

The Perception Of Local Investors Towards Foreign Direct Investment In Mogadishu- Somalia

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Abstract

Purpose- This Study Emphasizes How Local Investors Are Ready To Compete With Foreign Investors. In Recent Years, Since Somalia Is Recovering From A Bad Economy And Developing Infrastructure, Fdi Has Gotten A Lot Of Publicity. The Aim Of This Study Is To Find Out How Investors Think About Foreign Direct Investment. The Research Also Explores The Barriers And Opportunities Of Foreign Investments Towards Local Investment.

Design, Methodology, And Approach: The Primary Data For This Study Was Collected Using A Quantitative Research Method And An Online Survey. Data Was Collected From 305 Respondents Who Were Personally Interested In Investment, Which May Be Small Or Large Businesses. The Effect Of Foreign Direct Investment On Local Investors Was Examined In Four Dimensions In The Study. The Likert Five-Point Agreement Scale Was Used On Both Of These Questions.

Findings- Technological Change, Market Employment, Financial Benefits, And Market Competitiveness Are All Factors That The Researchers Consider When Evaluating Local Investors. As A Result, The Majority Of Investors Conclude That Foreign Investment Will Result In More Business Work Opportunities, According To The Report. Furthermore, The Outcome Suggests That Industry Rivalry Will Become More Aggressive And Powerful. Financial Benefits, On The Other Hand, Are Seen As One Of The Greatest Challenges That Local Developers Will Encounter Due To Their Small Scale.

Originality/Value – While Studies On Fdi Have Been Conducted, The Majority Of These Focus On Macroeconomic Variables Including Inflation, Interest Rates, Gdp, Unemployment, And Infrastructure Growth, All Of Which Are Unpredictable And Have Long-Term Implications On Local Investors' Perceptions. Therefore, In The Best Knowledge Of Researchers, This Is One Of The Very Limited Studies Explore The Perception Of Investors Towards Foreign Direct Investments.

Keywords: Market Employment, Market Competitiveness, And Financial Benefits And Technological Transfer.

1. Introduction

Foreign Direct Investment Reflects Technological Advancements And Strategic Experience, As Well As Foreign Capital. It Has Developed A Reputation As A Growth And Development Engine In Recent Decades. (Alfaro, L. 2015). Understanding Local Investors' Perceptions Toward Foreign Direct Investment (Fdi) And Global Products Has Become A Hot Subject Among Academics And Policymakers. Knowledge Spillover, Backward And Forward Connections With Local Firms, The Potential For Technological Transfer, New Processes, Better Management Capabilities, Employee Training, And Access To Foreign Manufacturing Networks And Markets All Have The

Potential To Boost Competitiveness And Output, Help Diversify Exports, And Increase Employee Training. And Transform The Economy's Demand System By Promoting Growth And Development (Alfaro, Conconi Et Al. 2016)

However, Achieving This Goal Would Require More Financial And Technological Capital. Through The Involvement Of Regional Private Investors, Financial Capital Can Enter Countries. Foreign Direct Investment (Fdi) Or The Mobilization Of Significant Amounts Of Government Capital, Since Many African Countries Are Resource-Rich. An Obtaining Additional Technological Support To Launch A "Major Drive" Would Be More Difficult. Private Businesses, On The Other Hand, Do Not Use Cutting-Edge Technology. As A Result, Attracting Fdi May Be A Good Policy Choice, Since Foreign Investors Will Carry Both Financial And Knowledge Assets To The Tables. In Reality, Previous Research Has Shown That Fdi Inflows Helped East Asian Countries Significantly During Their Economic Transition (Akkemik, 2009; Dahlman, 2009; Di Maio, 2009). Several Research, Including Dong, Song, And Zhu (2011) And Borensztein, Gregorio, And Lee (1998), Found That Host Countries Will Benefit From Fdi In A Variety Of Ways, Including Forward And Backward Integration, And Technical Transfers. Theoretically, Fdi Can Be A Catalyst For Industrialization, According To Markusen And Venables (1999) And Rodriguez-Clare (1996).

