

The Role of Small Enterprises in The Development of Libyan Society and Economics

Kaled H. Jawan

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Abstract- Libya lived a considerable period of recession, the economy nearly the last forty years has this period old Libya was suffering from poverty and hunger and were dependent adopt entirely on agriculture and animal husbandry , and this was before the discovery of oil a year before 1951, and then oil was discovered in Libya and began to export almost 1958 and Libya began in drawing three development plans, short-term and medium-term and long-term work on the development of individuals and their development and the provision of building good infrastructure , but this did not continue because of the power struggle has changed the system of government from a monarchy to a revolutionary system of military ruled the country for forty years and the direction of this military system to the application of the economic system Communist rule if the state is of finance fundamentals living members of the community worked to provide all dues basic life only from clothing, and housing , but this policy does not tend never to markets and encourage investment and did not even work on the teaching of students in universities, the state is in the eyes of this provision is a merchant and is an investor , a market , and here occurred error where neglected education , training and development of individuals was most Libyan society almost dependent adopt a holistic are being provided by the State of consumer goods were State supports this item and sells the cheapest did not think people in the self-development or research on development and development because originally this thing does not exist only by the state and the country was closed to the world and the development of the Renaissance and contemporary life it was the Libyans to rely on the post and was get a monthly salary and then turn to consumer associations and buy the commodity from Eater , clothing, and other durable goods and non- durable for use in the home and there were not small projects and not a medium for they were all owned by the state and no businessmen because Law Revolution does not allow it was difficult to the success of any small project was or the average of the lack of possibilities and the inability to obtain the required permits and also the competitive advantage of the already non-existent because the state is the biggest competitor owner of the project could not compete with state support goods and sell them at discounted prices so if there was a clear difference in the quality Individuals in Libya were dependent on salaries only and have no other source of income or other income were those salaries last them to the end of the month only and can not even save them. From here came the idea in writing on the program of small projects In the last period of the life of Libyan society after resolving most of the outstanding issues with the bone in the world has opened up Libya outside world and moved precipitated free economy and looked people in Libya think actually in the creation and establishment small businesses and medium and became an

individual in Libya, more than one source of income , but individuals wishing to establish small businesses lack the expertise and skill , and how to create ideas and get good opportunities to establish projects wishing them because most of the small projects have been successful only lacked how to manage financially and administratively , and from here to write a review of this study and work on them to deliver the idea and encourage the success of small enterprises.

New innovation actually can and creativity in creating the idea and finding new and innovative cutting-edge ideas in which they can work on the establishment of a small project and utilize it to the fullest.

Index Terms- small enterprises, micropatterns, revolution, small business, credits, Libya

I. INTRODUCTION

The small projects of the most important projects of economic, social and political that have contributed and continue to contribute to the progress and growth in many countries of the world, in addition to being a source of income for members of the community, which led to an interest in the study and draw appropriate strategies to her, and adopted as projects feasible for their ability to the achievement of economic and social welfare of the communities as one of the tools actors in supporting the local economy and the international extension.

The availability of core funding for small projects and bring about changes parallel the economic and social environment, fiscal and legislative important factor and tributary financially supportive in exchange operations, maintenance and development, training and other in order to achieve the objectives of small enterprise development on the one hand, and profitability on the other hand, the continuing growth and development of human resources on the other hand . To achieve this, it requires a reconsideration of the financial conditions in small projects with more care and attention in their financial structures and the search for new sources ensure the safety and profitability.

On the other hand, faced small projects in Libya, many of the problems and the most prominent of which funding problems of various types of ownership or financing or borrowing to participate or Islamic Murabaha or lease that had a clear impact in the failure of many small projects.

So here we will focus on a number of topics related to and including:

1. Definition of some of the concepts of small businesses and standards, and their properties both domestically and

internationally, the most important definition: the European Union, the World Bank, the United Nations Industrial Development Organization, the United Kingdom, the United States, Egypt, Libya.

2. Highlight the importance and the role of small projects economically and socially through a series of economic measures and legislative branches to ensure the achievement of many of the economic and social objectives, including, for example: the development of new human resources and here we mean graduates of universities and higher vocational institutes and medium enterprises, the reduction of unemployment and grant opportunities Operating and investment and employment optimized for human resources, and the elimination of underdevelopment, and increase the standard of living, and others.

3. Showing some surveys backed data and information through Fin for small projects at both the global and local levels.

4. Shed light on the reality of small projects and funding mechanisms in Libya in the earlier stages and so far and witnessed economic and social activity in Libya changes from positive and negative, and formed of the importance of the Libyan economy.

