. More importantly, new channels of interaction can open up between governments and citizens, enhancing transparency, increasing accountability, and making government more accessible to new forms of participation.

The benefits of the new information and communications capabilities for the services provided by public agencies around the world include: lower administrative costs, through a significant reduction of information processing to meet compliance requirements; faster and more accurate response to requests and queries, including after hours; access to all services and levels of government from any location; the ability for governments to collect data from operational systems, increasing the quality of feedback at the management and policy levels; facilitation of the government-to-business interface; and expansion of public feedback.

Potential benefits of E-government for Libya are as follows:

The role of e-government in bringing public services to geographically remote areas: Libya has a wide area with widely scattered cities and villages, making it necessary for government services to reach them. The loss of young people and skilled youth to the big cities in search of better services and job opportunities is quite worrying and affects the demography. As a result, remote regions and villages suffer from a lack of manpower, which deprives them of resources. E-government and e-services can encourage investment and local development in these disadvantaged and remote areas. This may help create a demographic balance in the country. On the other hand, traveling long distances to major cities to access public services endangers the safety of citizens in the normal times, let alone chaotic situations. Therefore, e-government services could help attract businesses to these remote areas and enhance local services for citizens to maintain stability and create a safe environment.

The role of e-government in reducing corruption: As we have discussed in several sections of this report, entrenched corruption status is quite obvious within the Libyan government institutions. The current situation reflects the depth of entrenched corruption and the willingness of citizens to accept change. One of the expectations of e-government initiatives would be a reduction in opportunities for corruption among state officials. Citizens strongly believe that if services are brought online, in addition to serious cost and time savings, this will reduce corruption and increase the trust among citizens in government. However, the extent to which this expectation could be realized during implementation of e-government remains a matter of debate.

Increasing citizens' safety: Citizens' safety means the prevention and protection of citizens from involvement in incidents and risks that could cause them long-term damage or threaten their lives. Libya is one of the largest countries in the northern part of African. The population density is concentrated on the coastal areas and the oases in the desert. The overall area is 1.76 million km² and the population density is 3.6 people per km² (World Bank 2014). In addition, the internal conflict and civil war have resulted in a large number of deaths, injuries and wealth losses. Under these conditions, people, especially those in remote areas, can be expected to seek better ways of ensuring their safety. If Libya manages to develop a well-established and efficient e-government system, people will be able to obtain public services from government portals wherever they are and without having to travel long distances.

Easy access to public services and efficiency gains: E-government has the potential and promise to increase the effectiveness and efficiency of government agencies and institutions by providing online access to public services 24 hours a day and 7 days a week.

Major problems identified in the field of IT development, e-government and the use of IT for improving public services in Libya, as well as suggested reform measures to remedy them, are provided in Table 13.

Table 13. Identified problems and reform suggestions about IT development and e-government

Identified Problems	Reform Suggestions
Inadequate physical infrastructure	Developing physical infrastructure, particularly ICT infrastructure
Absence of an integrated government service portal	Establishing a single and comprehensive government portal
Inadequate number and quality of online public services	Developing and using an integrated ICT for the service delivery windows of the central institutions for the citizens
Electronic systems are not integrated according to interoperability framework	Digitization of main registers, interoperability and establishment of new IT systems
Inadequate partnership with private sector and civil society in terms of ICT development and e-government	Partnering with private sector and civil society in improving the IT infrastructure and online service delivery
Inadequate citizen involvement in e-government development	Creating a mechanism for the citizens who will monitor the quality of service to provide their opinion

Source: Compiled by the authors

5.6.2 The State of e-government in Libya

Historically, Libya was one of the first countries in the region to pay much attention to the national informatics issue, as the first national information management plan was formed in the mid-1970s. However, it did not achieve its desired goals, despite the plans, policies and huge budgets spent over the decades. The fundamental reasons behind this failure include crippling policies influenced by the security concerns of the former regime, as well as frequent changes and restructuring of national information management agencies. Although internet access in Libya began in late 1998, the country did not have an official web presence until 2005 and it did not go online until 2008 (Mohamed, 2017).

Libya faced a long-term global embargo which began in 1988, due to the political conflict between the former regime and most Western countries. Works on infrastructure were banned and stopped due to these sanctions. After the period leading up to the Libyan Revolution, the Ministry of Communication and Information Technology proposed a major Initiative for an Electronic Government in 2011 and branded it e-Libya. The aim of this initiative was to use technology to support government operations and to enhance the services provided to all citizens and businesses in Libya. This first phase of this project was to commission a consultant to prepare the strategic plan and blueprint for e-Libya and to support the launch of the 100 electronic government service. The contracted consultant (PWC) successfully completed e-Libya's strategic plan and master plan and launched the 100 e-government services. The project was interrupted by the instability and civil wars that took place since 2014. There is a dire need for relaunching this important project to accelerate Libya's Public Administration reform. Despite numerous problems that Libya inherited from the former regime, and the new problems that accompany political, social and economic reforms, it has created some important websites and e-projects, such as National Identity Number (NID) and the e-passport project, which have increased the rate of utilization and presentation of the web on Libyan territory.

These applications have on two objectives: to bring government closer to the citizens and to significantly improve the responsiveness, efficiency, and accessibility of public services. Because of political insecurity and many other challenges that the transitional country has to overcome, Libya has not achieved its desired goals. According to the 2014-2015 Global Competitiveness Report, out of 144 countries included in the classification, Libya ranks 140th in terms of availability of the latest technologies. It is also ranked 108th and 106th in terms of percentage of citizens using the Internet and fixed broadband subscriptions respectively (UN, 2014). Taking into consideration of the UN's measurement of e-government initiatives using its 5-phase scale, Libya falls under the first and second phase of e-government

service implementation. Therefore, it is suggested that Libya's government is required to improve the current position of their e-government services adequately (UN 2014).

In terms of connectivity, "Internet access with mobile services in Libya constitute as a strategic choice for the Libyan government. A number of high-impact mobile services can be incorporated into Libyan e-government startups. Online mobile services, such as e-payment of bills, fines, and taxes, can be quick wins. These services would also help to improve the business environment and restore the still shaken confidence of citizens in public service delivery" (Mohamed, 2017: 5).

Major problems of IT adoption and e-government in Libya are as follows:

Inadequacy of IT experts and IT literacy among citizens: Complex and demanding IT jobs in Libya are usually assigned to experts from other countries. The inadequacy of the IT skilled workforce clearly indicates the need for continuous upgrading of knowledge. Furthermore, level of Internet technology (IT) literacy is still very low, which is a major concern for the government and citizens. There must be a comprehensive plan for the integration of ICT in the educational system and Libya is looking for international support.

Political weakness for establishing good E-government practice: This situation translates into a poor legislation framework for the IT sector that discourages potential investments in IT development and infrastructure reconstruction.

Low motivation of public sector employees for accepting E-governance: Public servants generally fear that an advanced e-government system will result in significant cost savings and a significant reduction in the need for many employees. Therefore, it is quite possible to encounter explicit or tacit resistance from the civil service against e-government programs.

Inadequacy of IT investment: Despite the high investment return potential, there is still a lack of investors and small budget funding under civil war conditions.

Technological problems and poor infrastructure: These problems include poor infrastructure and lack of IT standards and software licenses within the country. E-government of Libya is still struggling with infrastructure issues. Therefore, the costs of transactions are still very high. Communication networks and electricity networks are unstable and dilapidated. Some of the geographically distant cities have no such infrastructure.

The case of e-government in Libya is still in process, and poor access to ICT and minimized educational possibilities caused by civil war and internal conflicts might further slowdown the development of public services and e-government. In order to

improve the state of country, particularly after the “Civil War”, the Libyan e-government should improve all government websites and train government employees.

5.6.3 Need for a coherent IT strategy

To ensure that the diverse ICT capabilities are effectively exploited, a coherent strategy is needed. This policy framework would coordinate ICT policies with closely related areas such as regionalism, industrial development, employment, privacy, data protection, and media regulation. For instance, policies that will enable citizens to access vital facilities are crucial to achieving widespread commitment to innovation. The framework also seeks to develop a user charging policy and provide for subsidized services. In addition, appropriate legislation and regulations are needed in areas such as editorial control of networked information, public access to information, privacy and data protection, and intellectual property rights. Finally, an ICT strategy should make a clear distinction between the provider of ICT infrastructure and the suppliers of information and services.

Over the past decade, Libya has started to establish a communications infrastructure and has announced its e-government portals for specific institutions. However, e-government implementation in Libya has not achieved the desired aims and there is vast field of development for such projects. E-Government could be implemented quickly in Libya, because of its small population and high literacy rate among citizens. Thus, careful planning, smart use of resources, and a government-centric focus can drive the process of making Libya a developed country in this respect. However, as the implementation of e-government involves making all of the government services available and accessible anywhere and everywhere, Libya needs to develop a comprehensive strategy and to identify a roadmap for the implementation of key of e-government elements (Busoud and Živković, 2016). This task requires an assessment of the current situation, creation a new framework strategy of local e-government, concrete plans on how to develop IT infrastructure, improve inter-governmental communication and e-services, identify implementation strategies, plans for adapting educational system for e-government and some IT management issues.

5.6.4 Suggestions for successful implementation of e-government strategy

Taking into account the fragile of the country and the current state of the IT infrastructure, the following principles should constitute the main pillars of the e-government strategy implementation process in Libya:

- Citizen awareness should be created, enhanced and maintained through promotional campaigns.

- Citizen satisfaction should be fostered through a series of actions related to the design of the interface and the delivery of services considered to be valuable by citizens.
- Regarding the design of the interface, this should be of high quality. This implies that it should be easy to use (navigation), consider the literacy and computer skill levels of all segments of the population, contain up-to-date and appropriate information, and provide the promised services. Adherence to these goals will precipitate the perception of usability by.
- Perceived usefulness among citizens should be encouraged by ensuring effective delivery of services, which in themselves should be considered by citizens as valuable to them. In discovering what citizens value, governments should strive to involve them as much as possible in portal design and in continuous feedback.
- Citizen trust should be encouraged by ensuring that the portal does not suffer technical hitches which cause frustration to users, that the various e-government services offered materialize as expected, and that personal information is protected appropriately.
- The government should subsidize the internet cost so that the majority of people can get access to the internet.
- While the Internet penetration rate did not exceed 16.5%, the percentage of mobile phone users increased from 8.8% in 2004 to 150% in 2012, making the readiness of mobile services much better than that of e-services provided via the Internet. For this reason, mobile services are as a strategic choice for the Libyan government. A number of high-impact mobile services can be incorporated into Libyan e-government start-ups. Online mobile services, such as e-payment of bills, fines, and taxes can be quick wins. These services would also help improve the business environment and restore the still shaken confidence of citizens in public service delivery.

E-procurement should be among the e-government priorities, which would ensure transparency in the bidding process for projects and supply, and offer opportunities for small businesses, which are otherwise precluded from bidding on large public procurement projects. Furthermore, once the e-government strategy of a country has been formulated, agencies, bureaucracies, and public services will be geared towards promoting the sectors which have been designated for growth.

Major reasons for adopting e-government worldwide include improving services to citizens; improving the productivity (and efficiency) of government agencies; Strengthening the legal system and law enforcement; Promoting priority economic sectors; Improving the quality of life of disadvantaged communities and Strengthening good governance and expanding public participation (Daniel, 2002),

Government-to-consumer (G2C) business has shown good usage, as seen for instance in the situation where speeding fines and driving license renewals can all be done online, bringing benefits to government agencies as well as customers (Awad, 2004). E-government services are designed to increase the efficiency of information flow between government institutions and businesses, and may also enable the exchange of information between government bodies of different nations. These services may use some G2C and G2B components, but generally require more direct access to databases and applications (cdt.org, 2006).

E-government can serve several different purposes, such as improving the delivery of government services to citizens, improving interactions with business and industry, empowering citizens through access to information, and more efficient government management. Less corruption, increased transparency, greater convenience, increased revenue and/or reduced costs are also known outcomes. And indeed, some of these can encourage cultural progress, as for instance, the nepotism and favoritism prevalent in tribal societies such as Libya, and which only serve to sustain injustice in government, are weakened when greater transparency is introduced and opportunities for corruption are reduced.

Currently, a number of functions can be managed via a government portal. These include applying for public sector jobs, registering new businesses, obtaining customs clearance, accessing national examination results, national identity numbers, and paying taxes and other bills. However, while these services are available, they are limited in that there is still a need to present all documents to government officials for verification, and this often requires citizens to travel, making long and arduous, and in many cases, dangerous trips to the appropriate government office. Libya's poor position relative to its less affluent neighbors in terms of e-government progress is largely the result of administrative conditions, whereby the fixed and mobile network systems, as well as the postal system, are nationalized, being owned and operated by the government.

In terms of measuring e-government readiness, the United Nations has developed a five-phase benchmark for assessing their global presence. These five phases are: emerging phase, enhanced phase, interactive phase, transactional phase, and connected phase. Libya is considered to be in between the first and second phases.

The Notion of e-government has at least three dimensions: people, systems and processes. These are, at the same time, success factors for e-government implementations. The first dimension (people) focuses on how their willingness, skills, knowledge and awareness have increased in the context of electronic services, while systems are related to how to ensure accessibility, security and reliability of portals and back-end systems and processes relate to how processes have confirmed accountability, transparency and trust between people and government agencies.

According to the majority of respondents, one of the main obstacles to the successful implementation of e-government in Libya is the power failure. This is a regular phenomenon in Libyan cities, towns and villages nowadays. As can be seen, poor infrastructure and technical problems can hamper initiatives to use existing e-government facilities negatively impact on the robustness of ICT.

Instead, most government services are received by the public via personal visits to the respective government departments. In the case of rural communities, citizens often fail to receive government services from local departments. Instead, they have to personally contact the very distant central government departments located in the capital of the country. One should keep in mind that the distance between the capital city and some other cities is more than 1,000 kilometers. Because of the persistent poor public services and lack of economic opportunities in remote regions, there are calls for innovative approaches to public service delivery.

There is also some popular optimism that ICT can eradicate many of the problems associated with poor public service delivery, because in the global economy, geography is no longer an issue in terms of public service delivery.

Some observers (e.g. Khamallag, 2018) claim that e-government could be implemented quickly in Libya, because it has a small population and the literacy rate of citizens is high. Thus, careful planning, smart use of resources and a government-centric focus can boost the process of making Libya a developed country in this respect. E-government services could be adopted and implemented using mobile channels, especially in geographically remote countries like Libya. Furthermore, in an unstable, fragile and post-conflict country like Libya, e-government implementation is a necessity imposed by several factors, including the environmental and political instability, infrastructural and citizen safety.

5.7 Empowering the Participation of Civil Society into Public Policy Design and Implementation Process

The promotion of civil society on the grounds of democratization has converged with NPM thinking about the public sector, which calls for a reduction in the role of the state in the provision of public services in favor of non-state organizations, whether private sector or CSOs (Clayton, Oakley and Taylor, 2000). The public sector reforms of the 1980s and 1990s in both developed and developing countries, driven by neoliberal policies of privatization and downsizing of the state, formed the basis for NPM. The thrust of NPM was to reduce high levels of public expenditure, increase the efficiency of public service provision, increase the role of the private sector in public service provision through contracting out, and reform state bureaucracies by introducing executive agencies, internal competition, and performance-related pay.

In recent years, the whole issue of service provision has been subject to rethinking. This trend has been driven by a growing consensus on the need to develop new approaches to service provision based on a partnership between the public sector, civil society and the private sector (Clayton, Oakley and Taylor, 2000).

Another factor has been the decline of the state in fragile countries such as Libya, where the state has experienced a period of crisis in both capacity and legitimacy. With the impact of the U.S. embargo and the freezing of the country's assets abroad, Libya began to experience a deep economic crisis since the 1980s. Spurred by the mismanagement of the economy and the state's over-reliance on public employment, the economic crisis hit the poor hardest, with government programs for health care, education, agricultural and water supply programs unable to provide adequate levels of service. From this vacuum, CSOs, tribes and local authorities have emerged as major service providers, particularly in the post-revolutionary era, to replace the government.

CSOs are now major players in bringing social and economic change, maintaining and strengthening national resilience, and providing public services. Despite the fact that CSOs play an important role, especially where the state's provision is weak and the private sector caters to the better off, there are a number of common deficiencies with the services provided by the CSO sector. These include: limited coverage; variable quality; amateurish approach; high staff turnover; lack of effective management systems; poor cost effectiveness; lack of coordination; and poor sustainability due to dependence on external assistance.

Yet, CSOs have some advantages over public organizations in terms of public service delivery. Firstly, CSOs are widely perceived to be more effective than the public sector in reaching the poorest in developing countries. Secondly, CSOs can provide better-quality services than the state in some fields such as social services, thanks to their intrinsically motivated volunteers. Thirdly, they are perceived to be more efficient and effective than the public sector (Clayton, Oakley and Taylor, 2000).

One of the positive consequences of CSOs' increasing role of in service provision is that it could increase the level of trust among CSOs, government agencies, and citizens. As CSOs play an increasing role in service provision, the government and citizens, previously suspicious of them, have come to value their contribution. In Libya, in addition to a possible legislative change, it could create a much more sympathetic view of CSOs in official political discourse, and the government would allow more associations to register and would increase its support to CSOs in service provision.

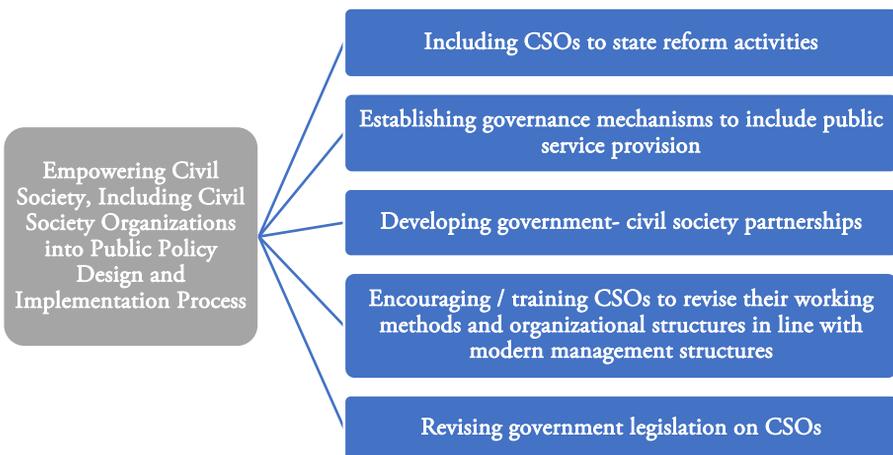
On the other hand, the state and CSOs can work as partners in public service provision which they can complement, as synergy can be constructed through developing effective working relationships between them. The key to success is

partnership based on utilizing the respective strengths and responsibilities of each party to ensure better service provision. For instance, the government would fund certain CSO activities in services such as health care and some local public services. The government needs to ensure that a coherent policy framework is in place and that it provides most of the funding for service provision. CSOs, on the other hand, can bring creativity, innovation and strong community links that can act as a *catalyst* in improved service delivery.

Libya needs a public service reform based on the principle of reducing the state and increasing the number of citizens. Within this framework, the state should reduce its direct role in the provision of public services, and private businesses, citizens, and civil society organizations are asked to become more involved and assume more responsibility.

In Libya, the image of the private sector has been contradictory: it has been labeled as a threat to traditional public services and social value, while at the same time being lauded for efficiency and new source economic prosperity after two decades of socialist economy under Gaddafi rule. Just as the state should redefine its role and function, so too should the private sector and civil society respond to new arguments about creating sustainable value for the country and contributing to the provision of public services both at the central and local levels. The main pillars of the proposed civil society empowerment reforms can be seen in Figure 16.

Figure 16: The proposed reforms in the field of civil society empowerment



Source: Compiled by the authors

Libya needs a more balanced relationship between sectors of society. It should seek to move beyond ideological debates about the size of the state or the 'size' of communities, and focus on the social value that can be created through better relationships between

citizens, society, the private sector, and public services. The main problems identified in the field of civil society development and the empowerment of and enabling civil society organizations to become partners to the government in public service delivery in Libya, as well as suggested reform measures to remedy them are presented in Table 14.

Table 14: Identified problems and reform suggestions about civil society strengthening

Identified Problems	Reform Suggestions
Weak civil society institutions	Encouraging /training CSOs to revise their working methods and organizational structures in line with modern management structures
Oppressive regulatory framework for the civil service	Revising government legislation on CSOs
Absence of governance mechanisms to include civil society to public service delivery	Including CSOs to state reform activities
	Establishing governance mechanisms to include public service provision
	Developing government- civil society partnerships

Source: Compiled by the authors

5.7.1 The current and possible roles of CSOs in governance, state-building and public service provision in Libya

Their role in civic engagement

Unlike government authorities and political parties, CSOs are able to channel and cultivate people's empowerment and participation by developing civic and political engagement. This is immediately apparent in the individual attitudes of CSO leaders. Research by Perroux (2015) found that CSO leaders were more likely to believe that they have some freedom of choice and control over their lives as compared with the average resident of Libya. The research also found a correlation between activism in civil society and political engagement in Libya. This shows that CSOs are an expression of greater civic and political engagement, as CSOs provide a means for the expression and development of both kinds of engagement and Libyan civil society activists may serve as positive agents of change. Civil society may not be able to create a Libyan state, but it is preparing Libyans to act as citizens.

The daily initiatives of civil society are building the trust and social cohesion necessary to overcome Libyan divides. These attitudinal changes knit divided communities into one pluralistic nation and help prepare Libyans to become citizens of a modern state. It is civil society, rather than divided state institutions, that

promotes tolerance and pluralism in Libya through the exercise of freedom of choice, expression, and association across community divides. But these freedoms will need a minimum level of social order and stability if they are to be enjoyed.

As we have seen, Libya has a resilient fabric of civil society organizations in the country and among its diaspora. Civil society will no doubt be able to continue to weave common experiences into a narrative that binds Libyans together.

When asked about the type of support CSOs would like to receive, interviewees claimed that Libyan CSOs need capacity building programs that can strengthen their organizational structures, and skills of their members particularly in fundraising and project cycle management. In addition, most of Libyans CSOs lack permanent physical spaces (offices) which hinders their work.

Their role in state-building

In terms of their contribution to state building, Libyan CSOs would play a unique role in the following areas (Fraihat, 2013):

- In the absence of state authority, CSOs can help fill this gap by assuming some of the state's responsibilities and functions, as the collapse of the Gaddafi regime left a power vacuum not only in Tripoli, but more seriously in remote areas.
- The non-authoritative nature of CSO participation helps elicit a special type of collaboration from the parties in conflict. Unlike the state, CSOs do not operate from a position of authority that allows them to impose a solution, which in fact helps them to engage the conflicting parties in genuine dialogue. Furthermore, CSOs do not share the state's bureaucratic nature, but are based on a spirit of voluntarism.
- CSOs' familiarity with cultural and tribal values can make their intervention and contribution to national reconciliation more effective. Particularly at the local level, CSOs have played a critical role in connecting people, providing social services and educating citizens about democratic processes and institutions.
- The lack of trust between people, between state and citizens, and between civil society in a defining characteristic of situations of fragility and conflict. Weak legitimacy and effectiveness of service delivery coupled with a lack of security, further accelerates the erosion of trust. Civil Society organizations are often representative of the stakeholders they claim to represent but they are also subject to elite capture as they are hijacked by party politics. In fragile situations, this is a serious issue, and civil society organizations need to be scrutinized, as do government institutions, in terms of their actual accountability, to understand the trust that people place in them.

