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The Role of Foreign Direct Investment in Economic and Social Development in Libya

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Abstract

Investments in governments are funds injected into action plans of a government to propel it to development (Kumari, 2012). Libya needs such investments to grow in different sectors of development that are divided into action plans. Furthermore, the action plans are designed into goals that are stipulated to be achieved in certain duration of time and in stages that can be monitored. Therefore, it is crucial to learn the process of receiving foreign direct investment and its determinant in Libya's case. Also understanding the effects of foreign direct investment to the transition of renewable energy in Libya is crucial.

The research project is based on the role of foreign direct investment in economic and social development in Libya taking the case of transition to renewable energy in Libya in the future. The foreign direct investment enables both positive and negative aspect in country that enables one to judge its effect to Libya and get the best insight of the investment (Abushhewa&Zarook, 2016). Additionally, the path taken by many countries on renewable energy has forced Libya to embrace such changes and foster it in the country in different ways.

A lot of gains have been exhibited through the FDI since there are job opportunities being created, a new economic path has also been set by the Libyan government, and also ownership of property has increased thus increasing the economic levels (Abushhewa&Zarook, 2016). The study will use a descriptive approach that explains the role of foreign direct investment in economic and social development in Libya and how it directly affects the transition to renewable energy. The approach creates a perfect understanding of FDI, its determinant, the foreign investors of Libya, policies set to encourage FDI and how it contributes to the transition to renewable energy in Libya.

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Introduction

Investment refers to the wide action plan that involves various ways of injecting funds into programs of a community which end up changing the surrounding of the society (Daujotas, 2013). Therefore, the role played in by foreign investment to a community is very important and many researchers argue that the effect is significantly positive to the recipient county. In deep context, the factor that motivates a country to receive foreign direct investment is to increase their economic development in various aspects and therefore, the end effect from the investment should always be positive to the economy. On the other hand, economic development is the main goal for every nation in order to make the country sustainable for the people.

Different countries depend on the foreign direct investment to increase their economic development which mainly depends on foreign direct investment. Therefore, the foreign financial flow that is provided to a country in order to participate in obtaining lasting interest to generate a high profit is the foreign direct investment (B. Sudha, 2012). Additionally, the FDI have a significant influence to the host country as it increases its financial flow and leads to economic development. Moreover, it is the legal institutes that generate economic and foreign policies that provides a platform for the foreign investors to enter into the country's market and take part in financial development of the country.

Libya widely attracts and receives foreign investment that has triggered its economicgrowth (Abushhewa&Zarook, 2016). The wide natural resources have been an attractive factor for foreign investment in Libya which allows them to take part in investments across the oil and energy resources present in the country. The research paper in a descriptive approach tends to explain the role played by foreign direct investment in social and economic development in Libya. Furthermore, it also explains how it has led to renewable future.

History of foreign direct investment in Libya

The history of foreign direct investment in Libya started in the 2000 and the late 90s. The country attempted torevolutionise their economy through reforms and it is charactised by the liberal stages evident in the change process (Hamoudi& Aimer, 2017). The reforms encouraged different investors from both public and private sectors to invest in Libya's economy. Through

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that, Libya encouraged more investment with the main aim of attracting foreign investors into the country. Furthermore, they went ahead to privatise most of the public sectors and creating a sophisticated legal system by developing better laws just to attract foreign direct investment.

Libya is a country situated in North Africa and it is ranked as one of the highest attracter of foreign investors (Barth, 1975). In 2010, Libya increased its qualification and development in their financial sector and diversified their source of income. As a result, the legal institute had to develop rules and regulation that governed the investments across Libya which was to serve the public interest and aiming to promote capital interest not forgetting the foreign investments project in the country. Therefore, this propelled the need of foreign direct investment to be injected into the economy and start different foreign investment projects.

The number of investments has shot up steadily and the country receives many applications daily from foreign investors (Abushhewa&Zarook, 2016). It indicates the capability of Libya's economy to develop and also to host foreign investment. On top of that, the transition to diversify sources of income has led to acceptance of foreign investors into Libya that has seen most of them being attracted into the economy of Libya. Furthermore, the laws and regulation that has ranked Libya as one of the top countries to invest in has evidently showcased the rise of investors in the country and the high number of applications.

Libyan Economy

Libya's economy is one of the highest in Africa. The oil revenue contributes highly to the economy of Libya and it has propelled Libya to be one of the top per capita income receivers in Africa. The 21st century saw oil and gas being the highest income generator for Libya through exportation of oil to other regions in the world (Bhattarai &Taloba, 2017). Furthermore, the Libyan economy has majored on the exportation of the oil and gas which has led to high profit gain for the country. In addition, the strong economic control allowed the government to foster faster and higher economic growth within a stipulated time.

