
Economic Corruption and its Impact on Achieving the Sustainable Development Goals (SDGs) in Libya

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Abstract

This paper investigates the relationship between economic corruption and the achievement of Sustainable Development Goals (SDGs) in Libya. Utilizing time-series data from 1990 to 2019 and employing an Autoregressive Distributed Lag (ARDL) model, the paper assesses the impact of economic corruption, measured by the International Country Risk Guide (ICRG) index, on the Sustainable Development Index (SDI). The findings reveal a significant negative correlation between economic corruption and sustainable development. The paper further examines the roles of economic growth, human capital, inflation, and unemployment as key determinants influencing sustainable development outcomes. The results emphasize the need for comprehensive strategies to combat corruption, promote good governance, and foster inclusive economic development to accelerate progress toward the SDGs in Libya.

Keywords: Economic Corruption, Sustainable Development Goals, Libya, ARDL Model.

JEL Classification: O11, O43, Q01, H11, H26

1. Introduction

Sustainable development has become a central focus of global policy, with the United Nations Sustainable Development Goals (SDGs) providing a comprehensive framework for addressing interconnected economic, social, and environmental challenges (Sachs, 2012). Achieving these goals requires not only effective resource management and technological innovation but also robust governance structures that ensure transparency and accountability (Acemoglu & Robinson, 2012). Corruption, particularly economic corruption, poses a significant impediment to sustainable development, undermining institutional effectiveness, distorting resource allocation, and discouraging investment (Mauro, 1995).

Libya faces unique development challenges, including political instability (Elboiashi, 2024), weak governance, and pervasive corruption. The country's reliance on oil revenues, coupled with a lack of diversification, exacerbates these challenges, making it vulnerable to economic shocks and rent-seeking behaviour (El-Gamaty, 2016). Given these factors, understanding the impact of economic corruption on sustainable development in Libya is crucial for formulating effective policies and interventions.

The paper addresses a critical gap in the literature concerning the impact of economic corruption on the achievement of the Sustainable Development Goals (SDGs) in Libya. While the detrimental effects of corruption on economic growth and governance are well-established, its specific impact on sustainable development indicators in Libya remains under-explored. Given Libya's unique development challenges, including political instability, weak governance, and reliance on oil

revenues (El-Gamaty, 2016; Elboiashi, 2024), understanding this relationship is crucial for formulating effective policies.

The aim of this paper is to investigate the relationship between economic corruption and the achievement of the SDGs in Libya. Specifically, analysing the impact of economic corruption, measured by the International Country Risk Guide (ICRG) index, on the Sustainable Development Index (SDI). This paper further examines the roles of economic growth, human capital, inflation, and unemployment as key determinants influencing sustainable development outcomes. By employing an Autoregressive Distributed Lag (ARDL) model, this paper accounts for the dynamic relationships between these variables and capture both short-run and long-run effects.

This paper will provide evidence-based insights into the complex relationship between economic corruption and sustainable development in Libya. The findings will inform policymakers and practitioners in designing and implementing effective anti-corruption strategies that promote inclusive economic growth, strengthen governance structures, and accelerate progress toward the SDGs. Specifically, by identifying the channels through which corruption impacts sustainable development outcomes, this study can help prioritize interventions that target the root causes of corruption and maximize their impact on achieving the SDGs in Libya. Furthermore, this paper will contribute to the broader literature on corruption and development by providing empirical evidence from a fragile state context, enhancing our understanding of the challenges and opportunities for promoting sustainable development in similar settings.

2. Literature Review

The adverse effects of corruption on economic development are well-documented. Early work by Mauro (1995) demonstrated a significant negative correlation between

corruption and economic growth, primarily driven by reduced investment and productivity. Subsequent studies, such as Gupta, Davoodi, and Alonso-Terme (2002), have corroborated these findings across various contexts, reinforcing the understanding that corruption acts as a drag on overall economic performance. Corruption distorts the efficient allocation of public resources, leading to underinvestment in critical sectors like education, healthcare, and infrastructure (Tanzi & Davoodi, 2000). This misallocation directly hinders the development of human capital, exacerbating poverty and income inequality (Hickel, 2020). Beyond its impact on resource allocation, corruption erodes public trust in institutions, undermining governance and diminishing the effectiveness of public policies (Acemoglu & Robinson, 2012). In short, corruption represents a significant obstacle to creating inclusive and sustainable economic progress.