Their role in public service delivery

Taking into consideration the weakness of the state apparatus and public administration institutions in Libya, an alternative approach to public service delivery would be to take advantage of the dynamics of civil society and its role as a catalyst between state and society.

CSOs would advocate for greater cooperation between their activities and those of government and would call for a mutual acceptance of legitimacy and strengths and weaknesses (Economic Commission for Africa, 2003). CSOs worldwide are known to be able to provide social services, including health and education, to poor communities. Once the Libyan government appreciates the energy and creativity of CSOs in providing public services and establishing a good governance mechanism in the country, CSOs will need to be transparent in their objectives to reduce government concerns about any subversive activities. Therefore, constant dialogue between the government and these organizations would reduce the existing mutual suspicion of each other's motives.

It would also be suggested that joint policies be developed to define the sectors of society, the economy, and the environment in which civil society activity, independently or in cooperation with government, should be encouraged. Paying more attention to CSOs may provide an avenue for addressing, in particular, the social integration challenges of sustainable development and the problems associated with the development of social capital. Cooperation between government and civil society should promote and implement sustainable, people-centered public service delivery reforms.

Some of the particular roles of CSOs in public service delivery in Libya are mentioned below. There is currently little evidence that Libyan CSOs have been able to act as catalysts for improved governance by engaging with the state at the level of service implementation under the conditions of a civil war. However, their potential is quite high.

Reaching the poorest: CSOs are widely perceived to be more effective than the public sector at reaching the poorest in developing countries. In fact, CSOs are more effective than governments in reaching the poorest with development assistance. Service delivery projects for the poor have a significant impact on satisfying the needs of the poor by providing basic health care, education and water supply services. But there is little evidence that these efforts can also improve income levels in order to reduce poverty in the long run.

One weakness of CSO service delivery is limited coverage. CSOs may be able to target service delivery to poor people, but the scale of their operations is limited and

consequently many people do not benefit. The critical issues for CSOs are, first, how to scale up their interventions to reach more people and, second, how to improve coordination between CSOs and government in service provision. CSOs are notoriously weak in coordination. Yet, in terms of service provision, this coordination is essential to avoid duplication of effort or concentration of CSOs in the same geographical areas.

Increasing quality of public service provision: The massive increase in the role of CSOs in service provision in recent years raises questions about the capacity of CSOs to deliver high-quality services. However, there is little evidence in developing countries to suggest that CSOs can or cannot deliver better quality services than the state. The technical capacity and motivation of staff are also critical issues for service delivery and quality. However, here again, it is difficult to make general comparisons between the state and CSO sector.

Providing efficiency and cost effectiveness: One of the main justifications for increasing the involvement of CSOs in service provision is that they are perceived to be more efficient and effective than the public sector. Libyan CSOs do not sufficiently fulfill their above-mentioned functions, because of their dependency on donors and the problem of sustainability of their services. One of the critical issues facing CSOs is the sustainability of service provision. While the state is able to generate a level of core funding from taxation, however small the funding may be, CSOs are not able to provide services to the public, because they typically rely on grants or contracts. To maintain service provision to people with limited resources, who are unable to pay user fees, Libyan CSOs need long-term funding commitments from other sources. However, one of the main problems related to reliance on external funding sources is that they are often of time-limited, which prevents CSOs from undertaking long-term planning. This can also result in a loss of independence and potential restrictions imposed by the donor (Clayton et al., 2000).

5.7.2 How to strengthen civil society and involve CSOs

As with all development objectives, there is no single model for government and donor support to strengthening civil society. The international donors need to be strategic, contextual, and carefully managed, as Libyan government and society may not always welcome donor support for civil society, as demonstrated by legislation which sets limits on the level of financial support that domestic organizations can receive from international donors.

Developing government- civil society partnerships

One of the inherent weaknesses of majority of Libyan CSOs is that they are unable to provide an overall framework within which to operate at the national and regional

levels. Only the state is in a position to do so. Not only can the state and CSOs complement each other, but this synergy can be constructed through developing effective working relationships between them. The key to success is a partnership based on utilizing the respective strengths and responsibilities of each party to ensure better service provision. The Libyan government needs to ensure that a coherent policy framework is in place and that it provides the bulk of the funding for service provision. CSOs, for their part, can bring creativity, innovation and strong community links that can act as a catalyst for improving service delivery. CSOs also need to be involved in the policymaking process itself.

Contracting out some public services to CSOs

A good strategy would be awarding of contracts to CSOs by the national government and local governments for the delivery of services. This is a fundamentally different form of funding relationship than the long-term partnership agreements. It is a kind of direct funding mechanism which is intended to give certain CSOs the opportunity to specialize, expand and manage large-scale service delivery programs. Of course, the government will keep the mandate to pay for CSO activities as a reflection of its sovereignty over the land and to hold CSOs accountable to government and society.

A slightly different approach to strengthening CSOs in Libya would be developing national service delivery programs based on contracting out to CSOs. One of the main strategies of the new policy is to give the private sector primary responsibility for implementation. Contracts for implementation are awarded on a competitive basis to the private sector and CSOs. In contrast, the role of the government shifted from that of direct implementer to that of facilitator. The contracting approach would provide alternative funding sources for Libyan CSOs, lead to overall growth of the sector, enable CSOs in Libya to play major roles in the implementation of sector programs, and increase professional development of the sector. There is no reason why Libyan CSOs cannot undertake contracts, if given the opportunity, while supporting grassroots initiatives and doing advocacy and lobbying work on more politically sensitive issues.

However, the contractual approach is controversial and has had a significant impact on the CSO sector in the countries like Libya, where civil society has not well established. While direct funding would give some CSOs the opportunity to specialize, expand and manage large-scale service delivery programs, it would make local CSOs dependent on signing service delivery contracts on behalf of official aid agencies, in that it would reduce their ability to conduct advocacy and campaigning. *The problem of dependence on contracts* would raise the question of the sustainability for a great number of Libyan CSOs. Another reason to be concerned about contracting out to CSOs would be that they would be under pressure to become

increasingly professional in order to implement their contracts efficiently, while this would conflict with their desire to spend time developing close, long-term relationships with communities. Despite all of these challenges, the contracting approach remains an alternative funding approach for CSOs in Libya, and no one should underestimate the fact that inadequate and sustainable funding is a major problem for Libyan CSOs, under the conditions of internal conflict, failing state institutions and a painful process of transition to democracy.

Establishment of a participatory national public governance system

A public governance system is a set of rules, procedures and institutions designed to regulate the relationship between the state and civil society organizations/active citizens. What is envisaged is a high-level policy framework, which brings together some existing policies, addresses gaps and contradictions that exist between them, and provides additional institutions and supports based on international best practices ((Connor and Ketola, 2018)). The Libyan government should formally adopt a participatory governance framework. This would fulfil the program for government pledge to 'produce a coherent policy framework and develop a strategy to support the community and voluntary sector and encourage a cooperative approach between public bodies and the community and voluntary sector'. This would involve the adoption of a series of regulations requiring all ministries and other public organizations to adopt a more equitable participatory approach to their dealings with civil society organizations.

The participatory governance framework mentioned above should aim to foster active citizenship by giving people, from all walks of life, the opportunity to participate directly in the deliberation and the implementation of public policy and services, as well as an open and transparent public administration.

Local governments and local branches of ministers and other public organizations should be encouraged by the national government, through such ways as training and funding where appropriate, to engage in dialogue with local civil society organizations on the optimal delivery of public services and the resolution of complex societal problems that require widespread public action. These dialogue forums should involve investments in existing structures, as well as some new and innovative mechanisms such as Public Participation Networks. This should also involve greater engagement with citizens who are active in online communities.

Changing the working methods, strategies and organizational structures of CSOs for greater effectiveness

Participatory public governance in all government departments and agencies, combined with democratic and empowering practices within civil society

organizations, has the potential to truly transform Libyan society for the better. However, an obstacle for CSOs in Libya to fulfill their function of empowering people, promoting democracy and being an efficient partner in public service delivery comes from their corporate governance systems, in that most of them are managed hierarchically without adequate possibilities for new members to be active in CSO management. In order to be more effective, therefore, civil society organizations must eliminate top-down ways of working and develop organizational cultures of working *with* people (Connor and Ketola, 2018). This implies that many organizations will need to conduct a thorough review of their practices to identify where they are failing to be inclusive. For example, some organizations may need to review their corporate governance to ensure that there are genuine opportunities for the voice of the wider community, including service users, to be heard and opportunities for people to attain an equal position as members of boards or executive groups. Likewise, this may involve a redesign of their communications to overcome significant barriers to enable people's participation. Service users and citizens should be systematically involved in the co-design and co-production of services.

Civil society organizations in Libya need to be trained to be open to a multiplicity of ways of working in order to be more inclusive of the disadvantaged. Organizations need to ensure that they support the participation of people from all walks of life, not just those from relatively well-off segments of society. For example, this may mean meeting people on their own terms and in environments and contexts where they feel comfortable and empowered, including online communities. It may equally mean acknowledging the validity of different forms of knowledge—such as tacit knowledge or experience—which are not always articulated in the same frame of reference as written strategies or policies. Being inclusive may also mean allowing people from disadvantaged communities to challenge existing modes of corporate governance, which themselves may be barriers to participation. Further, government, universities and international donors should support CSOs in providing a platform for individuals—including those who are marginalized such as migrants, the poor and the disabled—to voice their concerns and challenge the actions and policies of public agencies and civil society organizations.

Practicing democracy and building skills

In Libya, where civic participation and open discussions are new, specific skills are needed to enable local government and citizens to engage in meaningful exchange. Citizens need to learn about the process, how they can participate, and what they can gain from it. “Democracy requires practice”.

Where civil society is weak, building capacities of CSOs and citizens in understanding governance processes such as planning and budgeting, and thereby

being able to ask relevant questions, is important. There may also a need to strengthen CSO capacities in organizational development and knowledge sharing, fostering alliances and collaboration for greater impact and more effective policy influencing, s as in Laos. Organizing events in locations close to citizens also enables marginalized groups to attend, though special efforts are still needed to include them.

Revising government legislation on CSOs

One of the positive consequences of the increasing role of CSOs in service provision is the reforming of government legislation concerning CSOs. This is particularly the case in countries like Libya, where the space for CSOs was previously limited or restricted. As CSOs play an increasingly important role in service provision, governments, previously wary of CSOs, have come to value their contribution.

Other measures

In addition to the above mentioned measures, there are a few additional steps the government and donors can take to strengthen civil society in Libya. According to OECD (2012), these would include the followings:

- *Have a solid understanding* of the context and state of civil society in Libya, including its difficult or fragile situation, and map CSOs to identify representative organizations with true local support. This should be done in a close collaboration with other donors and the legitimate Libyan government, and develop capacity building activities for CSOs as well as programs to establish enabling environments for civil society.
- *Dialogue and consult with civil society.* This is critical to understanding the context, needs and capacity and to ensuring participation, transparency and accountability in policy processes related civil society. There is also a need to ensure that civil society outside of large cities and smaller CSOs are engaged in the dialogue, possibly through coordinating bodies and networks.
- *Make the enabling environment, including legal frameworks, for a free, open and capable civil society an agenda item in policy dialogue with partner governments.* The Libyan government and CSOs should be encouraged to participate in regular and meaningful dialogue, for example when developing a poverty reduction strategy, development plan or new legislation.
- *Apply good practices for building capacity* when strengthening civil society in Libya.

On the other hand, empowering individuals to also be active citizens is a serious challenge to civil society organizations in Libya. Most civil society organizations need

to make significant changes to their governance and day-to-day operations in order to shift the current imbalance of power in favor of all citizens, particularly those who are currently the least powerful. CSOs must have certain competences to support and facilitate deeper active citizenship, which is more effective than what individuals can achieve in isolation. Collective action, involving large numbers of individual citizens, is necessary for the achievement of social change (Connor and Ketola, 2018). However, taking the Libyan case into consideration, it seems that the legitimacy of CSOs as active citizenship rests on their potential to facilitate and empower people to be active citizens in and through organized collective action. There are two barriers to achieving this potential. Firstly, there is a need for a participatory public governance framework that supports rather than suppresses active citizenship. Secondly, civil society organizations need to make structural and strategic changes to make empowerment a reality.

5.7.3 How to engage civil society to governance and public service delivery process

A number of strategies can be developed for the Libyan government to engage its citizens in the design, implementation, and monitoring of development policies and programs. These include securing civil society access to government information, consulting with CSOs, encouraging collaborative decision making, establishing feedback mechanisms for citizens and public service users, and facilitating citizen-led monitoring mechanisms.

An informed citizenry is essential for citizen engagement. It is necessary to provide citizens with balanced and objective information to assist them in understanding the problem, alternatives, opportunities, and solutions. Practically, it can be done by establishing and implementing disclosure policies and possibly right-to-information legislation; disclosing and disseminating timely information in areas such as budget, economic and social data, procurement and contracting, assets of officials, audits, and development projects and programs; improving quality and accessibility of information; and raising awareness through campaigns and the media.

The Libyan government and individual public authorities, including local governments, should also seek citizens' views in the design and implementation of policies and programs. A good practice is to make consultation a two-way process that would enable those consulted to receive feedback on how their views were taken into account or why their views were not accepted. It is also important to make consultations inclusive by ensuring that marginalized and vulnerable groups are included and that geographical coverage is comprehensive. In addition, citizens and/or CSOs can be invited to the decision-making process by government

authorities and implementing agencies. Examples include water user bodies, regulatory bodies for utilities, community demand-driven projects, participatory budgeting, planning and delivery of health services. The key expected results include more responsive decision making, improved sustainability and legitimacy, and increased access and utilization of programs.

Another important suggestion for strengthening civil society in Libya is establishing mechanisms for citizens and users of public services to provide feedback. This is similar to customer satisfaction surveys used by the private sector in services. Development applications are found in use of citizen report cards, citizen feedback collection based on short message services, community scorecards, group discussions, etc. The main expected results include improvements in service dimensions such as inclusiveness, quality, access, delivery time, transaction costs, targeting, reduction of bribes paid, improved financial and operational performance of services, etc. The main goal of establishing citizen-led monitoring mechanisms is to increase accountability through independent monitoring, while the main objective of collecting information from users is to improve responsiveness and user satisfaction with public services. Some tools in addition to citizen and community scorecards are social auditing, public expenditure tracking surveys, participatory auditing, etc. The main results are reduced corruption, increased transparency and accountability, and openness in government.

The following recommendations can be made, taking into account the particular situation of CSOs in Libya and their needs, the views of interviewees and international best practices:

- International organizations should support Civil Society Organizations through capacity building programs and grants to strengthen their organizational structure and technical skills in different domains such as project cycle management, finance, fundraising and external communication. The access to external funds is a challenge, especially for small CSOs, and the creation of a web platform with information on funding opportunities and a database with all the potential donors would definitely help CSOs in their fundraising.
- To overcome biases and misconceptions about civilian work, CSOs should be supported in their effort to build solid and positive relationships with local authorities.
- CSOs should be trained in the use of media that can be a key resource for communicating adequately the work of Civil Society Organizations.

- The active participation of the civil society sector in public life should be encouraged and mechanisms should be in place to ensure the contribution of civil society actors to the political debate and to the drafting of laws and regulations on key issues, such as civil rights (freedom of opinion, freedom of assembly, and the right to information).
- The participation of women in civil society should be encouraged to support their contribution to peacebuilding. Evidence indicates that women who participate in peace processes tend to focus less on the spoils of the war and more on reconciliation, economic development, education and transitional justice – all of which are essential for sustainable peace.
- Considering the negative impact of a protracted internal conflict and the exposure of the population to different forms of violence during this period, more psychosocial support projects helping communities recover from the trauma of a prolonged conflict should be implemented on the ground.
- CSOs may be able to aim service delivery to poor people, but the scale of their operations is limited and, consequently, many people do not benefit from these services. The critical issues for CSOs are, first, how to scale-up their interventions to reach more people and, second, how to improve coordination between CSOs and government in service provision. CSOs are notoriously weak on coordination. Yet, in terms of service provision, this is essential to avoid the duplication of CSO efforts or their concentration in the same geographical areas.
- Libyan government could support pilot efforts by CSOs and/or joint ventures between CSOs and state service providers to develop and test alternative forms of service delivery. These initiatives would build on the inventiveness, flexibility, and proximity of CSOs to beneficiaries. If successful on a range of criteria (including quality of service, affordability, transparency of operation and efficacy) these pilot projects could be scaled up.

Interviewee Perceptions on Strengthening Civil Society

- Yes, it would be a good idea to empower civil society and include it in public service delivery. But we do not have a real civil society in Libya.
- Most of civil society organizations were established for political purposes rather than providing help and services to people... They mostly pursue agendas of other countries. We need to strengthen civil society organizations and make them partners in the delivery of public service, but only after regulating them well and making sure that they are able to carry out their responsibilities well.
- Civil society will be a part of the reform process, but it takes time for it to flourish. There was no civil society under Gaddafi's regime, most of the civil society organizations were founded after the revolution, and therefore they do not work properly. They do not have adequate human resources, donations and volunteers.

5.8 Decentralization and Rethinking the Role of Local Government in Public Service Delivery

The immediate objective of a local government reform proposal in Libya would be to extend the legitimacy of the state, build confidence in the public administration by enabling the distribution of resources at the local level, deliver local public services efficiently and effectively, and engage local communities in local recovery and service delivery processes. Any attempt to reform local government in fragile countries, such as Libya, however, needs to include a dimension of reforming local government apparatus and enable local governments to deliver local public services and promote democratic processes at local level. Capacity development for local government in Libya should, therefore, have at least three dimensions: individual, organizational and systemic dimensions. PAR in Libya should take all these dimensions of local government capacity into account.

Although the idea of establishing a municipal administration in Libya dates back to the middle of the last century under various forms, it lacks the strong and effective regulatory structure that ensures a prompt and efficient solution to address local problems. Therefore, Libya urgently needs a legal and institutional framework that ensures the transfer of powers to local councils and enables them to better fulfill their role, as the geographical and demographic (population) characteristics of Libya indicate that the system of local governance is the most appropriate in dealing with the crises plaguing the country and Libyan people - along with maintaining the government within the framework of coordination. However, this method of

management requires the availability of financial and human facilities that enable it to play its role, rely on development and training plans to strengthen the concept of local governance and to transfer the administrative and financial authorities of these units to promote local areas.

Figure 17: Decentralization and Rethinking the Role of Local Government in Public Service Delivery



Source: Compiled by the authors

The challenges facing municipal councils and their performance of a more effective role at the local level are strongly present (UN and WB, 2017). There is a lack of financial resources to address citizens' daily living problems of food, electricity, water, health, education, fuel, and infrastructure. Furthermore, security is a challenge that has reached the extent of killing the mayors of municipalities and fabricating the problems of electricity, water, fuel, transportation and others. These two challenges are the most serious to the work of councils and their ability to provide services to citizens.

On the other hand, Libyan municipalities need to focus more on the municipality employees and build their capacity by organizing internal and external training sessions based on individual needs.

5.8.1 Rationale for strengthening local government

It seems that the role and importance of local governments is growing and will continue to grow in the near future in Libya. Given the current unpredictable context, any program supporting local governance in Libya should focus on addressing the immediate needs of local governments, such as generating adequate funding, as well as developing capacities of local governments for guiding economic recovery, fostering local development and providing local public services.

Libyan local governments, particularly municipalities, which are on the front line between state and society, can play a leading role of reconciliation among the country's warring parties. However, this position of local governments also increases their expectations. Moreover, the concern that this important position and role could be abused is common, especially among the new elite class whose effects have increased after the revolution. From their perspective, as one of the interviewees mentioned, the center-periphery dynamics can be a key driver of responsive and inclusive governance, but also of violent conflict, and local governance hold a unique set of opportunities and challenges in the aftermath of conflict.

In the Libyan case, there are two different perspectives (optimistic and pessimistic) on local government strengthening and decentralization policies. On the one hand, as the optimistic view clearly argues, local government institutions have continued to function during the armed conflict and they have great potential to serve as a nexus of the citizen-state relationship and to address some of the underlying drivers of fragility by projecting authority, distributing resources, and incorporating citizens into an evolving political settlement.

On the other hand, as the pessimistic view suggests, local governments may exacerbate fragility of the country by promoting factional interests or by creating conflict between state and non-state authorities, between levels of government, and among groups competing for control of a particular jurisdiction. The separation of sub-national territories can be particularly contested in the fragile setting of Libya, and additional tiers and entities of government would provide new opportunities for rent-seeking. Further, devolved local government systems have often struggled to meet expectations because of capacity and resources constraints (fiscal, human, and even physical) at the local level in part due to a lack of political will. This does not diminish the urgency and importance of local government reform, but it does lead

to different views on the dimensions of decentralization and the relationship between central and local government.

Apart from the above-mentioned optimistic and pessimistic views, it is important to adhere to the principles, developed by the UN and WB (2017) and briefly stated below in order to strengthen local governments and ensure the successful realization of decentralization processes and to achieve the expected feedback from these reforms (UN and WB, 2017).

- *Preferring function over form.* The resumption of minimum levels of service delivery and the facilitation of participation in decision-making, where possible, are of critical importance in creating or re-instating formal institutional arrangements or in agreeing to best-practice options for the future sub-national institutional arrangements of the state. This may mean making use of community decision-making rather than formal subnational government decision-making.
- *Avoiding the capacity fallacy.* Weak technical capacity of local governments can be a constraint to resuming service delivery, but this should not deter the promotion of local post-conflict solutions; the groundwork must be laid for longer-term capacity building.
- *Recognizing local diversity.* “One-size-fits-all” aid packages may be needed in the immediate aftermath, for the sake of rapid response, but a shift to differentiated approaches should be made as soon as possible. A regionally differentiated approach may be necessary: not all areas of a country have had to deal with the violence in the same way, and existing regional capacities are uneven. Urban areas, in particular, require a different approach to more dispersed rural populations.
- *Reducing the distance between the national and the local.* Establishing early linkages between local and national governance, including rebuilding intermediate levels of government, ensuring communication capacity and enabling resource flows, is key to rebuilding state viability. Investing in community-based interventions may increase the provision of services in the short term, but can delay the rebuilding of functional intergovernmental relations, which are important for state-building and long-term recovery.

Rondinelli et al. 1983 identifies four conditions and factors affecting the implementation of decentralization, which seem quite suitable for the Libyan example. These are the degree of political commitment and administrative support; adequate financial, human, and physical resources attitudinal, behavioral, and

cultural conditions conducive to decentralization; and effective design and organization of decentralization programs. In addition, to support a decentralized structure, successful nationwide institution-building must rely on a network of relationships between the state and local communities (Mezran and Eljarh, 2014). The process must be both bottom-up and top-down.

Major problems identified in the field of decentralization and local government strengthening in Libya and the suggested reform measures to remedy them are presented in Table 15.

5.8.2 The current state of local government in Libya

The important role of local governments is not a new phenomenon in Libya. While local governance, undertaken through popular committees, was present to some extent during the Gaddafi regime, this experience could not be considered as a real participatory governance. After the revolution, Libya's successive governments have all failed to address the basic needs of the population. As a result, many Libyans have turned to local governments, which deepened national divisions. Currently, many Libyans are turning to local leaders and representatives whom they believe can best represent their interests. Some Libyans seek solutions by turning to their municipal councils, while others favor religious, tribal and/or clan leaders.

