THE CONTRIBUTION OF EQUITY MARKETS TO THE ECONOMIC GROWTH OF SOMALIA

A CASE STUDY OF BOSASO STOCK MARKET EXCHANGE, PUNTLAND STATE

BY

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A RESEARCH REPORT TO BE SUBMITTED TO THE FACULTY OF BUSINESS AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF ARTS IN ECONOMICS OF KAMPALA INTERNATIONAL UNIVERSITY

MARCH, 2015
DECLARATION

I, Mohamud Said Hassan declare that this research dissertation on “The contribution of equity markets to the economic growth of Somalia: a case study of Bosaso Stock market exchange, Puntland State” is my original work and to the best of my knowledge, has not been submitted for any award at any academic institution.

Student: Mohamud Said Hassan
Reg No: BEC/35672/122/DF

Signed: .................................................. Date: 15.09.2015
ACKNOWLEDGEMENT

I thank the Almighty Allah for strength and good health which has enabled me to come this way and achieve the long dream of accomplishment of the degree. I acknowledge my mother Istanbul Adam and my dear siblings and the entire family for all their effort and prayers to me during my studies and their encouragement contractive.

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ABSTRACT

The study sought to examine the role played by equity markets towards the economic growth of Somalia. The study objectives were; to identify the various equity markets that affect economic growth in Somalia, to establish the challenges faced by equity markets in Somalia and to examine the impact of equity markets on economic growth of Somalia. A cross sectional survey was used in the course of the study. Both qualitative and quantitative data was gathered in order to establish the relationship between the independent and dependent variables, so as to examine the role played by equity markets towards the economic growth of Somalia. The study population involved 58 participants where 12 managers of the company, 16 workers, and 30 were the remaining local peasants were available. Purposive sampling was also used to select only respondents for the researcher to attain the purpose of the study. Data was collected from primary and secondary sources using questionnaires and interviews. After collecting data, the researcher organized well-answered questionnaire, data was edited and sorted for the next stage. The data was presented in tabular form, pie charts and bar graphs with frequencies and percentages. The study found out that with wealth effect, stock exchange may also affect the economic growth in Somalia since people with shares will see a fall in their wealth. If the fall is significant it will affect their financial outlook. If they are losing money on shares they will be more hesitant to spend money; this can contribute to a fall in consumer spending. The study concludes that when the overall global economy is down, goods and services cannot be sold overseas as they used to. It causes revenue to decline and as a result, the decline in the stock market is observed. If foreign stock exchanges start failing or experience sharp declines, a ripple effect can be anticipated which ultimately results in the overall drop in a global stock market. The study recommends that the government and other concerned stakeholders need to improve on the global economic conditions it encourages investment and thus improves on the market of stocks. This is because if global economic conditions are not checked, they may hinder economic growth over time. It is therefore recommended to address this. It also recommends that there is need to reduce the amount of principal owed on homes to below the mortgage debt still owed, and then let the parties share in whatever upside can be earned on the homes. But, no plausible mechanism to get this accomplished.
CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter presents the background to the study, statement of the problem, the purpose of the study, objectives of the study, research questions and assumptions, scope of the study, significance of the study, the justification of the study and the operational definitions of terms and concepts as applied to suit the context of the study.

1.1 Background of the Study

Cambridge International Dictionary defines the word “equity” as one of the equal parts into which the value of a company is divided. Equity markets are primarily a place where these companies get listed to issue their shares. The buyers and sellers of the securities are represented by stock brokers and they acquire or dispose securities at a negotiated price. These securities could be vouchers, bonds or stocks. (The Bourse, celebrating 10 years)

Globally, equity markets exist whenever financial securities (vouchers, bonds or stocks) change hands in a formal security exchange, over the counter market or informally between any buyer and seller. An equity or equity market can therefore be defined as a public entity for the trading of company shares at an agreed price. (World Bank, 1996)

In Africa, most scholars argue that African equity markets have been increasingly integrated with other world capital markets. Over the past 2 decades, Africa has experienced relatively fast development of equity. Between 1980 and 1999, the number of active stock exchanges in Africa more than doubled (Ndikumana 2001), and African countries are now moving towards regionalization of their financial markets.

Currently, Somalia Securities Exchange is now a member of different organizations such as: the Securities Exchange Commission (SEC) of the United States of America (USA), Financial Services Authority (FSA) of the United Kingdom (UK), the Financial Services Board of South Africa, the East African Member States Securities Regulatory Authority (EASRA) which makes an effort to harmonize securities laws and standards with a view of integrating the individual markets, building up a regional exchange and establish cross border investments and listings, and the African Stock Exchange Association (ASEA).
Globally, it is widely acclaimed by development economists and policy makers that a well-developed equity market is crucial for the mobilization of financial resources for long-term investment and thus constitutes one of the major pillars of economic growth. In principle, the equity market is expected to accelerate economic growth by providing an avenue for growing companies to raise capital at lower cost. Countries with developed equity markets provide alternative sources of financing to companies thereby making them less dependent on bank financing, which in turn mitigate the risk of credit crunch. In this way, equity markets are able to positively influence economic growth by encouraging savings amongst individuals and providing avenues for firms financing (Levine & Zervos, 1998).