Moving beyond the general effects of corruption, the Libyan context presents a particularly challenging case. Prior to 2011, studies such as El-Gharabli (2014) and El-Gamaty (2016) documented the ways in which corruption compromised Libya's economic performance. Specifically, El-Gharabli's (2014) analysis revealed administrative inefficiencies stemming from bribery and patronage within the public sector, leading to project delays and increased costs, while El-Gamaty (2016) estimated that the misappropriation of public funds, often through inflated contracts and illicit financial flows, cost the Libyan economy billions of dollars annually. More recently, the political instability following 2011 has amplified the problem. The World Bank (2022) reported that political instability after 2011 resulted in a 40% decline in Libya's GDP. Elboiashi (2024) attributes this decline to resource misallocation and infrastructure deterioration. Lacher (2020) demonstrates how corruption has enabled the proliferation of armed groups and migrant smuggling networks, destabilizing the country. For example, corrupt officials have been implicated in providing false documentation and protection to smugglers, allowing

these illicit activities to flourish with relative impunity. The confluence of these factors, combined with Libya's reliance on oil revenues, creates a fertile ground for the "resource curse," where corruption undermines efforts to diversify the economy and promote sustainable development (Karl, 1997).

Recognizing these challenges, recent efforts have focused on addressing corruption in Libya. Libya's 2025–2030 National Anti-Corruption Strategy aims to realign priorities toward transparency and Sustainable Development Goal (SDG) alignment by safeguarding public funds and strengthening institutional accountability. The UNODC's GRACE program (2023) focuses on building a culture of integrity by integrating anti-corruption education into universities, empowering the next generation to advocate for good governance. Complementary international efforts, such as EU-funded projects (2024), aim to bolster prosecutorial capacities, addressing critical enforcement gaps in Libya's legal framework and promoting the rule of law. The Libyan Human Development Report (UNDP, 2022) also outlines strategies for improving governance and promoting inclusive economic growth as part of a broader effort to achieve the SDGs.

Despite these ongoing efforts, existing research has largely focused on quantifying the economic costs of corruption, neglecting its broader, multidimensional impacts on sustainable development in Libya. While studies by El-Gharabli (2014) and El-Gamaty (2016) offer valuable estimates of GDP losses, they do not fully explore the linkages between corruption and specific SDGs, such as social equity (SDG 10), environmental sustainability (SDG 13), or migration governance. Understanding these linkages is crucial for designing targeted interventions that can maximize their impact on achieving the 2030 Agenda. Further, analyses of anti-corruption measures reveal that economic growth has stagnated due to persistent governance challenges in Libya. The paradox underscores the difficulty of combating corruption in fragile states where political transitions often fail to address deep-seated systemic

vulnerabilities (UNDP, 2016). This paper aims to address this gap by empirically investigating the impact of economic corruption on the Sustainable Development Index (SDI) in Libya, while controlling for other key determinants of sustainable development outcomes. By providing evidence-based insights into the complex relationship between corruption and sustainable development, this study seeks to inform policy decisions and contribute to a more nuanced understanding of the challenges and opportunities for promoting inclusive and sustainable growth in Libya.

3. Methodology and Data

The paper employs an Autoregressive Distributed Lag (ARDL) model to analyse the dynamic relationships between these variables. The ARDL model is particularly suitable for time-series data with mixed orders of integration (Pesaran, Shin, & Smith, 2001). The ARDL model allows us to estimate both short-run and long-run effects, while also accounting for potential endogeneity and feedback loops.

The ARDL model is specified as follows:

$$LSDI_t = a_0 + a_1LECP_t + a_2LGDP_t + a_3LGDPP_t + a_4LINF_t + a_5LUNY_t + \varepsilon_t \dots \dots \dots (1)$$

Where:

$LSDI_t$: indicating to the Sustainable Development Index in the Libyan economy over a specific period. It is used to measure the rate of sustainable development in the Libyan economy.

$LECP_t$: The Economic Corruption Index at time t. We hypothesize that increased economic corruption negatively impacts the rate of sustainable development, leading to an expected negative coefficient ($a_1 < 0$). Using the International Country Risk Guide (ICRG) index as a measure of economic corruption, which considers

corruption among government officials, the quality of government services, and the effectiveness of anti-corruption efforts.

$LGDP_t$: The real Gross Domestic Product (GDP) at time t . We include real GDP to capture the rate of economic expansion and its potential impact on sustainable development. Despite the relatively small size of the domestic market compared to global economies, an increase in the production base and market size enhances the national economy's growth capacity and competitive edge, positively reflecting on the Sustainable Development Index. Thus, we expect a positive coefficient for this variable ($a_2 > 0$). Data source: World Bank, World Development Indicators (WDI).

