



ADMINISTRATIVE AND FINANCIAL CORRUPTION IN LIBYA: CAUSES AND COUNTERMEASURES

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Abstract:

This paper seeks to shed light on the causes of administrative and financial corruption in Libya and to study the political, economic and social dimensions behind it. This paper starts with its approach to these factors that cause the spread of the phenomenon of corruption and its penetration into most state institutions and the exacerbation of its outcomes that have affected all aspects of life and led to huge material losses and the deterioration of services in general. Based on the pioneering role of scientific research in providing studies, recommendations and advice, this study presents the best ways to combat administrative and financial corruption in Libya and how to reduce it and then eliminate it. The study concludes that administrative and financial corruption is the main factor in the aggravation of political, economic, and social conditions and in feeding manifestations of instability, poverty, backwardness, injustice, and feelings of discontent towards the authorities. The study also concluded that corruption could be reduced by developing control tools, such as strengthening control laws, tightening penalties, cooperation between government authorities, advanced solutions, accountability and transparency, encouraging the reporting of corruption, and supporting research institutions to study this phenomenon, in addition to the role of religious institutions in condemning and prohibiting corruption.

Keywords: Libya, administrative corruption, financial corruption, anti-corruption

1. Introduction

This paper addresses the phenomenon of corruption, starting with clarifying and discussing its forms and causes and finding mechanisms to ensure its reduction and elimination. Administrative and financial corruption is the illegal, immoral and non-religious exploitation of authority and financial and administrative resources in the state to achieve personal gains, whether in the public or private sector. Corruption includes

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various forms and images, such as financial bribery, monopoly, and illegal exploitation of positions and offices. This behavior has serious negative effects that harm the national economy, which is the main pillar of the state's existence and the stability of society. This corruption contributes to the waste of financial resources, reduces local and foreign investments, and spreads poverty and social inequality. In addition, it leads to the deterioration of public services and infrastructure and the loss of opportunities for sustainable development and state building.

The causes and effects of corruption and how to combat it are issues that should be at the top of the national agendas of politicians and other decision-makers in public policy to find the means and methods to limit and combat it. This scourge still faces human societies in all civilizations, countries, and times, and its disastrous consequences are evident in the economy and society, threatening the entity of the state and its institutions. The size of corruption increases as its circle expands in the higher authorities and more severely when it penetrates the supervisory authorities entrusted with confronting and eliminating it.

2. Study problem

This paper examines the causes of administrative and financial corruption in Libya and explains its nature, scope, and negative effects on society and the economy, as well as its impact on life in general. It also seeks to find appropriate methods and mechanisms to confront and combat the scourge of corruption due to the serious damage resulting from its spread in society.

From this presentation, this study sets out to answer several questions that represent the problem of the study:

- What are the underlying causes of the spread of administrative and financial corruption in Libya for several continuous decades?
- Can corruption be combated and reduced through available mechanisms, or are there other methods and means that should be followed?

2.1 Study hypothesis

This study is based on the hypothesis that the growth of corruption and its penetration into society is attributed to many reasons, the most important of which are political, economic and social. The expansion of the circle of corruption gives legitimacy and justification to the practice of corruption without fear of prosecution and punishment. This phenomenon requires reform and the creation of more effective oversight mechanisms to combat and prosecute corruption. This crime does not expire with the passage of time, and its perpetrators must be held accountable and punished so as not to encourage others to engage in such practices.

3. Methodology

This study relied on the analytical approach to study and discover the phenomenon of corruption, explain the factors causing it, study its forms and patterns, and search for possible means to eliminate it by using secondary sources such as books, research publications, and scientific articles.

3.1 Importance of study

This study seeks to shed light on the practices that cause the most harm to society. Corruption is the most dangerous enemy of human societies, as corruption accompanies poverty, backwardness, injustice, and inequality and contributes to instability and fragility in state institutions. As a result of its importance, it requires studying and analyzing its causes to search for the most appropriate and best possible means to reduce and eliminate it.