In Africa, the recognition of the acclaimed catalytic impact of developed equity markets on economic growth, a plethora of studies now focus on the relationship between equity market development and economic growth. Some of these studies rely on cross-country regressions which can at best provide only a broad brush picture of the relationship between equity market development and growth without sorting out country specific effects as may be dictated by institutional characteristics and circumstances (Campos, 2003).

Referring to the importance of equity markets in the Somalia economy, some studies related such issues to have been conducted extensively. For instance, the study done by King and Levine (1993) had elaborated the issue by using data from 80 countries over the period of 29 years (1960-1989). They identified four indicators of the financial sector developments. The first one is the “financial depth” which is the ratio of liquid liabilities of the financial system to GDP. The second one is the ratio of deposits of domestic banks in Somalia to deposits of domestic banks and central bank domestic assets. This is to measure the relative importance of the specific financial institutions. Meanwhile, the third and fourth financial development indicators are to measure the distribution of domestic assets. Those are the proportion of credit allocated to private enterprises by the financial system and, the ratio of claims on the non-financial private sectors to GDP.

The Bosaso Stock Exchange was founded in 2012 by the Somali diplomat Idd Mohamed, Ambassador extraordinary and deputy permanent representative to the United Nations. It was established to attract investment from both Somali-owned firms and global companies in order to accelerate the ongoing post-conflict reconstruction process in Somalia. In August 2012, the SSE signed a Memorandum of Understanding with the Nairobi Securities Exchange (NSE) to assist it in technical development. The agreement includes identifying appropriate expertise.
and support. Sharia compliant sukuk bonds and halal equities are also envisioned as part of the deal as Somalia's nascent stock market develops. As of November 2014, the Bosaso Stock Exchange has established administrative offices in Puntland State, Kismayo, and other urban centers in Somalia. It also maintains a bureau abroad in Nairobi, where qualified Somali stockbrokers and staff are being trained.

1.2 Statement of the problem

Currently an attractive and highly liquid secondary equity market in Somalia reduces risks through risk sharing, encouraging savings and investment. Investment is made possible through the capital issued. Increased investment leads to production expansion, improvement in competitiveness, and employment expansion.

However, Somalia Securities Exchange is failing to fully achieve the above mentioned roles due to a number of challenges such as: low levels of awareness, unstable economic growth, family businesses don't want family management and control diluted, shadow banking system trying to escape from the regulators, Large corporations are only part of private sector benefiting from cutting overhead (reducing employee count) and bringing more revenues to bottom line. (Abraham, F.J, 2009) In addition low liquidity leads to limited opportunities for the transformation of illiquid assets into liquid assets which constrain economic activity. The importance of the liquidity of equity markets and the role they play as far as the level of investment is concerned seems not to be known and appreciated by most Somalians. There seems to be a big knowledge gap that necessitates undertaking this study. (Thies. S., 2007).

In this regard, most scholars including Filer et al (2003) uses Granger causality test to show that there exists a causal relationship between equity market development and economic growth, the direction of causation flowing from equity market to economic growth.

It was due to the above that the researcher attempted to examine the contribution of equity markets to the economic growth of Somalia.

1.3 Purpose of the study

The purpose of carrying out this study was to examine the role played by equity markets towards the economic growth of Somalia.
1.4 Objectives of the study

1.4.1 Specific Objectives

i. To identify the various equity markets that affect economic growth in Somalia

ii. To establish the challenges faced by equity markets in Somalia

iii. To examine the impact of equity markets on economic growth of Somalia

1.5 Research Questions

i. What are the various equity markets that affect economic growth in Somalia?

ii. What are the challenges faced by equity markets in Somalia?

iii. What is the impact of equity markets on economic growth of Somalia?

1.6 Scope of the Study

1.6.1 Geographical Scope

The study was carried out at Bosaso Stock Market Exchange particularly in Puntland State. It was located in the heart of Puntland State City. The Bosaso Stock Exchange (BSE), officially known as the Bosaso Stock Exchange Investment Corporation, was the national bourse of Somalia.

1.6.2 Content Scope

The study was carried out with a purpose of identifying the roles played by equity markets in regard to economic growth in Somalia and establishing the challenges faced by equity markets in Somalia and examining the impact of equity markets on economic growth of Somalia.

1.6.3 Time Scope

The study covered a period of three years and took place from 2011-2014 because of the nature of exercise that was undertaken in gathering, editing and processing data.
1.7 Significance of the Study

The study will enable different stakeholders to value the securities on the basis of demand and supply factors. This is because the securities of profitable and growth oriented companies are valued higher as there is more demand for such securities.

It will also help increase on the existing awareness about the role of equity markets towards the economic growth in Somalia.

It will also guide different people on how to invest in ownership securities by regulating new issues, better trading practices and by educating public about investment.

The study will also help to guide investors in order to do invest in long term investment projects without any hesitation, as because of stock exchange they can convert long term investment into short term and medium term.

The study will act as a source of literature for the scholars who intended to do research on how equity markets or stock markets impact on the economic growth.