The Interim National Transitional Council passed Law No. 59 of 2012, which affected the Local Administrative System. Law 59 defined the role and duties of local and municipal councils, determined the powers granted to governors and mayors, and decided the amount of financial resources to be allocated to provinces and municipalities. A reading of the eighty articles of the law makes clear that the drafters of Law 59 did not find it necessary to distinguish between the concepts of "local administration" and "decentralization," while instability and political division also made it difficult to fully implement some of the article's key principles. Municipal councils have been established in Libya and their members are directly elected. Municipal councils report to the Ministry of Local Governance (Wazarat al-Hukm al-Mahalli). However, the duties and activities of municipal councils should be reinforced (Mikail, 2016).

Table 15: Identified problems and reform suggestions about decentralization and local government strengthening

Identified Problems	Reform Suggestions
Lack of clear vision on how to achieve good governance on the local level	Developing a national strategy to strengthen local government
Inadequate funding of local governments	Providing adequate finance to municipalities
Absence of decentralization and delivery of a large number of local public services by the ministries or departments of line ministries	Devolving powers, mandates and functions which are local in character to local governments
Absence of special arrangements for large cities	Introducing metropolitan municipalities in large cities and the regions with dense population to provide coordination among municipalities
Absence of coordination mechanisms among municipalities	Establishing provinces as foreseen in the Local Government Law
Weak capacity of local governments, particularly in small and remote towns	Strengthening capacity of local administrative servants to ensure effective functioning of the municipalities
	Supporting municipalities in remote areas to enable them provide local services to their inhabitants
Weak central-local government relationships and dialogue	Improving central-local government relations through a standing unit of governance within the Ministry of Local Government
Inadequate funding and coordination for cross-cutting local services	Establishing regional development agencies
	Establishing a local government bank to fund local services

Source: Compiled by the authors

Municipal councils have a very important role to play in Libya, especially since their proximity to the population enables them to be aware of how Libya's political trends affect life on the ground. Furthermore, municipal councils can help limit the violence caused by the illicit flow of weapons throughout the country. Indeed, progress starts with local administrations having the capacity to assess where weapons might be found and who could be using them. Moreover, municipal councils are able to directly communicate with militant groups and individuals responsible for the violence. The main problem for local government is that they lack the financial resources.

The adoption of the Local Administration Law (Law 59) in 2012 marked the first major attempt to establish a local governance structure in the wake of the 2011

revolution. While the constitution-drafting process that began in 2014 will ultimately decide on the question of the form of state, including the question of decentralization, the creation of elected municipalities was necessary to respond to strong pressure from local elites and communities aspiring to greater autonomy after decades of heavy central domination, and was also seen as an essential step in the long-term project of consolidating responsive, effective and accountable local state institutions. Nearly two years after the law was passed, due to politically sensitive negotiations between the Government and the General National Congress (GNC) on the matter of local elections, 90 out of 106 municipal councils have been elected, mayors chosen among their members and municipal administrations (or diwans), established.

Municipal elections were the first concrete steps in the transition from a highly centralized state system to a more decentralized one. However, after the adoption of Law 59, the situation has not changed much for a number of reasons: the law fails to clearly delineate and distribute the responsibilities of different tiers of government and state institutions in planning and delivering public services and promoting local development; the effective implementation of the law, and in particular the revision of a number of existing laws organizing the social and economic sectors and the issuance of implementing regulations and decrees, had only partially started by the time the political and security crisis suddenly worsened in July 2014; while Law 59/2012 proposes a two-tiered system of local governance (municipalities and governorates), only municipalities have been established so far.

Due to the internal conflict, issues relating to the legal framework for local governance in Libya have not been addressed and are unlikely to be addressed until legitimate political institutions are in place. In the meantime, some municipalities are trying to organize themselves to lobby for an early revision of Law 59 by the recently established National Unity Government. Municipal associations are being formed in the South and the West of the country to provide a stronger advocacy force on these issues, as they rightly believe that local stakeholders, including normal citizens, were not consulted in the drafting of Law 59.

The draft constitution attaches great importance to decentralization and the strengthening of local governments. However, the draft Constitution gives enormous powers to governorates over municipalities. Besides the inadequacy of the consultative process around local governance reform in Libya to date, the process has also lacked a vision and strategic policy and planning processes, which should be based on an objective analysis of the pros and cons of different options for decentralization.

Although the current local governance system remains centralized, the central government fails to fulfill its command, control and guidance roles. On the one hand, the executive bodies of line ministries at municipal level have limited devolved authority and continue organizing the delivery of most public services in the manner of a centralized state system. On the other hand, the newly-elected municipalities are left to respond to the humanitarian and development needs of the population, but with limited responsibilities and resources to organize an effective response. Relations between the two levels of government vary from place to place, but in general have been deteriorating since the conflict started. These relations are now marred by limited contact, poor coordination (even at the local level between executive bodies and municipal councils), lack of trust, absence of guidance on the division of responsibilities (even when this is more necessary than ever due to the crisis context), decreasing and unpredictable financial support, and limited or no technical and capacity development assistance.

In principle, civil society in Libya should be an important player in local governance, particularly since 2011, including human rights groups, women's and youth associations, community-based organizations, and local NGOs providing charitable assistance to vulnerable groups as well as some social services. While municipalities have a positive attitude toward the role of civil society in local affairs, in practice cooperation with CSOs is limited beyond civic awareness initiatives. Both sides lack the understanding and capacity to consider new avenues for effective cooperation, including testing different forms of participatory governance or filling gaps in public administration service delivery. Municipalities lack funds to support local civil society activities, but at the same time are wary of external funding sources that these organizations may use, as they see this as a potential threat to their sovereignty over local affairs.

Horizontal relations between municipalities are marked both by negative trends of localized conflict sometimes leading to violent confrontation, but also by positive collaboration on matters related to security, service delivery, culture and sports. However, formal inter-municipal cooperation to spur local development is virtually unknown, except when externally supported. Unresolved border disputes between municipalities (especially after the creation of nearly 80 new municipalities), growing tribalism in a context of dwindling national identity, the non-existence of governorate institutions and the absence of formal model to sustain inter-municipal initiatives, explain the low level of horizontal integration in Libya.

This overall mapping of the local governance system in Libya paints a picture of a dynamic situation that is moving further and further away from the vision set out in Law 59. The basic principles of local autonomy in decision-making, public-private

partnerships (broadly defined to include civil society and communities), citizen engagement, inclusion and accountability in local governance remain to be well understood and applied by all relevant stakeholders. While municipalities are emerging as increasingly powerful local actors, their leadership over other key stakeholders is not well established everywhere, particularly in southern Libya, nor is it sufficiently organized, making the entire local governance structure fragile and prone to dysfunction in case of conflict escalation.

5.8.3 Main features of the proposed decentralization

The most pronounced, but perhaps the most controversial, reform tool in the debate on public administration reform and state-building in Libya is decentralization and the empowerment of local governments in terms of financial, administrative and authority aspects. There appears to be a national consensus on strengthening local governments, and only the timing and form of this empowerment is discussed. However, differences of opinion on decentralization are more pronounced. It is clear that the structure and characteristics of the country and society play a major role in these debates. Moreover, the role of the social and administrative structure and the evolution of political and local power centers during the royal and Jamahiriya periods cannot be denied. “The country’s long history as a loose association of strong localities, coupled with an aversion to a strong central state following 42 years of dictatorship, created a popular urge to formalize governance and decentralized powers. And, as the central state became less important in the lives of many ordinary citizens, local municipalities gained in importance to become the new face of Libyan governance and the most common partner with whom stabilization actors are allied” (Megerisi, 2018).

For instance, “Eastern Libya’s current calls for federalism are founded on fears of marginalization and domination of the political landscape by one political or regional group. These concerns are particularly rooted in the uneven distribution of population in favor of the western provinces (Tripolitania)” (Mezran and Eljarh, 2014).

Therefore, it is useful to determine what our understanding of decentralization and local government strengthening is, -two concepts which are accepted as necessary by all conflicting parties in Libya-, and which formula has the potential to achieve social consensus and solve Libya's unique needs.

For the purposes of this analysis, decentralization refers to an arrangement that eases the burden on the central government by shifting authorities and responsibilities to regional and local administrations, thereby providing a mechanism for honoring local interests without compromising national unity or the existence of the state. In

developing the analysis on decentralization and local government strengthening, we perceive that a degree of self-governance would provide institutional solutions that allow competing factions and local communities to realize their aspirations for ownership of their respective local issues while simultaneously preserving the overall social and territorial integrity of the nation. “Paradoxically, for the central government to enhance its legitimacy and credibility, it must delegate powers and functions to effective local government institutions. This way, subnational institutions, which are better placed to respond to the expectations and aspirations of the Libyan people, would demonstrate that the government is capable of delivering goods and services to citizens, thereby earning their trust. It would essentially be a system of mutual reinforcement between the levels of government that would result in the legitimacy of an overall institutional framework” (Mezran and Eljarh, 2014).

This report proposes an approach whereby local communities determine the parameters of the geographical unity, and local government units provide local public services without extensive intervention by the national government and other public organizations. Local governments should be financially and administratively autonomous and managed by elected mayors and local counselors. With the devolution of powers, each of these municipalities would have a degree of possible autonomy, leaving the central government to produce and implement national policies and to provide national public services such as defense, foreign affairs and the distribution of economic resources. There should be strict rules whereby the central government would distribute monetary aid to local governments proportionally in proportion to population and geographic size, allowing them to spend funds on the issues over which they have jurisdiction.

The nature of the Libyan state means that the government structure should be based on political powers such as legislation, the executive and the judiciary, as well as executive and regulatory agencies at the national level. The central / national government can devolve some local functions and public services to municipalities and provinces. These include (but are not limited to examples) budget planning, taxes, and local planning, local development, tourism and culture at the local level, as well as responsibility for parks and recreation services, police and housing services, primary health and emergency health services, public transportation services, and public works.

Although there is a distrust towards the central government in the country and there are problems in the distribution of resources and differences in local development in the country, the idea of dividing the country into three federal regions should be avoided and the protection of the national and territorial integrity of the country should be essential.

Some specific recommendations of reform in this respect are as follows.

Ensuring financial decentralization

Effective local government and social and economic development of the respective areas it is to provide must be accompanied by an expanding resource and financial base. Decentralized powers should be supported with adequate resources for effective implementation. This is why local government (in practice, municipalities) should receive more funds to improve their capacity to provide local public services and promote local development activities. The distribution of the budget among municipalities should be redefined, based on neutral and scientific criteria such as the size of the population, the size of the territory, the level of socio-economic development, the state of the infrastructure and its proximity to the sea.

Transferring new powers and capabilities to local government

In addition to expanding financial capabilities, decentralization should include the transfer of new powers and functions to local governments. In particular, larger municipalities should be given tools to boost economic development, such as borrowing from foreign markets, independent selection of institutions to keep local budget funds for development, and own-source revenues for state-funded institutions. Powers in the area of architectural and construction control and the improvement of urban planning laws should also be decentralized, and local government should be given the right to determine urban planning policy.

In addition, the local government should have the right to hire and use municipal guards (municipal police) as an effective instrument to administer law and order on its territory. The municipal guard is an entity that will observe law and order, and deal with issues of beautification, littering, parking space etc. Under no circumstances can it deal with criminal cases, which are the exclusive competence of the police.

Another measure should be to transfer more responsibilities to municipalities in the fields of health, education, recreation, infrastructure and local social and economic development. The Law 59 on local government should be amended to redirect all local public services to local governments.

Considering voluntary amalgamation and consolidation of territorial communities

Libya needs to rethink the size and number of municipalities. It seems that some small municipalities do not deserve municipality status. In addition, a distinction should be made between small and large municipalities. The rationale for the voluntary amalgamation is that the decentralization reform should aim to give impetus to the formation of an institute of authority that is capable and closer to the

citizen — the local government. The voluntary amalgamation of local governments would enable municipalities to gain respective powers and resources.

In order to establish a new municipality in a locality, several important criteria such as the financial resources that can be used and the socio-economic development level of that place should be determined and the status of municipality should be granted to the localities that meet these criteria. In addition, a minimum population requirement for becoming a municipality should be introduced. Among the existing municipalities, it should be ensured that those which do not meet these criteria are adapted on a certain calendar or voluntarily join the boundaries of another municipality. In this way, smaller but strong municipalities in terms of position, financial means, human resources and technical skills should be established.

Developing strategic plans for municipalities

Strategic plans can be used to evaluate the strengths and weaknesses of each municipality and develop a vision for their medium- and long-term development. Therefore, medium and large-scale municipalities should be required to prepare their strategic plans. Municipal strategic plans should also include concrete projects to address imbalances and disparities in economic and social prosperity among regions and municipalities. Given that different regions have unique characteristics, strengths, and opportunities and face different challenges (Ihya Libya, 2014), municipal strategic plans would increase the role of municipalities in planning and development decisions that affect local communities.

Establishing regional development agencies

The proposed regional development agencies are autonomous public institutions that work under the coordination of the Ministry of Local Government or the Ministry of Finance to reduce regional disparities and ensure regional development and regional competitiveness. Development agencies would be the units which detect sectoral and general development problems, determine opportunities and solutions to these problems and support projects which were developed through these solutions. (Tutar, Altınöz and Çakıroğlu, 2015). However, development agencies should not be implementing institutions that make direct investments. The main task of development agencies should be to promote cooperation between the public, private sector and nongovernmental organizations and to ensure local potential.

Initially, five development agencies could be established: two in the eastern part, two in the western part, and one in the southern part of Libya. Subsequently, then numbers of these agencies could be increased, depending on the evolution of local and national conditions as well as the government's economic and development priorities. These agencies would contribute to the development processes of their

regions through strategy and planning, promotion of investment opportunities, and financial and technical support.

The agencies would carry out analysis, strategic and planning studies on various issues and support research to accelerate economic and social development by identifying the resources and opportunities of the regions. Development agencies can support not only the private sector, but also public institutions, universities, research centers, start-up projects, high-tech institutes, SMEs, associations, foundations, and municipalities.

In line with the priorities envisaged in the national and regional development plans, there could be guided project activities whose subject matter and conditions can be determined under the leadership and direction of the agencies. Agency support would also include management consultancy services that would help improve the management and business practices of local actors such as public enterprises, nongovernmental organizations, and universities, solve problems and evaluate new business opportunities.

Within this framework, incentive and encouragement programs would be implemented in areas such as business start-ups, innovation management, efficient production, software development, digital transformation, which have not been sufficiently taken into account in Libyan institutions, organizations and businesses. Another innovation to be implemented with development agencies would be the implementation of a regional venture capital. In this context, regional venture capital would be supported to enterprises that have the potential to grow in order to discover businesses that produce high value-added goods and services and to expand the culture of entrepreneurship. In this way, local companies would be made more competitive on the national and international arena.

Establishing metropolitan municipalities in big cities

A metropolitan municipality system would be suitable for big cities to coordinate municipalities and invest in common local infrastructure. For instance, in Tripoli, there are 13 municipalities. A metropolitan municipality can coordinate them, particularly in terms of cross-border services.

The rationale suggesting the practice of metropolitan municipality in Libya is summarized below:

- It would not be possible to align services such as urban transportation, infrastructure, water and sewer, environment and even land use planning undertaken by various municipalities in the same space.

- It is technically necessary, and for reasons of economies of scale, to plan and manage these services for the entire urban space on its own.
- An administratively and financially strengthened administration is needed to plan and execute these services effectively and economically.

The functions proposed for the metropolitan municipality would cover services of a common nature to all municipalities in the metropolitan area, including inter-municipal urban planning; geographic and urban data systems; the environment; cleaning and garbage collection; municipal police forces, fire departments, emergency aid services, rescue services and ambulances; urban traffic; funeral services and cemeteries; forests, parks and greens areas; housing; culture and art; tourism; youth and sport activities; education; maintenance and repair of government-owned school buildings; opening and management of health facilities; and protection of cultural and natural resources and places of historical value. All other local services within the boundaries of the metropolitan municipality must operate within the municipal district.

Since they operate in the same jurisdiction and their services are complementary in nature, metropolitan and district municipalities will need to work in close cooperation and coordination. Otherwise, gaps or overlaps in municipal services may occur, or even conflicts in functions or powers. The mission of the metropolitan municipality coordinate and resolve disputes among the municipalities in the metropolitan area. To avoid adversity, the metropolitan council can consist of district mayors and some councilors of each district council.

Developing a roadmap for local government strengthening and decentralization

Given the current polarization between the various factions, it may be difficult to imagine how decentralization could be realized in Libya. However, steps taken toward decentralization would be necessary confidence-building measures that could help create a more conducive environment for negotiations to resolve the political crisis. For example, the national unity government could prepare (in consultation with key stakeholders) and propose a roadmap that would result in a decentralization program that addresses most of the demands throughout the country.

Developing a recovery and resilience program to strengthen the capacity of municipalities

The government should launch a recovery and resilience program to strengthen the capacity of Libyan municipalities to restore security, essential service delivery, and livelihood opportunities. This program is to cover all municipalities in the country and include assistance in three areas: service delivery, economic recovery, and community security. In the area of service delivery, the government needs to work

with the elected bodies of local municipalities to conduct a needs assessment and identify local priorities, such as clinic renovation, road rehabilitation, and park maintenance and reopening, and larger infrastructure issues. These projects would be important to stabilize the quality of life and provide Libyans with some optimism for future development.

Resurrecting traditional governance and dispute resolution mechanisms

A number of municipal councils have recently resurrected traditional conflict resolution mechanisms, such as councils of elders, to maintain peace in the absence of a functioning court system. These traditional / social mechanisms can also be used for different purposes in the future. They can be integrated into the local councils. Already, municipal councils all have at their disposal, usually a shura council composed of a few non-political personalities and experts for advisory support in local policymaking. In some municipalities, particularly those in the southern region, local councils of elders, tribal leaders and religious figures are also important partners in local governance partners on issues of social peace and local security. Thus, societal support for the state and its institutions is increasing and the perception of legitimacy is becoming stronger. However, since traditional governance mechanisms are not the same and weighted in every region, the decision-making authority on this issue should be left to local councils.

Establishment of bank of local government

In order to finance municipal (and perhaps provincial in the future) land-use planning activities and other major infrastructure projects, an investment and advisory bank, the Local Government Bank could be established. Provinces (if established) and municipalities could be the major shareholders of this bank, along with other central government and private sector organizations. The Local Government Bank can provide project designs and financing for the infrastructure investments by municipalities. The Bank can provide short-term loans to municipalities for cash flow needs and investment funding on terms more favorable than market terms. Municipalities should also be allowed to borrow from international investment banks, and if necessity, from other banks.

Other reforms

Other suggestions for reform in terms of strengthening local government and decentralization in Libya are as follows in brief.

- Roles and functions of the Ministry of Local Government should be reoriented and its administrative control over municipalities minimized.

- Differences in the size, population, technical capacity and budget of municipalities should be taken into account in the provision of budgets, training and other capacity building measures
- In principle, local governments should be responsible for providing local public services themselves or through other means such as contracting out to private sector and PPPs, Build-Operate-Transfer approach.
- Municipal councilors and officials should be trained in the new methods of management and service provision, as some of them do not even know what to do.
- Provinces (*muhafazats*) should be established as soon as possible to coordinate municipalities in rural areas and provide local services to a group of municipalities. However, they should be local governments, led by locally elected governors and councilors, and not part of the central government. Initially, around 17-20 provinces could be considered.
- Mayors of municipalities can be elected by the people rather than appointed by councilors, to make them more powerful, legitimate and capable of handling local services.
- Tribes and other local authorities should be integrated to local government structures through consultative or participatory mechanisms. This can enhance peace and harmony among local people.
- The Ministry of Local Government and the National Council of Municipalities should be incorporated through consultative and participatory governance mechanisms. The heads of these two organizations should meet frequently, and a summit of local government should be organized one a year to discuss issues related to local government and local service delivery and to identify elements of a future vision for improving local public services.
- Each municipality should be encouraged to develop and increase its own resources. The tax system should be readjusted, local taxes should be clearly set and user fees should be charged for some local services.

Interviewee Perceptions of Local Government

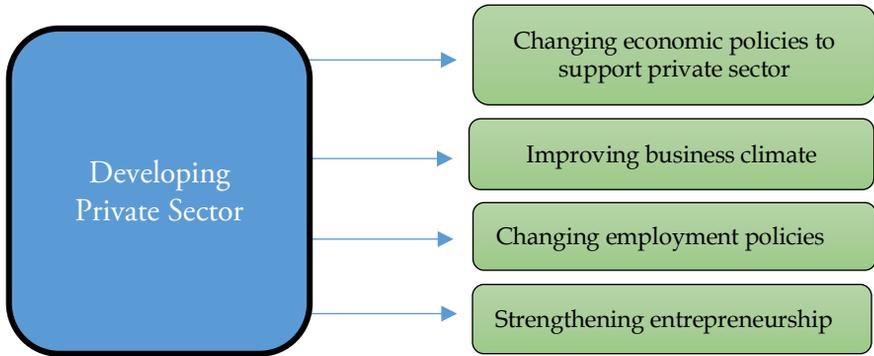
- There are currently elected city councils. If we give them budgets, responsibilities and new functions, they will deliver local public services better than central government, that's for sure.
- The electoral system in local government should change. Right now, people elect councilors and then they elect a mayor. Mayors are not directly elected by popular vote. This weakens the position of mayors vis-à-vis the Ministry of Local Government. What is interesting is that job descriptions of local councilors are not clear, but they have the power to change the mayor.

5.9 Developing Private Sector: Making Private Sector a Partner for Providing Public Services and an Alternative Employment Resort

One of the most important pillars of public administration reform in Libya should be the development of the private sector. Private sector development will support public administration reforms in two ways. First, a developed private sector will support the government and local communities in the production and delivery of public services. Secondly, the development of the private sector in the country will create new employment opportunities and the young population seeking employment will primarily look to private sector organizations, not the state, for employment.

However, it is not clear that the private sector in Libya is sufficiently advanced to assist the government in the provision of public services and create alternative employment. “Libya's dual challenge is to make the public sector more efficient and productive while reducing its overall size and contribution to the national economy in favor of greater private sector involvement. Both are formidable challenges and are central to meaningful reform of Libya's economy. Despite its inability to offer real advancement or to be considered particularly lucrative, the public sector remains attractive for its job security and its often considerable non-wage benefits. This attraction to public employment has skewed the educational choices young Libyans as they prepare for jobs that are normally undemanding and require few skills. In considering public sector and civil service rationalization, Libyan decision makers have several options at their disposal, ranging from hiring freeze and natural attrition to adjusting salaries and benefits and effectively downsizing through layoffs. In all cases, the government should ensure that an adequate safety net is in place” (AfDB, 2013: 8).

Figure 18: The proposed reforms in the field of developing private sector



Source: Compiled by the authors

5.9.1 Rationale for developing private sector and current state of private sector development in Libya

In many parts of the world, the private sector does not limit itself to the areas of activity traditionally assigned to it, but also acts as a partner in the production of goods and services that fall within the competence of public institutions. Today, with the effect of the New Public Management movement, the traditional distinction between the private and public sectors has become blurred and many public services are offered by the private sector or through public-private partnerships.

The development of the private sector and its role as a public actor in the production and delivery of public services can be seen as a reflection of the neoliberal policies developed as an extension of the liberal economic system to the public administration. Although it is criticized from time to time and attempts are made to produce alternatives, the New Public Management movement continues to be the dominant paradigm in the theory and practice of public administration worldwide. The new Public Management approach is based on the principle of developing the private sector and applying the management techniques produced in the private sector to public institutions. In other words, a developed private sector is a prerequisite for the implementation of the New Public Management approach as a public administration reform model. Moreover, the private sector is an important pillar of governance and good governance approaches. In fact, even the Neo-Weberian approach to public administration does not envisage distancing the private sector from public services, but using it in the provision of certain services. In short, public administration reforms are considered as going hand in hand with a developed private sector.

