



Italian Colonial Policy in the Economic Sphere in Libya (1911–1943): Motives, Objectives, and Consequences

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Received: 01/04/2026

Accepted: 01/06/2026

Published: 02/09/2026

Abstract

This article examines Italian colonial policy in the economic sphere in Libya during the period 1911–1943 by analyzing the motives that shaped this policy, the objectives that Italy sought to achieve, the mechanisms adopted by the colonial administration to implement its economic project, and the consequences of this policy. The Italian occupation of Libya constituted part of Italy's colonial expansion in the Mediterranean. Its objectives were not limited to political and military control but also extended to placing Libyan economic resources under the control of Italian interests.

The Italian colonial administration adopted an economic policy based on controlling agricultural lands, promoting Italian settlement, and reorganizing commercial and productive activities in accordance with the needs of the Italian economy. It also established a number of economic projects and infrastructures that were primarily linked to its colonial and settlement objectives.

The article also examines the effects of this policy on various economic sectors, particularly agriculture, which underwent profound changes as a result of land confiscation and the transfer of ownership to Italian settlers. It further analyzes its impact on trade and industry, as well as its economic and social repercussions on the Libyan population.

The study concludes that Italian economic policy in Libya was not a project aimed at achieving independent economic development. Rather, it served as a means of consolidating colonial domination, exploiting the country's resources, and integrating the Libyan economy into the Italian colonial system throughout the occupation period.

Keywords

Italian colonialism; Libya; economic policy; agricultural settlement; Libyan economy; Italian occupation (1911–1943).



Introduction

Libya experienced a significant historical period between 1911 and 1943, when it came under Italian occupation. This occupation was not merely a military enterprise aimed at imposing political control; rather, it constituted a comprehensive colonial project that sought to reshape various aspects of life in the country, particularly the economic sphere. Italy recognized that economic control represented one of the fundamental means of consolidating its colonial presence and achieving its political and strategic objectives in Libya. (1)

The Italian occupation of Libya emerged within the context of European colonial competition at the beginning of the twentieth century, as Italy sought to build a colonial empire that would enable it to compete with the major European powers. It viewed Libya as a territory of strategic and economic importance because of its geographical proximity to Italian territory, in addition to its agricultural potential and natural resources. (2)

From the beginning of the occupation, the Italian administration implemented an economic policy aimed at subordinating the Libyan economy to its colonial interests by controlling agricultural lands, encouraging Italian settlement, and redirecting commercial and productive activities in a manner that served the Italian economy. It also established agricultural projects and infrastructure whose primary purpose was to support the colonial project and facilitate the settlement of Italian colonists. (3)

The implementation of this policy led to profound transformations in the Libyan economic and social structure. Farmers suffered as a result of the loss of land, while trade and industry were also affected by the dominance of Italian institutions and the integration of the Libyan economy into the Italian market. (4)

Research Problem

The research problem revolves around the following main question:

What was the nature of Italian colonial policy in the economic sphere in Libya during the period 1911–1943, and what were its motives, objectives, implementation mechanisms, and effects on the Libyan economy and society?

The following questions arise from this central problem:

- What were the motives behind Italian economic policy in Libya?
- What objectives did Italy seek to achieve?
- What means did the colonial administration employ to implement its economic policy?
- What were the effects of this policy on agriculture, trade, industry, and social conditions?

Significance of the Study



The significance of this study lies in its focus on the economic dimension of Italian colonialism in Libya, as a fundamental element in understanding the nature of the colonial project and its methods. It also highlights the transformations experienced by the Libyan economy during the occupation period.

Research Methodology

The study adopts a historical-analytical approach by tracing the development of Italian economic policy and analyzing its objectives and consequences on the basis of historical sources and specialized academic studies.

Structure of the Study

Given the nature of the subject, the study is divided into two main sections:

Section One: Motives and Objectives of Italian Colonial Policy in the Economic Sphere in Libya.

Section Two: The Effects of Italian Colonial Policy in the Economic Sphere on Libya (1911–1943).

Section One: Motives and Objectives of Italian Colonial Policy in the Economic Sphere in Libya

The economic sphere constituted one of the fundamental dimensions of the Italian colonial project in Libya. Italy recognized that controlling economic resources and productive activities were essential means of consolidating its colonial presence. Accordingly, it adopted an economic policy aimed at reorganizing the Libyan economy in accordance with its political and settlement interests. This policy was based on a set of motives, objectives, and mechanisms, which will be examined below.