In This Study, We Discuss The Perception Of Local Investors Toward The Foreign Direct Investment (Fdi). We Will Focus On The Micro-Level In Order To Fully Understand The Mechanisms That Give Substance To The Expected Fdi Benefits. Despite The Country's Economic And Institutional Reforms Over The Last Decade, The Flow Of Foreign Direct Investment (Fdi) Into Somalia Has Remained Difficult And Hard. In This Study, We Will Reflect On The Perceptions Of Local Investors About Foreign Direct Investment In Somalia As The Country Becomes More Stable. According To World Bank Data For Somalia From 2013 To 2017, Foreign Direct Investment Is Projected To Increase In The Coming Years, Despite The Fact That Current Levels Of Foreign Direct Investment As A Percentage Of Gdp Remain Low. Therefore, The Objectives Of The Study Are To Examine The Perception Of Local Investors Towards Foreign Direct Investment In Somalia.

The Structure Of The Article Is Categorized As The Following: Literature Review Will Be Discussed In The Second Section While Methodology Of Study Will Be Explained In The Section Three. Furthermore, The Study's Results Will Be Discussed In The Fourth Section, With The Fifth Section Concluding And Summarizing The Findings.

2. Literature Review

2.1 Foreign Direct Investment

Foreign Direct Investment (Fdi) Is A Valuable Resource Because It Adds Not Only More Resources To The Somali Economy, But Also Modern Technology, Management Skills, And New Markets, Goods, And Employment. Also, Increased Productive Capacity, New Job Creation, New Technology, Foreign Exchange Earnings, Human Capital Development, Overall Economic Growth, And Incremental Income Are All Ways That Fdi Can Help Developed Countries Achieve Their Growth Goals.

Dupasquier And Osakwe, (2005) Suggested That The Aim Of Foreign Direct Investment (Fdi) Is To Bring Together All The Best Of Both Worlds. Developing Countries Are Being Welcomed Into The World Economy. Increasing The Capital Investment In Agriculture That Leads To Increased Growth Of The Economy Needed To Reduce Poverty And Raise Living Standards Of Being Alive. According To Azam (2010), Various Empirical Studies Show A Close Link Between Fdi And Economic Development, And Since Fdi Is A Key Component Of The Global Growth Engine, Countries Work To Create Optimal Conditions To Draw More Fdi Inflow.

According To Shabaz Et Al. (2012) The Study Looked At Data From The Years 2000 To 2011 To See If There A Correlation Between Terrorism As A Form Of Aggression And Foreign Direct Investment. They Reached The Conclusion That Extremism Played A Major Role In The Negative Effect Of Fdi On Pakistani Territories.

Farole And Winkler (2014) It May Also Have A Beneficial Spillover Effect In Terms Of Management Practices, Industry Creativity, And Penetration Into Global Value Chains, As It Generates Learning And Feeds Best Practice. According To Nielsen (2012), Despite That Fdi Has More Benefits For The Host Country Some People Argued It

Has Many Disadvantages For The Host Country, For Example, The Prospect Of Chinese Investors In Goat Island, A Key Location For Some Of The Planned Hub's Operations, Has Raised Concerns About The Effect Of Chinese Foreign Investors On The Environment. Rahman (2015) Suggested That The Effect Of Foreign Direct Investment On Bangladesh's Economic Growth The Thesis Involved Statistical Analysis Of The Relationships Between Fdi And Its Effect On Selected Macroeconomic Variables Such As Gdp, Inflation Rate, And Trade Balance. The Relationship Between Independent (Fdi) And Dependent Variables Was Investigated Using Multiple Regression Models (Macroeconomic Indicators). The Findings Of The Study Indicated A Negative Relationship Between Fdi And Economic Development, Which May Be Concerning To Bangladesh's Government.

2.2 Theoretical Framework

The Theories Of Foreign Direct Investment Are Discussed In The Following Section. The Three Main Theories Used In This Study Are Internalization Theory, Vernon's Production Cycle, And Transaction Cost Theory.