3.2 Study objectives

- This study aims to discuss corruption and show its causes and consequences on society, as well as to find the most important possible mechanisms to combat it and hold its perpetrators accountable and punish them.
- The study aims to provide advice and recommendations to official bodies, most importantly, the legislative and executive authorities and relevant regulatory bodies. This study presents some of the ways and means that enable these authorities to confront and reduce corruption.
- This study seeks to enrich scientific knowledge in the legal and financial fields and to develop modern tools and methods in practical research and intellectual production.

With the increase in studies and research and the multiplicity of types and forms of corruption, the issue of finding a definition of corruption has become extremely difficult, as the United Nations Convention against Corruption refrains from providing a single definition of corruption and instead focuses on behaviors and patterns that every state bound by the Convention should consider criminal offenses. This approach is a response to the inherent difficulty in determining a comprehensive definition of corruption due to its diverse manifestations at the national, regional and global levels.ⁱⁱ

Despite many attempts to reach a definition of corruption, there is no single definition, and this has led to the emergence of many trends that prefer to focus on patterns of corruption rather than defining it. The most common and simple definition of corruption is that it is the abuse of public power for private gain. This is the definition used by the World Bankⁱⁱⁱ.

ⁱⁱ UN. 2003. The United Nations Convention against Corruption, retrieved from: <https://www.unodc.org/corruption/en/learn/what-is-corruption.html>

ⁱⁱⁱ Tanzi, V., 1998. Corruption around the world: Causes, consequences, scope, and cures. Staff papers, 45(4), pp.559-594.

A more neutral definition is that corruption is the deliberate failure to comply with laws and procedures with the aim of obtaining some advantage from such conduct for oneself or related individuals. Corruption can be defined as a form of dishonesty or a criminal offence committed by a person or institution entrusted with a position of authority that enables them to obtain illicit benefits or through the abuse of power for personal gain.

Corruption has economic, financial and social consequences for society, but it disproportionately affects the most vulnerable groups and may limit their ability to access the education, health care and legal services they need. The United Nations Convention against Corruption addresses different forms of corruption, including (bribery and embezzlement in the public and private sectors, trading in influence, abuse of functions, illicit enrichment, money laundering, concealment and obstruction of justice).^{iv}

To move forward in dealing with the axes of this paper, which was divided into three axes. These axes seek to cover the phenomenon of the spread of corruption within the institutions of the state and society as a whole, where it is divided into three axes:

3.2.1 First: The causes of corruption in Libya

The political circumstances and the nature of the ruling regime during the era of Colonel Muammar Gaddafi contributed significantly to the spread of administrative and financial corruption and its expansion in most sectors and institutions of the state. Gaddafi's intense focus on power led to the emergence of a culture of favoritism, which allowed for the abuse of power to achieve personal gains by obtaining public resources. The totalitarianism of the regime and the absence of freedom of expression and criticism of the authorities also made it impossible to expose corruption in the highest positions in the country, which allowed corruption to spread in most of the central and local state institutions.

Corruption was not limited to the Gaddafi era alone; but it also witnessed an unprecedented escalation after the fall of the regime. The hopes for change that took place in 2011 turned from a revolution against corruption to a revolution against corruption due to the security and political conditions that contributed to the weakness of the state and the absence of judicial prosecution of those practicing corruption. We can point to the most important factors causing the spread of the phenomenon of corruption, both during the era of the former regime (1969-2011) and up to the present time, as follows:

- 1) Due to the chaotic nature of the ruling system during the Gaddafi era, corruption increased and included most of the state's institutions and departments. The regime's adoption of a single vision led to the absence of institutional and individual initiatives that contribute to combating and reducing corruption.
- 2) The absence of political will by the former regime to confront and combat corruption, as corruption was one of the most important factors in the regime's survival in power for more than 41 years.

^{iv} Ibid, UN. 2003.