In 2010, the Libya's economy was estimated to be 80 billion dollars and it has improved steadily(Bhattarai&Taloba, 2017). The economic growth which is also contributed by the FDIs has stimulated the growth of Libya's per capita in every financial year. The steady growth is contributed further by the different stable sector in the region and the continuous exportation of

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oil and gas. Moreover, the strong legal institute in Libya has also stimulated the fast growth of the economy in Libya.

On the other hand, basic needs for the people have been subsidized due to the favourable economy in Libya (Bhattarai&Taloba, 2017). The government has further subsidized electricity for its people in order to allow them have power energy at an affordable rate which can allow them to access power for their homes. Furthermore, due to the wide oil and gas plants in the country, the fuel prices are subsidized to suite the people of Libya and make them contribute to the economy of the country. On top of that, free education has been enabled in order to create a literate nation. All this are due to the favourable economy that can sustain the subsidizing of prices and free services for the general public.

Libya trade partners have also contributed to the steady rise of the economy of the country. It is ranked as the 73rd largest export economy in the world and it is the 104th most complex economy(Harmon, 2014). Approximately 16.1 billion dollars was received from its export dealings in 2017 compared to 8.07 billion dollars of imports received by country. This statistics shows how vast the country has majored on exports and the great revenue generated from the business dealings in export trade. Furthermore, the export trade has contributed positively on Libya’s economy that has led to its growth.

Aspect of investment in Libya

Libya has many different aspects that haveled to the vast foreign investments in the country. Firstly, the political condition in the country has enabled the attraction of foreign investors into the country (Alsnusy, 2013). Stability that is the main key for economic success in a country has propelled the growth of foreign investors in Libya. Furthermore, the political conditions in Libya is purposefully stable in order to trigger applications from foreign direct investors so as to propel the main goal of economic development that the politics in the country is build and based on.

On the other hand, the economic condition of Libya is favourable for the investments to take place as it is stable and promising(Alsnusy, 2013). On top of that, the economic system allows development and is based on the goal of social and economic development which is targeted to be

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achieved in a certain year. Furthermore, the formulated goal which is structured in a certain period of time allows the country to accept foreign investment as it diversify their source of income and allows the country to achieve their goals. Therefore, the more applications they get from the investors, the quicker they accept them to foster their economic growth.

Thirdly, the perfect laws and regulations set to govern the economic systemfavours foreign investment projects which enables them to settle in Libya's economy (Harmon, 2014). As stated earlier, Libya had to create laws and regulation which perfectly fits the attraction of foreign investors. Thus, the law has worked well for the investors willing to take on the Libya market and take part in the economic growth of the country. The policies formulated are favourable and flexible for the foreigners and it allows them to set up their projects in the country that leads to both social and economic development.

The small population present in Libya has also been a factor that determines foreign investment in Libya (Almnfi& Yang, 2015). With a small population, economic growth is viewed to to grow faster since most of the income generated will not be channeled into satisfying the population but creates economic development projects. Furthermore, a small population is easy to manage with the income and it is also easy to invest in the country. Therefore, the foreign direct investors have opted for Libya due to the type of population present and the country which makes the economy of the country flexible to growth.

Also Libya is situated in a strategic geographical location that exists between Africa, Europe and Gulf region (Barth, 1975). The location enables it to be a central place that allows most of the foreigners to be able to access the country easily. On top of that, it allows the products produced by companies to be easily exported and also imported into the country which allows profit gaining. Moreover, the foreign investors are also able to do more business with the regions around Libya with ease and improve connection with the regions around Libya.

Lastly, the great oil fields and industries has been a major factor that has enabled Libya to get most of the foreign direct investment (Almnfi& Yang, 2015). It is a potential area that the foreign investors have taken keen consideration to develop and invest. Additionally, it has a powerful economic advantage through the wide profits gained and the vast market the oil has in the country and other regions. Therefore, the foreign investors have largely concentrated on thesnatural

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resource present in Libya and have encouraged more investments which has seen the country developing socially and economically.

Investment Activities

Foreign investment on transportation has been viewed where major roads have been constructed and also the renovation of airports. Thus, the transport sector has been targeted widely in order to facilitate transportation of commodities in the country and also outside the country (Abushhewa&Zarook, 2016). In deeper contexts, the transport sector plays a crucial role in providing channels that connect Libya and the outside countries not forgetting the regions also in the country. Thus, the foreign investors invest in this sector to facilitate a perfect flow of their commodities or the products they have invested on.