2.2.1 Internalization Theory

Caves (1971), Buckley And Casson (1976), And Dunning Are Some Of The Supporters Of This Theory (1993). According To Buckley And Casson, (2009), Companies Have An Opportunity To Avoid Imperfect Competition In The Intermediate Product, According To The Theory, If A Uk Firm's Raw Material Supply Is Expected To Be Used By An Unreliable Competitor, The Firm Can Avoid This By Making The Raw Material Supply A Part Of Its Business (Backward Integration), At Least Before Cost Margins Prevent It. Barthel, Busse Et Al. (2011) Suggested That Forward Integration Can Also Be Motivated By Other Factors, Such As A Firm's Need To Not Only Manufacture But Also Sell A Product. Blue Skies Limited, For Example, Not Only Makes But Also Sells Fresh Juice In Ghana And Supplies Fresh Fruits To European Retailers.

According To Buckley And Casson, (2011), Rather Than Exporting One Or More Of A Firm's Value Chains, This Idea Explains That A Firm Can Enter A Foreign Market By Spending Significant Capital To Gain Managerial Control And Influence Over One Or More Of Them. For Example, A Firm Might Purchase A Foreign Subsidiary Solely To Market And Distribute Its Domestic Goods.

2.2.2 Production Cycle Theory Of Vernon

Raymond Vernon Developed The Asset Life-Cycle Theory After The Heckscher-Ohlin Hypothesis Failed To Understand The Observed Phenomena Of Foreign Trade. According To The Theory, Much Of The Products And Labor Used In A Product's Life-Cycle Occur In The Region Where It Was Invented. Before The Material Is Approved And Used On Export Markets, Production Moves Away From The Point Of Origin. In Certain Instances, The Product Is Transformed Into An Item That Is Imported By The Country Of Origin. The Development, Rise, And Creation Of Personal Computers Are Well-Known Examples Of This.

2.2.3 Transaction Costs Theory

The Transaction Costs Concept Is At The Core Of The Discipline Of International Business. Given The Concept's Importance In The Development Of International Business Theory, The Description Of Transaction Costs In This Section Includes Both The Core Proposition As Well As Variations And Criticisms Of The System.

According To Coase (1937), The Theory Of The Firm's Existence And The Transaction Costs Approach All Function. He Proposed That The Relative Costs Of Carrying Out A Transaction Within A Firm's Hierarchy And On The Open Market Determine The Firm's Boundary.

3. Technology Transfer

Technology Is Viewed As A Crucial Determinant Of Competition. However, Provided That The Bulk Of New Technology Growth Occurs In A Small Number Of Successful Countries Around The World. According To Rasiah And Gachino (2005), Foreign Technology Transfer Is Now Widely Recognized As A Key Driver Of Domestic Production Growth And, As A Result, Higher Living Standards. On The Other Hand, By Replacing A Large Number Of Low-Skilled Workers With Fewer High-Skilled Workers Or By Substituting Capital For Labor,

New Technology May Minimize Labor Demand. As A Result, Technology Is Critical. Policies Will Have An Impact On The Number Of Workers That Are Created.

Unctad (2008), First, Fdi Affects Domestic Firm Competitiveness Across A Variety Of Sources. Spillover Effects From The Demonstration Effect Arise When A Domestic Firm Improves Its Efficiency By Actually Studying And Copying Technologies From Neighboring International Firms. Second, Spillovers May Occur As A Result Of Competition Between Foreign And Domestic Firms.

Domestic Firms May Face Increased Competition As A Result Of Fdi, Causing Them To Become More Competitive. On The Other Hand, Increased Inward Fdi Competition Would Reduce The Productivity Of Domestically Based Businesses, Particularly In The Short Term. If Imperfectly Competitive Firms Are Forced To Pay Fixed Manufacturing Costs, A Foreign Firm With Lower Marginal Costs Would Be Encouraged To Increase Demand.

