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RESEARCH ARTICLE

The evolution of GDP growth rate in the economy of Libya.

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Abstract

This study is purposing to studying the development of the growth rates in Libya's economy, as this study is purposing to know the real reasons of the decreasing or wiggling in the rate of the economic growth, beside to know the development that's happened in the main growth rates in the economic sector of Libya's economy and the change that happened to it during the period (1970-2015).

The economic growth is a process in which increased the real income an increase that cumulative and persistent during a period of time, where the investment according as most important factor in the investment process and the growth status materializewith a whole process of making capital, the process of expand the rate of the local production growth and that's by using the available local source, lie in taken two kind of decisions.

The first ones: Attaching in which sectors we should investing with.

The second ones: Blend of factors which must be using to product goods and services which rule the production technology, where the result pointed that the investment is the most important factor in the growth process and the status of growth materialize with the whole process of making capital, as the result showed that the Libya's economy had notice a rising with the growth rates in the product sectors during the study period.

It's arranged on it the speed of the living level improving, and that's considered a positive indicator which had service the path of the economic growth in Libya.

The Key Words: The Evolution of the Economy / The Rate of the Growth / The Libyan Economy.

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Introduction:-

The economic and socially development is the most important purpose which all the countries are seeking to achieve it in our contemporary world, whether the development ones or the ones that walking in the growth way, as after the second world war had finished in the first of the forties of this century, the birth of about two-thirds of the world which are known now as the developing countries, where it's came into being, carrying with it a lot of economic, social, politic, cultural, and administrative problems, as a result to the tardiness that it had suffering of for a long centuries, and as a result of the hard life condition that arrange on other different factors like colonization with its two kind the old and modern, so the development had becomes presenting one of the main cases which occupies a

special place on the two levels, the global and the national, and one of these signs is, the large numbers of the researches, studies, and articles which spreading in several parts of the world, and that's in purpose of understand the problem of the development countries, and face it with a accurate scientific facing, where the development in our time depended on a set of components or elements, that must had provided to start with march of growth and progress in any community of human societies, and these components or elements, are an interlocking circles that completed each others, where the absence of one or some of it affecting in the growth process in these communities, where these components are usually presented of, the political system, economy system, a natural sources, investment, accumulation of capital, manufacturing, human sources, and the efficient flexible management of that able to make maximum benefit of these elements, as it showing during several experiment that passed it the underdevelopment countries, with preparation and implementation the economic and socially development plan, the economic and technical feasibility study of plans and programs development, are no longer in itself enough to rule on the possibility of implementation these plans, without taking in consider on another important factor which is the administrative feasibility study, which means the range of possibility or ability of administrative device that based on undertaken to such vital task before thinking of doing these plans, and that doesn't usually done unless provided an effective device for planning, take task of coordination and connection between planning and implementation process, and that's now are not available for most of the development countries, and that's consider to the absent of the active manage that able to find system of administrative planning of policies, programs and helpful sources to selecting the aims of the plan and how to apply it, where the economic and socially development planning with the absent of the active devices to collect the information, and a new system of information and active units to planning and budget, are forming a heavy burden to any country that seeks to achieve the development, as the plan that doesn't building on a specific information, will not achieve its goals, as the absent of the capable central and sub devices will make the plan is building on policies, objectives, and programs that so far from the necessary scientific studies to prepare the sound plan of development.

The final purpose of the development is to achieving the fit growth rate in each productivity and service sectors in balance way, and that's what wasn't achieved it in the past during the experiments and attempts which had done in this field, as a result of a combination of factors that contributed directly in the weakness of the economic basic in Libya, and occurrence to economic and social development were unbalanced, and a changing in administrative structure had a negatively affected in the administrative system efficiency, of these factors the unbalance change which had happened in the socially building of community, by the fast social change that's unplanned, as a result of administrative and developmental experience that relatively short, compared to other of the advanced industrial countries, and as a result of the flowing of cash capital after the showing of the oil in the middle of ninety, and what had come with it of the expenses in making a lot of main projects in the same time, the rarity of the work element especially the technical competencies, the economic, socially and cultural, incapacity on absorb the modern technology, the instability of economic policies and it stability in a particular style, the weakness of the level of the education and training, as well as the weakness of the system of material and moral incentives that motivation to work and good performance.

The Problem of the Study:-

Libya according as one of the development countries, which passing today on a transformative stage of the traditional possession to redevelop possession, beside of the transformative stage to the socialism and what came with it of the application and its obstacles problems, like the low or weakness with the rate of economic growth and achieving a low rates which lead the country to put many of plans and programs which purposing to increase the economic growth rate, and that's by:

- The controlling on inflation rates at low levels.
- Working on achieving a real positive interest prices.
- Limiting of the deterioration of the market prices in the local coin.
- Achieving a high economic growth rates.

Though Libya had passed through the development plans and programs in achieving a great deal of the economic stability, but achieving an economic growth rate was not in the required level, which means there is another factors stand in front of achieving an economic growth rate that desirable, where the reasons of that go back to three factors which are:

- The inactivity of the investment policies that been applied to achieving that much of the accumulation of capital which achieving the desirable economic growth rate.

- Disruption the relation between the available savings and required investment.
- The existence of two elements together.

From up the summary of the problem that the Libyan economic had suffering of presented to the stability of the real economic growth rates in the levels (acceptable) to insure of high growth rates during applying a comprehensive and sustainable development plan.

The limits and the scopes of the study:-

The study purposes to know the development that happened in the rates of the main growth in the production sectors of economy in Libya and what happened in it of changing during the period (1970-2015).