$LGDP_t$: indicating to the real GDP per capita over a specific period. Including real GDP per capita as a proxy for average economic welfare and aggregate demand. An increase in aggregate demand suggests improved individual well-being, which correlates with enhancements in the Sustainable Development Index. Therefore, we expect a positive coefficient for this variable ($a_3 > 0$). Data source: World Bank, WDI.

$LINF_t$: indicating to the consumer price index, included in the model to assess its potential impact on sustainable development. Inflation, signifying a general rise in prices over time, can negatively affect economic stability and sustainable development by distorting market mechanisms and undermining monetary policy effectiveness. Consequently, we anticipate a negative coefficient ($a_4 < 0$). Data source: World Bank, WDI.

$LUNY_t$: indicating to the unemployment rate, expressed as the percentage of the workforce that is jobless and actively seeking employment. High unemployment levels can lead to significant social and economic consequences, including increased poverty and inequality. The exacerbation of unemployment due to market distortions

negatively impacts the achievement of high rates of sustainable development, leading us to expect a negative coefficient ($a_5 < 0$). Data source: World Bank, WDI.

ε_t : Refers to the random variable, assumed to have a normal distribution with a mean of zero and constant variance. t denotes time, and L indicates the logarithmic form¹.

3.1 Justification of Variable Selection:

The choice of independent variables is guided by both economic theory and the specific challenges facing Libya. The paper assumes that economic corruption (LECP) exerts a direct, negative influence on sustainable development, siphoning off resources and weakening institutions. While economic expansion is necessary, economic growth (LGDP) cannot be the sole factor; improving the GDP Per Capita (LGDPP) captures improvements to well-being for individuals. Economic growth (LGDP) allows for the provision of public services, infrastructure, and education, improving HDI. GDP per capita (LGDPP) will allow individuals to have an improved quality of life. Inflation (LINF) is included to account for macroeconomic instability, which can disproportionately affect vulnerable populations and undermine long-term planning. Finally, unemployment (LUNY) is a critical indicator of social and economic well-being, reflecting the degree to which the economy is able to provide opportunities for its citizens. In Libya, where youth unemployment remains a significant concern, this variable captures the challenges of translating economic growth into tangible improvements in people's lives. The

¹ Taking the first difference of a variable in natural logarithmic form is always equal to the variable's rate of growth. For example, if we have a variable (X) and wish to calculate its growth rate, which is given by the following equation in numerical form:

$$\Delta X_t = \frac{X_t - X_{t-1}}{X_{t-1}} = \frac{X_t}{X_{t-1}} - 1$$

If the natural logarithm (\ln) is applied to the formula, the result is as follows:

$$\Delta \ln X_t = \ln \left(\frac{X_t - X_{t-1}}{X_{t-1}} \right) = \ln \left(\frac{X_t}{X_{t-1}} \right) - \ln(1) = \ln X_t - \ln X_{t-1}, \text{ where } \ln(1) = 0.$$

inclusion of the Sustainable Development Index (SDI) allows for assessing the interplay between growth, environment and social components of HDI.

To examine the relationship between economic corruption and the SDGs in Libya, the paper utilizes time-series data from 1990 to 2019.

3.2 Limitations and Assumptions of the Model Application:

It is essential to recognize the limitations and assumptions of this model, summarized as follows:

- **Data Dependency:** The model relies on secondary data, which may have limitations regarding accuracy and reliability. Efforts will be made to ensure the use of reputable and reliable sources.
- **Linear Relationship Assumption:** The model assumes a linear relationship between economic corruption and sustainable development. While this assumption allows for simplified analysis, it may not capture the complex dynamics and non-linear effects that economic corruption can have on sustainable development.
- **Focus on Economic Corruption:** The model concentrates on the impact of economic corruption on sustainable development but does not consider other forms of corruption, such as political or social corruption. Future research could explore the broader effects of corruption on sustainable development by integrating these additional dimensions.

Despite these limitations, we believe that the ARDL model provides a valuable framework for understanding the complex relationship between economic corruption and sustainable development in Libya. The analysis results will provide valuable insights into the impact of economic corruption on sustainable development, aiding policymakers and stakeholders in developing effective strategies to combat corruption and promote sustainability.