The study will be significant to the researcher in fulfilling one of the requirements for award of bachelor's degree of Arts in Economics.
1.8 Conceptual Framework showing independent and dependent variables

The conceptual framework diagrammatically shows the relationship between the different variables in the study. The independent variable was perceived as the contributions of equity markets and dependent variable was Economic Growth.

**Independent variable**
Equity markets

- Stock Exchanges
- Foreign markets
- Brokers
- Investors

**Dependent Variable**
Economic Growth

- Improvements in living standards
- More jobs
- The accelerator effect of growth on capital investment
- Greater business confidence
- Budget deficits.
- Reduce Poverty

**Intervening variables**

- Effective government policies and intervention
- Political stability
- Cultural factors

Source: Abraham, F.J., 2009
The independent variable was perceived as the contributions of equity markets whereas the dependent variable was economic growth. The independent variable focuses on stock exchanges, foreign markets, brokers and investors whereas the dependent variable concerns improvements in living standards, more jobs, the accelerator effect of growth on capital investment, greater business confidence, budget deficits and reduce poverty. Conceptually, economic growth is associated with the contributions of equity markets.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The study reviewed literature from various scholars on the major variables of the study included; roles played by equity markets in regard to economic growth in Somalia, challenges faced by equity markets in Somalia and impact of equity markets on economic growth of Somalia.

2.1 The various equity markets that affect economic growth in Somalia

Stock exchange

Abraham, F.J (2009) notes that with wealth effect, stock exchange may also affect the economic growth in Somalia since people with shares will see a fall in their wealth. If the fall is significant it will affect their financial outlook. If they are losing money on shares they will be more hesitant to spend money; this can contribute to a fall in consumer spending. However, the effect should not be given too much importance. Often people who buy shares are prepared to lose money; their spending patterns are usually independent of share prices, especially for short term losses. The wealth effect is more prominent in the housing market. (Abraham. F.J, 2009)

According to Bessler, W. and Thies. S. (2007), anybody with a private pension or investment trust will be affected by the stock market, at least indirectly. Pension funds invest a significant part of their funds on the stock market. Therefore, if there is a serious fall in share prices, it reduces the value of pension funds. This means that future pension payouts will be lower. If share prices fall too much, pension funds can struggle to meet their promises. The important thing is the long term movements in the share prices. If share prices fall for a long time then it will definitely affect pension funds and future payouts.

Foreign Markets

Jobst. A.A. (2008) argues that economic trends in foreign markets can have an effect on the stock market in the United States, according to the article titled "Riding the Economic Roller Coaster" published in "Inc." magazine. When the economies in foreign countries are down,
American companies cannot sell as many goods overseas as they used to. This causes a drop in revenue, and that can show up as a drop in the stock market. Foreign stock exchanges also have an effect on the American stock market. If foreign exchanges start to fail or experience sharp drops, then that kind of activity can cause American investors to anticipate a ripple effect, resulting in a drop in the United States stock exchange. (Jobst, A.A., 2008)

Rico Van Wyss (2004) argues that when the overall global economy is down, goods and services cannot be sold overseas as they used to. It causes revenue to decline and as a result, the decline in the stock market is observed. If foreign stock exchanges start failing or experience sharp declines, a ripple effect can be anticipated which ultimately results in the overall drop in a global stock market.

Exchange Rates

According to Rico Van Wyss (2004), foreign currency rates have a direct impact on the price and value of stocks in foreign countries, and changes in exchange rates will increase or decrease the cost of doing business in a country, which will affect the price of stocks of companies doing business abroad. While long-term movements in exchange rates are affected by fundamental market forces of supply and demand and purchase price parity, short-term movements are driven by news, events and futures trading and are difficult to predict. (Rico Van Wyss., 2004)

2.2 Challenges faced by equity markets in Somalia

Global economic crisis

ACCA (2012) notes that this usually occurs in terms of a general increase in the inflation across the globe and this has been impactful on the performance of equity markets. This is because it discourages investment and thus limits on the market of stocks. This sometimes hinders economic growth over time. It is therefore recommended to address this.

Quantitative Easing

Bessler, W. and Thies, S. (2007) note that QE2 or Quantitative Easing, the expectation of pouring another trillion dollars into the banking system is seen likely to only trigger inflation, but create no new jobs. Proof positive: yesterday, the Treasury sold inflation protection bonds at negative interest rates a major sign that investors expect treasuries to drop in price as inflation rises.

14
Political interference

Bessler, W. and Thies, S. (2007) suggest that the economics profession let the world down because it had the tools that were politically acceptable. In addition, large corporations are only part of private sector benefiting from cutting overhead (reducing employee count) and bringing more revenues to bottom line. No solution in sight for the housing market. Wilbur Ross suggested a plan to reduce the amount of principal owed on homes to below the mortgage debt still owed, and then let the parties share in whatever upside can be earned on the homes. But, no plausible mechanism to get this accomplished.

2.3 Impact of equity markets on economic growth of Somalia

Productivity

Benjamin Kay (2008) argues that increases in productivity have historically been the most important source of real per capita economic growth. Increases in productivity lower the real cost of goods. Over the 20th century the real price of many goods fell by over 90%. Economic growth has traditionally been attributed to the accumulation of human and physical capital, and increased productivity arising from technological innovation.