5. Sources of funding for small projects and which are formed: forming sources of funding for small projects funding ownership represented in the self-financing of external financing through trade credit, bank credit, loans bodies and supporting institutions and specialized in micro-finance, loans, Islamic finance program of Islamic banking Libya, loans, parents and relatives and friends.

6. Study and analysis of the mechanisms and sources of funding for small projects in Libya and the possibility of development. So exposure to sources of funding which commercial banks Development Bank and the Rural Bank and the Agricultural Bank of the main sources of funding to finance small projects in Libya.

7. Obstacles and challenges facing the financing of small projects: The many difficulties and risks, both internal and external, including technical, administrative or financial or other.

8. Recommendations, including a proposal to build a balanced financing structures for small enterprises in Libya.

II. THE CONCEPTS OF SMALL PROJECTS

Known as the European Union small projects that each entity or organization neighborhood practiced economic activity, and the least number of employees by about 100 workers. The World Bank projects that which ranges where the number of workers between (1-25) factor. The United Nations Industrial Development Organization UNIDO defined in the standard for small number of workers see that the project is small, which employs the (15-19) factor. In the United Kingdom are considered small businesses if employed less than 200 workers in manufacturing, but in the field of mining and construction, the projects are small if the number of workers is less than (25) factor, and uses standard annual sales as a criterion for the division of facilities that operate in the field of transportation wholesale and retail. In the United States knew the small enterprises (SBA) small projects as "an enterprise owned and managed independently, and it is targeting a profit, does not dominate in the field of work or activity of any non-monopoly, but competition, where the standards are based on the size to two indicators: the number of

employees and annual sales (average the last three years). Authority has identified activities in which it operates small projects with the application of a criteria mentioned.

SIZE	STANDARD	SECTOR
500 up	Number of employees	Manufacturing
Less than 5 million	Annual sales value	Retail business
Less than 5 million	Annual sales value	Services
100 up	Number of employees	Trade clause
Less than 5 million	The value of annual revenues	Building Contracting
Less than 5 million	Annual sales value	Commercial activities especially
Less than 5 million	Annual sales value	Agriculture

In Libya : know small projects such as economic units which employs less than 100 workers and with a limited share in the market.

Some argue that no more than the number of workers (20) factor, while in Libya is viewed her as a civil institutions productivity, service and a tool for economic and social development to accommodate the forces of young available where technical specifications, administrative and technical measures to run efficiently, and standard working projects in Libya is (25) element does not exceed the value of the lending institution, which gives this magnitude million Libyan dinars

Second, the specific criteria for the concept of small projects

There are several definitions for small projects, both at the international level or individual countries according to the standards of many and varied, which can be summarized as follows: -

1. Standard employment (number of employees)

The standard of the most important labor standards and the most common at all in determining the size of the project and in the distinction between small and large, as a result of the availability of data on employment in most countries.

2. Standard invested capital:

Adopts this standard in determining the size of small projects, according to a maximum of capital invested in the project varies depending on countries where there are these projects.

3. Standard labor and capital:

Or what is called the standard binary or double by placing a maximum of labor beside a certain amount of fixed capital investments in small projects.

4. Standard annual sales value:

Sales is the most important engine for project operations and are affected by the assets, liabilities and property rights and the costs of all kinds, and because the number of sales volatile inflation, it is preferable to account for an average of two or three years to reach the minimum specifically to the small size of the project.

5. Standard small share of the project in the market:

This requires measuring the size of the market and then measuring the share of small-scale project in the market, which is also linked to the standard value of your annual sales.

6. Standard level of technology used:

Small facility tend to use technology with a low level of complexity and progress, or the use of outdated machinery and equipment for the purpose of reducing costs, they also are part of the production process or marketing, which does not require the physical facilities are integrated.

Economic and social importance of small enterprises:

- contribute to the reduction of unemployment and poverty, and the granting of employment opportunities, investment, and expand the base of business
- Work on the development of exports through their finished products for export directly, or capable of entering into the production of other products.
 - attract small savings and directed towards investment and simplified methods.
 - meet local needs for goods and services locally due to diversify what they offer a variety of outputs and high flexibility, whether consumer products or raw materials or semi-processed
 - To contribute to the enrichment of entrepreneurial culture among entrepreneurs and encourage initiative and creativity and innovation which enhances the chances of success of small enterprises.
 - The possibility of achieving the integration of production in a number of facilities like a small industrial complex in the larger facility.
 - broaden the base of the self-financing of projects.
 - Support for large projects, either through feeding industries to industries or large supply of skilled labor, which trained and formed in the small and sometimes rival to the large number.
 - bring about economic and social development, which affects positively in the redistribution of national income in favor of the employers of small incomes, and thus improve their levels, particularly in the less developed regions, the poorest and most rural and remote within the same country, and thus is a way to reduce the areas of poverty and the number of individuals who fall below the poverty line.

