



Written by [Brian Koenig](#) on October 1, 2012

Hillary Clinton Advocates Less Govt. Regulation in Libya, Egypt

In a speech to Arab leaders at the Waldorf Astoria Hotel in New York on Friday, Secretary of State Hillary Clinton highlighted the economic casualties of intrusive regulations, [contending](#) that less government involvement in the economy is necessary because “too many people still can’t find jobs” in countries like Libya, Egypt, and Tunisia.



According to a [May report](#) published by the Organization for Economic Cooperation and Development (OECD), real Gross Domestic Product (GDP) in Libya is projected to boost this year by 20.1 percent — a staggering 15 times more than the 1.3 percent increase the U.S. experienced in the second quarter of this year. Libya’s real GDP should spike by another 9.5 percent in 2013, according to OECD estimates.

Further, Libya will harbor a budget surplus equivalent to 13.6 percent of GDP this year. Meanwhile, the U.S. government’s enormous debt load has inflated by more than \$1.2 trillion this year.

As a result of its civil war in 2011, Libya experienced a dramatic economic contraction, prompted largely by a sharp reduction in oil output, the nation’s most prominent revenue source, to virtually zero. Consequently, its economy declined a startling 41.8 percent in 2011; however, according to OECD estimates, the economy should expand drastically as oil production is revitalized.

Illustrating the devastating economic consequences of Libya’s civil war, the OECD report explained how unprecedented government regulations have contributed to rising unemployment as well as an onerous cap on economic growth:

The general business climate in Libya suffered greatly as a result of the 2011 conflict, with regulation seriously impaired. These problems should improve as the country stabilises but it is important to note that the business climate under the previous government was already very weak. Even after the government carried out a major overhaul of regulations in 2010, the business environment was still viewed as consistently poor, mainly due to the required use of licences and permits, as well as other compliance mechanisms.

Clinton initiated her dialogue with an [explanation](#) of how “recent riots and protests” throughout the Middle East have “brought the challenge of transition into sharp relief.” She added that extremists are planning to seize on these civil wars and revolutions as a medium to advance their radical agendas and ideology. However, the Secretary of State stated:

Today, we want to send a clear message to all those in the region who are working each day in



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governments, in civil society, in the private sector, to build responsive institutions, to strengthen faltering economies, to deliver freedom for all people, to respect human rights: we stand with you and we will stand with you as long as it takes.

Clinton went on to acclaim citizens in Tunisia, Egypt, and Libya, who spoke out against their authoritarian governments because they were fed up with despotic bureaucrats who served only the interests of the affluent, while ignoring the citizenry as a whole. "But economic and social challenges did not disappear with the dictators," she continued. "Too many people still can't find jobs, and young and growing populations crave a sense of opportunity and self-determination." The solution, affirmed Ms. Clinton:

On the economic front, we are zeroing in on small and medium-sized enterprises because they are the growth engines in any economy. They create the bulk of new jobs and they spread wealth more broadly through more communities. And when people have the opportunity to unleash their talents and create something of their own, they are more invested in their communities, their countries, and their new democracies.

So the OECD is helping emerging democracies find ways they can loosen regulations and make it easier to start or expand a small business. Several partners are setting up funds to help small businesses gain access to loans and financing. People of the region need to see that their governments can be fair and just. So we are stepping up our efforts to return billions of dollars that were stolen or siphoned away over decades of cronyism and corruption.

While her sentiments on September 28 seemed to praise the free market, Clinton's expressed views of economic policy in the Middle East seem to conflict with her perception of the overall global economy. Throughout her speech, she touted the economic imperatives of private enterprise, while emphasizing the utmost importance of private investments. All in all, the speech exuded a pro-market sentiment that underscored the importance of a small, less intrusive government that encourages natural market growth.

Of course, the theme of Clinton's speech stands in stark contrast to a speech she delivered earlier that week, where she railed against financial greed among those in the affluent social classes. "There are rich people everywhere," she [said](#), speaking at the Clinton Global Initiative September 24. "And yet they do not contribute to the growth of their own countries. They don't invest in public schools, in public hospitals, in other kinds of development internally."

Commenting on Clinton's seemingly anti-climactic speech, John Hayward of Human Events posed the [question](#): "Is she calling for a global tax on evil rich people?" Or "[w]as this just mindless class-warfare rhetoric, burbling reflexively from the Secretary of State before she embarked on a standard laundry list of foreign policy programs?"

Interestingly, while Clinton touts economic freedom and pro-market policies for the Middle East, the Obama administration she has served under — which promotes big-government and an overall anti-business environment — has stumbled to a staggering [18th place](#) in economic freedom, according to the Fraser Institute, consequently leading to the very anti-business climates she claims to oppose.

Photo of Secretary of State Hillary Clinton: AP Images



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