In Comparison To Its Domestic Rival, It Produces More. However, Local Companies Benefit From A Lot Of Technical Knowledge And Personal Expert That Enhances The Knowledge And Skills Of Domestic Workers.

4. Market Employment

Fdi Affects A Variety Of Industry Participants, Including Mnc Members, Suppliers, And Competitors, Across A Variety Of Channels. As A Result, The Sum Of These Impacts Determines The Total Influence Of Fdi On Jobs In Developing Countries. Moreover, The Economic Literature Has Extensively Studied The Effect Of Fdi Flows On Growth, Production, And The Labor Market. Various Aspects Of The Impact On Host Countries Have Been Considered. On The Impact Of Fdi On Work And Incomes, The Evidence From Case Studies Is Mixed. According To Ramirez, (2000), Foreign Direct Investment (Fdi) Was Directed Into Capital-Intensive, Machine Production, Which Had A Marginal Effect On Domestic Labor Demand. Lipsey, Sjöholm, And Sun, (2010) Suggested That In Indonesia, Foreign-Owned Manufacturing Plants Create Employment At A Much Faster Rate Than Locally-Owned Factories.

According To Dinga And Mnich, (2010) According To Czech Statistics, Fdi Helps To Boost The Local Labor Market By Creating Jobs And Lowering Unemployment.

Vacaflares And Mogab, (2011) Suggested That The Subsidiaries In Asia Add The Most Employment In Response To Increased Fdi, Led By Subsidiaries In The Americas, But Only Subsidiaries In The Manufacturing And Service Sectors Have A Statistically Valid Impact.

According To Liu, (2012) A Secondary And Tertiary Industry Research In China For The Benefit Of The Between 1985 And 2008, Fdi Growth Supported Employment In The Long Run, Especially In The Tertiary Sector, Where There Is A Bidirectional Link Between Fdi And Employment; However, Fdi Has A Limited And Even Negative Impact On Employment In The Short Term, With The Latter Indirectly Increasing The Former.

According To Hijzen Et Al. (2013) Similar Findings Can Be Found In Indonesia, Where Foreign Mergers Are Expected To Increase Jobs By 25% And Shift Employment Away From Low-Skilled Workers, With A Substantial Decline In Low-Skilled Jobs.

Farole And Winkler, (2014) Suggested That, Where There Is A Significant Language Difference Between The Fdi Source And Destination Countries, Survey Data Indicates That International Investors Favor Highly Educated Local Jobs, Albeit Only To A Small Extent. According To Peluffo, (2015) In A Study Conducted In Uruguay, It Was Discovered That Fdi Boosts Jobs. Even If Others Argue That Fdi Has A Negative Impact On Employment, These Results Reinforce The Argument That Wage Rises Are Caused By Labor Rivalry.

Foreign Investment Has A Strong Job Influence On Affiliate Firms, According To Firm-Level Studies From Developing Countries. In Developing Countries, Fdi Inflows Generate Great Jobs By Boosting Corporate Wages Compared To Domestic Firms And Growing Firm Competitiveness.

Jaworski, (2015).

According To Ragoussis, (2020) Brownfield Ventures Create Employment At More Than Double The Rate Of Comparable Domestic Firms.

5. Financial Benefits

One Of The Most Direct Ways That Fdi Can Lead To Financial Development Is By Increasing The Number Of Resources Available In The Local Economy. In Developing Countries, Where Capital Is Traditionally Limited In Comparison To Labor, Policymakers Often See Future Capital Injection As The Most Important Advantage Of Fdi Because It Boosts Investment And Gdp In The Host Economy. However, As The Preceding Review Would Demonstrate, The Degree To Which International Corporation Operation Results In A Net Increase In Capital Is Based On Local Financial Conditions. Financial Conditions In The Host Country Can Have An Uncertain Impact On Overall Fdi Because They Affect Both Whether A Foreign Value Is Created And Whether It Is Funded With Fdi.