Characteristics of small projects

Can summarize the most important characteristics that distinguish from other projects in the following:

1. Decline in the absolute size of the capital needed for the establishment and operation of small projects.
2. Different patterns of ownership.
3. Reduced capacity for self-development and expansion talk.
4. Reduced economies of scale and the importance of benefiting from economies of assembly.

III. THE REALITY OF SMALL ENTERPRISES IN LIBYA – DEVELOPMENT AND CAPABILITIES

Occupies the subject of small projects important place in economic activity in Libya, and deliver a special attention by researchers and interested people and local institutions, in addition to the participation and contribution clear by many of the international organizations in supporting and developing those projects where:

1) began to finance small projects in Libya before the specialized banks and trading since the eighteenth century has shown the Ottoman era through the departments of the British military, French and Italian referee in the ninth century by ten founding of the Agricultural Bank and the Fund for Libya to provide and which have been re-organized at 03/24/1981 with the beginning of the Development Bank.

2) saw the Libyan economy since the seventies shifts in various developmental activities, whether agricultural or industrial, service, or other intent to cause sound infrastructure served as the institutional support of the economic activity of the Libyan public and private sectors.

3) suffered small projects during the period 1980-1999 a case of negligence and shortcomings of the administrative and finance and marketing and legal due to the absence of a clear vision, comprehensive and specific to the nature of the work and goals of small projects, as well as to double the efforts of their development, as well as the absence of the body responsible for the conduct of follow-up and support these projects, which affected on productivity and competitiveness, so they are small projects in that period a secondary role.

4) emerged in 2000 and interest and a clear will by economists and those interested in the advancement of small businesses in all activities and draw its strategic plans, restructuring and put it in a legal framework.

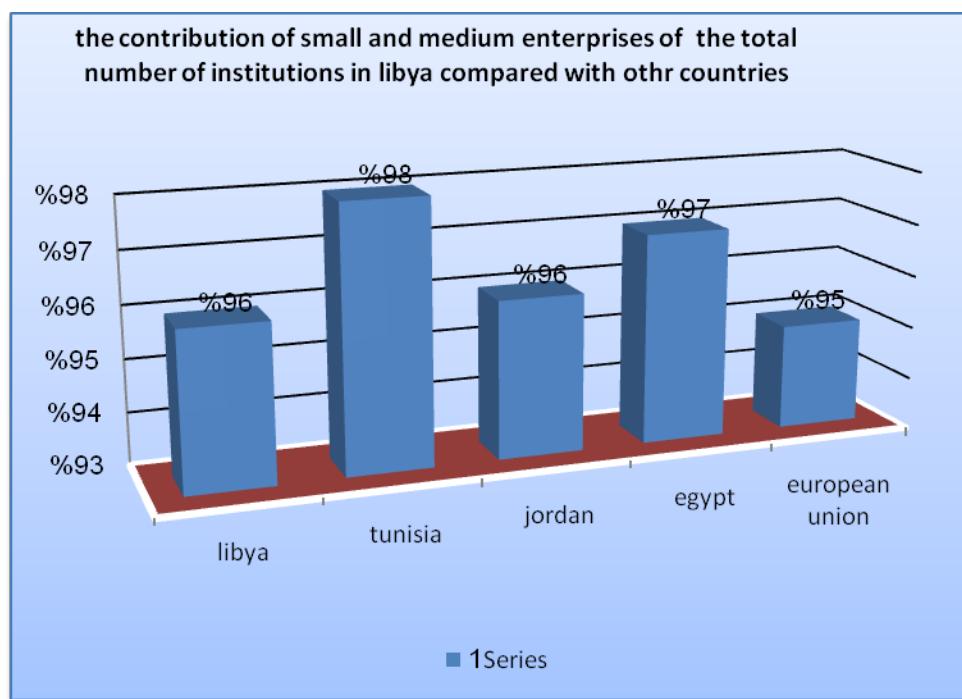
5) form small projects of great importance in the Libyan economy, accounting for nearly 88% of the total number of projects.