Before industrialization, technological progress resulted in an increase in population, which was kept in check by food supply and other resources, which acted to limit per capita income, a condition known as the Malthusian trap. The rapid economic growth that occurred during the Industrial Revolution was remarkable because it was in excess of population growth, providing an escape from the Malthusian trap. Countries that industrialized eventually saw their population growth slow, a condition called demographic transition.

Central Bank of Somalia (2011) notes that increases in productivity are the major factor responsible for per capita economic growth this has been especially evident since the mid-19th century. Most of the economic growth in the 20th century was due to reduced inputs of labor, materials, energy, and land per unit of economic output (less input per widget). The balance of growth has come from using more inputs overall because of the growth in output (more widgets or alternately more value added), including new kinds of goods and services (innovations).
Income equality

Chandra, P. (2008) argues that Berg and Ostry of the International Monetary Fund found that of the factors affecting the duration of growth spells in developed and developing countries, income equality is more beneficial than trade openness, sound political institutions, or foreign investment.

According to International Monetary Fund economists, inequality in wealth and income is negatively correlated with subsequent economic growth. (Chandra, P., 2008) A strong demand for redistribution will occur in societies where much of the population does not have access to productive resources. Rational voters have to internalize this dynamic problem of social choice. 2013 Economics Nobel prize winner Robert J. Shiller said that rising inequality in the United States and elsewhere is the most important problem faced in the U.S. and elsewhere. High levels of inequality prevent not just economic prosperity, but also the quality of a country's institutions and high levels of education.

Economist Joseph Stiglitz presented evidence in 2009 that both global inequality and inequality within countries prevent growth by limiting aggregate demand. (Chandra, P., 2008) Economist Branko Milanovic, wrote in 2001 that, "The view that income inequality harms growth or that improved equality can help sustain growth – has become more widely held in recent years. ... The main reason for this shift is the increasing importance of human capital in development. When physical capital mattered most, savings and investments were key. Then it was important to have a large contingent of rich people who could save a greater proportion of their income than the poor and invest it in physical capital. But now that human capital is scarcer than machines, widespread education has become the secret to growth."

Demographic changes

Chandra, P. (2008) maintains that demographic factors may influence growth by changing the employment to population ratio and the labor force participation rate. Industrialization creates a demographic transition in which birth rates decline and the average age of the population increases.

Women with fewer children and better access market employment tend to join the labor force in higher percentages. There is a reduced demand for child labor and children spend more years
in school. The increase in the percentage of women in the labor force in the U.S. contributed to economic growth, as did the entrance of the baby boomers into the work force.

Resource depletion

Many earlier predictions of resource depletion, such as Thomas Malthus' 1798 predictions about approaching famines in Europe, The Population Bomb (1968), and the Simon–Ehrlich wager (1980) have not materialized. Diminished production of most resources has not occurred so far, one reason being that advancements in technology and science have allowed some previously unavailable resources to be produced. In some cases, substitution of more abundant materials, such as plastics for cast metals, lowered growth of usage for some metals. In the case of the limited resource of land, famine was relieved firstly by the revolution in transportation caused by railroads and steam ships, and later by the Green Revolution and chemical fertilizers, especially the Haber process for ammonia synthesis.

In the case of minerals, lower grades of mineral resources are being extracted, requiring higher inputs of capital and energy for both extraction and processing. An example is natural gas from shale and other low permeability rock, which can be developed with much higher inputs of energy, capital, and materials than conventional gas in previous decades. Another example is offshore oil and gas, which has exponentially increasing cost as water depth increases.
CHAPTER THREE
RESEARCH METHODOLOGY

3.0. Introduction

This chapter discusses the methods the researcher used to collect data. It focused on the Research design, organization of the study, data collection, and data collection procedure and data analysis.

3.1. Research Design

The study applied an explanatory research design to reflect aspects of perception, feelings, experiences, facts and emotional feelings of the study respondents in finding out the contribution of equity markets to the economic growth of Somalia a case study of Bosaso Stock market exchange, Puntland State. This was because the research questions that were generated necessitated observing explanatory, descriptive and analytical aspects of the research.

Both quantitative and qualitative methods were used in data collection and analysis and general information on the subject matter was collected from the different stakeholders involved in the study. Qualitative design involved in-depth interviewing of the management of Bosaso Stock Exchange. On the other hand, the quantitative design involved use of close-ended questionnaires which were issued to the workers of the company as the method was convenient for them to fill during their free time.

3.2 Study Population

The study took place in Bosaso Stock Market Exchange particularly in Puntland State. The company was purposely selected because of its' convenient location and also bore the necessary and required study elements.

The study population involved 58 participants where 12 managers of the company, 16 workers, and 30 were the remaining local peasants were available.
### Table 1: Showing Research Population and sample size

<table>
<thead>
<tr>
<th>Type of population</th>
<th>Population Target</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of Bosaso Stock exchange</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Workers of Bosaso Stock exchange</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Local peasants</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>58</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

#### 3.3 Sample Size

A sample size of 50 respondents was determined through purposive and random sampling methods. This was so because the nature of data to be generated required different techniques for better understanding of the research problem under investigation. Besides this the approach is also commonly known for achieving higher degree of validity and reliability as well as elimination of biases as per Amin (2005).