The Aim of the Study:-

The study aims to:

- Studying the growth rates in Libya's economy.
- Knowing the real reasons of the decreasing or the wiggle in the economic growth rates in Libya.
- Studying the requirements and the possible ways to decreasing a high growth rates in Libya's economy in the future.

The Methodology of the Study:-

The method that been used in the study on using analytical method with its two parts, descriptive and quantitativeto suit the nature of the study subject especially the specific indicators of growth rates during the study period.

The Important of the Study:-

The important of the study came from the few studies in the field of the economic growth rates, where the economic growth according as the most prominent targets of any economic program or economic plan, beside to what it presenting of facts and analytical observations that helping in study the privacy of the subject of the economic growth and its important in any analytical economic study.

1-The Accumulation of capital

The accumulation of capital had magnified during the net investment process (**Rostow, 1960**), which present the different between net country incomes (the social income minus the extinction) and between what it consumed of that income during a specific accounting period. The accumulation of capital has expanding the ability of the country of production goods.

The term of capital is broader than the term of traditional capital goods, in other words, it's the goods that doesn't giving a real time benefit but producing a goods that achieving these benefit, and if the capital had definition of the exists that creating an extra channel in the future to the income that measurable in the society, as many goods and services as has been customary a consumer goods that must classified specifically as a part of the accumulation of capital to country, as an example the expenses on education which is continually reinforcing the mind ability of individuals beside that it is giving a direct satisfaction , these expenses must partly account as investment expenses, and the same thing for some consumer goods like clothes, the consumer chive goods and similar, considered necessary to stimulate the agricultural product to increase the production and it's necessary to classify as an accumulation capital(**A.B. Therol, translated by Dr. Kasem Al-Dujaili 1998, P219**).

So that the only way to build the productivity energies of country and rising the average of individual income, is with distribution the productivity energies of goods and there is no need to material product of capital but to product a different kinds of capital like consumer goods (Catalyzed) and expansion the investment field in human capital and all of that are contributing in the production increase and rise the living levels. The development process is connected with manufacturing and the manufacturing connected with making capital, and a large number of the economist also seeing that the investment is the most important factor in the development process, the professor Arthur Lewis[**A. Louis, (Allen and Unwin 1955)**] had described the development process as a process that leading to transformation the economic from saving and investment 5% to saving and investment 12%. As the professor Johnson(**J.J. Johnson, 1969, P9**)had also seeing the formation of capital with its expansion conception that is a special character for development process. The state of the growth shapes in a comprehensive process of the capital formation, the mechanical, economical, and social stay, to sustain and increase the accumulation of capital to the per capita in its different shapes, conversely the state of the retardation connected with possess a relatively littleaccumulation of the different shapes to capital.

1.1. The Capital and the Technological Progress

The rate of growth of the required capital to absorption of new technology in countries which characterized by delay the technologic level is being bigger than it is in the development countries. The countries that delay technology are limited with producing technologic, and in the economics of the extra work and low factor to the capital\the work, as the deepen of capital which means giving each worker more capital to work with it may creating a big different in the production level, bigger that countries had deepen of capital is continues for a long time.

The development in the product technical which considered as the most clearly explanation of the technological advances is the outcome of the group operations of researches and innovation, as it's an activity creating a new knowledge, but the development and evolutions processes are processes that applying the new knowledge in production activities and all these processes are economical processes, as the relative important of activities to the different factors which contribute in the progress process and the speeding of the progress itself had changing from country to country according to the development stage which passing in it, beside that the number of the springs of technological advances are not recouping ones to the other[**Dr- Qasim Al-Dujaili, 1998, P (226-227)**].

1.1.1. Scarcity of Capital

Of the main properties which characterized by the economics of development countries are the scarcity of capital which is the inability of capital, the bad using of it, and the inadequate what it consists to finance the necessary investments to promote with its economic potential and the implementation of its development plans, that's because of the capital is of the important direct growth factors, when this factor that synergize with the human natural sources, so it will giving a direct productivity.

The relative scarcity takes of capital different shapes in all sectors of the economic activity in such of countries, and the dominant phenomenon is the scarcity of the capital sources with its kinds like industrial buildings and the modern machinery and equipment with high production levels, and also the social capital like schools, hospitals, paved roads, Bridges, sewers, tunnels, railways, road transport and maritime and air, and the means of irrigation, sanitation and other(**Mansoor. DR-Ali Hafez, P32**).

The scarcity of capital, is a phenomenon had a strong relation of showing capital and demand of it and misguided of capital formation in economy, as the show of capital is weak and that's because the weakness of saving because of the decreasing of the real income level as a result of decreasing the production level which back to the decrease of capital, and the demand of capital as well is weak and that's incentive weakness on investment because of the weakness of the purchasing power as a result of the decreasing of the real income level which back to the decrease of the production level and that's because of the decrease of using capital in production.

And that's how the empty circles in the show and demand sides of capital in the economics of the development countries (**Caftan. Dr-Mohammed Fazel Mohammed Aziz Caftan, 1978, P46**) and it is possible to say that the scarcity of the capitals assets in most of the development countries are a reality that can't be denial and may cause in the continuing underdevelopment.

1.2.Resource Allocation and Economic Reconstruction

1.2.1. The Resource Allocation

Proceeding from the fact that the scarcity of resources in the development countries and it relation with needing the development process, the central issue in the development economics are resource allocation on the different needs which compete ones each other on these source, that's in most of the development countries there are two mains limited on the growth of product process, and they are: the ability of the investment and the ability of import.

The most theories that resource allocation and most of the investment standards reflex this truth, so that, the start point that known in the resource allocation process are how to maximize the rate of product growth by using what's available of the local resources, and how to minimize of this process needs of foreign currency.

