

# Beneath the Black Gold: Libya’s Deepening Poverty Crisis

By Omar Khattaly · 10 June 2025

## The Scandinavian Model: Equality as a Foundation

When we examine the experiences of prosperous nations worldwide, we find that Scandinavian countries—such as Sweden, Norway, Denmark, and Finland—consistently top the list of the most stable and prosperous societies. What, then, is their common denominator? The answer is simple: equality.

These countries did not achieve their status by chance. Instead, they paved their way to prosperity by building societies founded on social justice, equal opportunity, and a steadfast commitment to narrowing class divides. They recognized long ago that poverty, discrimination, and marginalization are not merely fleeting social issues, but ticking time bombs that threaten a nation’s unity and internal stability—exactly as we see in Libya today.

By contrast, empirical studies and real-world evidence demonstrate that nations with

high inequality rates are far more prone to political instability, deep social divisions, and a breakdown of trust between citizens and state institutions, which ultimately leads to chronic volatility. It is no surprise that Libya now finds itself classified among these vulnerable nations.

## Paradoxical Poverty in Oil-Rich Libya

Despite its vast oil production and abundant mineral wealth, Libya today is home to a severely impoverished population. According to a study published by the University of Misrata, nearly 40% of Libyans live below the poverty line, with 1.9% experiencing extreme poverty. Furthermore, over 30% of the population struggles to survive on incomes below 2,350 dinars per month (approximately $300 at black-market exchange rates).

Corroborating these findings, an independent study by the National Human Rights Institution revealed that the national poverty rate in Libya officially surged to 40% in 2023, underscoring a deepening economic crisis.

## Poverty in Libya: A Borderless National Crisis

International studies reveal that poverty in Libya knows no geographic boundaries. The hardest-hit municipal areas include Tazirbu, Derna, and Jalu, where localized poverty rates encompass a staggering 80% of the population. On a broader regional scale, Tripoli ranks first, with 13.3% of its residents living below the poverty line, followed by the Gulf of Sirte at 4.9% and Benghazi at 4.8%.

These figures are deeply alarming for a nation of just 8 million people—especially one that produces roughly 1.2 million barrels of oil per day, holds a $67 billion sovereign wealth fund, and owns over 550 global investment firms.

## Equality: Beyond Slogans, Toward Action

Ultimately, equality cannot merely remain a slogan for political speeches and ceremonial occasions; it must be transformed into an actionable plan, a clear national vision, and a comprehensive, long-term strategy. If Libyans truly aspire to build a modern, stable, and secure country, they must start by empowering their people:

- A populace that feels this nation truly belongs to them.
- A populace that views Libya as a collective homeland for all—not an economic privilege reserved for a select few.

For five decades—stretching from the Qaddafi era to the contemporary transitional governments—Libyans have endured extractive policies that have marginalized ordinary citizens while eroding social justice and a sense of national belonging. Now is the time for systemic change, starting directly from the roots.

## References


- **University of Misrata — Faculty of Economics and Political Science.** *Reasons for Rising Living Costs and the Emergence of Poverty in Libya.*
- **National Institution for Human Rights in Libya (NIHRL).** *Poverty in Libya — 2023.*
- **Libya Bureau of Statistics and Census (BSC).** *Household Income and Expenditure Survey, 2022–2023.*
- **United Nations Development Programme (UNDP).** *2023 Global Multidimensional Poverty Index.*
- **Institute for Security Studies (ISS) — African Futures.** *Libya Development Futures.*
- **World Bank.** *Libya — Country Overview and Economic Updates.*
- **International Monetary Fund (IMF).** *2025 Article IV Consultation with Libya.*
- **International Monetary Fund (IMF).** *2024 Article IV Consultation with Libya.*
- **Libyan Investment Authority (LIA).** *Annual Reports and Institutional Information.*
- **International Labour Organization (ILO).** *Libya — Labour Market and Employment Data.*
- **International Monetary Fund (IMF) and World Bank.** *Libya — Macroeconomic and Fiscal Sustainability Research.*