First Subsection: Motives of Italian Economic Policy in Libya

Italian economic policy in Libya was driven by a set of interconnected motives combining economic, settlement-related, political, and strategic considerations. The occupation of Libya in 1911 was not merely a military expansion but part of a colonial project through which Italy sought to acquire a new sphere of influence that would strengthen its international position and serve its economic interests. (5)

First: Economic Motives

The domestic economic conditions in Italy were among the major factors that encouraged colonial expansion. During the late nineteenth and early twentieth centuries, Italy experienced a number of economic and social problems, including unemployment, emigration, and inadequate resources in certain regions, particularly southern Italy. The Italian government therefore regarded colonialism as a means of creating new fields for investment and absorbing part of the population outside the country. (6)



Given its geographical proximity to Italy, Libya was considered a suitable target for this policy. Italian political and economic circles viewed it as a territory that could be exploited agriculturally and provide opportunities for settlement and production. Italy also sought to transform Libya into a market for Italian products and a source of certain raw materials required by its industries. (7)

Second: Settlement Motives

Agricultural settlement was one of the most prominent motives shaping Italian economic policy in Libya. Italy adopted a colonial model based on transferring Italian settlers and establishing permanent settlements on Libyan territory. The objective of this settlement was not merely economic; it also had political dimensions aimed at consolidating the Italian presence and transforming Libya into a colony with a European character. (8)

Accordingly, the Italian administration worked to provide land and privileges to Italian settlers, particularly in fertile agricultural areas, where farms and productive projects were established under the supervision of colonial institutions. This resulted in changes to the land-ownership system and weakened the position of Libyan farmers, who lost part of their agricultural resources. (9)

Third: Political and Strategic Motives

Italian economic policy was also linked to political and strategic objectives. Italy sought to establish itself as a major colonial power and compete with European states that had preceded it in overseas expansion. Libya represented an important strategic location in the Mediterranean, enabling Italy to strengthen its regional influence. (10)

Italy also used economic projects and infrastructure as instruments for consolidating its control. The construction of roads, ports, and facilities contributed to facilitating the movement of the colonial administration and military forces and connecting settlement areas with major centers. (11)

Thus, the motives behind Italian economic policy in Libya were not separate from the broader colonial project. Rather, they formed part of a strategy aimed at exploiting resources, expanding Italian influence, and establishing an economic system that served the objectives of the occupation.

Second Subsection: Objectives of Italian Economic Policy in Libya

The Italian colonial administration sought to achieve a set of economic objectives linked to the nature of its colonial project. It worked to transform the Libyan economy into a dependent economy serving Italian interests rather than developing it in a manner that would serve the interests of the local population. (12)

First: Exploiting Libyan Economic Resources



The exploitation of Libyan economic resources was among the main objectives of Italian policy. The colonial administration focused on investing agricultural lands and natural resources in the service of the Italian economy. Particular attention was given to agricultural areas, where productive projects were established to provide products for Italian markets. (13)

It also sought to direct agricultural production toward crops that generated economic returns for settlers and Italian companies, which contributed to the decline of traditional agricultural activities that had previously served the needs of the local population. (14)

Second: Integrating the Libyan Economy into the Italian Economy

One of the fundamental objectives of Italian economic policy was to make Libya part of the Italian economic system by controlling trade, investment, and production. Italy became Libya's principal trading partner, while the country was transformed into a market for Italian products and a source of certain agricultural commodities. (15)

This integration weakened the independence of the Libyan economy and made it dependent on the colonial economy, as major economic decisions were subject to the interests of the Italian administration. (16)

Third: Supporting the Colonial Settlement Project

Supporting Italian settlement was a central objective of economic policy. Italy considered control over land and the establishment of permanent Italian population centers to be fundamental to maintaining its presence in Libya. It therefore provided settlers with land, loans, and facilities necessary for establishing agricultural projects. (17)

Fourth: Using the Economy to Strengthen Colonial Control

The economic projects established by Italy were not separate from its political objectives. Development projects and infrastructure were used as instruments to facilitate administrative and military control and connect different regions with colonial centers. (18)

Third Subsection: Mechanisms for Implementing Italian Economic Policy in Libya

The Italian colonial administration relied on a number of means and mechanisms to implement its economic policy and achieve its colonial objectives. These mechanisms included control over land, regulation of agricultural activities, control of trade, encouragement of settlement, and the establishment of economic institutions serving the colonial project. (19)

First: Control over Agricultural Lands

Land occupied a central position in Italian economic policy, as it constituted the foundation of the agricultural settlement project. From the early years of the occupation, the Italian authorities began issuing laws and administrative measures that enabled them



to take control of extensive areas of land, particularly state-owned lands or those considered uncultivated. (20)

This resulted in the transfer of ownership of many agricultural lands to the colonial administration and Italian settlers, who received significant privileges to establish modern farms. In contrast, many Libyan farmers suffered from the loss of their lands or from a reduced ability to exploit them, which affected their economic and social conditions. (21)

Second: Encouraging Italian Agricultural Settlement

Italy relied on agricultural settlement as a means of consolidating its presence in Libya. It transferred large numbers of Italian farmers and provided them with land, financial assistance, and technical support. Special institutions were established to supervise settlement operations and organize agricultural projects. (22)