The health care facilities have been improved in order to cater for health of the population. Introduction of new drugs into the economy has enable individuals to access drugs that were rare to find. On top of that, facilities in hospitals have been upgraded to curb disease that need frequent scanning such as cancer (Alsnusy, 2013). Through such support, the people of Libya are able to work in order to foster economic development and in turn it generates sufficient profits for the foreign investors. Furthermore it has positively influenced change in the response to FDI from the people who have also supported the penetration of foreign investors into the country.

Moreover, education sector has been invested on in order to produce skilled individuals to work in various sectors created by the foreign direct investment projects. This enables the success of the investment activity since they can get skilled manpower to help in the industries that have been created (Hamoudi& Aimer, 2017). Consequently, schools have been upgraded and new techniques of teaching have been introduced in order to foster literacy in the society. Additionally, the number of graduates from the many universities set up by the foreign investment plan has increased creating a community with learned individuals.

Investments on the agricultural sector have enabled funds allocated to the fisheries, irrigation schemes and introduction of new crops (Hamoudi& Aimer, 2017). On top of that, encouragement of animal rearing has been exhibited since people are given funds to enable them take care of these animals. The main reason for this is to enable enough food cycle for the population and the surplus

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food is exported in order to earn revenue and profits. Consequently, it has fostered earning of profits and turning the agricultural sector into a business platform.

The foreign direct investment has enabled investment actions on public utilities where the housing of the people have been increased and upgraded, a waste recycling plan has been established, recreation centers and treatment of sewage (Alsnusy, 2013). This is to foster perfect and comfortable living conditions for the Libyan people. It has enabled many individuals to own homes and have a suitable working and living environment. Furthermore, management of waste has triggered a clean environment which is attracts and serene. The treatment of sewage has lowered the pollution level in country to foster legal institute plan of creating zero tolerant pollution environment.

The tourism sector has also received investment from the foreign direct investors. The attraction site has been developed where comfortable accommodation has been set up and creating scenic attraction site (Alsnusy, 2013). This has led to many foreign visitors to come and tour the country which has generated enough income for development. Furthermore, the foreign visitors have ended up investing in the country which in turn has enabled the government of Libya to get more source of income for economic development. High profits have also been realized since the investment changed the tourism sector and has attracted many tourists into the country.

The Libyan government privatized the public sectors in order to attract foreign investors. This has worked since the history of foreign direct investment where the rate of investment has increased to approximately 70 percent. The private sector has in turn grown and has contributed widely to the economic development of Libya (Harmon, 2014). The foreign direct investment has revolutionised the private sector which in turn has been able to accumulate enough revenue to increase the GDP of Libya. Furthermore, the private sector has stabilized thus propelling the nation into economic and social development.

The industries in the country have been invested on by the foreign investors since they are the backbone of the economy (Harmon, 2014). New machineries have been introduced in these industries to enable high rate of productivity and increase quality. On top of that, the industries have increased in number which has led to high productivity rate. Besides, other industries have been upgraded into the technological system so as to increase the quality of production. Moreover,

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this has worked perfectly for the communities has it has enabled employment opportunities and allow them to be productive. Through the high rate of productivity, the export rate has increased and reduced the import rates. This has enabled Libya to earn more income which has increased the GDP of the country.

Through the communication facilities have been invested on to advance them into the present technology. This has fostered good communications in the country and has enabled advancement in the countries technology (Abushhewa&Zarook, 2016). Communication has been made easier and faster which has eased trade and interrelationship dealings. The foreign direct investment has enabled an upgrade of the communication facilities were also it has seen the development of the information technology. Therefore, the country has been upgraded into the new technology which in turn has helped to gain resources and attracted more foreign investors who would like to participate in building the country.

Largely with the aim of the transition into renewable future in Libya, the foreign direct investment has majored on the energy sector of the country (Harmon, 2014). The energy sector is responsible to provide energy for the people, industries and most importantly the mining of the oil and gas present in Libya. It has been the main goal of the foreign investors to transform the energy sector into a renewable energy platform. Transforming the main source of energy which has been gas to solar and wind energy has attracted the foreign investors to facilitate development.