According To Manova Et Al. (2015), Substantiate Mnc Affiliates' Exclusive Access To Capital Increases Their Exporting Capacity. They Assume That Because Firms Must Finance Such Fixed And Variable Costs To Reach New Export Markets, Mnc Affiliates Would Perform Better Than Domestic Firms In Terms Of Export Performance, Especially In Financially Based Industries.

Tabassum And Ahmed, (2014) Suggested That, Researchers Studied The Relationship Between Foreign Direct Investment And Bangladesh's Economic Growth Between 1972 And 2011. Domestic Investments Boost Economic Growth, While Foreign Direct Investments And Free Trade Have A Limited Effect.

According To Aga, (2014), The Study Investigates The Impact Of Foreign Direct Investment On Economic Growth In Turkey From 1980 To 2012, Concluding That There Is No Long-Term Relationship Between Fdi And Economic Growth In Turkey; He Concludes That There Is No Granger Causal Relationship Between Fdi And Economic Growth Using A Granger Causality (Gc) Test.

Domestic Firms, In Our Opinion, Have Benefited Significantly From Fdi In Terms Of Financial Development And Benefits, Such As Improved Gross National Income (Gni), Labor Skill, And Overall Financial Performance. Some People Are Concerned, But There Are Still Concerns Regarding Raw Material Depletion And Wage Inequalities Between Domestic And Foreign Businesses.

Market Computation

Firm Competition Is Generally Identified As A Vital Driving Force In Business Economies. It Ensures Efficient Resource Allocation By Bringing Variables To Their Full Use, And It Creates Firm Dynamics That Boost Creativity, Productivity Growth, And External Competitiveness—All Of Which Result In Macroeconomic Benefits.

Export Competitiveness Has Been Described In Various Ways By Various Academics. Ricardo, (1817) Suggested That Early Trade Theory Explained Export Competition In Terms Of Comparative Cost Advantages Or Price Competitiveness, With Relative Labor Productivity And Factor Endowments As The Primary Indices Of Cost Disparities Between Countries. According To Sharples And Milham, (1990) The Ability Of A Country To Manufacture And Sell Goods Of The Quality Demanded By International Customers At Prices Equal To Or Greater Than Those Of Other Potential Suppliers Is Referred To As Export Competitiveness. Hanson Et Al. (2005), The Overall Results Are Determined By The Degree Of Compatibility Between Foreign And Domestic Stages Of Growth, As Well As Whether Cost Reductions From Traditionally Focused Operations Enable The Parent Company To Increase Competition And Market Share.

According To Holmes And Schmitz, (2010) To Increase Competitiveness, Companies Will Be Forced To Invest In R&D, Innovative Business Strategies, And Improved Technologies, Which May Explain Some Of The Productivity Gains.

Wagner, (2012) Suggested That When Rivalry Allows High-Productivity Firms To Join The Export Market Or Makes It More Competitive For Existing Exporting Firms To Compete With Others, The Rise In Export Competitiveness May Be Caused By An Increase In Production. Goodwin And Pierola Castro, (2015) Suggested That Cross-Country Empirical Studies Indicate A Strong Positive Relationship Between Competition And Growth, With Increased Investment, Creativity, Productivity, And Export Competitiveness As A Result.

According To Lotfi And Karim, (2016) Export Competitiveness Is Characterized As A Country's Capacity To Efficiently Integrate Into The Global Economy From The Perspective Of Globalization. According To Begazo And Nyman, (2016) Competition Benefits, Potential Consumers And Downstream Providers By Lowering Prices, Increasing Sales And Job Openings, And Reducing Unfair Practices.

Local Investors' Perceptions Of Foreign Direct Investment Are Affected By A Number Of Factors, According To The Literature Reviewed. Local Investments Have A Significant Impact On Economic Growth, And An Improvement In Export Competitiveness Can Be Caused By An Increase In Quality Goods. Fdi Leads To The Growth Of The Local Labor Market, Increasing Jobs And Reducing Unemployment; Local Investments Have A Significant Impact On Economic Growth; And A Boost In Export Competitiveness Can Be Caused By An Increase In Quality Products. However, To Perform Our Study, We Need To Know About Local Investors' Perceptions Toward Fdi In Mogadishu, Somalia.