These projects were concentrated in agriculturally significant areas, particularly in Tripolitania and Cyrenaica, where Italian agricultural villages equipped with certain modern services were established. However, these projects were not intended to achieve comprehensive development of the Libyan agricultural sector; rather, they primarily served the settlers and strengthened Italian control. (23)

Third: Controlling Trade and Economic Activity

The Italian administration sought to impose control over domestic and foreign trade by granting Italian companies extensive privileges and encouraging the entry of Italian capital into Libya. This increased the influence of Italian institutions at the expense of certain local commercial activities. (24)

The movement of imports and exports was also directed in accordance with the interests of the Italian economy. Libya consequently imported a large proportion of Italian goods, while a significant part of its agricultural production was directed toward Italian markets. (25)

Fourth: Establishing Infrastructure to Serve the Colonial Project

The Italian administration paid attention to constructing infrastructure projects such as roads, ports, and communication networks, presenting them as manifestations of economic modernization. However, their primary purpose was to serve the colonial administration, facilitate the movement of military forces, and connect agricultural settlements with export centers. (26)

These projects contributed to strengthening Italy's ability to monitor inland regions and control economic activity, but they were not part of a policy aimed at developing an independent Libyan economy. (27)

Fifth: Establishing Colonial Economic Institutions



The Italian authorities established a number of institutions responsible for managing economic projects, supervising land distribution, and regulating agricultural and commercial production. These institutions played a fundamental role in implementing colonial economic policy and linking the Libyan economy to Italian interests. (28)

Through these mechanisms, Italy succeeded in imposing a new economic system in Libya based on controlling resources and directing production to serve its objectives, making the Libyan economy during the occupation period heavily dependent on the Italian economy.

Section Two: Effects of Italian Colonial Policy in the Economic Sphere on Libya (1911–1943)

Italian economic policy during the occupation brought about profound transformations in the Libyan economic and social structure. The measures adopted by the colonial administration reshaped the productive and commercial sectors and resulted in significant changes affecting agriculture, trade, and industry, while their consequences also extended to the social and living conditions of the population.

First Subsection: Effects of Economic Policy on the Agricultural Sector

The agricultural sector was the most affected by Italian colonial policy because of its direct connection with the settlement project adopted by Italy. The Italian authorities regarded control over agricultural land as a fundamental means of achieving their economic and political objectives. (29)

First: Changes in the Land-Ownership System

The policy of land confiscation led to significant changes in the agricultural ownership system, as extensive areas of land were transferred to Italian settlers and institutions. This deprived many Libyan farmers of their lands and resulted in a decline in their economic role. (30)

The loss of land also changed the status of the Libyan farmer, as some farmers moved from being landowners to becoming laborers working on settlers' farms. This brought about a transformation in economic and social relations within rural society. (31)

Second: Expansion of Italian Agricultural Settlements

Libya witnessed significant expansion in Italian agricultural projects, particularly during the 1930s, when agricultural settlements equipped with certain modern technologies were established. Settlers benefited from Italian government support through land grants, financing, and equipment. (32)

Despite the introduction of certain modern agricultural methods, these projects remained connected to colonial interests and did not lead to comprehensive agricultural development or improve the conditions of local farmers. (33)



Second Subsection: Effects of Italian Colonial Policy on the Commercial and Industrial Sectors

The Italian colonial administration sought to direct Libyan commercial activity to serve the Italian economy by tightening its control over foreign trade and linking Libyan markets to the Italian market. Most imports came from Italy, while Libyan exports, particularly agricultural products and raw materials, were directed toward Italian ports. This led to a decline in the role of Libyan merchants as Italian companies and settlers monopolized commercial activities and received extensive privileges at the expense of local merchants. The influx of Italian manufactured goods also weakened domestic trade and traditional local crafts, making the Libyan economy increasingly dependent on the Italian economy rather than functioning as an independent economy. (34)

The Italian administration also focused on constructing roads, ports, and transportation networks. However, the objective of these projects was not the development of national trade, but rather the facilitation of military movement, the connection of agricultural colonies with ports, and the rapid export of agricultural products and raw materials to Italy. (35)

In the industrial sector, Italian policy did not seek to establish a national industrial base in Libya. Instead, it was limited to the creation of light industries associated with the settlement project, such as grain mills, olive presses, and plants for packaging and processing agricultural products. Heavy and transformative industries capable of contributing to genuine economic development remained absent. (36)

This resulted in the decline of traditional Libyan industries and crafts, including textile production, tanning, and blacksmithing, due to competition from imported Italian products. In addition, Italians monopolized capital and technical management, while Libyan workers were largely restricted to simple, low-paid jobs. This prevented the development of national industrial expertise capable of leading economic development after the end of the occupation. (37)