However, in Libya, most of the activities traditionally carried out by the private sector are integrated into the public sector, as a result of the socialist economic and political

policies of the Gaddafi regime that prevailed between 1969 and 2011. These policies, guided by the stipulations of the Green Book drafted by Gaddafi himself, deliberately discouraged private sector development through various means, such as the nationalization of the major banks and the oil industry, which formed the backbone of the country's economy, as well as the outlawing of small private businesses. By the end of the 1970s, the state had become the owner of important businesses in the country. Due to the nature of these regimes, the government placed more emphasis on loyalty to the ruling elite and making it a suitable tool for the regime's political and economic policies, rather than the efficiency and sustainability of the private sector and public institutions in the country.

As a result of the deterioration of the country's economic situation and the increase of international pressures, especially the U.S. embargo, some concessions began to be made from the strict socialist economic system since 2003. In this context, the government allowed some private sector businesses to open and operate, and a privatization program was even prepared, although it was not voluntarily implemented until the 2010s.

However, anti-private sector practices and especially the negative image of the private sector that has developed over a few decades have created a psychological barrier to the development of the private sector in this country. In addition, getting citizens used to the state taking care of all their needs and forgetting about private sector values such as production, efficiency, quality and customer orientation has severely damaged the entrepreneurial culture in Libya.

Although a revolution took place in 2011 and the country moved away from socialist ideals and methods towards democracy, market economy and integration into the international community, there were not steps taken in this direction due to the internal turmoil and civil war in the country. The political uncertainty in the country and the inability of the legitimate government to exercise sovereignty over the entire country mean that the interim governments are not acting in visionary manner in this uncertain environment and are reluctant to take steps towards fundamental reforms. This state of affairs creates an important handicap for the transition from socialism to a liberal economy and the development of the private sector in the country. It is therefore possible to clearly see the remnants of the socialist system in the country. For instance, the major banks and the main enterprises in the agricultural and manufacturing sectors are still owned by the state.

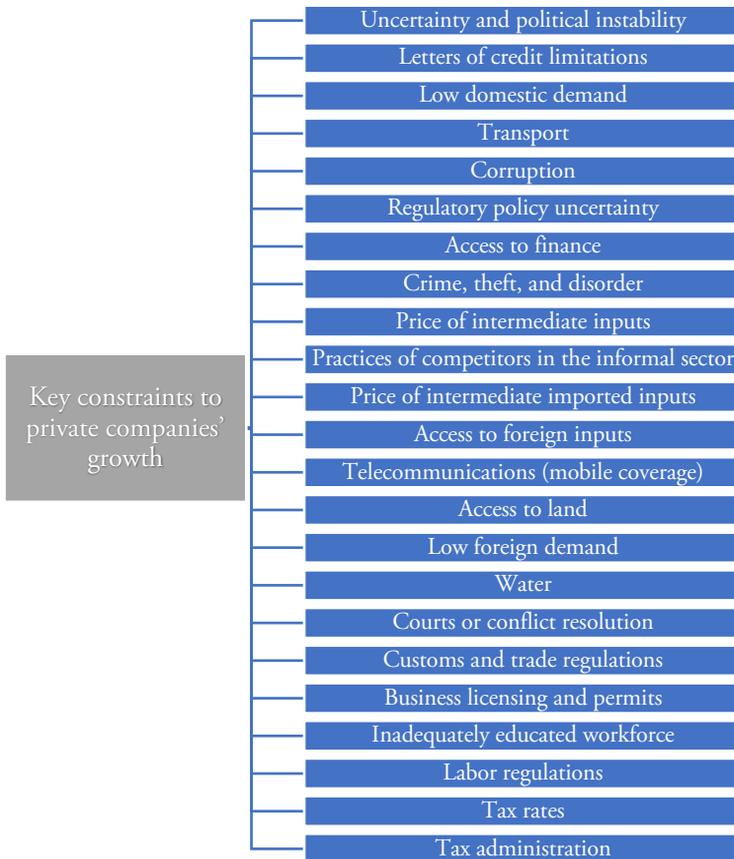
As mentioned above, the development of the private sector is vital not only for economic development but also for managing excess personnel in public institutions. Indeed, there are too many personnel in the public sector, almost half of the population depends on the state, and excess personnel in public institutions reduces productivity and service quality in these institutions. Aware of the above facts, decision makers seem to agree that the public sector should be downsized as a remedy and that the excess personnel removed from public institutions should be employed

in the private sector. However, to achieve this goal, it is necessary that the private sector be developed and that its growth outpace the growth of the country's population. At the present time, the Libyan private sector has little capacity to contribute to this goal.

5.9.2 Challenges to development of private sector

The private sector in Libya faces a number of pressing and interconnected challenges which are deteriorating the business climate in the country, mainly due to internal conflict and civil war conditions; limited access to imported inputs, raw materials, and machinery; displacement of national workers and emigration of foreign workers; as well as elite capture and illegal activities. Furthermore, the current education system does not prepare a workforce ready to carry out most available jobs. There is little practical skills training or vocational education.

Figure 19. Key constraints to private companies' growth



Source: Rahman and Di Maio, 2020.

Some of these challenges are as old as Libya's history. However, as the conflict has weakened the state institutions and enforcement capacity, many of these challenges have been compounded. Urgent action needs to be taken to enable the private sector to survive the conflict and to create a positive long-term business climate (Rahman and Maio, 2020). The main constraints to private business growth are summarized in Figure 19.

The main problems identified in the field of private sector development and turning the private sector into a partner of the government in the delivery of public services in Libya, as well as suggested reform measures to address them are presented in Table 16.

Table 16: Identified problems and reform suggestions about private sector development

Identified Problems	Reform Suggestions
Private sector was deliberately weakened by the Gaddafi regime for political reasons	Changing the employment dynamics and reducing public sector employment
	Further strengthening social protection systems which support employment generation
	Establishing and developing domestic market
Efforts to support and develop the private sector after the revolution were not sufficient in the context of internal conflict and civil war	Developing entrepreneurship training programs
	Ending civil war and focusing on national development and improving economy
Libyan economy is highly dependent on oil and gas and needs to be differentiated	Differentiating the economy and encouraging the non-oil sector
Inadequate laws to encourage private sector activities	Issuing a comprehensive private sector development law and amending anti-private sector regulations within existing laws
Difficulties in reaching funding opportunities	Permitting private banks, privatizing some of state owned banks and making external borrowing easy for local entrepreneurs
	Reducing state subsidies
Unfavorable business climate	Public sector investments to enhance private sector performance
	Ending non-constructive public sector competition with private sector
	Supporting small and medium-level enterprises

Source: Compiled by the authors

5.9.3 How to support private sector development in Libya?

Developing the private sector and enabling it to be a strong partner in the production and delivery of public services and an alternative source of employment in the country is a long-term vision which requires short-, medium- and long-term policies and reform measures. Taking into account Libya's unique economic, political, and administrative conditions, numerous reform proposals have been developed, and are presented below under four main categories: Changing economic policies to support private sector and improve the business climate, enhancing the business climate in the country, changing employment policies and strengthening the domestic market and entrepreneurship.

Table 17: Major characteristics of Libyan economy

Dimension	The Current Situation
<i>Institutional development and Economic Policies</i>	Low levels of regulation
	Low levels of accountability / transparency / rule of law
	Inefficient state management of economy
	Low levels of private enterprise
	Traditional distrust to private entrepreneurs
	Weak economic guidance
	Inadequate integration to world markets
<i>Resources</i>	Rich hydrocarbon natural resources
	Abundance of human capital, but few with needed skills, high unemployment
	Substantial capital reserves
<i>Business climate</i>	Lack of business environment conducive to foreign participation
	Unpredictable legal and investment climate
	Low use of regional and international expertise beyond the energy sector
	Lack of foreign participation outside the energy sector
	Lack of access to experts and expertise
<i>Sectoral Features</i>	Low levels of economic diversification
	Low efficiency outside hydrocarbon sector
	Low level of upstream/downstream activity in hydrocarbon sector
	Undeveloped tourist sector despite major attractions
	Lagging sectors: healthcare, education, urban planning, agriculture, transit trade, construction
	High level of informal economic activities in several sectors
	Weak banking system

Source: Compiled by the authors, by adapting AfDB, 2013.

Changing economic policies to support private sector

Reform proposals to be presented under this category include diversifying the economy and encouraging the non-oil sector, reducing government subsidies, ending unconstructive public sector competition with private sector, and reducing the informal economy. The major characteristics of the Libyan economy are summarized in Table 17.

As Libya currently has a public sector-dominated society and oil-dominated economy, first and foremost reform measures to be taken by the government to ensure holistic economic development and promote sustainable development of the private sector is to diversify the economy and encourage the non-oil sector. Currently, oil and natural gas extraction accounts for almost half of the country's economic activities (Table 18).

Table 18: Sectoral Composition of Libya's GDP (by 2017)

Sector	Share (%)
Oil and natural gas extraction	49.01
Public services, defense, and basic social services	21.75
Real estate and promoting activities	7.27
Wholesale and retail of vehicles and personal or domestic goods	5.87
Manufacturing industries	4.72
Transportation, storage, and telecommunications	4.44
Other	6.85
Total GDP	100

Source: Rahman and Miao, 2020: 63.

This situation is more clearly seen when considering the sectoral distribution of economic activities in the country. While 70.1% of the economic sectors are considered exclusively public, 7.5% mostly public and 15.2% mixed, only 6.7% are exclusively owned by the private sector (Rahman and Miao, 2020: 63).

As part of encouraging growth in the non-oil economic sectors, the Libyan government should revise the legal framework to strengthen private sector activities and remove red tape and bureaucratic inertia, provide incentives for job-creating businesses, support innovation activities, provide better access to finance for small and medium-sized businesses, encourage foreign and local investment in the non-oil sector, and promote entrepreneurship among Libyan citizens through entrepreneurship training. "Part of these incentives, particularly in the early years of

reform, can involve the provision of start-up financing—either through outright grants or, preferably, through low-interest loans. In addition, the state can provide entrepreneurs with ancillary instruments, such as loan insurance and targeted access to government-provided business development expertise and services.

“The near majority of Libya's non-oil sector workforce is concentrated in the country's construction, agriculture, and retail sectors, reflecting the secondary role it has played so far” (AfDB, 2013: 9). Therefore, construction, agriculture and trade can come to the forefront as priority sectors in the middle period, while it will be necessary to invest in all sectors with the possibility and potential to grow.

One of the most critical economic areas for Libya is the development of the agricultural sector, as agriculture and trade were the livelihoods of the Libyan people before the oil dependent economy. In addition, serious investments were made in this field with the help of the artificial river project, which is one of the most important projects in Libya's history. Agricultural self-sufficiency will be an important social and economic gain for Libya.

In developing the non-oil economic sector, the government should give priority to public–private partnerships, particularly in the reconstruction and renewal of public assets such as hospitals, roads, public housing, electricity and information technology infrastructures. These could be opened up to the private sector, either through contracting out or through public-private service-delivery partnerships. In addition, the tourism sector can also be a fast-growing economic activity in the short term, if the government provides adequate support and incentives.

One of the major long term challenges facing the new leadership is the *transition into a subsidy free Libyan society*, as the current system of extensive subsidies, on basic foodstuffs and electricity, among others, cannot be sustained. Under Gaddafi's regime, most basic commodities were provided either free or at very low prices, while wage levels were quite low. Furthermore, the Price Stability Fund (PSF) subsidized many food items (Governance Network, 2011). However, Libya is moving towards a transition to a liberal market economy, accompanied by democratization and integration into the global political system. Although this may not be possible in the short term, any rebates affecting the economy in the medium and long term could be reviewed and the rules of the market economy could be properly applied.

Another dimension of changing economic policies in favor of the private sector stance would be *ending non-constructive competition of the public sector with the private sector*, as private sector development is likely to be severely hampered if private firms operate

in an environment where they are expected to compete with state-owned enterprises which receive more favorable treatment from the government or public bureaucracy.

Therefore, it is important that competition-distorting institutions and practices are not allowed in the country, even if they are state-owned enterprises, and that private sector institutions are protected from the public sector and international institutions, at least in the short term, considering that they are still in their infancy. In addition, in order to secure competition and prevent attempts to form cartels, the government needs to issue anti-monopoly legislation and establish regulatory and supervisory agencies in major economic areas.

A major problem, inherited from its socialist past, is the existence of a large *informal sector* that accounts for a significant share of business in Libya. An important reason why the informal sector is at such a high level is that the formal business and establishment procedures in Libya are excessive, which acts as a disincentive. Suggested reform measures within this framework would include improving the economic registration system, reducing the financial burden on small and medium-sized enterprises, improving the business climate in the country, increasing audits against informal businesses, and mobilizing towards the registration of economic activities.

On the other hand, it should be kept in mind that one of the most important elements of strengthening the private sector is to improve the entrepreneurial culture in the country, break down the prejudices against the private sector, and encourage citizens to take more risks and set up initiatives. Within the social culture of the decades, most individuals and organizations are risk-averse in Libya, preferring to invest in economic activities with a reasonably predictable outcome. Of course, the country's civil war environment and political and economic uncertainties play an important role in this outcome. This can be considered a kind of learned helplessness syndrome, and overcoming this situation requires stability in the country and the development and implementation of sound, effective and sustainable policies by the government. There are several steps the government can take to change the culture of business and entrepreneurship, such as providing an economic and political environment which is perceived by potential investors as relatively stable, establishing a reputation for policy consistency, and protecting the domestic environment from the worst excesses of exogenous sources of instability and uncertainty, such as weather-driven output variations and global price fluctuations. Although it is difficult to create such an environment in a short period of time, determined, visionary and stable government action can be a good starting point.

Interviewee Perceptions of Privatization

- There is a fairly widespread perception among ordinary people that they equate the notion of private with something corrupt.
- Privatization would be difficult in Libya. Therefore, it is better to create new institutions.
- Right now, we cannot compete with other countries in many industries, because of old technology, poor management and state ownership.
- I am not afraid of foreigners to buy up government assets. We have our own investors / entrepreneurs... In fact, privatization in this country is not as difficult as some people imagine. The Privatization Law, the Privatization Board and even some investors are ready... However, successful privatization requires a 5-10-year plan. Almost all industries can be privatized to some extent. The government needs to take industries on a case-by-case basis and consider different types of privatization, not only focusing on asset sales or direct privatization...

Improving business climate within the country

Developing the private sector in a country and making it an alternative in the provision of public services and employment is possible with the increase in the number of individuals and organizations entering the private sector, and businessmen as well as ordinary people have a positive opinion of the business environment in the country. Establishing such an environment should be one of the most urgent tasks in a country like Libya, which is plagued by civil war, whose institutions and rules do not work sufficiently, and where businessmen cannot see a predictable and profitable future for themselves and their companies.

Among the reform proposals that can be implemented as part of improving the business climate in Libya, the following stand out: Fostering resilience of private sector and post-conflict recovery, establishing an effective and low-cost legal code and accessible legal system, a minimum of regulations consistent with orderly service provision, a positive attitude of the bureaucracy toward private sector activities and public sector investments to enhance private sector performance.

An important prerequisite for improving the business climate in Libya is the establishment of an *effective, low-cost and accessible legal system*. This would also reduce transaction costs and encourage private sector investment both, from within the country and abroad. Such a legal system should establish and secure property rights and contractual agreements and include mechanisms for redress in the event of

contract violations. A comprehensive, pro-private sector business code that defines and guarantees the rights of private sector companies and regulates the relationship between the private and public sectors would also be very useful for this purpose. In addition, the adoption of economic measures such as privatization that will allow fresh money to flow into the country and expand business, will also help improve the overall business environment.

A further prerequisite for improving the business climate is *securing positive attitude by public officials toward private sector activities*. As Public Choice Theory implies, a state is composed of individuals, groups and coalitions that are often more concerned with pursuing their own interests than with the common good. The attitudes of public officials towards the private sector are also influenced by many factors, ranging from their private interests to their ideological views. The attitude and behavior of public personnel toward the private sector may not always be positive, especially in countries with a socialist background such as Libya, where the roles and functions of the state are relatively important. In the wake of the long-standing statist approach, for instance, some parts of the civil service may not be very supportive of private sector development, perhaps because they feel it threatens their own jobs, if privatization and public-private partnership models have been widely applied. Two main mechanisms can be proposed to prevent public officials from deliberately complicating the work of the private sector in their jurisdiction: the publication of guidelines and directives containing rules of behavior and ethics for different segments of the society, including the private sector, and the training of civil servants.

On the other hand, the development of the private sector is directly related to the political, ideological and economic developments that countries have gone through in the historical process. The efforts to decrease the role and function of the private sector in Libya during the Gaddafi period and the nationalization of many sectors affected the development of the private sector in two ways: The private sector shrank and the trend towards entrepreneurship decreased. Therefore, it would be overly optimistic to expect private sector development to spontaneously accelerate. The private sector has become an alternative place of employment by speeding up, pioneering economic development and helping the government in the provision of public services, by first changing the basic economic orientation of the state and accelerating the steps of the transition to a market economy, by implementing serious structural reforms to reduce the weight of the public sector in the economy, and this depends on conscious and planned support.

One of the most effective methods of supporting the private sector is to use public investment for this purpose. For instance, a well-developed public infrastructure, with investments in roads, railways, telecommunications, etc., can reduce

transportation, arbitrage and transaction costs for the private sector, and improve their integration into the market. In addition, government collection and distribution of market information can play a valuable role in reducing information asymmetry (Lawrence, 2001). Once the civil war is over, Libya has been stabilized and the state authority prevails throughout the country, Libya must undertake a rapid reconstruction and infrastructure renewal. These efforts can increase the capacity and capital accumulation of the private sector, as well as increase its self-confidence. In addition, requesting the partnership or contribution of Libyan companies in some services provided by foreign companies due to the insufficient capacity and technical knowledge of the Libyan private sector may also help increase the private sector capacity.

Changing employment policies

One of the most important benefits of private sector development will be the development of employment and job opportunities, and thus, the private sector will become a serious alternative to the public in terms of employment, instead of being the only popular employment gateway for the public sector.

However, the transformation of the business and employment structure will constitute one of the most important and urgent problems in Libya after the civil war. The government faces many difficult challenges in this context. These include,

- The vast majority of the workforce in the country is employed in public services. The Libyan government is still the employer of first and last resort.
- The country is heavily dependent on revenues from the oil and gas industries.
- The civil war has rendered the old infrastructure largely unusable.
- Unemployment is quite high
- There is a poor distribution of public sector workforce across sectors: more than half of the formal workforce is employed in education, health and some other sectors.
- The civil service and other public organizations are not able to create jobs because of overemployment and low productivity levels

Libya is currently dependent on private sector employment and it seems that this trend will continue for the foreseeable future. However, to enable the private sector to create more jobs, the government needs to support the private sector, particularly in innovative and more job-creating business areas of activity.

In terms of how to enhance job creation in the private sector, special focus should be placed on *relaxing existing regulations on labor policies* of private sector companies, such as hiring, wage and dismissal decisions, in order to improve the investment and

work climate as well as worker productivity. The rationale behind this recommendation is that since the private sector is still in its early stages of development and there is no environment where businesses can make long-term decisions due to the political crisis, businesses should not be forced to deal with legislation for problems that can be easily solved in the labor market. On the other hand, *Libyan labor law does not reflect the realities of today's labor market*. Therefore, there is an urgent need for a new inclusive law that protects workers while improving the business and investment climate in the country.

Such regulation should be of a nature to respect free market principles in terms of recruitment, compensation, establishment of appropriate employment practices and termination of staff in the private sector. This is particularly important in an economic climate where start-ups will inevitably face a good deal of uncertainty, but it is also crucial to provide incentives for worker productivity.

One essential part of this policy should be creating a stronger, fairer and more equitable *safety net* for those who are unable to be employed in the private sector, either because they lack the skills to seek employment in private sector companies or because they prefer public sector employment for whatever reason. Libya already has a safety net, but it needs to be improved: "Although it is true that the safety net under the previous regime was of low quality and often minimal, it was comprehensive and created both a sense of security and entitlement that Libyan planners cannot ignore. Public sector employment remains highly attractive to many Libyans because of the security it provides. In addition, the turn toward an economy where the private sector plays a larger role inevitably presents greater risks for those within it and for those who may need safety protections to fall back on in case of failure. The first part of a future safety net should specifically target the basic economic needs of poorer families through fee waivers, supplemental food programs and, if needed, cash transfers. For private sector workers and civil servants, Libya should consider the introduction of unemployment insurance, funded in part by regular contributions for possible future unemployment, and of a pension system that covers both the private and public sectors" (AfDB, 2013: 10).

On the other hand, one of the most fundamental steps to be taken to develop the private sector is to increase the quality of education and provide both technical and business training with innovative methods and content. As some interviews claim, there is a serious gap between the curriculum of schools and the requirements of business life in Libya. If this gap is eliminated through pre-service, on-the-job and off-the-job training methods, serious increases in work efficiency can be expected.

Libya has a very young demographic structure. This can be evaluated as both a problem and an opportunity at the same time. Considering that the new generation

is more prone to information and communication technologies, the educational gap in the country can be quickly bridged through continuous training that can be carried through with the lifelong learning method in the online environment as well as through the traditional school education method. However, if this young population is not adequately trained, they may also be susceptible to deception, particularly by armed groups and other illegal organizations. In addition, any curriculum reform should include programs necessary for the needs of a liberal economy but neglected under the Gaddafi regime: business skills training, job search skills, career counseling, and additional skills such as language and computer competence. Lastly, it would not be overly optimistic to suggest that it would be possible to transform the education sector into a productive asset for the country if the government invested in the education sector through a number of means including targeted programs of scholarships and training programs abroad, made possible through bilateral agreements with other countries.

Strengthening entrepreneurship

Private sector development is a dynamic process and the fuel of this process is entrepreneurship. The Libyan government can take a number of reform measures to improve the culture of entrepreneurship in the country and to ensure that entrepreneurs contribute to the development of the country by protecting them and employ more people. These measures include entrepreneurship training, supporting small and medium-level enterprises and establishing strong research centers that support innovative business approaches.

Entrepreneurship is synonymous with creativity. An entrepreneur is a person who possesses personality traits that are distinct from those of others and that enable him or her to achieve remarkable accomplishments in the business world. For this reason, young entrepreneurs with high technical and financial skills and abilities should be encouraged to launch their own business venture. Promoting a culture of entrepreneurship and initiative aims at changing people's behavior and social tendency from expecting a salary and loving work to loving risk taking and pursuing independent work. One aspect associated with market development, but usefully addressed separately, is the issue of business training. This is particularly important in areas where the private sector has previously been excluded because of the public sector presence, and concerns both to technical aspects, such as fertilizer handling and storage, and to business expertise such as import or export contracts, etc. In some cases, this training could be delivered most effectively by the public sector organizations currently engaged in these activities. In other cases, the techniques can be learned from other parts of the business community or training institutions engaged in similar activities. Occasionally it may be necessary to request training assistance on specific topics from an international agency.

The rising trend of entrepreneurship, particularly among youth and women, could be nurtured in post-conflict Libya by further developing an entrepreneurial ecosystem. Priority actions to consider include taking stock of, harmonizing, and coordinating the various public sector and donor activities and programs initiated before and during the conflict; identifying gaps; and designing and implementing a sustainable strategy (with specific roles for the public sector, private sector, and development partners).