6. Results And Discussions

Reliability Test Of Research Instrument

Cronbach's Analysis Was Used In This Research To Assess The Accuracy And Reliability Of The Variables Used In The Study. Cronbach's Coefficient Value For The Technical Conversion Vector Was 0.753, As Seen In Table 2. Cronbach's Alpha Value For The Second Calculation, Which Looked At Future Industry Employment, Was 0.720. The Third Variable, Which Dealt With Financial Benefits, Had A Score Of 0.655. The Final Metric, Business Competitiveness, Received A Score Of 0.721. According To Rivard And Huff (1988) Suggest That Cronbach's Coefficients Greater Than 0.7 Indicate That The Measuring Units Are Objectively True. The Coefficient Values For Three Of The Four Variables Used Were Greater Than 0.7. The Third Element, Which Had A Coefficient Value Of 0.655, Should Be Considered Accurate As Well, Since The Used Survey Was New And Only Planned For The Purpose Of This Analysis. Lower Limits Have Been Used In The Literature (Santos, 1999), And For Recent Instruments, A Reliability Value Of 0.5 Is Acceptable (O'leary-Kelly And Vokurka, 1998).

Table 4.1 Reliability Test

Variable	No. Of Items	Mean	Std	Cronbach's Alpha, α
Technology Transfer	5	3.4295	1.178	.753
Market Employment	5	3.485	1.136	.720
Financial Benefits	5	3.20	1.023	.655
Market Competition (MC)	5	3.28	1.13	.721

Respondents' Profile

Table 4-2 Shows The Demographics Of The Respondents In This Study. Male Respondents Accounted For 56.1 Percent Of The Total, While Female Respondents Accounted For 43.9 Percent. Respondents Are Younger Than 30 Years About 73.1 Percent And 26.9 Per Were 40 Years Or Older. The Age Group Under 30years Is Represented By 73.1 Per Cent And The Age Group Of 31-40 Is Represented By 18.4 Per Cent. On The Other Hand, 74.4 Percent Of Respondents Have A Bachelor's Degree, While 14.1 Percent Have A Master's Degree. Furthermore, 5% Of The Respondents Had Completed A Phd Degree, While 6.2% Had A College Diploma. 67.2 Percent Of Respondents Have Fewer Than Five Years Of Experience, 15.4 Percent Have Six To Ten Years Of Experience, 10.5 Percent Have Eleven To Fifteen Years Of Experience, And 6.9 Have More Than Sixteen Years Of Experience, According To The Survey. In Addition, 59.3 Percent Of Respondents Had Less Than 20 Workers, 20.0 Percent Had 21-40 Employees, 8.5 Percent Had 41-60 Employees, 5.5 Percent Had 61-80 Employees, And 6.9 Percent Had More Than 81 Employees.

Table 4.2
Profile Of Participants

Questions	Frequency	Percent	Cumulative (%)
Gender			
Male	171	56.1	56.1
Female	134	43.9	100.0
Marital Status			
Academic Qualification			
Phd	16	5.2	5.2
Master	43	14.1	19.3
Bachelor	227	74.4	93.8
Others	19	6.2	100.0
Age Of The Respondent			
Under 30 Years	223	73.1	73.1
31-40 Years	56	18.4	91.5
41-50 Years	20	6.6	98.0
51 And Above	6	2.0	100.0
Job Field Experience			
1-5 Years	205	67.2	67.2
6-10 Years	47	15.4	82.6
11-15 Years	32	10.5	93.1
16 And Above	21	6.9	100.0
No. Of Employees			
Less Than 20	181	59.3	59.3
21-40	61	20.0	79.3
41-60	26	8.5	87.9
61-80	16	5.2	93.1
81 And Above	21	6.9	100.0

Participants' perception of foreign direct Investment (Technology Transfer)

Five Elements Were Used To Examine Local Business Perceptions Of Fdi: Accepting Fdi Will Benefit Local Investors Because It Can Bring In New Factories And Facilities, Increase Job Opportunities, Increase Local Skills And Exchange Skills, And Bring New Technologies. Result Shown In Table 4.3 Indicates That Fdi Will Set New Factories And Plant And Fdi Will Bring New Technology Are The Core Element In The Perception Of Local Business. Furthermore, The Participants Agree That An Increase Of Foreign Investors Will Bring New Technology And Factories That Local Small Business Can Learn.