- 3) The weakness of the supervisory authorities and their work is limited to pursuing corruption at the lower levels of state institutions, while their inability to confront the corruption in the centers of power and influence includes all eras.
- 4) The funding that the Libyan state derives from oil resources has exacerbated corruption through the resource curse. Easy money coming from natural resources can lead to the creation of an unproductive, rentier state. This rentier model has allowed the ruling authority to distribute the proceeds of wealth to the population and ruling elite, which has contributed to an increase in corruption rates.
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- 6) The lack of transparency in the management of state resources and institutions which contributed to corruption hiding behind closed doors.
- 7) The spread of a culture that justifies corruption and accepts the corruption within society. In fact, sometimes, we find that the perpetrators of these acts are becoming increasingly influential and encroaching on decision-making and authority positions, and it becomes difficult to pursue them.
- 8) The fragility of the security situation has made the regulatory and legal authorities vulnerable to the risks of pursuing corrupt individuals in light of the spread of weapons and impunity.
- 9) Political instability: The political division has contributed to the distribution of power and state resources among several parties, which has contributed to the increase and growth of corruption. The division that has included oversight institutions has also led to the loss of the possibility of reducing or stopping corruption.

3.2.2 Second: Consequences of corruption

Despite the country's possession of natural resources represented by huge reserves of oil and gas, it has proven reserves of more than 48 billion barrels of oil and more than 55 trillion cubic feet of gas. The phenomenon of corruption is constantly increasing and has not been reduced or combated during the past decades.

It is worth noting here the extent of the corruption that has afflicted the country by observing the country's ranking in the Corruption Perceptions Index, as it has continued to rank at the bottom of the list for two decades, as it ranked 118 out of 133 countries in 2003^v. After another decade, corruption worsened, and in 2013, the country became one of the five worst countries in the Corruption Perceptions Index, ranking 172nd out of 177 countries worldwide^{vi}.

^v Index, C.P., 2003. Transparency international. <https://www.transparency.org/en/cpi/2003>

^{vi} Index, C.P., 2013. Transparency international. <https://www.transparency.org/en/cpi/2013>

The situation remained the same with a slight improvement. In 2023, Libya moved away from the list of the ten worst countries in corruption indicators and was ranked 169 out of 180 countries that were evaluated^{vii}.

Administrative and financial corruption has serious repercussions on economic growth, as it reduces economic growth due to financial transactions and procedural (bureaucratic) restrictions that lead to bribes to avoid these obstacles.

Administrative laxity, financial embezzlement and waste also disrupt institutions and deteriorate their services, which increases the financial burdens of the state due to its inability to provide services to all citizens. These corruption outcomes lead to corrupt people monopolizing the state's authority and resources, which creates a state of inequality and the absence of justice within society.

The persistence of corrupt practices also leads to a culture of impunity and undermines public confidence in the authority of the state, thus threatening its security and stability.

There is no doubt that corruption is an incurable disease that does not affect any society without exhausting it and destroying it. In Libya, corruption almost destroys the hopes and ambitions of many Libyans to see their rich country advanced and where the citizens live with dignity and comfort.

Corruption has contributed to paralyzing many state institutions, which have become either inactive or incapable and, in many cases, have stopped providing their services to citizens, and development projects have been disrupted in the most vital sectors of the state, including education, health, and the rest of the state's service, production, industrial, agricultural, and other sectors.

3.2.3 Third: Anti-corruption mechanisms

Corruption has tightened its grip on the political, economic and social system in Libya, causing severe damage to almost every aspect of life, which made the country's situation perilous and clearly evident when the popular protests erupted in 2011, which were based mainly on demands that corruption contributed to their absence or obstruction.

These circumstances have led to dire consequences for the future of the state, its institutions, its economic resources, and its social structure. In order to confront and eliminate this incurable disease, there are many mechanisms that can ensure the reduction and elimination of corruption, and they can be summarized as follows:

- **Strengthening regulatory laws:** The legislative and judicial authorities must cooperate with each other to develop laws and judicial procedures related to combating corruption. This can be achieved by amending the laws to suit the developments that the country has experienced, as well as scientific and technological development.
- **Developing criminal procedure laws:** There is no doubt that the most corrupt behavior in the state and society is corruption, the emergence of which brings with it injustice, deprivation, poverty, instability, ignorance, backwardness and other

^{vii} Ibid.

manifestations of the deterioration of human societies. Therefore, combating this behavior must be done firmly, strictly and severely, and tightening penalties is one of the priorities in confronting it.