On the other hand, Small and Middle-Sized Enterprises (SMEs) play an important role in achieving economic and social development goals in most countries of the world. These enterprises account for a large percentage of businesses in the industrial, agricultural and services sectors, as well as in several other sectors. These businesses contribute to absorbing a large number of the workforce and in attenuating the unemployment crisis. They also play an important role in acquiring technical skills and meeting people's needs for goods and services (Shamia, 2016b). The Libyan economy is suffering from rising unemployment rates and declining output and productivity levels as well as declining investment revenues. Small sized enterprises would be among the most appropriate methods for investment and development in Libya as they can, if support, care, and attention are provided, play an effective role in increasing production, accumulating savings, developing exports, creating new job opportunities and developing administrative skills and technical capabilities.

Despite their importance, Libya's SMEs do not receive the attention they deserve and still suffer chronic problems and obstacles that need to be addressed in order to launch and develop this sector. Libya should give this kind of projects the necessary importance and consider them as a basis for establishing a distinct productive sector that would constitute a solid source for growth and development of the national economy.

An important mechanism, among others, to support SMEs in Libya is *establishing strong research centers supporting innovative business approaches*. The lack of information on market needs of various goods and services urges many people interested in investing to withdraw from the business venture, to emulate other ongoing projects which they believe are successful, to fall back on importing and exporting, and to work in the traditional commercial realm. To address this problem, Libya needs to establish strong research centers that offer consulting services and detailed information on the costs, market size, licenses, required procedures, and also information on the source of supply of machinery and raw materials. In light of the recent technological advances, it is also important to keep abreast of latest developments in technology, finance, and business. Promoting research and development not only contributes to the diversification of economic sectors, especially the industrial sector, but also reduces cost per production unit by creating

new sources or improving existing methods, thus increasing the competitiveness of local products.

Just like medical incubators where newborns are placed when they are not fully developed, business incubators would provide favorable conditions for the growth of Libyan SMEs until they overcome the danger phase. The incubator operates when a group of interested people express their intention to launch their own investment projects for a fixed period of time not exceeding three years. Business incubators are one of the most important mechanisms in facilitating the process of launching new business ventures by providing a supportive and guiding environment.

Interviewee Perceptions of Service Provision

- The public is dissatisfied with almost all government services. Currently, there are no standards for public services. There are certain best practices in public service delivery, mainly developed in Western countries. We can improve our public services by adapting these best practices, from hospital management techniques to class sizes in public schools.
- The notion of participation is another key issue in public service delivery. When people perceive that reforms and policy changes benefit society as a whole rather than a small elite and that oil wealth is accruing to them, they will accept these policies and be more participative.

5.10 Improving Public Service Delivery

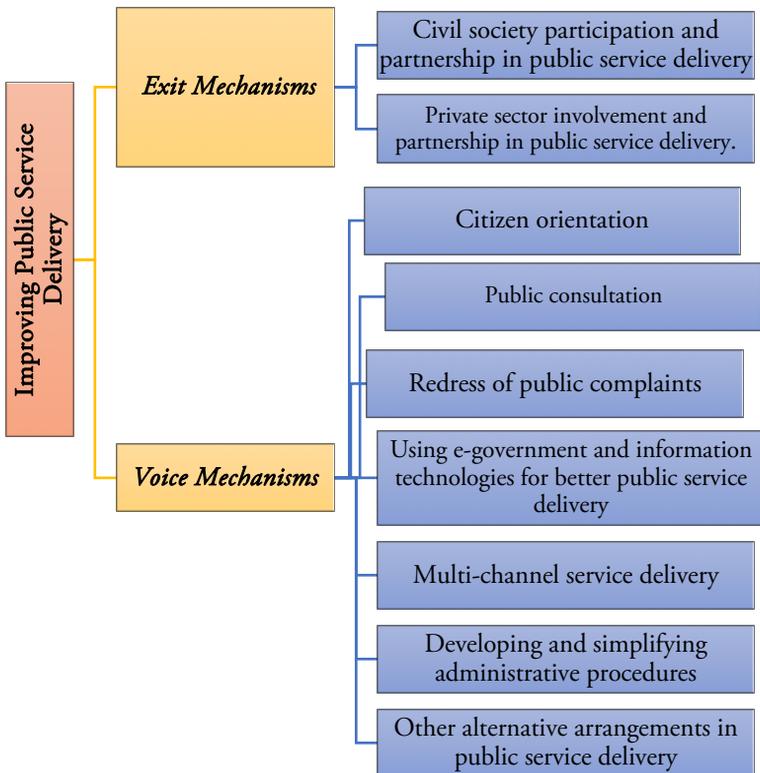
Strengthening public service delivery to be more responsive and accountable to citizens, both at the national and local levels, should be an important part of the public administration reform program in any country, taking into consideration three basic values of service provision: transparency, participation and accountability.

Transparency in public administration has two main aspects: public disclosure by government, and the right of citizens to access to information. Both aspects are very difficult to implement if government records are badly managed in the first place. Communication with the public implies that the government strives to disclose and disseminate relevant information about its activities. Transparency must be balanced, of course, with the need to preserve the confidentiality of internal debates and of information affecting the privacy rights of individuals. However, disclosure should be the general rule, and withholding information the exception. As governments generate masses of data, professional public information officers are important—not to give a spin to government decisions, but to disseminate the decisions that are most importance to citizens and to explain their rationale. The public's right of access to government information is often embodied in open and transparent laws. These laws reverse the traditional presumption of secrecy, set deadlines for decisions on information requests, and provide for appeal procedures.

Participation involves reforms aimed at decentralization, providing greater scope for continuing participation in important decisions, by both members of the organization and its clients. Perceived benefits of participation include a reduced need for coordination and control, more effective utilization of human resources, greater commitment to organizational objectives, and public input into the design of public bureaucracies' activities to provide services that are both required and desired.

Accountability is one of the most important objectives of public sector reforms. It is the driving force that generates pressure for the key actors involved to be accountable and ensure good public service performance. It involves not only tackling corruption, but also improving public sector performance, effectiveness, efficiency, achievement of goals, probity and regularity on the part of public officials who are expected to follow formal rules and regulations. A range of institutions has been created to promote accountability, including auditors and ombudsman.

Figure 20: The proposed reforms in the field of public service delivery



Source: Compiled by the authors

5.10.1 Rationale for improving service delivery: Exit and Voice

Public administration has an external and an internal component. The pioneering work of Albert Hirschman (Hirschman 1970) identified two fundamental determinants of external accountability. One is public *exit*, i.e., the extent to which the public has access to alternative suppliers, public or private, of a given public service (or access to good substitutes for the service). The other is *voice*, which refers to the extent to which the public can demand better performance from utility providers without opting for alternative sources of supply. Voice refers to the degree to which the public can influence access to or quality of a public service through some form of participation or expression of protest or opinion (regardless of the existence of the exit option).

To respond effectively to collective needs, governments ought to be able to ascertain the needs of all segments of the population, including the poor and marginalized groups. This requires that individuals, user groups, private organizations, and civil society have the opportunity to express their views. Periodic elections do not provide timely feedback on government performance in specific areas. In almost all countries, therefore, citizens seek to project their views and interests beyond and in-between elections, as taxpayers, consumers of public services, recipients of public assistance, and members of civil society organizations.

Exit is more of an economic response mechanism, prevailing in the competitive marketplace, while voice is more of a political response, through political parties, voluntary agencies, and citizen groups. However, exit and voice options can both substitute for and complement each other. The public's decision to use either option, or both combined, will depend in part on the transaction cost of acquiring information about alternative suppliers (in the case of exit), and on the cost of various forms of collective action (in the case of voice). The relative effectiveness of exit and voice is determined by the characteristics of the service, such as the degree of market failure, economies of scale, and information barriers, education, legal and other factors, and the service differentiability. Poor and marginalized groups are particularly limited in their access to either exit or voice, due to their inability to leave their location, or access other providers.

Beyond accountability for services, effective voice also entails that governments consult the citizens in formulating development plans, and decisions on major projects, in order to achieve the broadest possible consensus and lay the foundation for effective program implementation.

On the other hand, transparency is one of the four pillars of good governance, and information is the lifeblood of efficient economic activity and of a good relationship between a people and their government. Indeed, neither voice nor exit mechanisms can operate if the people do not have the relevant information. Transparency in public administration means that relevant information is made available to the general public in usable form, and that government regulations and decisions are

clear and adequately disseminated. Transparency is a prerequisite for genuine accountability and reinforces predictability. Inefficiency and corruption thrive best in the dark, and the ability to press for change from outside of government requires a public with adequate information on the activities and standards by which to judge the performance of public services.

5.10.2 Problems of service delivery in Libya

In Libya, public service delivery has not kept pace with community expectations and needs. Therefore, a public administration reform program is required to ensure that Libyan national government, local governments and other political and social actors such as CSOs can deliver the right services to the right people in the right places. Improving service delivery to the Libyan public will require a number of innovative approaches and methods, such as *one-stop-shops*, *self-service options*, *automated and streamlined processes for clients*, and a citizen-centered rather than state and administration-centered approach to service delivery, to meet the social, health, and economic needs of communities. These methods will be identified in detail below. However, before doing so, it would be useful to highlight the weaknesses of service delivery in Libya.

Under Gaddafi's regime, a large state provided substantial transfers to the population and massive investments in Libya's infrastructure. The low population is used to a reasonable level of service delivery but suffered from the lack of accountability and transparency. The challenge is to continue service delivery while reforming the public sector and public financial management to fulfil the demands of the Libyan population for transparency and accountability.

Public administration tradition in Libya is steeped in confidentiality and secrecy. Ministries and other public organizations have a reflexive tendency to withhold information, and administrative rules reinforce this tendency to a large extent. Lines of communication are closed, even within and between government agencies. Withheld information becomes an instrument of bureaucratic influence, and is thus treated as a quasi-private asset of the individual or small group that produces or possesses it.

Furthermore, some interviewees asserted that the practice of withholding information in Libya ends up serving as a cover for the arbitrary or wrong exercise of authority, dishonest transactions, and bad procurement decisions. They also believe that power over information is as corrupting as power over people. Transparency, on the other hand, leads to open and accountable government and prevents corruption among public officials.

A concrete suggestion for reform in Libya would be that the role of the Ministry of Information needs to shift from the traditional role of disseminating propaganda to that of a channel of communication and confidence-building between the government and the citizens. This change in role will require, among other things,

the selection of information ministers and senior ministry officials based on their credibility with the public.

Table 19: Identified problems and reform suggestions about public service delivery

Identified Problems	Reform Suggestions
Public service delivery has deteriorated due to the internal conflict and civil war conditions	Contracting out some public services to private sector and civil society to improve effectiveness of public services Privatizing non-essential and non-strategic public assets and SOEs Involving civil society to public service delivery system
Insufficient mechanisms for access to public documents and information	Developing and implementing an open government action plan and creating measures for ensuring public sector transparency and open government
Inadequate quality in a large number of public services	Better quality of service delivery through using information technology
Absence of the uniform legal framework in terms of delivering services	Localizing public service delivery to enable citizens easily access them
Mechanisms for access to public information and ensuring transparency should be enhanced	Strengthening transparency and accountability mechanisms
Lack of a uniform policy for the design and delivery of high-quality services that would ensure that government services are designed around the needs of their users	Simplifying administrative procedures and establishing a uniform legal framework
Lack of formal quality assurance systems	Establishing a universal quality assurance system for public services
Absence of well-designed mechanisms to inform citizens of their rights and how to claim them, of the public administrative services provided and ways how to access them	Enhancement of complaints mechanisms to control the activities of public administration, guarantee citizens' rights and access to information
Absence of mechanisms and instruments for measuring public opinion on the quality of public services provided to them	Developing a citizen-centered approach through direct communication with customers and feedback received from citizens.

Source: Compiled by the authors.

Libya citizens must not be restricted in their right to access government information about themselves. However, the exercise of citizens' right to other government information should focus on the areas, most important to governance, namely, the budget, electoral processes, public procurement, land use, and basic service delivery. Ways should also be found to improve access to information for all citizens, not only

for the wealthiest or most organized. Hence, when access to information rights are nominally equal but de facto inoperative for poorer people and groups, proactive communication efforts by the government are needed. This makes it all the more important to put in place a variety of innovative mechanisms to channel relevant government information to the public. The cooperation of local voluntary organizations can be very useful in this respect.

Major problems identified in the field of public service delivery in Libya and the suggested reform measures to remedy them are presented in Table 19.

5.10.3 Reform suggestions

Within the framework of the above theoretical explanations and Libya's service delivery problems, the proposals developed for the Libyan public administration to reform the philosophy and methods of public service delivery can be divided into two groups: exit mechanisms and voice mechanisms.

Exit mechanisms: providing citizens choice for selecting services from different service providers

The suggested exit mechanisms in Libya can be classified into two main categories: Civil society participation and partnership in public service delivery and Private sector involvement and partnership in public service delivery.

Civil society participation

Civil society refers to the space between the state and individual citizens where the latter can develop autonomous, organized and collective activities of the most varied nature, including social movements. Civil society comprises all private, non-governmental, formal and informal, non-profit organizations which are self-initiated and -regulated and whose members are voluntary (interest groups, associations and service agencies with public interest objectives, coalitions, unions, cooperatives, political parties, etc.).

In decentralization processes, civil society organizations can play an important role in mobilizing communities, ensuring that marginalized groups (women, ethnic minorities etc.) are invited and heard, and building capacities of citizens to raise issues. The Libyan government should facilitate and encourage local government representatives to meet in close proximity to communities, in order to allow for meaningful consultation and participation. Special efforts could be made to include marginalized groups, who are normally excluded from participation in public life. However, inviting only formal civil society can be a limitation. In addition, local traditional leaders can be included in local government consultative mechanisms.

In Libya, “ehl-i hal ve akd” and “shura” councils are prime examples of inclusive local governance, ideal structures for direct participation and should remain intact in one

way or another. Although this structure has traditionally been dominated by the elderly, there is no reason why these mechanisms cannot be expanded.

A local governance mechanism which can easily be replicated in Libya is the “Forum Approach” in Macedonia. This is a development platform for the citizens (at the local level) and the municipality to discuss needs, concerns and priorities in a systematic manner. The agenda is set by the forum moderator and the citizens. The participation of disadvantaged groups is emphasized and specific criteria are established requiring a minimum level of participation in the forum sessions.

Although it currently seems difficult to fully integrate CSOs in Libya into the public policy and implementation process in the context of internal conflict and civil war, large CSOs and INGOs can successfully create space and influence planning, budgeting and policymaking processes. Indeed, collaboration between CSOs and government would lend additional legitimacy to public administration reforms and contribute to positive outcomes. However, the legal framework is an important factor for sustainability of CSOs—government collaboration.

Another suggestion for civil society involvement in reforms and for adopting a participatory approach would be for civil society organizations to collaborate with other important stakeholders in a network governed by democratic principles.

Besides, contracting out to voluntary nonprofit agencies and community groups may help address some of the above problems and has particular benefits in terms of community development and social capital formation. Contracts may also be awarded without competitive bidding to small, women- and minority-owned businesses, or to community-based organizations—in pursuit of broader social or economic objectives than narrow considerations of efficiency and cost.

Libya could promote its social capital and civil society as well as its SMEs by *contracting civil society organizations on a non-competitive basis* to manage many social services of particular importance to the poor—typically, nutrition centers, health care and immunization, day care centers, slum improvement, and basic sanitation. As the outputs are difficult to specify, these services do not lend themselves to contracting out to private businesses, but can be contracted out to nonprofit non-governmental organizations whose objective is to serve the public. These organizations are better placed to deliver the services because of their proximity to and affinity with the local community, and are often more effective.

Private sector involvement and partnership

There are several ways to involve the private sector in production and delivery of public services, including full privatization, contracting out of some public services

to the private sector, and public-private partnership models such as build, operate, transfer.

Libya privatized some public sector institutions as part of its shift towards encouraging individual initiatives, and promoting the private sector to increase its contribution to economic activities. This evolution started with the promulgation of a number of laws that opened up to the private sector several areas of activity that were reserved for public enterprises. The privatization policy that was followed was based on transferring the ownership of some public institutions to the employees working in them, but no change was made in its management, which resulted in continued poor performance of these institutions despite its privatization (Shamia, 2016a). It is worth noting that this choice was not imposed by the balance of payments deficit, the growing government debt, or any other reason that prompted many countries to adopt a privatization policy, but rather was the result of internal conditions that aimed at mobilizing more local resources, rectifying administrative and financial imbalances and improving productivity in many public sector institutions.

Support for the private sector has consisted of granting it access to sectors that were previously considered the exclusive domain of the public sector. In an effort to encourage investment, the state provided tax credits to the private sector, but these attempts were not followed by measures to establish an appropriate regulatory and legislative environment, to create advanced banking institutions that were adapted to market system reforms, and to give a greater role to the private sector; instead, the state maintained the existing organizational structure, which favored the public sector's mode of management and hence its predominance.

Faced with a situation characterized by uncertainty and lack of clarity, the domestic and foreign private sector refrained from investment, which aggravated the paralysis of the public sector after a partial competition with some private sector enterprises; a situation that affected poor disadvantaged groups due to the stabilization of wage policy, lack of employment opportunities, and deteriorating living standards.

This situation continued over the past decades until February 2011, when the role of state and its institutions shrank, becoming completely absent from the economy, leaving the possibility for several entities and groups to take control of some institutions and important sectors. In the absence of the authority of the State and the rule of law, despite the existence of all the laws related to economic activity, economic policies were suspended making the economic issue, in its financial, monetary or commercial aspects, depend on random decisions and actions and operate spontaneously without any declared and clear policy objectives. This

situation has its immediate and future repercussions on economic performance and economic variables such as the value of the currency, the balance of trade, and balance of payments.

Contracting the delivery of social services to the private sector can, if done properly and under certain circumstances, lead to efficiency gains in itself. In addition, the prospect of losing customers is a well-known and powerful stimulus to the performance of a private enterprise. Despite the absence of the profit motive, it can also drive a public sector organization to perform better. Therefore, the possibility of contracting out certain public services or functions should be high on the list of questions to be asked periodically in government organizations. However, contracting out is only one of the market-related mechanisms for improving efficiency and effectiveness. It is discussed here in some depth because of the need to understand the uses and limitations of this practice as an exit mechanism.

Contracting out is the transfer to the private sector of the implementation of activities financed and previously carried out by the government. Contracting out is also practiced in the private sector, where it is generally referred to as “outsourcing”. Contracting out is intended to improve efficiency and reduce costs by promoting competition and/or clearer identification of costs. An integral part of any decision to contract out is the “market-testing” approach, whereby the government assesses whether the public service in question can be better delivered by the private sector.

The generic concept of contracting out includes build-operate-transfer (BOT) or build-lease-transfer (BLT) schemes, which involve private financing of public investment. BOT is seen as a means of attracting private and foreign capital to the financing of public infrastructure. BOT schemes have been adopted for many years in Libya.

The reasons for contracting out in the public sector are numerous and include reducing the cost of service delivery; lack of in-house expertise; providing a higher quality product, obtaining a benchmark for comparing costs between government and private sector delivery (market testing); access to specialized skills and equipment; avoiding high start-up costs; initiating new and distinct functions; limiting the size of the government workforce; weakening the influence of employee unions; avoiding labor rules or restrictions; and maintaining flexibility to adjust the size of the program (Rehfuss 1990). Occasionally, there may also be a deliberate intention to encourage private sector development in a particular sector or industry. In all cases of contracting out, however, the government agency remains responsible to the government and to the public for the quality of service and for the contract outcome.

While increased use of contracting out is an effective tool for the Libyan public administration to promote efficiency and improve the delivery of certain public services; policymakers in Libya should always take into account that a *competitive environment* is necessary to benefit from contracting out. In addition, contracting out should not be used as a way to circumvent budget constraints rather than as a deliberate choice for efficiency reasons. Besides, contracting out carries fiscal, efficiency, and governance risks if not properly designed and monitored. For example, it could diminish transparency, as it substitutes commercial confidentiality for accountability and thus escapes legislative controls.

In Libya, government delivery of public services, either by traditional ministries or by non-ministry government agencies, remains the predominant form of public service delivery. The proportion of local and national spending on public services delivered by private companies and voluntary organizations is not significant.

However, it seems that there are many opportunities for the Libyan government to contract out certain internal to government agency tasks, such as courier services, cleaning and security, travel, etc. to private firms, based on direct cost benefits. Contracting out, the provision of final services to the public, is more important to citizens' exit options. Yet, in addition to contracting out and direct provision by the government department, there are three other modes of service provision: regulated, subsidized, and contractual. In the regulated mode, the government is involved in planning, but not in financing or producing the service. In the subsidized mode, the government funds studies or technical and legal assistance, but does not plan or produce the service. In the contracted mode, the government plans and finances the service, but contracts out its delivery (such as maintenance of parks and community centers).

Because different services require different modes of provision, the nature and mix of the services provided by a government agency will determine whether and how contracting out is appropriate. Services for which contracting out is never recommended are primarily those involving the use of the state coercive power (e.g., police), and essential services whose disruption would create a major crisis.

Not surprisingly, contracting out is particularly relevant for local government services not only because of the limitations imposed by central government on local government employment, but also because of the efficiency advantages of private delivery of certain local public services. The main areas of local government contracting out include: building maintenance; security; vehicle maintenance and repair; parks, landscaping, and recreation facilities; waste collection and disposal;

street lighting and road maintenance; and similar services meeting the five conditions listed above.

Another option for public service provision in Libya would be to encourage the establishment of *cooperatives* and involve cooperatives in certain aspects of service provision such as the distribution of essential commodities and inputs, the management of public housing, extension services to farmers, etc.

A last suggestion for the provision of public goods and services in Libya would be co-production, a particular form of non-government organization participation through a joint venture between the ministry or public agency and a group of citizens. Although collaboration between public organizations and civil society initiatives is generally not easy to manage, such collaboration can be very fruitful with some community groups for local services such as fire protection, public safety, waste collection, forestry /tree planting, area beautification, emergency medical services, care of the elderly, and cultural activities.

Voice mechanisms: communicating and listening to the citizens

Suggested voice mechanisms in Libya include the establishment of citizen orientation through mechanisms such as citizen charters, the use of public consultation mechanism, the effective handling of public complaints, the use of e-government and information technology for improved public service delivery, the use of multi-channel service delivery methods, the development and simplification of administrative procedures and the use of alternative arrangements in the delivery public services, where necessary and applicable.

Establishing a citizen orientation

Government deals with citizens in a variety of ways, only some of which resemble the supplier-customer relationship of the private sector. It is important to distinguish between citizens and customers in any discussion of the role of government and its relations with society at large. Citizens have rights and responsibilities vis-à-vis their government that go well beyond their role as customers of public services. The nature of mutual loyalty is also very different. Beyond these discussions, citizen orientation has become an integral part of the global movement for responsive public administration, which incorporates the interests of the public both as clients and as citizens.

Citizen orientation can be a very important component of an overall effort to improve the government effectiveness in Libya. Clear and credible statements of public service standards, action consistent with these standards, prompt response to complaints, etc., are needed to improve the level and quality of public service. Citizen

orientation approach should also improve the overall quality of government-citizen interaction by challenging the notion that citizens are passive recipients of services, which are delivered at will by the public monopoly; empowering the ordinary citizen to challenge government agencies; and replacing the culture of clientelism with a service orientation that has all the elements of external accountability.

Perhaps the best known and most widely used mechanism for establishing citizen-oriented public service is the practice of *citizens' charters*. A citizens' charter is a proactive government initiative to organize the actions of government agencies around an explicit and public statement of service standards and obligations. The charter is based on the premise that since citizens contribute to all public services as taxpayers and have basic rights as members of society, they are entitled to a certain level of quality, responsiveness, and efficiency in public services. They are also entitled to expect the state to perform its regulatory and service provision functions in an efficient, fair and courteous manner.