6) Some studies in 2007 that 96% of civil institutions in Libya are small and medium enterprises mostly work in the service sector, and works out to about 1.6 million people, and that the majority of employees are of Arab labor and African expatriate and suggest some report Banking that the number is increasing very significantly during the years of the Arab Spring which made increased in per capita income increased by four times during the last five years which performance to a significant rise in prices for most consumer goods.

7) constitute the only Libyan national employment (20%) of the total workforce, at a time that does not exceed the contribution of small and medium enterprises accounted for 4% of GDP.

As will be seen in the following table:

Table No (1) The proportion of small and medium enterprises of the total number of institutions



Showed a statistical survey of the most important results in 2016 for some economic activities on the level of Libya and were as follows:

A.

Number of projects in Libya (168 317) on the distributor project areas as shown in the following table:

A table No (2) showing the number of small projects, broken down by regions in Libya as a sample only

Percent %	Number of Projects	Zone	N
3.4	5754	Batnan	1
2.3	3865	Darena	2
3.8	6343	Algabal alaadhar	3
2.8	4550	Almarej	4
11.0	18588	Bangaze	5
3.2	5467	Oases	6
1.1	1863	Alkofra	7
1.8	3045	Searet	8
1.1	1854	Algefrah	9
2.8	5032	Alzentan	10
10.5	17699	Mosrata	11
5.6	9366	Almergeb	12
22.0	37032	Trabuls	13
6.6	11136	Algafra	14
7.1	11920	Alzaoya	15
5.3	8842	Zuwarah	16
3.9	6611	Algabal algarbi	17
1.2	1978	Nalut	18
2.9	4937	Sabha	19
1.4	2331	Wadi alshati	20
1.3	2255	Murzuq	21
1.2	2100	Wadi alhayat	22
0.5	790	gat	23
100 %	173349	total	

Source: General Information Authority 2016

Seen from the above table that the largest number of projects located in the region of Tripoli, where numbered (37032) Draft accounting (22%) of the facilities or projects operating in Libya, come Benghazi area ranked second in terms of number, reaching projects by (18588) Draft by (11%), while occupies area of Misrata ranked third with projects reached (17699) project, representing (10.5%) and finally zone languages projects amounted to (790) projects, and what constitutes a rate of (0.5%) of the total projects operating in Libya.

B.

Number of small projects (148 831) project spread over four main activities as shown in the following table:

Table No (3) A statement of the number of economic activities by classification and the extent to which projects

percent	The Number of large projects	percent	Number of medium enterprises	percent	Number of small projects	Economic activity	n
0.7	126	3.5	674	95.8	18313	Industry funding	1
9.4	156	20.1	334	70.5	1170	construction	2
2.5	2504	-	-	97.5	100129	Internal trade	3
67.5	14040	-	-	32.5	29219	services	4
	16826	-	1008	-	148831	total	5

Shown in Table No. (4) that the number of small projects amounted to (148 831) project represents the activities of the manufacturing number (18313) project by (12.3%), and in the activities of construction, bringing the number (1170) project by (0.078%), while The number of projects operating in the internal trade activities (100129) project by (67.28%), and the service activities were numbered (29219) project by (19.63%). It is clear from the focus of small projects in the majority of the services activity, which reflects the interest of small business owners and financiers of this type of activity, while the decline in construction activity, reflecting the weakness of interest in him because of the lack of experience and skills in this activity, which requires decision-makers to work on the preparation and training of cadres specialized for the advancement of this sector, as well as payment towards the financing of these projects for their importance and their role in supporting development programs in general.

Sources of funding for projects in Libya:

Considered as commercial banks and Development Bank and the Rural Bank and the Agricultural Bank of major sources of funding to finance small projects in Libya, and can be summarized as follows:

Table No 4: The commercial banks: the total capital of commercial banks in Libya amount of (660) million and described according to the following table:

Capital	Inception Date	Bank	
200Million	1969	Aljamhorua	1
252 Million	1970	Alsahare	2
108 Million	1970	Alohadha	3
100 Million	1970	Altegare Alyatne	4
660 Million		Total	5

The volume of loans granted by commercial banks to the economic activities during the period of 2012-2016 the sum of (24774.1) million and set forth in the table below as follows:

Table (5) A statement of loans and credit facilities granted by commercial banks to the Libyan various economic sectors and activities during the period from 2012 to 2016 million dinars

The proportion of economic productivity and service loans to total loans	total	Social advances	Manmade river loans	Real estate loans	Economic production and service activities loans	year
44%	6166.6	1665.7	373.0	1426.3	2701.6	2012

51%	7067.2	1709.9	373.0	1394.4	3589.9	2013
55%	8191.3	1899.9	328.0	1419.4	4544.0	2014
62.5%	10544.9	2473.3	174.0	1300.8	6596.8	2015
62%	11812.7	3192.1	206.5	1278.8	7341.8	2016
56.6%	43782.7				24774.1	TOTAL

Source: prepared by the researcher based on the report of the Central Bank of Libya

2. Development Bank:

Development Bank, a joint stock company established a Libyan based on Law No. (8) for the year 1981 and headquarters in the city of Tripoli, and keep track of the Treasury, and with a capital of (100) one hundred million Libyan dinars.