Regardless of the decisions that connected with the size of the required investment, it can be recognizing two kinds of specialized decisions of resource: [**A. Luis, (Allen and Unwin 1955)**]

- The first ones is linked to which sectors that we should investing.
- The second ones is combination of factors which must be using to production goods and services which control of production technology(**Murad. Dr-Mohammed Helmi 1968, P 123**).

In the same time which seems that these two decisions are separated ones on each other but in reality they are not as of the scientific side we find that the overlap between the product decisions and the technologic decisions are a thing that can avoid it.

As the deal of customize resources between the projects can't be separated from considerations of broader economic and policy subjects which is industry versus Agriculture, the balance growth versus unbalance growth, the outside trade strategy ...etc, and the effect of all these decisions will be through these next targets development strategy, as if the target is maximize the current level of well-being or maximize the growth and the output in some point of time in the future.

1.2.2. The Economic Rebuilding

The study of world experiments which engaged to its economic building for period of after war can take advantage of it with rebuilding our national economic in face of the different of condition, the stage natural, and the economic and socially development stage between Libya and those countries, but it faced a problems with one kind of natural and engaged to it almost with similar ways with different of the kind of methods that had take it to get this target.

With the different of the nature of the economic and socially systems of these countries and to rebuilding purposes, it requires concentration the economic resource, the ways of planning, and the central Administration in the hands of the state, as in British after war had establishment of the Ministry it mission to providing advice and recommendations to rebuilding and by that we seen that there is a necessary to make such a Ministry in Libya as to finish it mission after removing the reason of creating it (Naser. Salah, 1965, P161).

From other side the national economic rebuilding after war required providing large capitals, and the countries had different with providing these resources as the Soviet Union as an example had depending mainly basic on the self possibilities, while British beside to its self possibilities had depending on the outside helps, and as it comes to Libya, the provision of material resources is not a hard thing to do as Libya owns a huge reserves of oil, as the economic rebuilding required makes a critical reform for period of after war and required intensifying of capital element and increasing the production by inter improvement in the management and planning.

2- The Definition of Economic Growth

It's a process that increasing the real income an continues and cumulative increasing during a period of time extended to (quarter of century) where these increasing being bigger of the growth rate of peoples with providing a production and social services, Protect renewable resources from pollution, and preservation of non-renewable resources depletion (<http://ar.wikipedid.org>).

There is a different definitions of economic development, and of these commons definitions that the process including achieving a high growth rate of averagereal per capita income during a period that expanded from time (three decades) that is not accompanied by this deterioration in income distribution or an increasing in the poor level in society.

As it also known as the increasing of the number of goods and services which a specific economic producing it, and these goods had been production by using the mainly product elements which are earth, work, capital, and organization.

Since the industrial revolution has done then the spreads of it and what came of it of expansion changes in the industrial structure and achieving a big economic and social growth, then these economic and social progress is what called of the economic growth¹

So that the economic growth is means in general, the increasing the income for particular State had been majoring by using the ratio of the gross domestic product growth, and it's been comparing the ratio in particular year with the previous one.

¹ The English dictionary for example between the two words (Development, Growth) both are synonyms, one of them may be using in a place of other, as they're two carry the meaning of change which is connecting of improvement, so that the meaning of development and growth that's been mention in the research are the most popular meaning in the economic writes.

The increase in capital, the technologic progress, and improving the level of education, considered as the mainly reason of economic growth, as the past years had showing the idea of the sustainable development another factors like the main environmental factor of economic growth in realist by exclusion the rate of the expansion and not count it when the goods and services had been accounted.

2.1. The Theories of the Economic Growth

When we speaking on the economic growth. We must go back to some of the theories of economic growth and the opinions which the first economists had put it or came with it which the books of economic had included it, and brevity we mention of it:

- Adam Smith the first of traditional economist who contributed with explain the growth foundation in the free capital economics, and his theory had specialized with interaction trait in front of the steady progress where Adam Smith had built his thought on the principle of dividing work and connecting it degree with the size of market and how it expands, make the income a main condition of the economic growth and insuring of its important to collecting the capital to considered as a main element in the theories of economic growth.
- As Tomas Robert Malts said that the human well-been and his happiness are stopping on first of all the increasing of resource in ratio that equivalent to the increasing of people at less, and Malts had built his theory in peoples based on two principle:
 - The first ones: the food is necessary for human life and necessary to keep him alive.
 - The second ones: The instinct of controlling of each sex to the other, and Malts summarizes his theories to see the people increasing on a form ergonomically successive where the resources doesn't increasing unless on a form calculations successive.
- As the theory of Dived Ricardo was the more inclined to pessimism as he moved from the thought of increasing expensive which control on the thought of Adam Smith to the thought of decreasing expensive his situation in that is the same with the traditional economic which had following Adam Smith andfounded the theory of the economic growth which characterized by pessimistic to the future, that the economic growth is achieving as a result of the people growth and what lead to it of increasing in the output nationalist.
- As Walt Whitman Rostow had focused in his study about the idea of stage as most notably as a standalone unit[Caftan , Mohammed Fazel Mohammed Aziz , 1984 , P(175-212)], and it based on that the national economy walk on hard way cross stage after stage surpassing the difficulties and hardships until to the high degree of the economic growth to insure that the modern style of development, including five stages that should be done, started with the consumer society, to reach the starting stage which is the crucial stage.
- As Marx had building his analysis of economic growth in the light of capital on the theory of extra value as he start with divided the total national result in to three elements which are: the stable capital, the changing capital, and extra value which mean by it profit, rent and interest that the capitalist had it by unlawfully, and the Marxist interpretation of economic growth mainly on the physical interpretation of history and as it is the important factor and the final with make the history and it development is economic factor by its nature.