The Libyan government can introduce citizens' charters as an expression of its citizen-orientation. By introducing such charters, the government promises its citizens to raise the service standards in the way most appropriate to each organization and unit within the government. Likewise, provincial and local governments can also adopt citizen charters, because local governments are particularly involved in service delivery. The Libyan government can encourage local governments to set service standards and provide their local services accordingly through citizen charters by providing guidance and additional funding to municipalities that successfully adopt citizens' charters approach.

A citizens' charter can vary from a general statement of performance standards to a detailed list of citizens' rights. Whatever the format of the charter, it should be accompanied by informational brochures, detailing principles and standards, the complaint and compensation procedures, and names and addresses of offices and officials to contact. A mere statement of promises, without specific information and guidance for users, has little use or credibility. Besides, actual implementation of citizens' charters must be monitored, and effective monitoring requires political support at the highest level. Typically, monitoring is done by a central unit attached to the office of the prime minister or minister designated to oversee the issue.

Citizens' charters can be an impressive adjunct of administrative reform, when they are well designed, participatory, and implemented efficiently and forcefully. As these require significant administrative and oversight capacity, Libya can adopt the citizens' charter approach in principle, but implement them in a piecemeal fashion, starting with the organizations that have more administrative capacity to implement them.

By adopting the Citizens' Charter approach, the Libyan government will not only be making a gesture to its citizens, but will also have an important opportunity to improve state-citizen relations. State-citizen relations in Libya have been deeply damaged both by both the practices of the Gaddafi period and the internal turmoil that followed the revolution. Setting service standards for services provided to citizens will also be an indication that the government cares about its citizens and intends to improve public services.

Furthermore, effective implementation of citizens' charters requires a major overhaul of administrative procedures; appropriate delegation of authority, adequate resources, and other facilities; changes in the attitudes and skills of public employees; and systematic feedback from service users. This represents an important opportunity to reform the Libyan public administration and, more importantly, to change the traditional perspective of the state to become more citizen-oriented.

Initially, the Libyan government can adopt a selective approach by focusing on the most critical areas of public dissatisfaction (based on citizen surveys) as well as on services that are more visible to citizens, such as health care and waste collection. In preparing citizen charters, the Libyan government frequently consults with service users and employee, and review and simplifies administrative procedures. These measures will force public employees and workers as well as senior managers to change their attitudes toward citizens and reorient work habits to focus on serving citizens. Thus, the citizens' charters would encourage Libyan citizens, as users of public services, to hold the Libyan public administration accountable and demand corrective action if the service falls short of published standards. In this way, the charter can be said to set a benchmark against which to measure performance.

On the other hand, the test of good service delivery is whether it has met the needs and expectations of the customer. This brings us back to the first step – understanding what users want. The Libyan public administration would use two potential instruments to define and verify performance. The first is to codify user expectations in the form of service charters: committing to a set of standards against which services can be judged. The second is to measure customer satisfaction to ensure that performance levels are met, and ideally exceeded. In both cases, these tools can serve as a catalyst for action and innovation.

In short, benefits of citizen charters will be to:

- Provide a framework for consultation with public service users (citizens);
- Help public organizations manage the expectations of public service users;
- Encourage public administration to measure and assess performance;

- Make public administration more transparent by informing the public of the standards they are entitled to expect and the performance of agencies against those standards;
- Push public administration to improve performance when promised standards are not met;
- Increase satisfaction of citizens with public service, thereby increasing the legitimacy of public administration.

Public consultation

Libya is experiencing severe post-revolution internal turmoil and civil war. In addition, access to a number of basic public services is extremely difficult. This situation is creating a great deal of dissatisfaction among citizens, which is expressed through street protests and even violence from time to time. Street protests and violence are clear indicators of citizen's frustration when they are not given the opportunity to express their views, have their complaints addressed promptly, or otherwise participate in public programs. For this reason, the government should engage in systematic consultation with citizens and civil society organizations.

Public consultation can take many forms, from simply passing on information to granting citizens control over final decisions, to surveying citizen on major public policy issues and delegating the task of developing policy options to community representatives. Consultation and feedback mechanisms frequently used in other countries include employee feedback, client/user surveys, citizen services, publicity and information campaigns, public hearings and local meetings, user advisory groups, user representation on agency boards, consumer complaint procedures, media interventions and NGO feedback, electronic newsletters, suggestion boxes, focus groups, and discussion groups. Among these, systematic customer/user surveys are important because they are useful for improving public services, if conducted in a statistically reliable way.

A variant of user surveys is the *citizen report card*, which allows citizens and businesses to rate public organizations on criteria such as availability of information, transaction costs, staff courtesy and helpfulness, delays, and corruption. These scorecards can be very effective in Libya, as they induce a competition among public organizations to provide better services. Through these mechanisms, people realize that their views do influence the performance of agencies or the choice between alternatives, and the more people are aware of the performance of specific agencies, the more likely they are to exert collective pressure on agencies to improve their services.

Studies have shown that the potential for voice is stronger in some services than in others. "Services with higher expressive potential are more visible (e.g., garbage collection, as opposed to waste disposal); they are delivered locally; they can be

commercialized and delivered through the market; and they can rally user groups to lobby government agencies” (Campo and Sundaram, 2000: 520).

The Service Delivery Survey is an important tool which can be used by the Libyan government to obtain information on the quality of services, including factors constraining the delivery of public services. It covers many aspects of service delivery and identifies multiple reasons for inefficient and ineffective service delivery. By obtaining more accurate information about service delivery, including the cost, timeliness, coverage, and quality of each service, policymakers would be better equipped to decide which services should be delivered by government, the private sector, and CSOs. If this information leads the government to privatize certain services or to ask CSOs to deliver them, the surveys will also give the government agencies responsible for outsourcing information to manage the contracts.

The survey results can be used in different ways by different stakeholders. Central government and a municipality can use the data as a performance monitoring tool as part of a broader results-based management system. The public is empowered when the same data are disseminated through the media and other means to civil society and the private sector. These additional “pressure points” outside the civil service could increase public sector accountability and lead to improved effectiveness, efficiency, and responsiveness.

Redress of public complaints

The right of redress assures citizens that a wrongdoing or administrative malpractice will be remedied, through personal or written explanation, apology, compensation, restitution, disciplinary action against the concerned official, or any other remedy. A particular and concrete suggestion in this regard would be *establishing a national portal for centralizing and processing citizen complaints and service concerns*. A national e-government portal must be developed to automate government services and increase the accessibility of services to citizens regardless of where they live. The portal should also serve as a mechanism to collect, manage, and resolve citizen complaints about national and municipal services.

Using e-government and information technologies for better public service delivery

Given that Libya's land is very large, the population on that land is very scarce and security in the country is very problematic, it is of great importance to use information and communication technologies in public service delivery. Information technology offers great convenience to the public in accessing public services, enables citizens to see the information held by state institutions, and forces the public administration to be more transparent and accountable. Therefore, the use of e-government mechanisms will be of great benefit when developing projects related to the development of public administration. E-government has many uses in the delivery of public services. Among these, the most important are single window

applications, centralization and standardization of public service delivery through the establishment of an e-government portal and an online mechanism for citizen' complaints.

Libyan government can establish a single national portal for administrative services, similar to the practice of E-Government Gateway in Turkey, to increase the efficiency of online services, ensure that more services are provided online and encourage every public institution, including local governments, to offer more services to the online platform. After the establishment such a national e-government platform, all major public services can be categorized by taking into consideration the ease of providing services online and the adequacy of the e-government infrastructure of the respective institution. For instance, Level 1 means no online services are provided and level 5 means fully online service with full integration with other services. The government should encourage public organizations to upgrade their services to Level 5 through financial incentives. The objective should be to ensure that all possible public services are provided electronically within a not too long period. The Single Portal for State Administrative Services could ensure the creation of favorable conditions for providing affordable, transparent, safe and convenient one-stop administrative services to citizens and government agencies. In addition to an online service platform comprising the main government services throughout the country, it is also necessary to establish one stop shops that will provide online access to all services of all public, private sector and affiliated organizations in different service categories related to that service area. In other words, one-stop shop would bring many services under one online roof.

Trade and the private sector in Libya are perhaps the areas where the single window experience would most beneficial. Currently, market information, problem-solving mechanisms, contact points and procedures do not operate as a whole but are scattered, incomplete, not sufficiently interconnected and not always easy to use. This makes it difficult for users to find the information and assistance they need. The establishment of such a mechanism would provide comfort and speed to the relationship between the state and the private sector. In addition, one-stop shops can also be created for specific services, such as taxes or buying and selling real estate. This scenario would also be fairly popular among municipalities in remote areas, bringing together a range of functions and services in one place as an alternative to the town hall.

Multi-channel service delivery

Over the past decade, users have become accustomed to new modes of service delivery in the private sector. Nowadays, service users expect the same level of variety from the public sector: they want their interactions to be convenient, and prefer to be online rather than offline. To meet this expectation, governments need to deploy a variety of channels for their service delivery – channels that allow users to consume

their services anytime, anywhere and anyway. It should always be possible to offer citizens and businesses with the ability to interact via digital channels with public administrations, if they so choose.

The user population of an administration is not homogeneous, nor should it be treated as such (European Commission, 2017). In order to provide quality services, services should be tailored to the needs of each user, as far as possible. While providing fully personalized services may be a thing of the future, user segmentation is a valuable step in the right direction. Segmentation means that the user population, ideally by service or group of related services, is subdivided into subsets of users who share an interest in the service(s), based on one or more characteristics such as demographic, Socio-economic, physical and psychological characteristics.

The segments are then 'targeted' in the most suitable way over the most appropriate channels, depending on their needs. Generally, users want services to be flexible, accessible, comprehensive, easy and secure. A user's channel preferences are influenced by circumstances such as the nature of the service required or their need for direct, person-to-person interaction. New ICT developments allow the public sector to respond to these preferences by adapting their front and back offices: by allowing new modes of interaction through a variety of channels, by restructuring services according to user needs, and by reorganizing business processes within and between different administrative bodies. This is often a challenge for public sector services, which are typically built as 'silos'. Scenarios range from traditional channels, such as the counter and telephone, to e-channels such as internet, e-mail, SMS-messaging, interactive voice response systems and digital television.

Developing and simplifying administrative procedures

The issue of administrative decision-making is at the heart of public administration reform. A number of good governance principles, such as the rule of law, openness, transparency, impartiality, and equality before the law, are essential to the proper functioning of an administrative process.

Libya needs to develop certain administrative procedures which will be a standard for all public service organizations, because the proper functioning of the system of administrative procedure would prevent arbitrariness in the conduct of public affairs, and ensure the efficiency, effectiveness, and predictability of public administration in delivering public services to society. Administrative procedure reform should lead to sound administrative decision-making practice, ensuring transparency and predictability of administrative action. The reform will strengthen administrative decision-making as a key component of interaction between the administration and the citizens; and make it a functional, reliable, efficient, transparent, accountable and coherent tool of a modern and customer-client-oriented public administration.

The adoption of a law on general administrative procedure in accordance with the international standards and the gradual alignment of specific administrative services with determined general principles should be among the priorities in the area of administrative procedures and services.

The institutionalization of basic principles and rules of administrative procedure will promote legal certainty and help ensure that the rights of citizens and individuals are respected. In addition, a Law on Administrative procedures would establish uniform principles and rules for handling administrative cases and provide for the possibility of special regulation for specific administration areas and types of procedures in certain cases. Sectoral laws should also be gradually brought in accord with the general principles.

As part of activities to improve the quality of administrative services, Libyan public organizations should simplify/optimize administrative procedures and reduce the administrative burden and paperwork. As a first step, the government can create a list of such procedures and select ten to fifteen high-demand services to simplify the procedure of providing them. The selection criteria would be based on individuals' life events, their impact and, the frequency of requests, in particular birth, change of residence. First, descriptions of the selected procedures, specifying the time and costs required to ensure compliance would be developed, as well as procedures to simplify/optimize them as much as possible. These procedures could be established by law. At the same time, the organizational and electronic information system would be improved, training of officials would be arranged, and the relevant procedures would be reviewed and adjusted from time to time.

To improve the accessibility of administrative services it is necessary to decentralize basic administrative services, to regulate the fees for administrative services in legislation and to ensure the alignment of legislation with a general *Law on Administrative Services* to be issued by the Parliament. It is also necessary to collect feedback from citizens regarding their satisfaction with the quality of administrative services rendered by administrative service units.

Another important component of the administrative procedure reform should be its integration with e-government initiatives. As e-governance involves the use of information and communication technologies to improve efficiency of the public administration system, it would improve the transparency and convenience of the functioning of public bodies. The main task is to create, and improve, if still available, public services such as data registers on citizens, legal entities, land and real estate, taxes and social benefits; to ensure interoperability of systems and data exchange at the operational level instead of requiring the submission of certificates and other documents. System interoperability would facilitate data exchange between the registries (because each data element will be supplied and entered only once in a registry) and executive branch bodies and local governments.

The registers should be open to the executive and local self-government bodies, guaranteeing the protection of personal data. This will facilitate simplification of the provision of administrative services concerning the confirmation of facts and information contained in state registers by public administration bodies to citizens and legal entities, especially in electronic form using web services. To this end, a system of data exchange on state registers should be developed. In addition, in order to increase accountability, access to data on the websites of the ministries and other public organizations should be facilitated and user-friendly, and publication of public information (annual plans, budgets and reports of public authorities) should be timely and complete.

Other alternative arrangements in public service delivery

Today, citizens' expectations of public service delivery have increased dramatically. They demand not only the services they have traditionally received, but also the services they have seen in emerging countries and in other sectors. In addition, the high standards of service delivery methods observed in the private sector and in civil society also require that public service standards be increased. To achieve high service standards in the public sector, it is also necessary to find and implement new and innovative service procedures alongside widely used methods like e-government. The common thread between innovative approaches and methods in public service delivery is communication and service cooperation between the state and the private sector, civil society and individual citizens. Major innovative /alternative approaches to public service delivery include commissioning , collaborative commissioning, consultative in-house delivery , co-management , co-production and third-party certification

It is worth examining to what extent and at what level of success the new and innovative methods of public service delivery presented here can be used in Libya. Indeed, it is clear that for these methods to be fully implemented, the private sector and social organizations in the country would need to be much more developed than they are today. However, as the public administration reforms, the basic elements of which are outlined and explained in detail in this report, are successfully implemented, the central and local governments in Libya will become more effective and efficient, and the private sector and civil society will rapidly develop as support mechanisms for the public administration. In this process, new methods and approaches to public service delivery can be applied, albeit at a primitive level, and have the potential to become service bridges between citizens and public institutions, which will contribute positively to public administration reforms.

6

Recommendations for Effective Implementation and Reporting

This chapter focuses on key recommendations for effective implementation of the reform program identified in this report, including its implementation methods, timing and sequencing issues, taking into account lessons learned from previous reform efforts in Libya, the nature of reform proposals, and international experiences of public administration reform, particularly those of other fragile, post-conflict and developing countries with similar features.

Although there is a very large literature on reform areas and public administration reform, there are very few resources on reform methods and especially on the timing and prioritization of reforms and the planning each stage of reform. The paucity of literature on this subject can be attributed to the fact that the reforms carried out differ according to the conditions of the country, that reform models differ, and that each country is reluctant to undertake comprehensive reforms by limiting its efforts to a few priority reform steps. Even if a reform model has been chosen, each country seeks to implement it by creating a package of measures in line with its political, economic, and social priorities rather than implementing all the elements of that model in its own country.

However, public administration reform, especially in countries that have weak state capacity, severe economic difficulties and are trying to cope with political conflicts, especially civil war, like Libya, is likely to be more difficult than in developed Western countries. For countries in this situation, it is also necessary to develop special reform models and reform process stages and to plan reform by prioritizing each reform step and process.

In the course of this project, which consisted of a literature review of international experience in public administration reform and a field study, it became clear that the difficult task of reforming a stateless state, a country with weak public institutions,

ongoing internal warfare, and a number of other difficulties, would require a careful implementation strategy, with a phasing of reforms and prioritization of elements of the comprehensive reform program.

It would not be over pessimistic to claim that the implementation of the reform program with its timing and sequencing elements, will be as vital as the design of the reform program itself. The majority of the previous study reports of international financial institutions and aid organizations, as well as academic studies on this issue, seem to come to similar conclusions. Taking into consideration of the past experiences and the prerequisites of the different reform components, it would be possible envisage a plan in four stages. Accordingly, attention should be paid to the following stages when planning the reform process: Emergency relief, rehabilitation/reconstruction, reform and reconfiguration. There is also a relative consensus on what should be done in each of these stages.

On the other hand, any initiative to improve public administration reform should take into account four pillars of public administration which are also major dimensions of public administration in any country. These pillars are laws, rules and regulation, staffing, service delivery and public service capacity building.

However, particular attention should be paid to the fact that due to the specific and dynamic internal conditions of the country, the public administration reform program needs to be flexible, take into account local culture and conditions, and be developed within the framework of that country's experience and capacity for reform. This chapter also proposes an eight-step implementation strategy for the public administration reforms identified in Chapter 5 of this report.

6.1 A Model of Four Phases Reform Methodology

Kauzya (2003) argues that there are four phases of administrative interventions in post conflict contexts, beginning in immediate PC environments, which seems to fit, to a great extent, the conditions in Libya:

- **Emergency Relief:** Administrating external assistance and relief operations
- **Rehabilitation:** Administrating infrastructure and service rebuilding
- **Reform:** Redesigning institutions, systems and economy
- **Reconfiguration:** Participatory redesign of public administration to involve all citizens.

The above-mentioned phases strongly depend on the particularities of each country, the nature of the conflict that affected the public administration, the extent of its destruction and its aspects, the determination of the forces involved to put the country back on the path of development, and the socio-political-economic structure

that was in place before the conflict. However, we can note that, in general, the above phases are intertwined because the process of rebuilding public administration is not unidirectional. In other words, it is not possible to complete emergency relief before starting rehabilitation; just as it is not possible to complete rehabilitation before starting reform. Even the process of reconfiguring the public administration system to make it participatory, responsive to citizens' needs, and accountable to the community it serves cannot wait until the reform is complete. They, however, need to be conceptualized as distinct, because some aspects should not be mixed up.

i. Emergency relief

At the stage of emergency relief, the stakeholders are not yet organized in an emotionally and otherwise stable way to effectively participate in challenging and reshaping the public administration of the future. At this stage the public administration itself is almost non-existent, the private sector is often as destroyed and civil society is as disorganized as the society it represents. The social tensions related to the immediate causes and effects of the conflict are too great to allow for a rational debate on how the public administration should be reconfigured. This is a firefighting stage and anyone with a bucket of water is welcome to pour it on the fire.

ii. Rehabilitation/reconstruction

In most cases, this phase involves repairing facilities such as buildings, re-establishing structures and systems for orderly administration and decision making. It also includes the rebuilding of some human resources and their training to manage the rehabilitated structures and systems. The rehabilitation phase should prepare the country to participate in a deep and committed debate about the future of the country's public administration. The problem with this phase is that, in most cases, it is preoccupied with re-establishing structures which may have to be dismantled a few years later as reform and reconfiguration proceeds. For the most part, the end result of a successful rehabilitation phase will be the establishment of adequate institutions and administrative structures, such as functioning legislatures, ministries, judicial institutions. However, these institutions and structures will be mostly ineffective, with problems of inadequate human capacities and systems. Also, the linkages among them will be weak, as there has been little collaboration between them during the rehabilitation process. Sometimes the rehabilitation of some is done with the support of one donor or development partner, while another donor or development partner does the rehabilitation of others. When the latter have not collaborated, it is possible to have two institutions in the same country following contradictory systems. The worst aspect of rehabilitation, however, is the tendency to re-establish institutions, practices, and systems that were at the root of the destructive conflict. This should be avoided whenever possible.

iii. Reform

The reform phase is more about rethinking systems, procedures, organizational structures, human capacity, information management, methodologies and institutional linkages as they relate to the overall development process and needs. The most important concern of reform is efficiency (economy, effectiveness and efficiency). In most cases, reforms have come in the form of packages designed abroad and labeled as “best practices”. It is rare to see reforms designed locally to address the situation of the country in question. Consequently, reform efforts have been made, for example, to downsize the public service when the country is not even adequately staffed. In the confusion surrounding rehabilitation, some countries rushed to privatize enterprises in the name of reform, even though the social ownership of these enterprises had not been resolved. It has also been often observed that reforms are sometimes planned and implemented in a way that does not ensure integration and synergy. For example, downsizing as a reform measure may be applied across the board, leaving some government departments overstaffed and others understaffed. Or a downsizing exercise designed in such a way that competent staff leave the public service and the less competent staff remain.

iv. Reconfiguration

This is the phase of intensive socio-politico-economic and cultural self-examination and strategic planning of the country's development. It is this phase that lasts the longest, depending on the willingness of the country's leadership and people to engage in participatory thinking, reorganization, and transformation of the country's future governance and public administration. This phase will also result in settlements on the issues such as decentralized governance, socio-political-economic empowerment of local communities, private sector development, the extent of civil society involvement as a strong partner in socio-political-economic and cultural governance, and the extent of partnerships between government, the private sector, and civil society at all levels involving the community, local, national, regional, and international actors.

The reconfiguration reaffirms a country's acceptance of participatory governance as a shared responsibility and the critical role of global actors and globalization forces in the development process of the country.

It permits the country to assert itself and anchor governance and public administration on the premises of its own problems, needs and circumstances. Most importantly reconfiguration places a premium on synergy and integrated public distraction that is harmonious in its structures, systems, policies, strategies and practices. Thus, it can be said that while emergency relief restores the existence of a

country and its people, rehabilitation restores some form of administration, reform strives to make public administration efficient, while reconfiguration installs governance. In short, rehabilitation focuses on public administration, reform on public management, while reconfiguration is centered on governance. It should be added that what we note here is not a theoretical concept but rather a practice we have observed in post-conflict countries where we have supported the rebuilding of public administration.

The above model has a number of advantages, including mobilizing political support for the government, mobilizing resources, building skills in participatory planning, facilitating dialogue and reducing tensions between conflicting groups, and galvanizing commitment to the program.

The above model developed by Kauzya (2003) seems to be supported by practical experience, too. For instance, Hesse (1998) who distinguished the following four phases of public administration reform in Central and Eastern European Countries (CEECs):

- Transformation, the initial phase in which the old legal, political, social and economic orders irrevocably collapsed and new structures began to form;
- consolidation, during which increased political stability allowed for a more systematic approach to deregulation, privatization and commercialization;
- modernization, characterized by the need to overhaul institutional arrangements and seek “best practice”, by a redefinition of the public sector, its extent, role and institutional composition, by the reorganization of the central government apparatus, and by the functional and territorial demarcation of competencies;
- adaptation to the state of the art of public sector performance, as observed in Western environments, as well as to the pressures of preparing for accession to the European Union.

As can be seen, rather than implementing all of the reform elements together, it is important to implement them in stages and within the framework of the priorities of the country and policymakers. Starting from the priority in implementing reform, preparing the public for reforms after a preparatory stage, and putting forward easy reforms are among the vital elements of a good reform strategy. In addition, it should be kept in mind that the implementation methods are as important as the design of the reform process. Key factors in the success of the implementation process include the commitment of senior leaders, highly competent and trusted participatory planning facilitators, adequate financial resources and an appropriate time frame.