Table 4-3: Perception towards foreign direct Investment (Technological advancement)

Item	Mean	Standard Deviation
Accepting Fdi In Locally Can Be A Good Step That Will Benefit Somalis Local Investors Because They Get A New Way For Doing Something.	3.4295	1.296
The Fdi Will Bring Setting Up Of New Factories Or Power Plants, Or Constructing New Roads And Highways, Based On New Technology.	3.6197	1.178
Fdi Creates Beer Group Employment That Increases The Quality Of Local Employees Providing New Sophisticated Technology.	3.4754	1.248
Fdi Creates Sharing Experience And Training That Increases The Knowledge Of Local Employees	3.5574	1.245
Fdi Brings Updated Technology And Transferred To The Local Investors.	3.600	1.258
Average Mean:	3.5364	
Valid Number:	305	

Participants' perception of foreign direct Investment (Market Employment)

In This Section, Respondents Were Asked Five Key Questions, Including Whether Fdi Will Increase Employment, Whether More Employment Will Increase National Income, And Whether It Will Also Raise Local Society's Living Standards. Finally, Foreign Direct Investment (Fdi) Would Boost Economic Growth. It Was Decided To Use A Five-Point Likert Scale. According To Table 4-4, The Majority Of Participants Believe That Foreign Direct Investment Will Improve National Economic Activity And Produce More Jobs, Although Others Are Natural To Disagree, Implying That Fdi Will Not Have A Positive Impact On Work Opportunities In General.

Table 4-4: Perception towards foreign direct Investment

Item	Mean	Standard Deviation
Fdi Will Increase Employment Opportunities For The Business Sector.	3.4852	1.254
Fdi In Business Creates More Employment Directly And Indirectly.		

	3.6098	1.136
More Employment Opportunities Increase The Revenue Of The Individual And For The Economy Of The Country.	3.5377	1.227
Revenue From Such Employment Will Increase The Standard Of Living Of The People.	3.4984	1.308
Increasing Employment Opportunities May Lead To Improve The Economic Growth Of The Country, Which Can Enhance The Returns Of The Local Investments.	3.6550	1.262
Average Mean:	3.5572	
Valid Number:	305	

Participants' perception of foreign direct Investment (Financial Benefits)

Respondents Were Asked Five Key Questions In Order To Achieve This Goal, Including Whether Fdi Would Increase Total Market Size, Increase Profit Margins, Help Different Groups Of People Achieve Financial Growth, And Increase Overall National Financial Growth. The Five-Point Likert Scale Was Used In This Study. The Majority Of Participants Believe That Foreign Direct Investment Would Boost The Country's Cash Inflows, As Seen In Table 4-4. Furthermore, The Participants Were Divided On Whether Foreign Direct Investment Would Boost The Market Value Of Local Businesses.

Table 4-5: Participants' perception of foreign direct Investment (Financial Benefits)

Item	Mean	Standard Deviation
		1.225
Fdi Will Improve The Market Value Of Local Business.	2.2000	
Fdi Improves The Profit Margin Of The Local Business.	3.4656	1.022
Fdi Helps All Classes Of People In Financial Growth	3.4098	1.075
Fdi Increases The Number Of People With Steady Income In Local Business Sector	3.4885	1.186
Fdi Helps In The Overall Financial Growth In This Sector	3.5705	1.220
Average Mean:	3.4268	
Valid Number:	305	

Participants' perception of foreign direct investment (Local Market Competition).