2.2. The Analyses of Growth and Income Distribution

There are many ways that consists of identical to expression about the growth in the income or the result of any country as an example[A.B troll \ translated by Dr-Qasim Al-Dujaili, P(123-124)].

The growth can be expression about the Calculated by dividing the investment coefficient to the gross (0\1) and the investment production is (1\ 5) which is:

$$\begin{array}{c}
 \text{Increase in production} \qquad \qquad \text{investment} \qquad \qquad \text{increase in production} \\
 \text{Growth} = \frac{\text{Gross}}{\text{Gross}} = \frac{\text{gross}}{\text{gross}} * \frac{\text{investment}}{\text{investment}} \\
 \text{O } \Delta \qquad \qquad 1 \qquad \qquad \Delta \text{O} \\
 \text{---} * \text{---} = \text{---} = \text{growth} \\
 1 \qquad \qquad 0
 \end{array}$$

And by definition that the slow growth either a decreasing of investment factor, or decreasing of production of capital, or both of them. And this equation is the mainly of the theory that said, the rate of the growth is faster in the development countries demanded a more resource for investment, but itself doesn't formed a development theory.

As an alternative we find that the output income can be expressed as a foregone conclusion of the total workstrength (L) divided on the output of unit work (L/O). and of that we can expressing about the output growth by its foregone of collection growth rate in unit work (L/ΔL) and the growth rate in the output of unit work or what can expressing by productivity of work which is : (L/O) \ [(L/O)] Δ

$$\text{Growth} = \frac{\Delta \text{ Increase in production}}{\text{Gross}} = \frac{\text{Increase of workstrength}}{\text{work strength}} * \frac{\Delta \text{ Increase in production}}{\text{work output}}$$

And by this formula, the slow growth attributed by definition either to the slowly of growth rate, or delay of growth rate in work production, or both of them. And the expressing about growth on this way highlights on adoption the income growth of work unit (and the most important is growth of per capita income) on the growth of work production.

The main thought behind production function to measure the growth rate is provide a better understanding of growth resource and expressing by quantitative form about the size of the contribute which perform by all source when the growth rate had been calculated.

This way had been used in extensive form in the development countries and it had a lot of benefit, where some development countries has starting in our time to use this way as when some of these countries don't find it useful in extensive form because of the resource of growth in these countries had institutional in nature or not able to major.

2.3. The Mainly Indicators of Economic Growth in Libya

2.3.1. The Growth Indicator of the Period (1962-1969)

The traditional social and economic structure that mainstream in Libya's economy had changed radically change, where it enabled the successive cash flows as a result of oil exports to get rid of the deficit, where it directed attention to development that founded by oil income, and work on appear many economic development in start of it the rising of the growth rate, the increasing of the public spending, the level of the real income, improving the public level to the prices, increasing the imports, and creating a work opportunities.

As where the growth rates pointed on the available data but these period had seen a high growth rates which described by it's of higher growth rates in the world where the local output had achieved a yearly growth as much as (22.6%), and as a result of that the real average income to the individual had rising in realty of (16%) yearly, as the gross fixed investment had achieved a yearly growth rate as much as (15.6 %).

As on the economic sectors level, the data pointed that the oil sector had achieved a yearly growth as much as (46.7%) then the building and construction sector with average (19.9%), then the transportation sector with average (16.6%), then the services sector with average of (13.4%) finally the trade sector with average (12.7%).

The oil had achieved an increasing income for country what make it able to create an accumulation process in capital which consider as an important element of the economic development elements, where the available datain this regard pointing that since (1963) the oil revenues start to form an increasing rate of public revenues, where the rate of oil revenues had rising in the gross revenues from (26%) during the fiscal year (1962-1963) to (80%) in (1968-1969), in face of it the public spending with rate (1.7%) during the period (1955-1962) with rate (3.17%) during the period (1963-1968), where came of it most of these increasing about planning development program which targeted ensure rapid improvement in the standard of living and reducing migration from rural areas to cities and that's during increasing the important of the agricultural sector on the ground that the main supplier of foodstuffs and a source of income for too much community sons, beside to the increasing depended on the public sector with provide public services like education, health, transportation, and housing, where the State had depended a transformative economic and socially plan (plan 1963-1968) targeted through it provide development requirements, achieving the economic stability, and improve the living level for individuals, where it specialize for it huge amounts of money reached (450) million dinar a big part of it had specialized (43%) for spending on the

agriculture sector and service sector, while the rest has specialize (57%) for investment in the oil sector, where the percentage contribution of oil has rise in the economic active from (6.9%) in the year (1958) to (53.9%) in the year (1964) then to (62%) in the year (1968).

And the table number (1) the rate of real yearly growth of Libya economic during the period (1962-2009).

Table number (1), the rate of the real yearly growth of Libya economic during the period (1962-2009

Item 1	1962-1969	1970-1982	1983-1990	1962-2009
Local production	22.6	13.2	2.5	11.8
Agriculture sector	4.1	4.6	11.8	6.7
Oil and Minerals	46.7	14.3	7.8	17.8
Manufacturing	8.4	18.6	7.0	13.0
Construction	19.9	15.3	1.8	12.0
transportation	16.6	18.1	0.4	13.1
Wholesale and retail trade	12.7	17.0	2.1	10.9
Services sector	13.4	14.0	2.7	11.1

The increasing of the contribution of non-oil sectors (Agriculture and Industry) in the gross domestic product, where it depended on the three development plans, the three-year plan (1973-1975), the five-year plan (1976-1980) and the second five-year plan (1981-1986) the development strategy that target achieving the most rate of total growth, with the different in the production activity, but it's with all these efforts, the contribution of sectors in the local product had stay very modest, which conform on continued the dominance of oil on the Libya's economic.