4. Results

This research performs several diagnostic tests to assess the validity of the ARDL model, including tests for serial correlation, heteroskedasticity, and functional form misspecification by applying Ramsey Test. It also conducts a F-bounds test to determine the existence of a long-run relationship between the variables (Pesaran, Shin, & Smith, 2001).

4.1 Unit Root and Cointegration Tests:

To assess the time series properties of the variables, we employ Phillips-Perron (PP) unit root tests to determine stationarity at levels or first differences. Table 1 presents the results, indicating that economic growth (GDP) and GDP per capita (GDPP) are stationary in levels [$I(0)$]. In contrast, the Sustainable Development Index (SDI), Economic Corruption Index (ECP), inflation (INF), and unemployment (UNY) are stationary only after first differencing [$I(1)$]. This mixed order of integration, suggesting cumulative and persistent effects of these variables in the long run. Based on these findings, the Autoregressive Distributed Lag (ARDL) model is deemed an appropriate analytical methodology for investigating the dynamic relationships among the variables under consideration, while accounting for the cumulative nature of shocks in economic policies.

Table 1: Phillips-Perron (PP) Unit Root Test Results (1990–2019)

Variable	At Level			At First Difference		
	With Constant	With Constant & Trend	Without Constant & Trend	With Constant	With Trend	Without Constant & Trend
LSDI	-1.1133	-0.6533	0.0556	-4.3784*	-5.9116*	-4.4560*
LECP	-1.6211	-2.4272	-0.1803	-4.1678*	-4.2687*	-4.2272*
LGDP	-6.7467*	-6.8397*	-0.6090	-18.7971*	-18.4683*	-19.2124*
LGDPP	-3.7781*	-3.8383*	-0.2698	-11.7333*	-14.2428*	-11.9052*
LINF	-2.3616	-2.2681	-0.5426	-5.3700*	-5.0280*	-5.3234*
LUNY	-0.6003	-5.5191*	0.6012	-11.1921*	-11.1787*	-8.0366*

Notes: 1. Significance levels: *1%, **5%, ***10%; "n0" denotes non-significant.
2. Lag length selected via Schwarz Information Criterion (SIC).

3. p-values follow MacKinnon (1996) one-sided approximations.
4. Variables prefixed with "L" denote natural logarithms.
Source: Author's calculations using EViews 12 statistical software.

Table 2 summarizes the F-bounds test results for critical value thresholds at multiple significance levels (Pesaran et al., 2001). The computed F-statistic (5.818) surpasses the upper-bound critical values at all significance thresholds (10%, 5%, 2.5%, and 1%), rejecting the null hypothesis of no cointegration. This provides empirical evidence for a long-run equilibrium relationship between sustainable development and the independent variables in the autoregressive distributed lag (ARDL) framework.

Table 2: ARDL F-Bounds Test for Cointegration

Statistic	Value	Significance Level	I(0) Critical Value	I(1) Critical Value
F-statistic	5.817504	10%	2.08	3
k (Number of Regressors)	5	5%	2.39	3.38
		2.5%	2.70	3.73
		1%	3.06	4.15

Lag order selection via the Schwarz Information Criterion (SIC) yielded the optimal ARDL specification: ARDL (1, 1, 2, 2, 2, 1).

The analysis proceeds in three stages: (1) short-term coefficient estimates, (2) long-term ARDL parameter results, and (3) diagnostic testing to assess model validity, including residual normality, serial correlation, and heteroscedasticity checks. Robustness tests further confirm the reliability of the estimated relationships.

4.2 Short-Run ARDL Model Estimates for Libya's Sustainable Development Index (SDI):

Table 3 presents summary of short-run estimates from an ARDL model explaining Libya's SDI dynamics. The adjusted R^2 of 0.78 indicates the model explains 78% of SDI variation, demonstrating strong explanatory power. The error correction term (CointEq(-1)) is significant (-0.602 , $p < 0.01$), confirming a stable long-run

equilibrium with a 60% annual adjustment rate. This aligns with the F-bounds test, supporting cointegration.