The total amount of funding granted by the Development Bank (801,577.4) million during the period 2012-2016, which appears in the following table:

Table (6) A statement of the loans granted by the Development Bank during the period from 2012 to 2016

total	new	Industrial services	Furniture industry	Textile industry	Minerals industry	Chemical and plastics industries	Building materials	Food industry	year
25440 8.0	7978.5	196685.7	8377.6	173.9	3240.9	8569.0	18604.1	10778.3	2012
17747 6.3	52645.5	12976.3	2493.4	2480.0	6837.2	14823.4	59518.9	25701.6	2013
22193 9.9	41650.9	6858.3	0.0	490.0	5969.9	7843.4	129949.2	29178.2	2014
60968 .5	12016.4	1356.4	808.6	607.1	290.9	358.2	40820.3	4710.6	2015
86784 .7	5788.1	5260.7	1402.2	0.0	1289.4	1218.3	65793.0	6033.0	2016
80157 7.4									

Source: prepared by the researcher based on the report of the Development Bank

It was for small and medium-sized share of the total loans granted by the Development Bank, with total lending to the number (3298) of small projects amount (238 614 464), but the number (20) of the projects medium amount (47,544,355) According to the following table :

Table (7) A statement of SMEs funded by the Development Bank from 2012 to 2016

statement	Small projects		Medium projects	
	number	value	number	value
plastic	51	2015568	2	5500000
construction	290	96769115	7	12212003
Tourist services	37	3843008	2	4275000
Health services	26	3867587	-	-
Service	248	13211989	4	8300000
Wooden stamps	233	11380596	-	-
Food and feed	92	10619468	4	14257352
Metal and engineering	85	7372681	1	3000000
Textile and leather	4	950000	-	-
Transportation	2232	88584452	-	-
total	3298	238614464	20	47544355

Source: Table prepared by the researcher based on the reports of the Development Bank.

Notes from the table above, that about most of the projects that obtained funding from the Development Bank, is a project of transportation and an increase (68%), while the building and construction activity comes in the second place of the size of projects and accounting (9%) almost , reflects this increase in transport projects and the fact that the reality of the market shows that about 95% of transportation imported.

1.Agricultural Bank: The number of loans granted during the period 2012-2016 the number (1014) loan, as the volume of financing granted by the Agricultural Bank (6172.5) million during the period 2012-2016, which appears in the following table:

Table (8) A statement of the loans granted by the Agricultural Bank during the period from 2012 to 2016

The proportion of short-term loans to total loans %	total	Long-term loans	Medium-term loans	Short-term loans	year
8.4	717.0	360.4	296.5	60.1	2012
5.5	1163.0	685.0	414.0	64.0	2013
5.3	1370.0	915.0	382.0	73.0	2014
5.6	1475.5	829.0	564.0	82.2	2015
6	1447.5	813.5	549.0	85.0	2016
	6172.5	3602.9	2205.5	364.1	total

Source: prepared by the researcher based on the report of the Central Bank of Libya

Notes from the table above, that the volume of financing from the bank-oriented agricultural short-term loans amounted to (364.1) million, accounting for 6%, while the value of funding in the short-term loans amounted to (2205.5) million and accounting (36%) almost, but the value of the funding in the long-term loans amounted to (3602.9) million and accounting (58%) and almost reflects the interest the bank financing small and medium enterprises and large, taking into account the nature of each of them.

4. Rural Bank was established in 2002 with a capital of 100 million Libyan dinars, and began his work effectively in the second quarter of 2005, with the aim of lending to low-income loans, short-or medium-term, and amounts ranging between (500-10000 LD), The rate of service charge on the value of the borrowed amount up to 2% in the areas of agricultural and marine wealth, animal and industrial and service and literal in order to improve their economic and social development, and to provide technical consultancy for entrepreneurs, where the total number of projects that have been financed by this bank (2339) small projects worth funding (9.211.300 LD and the average value of a loan up to (4000) Libyan dinars per project.