2.3.2. The Indicators of the economic growth for period (2010-2015)

During the past period Libya had notice a long war (Chad War – American Aggression) and live a tough economic siege, as its development journey had go back effected by the condition and economic policies which had approach far a way of the principle of developmental differentiation supporting to battleship efforts and the Sustainability of counter the siege which limit of the positive development effects which achieved during the period of seventies support of the negative of the next period as the result was staying the Libya's economic goes on in a vicious circle.

Where the gross domestic product with underway prices in the Libya's economic had achieving a growth rate as much as (16.9%) during the year (2010) and that as a result of the refresh of Libya's economic in the wake of the global economic crisis that affected on it perform during the year (2009) where the rise of the pace of growth of the world economy had contributed with the rising of oil prices in the national market and increasing the revenues and exports, and each of these factor had a positive effect on the value of the output and the rate of its growth, but in the year (2011) the Libya's economic had noticed a go back in its perform and that's as a result of the politic development events where the local output had recorded a negative rate of growth as much as (53.1%) comparison with the year (2010) but in the year of (2012) the record oil prices during the year of (2012) had supporting the economic growth in Libya, where Libya achieved the highest rate of growth at current market prices during the year (2012) it reached about (126.8%) and that's as a result of covering the economic from the consequences of political circumstances and the inside development which Libya had notice it during the year (2011), and in the year of (2013) we find the rate on the real gross domestic product in Libya had notice big swings in the last time affected by the number of the outside and inside factors and on its head the fiscal crisis and also the economic fallout that result of the politic transformative which Libya had notice it, the thing leads to shrink the output in Libya with average (22.5%), where the growth economic data had shows for the period (2010-2015) that the gross domestic product with the ongoing and study prices as in the table number (2)

Table number (2) the development of the gross domestic product:

the year	The domestic product with the ongoing prices	The growth rate
2010	73,965,000	16.5%
2011	34,699,000	-53.1%
2012	78,697,332	126.8%
2013	60,990,432	-22.5%
2014	28,543,523	-53.2%

From the table number (2) that the gross domestic product had start to decrease in the year of (2011) comparison with the year of (2010) and with decreasing rate as much as (53%) when in the year of (2012) we find that the gross domestic product had grown with rate (126.8%) and that's as a result of the rising in the oil prices.

As the contribution of economic sectors with generate the gross domestic product had affected with the political and economic events which Libya has pass through it after the year of (2010) where the rate of contribution of crude oil and mining sector had increasing from (6.9%) in (1958) to (53.9%) in (1964) then to (62%) in (1968) when the rate of contribution of other sectors had stay modest.

2.3.3. The Population Growth Rates

As to the size of the population and the rates of its growth, the growth population in Libya and with it absolute image had notice a quick, continuous and regular development.

Where the absolutely number of the population increases didn't affecting with the advance and retreat that the Libyan's economic had notice trough the time successive stages, and that's what assured it the result of the residential census that's had done in Libya from the first census until the last one, where the statistical data had point to the clearly increases of the residential census in Libya as it showing in the table number (3).

Table number (3) the numbers of the population in Libya during the period of 2000-2015

The year	Number of population (million population)
2000	5.640.000
2001	5.842.000
2002	6.021.000
2003	6.221.000
2004	6.420.000
2005	6.629.000
2006	6.843.000
2007	7.065.000
2008	7.294.000
2009	7.530.000
2010	7.774.000
2011	6.288.652
2012	6.283.403
2013	6.265.987

This population increase is a normal result and that's because of the rising in the rate of population growth which maintained a high pace (1.56%) during the seventies decade and a rate of (2.52%) during the eighties decade of the past century, but the pace of this rate had take to decreasing after the year of (2010) with rate (1.56%) during the period (1995-2006), as the data are also showing that yearly net growth rate of the Libyan population that been achieved in the period of (1973-1984) that amount to (4.21%) had decreasing to (2.80%) during the period of (1984-1995) then to (1.8%) during the period of (1995-2006) which insure that the gross of the population number had grown with a yearly rate as much as (2.94%) during the period of (1973-2006), as the available statistics point that the Libyan population that living in Libya are constitutes a rate (91%) of the gross population number according to the results of the population census in (1973) where this rate had decrease (89%) of the gross population number.

2.3.4. The Use Index

The available data pointed that the size of the power worker in Libya had reached 433500 thousand worker in the different economic activity, where the patriots number of them had reached 383500 thousand worker which is almost (88.5%) of the gross use index, when the power worker which are not patriots among 50000 worker which is almost (11.5%).

As on the sector level, the available data pointed to the decreasing the rate of the contribution of the agriculture sector to (22.659%) faced to the increasing of the rate of contribution of the manufacturing industry to (3.7%).

But the next period (1980-1990) had characterized by volatile remarkable on the partly level, where the total of use since the beginning of 1980 had reached 780223 thousand worker, (72.9%) of them are national employment as the

rest rate had formed (27.1%) of the foreignworker, as the available data pointed to the increase of the workers rate in the industry manufacturing sector to (4.6%) when the number of the worker in the agricultural sector had decreasing in to (15.5%), as this wiggle in the size of the power worker had continue during the period (1990-2007) where the gross use had reached 1780710 worker during the year (2007), where the national direct power had formed a rate of (90.6%), as the rest rate is (9.4%) of the foreign workers.