Table 3 also shows that:

1. Economic Corruption (LECP): A 1% increase in corruption reduces SDI by 0.15% (coefficient = -0.150 , $p = 0.019$), highlighting its adverse short-run impact.
2. Economic Growth (LGDP): A 1% increase in growth raises SDI by 0.04% (current) and 0.02% (lagged).
3. GDP Per Capita (LGDPP): A 1% rise in GDP per capita boosts SDI by 0.22% contemporaneously and 0.15% in the following year.
4. Inflation (LINF): Current inflation has a marginal negative effect (-0.007% , $p = 0.08$), while lagged inflation reduces SDI by -0.018% ($p < 0.01$).
5. Unemployment (LUNY): A 1% increase in unemployment lowers SDI by 1.9% (coefficient = -1.898 , $p < 0.01$), reflecting structural economic vulnerabilities (e.g., weak private sector, oil dependency).
6. While corruption and unemployment significantly hinder SDI progress, economic growth and GDP per capita improvements drive positive short-run outcomes. Inflation's delayed impact underscores the need for proactive monetary policies. Addressing structural issues-diversification, private sector development, and anti-corruption measures is critical for sustainable development.

Table 3: Summary of Short-Run ARDL Model Estimates for Libya's Sustainable Development Index (SDI)

Variable	Impact on SDI (1% Increase)	Significance
Economic Corruption	-0.15%	$p < 0.05$
Economic Growth	$+0.04\%$ (current), $+0.02\%$ (lagged)	$p < 0.01$
GDP Per Capita	$+0.22\%$ (current), $+0.15\%$ (lagged)	$p < 0.01$
Inflation	-0.007% (current), -0.018% (lagged)	$p < 0.10$ (current), $p < 0.01$ (lagged)
Unemployment	-1.9%	$p < 0.01$
Adjusted R-squared	0.779337	

The ARDL model robustly identifies short-run SDI drivers in Libya. Correct coefficient interpretation is essential: effects are percentage changes (e.g., 0.22% \neq 22%). Policymakers should prioritize reducing corruption, unemployment, and inflation while fostering inclusive growth to enhance sustainable development outcomes.

4.3 Long-Run Equilibrium and Diagnostic Tests:

Table 4 shows that all variables exhibit theoretically consistent signs and are statistically significant at the 1% level, except unemployment, which is significant at 5%. Diagnostic tests indicate a well-specified model. The Jarque-Bera test suggests that the residuals are normally distributed ($p = 0.721$). The Breusch-Godfrey LM test for serial correlation and the ARCH test for heteroscedasticity provide no evidence of these issues ($p = 0.483$ and $p = 0.841$, respectively). The Ramsey RESET test raises some concerns about functional form ($p = 0.057$), warranting cautious interpretation of the long-run coefficients.

Table 4: Long-Run Estimates of Sustainable Development Function

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Economic Corruption (LECP)	-0.249613	0.079415	-3.143125	0.0015
Economic Growth (LGDP)	0.080849	0.021774	3.713113	0.0023
GDP Per Capita (LGDPP)	0.617027	0.132815	4.645750	0.0004
Inflation (LINF)	-0.044051	0.010281	-4.284509	0.0008
Unemployment (LUNY)	-0.552228	0.242659	-2.275738	0.0391
Constant (C)	-3.250453	0.583425	-5.571328	0.0001

Table 4 also shows that:

1. Economic Corruption (LECP): a 1% increase in the economic corruption index reduces the sustainable development index (LSDI) by approximately 25% in the long run. This aligns with prior literature underscoring corruption's detrimental effects on institutional efficiency, market mechanisms, and resource allocation. Corruption diverts resources from productive sectors, stifling sustainable development efforts.

2. Economic Growth (LGDP): a 1% rise in GDP growth corresponds to an 8% increase in sustainable development. Economic growth generates employment, elevates living standards, and provides resources for critical infrastructure, aligning with theories linking sustained growth to long-term development goals.
3. GDP Per Capita (LGDPP): a one-unit increase in GDP per capita (measured in local currency) raises the sustainable development index by 62%. Higher individual income levels improve access to education, healthcare, and essential services, reinforcing the role of economic prosperity in advancing sustainable outcomes.
4. Inflation (LINF): a 1% increase in inflation reduces sustainable development by 4%. High inflation erodes purchasing power, discourages investment, and introduces macroeconomic instability, underscoring the importance of price stability.
5. Unemployment (LUNY): a 1% rise in unemployment decreases sustainable development by 55%. Elevated unemployment signals underutilized human capital and exacerbates social and economic inequality, hindering progress toward sustainability.