The Sloven's formula (1978) was used to determine the minimum sample size.

\[
n = \frac{N}{1 + Ne^2} = \frac{58}{1 + 58(0.05)^2} = 50 \text{ respondents}
\]

- \(n\) = sample size
- \(N\) = the population size
- \(e\) = level of significance, fixed at 0.05

#### 3.4 Sample Procedure

The sample was purposively and randomly selected. The management of Bosaso Stock Exchange was purposely selected because they headed different departments at the company and thus had knowledge about the contribution of equity markets to the economic growth of Somalia a case study of Bosaso Stock market exchange, Puntland State.
The employees and clients were randomly selected to give each an equal chance of representation. All respondents were assumed to have vital information on the subject matter of the research. Respondents who were willing to participate were approached.

3.5 Sources of Data

3.5.1 Primary Data

This was obtained through use of self-administered questionnaires and interviews to the respondents.

3.5.2 Secondary Data

This was acquired from text books and other related works of outstanding scholars such as published magazines, written data sources including published and unpublished documents, company reports and internet sources which were all referred to, to provide more information on the contribution of equity markets to the economic growth of Somalia a case study of Bosaso Stock market exchange, Puntland State.

3.6 Research Instruments

3.6.1 Interviews

The researcher organized key informant interviews with the management of Bosaso Stock Exchange who enriched the study findings. The researcher therefore had to interact with the respondents, face to face and ask them relevant questions to the study. The method was used purposely because it provided for a systematic flow of information due to the order of questions and it also helped in covering information that would have been skipped in the questionnaires.

3.6.2 Questionnaires

Both open and close ended questionnaires were used in the collection of data and these were distributed to the top managers of the company to provide answers. The instrument was purposely selected because it sought personal views of the respondents and thus enabled the respondents to use their knowledge in providing a wide range of data as they would never shy away in any way.
3.7 Data Processing

The processing of data was done after the collection of data for verification of the information that was gathered and for attainment of completeness, accuracy and uniformity. Data editing involved checking the information for errors, which was an added advantage because it enabled the researcher to delete and eliminate possible errors that were traced which in the end would have manipulated the results of the study. Data was analyzed concurrently to avoid duplication thereby guiding the entire study for balanced and critical analysis. The researcher used hypothesis based on the questionnaire and for other items, tabulation pie-charts and percentage and simple statistical methods were used for data presentation, analysis and qualification.

3.8 Data Analysis

The study explained, described, and presented the findings basing on the specific objectives of the study and research questions, where data analysis was initially done through sketchy and generalized summaries of the findings from observation and conclusions in the process of data collection. Data analysis was done using simple statistical percentages and frequencies and thereafter was presented in charts.

3.9 Ethical Consideration

The researcher carried out the study with full knowledge and authorisation of the administration of Bosaso Stock Exchange, Puntland State. The researcher first of all acquired an introductory letter from the University which he would use to eliminate suspicion. The researcher thereafter went ahead to select respondents, and arrange for dates upon which he would deliver questionnaires as well as pick them in addition to making appointments for interviews to be conducted. The researcher was charged with a task of ensuring that he would assure the respondents of their confidentiality as this was paramount to research.
CHAPTER FOUR
PRESENTATIONS, INTERPRETATIONS AND ANALYSIS OF DATA

4.0 Introduction

This chapter covers the presentation of the findings according to the themes of the study which were: to identify the various equity markets that affect economic growth in Somalia, to establish the challenges faced by equity markets in Somalia and to examine the impact of equity markets on economic growth of Somalia.

4.1 Demographic characteristics of respondents

Under this section, the researcher was interested in finding out the demographic characteristics of the respondents. They are presented as follows:

4.1.1 Gender of Respondents

The researcher wanted to know the gender or sex distribution of the respondents and this is shown in the following table and illustration. This section indicates the both sexes with the community.

Table 2: presenting the gender distribution of the respondents who participated in the study

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>26</td>
<td>52</td>
</tr>
<tr>
<td>Females</td>
<td>24</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

In the above table 2, the study findings revealed that the sample constituted of 50 respondents of which 52% were males and the 48% remaining were females. This implies that males are the majority. This implies that the most respondents were men due to the societal beliefs that the males are hardworking and hence capable of running the activities and operations of most equity markets.
4.1.2 Age of the respondents

The study went on to establish the different age groups of the respondents and the findings were as presented in table 3. The study also involved all respondents who are responsible and with mature understanding. For example all the respondents were 20 years and above:

Table 3 showing age distribution of the respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-25</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>26-35</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>30-45</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>46-55</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>56+</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

The study revealed that the majority of the respondents fell in the age category 36-45 with a 40\%o representation. Age category 46-55 had a total response of 36\%, while 26-45 age group was represented by 12\% the 20-25 category had a total representation of 8\% while the least represented category was that of the 56+ with a representation of 4\%. This implies that elderly people are less energetic to participate actively in running the daily activities of the equity
markets. The most number of respondents were relatively between 35 and 55 since at this age and this implies that they are always with a lot of responsibilities such as many children hence get involved running the activities of the most equity markets.