2.3.5. The indicators of the growth of the gross domestic product and Composition of fixed capital and Investment Spending

The Libyan oil exports had formed since (1961) an inflection point in the economic history of Libya, where it's foundation a new stage known of the capital surplus stage and quick growth, and with the start of (1962) a substantial changes had happened on the structure of the Libyan economic come with achieving a high rates of the growth and also in the rise of the part of the individual of the gross beside to create kind of the relatively sophisticated activities, and we can show these indicators according to these stages:

- **The first stage (1962-1969)**

This stage describing as one of the faster periods of the growth in the history of Libya, where substantial changes had happened on the structure of Libyan economic comes with achieving high rates of growth and also a rise of the per capita of the gross domestic product.

- **The second stage (1970-1981)**

This stage described as one of the important periods of the capital accumulation that output by the first oil price shock (1973-1974), where this period had noticed an economic vogue present of increasing the growth rates where the real gross domestic product had achieving a growth amount an average (13%) yearly, where this increase come with the rising in the average of the per capita of the gross domestic product and a decrease in the public level of the price, where the inflation rate had decreasing with rate (7.5%) in average, as this period had characterized rise of the work level therefore decrease with the unemployment, and the upward trend that the Libyan economic that go through during this period back to unit a combination of factors as one of the important is the rise of the oil prices in the national market, which arrange on it.

A fast growth in the income and spending, which led the State to take many procedures, where the state had put an economic and social growth plans for the years (1973-1975) and the first five-year plan for the years (1976-1980), Targeted by that the infrastructure, urbanism movement, and push forward the economy wheel to diversify its revenue sources.

- **The third stage (1982-1988) the stage of the recession**

This stage had notice a retreat with spending the American dollar, and a strong decrease in the world oil prices, where the price of the one oil barrel in the year (1986) reach in to less than (10) dollar to the barrel, which led to decrease the oil income, the thing that made the State to intervention and working on set the public spending and austerity policies approach, and stop execution many of the economic projects which was listed in the second five-year plan (1981-1986).

The thing that arrange on it log the economic to the recession where the most prominent features presented with decrease the rate of the economic growth, and raise the rate of prices growth, where the inflation had reached almost (5%) in average.

These factors lead to discredit of the Libyan economic therefore to the local and outside fiscal unbalance, and the deepening of structural imbalances in different economic sectors, where the black market had shows and also the exchange market that parallel, as the deterioration of the balance of payments leaving behind inability amount to 1377.9 million dinar in the year (1981), and increase the inability of the public budget to the total output with the current market prices to (13.6%), the thing that arrange on it set many correction procedures which was decreasing the dinar value in face of other coins, limited the public spending, applying the cash policy, canceling some of policies that own to customs protection and replace it with the consumption tax.

- **The fourth stage (1989-2015) the stage of economic correction**

This stage had noticed enter Libya to the economic correction stage, which target the restructuring of Libyan economic, addressing the structural imbalances and direction it with what fits on the economic, policy, region, and national development, and working on push the pace of the activity economic with more depended on the self possibilities, where the methodological framework of the economic correction had focused on working with the demand management policies that purposing to suppression themagnification pressure, laying an ingredients of a

well-established for stability and economic growth in the shadow of achieving a relative stability in the local level prices, as it had also focused on strengthen the supply side policy through making the structural correction, and that's by minimize the rule of the State in the economic activity, and also applying some fiscal repairs which purposing increase flexibility of the fiscal sector, as the program based on achieving its aims by making the State withcontinue with adopt the rationalization approach in the public spending, and the perfect uses of the public sources in a manner insure achieving a steadily growth.

TheLibyan economic had achieved an relative average growth rate during the period (1998-2005) in the real gross domestic product, where this growth back to rising of the local demand pace for consumption and investment caused by the improving the oil prices, where the available datapointed to, although the real gross domestic product had achieving a real growth its rate reached in the average about (3.5%), the inflation rate continue with rises, where it value reached this high (4.3%) when the outstanding balance of public local debt had decrease as a percent of the local result of (70.8%) in the year (1988) to (25.5%) in the year (2002), and with that improve the balance of payment had been put where it continue with a good achieving except the year (2001) which achieved an inability as much as 75.8 million dinar, where that's back to the surplus that came of the outstanding balance to the improving of the oil prices which its percent is almost (99%) of the gross exports, when with connected with the total inability of the public balance as a percent of the gross domestic product had decrease from (11.2%) yearly during the recession period in to (2.7%) yearly during this period.

As with what connecting with the analyses the reality of the public spending in the Libyan economic during the period (1990-2015), as the first half of the nineties century had noticed a marked fall back in the public spending and that's to direct the public policy to decrease the global economic recession effects in the national economic by rationalization the size of the public spending and working on rebalance between the revenues, expenses, and the payment balance, and that's aware to the decrease that happened in the oil revenues because of the oil prices, but in the second half of the nineties century had noticed an marked increase in the size of the public spending of improving which happened in the oil prices, and also to the last direction of the State to the increase of the public services size that introduction to citizens, where the increase had continue with this spending until the yearly composite growth rate had reached (16.2%) during the years (2007-2009) when it was (5.3%).

But the consumer spending, the rate of it input in the gross domestic product was high in the beginning of the nineties but it had decrease during the last years to reached to the less value in the year of (2008) with rate (26.92%), until the yearly composite growth rate had become (2.4%) and the cause of that back to the State direction to encourage the industrial sector and customizing the big part of the spending to invest seeking to achieving a requirements of the development project, where the Libyan economic had noticed a marked investment expansion, where the rate of the contribution of investment spending in the gross domestic product had increasing to reach to (73.08%), as the rate of the composite growth of this spending reach to (20.89%) for years (2003-2007) and during the years (2007-2009) reach to (19.6%) the thing that make sure the politic and economic direction of the State to rise the sectors contribution rate non-speed in the gross domestic product during increase the investment spending.