Table No(9): Facilities and loans from the Rural Bank.

Number of projects	number	project	number
0.09	2	Press and publicity	1
0.1	3	Informatics	2
0.3	7	Lathing	3
0.5	11	Hunting and fishing	4
0.6	15	Clinics	5
0.9	21	Tourist	6
1.1	26	Electric	7
1.5	34	Makeup	8
2.0	46	Food	9
3.3	78	Contracting	10
3.7	86	Transfer	11
4.8	112	Agricultural and animal	12
4.9	115	Chemical	13
36.9	862	Home and sweets	14
39.4	921	Fabric and sew	15
100	2339	total	

Source: Master Thesis on small projects in Libya - researcher Ben Halim Abdul Razak, the Academy of Graduate Studies.

As shown in Table (9) that more than three-quarters of the loans granted by the Rural Bank addressed to the projects, domestic and sweets and fabric and sewing, and the usual that the

majority of these projects are managed and implemented through businesswomen, this principle explains the extent of the contribution of women in the economy, and the desire at work and

contribute to the production process, but most suffer from Libyan banks is the low collection rate and which does not exceed (40%)

IV. THE RESULTS

From the data obtained and analyzed after and get quantitative results for a sample of small projects in Libya show us the following:

1. that small projects in Libya, mostly based on the individual itself, which depends on the establishment of a legitimate financial savings on their existing or borrow from a relative or post one of the persons in the establishment of a small project and returned the latter end in failure.
2. Most of the founders of small projects in Libya depends on some of the ideas and innovations of the idea or tradition, and most of these projects are very similar.
3. that rely on small projects for the members are not experienced and is trained and is qualified for the establishment of small businesses, especially in the administrative process, financial and resource exploitation.
4. legislation and applicable laws and that have been developed to simplify the procedures and the creation of small projects are in fact not serve wishing to create small businesses and are not in their favor versa in are in favor of the mourning institutions such as banks, which of course is due subordination to the state, we find here that the exemption allowance tax founders of small businesses than on his shoulders debt and financial obligations.
5. blurry these regulations and instructions, which in some cases are almost impossible implementation, especially for those interested in the establishment of a small project.
6. scarcity of information and data relating to the establishment of small projects and ideas and innovations, and the moral and material support to him.
7. Comparison of small projects in Libya and other countries are almost non-existent for the lack of a good regulatory regime in Libya.
8. laws and regulations and international instructions used in the creation of small and work out projects exist, but no one works out or followed. Facing industries or small projects in Libya, like the rest of the number of problems that they may still be summed up as follows:
9. Reliance kidney in the establishment of small enterprises on loans money saver or relatives or partnership.
10. A high proportion of small projects in Libya depends on trade buying and selling or importing and selling without relying on production and industry.
11. Initial availability of resources for some industries and not them optimally.
12. Significant shortfall in trained human resources and Libyan classes them specifically.
13. The list of small projects by foreign workers rather than labor Jamahiriya.
14. Lack of clarity of the state or its institutions in support of the program of small projects in Libya.
15. Explain tough conditions for borrowing, making it difficult to do a small project.
16. the small size of the market, in addition to the difficulty of pre-planning, or forecasting effectively and accurately the size of the demand, and this also applies to export to foreign markets for different prices from time to time.
17. Non-availability of skilled labor with high skills or expertise, and thus reduced productivity and quality of what ought to be.
18. the lack of sufficient information, and not knowing how to or how to get them, making some small projects like isolated islands in the world, where such information includes aspects of marketing, technical and competitive, as well as for the prices of raw materials or products etc.
19. the difficulties of funding, where to find the owners of small factories difficulty in obtaining loans from banks because of the high risk element in such small projects, as well as not being able to take advantage of investment incentives such existing appropriations customs, as well as subsidized energy costs, or access to land prices symbolism.
20. opening of the market, making it difficult to import with the possibility of competition, with the lack of tariff protection, as well as consumer preference for some foreign products.
21. Lack of research and development has led to an inability to flexibility in production, or whether to change the product developed or improved, or when you need to introduce alternatives and new products, the lack of correlation with effective specialized centers and institutes.
22. banks that offer financing facilities are commercial banks and therefore the goal of profit regardless of the return on the borrower.
23. The implementation of the requirement to 50% by getting a loan funding and is considered difficult to implement many of the facilities of small industries.
24. There are problems associated with the geographical location, there are many of these factories were created outside the industrial cities and that at least the availability of the basic components of the industry.