Figure 2: Age distribution of the respondents

4.1.3 Marital Status of the Respondents
The study further went on to establish the marital status of the respondent and the findings were as represented in table 4. The researcher was also interested in finding out the marital status of respondents.

Table 4 showing marital status of the respondents

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Married</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Divorced</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td>Widowed</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

The study established that the majority of the respondents were widowed (36%). The divorced comprised of 46%, the married were 10% whereas the single were only 8%. Study findings established that, the majority were widowed and that due to their statuses, had children to take
care of and yet resources were not readily available. This implies that widows are also mostly active in running the operations of most equity markets. However, the single were the least represented because as singles, implying that they had few responsibilities with less stress and therefore saw no need to get involved in the activities of the equity markets.

Figure 3: Marital status of the respondents

4.1.4 Education Levels of the Respondents
The study also sought about the educational levels of the respondents and the findings were as represented in table 5. Under this section, the researcher was interested in finding out the education status of all respondents involved in the study. This was partly essential in order to enrich the findings of the study since education level had a significant relationship with level the knowledge about the contribution of equity markets to the economic growth.

Table 5: Educational Level of the respondents

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Secondary level</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Vocational</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>University</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)
Study findings in table 5 revealed that the least represented level of education was the primary level group which comprised of 10%, followed by secondary level group (14%), while vocational level was represented by 26% and the most represented group was that of university level which comprised of 50%. This implies that most respondents in the study were mainly literate, thus with high levels of education. And this further indicated that the majority were relatively educated.

Figure 4: Educational Level of the respondents

4.2 FINDINGS ON THE VARIOUS EQUITY MARKETS THAT AFFECT ECONOMIC GROWTH

To achieve this objective, the respondents were asked whether the various equity markets that affect economic growth in Somalia. These are presented as follows:

Table 6 showing the various equity markets that affect economic growth in Somalia

<table>
<thead>
<tr>
<th>Market Type</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock exchange</td>
<td>22</td>
<td>44</td>
</tr>
<tr>
<td>Foreign Markets</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>Exchange Rates</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)
The table above shows that majority of the respondents 44% suggested stock exchange as one of the equity markets that affect economic growth. 22% noted foreign markets and the remaining 34% suggested exchange rates.

This implies that the majority noted stock exchange to be one of the commonest equity markets that affect economic growth. This further implies that there is need to address the problem of stock exchange.

Figure 5: The various equity markets that affect economic growth in Somalia

Table 7: The extent to which these equity markets are influential on the economic growth

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>High</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Not sure</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Low</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Very low</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

The table above shows that 20 % of the respondents rated the extent to which these equity markets are influential on the economic growth to be very high. 40% noted it to be high. 26%
were not sure, and 8% suggested low extent and the remaining 6% noted very low extent to which these equity markets are influential on the economic growth.

This implies that the majority indicated that the majority of the respondents noted that extent to which these equity markets are influential on the economic growth is generally high. This further implies that equity markets play a vital role in economic growth and thus influences socio-economic development.

**4.3 FINDINGS ON CHALLENGES FACED BY EQUITY MARKETS**

To achieve this objective, the respondents were asked whether the challenges faced by equity markets. These are presented as follows:

**Table 8 : Challenges faced by equity markets**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global economic crisis</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Quantitative Easing</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>Political interference</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Primary Data (2015)*

The findings in the above table revealed challenges faced by equity markets. 36% noted that global economic crisis can significantly affect the performance of equity markets. 34% suggested quantitative easing to be another challenge. And the remaining political interference was revealed by 30% of the respondents.
This implies that the majority suggested global economic crisis to be the main challenge faced by equity markets. This further indicates that there is need to ensure that there is no global economic crisis. For instance the recent global crisis significantly affected the equity markets.

Table 9: The level to which the above mentioned challenges affect equity markets

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global economic crisis</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Quantitative easing</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td>Political interference</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Low</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Very low</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

Results in table above indicate that 24% of the respondents agreed that the level to which the above mentioned challenges affect equity markets was very high. 34% noted high level, 4% were not sure, 20% suggested the level to which the mentioned challenges affect equity markets was low and the remaining 18% noted very low.
This implies that the majority agreed that the level to which the challenges mentioned above affect equity markets is generally high. This further implies that there is a lot that still needs to be done by the concerned authorities.

4.4 FINDINGS ON IMPACT OF EQUITY MARKETS ON ECONOMIC GROWTH

To achieve this objective, the respondents were asked the impact of equity markets on economic growth. These are presented as follows:

Table 10: Impact of equity markets on economic growth

<table>
<thead>
<tr>
<th>Impact</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Income equality</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Demographic changes</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Resource depletion</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

The table above shows that 20% of the respondents suggested that productivity is one of the impacts of equity markets on economic growth. 40% of the respondents also noted that income
equality to be another impact, 26% suggested demographic changes and the remaining 14% noted resource depletion.

This implies that equity markets are significantly impactful on the economic growth within the state or nation. This further indicates that a lot needs to be put in place to ensure smooth running of equity markets in order to ensure economic growth.