Fundamentally, rebuilding a country like Libya after a violent destructive conflict involves the following four major phases:

- Phase 1: Providing emergency relief, where there is literally not much time to think holistically, the main concern being to rescue displaced populations and stop the fighting.
- Phase 2: Rehabilitation and reconstruction, which mainly involves rehabilitating basic infrastructure including and restoring some human capacity to get the country on the track to thinking about its future.
- Phase 3: Reform, where capacity-building efforts turn to concerns of efficiency, effectiveness, and economy in the utilization of resources.
- Phase 4: Reconfiguration, where the entire country is mobilized in a self-examination and strategic development planning for the long-term perspectives and aspirations.

Capacity-building efforts should be approached in the same phases, taking into account the need for each phase to prepare for and lead to the next. One thing to note about these phases is that, in most cases, they overlap with one another. They should not be interpreted to mean that one phase must first be completed before another can start. The common thread that binds them together is made up of the following principles:

- Re-establishment of effective rule of law;
- Committed and dedicated leadership for the empowerment, and participation of the entire population and for the convergence of the use of national and international resources for sustainable development recovery;
- Equity and justice;
- A commonly and widely shared long-term national vision based on a common understanding of the country's needs, constraints, challenges and priorities for development;
- Empowerment and participation of local communities;
- Keeping the population well informed and involved in the whole act of governance;
- Effectiveness, efficiency and economy for a better use of scarce resources;
- Refocusing on values, ethics, respect for diversity and inclusion, and integrity in the conduct of public affairs. The issue of respect for diversity and inclusion is critical because most of the conflicts witnessed on the African continent have been largely attributed to discontent due to exclusion;
- Transparency and accountability;
- Participation and involvement of all the stakeholders and partners in the entire development process from planning through implementation, monitoring and evaluation of policies, programs and projects.

6.2 Prioritization of Reforms

A strategic initiative with a somewhat limited scope, but with a genuine focus and realistic action plans, is worth more than a broad strategy which cannot realistically be implemented. For public administration reform, scoping (and prioritization) may involve limiting objectives in terms of the covered public administration reform areas and the different aspects of a given public administration reform area. For example, some of these public administration reform areas might be excluded if they do not pose major problems, or some areas may be selected to receive special attention under the current strategy, even if this means leaving out other equally important areas of public administration reform for the time being.

While the scope and priorities of reforms can also be developed and decided internally, it is highly recommended that this be done in *partnership with a wider range of stakeholders*, to validate the initial strategic reform ideas (and hence the targeted selection of actions) developed by the main drafters of the strategy, and to ensure that the reforms are designed in a way that has the broadest possible support from key stakeholders and the general public. This makes it more likely that the selected problems to be addressed by the reforms, along with the reasons for their selection, will gain collective recognition. The broader the agreement on the direction of reforms, the more likely it is that the country will be able to address them through the joint efforts of all stakeholders involved in their implementation. An action plan for public administration reforms, together with the prioritization of suggested reforms can be seen below (Table 20) based on the Kauyza (2003) model mentioned above.

Table 20: Prioritization of the suggested public administration reforms

Phase I: Emergency Relief: Urgent / up to 1 year since the national elections
Job descriptions for each central government position
Unifying the state structure and establishing legitimate and strong public institutions
Developing and implementing a national anti- corruption strategy and action plan
Developing a national strategy to strengthen local government
Improving central-local government relations through a standing unit of governance within the Ministry of Local Government
Providing adequate finance to municipalities
Supporting municipalities in remote areas to provide local services to their inhabitants
Ending civil war and focusing on national development and economic improvement
Improving service delivery through using information technology

Phase II: Rehabilitation: Short term

Introducing strategic planning and comprehensive but flexible national development plans

Building institutional capacity to enhance policy analysis, planning and coordination at the central government level through strengthening the Office of Prime Minister

Developing governance and consultation between central and local governments

Delegation of authority to lower levels within institutions, to strengthen the accountability of civil servants

Functional reviews

Adjusting existing legislation in order to ensure merit-based recruitment of civil servants and equal treatment in all phases of recruitment

Improving the salary system for civil servants by further analyzing the current situation and proposing a logical, transparent, performance-based and equitable model of remuneration that retains, attracts and motivates civil service professionals

Establishing a Civil Service Agency to lead the civil service reform and ensure its implementation

Implementing a comprehensive pre-service, in-service and external training program for civil servants, in partnership with universities and professional training institutions

Establishing a single and comprehensive government portal

Encouraging / training CSOs to revise their working methods and organizational structures in line with modern management structures

Strengthening capacity of local administrative officials to ensure effective functioning of municipalities

Permitting private banks, privatizing some of state banks, and facilitating external borrowing for local entrepreneurs

Ending non-constructive public sector competition with the private sector

Developing entrepreneurship training programs

Promulgating a comprehensive private sector development law and amending anti-private sector regulations within existing laws

Contracting out some public services to private sector and civil society to improve effectiveness of public services

Developing and implementing an open government action plan and creating measures for ensuring transparency in public sector and open government

Developing a citizen-centered approach through direct communication with customers and feedback received from citizens

Localizing public service delivery for easy access by citizens

Phase III: Reform: Medium term

Ensuring linkage between policy planning, law making and budgeting
Streamlining the Legal Framework on policy planning
Developing comprehensive management, monitoring, reporting and evaluation systems
Issuing an Administrative Procedure Code
Decentralization and transfer of excess functions and authority to local authorities and civil society
Establishing executive agencies
Reforming SOEs
Reorganizing ministries
Establishing regulatory and supervisory agencies
Improving disciplinary liability of civil servants and create a monitoring system to prevent corruption in the civil service
Establishment ethics and integrity mechanisms in institutions
Increasing transparency in budgeting public financial management processes
National and local ethics and integrity awareness campaigns
Establishment of a strong and independent State Audit Institution and independent audit units within each major public institution
Capacity Building
Strategic management
Performance management
Quality management
Leadership
Citizen-oriented management
Digitization of main registers, interoperability and establishment of new IT systems
Developing physical IT infrastructure
Developing and using an integrated ICT for the service delivery windows of the central institutions for citizens
Including CSOs to state reform activities
Revising government legislation on CSOs
Delegating local powers, mandates and functions to municipalities
Establishing regional development agencies and local government bank to fund local projects
Introducing metropolitan municipalities in large cities and densely populated areas to ensure coordination among municipalities
Changing employment dynamics and reducing public sector employment
Supporting small and medium-sized enterprises
Simplifying administrative procedures and establishing a uniform legal framework
Strengthening accountability mechanisms
Establishing a universal quality assurance system for public services
Enhancing complaint mechanisms to monitor public administration activities, guaranteeing the rights of citizens and access to information

Deregulation and withdrawal of the state from certain areas to enable civil society, the private sector and local governments to develop
Analyzing how political influence is exerted on leadership positions in the public service and propose a unified solution to prevent it
Creating a sustainable environment in the civil service that guarantees continuous professional development
Downsizing civil service and SOEs through a concrete plan, mainly by redirecting excess civil servants to the private sector and using social insurance and safety net systems
Developing and using an integrated ICT for the service delivery windows of central institutions for citizens
Creating a mechanism for citizens to monitor the quality of service and provide feedback
Partnering with private sector and civil society in improving the IT infrastructure and online service delivery
Establishing governance mechanisms to include public service provision
Developing partnerships between government and civil society
Establishing provinces as foreseen in the Local Government Law
Further strengthening social protection systems which support job creation
Differentiating the economy and encouraging the non-oil sector
Reducing state subsidies
Establishing and developing domestic market
Public sector investment to enhance private sector performance
Privatizing non-essential and non-strategic public assets and SOEs
Involving civil society in the public service delivery system

Source: Compiled by the authors

Interviewee Perceptions of the Reform Methodology

- We need to dismantle everything, rebuild and start working.
- I have a radical view on this issue...Bring competent international companies to replace the existing institutions. You can work with them at the top management and even middle management level. Demolish and restructure according to job descriptions.
- We can start reforming and reconstructing Libya by introducing public administration reforms. PA reforms will also contribute to political reforms. For example, if the local government works well, it will have a political consequence, as people will become more involved in the reform process.
- The negative effects of external interventions would aggravate the situation in Libya make it intractable. Any form of direct imitation of a reform model developed outside Libya would be doomed to failure. Of course, we can use best practices from the rest of the world, but in a selective way.... Since our conditions are unique, we need to produce our own unique model of rebuilding the country and reforming the public administration, economy and society.
- All solutions are interdependent. One successful measure will trigger the success of other measures. Therefore, we need to start from somewhere and altogether.

6.3 Risk Management for Public Administration Reforms

The potential risks in the implementation of the proposed action remain relatively high given the volatile security and political situation in Libya. Some of the potential risk of a public administration reform package in Libya and suggested measures to mitigate them are presented in Table 21.

Table 21. Risk management for a public administration reform program

Risks	Risk level (High/ Medium/Low)	Risk Mitigating Measures
Political instability and possible changes within/of government may interrupt existing relations and impede work at the national (central) level	High	Interventions would be designed in a flexible manner in order to enable adaptation to different circumstances (e.g. focus on different geographical areas and/or decentralized level if necessary). Regular situational analysis and continuous policy dialogues would be carried out with a view to build trust and allow for negotiation where required.

Change of political priorities	Medium	<ol style="list-style-type: none"> 1. Convincing politicians and other decision-makers of the importance of reform measures 2. Involving non-political stakeholders in the reform implementation process
Security challenges may result in a lack of access and/or inability to mobilize expertise and thus hinder program implementation	Medium to High	The security situation would be assessed on an ongoing basis, including periodic risk reassessment. Where needed, mitigation strategies could be developed to introduce remote management set-ups and/or consider conducting training activities outside Libya (as mitigation strategy only).
Libyan partner institutions, e.g. CSOs and local government councilors, cannot engage in the program, due to fear and/or insecurity	Medium	Through maintaining a regular dialogue with the relevant institutional partners, it would be possible to establish trustful relationships and open dialogues.
Reallocation of competences of ministries or allocation of competences among the different levels of government	High	Defining policy concepts, improved coordination among different levels of government.
Insufficient and uneven administrative capacities of state administration bodies.	High	Conducting training for civil servants, managers and employees in the related units in the area of policy and mid-term planning.
Lack of harmonization of priorities of different state administration bodies	Medium to High	Improving coordination among line ministries and center-of- Government institutions and establishing mechanisms of implementation groups.
Lack of financial resources	Medium	Donations, utilization of international funds.
Lack of long-term planning of budget resources and stability of the financial framework	Medium to High	Linking the reforms to strategic planning and budget documents
Failure to complete the legislative framework because of the lack of political will	Medium to High	The formation of a working group within the Office of Prime Minister for public administration reform to gain political support and better coordination.
Pressures to exclude certain subsystems of the harmonized system of labor relations, i.e. the single salary system, and lack of adequate job	High	Ensure an open, inclusive and transparent process of drafting regulations, with particular emphasis on the inclusion of representatives of representative unions and hire experts for job evaluation.

evaluation and coefficients.		
Insufficient political support for depoliticizing the employment and human resource management system	Medium	Increase the transparency of work of bodies and work of employees in the body through strengthening the monitoring and evaluation of performance, while limiting the decision-making authority of the managers
Adequate recognition by all actors of the role of PAR Planning and Implementation Unit (to be established within the Prime Ministry) as the key actor in the PA professional development system and their willingness and interest to participate actively in the professional development system	High	Secure full political support of The Prime Ministry and National State Council
Uneven competences of employees in the Reform Implementation Unit; Possible difficulties in integrating the new staff into the unit	Medium	Adopt and implement inception training for new employees, by stages
Low political and public interest in downsizing policies	High	Timely consultations with stakeholders at all levels of administration and outside administration regarding the prudent implementation of these policies and the search for alternative arrangements for excess workers and civil servants
An insufficient number of trained managers because of frequent changes in top level managers.	High	Training of high level managers on the importance, benefits and necessity of a system of financial management and control and an independent internal audit function.
Inadequate unconnected IT systems to provide better public services	Medium	Establish one-top-shops and a single government portal
Delays in adoption of bylaws and model documents needed for implementation of regulations.	Medium	Regular consultations of stakeholders timely updating of time tables in order to implement activities efficiently.
Administrative burden on staff	Low to Medium	Organizational adjustments and simplification of procedures for the adjustment of special laws with the Law

Existence of official records kept only in physical and not in electronic form, documents in electronic form insufficiently structured, or lack of data standardization.	High	Engaging experts and technical assistance.
Resistance to change. Possibly in the following forms: 1. Employees and managers of various public institutions would not be sufficiently motivated for changes within the existing structure. 2. Management of the bodies insufficiently involved in the implementation of the project, does not provide sufficient support. 3. Employees in the bodies are afraid to change the established manners of performing of tasks.	High	Trainings for all employees in bodies in order to learn about the positive effects of the mechanism for establishment of systems of quality management. Special training for management only. Defining of clear roles of all participants in this process.
Insufficient motivation of employees in state administration bodies to change the long-established manner of doing things.	Medium to High	Promotion of the principles of openness and transparency in public administration, the development of participatory political culture and the establishment of partnerships between the public administration and CSOs
Lack of consistency in positions of relevant institutions involved in the process of drafting regulations, delay in the deadlines for the adoption of laws, the text of the law contains solutions that will not be effective in practice to achieve the defined objective.	High	Ensure public support in order to exert pressure on relevant authorities to incorporate into the text of the laws the solutions which will, through implementation, enable the achievement of the defined objective.
Program activities overlap with other	Medium to Low	It would be necessary to establish a coordination mechanism through the different technical working groups, informal

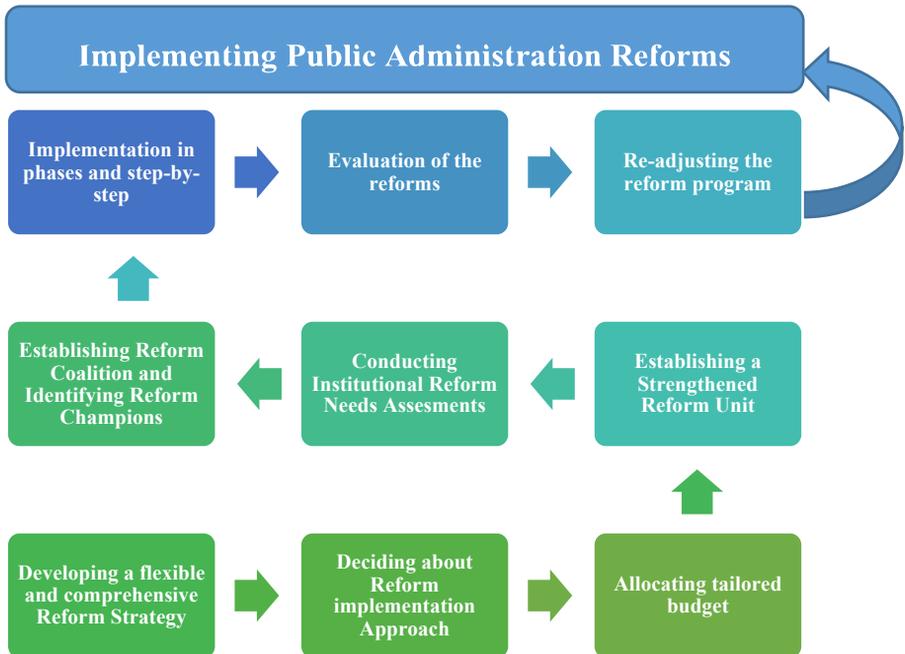
interventions by the international community	communications and regular official meetings among various stakeholders and donor institutions
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Source: Compiled by the authors using EU's "Musnada Libya" project documents and the text

6.4 Step-by-Step Implementation Suggestions

Given Libya's unique political, social, economic and administrative conditions, as well as administrative tradition of Libyan Public Administration, a PAR program should start with the development of a flexible but comprehensive reform strategy and the selection of a reform implementation approach. After allocating a sufficient budget for this purpose, a strong reform unit should be established within the Prime Minister's Office, with clear mandates, qualified human resources and adequate funding. Alternatively, the mission of designing and implementing PAR can be assigned to a ministry. However, to enable a better coordination of reform activities, it is preferable to establish a special unit within the Office of Prime Minister.

Figure 21: The Proposed Methodology of Public Administration Reform in



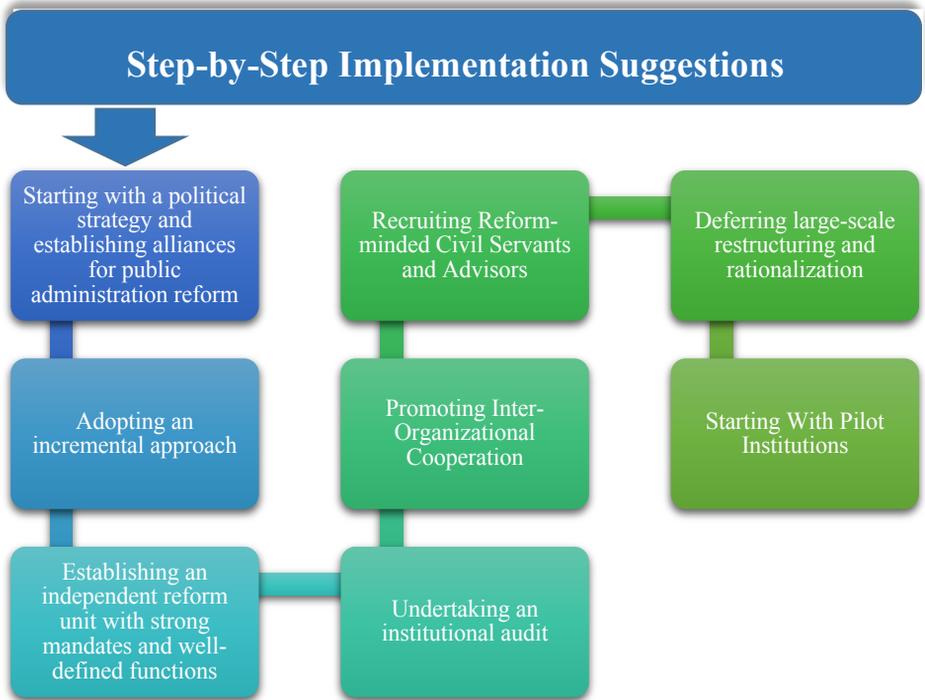
Libya

Source: Compiled by the authors

The proposed step-by-step implementation strategy for individual reforms can be seen in Figure 22.

First and foremost, the mission of PAR Coordination Unit should be conducting an institutional reform needs assessment and designing sui generis reforms for each PAR area. To ensure that PAR takes root in the various ministries and other public organizations, reform champions could be selected in each institution and work with them during the reform process. A gradual but planned reform strategy needs to be put into practice through a phased implementation of each reform. The PAR Coordination Unit should conduct and report on a bi-annual and annual evaluation of the reform process. Annual monitoring reports should be presented online as well as in written format. The reform program needs to be adjusted, when socio-economic and political conditions change. Such a model of reform implementation is shown in Figure 21. A more detailed action plan with prioritization and sequencing issues and indicators of success for each reform area is attached to this report in Annex 1.

Figure 22: The proposed step-by-step implementation strategy for individual reforms



Source: Compiled by the authors

Similar to the general reform implementation model presented in Figure 20, the strategy for implementing individual reforms should start with a *political strategy and establishing alliances for public administration reform*, as it is likely to threaten existing power centers and institutional cultures. Instead of a series of technical fixes, it is a highly politicized process that requires a strategy for generating support, ensuring buy-in, minimizing political risk and neutralizing spoilers. Therefore, the reform strategy must be flexible enough to evolve with developments in the political environment and the broader reform process (IFIT, 2020).

In order to carry out public administration reform, the government should identify and work with reform champions among popular politicians, academics, business people, civil society leaders and civil servants who have connections in a range of ministries and other public organizations. These champions should advocate for reform internally and publicly, facilitate cooperation, and ensure the long-term sustainability of the process.

Private sector allies should provide technical expertise and a source of skilled personnel for the civil service, as well as being the new resort for new graduates to employment. However, this requires a more developed private sector, both Libyan and international, and an increasing level of private sector capacity to absorb the Libyan workforce, as one of the most needed public administration reform strategy in Libya is downsizing and reorienting the extra workforce to the private sector, as well as and encouraging them to establish their own businesses as entrepreneurs.

Allies among nongovernmental organizations, academics, journalists and other civil society actors can provide data to improve reform design, facilitate consultations with stakeholders outside of government, and build public awareness and trust regarding the reform process. As supporters and watchdogs, they put pressure on the government to implement reforms. In this context, it is especially important to take into account the political realities of the country.

While small-scale changes can occur within six months, most elements of public administration reform will likely take at least three to five years to have a visible impact and well over a decade to take root (IFIT, 2020). Accelerated and comprehensive public administration reform may be ideal, but the politics and capacity constraints of fragile and conflict-affected contexts would make it unfeasible. Therefore, an assessment of political risks and opportunities, as well as potential supporters and opponents in the public and private sectors, is essential to developing a context-specific reform strategy.

Given the fragility of the peace process, the divided society, the high unemployment rate, and the fact that many people depend on the state to feed their families, it would therefore be best to implement a series of small-scale initial reforms in a tactical manner, focusing on priority areas that can yield quick gains, gain public support and generate little political reaction. Early successes will generate political will, create

momentum, and attract funding for additional, more challenging reforms. For example, changes in recruitment or procurement processes may be a better place to start than ambitious efforts such as large-scale downsizing programs in public organizations. These incremental reforms should be based on a long-term strategy and multi-year roadmap, flexible enough to take advantage of emerging opportunities, address new obstacles, and change course if any single approach fails.

A strategic step for the implementation of such a wide range of public administration reforms would be *to establish an independent reform unit with strong mandates and well-defined functions*. An independent mechanism or entity – ideally backed by the head of state/government – should be responsible for designing, planning, implementing and then coordinating and monitoring the reform process in cooperation with the relevant government bodies. In order to avoid political interference and institutional inertia, this unit should be separate from the government body that oversees public affairs and civil service. The public administration reform unit should be located in an office that has both political will and clout, preferably that of the head of state/government or another high-level official. In order to maintain momentum and support, the reform unit should report directly to this official on a monthly basis and ensure key decisions are made. The unit should ideally start with a small core team of 8–10 senior officials with a deep understanding of local dynamics, solid networks within government bodies, and a good knowledge of organizational development. It should be headed by a respected and well-known figure.

Beyond the core team, the unit could include members of local civil society and/or the private sector that bring a range of expertise to the reform process, are able to counter institutional inertia and, preferably have some experience working in or with government. Local and international specialists could also be recruited to support specific tasks as needed. To minimize confusion, redundancy and interference, the mandate and terms of reference of the reform unit must be clearly defined, as well as the responsibilities of the government bodies involved in the reform process.

In using and expanding on the assessment that guides the political strategy, the public administration reform unit should begin by *consulting with key government officials, key political figures* in the government and opposition parties /groups, and others familiar with the internal workings of government, so as *to build internal support and identify priority issues* to be addressed in the reform process. In order to design a package of reforms that is appropriate and responsive to local needs, the unit should then undertake a comprehensive audit of the legislation, regulations and procedures that guide civil service operations, as well as the structure, number, functions and capacities of the relevant government bodies and personnel at the national and sub-national levels. This audit can be conducted internally or with financial and technical support from a donor or other partners.

The audit would serve as a stocktaking exercise and needs assessment. It helps the reform unit identify gaps that need to be addressed in order to align the civil service with the functions of government and the goals of the administration. It also demonstrates the financial and other costs of an ineffective civil service, helping thwart spoilers.