On the other hand, investment activities have been able to be directed on the natural resources present in Libya (Alsnusy, 2013). The foreign direct investment has targeted the natural resources in Libya to enhance its mining and production to generate profits. The mine fields of oil and gas is vast and has been the major contribution to Libya's GDP. Furthermore, the country has been able to trade their oil with many different countries through the foreign investors which has led to realization of high profits and revenue. Development also has been exhibited in the mining of the oil and gas due to the new technology invested by the FDI.

The foreign direct investment has positively uplifted the economic and social development of Libya and has enhanced various changes in the country (Alsnusy, 2013). The foreign investors have been able earn high profits which has enabled them to continuously invest in the Libya's economy due to its steady growth of economy. It has also lead to many more foreign investors to

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enter the country and facilitate a favourable market that can propel development in Libya's social and economic departments. Therefore, Libya has benefited highly from the FDI project and it is still encouraging more investments. Furthermore, the topic of renewable future in Libya has constantly been presented in order to change the energy plan of Libya to a sustainable energy plan.

Foreign direct investment on renewable future in Libya

Libya relies on the natural gas and oil as the main source of energy. Furthermore, most of the European countries depend on the natural oil and gas from Libya to use it as energy thus the reason of high export trade evident in Libya (Ryoo, Lee & Kim, 2019). On the other hand, the oil and natural gas is used to generate electricity power for Libya and through statistic, it is approximated that the electricity demand will rise due to the frequent use of desalination plant as the main source of energy. Thus, the rate of consumption of energy is increasing daily due to this plant.

The source of energy relied by Libya is expensive and limited which also poses a great danger to the environment. The air pollution caused by the plant in order to generate energy has constantly degraded the environment and posed dangers on the environment. On top of that, it is estimated that the source of energy will be depleted by 50 years hence creating need for a better and sustainable energy. Furthermore, with the high export of natural oil and gas it has led to continuous depletion of the energy source (Shebani& Iqbal, 2017). It creates a threat to the country which might lead to a dilemma of either exporting the oil or using it to produce electricity.

Therefore the country is forced to sort out an option in order to curb the problem that they might face in the future. It attracts the need of sustainable energy and renewable (Shebani& Iqbal, 2017). On top of that the power generation needs to rise daily due to the increased demand of electricity in the country. Moreover, the increase in electricity consumption has been increasing over the years posing a threat to the generation of power and the source of energy. There is high consumption of energy which really needs a solution to curb the depleting natural resource.

Libya is laying on a huge potential of renewable energy that is not utilized by the country. The amount of sunshine the country receives yearly is capable of producing sustainable solar energy for the country which can be used to generate power for domestic use and also be exported to other countries (Hopwood, 2013). Furthermore, the wind speed in Libya surpasses the winds that are

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present in other countries which also can be used to produce wind energy. On top of that, the sea tidings are available to supplement the wind in order to produce vast energy.

Due to this realization by the country, a Renewable Energy Authority of Libya has been set up to enable the country create plans of how to utilize these resources. It has set targets which are constantly scrutinized in order to be achieved (Hopwood, 2013). Furthermore, the authority has also set regulations that can be used to follow in order to bring the project into reality. In addition, they are responsible of getting investors to invest on the project so as to foresee a transition to renewable future in Libya.

The foreign direct investments have greatly fostered the transition to renewable energy in Libya and have raised concern on the use of renewable energy so as to prolong the extraction of natural oil and gas. Furthermore, REAOL has perfectly played its part in creating confidence in the foreign investors by providing good statistics that shows that the plan is able to be successful in Libya and can be utilized maximally (Ryoo, Lee & Kim, 2019). On top of that, frequent meetings with the foreign investors has enabled the rolling out of the transition to renewable energy project which through the meetings, they have supervised the project development.

Libya being located in a desert region, receives enough sunlight to generate solar energy which can be utilized domestically and also be exported (Harmon, 2014). Therefore, the foreign direct investments have invested on research programs of suitable areas to set up solar plant in order to generate and tap the energy. Furthermore, more applicants have applied to be part of this great transition since it is both an economic advantage and also creates a sustainable energy source. Research has been done widely and areas to start the plant have been identified in order to kick off the project. Apart from that, a stipulated period of time has been set for the project to begin and end.

The foreign direct investment enables the project to kick off quickly and take the shortest time possible to be finished. The vast money invested into the project shows the importance of the project and the capability of the transition into a renewable future (Hopwood, 2013). Furthermore, the foreign investors and REAOL have constantly directed and supervised the project in order to accelerate its completion. With the diverse source of income, the solar energy project has been

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able to get equipment and also updated technology that can enable maximum solar energy distribution.