Table 11: Extent to which impact of equity markets are influential on economic growth

<table>
<thead>
<tr>
<th>Impact Level</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>High</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Not sure</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Low</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Very low</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

According to the table above, it is indicated that 40% of the respondents were of the view impact of equity markets are influential on economic growth was a very high extent. 20% of the respondents noted high extent, 8% were not sure, 26% suggested low extent and the remaining 6% respondents suggested very low extent to which the impact of equity markets are influential on economic growth.

Figure 7: Extent to which impact of equity markets are influential on economic growth
This implies that equity markets are significantly influential on the economic growth. This is because of the above effects observed. This further implies that impacts of equity markets can be enormously influential on the economic growth.

Table 12: Is there any significant relationship between equity markets and economic growth

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28</td>
<td>56</td>
</tr>
<tr>
<td>No</td>
<td>22</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data (2015)

The table above shows that 56% of the respondents agreed that there is significant relationship between equity markets and economic growth. This implies that equity markets and economic growths are closely interlinked and thus there is always need to ensure good economic conditions for equity markets to bring about economic growth.

Figure 8: Is there any significant relationship between equity markets and economic growth

One respondents recommended that there is an urgent need for the government to protect and improve on the performance equity markets in order to ensure economic growth since the two are closely interrelated together
Another respondent also suggested that a lot still needs to be done regarding regulation of equity markets and this can be done through implementation of good government policies intended at improving on the economic conditions within the state or nation in order to ensure good performance of equity markets.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter summarizes, concludes and recommends reflecting on the study findings presented in the previous chapter.

5.1 Summary of the Findings

5.1.1 The various equity markets that affect economic growth in Somalia

The study found out that with wealth effect, stock exchange may also affect the economic growth in Somalia since people with shares will see a fall in their wealth. If the fall is significant it will affect their financial outlook. If they are losing money on shares they will be more hesitant to spend money; this can contribute to a fall in consumer spending. However, the effect should not be given too much importance. Often people who buy shares are prepared to lose money; their spending patterns are usually independent of share prices, especially for short term losses. The wealth effect is more prominent in the housing market. (Abraham, F.J. 2009)

The study further revealed that anybody with a private pension or investment trust will be affected by the stock market, at least indirectly. Pension funds invest a significant part of their funds on the stock market. Therefore, if there is a serious fall in share prices, it reduces the value of pension funds. This means that future pension payouts will be lower. If share prices fall too much, pension funds can struggle to meet their promises. The important thing is the long term movements in the share prices. If share prices fall for a long time then it will definitely affect pension funds and future payouts.

It also discovered that economic trends in foreign markets can have an effect on the stock market in the United States, according to the article titled "Riding the Economic Roller Coaster" published in "Inc." magazine. When the economies in foreign countries are down, American companies cannot sell as many goods overseas as they used to. This causes a drop in revenue, and that can show up as a drop in the stock market. Foreign stock exchanges also have an effect on the American stock market. If foreign exchanges start to fail or experience sharp drops, then that kind of activity can cause American investors to anticipate a ripple effect, resulting in a drop in the United States stock exchange. (Jobst, A.A., 2008)
5.1.2 Challenges faced by equity markets in Somalia

It also found out that global economic crisis usually occurs in terms of a general increase in the inflation across the globe and this has been impactful on the performance of equity markets. This is because it discourages investment and thus limits on the market of stocks. This sometimes hinders economic growth over time. It is therefore recommended to address this.

The study found out that Quantitative Easing, the expectation of pouring another trillion dollars into the banking system is seen likely to only trigger inflation, but create no new jobs. Proof positive: yesterday, the Treasury sold inflation protection bonds at negative interest rates a major sign that investors expect treasuries to drop in price as inflation rises.

It further discovered that the economics profession let the world down because it had the tools that were politically acceptable. In addition, large corporations are only part of private sector benefiting from cutting overhead (reducing employee count) and bringing more revenues to bottom line. No solution in sight for the housing market. Wilbur Ross suggested a plan to reduce the amount of principal owed on homes to below the mortgage debt still owed, and then let the parties share in whatever upside can be earned on the homes. But, no plausible mechanism to get this accomplished.

5.1.3 Impact of equity markets on economic growth of Somalia

The study found out that increases in productivity have historically been the most important source of real per capita economic growth. Increases in productivity lower the real cost of goods. Over the 20th century the real price of many goods fell by over 90%. Economic growth has traditionally been attributed to the accumulation of human and physical capital, and increased productivity arising from technological innovation.

It also found out that of the factors affecting the duration of growth spells in developed and developing countries, income equality is more beneficial than trade openness, sound political institutions, or foreign investment. According to International Monetary Fund economists, inequality in wealth and income is negatively correlated with subsequent economic growth. (Chandra, P., 2008) A strong demand for redistribution will occur in societies where much of the population does not have access to productive resources. Rational voters have to internalize this dynamic problem of social choice.
The study found out that demographic factors may influence growth by changing the employment to population ratio and the labor force participation rate. Industrialization creates a demographic transition in which birth rates decline and the average age of the population increases. Women with fewer children and better access market employment tend to join the labor force in higher percentages. There is a reduced demand for child labor and children spend more years in school. The increase in the percentage of women in the labor force in the U.S. contributed to economic growth, as did the entrance of the baby boomers into the work force.