Using the audit as a baseline, the reform unit should work with relevant personnel across government to identify suitable indicators to track progress and measure impact, and use this information to improve the reform process over time. The results of consistent, ongoing monitoring and evaluation can be used to demonstrate change to the public and generate momentum for more comprehensive reform.

While the public administration reform unit coordinates the process, a range of government bodies and personnel carry out the reforms. As these bodies often operate in silos that encourage territorialism, the reform process must include mechanisms to ensure that staff recognize the benefits of change, provide input on the design, have the opportunity to voice their concerns, and collaborate in implementation and monitoring.

Interdepartmental task teams or working committees should ensure co-design of the specifics of reform processes and sustainable cooperation on implementation. The work of these teams should be the primary responsibility of the personnel assigned to them, rather than an add-on to other tasks.

In addition to the roles and responsibilities defined by the reform unit, interdepartmental teams can jointly develop guidelines for cooperation to focus their work. They could use facilitated processes to identify the challenges they face, highlight their causes and possible solutions, and reflect on and adapt the implementation process to improve outcomes. To incentivize cooperation, the government might offer ministries a set number of new high-salary positions if they develop and implement a collaborative reform plan with clear indicators of success.

While a bloated civil service may need to be restructured and streamlined, these measures are likely to be resisted, delayed, and require longer time frames. For this reason, it is often best to begin by recruiting new personnel who have the skills to implement priority reforms and reinvigorate the public service. Early in the process, recruitment should be rapid and focused, with the aim of bringing in highly skilled individuals who believe in reform to key positions. While some personnel may be reassigned, the focus ought to be on recruiting new staff to be agents of change within the system, including from outside the country and from the private sector or civil society. New recruits should be given the resources to carry out reforms and change the institutional culture. The political clout of the office housing the reform unit should be used to identify, recruit, and support these change agents.

In order to attract highly qualified individuals to the civil service in the medium to long term, the administration might establish a fast-track *program for leadership* streams. While the civil service may not offer market-based compensation, such programs provide the type of recognition and accelerated career progression that facilitates strategic recruitment. Experience in other developing countries shows that job security and predictable career advancement, based on transparent pay scales and performance appraisals, are as effective as market-based compensation in attracting skilled personnel. “While states dealing with human capital limitations have introduced performance-related bonuses to attract qualified civil servants, the more common approach is to follow the prevailing institutional culture in terms of incentives” (IFIT, 2020).

After the first wave of hires, the reform unit should focus on establishing a merit-based, transparent and inclusive recruitment system. This will demonstrate the government’s commitment to reform, foster public trust, and contribute greatly to the development of a professional and effective public administration system. Recruitment should be done in stages, ranging from standardized examinations to panel interviews, which are open to civil society scrutiny and recorded if they are to be reviewed later. In some cases, an independent institution might develop the questions for the examinations and interviews to reduce interference. The process must include procedures for resolving complaints and appealing decisions. Computerization can ensure that all candidates undergo the same process and be designed to confirm their qualifications. Transparent processes are particularly important in Libya, where discrimination based on tribe and other factors has affected recruitment for a long time since the establishment of the state. Equity-based employment policies should be encouraged, although the political implications may require a gradual or targeted approach, such as starting with lower-level positions or focusing recruitment on a marginalized region.

Given the tendency of successive governments to create new entities and positions, in the early phases of the reform process, the public administration reform unit will eventually need to work with the relevant personnel to restructure a bloated civil service into the core functions of state and thereby create a change in administrative culture and mindset. Therefore, in carrying out this difficult of restructuring and transformation process, the reform unit should work with senior officials on restructuring, rather than taking an adversarial approach, using the audit findings to highlight its benefits and incentivizing them to work with each other in developing reform plans with measurable outcomes, particularly via interdepartmental work teams. The government entity that oversees public affairs and civil service should assume this long-term coordination role. It would also be better for the reform unit to report frequently to the Parliament and civil society on the direction of reform and the results achieved so far, in order to gain their support.

By nature, some elements the reform program identified in this report, such as ministry restructuring and downsizing, will require reductions in existing personnel, particularly those with low productivity and less competency. Furthermore, as downsizing will be resisted and interfered with, it should be addressed later in the reform process and be undertaken gradually. Instead of purging personnel, it would be better to retrain and redeploy them in the private sector. In the events that the public organizations are not able to lay off personnel for any reason, problematic staff should be reassigned to positions where they will cause the least harm and eventually be offered early retirement or attractive severance packages for voluntary departure. It should be clearly noted that transparency and a sense of fairness among public personnel regarding the basis and methods for downsizing as well as measures that ensure an equitable redistribution of work, are central to maintaining morale and productivity.

Before the Libyan government can implement a comprehensive and complete reform of its public administration, it should begin within a specific organization. It would be such an organization that can reflect its image and decide what is essential and what is not.

6.5 Monitoring, Evaluating and Reporting

A system for monitoring, evaluating, and reporting on public administration reforms should be developed, taking into account the actual/urgent needs of the country as well as views of the all internal and external stakeholders involved in the implementation of the reforms suggested in this report. This system should be transparent, inclusive and open to all interested parties and provide timely information on the progress made.

The Libyan government, preferably a unit within the Office of Prime Minister, should be in charge of the establishment, management, coordination and continuous improvement of the monitoring, reporting and evaluation system of the suggested roadmap. All ministries and their subordinate institutions involved in implementation of the reforms suggested in this report will be responsible for providing the necessary information on a regular basis as well as upon request.

Reports on the implementation of the reforms should be prepared and submitted to the government on a bi-annual basis, while information on progress in implementing the proposed action plan can be collected on a quarterly basis to ensure early identification of any delays or problems that require government attention. The government should submit annual and ad hoc reports for review of any interested body.

Monitoring public administration reforms should be done both by tracking the implementation of individual actions and by assessing progress toward policy objectives through measuring the performance indicators identified for each policy objective. In order to facilitate this process, a number of key indicators are identified in this report to measure progress in the implementation of reforms. The government, in

collaboration with other relevant institutions, can identify several other performance indicators and formulate an “indicator passport” for each of the performance indicators. This practice would facilitate the collection of comprehensive and timely data on these indicators. Concise information on the state of performance indicators and the degree of success in accordance with each indicator should be included in the government's annual PAR implementation reports. Mid-term and ex-post evaluations should also be carried out by independent external institutions to be contracted through a competitive procurement process, to ensure unbiased view of the progress made in reform implementation.

Great importance should be attached to involving of all stakeholders in an accountable and participatory manner during the design of the reforms. Within this framework, all reports and evaluations should be publicly available on the government's website.

6.6 The Role of International Community in the Implementation of Public Administration Reform Program in Libya

The international community can provide assistance in building state institutions and processes. This is not a task the new Libya can manage alone, and this is a key area in which international assistance is essential for Libya's state-building efforts. The aim should be working together with the Libyan authorities in order to enhance their capabilities of providing public services.

However, the involvement of the international community should focus on what Libya needs to perform its functions as an effective sovereign state, both domestically and internationally, but this support should be provided with caution. The best way to provide this assistance would be through diplomatic channels in the form of continuous advisory and monitoring support.

International nongovernmental organizations (NGOs) have much potential to support Libya's nascent democratic political culture and civil society. The new Libya requires the establishment and strengthening of a party system, elections, media, and an independent judiciary. Technical assistance in setting up legal systems on political and economic fronts is an essential prerequisite for Libya's transition toward democracy.

Interviewee Perceptions on the Role of International Community

- International forces should help and contribute to the will of the Libyan people rather than impose a model.

7

Concluding Remarks

Libya is a country in the north of Africa, adjacent to the Mediterranean, with a small population but a large geography. It was not possible to establish an administrative tradition in Libya, a country that has lived for a total of a century under the rule of Jamahiriyya, an Italian colonial, kingdom and socialist experience after Ottoman rule. The reason for this is that in addition to experiencing changes listed in brief, Gaddafi created a new formation called popular assemblies by weakening or destroying all state institutions, but without being rooted in this system.

Although some reforms have been attempted since the 2000s, they were not successful because the political and economic embargo of the United States of America weakened the economic structure, the tribes had great importance in the social structure of the country, and the Libyan rulers at the time did not have a serious and determined vision for reforms. Although an optimistic atmosphere appeared in the country after the 2011 revolution, this situation quickly changed and the country was dragged into a civil war and was divided into two parts as east and west. For this reason, it was not possible to undertake serious economic, social, political and administrative reforms in the country.

Although some minor reforms were planned, they were not implemented due to the weakness, clumsiness and dysfunction of the public administration, which is the tool to implement them.

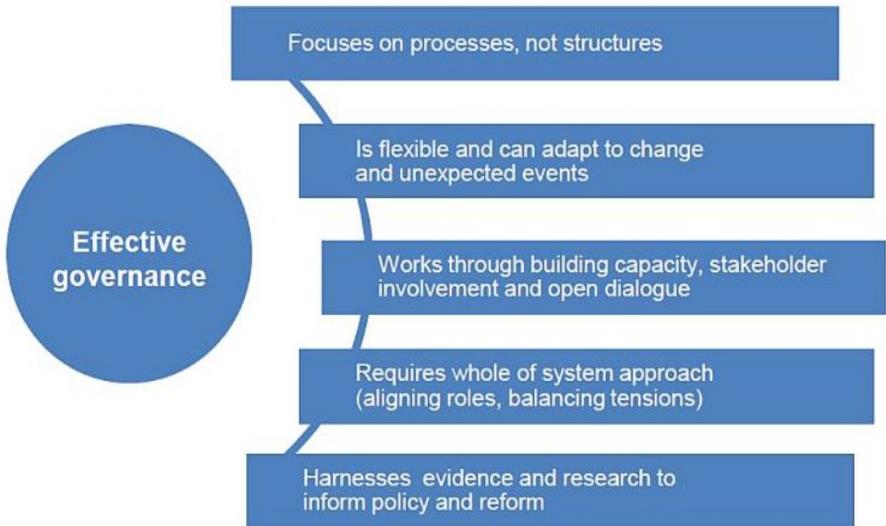
In addition to weak administrative capacity, both at the local and central government levels, a number of other major problems of public administration in Libya could be identified, including

- The still undefined role of the regions and the interactions between levels of government, which create conflicts of authority, duplication, and inefficiencies

- The Poorly coordinated implementation of decentralization
- The absence of clear service standards and performance measurement criteria in local service delivery
- High fragmentation and small size of local government units
- Inadequate degree of revenue autonomy and local government powers.
- Administrative patrimonialism: the organization, staffing, and remuneration of public bureaucracies on the basis of kinship or political patronage, which turns public service into a privilege or entitlement
- Public corruption, which is conventionally defined as the use of public office for private gain, either through the appropriation of official resources or the extraction of rents in exchange for the performance of official duties.
- Political capture can be defined as the subversion of public policy based on the discretionary preferences of a limited number of regime actors

Some of these problems are very urgent and await urgent solution. However, by nature, public administration reforms do not usually yield immediate results. It is necessary to create an enabling environment for the implementation of certain reforms, to prepare citizens and civil servants, and to carry out other preparatory work. Some reforms are those that can be launched following the successful implementation of other reforms. Failure is inevitable if reform efforts are undertaken before an enabling environment for reform is established. Therefore, the timing of reforms is as important as their content. Which public administration reforms should be prioritized, which ones will cost how much, and which ones should be implemented first, should be detailed in a reform master plan that needs to be prepared in consultation with a broad spectrum of Libyan society, including civil society institutions, the private sector, and public sector representatives, whose focus will be on stabilizing the country. Some of the features that should be incorporated into a good reform program are presented in Figure 23.

In addition to public administration reforms, there are a number of economic, social and political measures aimed at easing the lives of the Libyan people and stabilizing the country. To ensure efficient implementation of public administration reform strategies, the roles and responsibilities of all stakeholders within national and local governance structures will need to be clarified. A specialized department within the Prime Minister's Office should be established to oversee the implementation of the reforms suggested in this report.

Figure 23: Effective Governance

Source: Compiled by the authors

The public administration reforms put forward in this report are not proposed by imitating any reform model, but were identified by examining the reforms implemented in developed and underdeveloped countries and the leading reform models in the world, identifying those suitable for Libya's specific conditions, and establishing a special reform model for Libya. The sources of each element of the public administration reform package presented in this report are different reform models, selected one by one and included in this package according to the principles of suitability for Libya's conditions and easy applicability under fragile country conditions (Table 22).

On the other hand, the public administration reform model suggested for Libya in this report is a comprehensive model that takes into account not just a few but all of the different dimensions that make up public administration. This model is a unique model that encompasses the process, human resources, organizational structure, technology and environmental elements (social, political and economic environment) that constitute public administration as a whole. This particularly involves redesigning the structure of organizations to improve effectiveness and efficiency, as well as introducing new management approaches in the public sector, creating a neutral and professional civil service, reducing the size of public administration, developing the private sector and directing a portion of those seeking employment in the state to the private sector, encouraging civil society to become an

important player in the control of public administration and establish service partnerships with the public administration in the provision of many public services, transfer of local duties and powers from the central government to local governments, strengthen the government's decision-making and coordination capabilities, introduce innovations in public service delivery, especially e-government, and carry out the necessary reforms to prevent the widespread corruption in the country and to develop the ethical culture.

As can be seen, it is actually a long list of reforms that has been identified in this report. The reforms in this list are in fact directly related to each other, and the successful implementation of one will facilitate the implementation of the other. On the other hand, if some elements of this reform model fail or are withdrawn for different reasons, this will create a reluctance to implement others. For example, restructuring should not be understood as simply adding new agencies to the central government or revising the administrative structures of existing institutions. Rather, it should include eliminating bureaucracy, downsizing, decentralizing authority, and improving organizational effectiveness through privatization, commercialization, partnerships and co-production. The reform agenda should also seek to address the rigidities and dysfunctions associated with mechanical structures of the civil service and other public organizations, in addition to the elimination of unethical behavior such as corruption and the use of IT in public service provision.

Considering Libya's unique conditions, the main problems are as follows: the weight of the state in the economy, employment, political culture and social structure is excessive; the fact that a significant portion of the population is dependent on the state for employment, the fact that the country's resources are in the hands of the state as the only important source of income for the country is oil and natural gas, the lack of awareness among citizens to hold the state accountable due to the low number of taxpayers, the socialist administration that has persisted for many years the weakening or destruction of their institutions, the inability to establish a stable environment due to post-revolution political instabilities and civil war, and the lack of visionary political and administrative staff in the country.

Table 22. The Theoretical Bases of Proposed Reforms

Component	Source	Tools
Adoption of new management techniques	The New Public Management	Pay for performance, performance budgeting, contracting out, purchaser/provider split, quality management, strategic management
Citizen- orientation	The Public Value, The New Public Management	Citizens' charters
Market-type mechanisms	The New Public Management	Outsourcing, public/public and public/private competition, purchaser-provider split, vouchers
Delegation of authority	The New Public Management	Disaggregation of units, leaner and flatter organizations, professional management, decentralization to local governments
Performance measurement	The New Public Management	Output control and accountability, standards of performance, Negotiated term contracts for senior civil servants, performance –related pay
Discipline and parsimony	Weberian Public Administration, The New Public Management	Program and output budgeting, recruitment restrictions, downsizing
Political-administrative separation	The New Public Management	Creation of executive arm's length agencies, Regulatory Agencies, neutral civil service
Widespread use of e-government	New Public Governance	Front-line services and back-office rationalization
Regulatory reform	Weberian Public Administration, The New Public Management	One-stop shops, measurement of administrative burdens, simplification of administrative procedures
Capacity Building	Weberian Public Administration	Training, Job standards, establishment of public relations units, inter-ministerial coordination mechanisms
Inclusive mechanisms	Governance	Civil Society development, inclusive policies in central and local government,
Integrity and anti-corruption strategies	Governance	Transparency, Accountability, General code of conduct for public services
Reorganization	Neo-Weberian Public Administration	Reorganization of ministries, functional reviews, Reforming SOEs,

Source: Compiled by the authors

Some of these problems are structural, but these issues can be improved with long-term programs. Another part are problems that can be solved in the short and

medium term with an effective reform program. The reform area that Libya should focus on most is the development of human resources, the creation of a strong civil service that functions effectively and efficiently, and the qualification of the personnel working in the public administration through a well-designed human resources management system. This is important because the most valuable resources of an organization are its people, who perform and coordinate tasks, organize inputs and produce outputs. For this reason, human resource management (HRM) and human resource development (HRD) are crucial for reformers seeking to enhance the effectiveness and efficiency of public administrations. While HRM focuses on selection, recruitment, appraisal, reward and career opportunities within an organization, HRD refers to the organizational activities aimed at improving the skills and capacities of the workforce. Together, HRM and HRD are seen as the primary means of promoting organizational capacity improvements —a highly valued and oft-repeated objective of administrative reform in Libya.

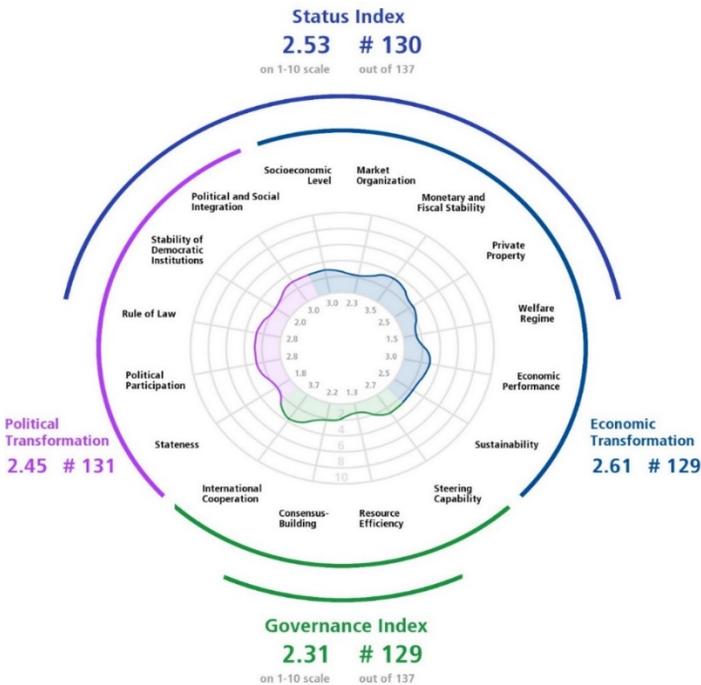
There is no doubt that public administration is one of the most urgent areas for reform areas in Libya. Public administration reforms will not only lead to the smooth and fast functioning of public institutions, but will also make a serious contribution to the economic and social development and political stability of the country. In a country where tribes and armed militants fill the vacuum where the state has a great clout, where actors outside the state are very weak, and where the state is weak, every improvement that will take place in public administration, which is the implementation mechanism of the state, will be reflected in other fields. As elsewhere, the public ecosystem in Libya consists of different factors that affect each other, and public administration is one of these elements.

This report recommends public administration reforms that are particularly appropriate and applicable to Libya's conditions. If the reforms suggested in this report are properly implemented;

- the roles and boundaries of the state will become much clearer,
- local governments will be strengthened and become an important actor of local development,
- public services will be delivered to citizens much more easily and at lower cost thanks to information and communication technologies and new methods of public service delivery,
- the private sector will grow and reduce the employment burden on the state,
- civil society will become an intermediary between the state and its citizens, and
- the capacity of central government to produce jobs and services will improve.

Thus, the economy, weighted by the private sector- and based on innovation and local development, will recover quickly, the problems of employment and distress of citizens will decrease, social order will be ensured, citizens will not have to take refuge in their tribes for business and welfare reasons, and even the country's place in the corruption index will be increased as the channels of corruption will be closed by determining the areas of corruption. However, Libya's indicators are currently very poor according to the governance indices (Figure, 24).

Figure 24: Libya's governance indicators compared to the average of MENA countries



Source: BTI, 2020: 1.

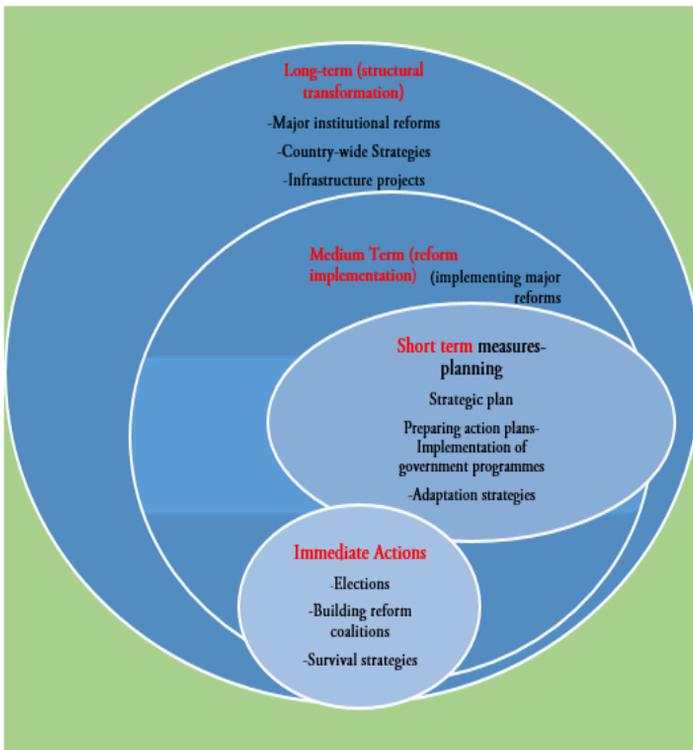
All indicators point to Libya's poor governance indicators and it lags behind its neighboring countries and well behind the best country by a substantial margin.

Naturally, as can be seen in the figure above, it is very difficult to increase Libya's place in the very bad governance indices in the short term. In this context, economic and social reforms are needed as well as public administration programs. Moreover, economics and social reforms need to be implemented in tandem with public administration reforms and in a mutually supportive manner.

The measures to be taken within this framework can briefly be divided into four main groups: Elections should be held in the country in a short period of time, political

stability should be established, confidence building measures should be taken among the different segments of the society, a constitution and a vision document should be prepared with the participation of all segments of society, a legitimate and strong government should take office, all political and administrative public institutions should start working as one. In the medium term, besides an overall strategic plan for the Libyan state, a strategic plan should be prepared for each sector and public institution, the central government should transfer duties and powers to local governments, prevent corruption, develop civil society and the private sector, implement e-government strategies, and adaptation processes should be initiated in similar areas. In the long run, major reform proposals should be implemented, major projects should be produced, and decisive and stable measures, including difficult issues, should be taken for the economic, social and administrative transformation of the country. These elements are presented in Figure 25:

Figure 25: Time horizon for PAR reforms



Source: Compiled by the authors

The main points of the public administration reform approach adopted in this report can be summarized under the following headings:

- PA reform should unite the country rather than further disintegrate the political system
- An inclusive approach should be adopted (including all political stakeholders, local social groups, tribes, local government authorities etc.)
- An original set of reforms should be developed using elements of different reform approaches
- A reform plan should be developed first and then elements of the reform package should be developed
- The country's urgent needs should be addressed first
- Institutional and administrative capacity should be a priority
- Successful health reform programs implemented in other countries can be studied and adapted to Libya
- Eliminating corruption and waste should be a priority.
- The involvement of senior officials is a factor for success, but ordinary citizens, street-level officials as well as some traditional social actors such as tribal leaders should also be listened to
- Measuring success is important.
- A work plan needs to be prepared upon consultation with all stakeholders of the project.
- Mechanical imitation of “models” developed elsewhere is strongly discouraged.
- Reform climate is important.

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