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Masoud, Najeb M. H.

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LIBYA’S ECONOMIC REFORM PROGRAMME AND THE CASE FOR A STOCK MARKET

Introduction

This thesis was undertaken to develop a conceptual framework for a research model with a specific focus on the Libyan economic reform programme and the development of the Libyan stock market between 1999 and 2007.

The thesis consists of eleven chapters. After the first chapter, which describes the purpose of the study and the organisation of the thesis, Chapters 2, 3, 4, 5 and 6 represent theoretical contributions and review the relevant literature alongside a brief review of the theoretical framework. Chapter 2 discusses the function of economic growth theory while Chapters 3 and 4 focus on the nature of economic reform and liberalisation that has led to the inception and liberalisation of the Libyan stock market. Chapter 5 considers stock market performance, including financial maturity. Chapter 6 considers the theories and concepts discussed in the previous four chapters. The context of Libyan economic and social development. Chapter 7 discusses the methodology of the study and the data analysis, which is one of the major contributions of this study. Chapter 11 presents the research summary and conclusions, discusses contribution, and its implications, and gives recommendations.

The study investigates the determinants of economic reform and stock market performance within the Libyan economy utilising data from three different sources and a multi-method approach. Self-administered questionnaires were distributed to the entire target population of the Libyan financial market, banking sector and a number of companies, while semi-structured interviews were held with managers in a subset of companies, selected via a stratified sample of respondents to the self-administered questionnaires. The third method collected financial market data over the period 1995-2006 from 42 emerging market countries, specifically, Algeria, Argentina, Bahrain, Bangladesh, Brazil, Bulgaria, Chile, China, Czech Republic, Egypt, Fiji, Hungary, India, Indonesia, Iran, Israel, Jordan, Kuwait, Lebanon, Libya, Malaysia, Mexico, Morocco, Nigeria, Oman, Pakistan, Philippines, Poland, Qatar, Romania, Russia, Saudi Arabia, South Africa, Sudan, Syria, Thailand, Tunisia, Turkey, United Arab Emirates, Venezuela, Yemen and Zimbabwe were analysed to examine whether best practice from emerging stock markets is transferable to the Libyan context.

RESEARCH OBJECTIVES

- To assess the success of the economic reform programme in Libya, specifically the programme in Libya, specifically the
- To determine whether best practice from other emerging stock markets is transferable to the Libyan context.
- To identify the benefits of a stock market to the emerging economies of Libya, and to evaluate
- To determine the relationship between economic reform and stock market performance in Libya.
- To assess the performance of market-based reforms, with particular reference to the

RESEARCH QUESTIONS

1. What is the empirical evidence that supports the idea of a stock market in the Libyan context?
2. Has Libya’s reform programme prepared the economy for developing a stock market and how was this achieved?
3. How were the benefits of a stock market in the Libyan context?
4. What evidence is there of a market-based approach to economic reform and stock market performance?
5. What do the results of the research suggest about the relationship between economic reform and stock market performance in Libya?

CONCLUSION

This research provides considerable knowledge about the relationship between economic reform programmes and stock market performance with special emphasis upon the developing country of Libya. Some of the knowledge might be applicable for other developing countries that have a similar economic structure. The research provides an important contribution to the area and has attempted to explore the significance for both the economy and business. This research adds to the existing body of literature on stock market performance and economic growth in developing countries. Additionally, best recommendations are offered regarding potential reform directions for future reforms aimed at enhancing the conclusions of this research. These provide a strategic framework for the improvement of economic reform programmes and stock market performance.

Reference