



المجلس الوطني للتطوير الاقتصادي و الاجتماعي

National Economic & Social Development Board

National Economic & Social Development Board

Executive Summary

Developing Startup projects and
Spreading the Culture of
Entrepreneurship and



WWW.NESDB.LY

All Rights Reserved

National Economic & Social Development Board

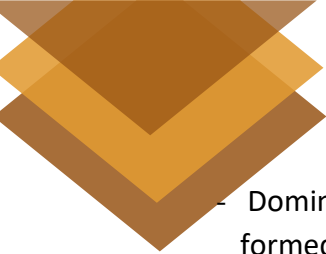
Executive Summary

Developing Startup projects and Spreading the Culture of Entrepreneurship and Innovation

1) Overview:

The project of developing start-ups and spreading the culture of entrepreneurship and innovation is a national project that includes all sectors and all regions of Libya, considering that the nature of this project is related to investing in human capital to contribute directly to enhancing the role of entrepreneurship and innovation; in creating job opportunities and knowledge-based economic growth, increasing national income and diversifying its sources. Therefore, the project team was formed from a group of experts belonging to different institutions within the Libyan state with the aim of reflecting the visions of this file from different angles. The stages of this project came in three main stages during 23 meetings. The first stage was divided into two parts; the first part dealt with the concept of entrepreneurship and innovation in terms of historical development, concept, types, theories and characteristics, while the second part represented in diagnosing the entrepreneurship environment in Libya. At the end of this stage, the results were presented to the stakeholders for this project to obtain feedback and unify all efforts in this file. The second stage was represented in preparing the Libyan policies for entrepreneurship and innovation and accompanying executive programs, which were among the most important works of this committee. The third stage was concerned with preparing the Act of support for emerging companies. At the end of this last stage, the committee's work was presented to all stakeholders; locally and internationally, with the aim of obtaining feedback on all the committee's work. In general, the work of this committee - in addition to the main outputs and recommendations - resulted in a set of general challenges that must be addressed in Libya through innovative and unconventional ways of thinking, including these general challenges:

- Absence of the concept of systematic institutional thinking and work in the administrative system, which caused the dispersion of Libyan social capital at the level of public policies, at the level of central institutions or at the level of regions, where tribal thinking and collective culture still play a major role in structuring the conflict over legitimacy, governance and ownership, which caused, on the other hand, a loss of confidence among stakeholders in power and development alike, as well as a loss of confidence between the government and the citizen.

- 
- Dominance of a culture of uncertainty and fear of the future over the Libyan character formed due to the prevailing Libyan cultural and economic contexts, for 50 years, which reinforced belief in old work rules and abhorrent bureaucratic behavior that resists innovation and change.
 - The fundamental challenge that threatens the Libyan entity and identity is illegal immigration and the increase in population in both neighboring countries and the African continent, which requires building an economic system, based on knowledge and advanced technology.

2) Project Objectives:

This project aimed to achieve four main objectives, which were achieved within planned time periods. These objectives are:

1. Diagnosing the Libyan environment for entrepreneurship and innovation.
2. Establishing the national policy for entrepreneurship and innovation.
3. Establishing the national system for entrepreneurship and innovation.
4. Preparing an Act to support and organize emerging companies.

3) Project Partners:

The project was fully implemented technically by the project team tasked with implementing this study, the committee involved the stakeholders of this file in the technical work by communicating with them directly, through presenting the committee's work in workshops implemented in this regard. Stakeholders who were contacted during the work of this project include, but are not limited to: the Prime Ministry, Ministry of Economy, Ministry of Industry, Ministry of Planning, Ministry of Higher Education, Ministry of Technical Education, Ministry of Labor and Rehabilitation, Ministry of Local Government, Ministry of Social Affairs, the Central Bank, civil society institutions, the General Union of Chambers of Commerce, Industry and Agriculture, and other various institutions within the Libyan economy.

4) Project Outputs:

The project outputs were as follows:

1. A comprehensive study to diagnose the ecosystem for entrepreneurship and innovation.
2. The Libyan policy document for entrepreneurship and innovation.
3. A document on the executive procedures for the policy of entrepreneurship and innovation.
4. A legal regulation, which is an Act to support and organize emerging companies.

This regulation was prepared by the team forming the project, and contained 15 articles that were discussed with the stakeholders of this project.

5) Most important data/statistics:

During the implementation of the committee's work, many international indicators and references were relied upon and analyzed. The most important of these references and indicators are the following:

1. Daniel Eisenberg's model of the entrepreneurship ecosystem, which was used to diagnose the entrepreneurship and innovation ecosystem in Libya as shown in the following figure:



2. Using the English Entrepreneurship Development Network (ANDE) methodology as a guide for analysis and diagnosis of the reality of the entrepreneurship ecosystem according to the following table.