- **Cooperation and coordination between regulatory bodies:** Due to the multiplicity of regulatory bodies and the distribution of their roles, each body has withdrawn into itself, which has led to a conflict of powers and jurisdictions, which has enabled many corrupt people to escape punishment, prosecution and oversight.
- **Accountability:** When there are mechanisms in place for ongoing accountability, a culture that encourages ethical behavior is more likely to be fostered while holding accountable those who violate rules, regulations, and systems.
- **Achieving integrity and transparency:** These procedures and behaviors are considered the main foundations for combating corruption, as working in a transparent and honest manner contributes to restricting corrupt practices, and makes the perpetrator exposed to the regulatory authorities, and thus will not be involved, unlike actions that are carried out in secret.
- **Reporting:** Corruption can be reduced more effectively by facilitating reporting and encouraging this behaviour, whether by managers, employees, supervisors, specialists or those interested in this matter. It is also important to ensure the confidentiality and security of those responsible for reporting.
- **Digital solutions:** Technological development contributes to the possibility of limiting and controlling administrative and financial procedures, which makes it very difficult for corrupt people to continue as before.
- **Political participation:** Political participation ensures citizens' involvement in the process of monitoring government institutions by following up on the performance and outputs of the ruling authorities and the state's administrative apparatus. This role adds further oversight of corruption.
- **The role of the media:** The media, in its various forms, contributes to monitoring corruption through investigations and inquiries that aim to uncover corruption networks and follow up on punitive measures against corruption.
- **Religious institutions:** Religious bodies have a role no less important than other successful mechanisms in combating corruption, as religious preaching and guidance, contribute to rejecting this behavior that contradicts the teachings of the Islamic religion, as it is a criminal act in the texts of the Qur'an and the hadiths of the Prophet, as God Almighty has promised severe punishment for those who practice this behavior.
- **Encouraging scientific research and studies:** Among the tools and means of combating corruption is encouraging specialists in the fields of scientific research to study corruption, analyze and interpret its causes and effects, and find appropriate solutions to eliminate it. The most developed and civilized human societies are those that most often resort to scientific studies and research to address their problems.

- **Civil society institutions:** Encouraging these institutions to establish civil bodies specialised in combating and exposing corruption by seeking the assistance of specialists in media, law, economics, accounting and other fields that combat corruption.
- **Environment:** A strong control environment reduces the risk of corruption, as do comprehensive background checks before hiring or promoting employees.

4. Conclusion

Corruption manifests itself in the hearts of greedy and covetous individuals in the form of an obsession with money. Then, it turns into a blazing flame in their souls that destroys two sacred values of humanity, which are (virtue and morality).

Corruption practices in the administrative and financial government institutions in Libya witnessed a growing and more obvious flourishing after the 1973 Zuwara speech delivered by Gaddafi, which was, in fact, a signal for the spread of a culture of corruption and chaotic behaviors. The era of Colonel Gaddafi, which lasted for more than four decades, was the root cause of the corruption that affected all levels of the state. This corruption led to huge financial losses that greatly distorted the institutions and sectors of the state and the political system as a whole.

After the fall of Gaddafi, fighting and reducing corruption was not at the top of the new authorities' priorities. Rather, it became more brutal and widespread, affecting almost all levels of the state, and corruption became a companion to almost everything. The establishment of the rule of law, good governance, sustainable development and social welfare will be in vain without trying to eradicate the problem of corruption in general and political corruption in particular, as the corruption of political authority is reflected in society as a whole.

The absence of the authority's role in establishing order, law, justice, and combating corruption will lead to the spread of the scourge of corruption that affects the state and society, as it is like a disease that exhausts the entire body.

Efforts to confront and combat corruption should be based on a comprehensive understanding of its forms and causes. A comprehensive analysis of corruption constitutes an important tool that contributes to combating this phenomenon by formulating and implementing many procedures and measures as mechanisms that enable it to contain corruption, reduce it, and, at a later stage, eliminate it.

Conflict of Interest Statement

The author declares no conflicts of interest.

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