5. Discussion and Policy Implications

The findings reveal a striking consistency between the short-run and long-run effects of economic corruption on sustainable development in Libya. The direction of the effect is consistently negative, and the magnitudes are broadly similar: a 1% increase in the economic corruption index is associated with a reduction in the Sustainable Development Index of approximately 0.15% in the short-run and 0.25% in the long-run. This persistent and detrimental impact of corruption aligns with the extensive literature on the topic, highlighting how corruption erodes institutional trust, distorts policy effectiveness, and fosters resource misallocation (Mauro, 1995; Shleifer & Vishny, 1993; Bardhan, 1997; Rose-Ackerman, 1999; Tanzi & Davoodi, 1997;

Gupta, Davoodi, & Alonso-Terme, 2002; Khaled Alhmoud et al., 2024), reinforcing the consensus view that corruption is a major impediment to sustainable development (Transparency International, 2023).

The situation in Libya is further complicated by the resource curse, a phenomenon where abundant natural resources paradoxically hinder development due to corruption and mismanagement (El-Gamaty, 2016; Karl, 1997; Lacher, 2020). In Libya, the resource curse manifests itself through an over-reliance on oil revenues, which account for the vast majority of government income and exports, leading to a neglect of other sectors of the economy. This dependence creates opportunities for rent-seeking behaviour by elites, who can capture a disproportionate share of the oil wealth through corrupt practices. This, in turn, undermines diversification efforts, weakens institutions, and fuels social inequalities, ultimately hindering progress toward sustainable development.

In contrast to corruption, economic growth and GDP per capita consistently emerge as critical drivers of sustainable development in our analysis. This emphasizes the dual importance of both expanding overall income levels and ensuring equitable growth distribution to achieve sustainable development goals. Conversely, inflation and unemployment act as persistent drags on sustainable development, highlighting the need for stability-oriented monetary policies and comprehensive labour market reforms (UNDP, 2016). These challenges are particularly salient in Libya, where a history of conflict and political instability has created significant economic distortions (UN Security Council, 2024).

The findings of this paper have several key implications for policymakers in Libya, necessitating a concerted and multifaceted approach:

Anti-Corruption Strategies: The substantial negative impact of economic corruption on sustainable development underscores the urgent need for

comprehensive anti-corruption strategies that promote transparency, accountability, and good governance (Ades & Di Tella, 1999; World Bank, 2023; UNODC, 2023). These strategies should encompass strengthening institutional frameworks (Acemoglu & Robinson, 2012; Chhibber, Elfirdoussi, & Henzel, 2023), reforming regulatory systems to reduce opportunities for corruption, enhancing law enforcement capabilities to investigate and prosecute corrupt officials, and empowering civil society organizations to monitor and advocate for integrity.

Inclusive Growth Policies: The positive impact of economic growth and human capital development on sustainable development highlights the crucial role of policies that foster inclusive growth, generate employment opportunities, and prioritize investments in education, healthcare, and skills development (Jones, 2015; UNDP, 2025). These policies should aim to diversify the economy away from its over-reliance on oil, enhance competitiveness, improve the business climate for small and medium-sized enterprises (SMEs), and bolster workforce productivity through targeted training programs.

Macroeconomic Stability: Our results emphasize the importance of sound macroeconomic policies in fostering long-run sustainable development. Maintaining price stability through prudent monetary policy and effectively managing unemployment are critical for creating a stable economic environment that attracts investment, promotes private sector activity, and supports long-term growth. The European Union's support for Libya should prioritize programs that promote macroeconomic stability.

Addressing Humanitarian and Migration Challenges: Libya faces unique challenges related to migration and humanitarian crises, which can strain resources and impede sustainable development efforts (IOM, 2023). The presence of large migrant and refugee populations places pressure on public services, such as healthcare and education, hindering efforts to achieve SDGs related to these areas.

Moreover, the exploitation and abuse of migrants, often fuelled by corruption and weak governance, undermine efforts to promote social equity (SDG 10) and strengthen justice systems (SDG 16). Addressing these challenges requires a comprehensive approach that combines humanitarian assistance, protection of migrants' rights, and efforts to address the root causes of migration through improved border management, tackling human trafficking networks, and promoting stability and development in neighbouring countries.

6. Conclusion

This study contributes to the growing body of literature on the determinants of sustainable development, offering valuable insights into the specific challenges and opportunities facing Libya. The findings emphasize the importance of combating corruption, promoting inclusive growth, maintaining macroeconomic stability, and addressing structural economic vulnerabilities to achieve long-run sustainable development goals. By implementing evidence-based policies in these areas, Libya can make significant progress towards building a more sustainable and prosperous future for all its citizens. The use of the Sustainable Development Index (SDI) provides a holistic measure of progress that goes beyond traditional economic indicators (Hickel, 2020).

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