On the other hand, the wind speed in Libya is higher compared to other countries. REAOL explains that such a resource can be used to generate energy and save the depleting natural oil and gas resource (Ryoo, Lee & Kim, 2019). Foreign direct investment has fostered investigation and deep research on the wind speed of Libya which have provided reports of capability of the wind to produce renewable energy. The investment plan has provided perfect equipment for research and has trained the people who are to conduct the research.

The wind energy project has attracted various foreign investors who struggle to bring renewable energy in Libya (El-Osta&Kalifa, 2003). Through the foreign direct investment, the wind energy project has able to start and areas where to allocate the wind plant have been identified. Foreign direct investments with the aim of generating high profits have been able to purchase the best equipments for the plant. The government through REAOL has also work hand in hand with the foreign investors to enable the transition to renewable energy. Furthermore, the foreign investors have also attracted more investment plans into the project and also invested in business of exporting of the renewable energy to countries such as Morocco and the European countries around Libya.

REAOL have also indentified the sea tidings as supplement source of energy to the wind energy. The large sea that surrounds Libya has good tidings that can be utilized to generate power for the country (El-Osta&Kalifa, 2003). Therefore, foreign direct investment has been channeled into the project in order to enable it to develop. Furthermore, the foreign investors have set up enough funds to accelerate the project and are closely monitoring its development. The foreign direct investments which were attracted to Libya’s economy market are pushing harder to save the natural oil and gas through the investment on the transition to renewable energy.

Apart from that, the transition to renewable energy which has been enabling by the foreign direct investments has enabled the creation of job opportunities for the people in order to facilitate the project (Shebani& Iqbal, 2017). Furthermore, the vast manpower required for the projects allows the people to have jobs in the plant. Foreign investors have also emphasized on using the

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local man power for this project in order to cut the cost of using foreign labor. Furthermore, the local labor is widely and readily available to foster the development of renewable energy in Libya.

Furthermore, the areas identified by the research done in order to kick off the project have not been left behind (Ryoo, Lee & Kim, 2019). Foreign investors have been able to develop the areas through the government authority by setting up different business and facilities. This has enabled the areas to grow into cities or towns where business activities can take place and foster its development. The setting up the renewable energy plants also has attracted investors into the areas and has led to its growth and development.

The continuous use of the natural oil and gas has also posed a threat to the environment through the air pollution that is experienced from the plants (Harmon, 2014). Even though, the foreign investors have largely tried to curb the pollution, it has not really been stopped. Furthermore, part of the goals of the foreign investors is to create a non- hazardous environment for the people. Therefore, through the identification of the renewable energy plan, the foreign investors tend to have achieved their goal of providing a non-hazardous environment and they have continuously invested on the project in order to see its success.

Barriers to Foreign Direct Investment in Libya

The number of foreign investors in Libya is still low keeping in mind the economic potential of Libya. Furthermore, the vast manufacture of oil and gas in Libya really needs a high number of foreign direct investments (Abushhewa&Zarook, 2016). Even for the key project, the transition to renewable energy in future, the foreign direct investments available is limited and cannot foster the rapid development of the project. Also, with the natural oil and gas which is vast in the country, the foreign direct investment is limited to enhance its development and increase the number of exportation. Therefore it requires identification to the cause of the limited foreign direct investments in Libya.

Firstly, there is lack of clarification of more investment opportunities for the foreign investors. Despite the different sectors available in Libya, the only investment opportunity provided for the foreign investors is the investment on crude oil and gas extraction which has led to theextent where foreign investors find it hard to invest in this sector since there are a high number of investors in the crude oil and gas investment (Harmon, 2014). Furthermore, there is lack of clarity on where to

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invest since there is no project promotion despite the fact that there is need to invest on other areas such as tourism, manufacturing industries and many more others.

Secondly, there is no existence of foreign investors where there is no clear information on the climate of investment of the recipient country. Thus, Libya has limited foreign direct investments due to lack of clear information (Almnfi& Yang, 2015). The country lacks multiple channels where they can provide information on investment climate despite the availability revolutionised technology which delivers information. The foreign investors need information that can enable them to make investment decision on a country. Even though Libya has tried to provide data that can enable investment, they have not provided the required level information for an investor to make a decision of investing.

Thirdly, the local market capacity of Libya is based on a high population that is averagely more than 6 million people. Thou, there is high purchasing power from the consumers, it hinders creation of new industrial projects either big or small since the population only depend on the locally manufactured products (Harmon, 2014). Furthermore, the local market use up all the products produced by the industries which hinders exportation of these products. This therefore leads to low numbers of foreign investors who target high profit through exportation of these products.