V. CONCLUSIONS

This study is based on some samples of small projects of the National Program for medium and small projects in Libya. And make some correspondence via the Internet with a number of directors of the credit banks, specialized and small business owners to find out the extent of the need for a clear and financing structures and activities suitable for small projects. We have obtained in this study, the following findings:

First, at the global level:

1. Has been shown worldwide to micro and small and medium enterprises accounted for about 90% of the volume of projects in the world, including: (35%) handicraft encourage innovation and invention, and contributes about 85% of the total GDP, and

provides (about 80%) of the total employment in most economies of the world.

In developing countries, the small enterprises provide employment opportunities between (60%) - (80%).

2. Explained that some of the studies (30%) of these projects fail in the first year due to lack of adequate funding, and that about 50% fail during the year and the first half of the composition.

Second, at the local level:

1. Were available on the number of files SMEs projects and business incubators in some Libyan cities, especially the western region samples, turned out that most of them do not include structures financing variety for the project, and what is available in many small enterprises and institutions, sponsors and donors for loans just data and financial information prepared by student funding and codified by the consulting offices of these institutions.

2. Presence of more than one authorized direct supervision on the project management and the subsequent collection of data and information related to the components of the financing structures for small projects in Libya.

3. Has been the introduction of a new device in Libya under the name of the national program for small and medium enterprises in 2007 assigned his duties overseeing the establishment of projects of both types and care and follow-up, in addition to the care and embrace the training of entrepreneurs and innovators through a program of modern ensures and supports the implementation of small projects with a variety of activities covering all areas to contribute to the creation of a comprehensive renaissance in support of the national economy and through the approach of a training program a distinct and sophisticated works to train and develop the skills and capabilities of workers to these projects in support of the national economy through the provision of human resources trained and ready to establish industrial projects free economic raise the level of income of the members of the community.

4. Spite of the establishment of a guarantee fund lending for the purposes of operating the year 2009 to ensure lending to entrepreneurs targeted funding and by ensuring (70%) of the total value of loans granted, but the fund has not based to ensure any project because of the lack of clarity funding mechanism specific for the remaining (30%). Thus the absence of his role as an institution to ensure risks.

5. That there are reasons for the difficulties faced by financing small projects in Libya, including:

A. lack of adequate safeguards for employers against the funding of the project.

B. high cost of funding and the potential risk.

C. weak administrative capacity and accounting, regulatory and technical for those in charge.

D. twice the preparation of feasibility studies and technical projects.

E. palaces Libyan banks in providing funding for projects in a timely and appropriate size.

F. stumbled repayment of loans granted to finance small projects.

G. Do not update or diversify financial sources and rely on traditional sources when grant funding.

H. low culture of creativity and innovation and leadership among entrepreneurs.

Microfinance:

This means the transfer of the financing capacity of the units fiscal surplus units to the fiscal deficit, this may be the situation directly from one project to another or overlap each other intermediary institutions as institutions of funding, which means that financing small supply of these projects with funds needed to carry out its activity Economic either internal resources or external resources. Financing structure in small projects:

And refers to the components of the money which is funded assets, and some believe the exclusion of current liabilities at the study of the components of the funding on the grounds that they finance a temporary, while others feel the need to calculate the current liabilities of the components of the funding, particularly in small projects so as it relies heavily on opponents short-term.

Commercial Credit: refers trade credit to Payment Facility obtained by small-scale project of suppliers, and the credit business has many advantages including: lower cost of funding, the ease and simplicity of procedures to obtain trade credit, and risks: to encourage the owners of the project on the extravagance and obtain the kits are unnecessary, which The project follows on the repayment obligations outweigh the potential in the future, and focus on the need to obtain the trade credit reduces the chances of choosing the appropriate resource, where it is a trade-off between suppliers who accept the granting of trade credit project in spite of the presence of other suppliers better and more committed to them.

B. Credit: the owner can project the small to obtain the bank credit short-term or long-term from the bank, and it depends on the nature of the need for the project to finance the purchases of the project from the production requirements of commodity or to finance a temporary shortfall of cash or to cover obligations payable short-term, such as: pay the wages of workers in that case bank credit required short-term credit, in the case of project finance purchases of equipment, machinery and buildings, construction etc. ..., the credit required is long-term credit, in which case the bank provides the required funding.

C. Loans bodies and institutions specialized in financing small projects: are loans granted by entities other governmental and non-governmental organizations and some might be specialized in providing loans to small businesses such as the management of small projects in the United States and in India, Indonesia, Japan, and the Social Fund, and a craftsmen in Egypt.