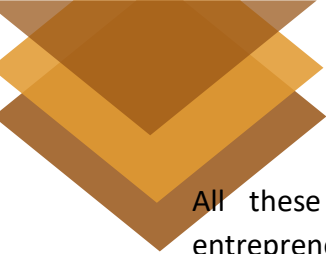
No.	Indicator	2019-2022	Source
1	Human Development	189/105	http://hdr.undp.org/en/countries/profiles/LBY
2	Entrepreneurship	137/104	https://thegdei.org/tool/
3	Security and stability	195/192	https://www.theglobaleconomy.com/rankings/wb_political_stability/
4	Social Progress	-	https://www.socialprogress.org/index/global
5	Health	168/195	https://www.ghsindex.org/country/libya/
6	Prosperity	149/167	https://www.prosperity.com/rankings
7	Corruption	171/180	https://www.transparency.org/en/cpi/2020/index/lby
8	Economic Freedom	162/161	https://www.heritage.org/index/country/libya
9	Achieving works	190/186	World Bank easy doing business report 2020
10	Electronic government	193/162	United Nations e. Governance Index 2020
11	Freedom of Press	180/164	https://rsf.org/en/ranking
12	Fragile state	179/159	https://fragilestatesindex.org/2020/05/10/libya-continues-path-as-the-decades-most-worsened-country/
13	Terror	163/151	https://www.statista.com/statistics/1192472/political-stability-and-absence-of-violence-in-libya/
14	peace	163/157	https://countryeconomy.com/demography/global-peace-index/libya

3. Analyzing more than ten international indicators of the chart of Entrepreneurship and innovation through the indicators used in Libya.

BTI	Hofstede	UTI	GSMA (ICT)	UNDP	GEDI	GII	OECD	UNESCO	WEF	GEM	EDOB	المجال
✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	السياسة
✓	✓				✓		✓	✓	✓	✓		الثقافة
✓					✓	✓	✓		✓	✓	✓	التمويل
		✓	✓		✓	✓	✓		✓		✓	البنية التحتية
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	رأس المال البشري
✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	الدعم، الخدمات، التواصل
	✓	✓	✓	✓	✓	✓	✓		✓	✓		كفاءة الأسواق
					✓		✓	✓	✓	✓		البحث والتطوير/الإبتكار
✓				✓		✓	✓		✓			حالة الإقتصاد الكلي

4. Analyzing the state of supporting institutions for Entrepreneurship in Libya.

رقم	إسم الجهة	فضاء أعمال	مركز أعمال	حاضنة أعمال	مسرعة أعمال	قاب لاب	مركز نقل تقنية	تمويل إبتدائي	تشبيك مع مستثمرين
1	الهيئة الليبية للبحث العلمي	x	x	x	x	x	x	x	x
2	المراكز البحثية التخصصية	x	x	x	x	x	x	x	x
3	هيئة النهوض بالصناعة	x	x	x	x	x	x	x	x
4	الجامعات	x	x	15	x	6	x	x	x
5	التعليم التقني	x	x	x	x		x	x	x
6	الحكم المحلي					x			
7	البرنامج الوطني للمشروعات الصغرى والمتوسطة	x	5	1	x		x	x	x
8	شركة تطوير (صندوق الإستثمار الداخلي	1	1	1	1	x	1	✓	✓
9	شركة ليبياانا (ستريم)	1	1	1	1	1	1	✓	✓
10	مجتمع مدني	15	x	x	x	1	x	x	x
11	المنظمات الولاية (بناء)	1	1	1	1	x	1	✓	✓
12	قطاع خاص	2	2	2	2	x	2	✓	✓



All these indicators, references and analysis came to diagnose the environment of entrepreneurship and innovation in Libya, on which the Libyan policy for entrepreneurship and innovation and its accompanying executive programs were built.

6) Conclusion:

This project relied generally on more than one hundred international references in the field of entrepreneurship and innovation, and on analyzing more than 72 documents to prepare the Libyan policy for entrepreneurship and innovation. In addition, more than 50 local legislations and more than 30 international laws related to supporting and regulating start-ups were analyzed, to reach the final image of the Act of support and regulation of start-ups. In the same context, this project relied in the stage of diagnosing the reality of the ecosystem in Libya on the model of Daniel Eisenberg, head of the Entrepreneurship and Innovation Ecosystem Project at Babson College in Wellesley, Massachusetts, based on desk research and a stakeholder survey. Finally, all previous analyses were enhanced by a SWOT analysis based on the McKinsey 7S model to analyze the entrepreneurship and innovation environment in Libya for all components of the Daniel Eisenberg model, in addition to analyzing more than twenty international indicators related to entrepreneurship and innovation to prepare the Libyan policy document for entrepreneurship and innovation.

It is worth noting that one of the most important recommendations that emerged from the workshop in which the committee's work was presented to stakeholders was to adopt the following outputs:

1. Libyan policies for entrepreneurship and innovation, and the implementation program for these policies.
2. Regulations for supporting and organizing emerging companies.

The committee also recommended that a special office for entrepreneurship be established in the Economic and Social Development Council, whose tasks include follow-up on this policy at the level of the Libyan state.

