

# **IMPACT OF TECHNOLOGY TRANSFER ON HUMAN CAPITAL FORMATION**

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Foreign Direct Investments (FDI) have evolved to become the most critical business strategies for many companies for the past two decades. The challenge is to bridge the gap between the existing technology and new technology transferred by foreign investors. The purpose of this study is to investigate the issues in an emerging nation. The United Arab Emirates is selected as it has undertaken rapid trade liberalization with the objective of increasing the level of FDI in favor of human capital formation, reduces income inequality and a sustainable economic growth. This paper is divided into three sections. The first section focuses on FDI to provide the key issues related to international investment and transfer of technology in a multilateral trading system. Then it presents the magnitude and rapid pace of FDI and its proliferation in developing nations. Finally, this paper addresses the abovementioned research questions by testing six related hypotheses in the country.