D. Islamic finance loans: and take many different forms, such as Murabaha financing for small projects purchases of equipment, machinery and production requirements and pay the price at intervals to be agreed upon by the bank, and participation of the bank where they can access with the owner of the project as a partner.

E. Loans, parents, relatives and friends: include loans obtained by the owners of the project from parents, relatives and friends as their primary source of funding, and typically range between (4-15%) of the amount of funding granted to small enterprises, In the United States the proportion is (9-11%), In Egypt, the proportion (15.4%). There are a lot of factors and considerations that should be subject to careful consideration when deciding on the structure of funding, and most important: the structure of investments in the project, the cost, the degree of risk, flexibility, control and tighten controls.

Obstacles and challenges and risks facing the financing of small enterprises

Fear and reluctance of banks to lend to small enterprises to the high degree of risk.

High interest rates on loans to compensate for the higher risk.

Lenders are working to program small projects on lending interest and this is a hindrance when the Libyans because the Libyan society and the Muslim community of interest (usury) is forbidden in their religion.

Lack of banking experience for small projects which weakens the decision of borrowing and lack of understanding of monetary policy and its instruments.

Demand guarantees small projects (in kind) are not available I have the owners of these projects.

Often the size of loans available from commercial banks and investment banks and businesses are limited and not sufficient for the development of small enterprises.

Lack of technical expertise, and organizational skills, experience and market mechanisms.

Lack of knowledge of competitors and suppliers, and the labor market and human resources available and regulations.

Impaired ability to deal with administrative bodies, and to deal with the funding agencies.

Lack of planning or outlook and plans to cope with crises.

Deficit own resources for support of the project, if necessary.

Lack of attention to the development and training and developing the skills and capabilities of workers.

Inability to cope with the changes and market fluctuations, and the inexperience of ways of marketing and advertising and advertising and promotion.

VI. RECOMMENDATIONS

1. Based on the above results in the practical side during the analysis of the questionnaire and the interpretation of the results obtained and the charts and explanations of each results or we can put some of the recommendations for the study and are as follows:
2. the study recommends the need to work on educating young graduates from colleges and universities and who want to work or are looking for jobs or who want to start a new awareness of scientific and providing them with adequate information and culture change have to search a job to the possibility of establishing a small project.
3. Work on training in recent years before graduating from the study on how to establish a small business individual can live his income and meet its daily needs.
4. planting a love of innovation and creativity among young people so that they can take out all of the ideas in them to establish a small project.
5. moral support from the state facilitated things and bring forward new ideas for small businesses and encourage them.
6. personnel training and scientific development of their development process developed up to date in the industry and construction and architecture, construction, construction and other fields of small projects.
7. The adoption of ideas and successful premium as an incentive for each.
8. to assist individuals who want to establish a small project to know the resources available to them in their activities.

9. The study recommends the need to adopt a strategy of funding and clear and specific guarantees to provide the necessary funding for small projects at the lowest cost and more flexible in the capital increase.

10. the necessity of activating the role of the Guarantee Fund lending for the purposes of operating in by guaranteeing loans (70%) with the issuance of the document to ensure it.

11. study the possibility of centering insurance companies to recommend the trust between the bank and the customer by issuing insurance policies to cover the overall value of the facilities granted.

12. Work on creating a stimulus policy to ensure repayment of the facilities granted such as cash discount compared to accelerate the Order, or exemption from the cost of borrowing once the immediate payment of the outstanding payments, regardless of the period of maturity.

13. the establishment of a specialized collection of information on small projects and made available to users of the decision-makers in enterprises when needed. Activating the role of the specialized banks and investment for the development of small enterprises by raising the volume of loans, while reducing the cost of funding.

14. the need to establish a national bank to finance small enterprises and micro financially and in terms of information and serves to provide future plans for small businesses so that they can achieve their goals guarantee security institutions.

15. activating the role of the specialized banks and investment for the development of small enterprises by raising the volume of loans granted, while reducing the cost of funding.

16. emphasis on the analysis of the financial operations of banking and financial indicators according to precise criteria and process to help evaluate the performance of the study provided the credit.

17. to reconsider the construction of financing structures for small projects so as to achieve the objectives of the current project owners and investors in profitability and continue, and in order to achieve the objectives of the borrowers to collect their debts and benefits, and that the security institutions play an active role in it, as follows: -

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AUTHORS

First Author – Kaled H. Jawan