The Study's Fourth Goal Is To Determine The Impact Of Foreign Direct Investment On Local Market Competition. A Series Of Questions About Business Fulfillment Were Asked Of The Participants. External Investment Would Deter Monopolistic Markets And Generate New Business Completion, According To The

Majority Of Respondents. Other Respondents, On The Other Hand, Claimed That Foreign Investment Would Have A Negative Impact On The Local Economy And Will Eventually Replace Small Markets. Furthermore, Respondents Accepted That Smaller Firms Would Be Taken Over By Foreign Direct Investment. Other Respondents, On The Other Hand, Believe That Foreign Direct Investment Would Inspire Local Businesses And Foster A Creative Climate. Customers Can Get A Variety Of Products At A Lower Price As A Result Of This.

Item	Mean	Standard Deviation
Foreign Investment Will Discourage Monopoly In The Business Market.	3.2820	1.334
Competition Will Become High Among Local Investors And Foreign Investors.	3.5344	1.126
Fdi In Business Will Affect Negatively The Local Competition In Local Investors Such As Takeover, Acquisition And Etc.	3.5410	1.160
Fdi In The Business Sector Motivates Local Competitors To Innovate Cheaper Products With Good Quality.	3.4918	1.233
Fdi Helps To Bring Better Technology To Win The Local Competition.	3.5049	1.280
Average Mean: 3.4708		
Valid Number: 305		

7. Discussion And Conclusion

As A Result Of The Findings, It Was Discovered That Small Business Investors Had Diverse Perspectives On Foreign Direct Investment. According To Most Respondents Agree That Coming Global Entrepreneurs Can Introduce Innovative Technologies That Local Businesses Can Learn More About, Whether Through Technical Funding Or Technological Innovation. Wagner Concurs With This Conclusion (2012). According To Lipsey, Sjöholm, And Sun (2010), Multinational Companies In Indonesia Will Bring Different Technologies That Can Lead Or Take Over The Local Market And Grow Employment Faster Than Locally Owned Businesses.

However, The Study's Findings Revealed That Foreign Direct Investment Would Have An Effect On The Labor Market. Foreign Direct Investment Would Boost Employment Opportunities, And National Economic Growth Drivers Received The Most Votes.

According To Bengoa And Sanchez-Robles, (2003) Argue That The Host Country Requires Adequate Human Resources, Adequate Infrastructure, And Economic Growth And Liberalization In Order To Benefit From Long-Term Capital Flows.

Besides That, The Study Found Out That Foreign Direct Investment Will Increase Financial Growth. According To The Respondents, Most Of The Respondents Agreed That Fdi Will Increase The Steady Of Local People Income And Financial Freedom Through Creating New Jobs. Borensztein, Gregorio, And Lee (1998) Suggested That Fully Support This, Arguing That Fdi Leads To Economic Development Only When The Host Economy Has A Proper Adsorption Potential Of Advanced Technologies.

Finally, This Paper Found That Fdi Creates Market Competition As Well As Providing Cheaper Product. According To The Responses Of The Participation, Most Foreign Investment Will Reduce Local Monopolistic Business Which Can Lead To Open Competition. While Others Participants Disagree This Point Of View. They Believe That Foreign Direct Investment Will Take Over The Local Business In The Long Run If The Government Cannot Protect The Local Business.

This Paper Then Concludes That Many Factors Affect Foreign Direct Investment Such As Technology Transfer, Market Competition, Unemployment, And Financial Growth. Therefore, The Study Found That Market Employment And Technological Transfer Are Most Influenced And Important Factors Which Foreign Direct Investment Can Influence. While Financial Benefits And Local Market Competition Are On Average According To The Perception Of Local Business Owners.

Finally, This Paper Suggests The Following Points:

- The Host Country Governments Should Arrange And Plan The Kind Of Foreign Investment Can The Country Needs While Listening To Any Foreign Business Which Can Dominate The Local Business.
- According To The Local People Perception, High Technological Intensive Business May Be Required In The Local Market. Therefore, Foreign Investors Should Consider Which Can Of Investment Might Needed In Local Business.

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