2.4. The Challenges and Future Economic Policies

2.4.1. The Challenges that Faced the Economic Growth

The economic growth in Libya had faced a set of economic and social challenges, as what pointing of the notes on the Libyan economic during the main indictors of the growth rates during the past period, that economic had facing these challenges:

- Rentier of Libyan economic, where the sector of crude oil extraction and exported it contribution with rate (34.3%) in generating the local product and with rate (95%) of the exports gross.
- The rule that limited to the privet sector in the development project in terms of the decreasing its rate contribution in the economic active, generating a work opportunities, covering the increase in the local demand, and financing investments.
- The high rates of the unemployment, where the high rates had continues for almost (12.2%).
- The tumble of the investment plans in the execution stage which is back to the weakness of the coordinate between the public fiscal policy of the state and the investment policy, the things that led to big growth of the government consumer spending with out to come with it a big improving in the government services.
- The weakness of the Libyans sharing in the projects that been listed in the social development program and depended on the foreign item.

- The weakness of the local market which not allowed to develop the production sectors, and excessive in expansion with the size of the public spending during the period of seventies and beginning of eighties.
- The decrease of the efficiency of the work item, where the data pointing to depended on execution most of the development plans on the foreign workers.
- The inactivity of the industrialization policies, which means the strategy of industrialization that direct to import substitution doesn't work with active the rule of this sector in the national economic.
- The limited of the rule of the fiscal and monetary policy to processing the problem that Libyan economic had exposed to it.

2.4.2. The Future Economic Policy of the Economic Growth

On the light of diagnosis the reality, the available humans and material potential, and defined the problem and challenging that facing the development in Libya, a plan had been put to economic correct of the Libyan economic, selected the necessary means and policies to achieving it in purpose of get an advance rates in the economic growth, and when we meditate with what come in the plan of vision and future economic policies on the economic in Libya and closing that with the economic reality in Libya and the variables that came on it and what had recorded and recording on that reality of opinion and notes, as a reflex of what came of visions and future economic policy, it may be an important and reality way to advancement with the economic rates growth in Libya on the total level on the national economic and on the sector level, and that's according to:-

- Required with the targets of the economic plan to connect to specific economic activity, for a specific period of time, measured accurate measure with the necessary of clarify the wording of aims to cross the possibilities of interpretation and different hermeneutics, and to make the aims a reality building on the light of balanced estimates to the future of the economic activity and derived from the history reliable information by using a appropriate ways for economic prediction, that's beside to the important to make the aims homogeneous, integrated, and consistent without interference [**Bodka, Dr-Abd Al-Kader Mohammed, 1979, P (285-287)**].
- The Libyan economic in his rentier current circumstances is the most need to an economic rule to the State that make the partnership easier and the merger with the private activity through a look that seen in the economic alliance between the State active and the works sector, a decisive shift to a perfect economic and social performance and with high harmony and compatibility of generating a well-established pattern of sustainable development.
- As the Libyan economic always need to follow a total policy including find a stable environment on the total economic level that make sure to stimulate the economic growth through control on the swell rates and the public spending that unjustified economic and socially.
- In the Activity funding: the important of activate the government outlay development (specialist) to take on it shoulder a missions to grant soft loans to the privet sector, and also restructuring support in the public arbitrage of the State and depended a Priorities doesn't missed the product activity on the privet sector, as it should be activate the laws, orders, prevalent instructions and what can be add to it of improvement that service the private investment climate in Libya.
- Minimize the spending in the operational paragraphs for saving money that direction to the investment beside employs the operation spending o support the investment spending.
- The balance in the distribution of investment in the base of the balance between the principles of social justice (as for services and the infrastructure) and on the base of the economic efficiency (as for production activity).
- The needs become so urgent to improving and increase the product level and developing the competition level in all the national economic sectors and raise the absorptive capacity of the investment and the ability to creative a new sources for wealth.
- And what the investment need in Libya in the future (**Saleh. Dr-Muzher Mohammed Saleh, 2010**): the development situation of Libya pointed on delve into the fragmented patterns of the investment doesn't strength the result of the growth unless it depending on a strong push of the development presented the minimum of the investment, its rate doesn't less than (15-20)% of the gross domestic product that necessary for make sure a self and sustained growth, and by that the availability of the minimum of the investment with it broad form consider as a necessary condition to achieve the self sustained growth that's limited with availability an external economic savings.
- Guarantee an important fiscal riser of the private investment activity that ensure the success of projects of the privet activity and it's initiative in two directions:

The first ones: Renew the areas and the existing industrial parks which owned it the private sector by saving technology, work ways, production, marketing that leave the past technological era, with making (5-7) new industrial parks in all country.

The second ones: presented by supply an important much of the social capital or the infrastructure that prepares to the industrial areas a research subject which it's exist considered as a necessary complement of self sustained growth supplements.

At the level of the agricultural activity, depended on strategy agricultural areas that ensure the grain security in Libya by suggestion make (7) agricultural areas by reality of (1) million acres for each area of the new intensive agricultural form take care of it the private activity by help from the State, beside of the expenses of the residential complexes idea on the same standers.

The open field in front of the foreign investment must be subject to the laws and the national legislation (Iraqi) of the organization, control, areas, limits and what ensure the right of each parts and achieving the hops benefit.