Fourthly, different laws were set up by the legal institute where the 1997 law fostered the investments which was later changed in 2003 through amendment and further amended in 2010. The law required the foreign investors to employ the people from Libya, train them to gain working skills and experience and fostered high wages from what local employment provided (B. Sudha, 2012). Therefore, it leads to reluctance of investment from foreign direct investment as the law does not favor them especially an investment that requires employing people.

The market security for Libya does not attract foreign direct investments since there is no link between the global market and Libya’s market security (Hamoudi& Aimer, 2017). The government bonds and other market securities are not linked to the global market for more investors to redeem and invest. They are locally tied to the people Libya thus cutting access to the securities for foreign investors. Furthermore, keeping the market securities linked to the global market would have provided data for investors to make decision for investment and foster

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investment in Libya. Therefore, the process of attracting foreign direct investment is hindered through the locally available market securities provided by the Libyan government.

On the other hand, Libya has not updated its economic structure and system for the previous periods despite the significant changes made in the global economy (Harmon, 2014). It is important to be keen with the updates in the global economy and the changes in the regulations offered. Furthermore with the new system, perfect structures are created that can help a country to attract more foreign direct investments. Through the establishment of the World Trade Organization, there have shifts in economic regulation, work and salaries that Libya lack in its economy which has affected the number of foreign direct investments they receive.

There is no constant procedure for administration which has created confusion in identifying the rules and regulation that are to be followed (B. Sudha, 2012). This has deeply affected the people in the administration role where they perform sluggishly and has led to corruption which has affected the trustworthiness of the legal system. Therefore, most of the foreign investors shun away from investing in Libya due to such malpractices by the administrative workers. Furthermore, the complex laws have become incomprehensive leading to the foreign investors to give up on Libya's economy.

Furthermore, there is no system where appropriate partners are chosen to work hand in hand in with the foreign investors to facilitate the success of the project (Abushhewa&Zarook, 2016). The foreign investors would like to have appropriate partners who are from Libya to work with closely in order to promote the investment project. This is important as it enables the foreign investors to get used to the Libya's economy through good understanding. Therefore, with lack of such a perfect opportunity, Libya tend to get low number of foreign direct investments as they have no partners to work with for the success of their projects.

On the other hand the foreign direct investment on the transition to renewable source of energy is facing barriers. Firstly, the government is widely focusing on the present source of energy which has really affected the possibilities of foreign investors to invest on the transition project. Even though there is an authority structured to foster this transition, no big interest has been put in place for the renewable source of energy which is currently developing slowly(Almnfi& Yang, 2015).

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The foreign investors intending to invest on the project are slowly shunning away from the project since it has no future.

Secondly, the fact that the solar and wind energy can only be generated on a specific time makes it a doubt for investment for foreign investors. It is true that the renewable energy is of need in Libya but its nature is making the foreign investors to think twice. It is a perfect project that can save the investment in the extraction and exportation business of crude oil but it investment cannot generate the intended profit (Bhattarai &Taloba, 2017). The main aim of the foreign investors is to generate and realize high profit but the transition to renewable energy cannot generate the profits required despite the fact that it requires a wide range of investments.

Thirdly, the organizations in Libya are not aware of the renewable energy present in Libya which has greatly affected the number of foreign direct investments in this project. The foreign investors who would love to link up with these companies to foresee the construction of renewable energy in Libya, end up getting disappointed with the least knowledge of renewable energy present in the country by the companies (Bhattarai &Taloba, 2017). The foreign investors like industries that have the capability of understanding and identifying opportunities where they would act faster in order to gain profits. Hence, this has led to the limited number of foreign direct investment in Libya.

Conclusion

The brighter side is that Libya has significantly attracted foreign direct investments to its economy which has revolutionised the country's economy and has impacted positive effects to the social and economic development (Harmon, 2014). Furthermore, the country has allowed foreign banks into their economy and also introduced Islamic banking in the country and investment policy. This has made the foreign investors to have a flexible market to invest and create projects. The main goal of attracting more foreign investors is achieved slowly and the legal institute is monitoring the development of its economy to favor foreign investors.

On the other hand, realization of the importance of renewable energy has enabled the government to take concern slowly and embrace the change (Harmon, 2014). They have allowed foreign investors to help them achieve the goal which is slowly picking up across the country.

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Despite the challenges faced to enable the project, both the foreign investors and Libya are determined to achieve this super goal in one way or another.

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