Overall, Italian economic policy integrated the Libyan economy into the Italian economic system and transformed trade and industry into instruments serving the colonial and settlement project rather than means of achieving economic and social development for Libyan society. This negatively affected the country's economic structure until the end of the occupation in 1943. (38)

Third Subsection: Economic and Social Effects of Italian Colonial Policy in Libya

The consequences of Italian economic policy were not limited to productive and commercial sectors but extended to the social structure of Libyan society, bringing about profound transformations in patterns of life and economic and social relations. The



colonial economic system created clear disparities between the Libyan population and Italian settlers due to differences in access to resources and economic privileges. (39)

First: Deterioration of the Economic Conditions of the Libyan Population

Italian economic policy weakened the economic position of various Libyan social groups, particularly farmers who lost part of their lands as a result of confiscation and redistribution of ownership in favor of Italian settlers. This affected their productive capacity and their ability to maintain traditional sources of livelihood. (40)

The control of Italian institutions over important economic sectors also reduced the participation of the local population in economic activity. Italian companies obtained most of the privileges, while Libyans remained marginalized in many vital fields. (41)

Second: Spread of Poverty and Social Inequality

The colonial economic system contributed to widening social and economic disparities between Libyan inhabitants and Italian settlers. While settlers benefited from land, financial support, and administrative facilities, a large part of the local population faced economic difficulties as a result of resource loss and limited employment opportunities. (42)

The transformation of some farmers into wage laborers on settlement farms also changed the nature of social relations in rural areas and affected the position of farmers within local society. (43)

Third: Changes in the Social Structure

The policy of economic settlement contributed to the emergence of a new social group represented by Italian settlers who owned extensive lands and enjoyed privileged economic and administrative positions. At the same time, the position of some local groups declined as they lost part of their economic resources. (44)

The establishment of Italian agricultural settlements also contributed to changing the demographic composition of certain regions, particularly important agricultural areas, where the Italian presence became increasingly visible as part of the effort to consolidate the colonial project. (45)

Fourth: The Impact of Economic Policy on Daily Life

Italian economic policy affected the daily lives of Libyan inhabitants through its impact on employment, income, and agricultural ownership. The new economic system introduced production relations different from the traditional system and linked employment opportunities and economic activity to institutions affiliated with the colonial administration. (46)



Although Italy established some projects in transportation, agriculture, and services, these projects were primarily directed toward serving military and settlement objectives and did not achieve balanced development that benefited the local population. (47)

The study of these effects demonstrates that Italian economic policy brought about profound transformations in Libyan society. It contributed to the redistribution of wealth and resources in favor of the colonizer and reinforced economic and social dependency throughout the occupation period.

Conclusion

This study concludes that Italian colonial policy in Libya during the period 1911–1943 was not intended to achieve economic development or improve the living conditions of the Libyan population. Rather, it formed part of the Italian colonial project, which sought to exploit economic resources, settle Italian colonists, and integrate the Libyan economy into the service of Italy's economic and political interests.

This policy affected various economic sectors, particularly agriculture, trade, and infrastructure, which were directed toward serving the objectives of the occupation rather than meeting the needs of Libyan society.

Although Libya witnessed the construction of certain roads, ports, and public facilities during the occupation, these projects were primarily associated with facilitating military control, European settlement, and resource exploitation and did not contribute to balanced national economic development. Colonial policies also resulted in the confiscation of extensive agricultural lands, the weakening of local economic activity, and structural transformations whose effects extended beyond the end of the occupation.

Findings

- The study demonstrates that economic motives were among the principal drivers of Italian colonialism, alongside political and military motives.
- Italian economic policy aimed to control fertile agricultural lands and natural resources and employ them in the service of the Italian economy.
- The agricultural settlement policy deprived large numbers of Libyans of their lands and reduced their role in agricultural activity.
- Infrastructure projects, such as roads and ports, focused more on serving military and settlement objectives than on local development.
- Colonial economic policies contributed to reshaping the Libyan economic structure in a manner that created dependency on the Italian economy.
- The occupation left long-term economic and social consequences, including distortions in the production structure, a decline in national ownership, and disparities in development between regions.



Recommendations

- Encourage specialized historical studies on the economic dimensions of Italian colonialism based on Libyan and Italian archival documents.
- Conduct comparative studies of Italian colonial economic policies in Libya and those implemented in other Italian colonies to better understand the specific characteristics of the Libyan experience.
- Give greater attention to documenting the effects of colonial settlement on agricultural ownership and the social and economic transformations in Libya.
- Support the translation and publication of foreign documents and sources relating to the economic history of Libya in order to broaden the research base.
- Draw on historical research findings in developing policies that protect national resources and strengthen awareness of colonial experiences and their role in shaping the country's economic structure.

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