2.5. The Conclusions and Recommendations

Of all what came before about the economic growth and its main indicators in the Libyan economic for period (1970-2016) and discussed it, we can say that the economic growth is accounts today a increase interest of the concerned and specialists and with all government levels, private sector and public peoples which looking forward to the achievements of development that fit with the stage natural.

2.5.1. The Conclusions

*The investment is the most important factor in the development process, and the state of the growth shaping in the total process of formation the capital and establishes an economic and social mechanism to sustain and increase the accumulation of the capital.

In the country that characterize with late of the technological level, the rate of the demand capital growth to accommodate a new technology is being bigger of what it's in the development countries and of these main specialize which characterizing of it the economic development countries are the scarcity of capital, the miss used of it, and the inadequate of what it consists to finance the necessary investment to rise.

*The start point in the resource allocation process is how to maximize the rate of the growth of the output by using the local resources and how minimize the needs of this process of the foreign coins.

*The economic growth is means in general the increase of the income of a particular state, the increase in the goods and services which produce by particular economic and this increase in the capital, the technological advances and improving the education state are considering as the main reason of the economic growth.

*In Libya the period (1970-1980) had noticed a rise in the growth rates in the main product sectors and during the period (1986-2010) the development march had fall back and the positive development effects that been achieving in the seventies had limited because of the two war, the siege, the exceptional circumstances that Libya been through in the eighties and the period that follow it.

*The popular growth had kept its high pace (4.21%) during the seventies and eighties of the past century, but the pace of this rate had noticed a decrease after the year of (1990) in to (2.80%) affecting with the conditional that Libya go through it, and therefore the decrease of the values of the demographic indicators after the year (2003) but the rate of the popular growth in Libya had reached in rises to a rate of (3.26%) on the long average range during the period (2000-2010).

*The gross domestic product had increased with composite growth rate as much as (13.0%) of the underway prices for a period of time (1970-1980) but it decrease to (2.5%) of the underway prices for period of time (1980-1990) and (3.7%) of the fixed prices, and that's decrease back to filling the big part of the economic resources to the war effort and to the partly stopping of the oil exports during this period.

And the data of the economic growth of the period (2003-2007) had showed that the gross domestic product had achieved a yearly growth as much as (11.8%) of the underway prices and (6.8%) of the fixed prices which reflex the existence of a high inflationary pressures.

*During the period (1970-1979) the size of the making the fixed capital had increase with composite growth rate as much as (15.6%) of the underway prices but it's achieve a negative yearly growth rate as much as (7.55%) during the eighties as what came of the war from the devastation of the asset of the production capacities.

And during the period that came after (2003) as the making of the fixed capital had achieved a rate as much as (128%) of the underway prices and (97%) of the fixed prices thanks to the development in the government investment.

*During the year (2003) the proportion of government consumer spending to the local product (9.5%) while the investment spending doesn't reached except (8.8%) for the same year.

After (2005) and as a result of the relative improvement in the investment activity , the rate of the fixed capital to the gross domestic product had return to rise to reached (15.6%) in the year (2007) and that's considered as a positive indicator that servant the economic growth path in Libya.

*The main indicators of the Libyan economic growth rates during the period (1970-2010) pointed to that economic is facing a different challenges that the research pointed to it, and as the important ones of it:

- The rentierof the Libyan economic as the extraction and export of crude oil sector contributes with rate (95%) with generated the gross domestic product.

- The limited rule of the privet sector in the development process as the rate of it contributes of making the gross domestic product was (13.4%) during the eighties of the past century, rising toalmost reached the limit of (30%).

- The high rates of the unemployment had continued and it was almost (18.2%) as the last statistical survey of it in the year (2007) with clearly focuses of it among young people and women.

- The big growth in the government consumer spending which had formed a competition to the investment spending which leading in its part to decrease the rate of the public growth of economic.

2.5.2. TheRecommendations

The recommendations that we see are more important and provide opportunities to take by it to increase and stability the rates of the economic growth.

- 1- The rebuilding is require a concentration of the economic resources, planning ways and the central administration between the State which requiring provide a hung of capital.
- 2- Working on increase the rate of the contribution of the productive sectors (Agriculture, Industry and tourism) in the gross domestic product and the possibilities of material and human in Libya are available for that if it's been advantage and development well.
- 3- Activate the product investment of the natural and human resource during customize the necessary fiscal resources with what make the investment politic is support to the aim of achieving a comprehensive and sustainable development of the national economic.
- 4- Support the privet sector and build a partnership between it and the public sector and strengthen its role in all the economic and social activity.
- 5- Open the way (studying) in front of the direct and indirect foreign investment with continue in development the laws and legislation which organizing that.
- 6- The formation of the new investment consider as a very important factor with select the economic growth rate and increase the income with quick rates to cross the population growth rates for rising the living level of individual as the investment consider ad the first condition to achieving a quick rates of the economic growth.
- 7- Beside making an economic plans and apply it, it's necessary that:
 - Using the economic account in way that more comprehensive and profoundto reach the perfect use of resource.
 - Continuing applies the plan and considered that as not separated partof the planning process and that's according to mechanics and procedures that clear and accurate.
 - Select the future development of the Libyan economic for the ten years at less during preparing for the future predictive calculations.
- 8- And as we see it important and the necessary of had intention on it is go far or cross the phenomenon that the human only find himself in reach gain or take of gain in all ways that available in front of him, as that consider of the very dangerous things, especially in the way of the development process, as the development experiment in the development state hadshows that the development, building, and evolution are need the human that find himself in the form of the society and the country level during new add, special product work and as a part of

the development situation and that's what we need for to live up with economic growth rates in Libya and its prosperity.

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