5.2 Conclusion of the Findings

According to the study findings, the following conclusions were made;

The study concludes that when the overall global economy is down, goods and services cannot be sold overseas as they used to. It causes revenue to decline and as a result, the decline in the stock market is observed. If foreign stock exchanges start failing or experience sharp declines, a ripple effect can be anticipated which ultimately results in the overall drop in a global stock market.

It also concludes that foreign currency rates have a direct impact on the price and value of stocks in foreign countries, and changes in exchange rates will increase or decrease the cost of doing business in a country, which will affect the price of stocks of companies doing business abroad. While long-term movements in exchange rates are affected by fundamental market forces of supply and demand and purchase price parity, short-term movements are driven by news, events and futures trading and are difficult to predict. (Rico Van Wyss., 2004)

The study concludes that before industrialization, technological progress resulted in an increase in population, which was kept in check by food supply and other resources, which acted to limit per capita income, a condition known as the Malthusian trap. The rapid economic growth that occurred during the Industrial Revolution was remarkable because it was in excess of population growth, providing an escape from the Malthusian trap.

The study further concludes that increases in productivity are the major factor responsible for per capita economic growth this has been especially evident since the mid-19th century. Most of the economic growth in the 20th century was due to reduced inputs of labor, materials, energy, and land per unit of economic output (less input per widget).
5.3 Recommendations

The study recommends that the government and other concerned stakeholders need to improve on the global economic conditions it encourages investment and thus improves on the market of stocks. This is because if global economic conditions are not checked, they may hinder economic growth over time. It is therefore recommended to address this.

The study also further recommends for the need to avoid the use Quantitative Easing, the expectation of pouring another trillion dollars into the banking system since it is seen likely to only trigger inflation, but create no new jobs. Proof positive; yesterday, the Treasury sold inflation protection bonds at negative interest rates a major sign that investors expect treasuries to drop in price as inflation rises.

It also recommends that there is need to reduce the amount of principal owed on homes to below the mortgage debt still owed, and then let the parties share in whatever upside can be earned on the homes. But, no plausible mechanism to get this accomplished.

Integration of regional financial markets is recommended as a vital step in achieving high economic growth and development. The integration of the Somalia Securities Exchange with market friendly interventions through the central Depository Project of Horn of Africa can help reduce the cost of financial intermediation in the region and at the same time create more opportunities for domestic and foreign direct investment (Somalia Securities Exchange annual report 2002, pg.4). This integration can enable issuers and investors in any country not to be confined to the domestic financial market only.

The study recommends that three forces need to be considered for integration to be a success, that is deregulation or liberalization of financial markets, technological advancement in computing, communication and market structures and growing institutionalization of financial markets.

In the study of the role played by equity markets in the economic development of Somalia, market capitalization and turnover of individual companies should be considered other than aggregated data if more accurate results are to be got. This is because the Somalia Securities Exchange has few companies listed compared to those in developed markets such as those in North America and Eastern Europe.
In order to further widen and deepen the capital market industry, there’s need for sale of government shares in a number of public enterprises that is privatization through the stock exchange. This can help to increase in equity at the Somalia Securities Exchange. Reforms in the government pension and social security sector to stimulate continued financial deepening should also be considered.

It also recommends that the frequency of offers to trade should be increased. This can be done by reducing the expected waiting time, increasing the number of market participants, improving their position, sizes and relaxing some rules restricting market participation. This can help improve the liquidity of the Somalia Securities Exchange.

There is need to increase public awareness about equity markets. This can enable people appreciate the importance of trading in equities as a form of not only profit income but also savings to accumulate wealth. Sensitization campaigns should be geared towards encouraging those companies not listed to do so especially if they qualify. This can increase vibrancy in liquidity in the market.

5.4 Limitations of the study

The main limitation to this study was time frame the researcher faced a problem with time as the time table was not given enough time to do the research. However this was overcome by developing a personal time plan to follow in order to be in time with the school program.

The research was conducted during rainy season as such movements were delayed and sometimes hindered, thus limiting timely collection of data. This delay further coursed the rampant problem of transport cost that was increasing every day due to inflated prices of fuel, and also perpetual traffic jam that hindered timely reporting at work for both the respondents and the researcher.

There was also a challenge where by the questionnaires were not distributed on time, the sample was also not representative enough and thus causing inconveniences during the study.

5.5 Recommendations for future researcher

For the purpose of filling the missing links and gaps left this researcher, more research and study was called for from other academicians or researchers on the contributions of equity markets on economic growth.
More research needs to be done on:

The impact of equity markets on socio-economic development of the people

The effects of equity markets on economic development

Role of privatization on socio-economic development

Impact of unemployment on socio-economic development
REFERENCES

ACCA (2012) The rise of capital markets in emerging and frontier economies


Benjamin Kay (2008) Financial market liquidity


Central Bank of Somalia (2011) Annual supervision report, Issue No.2


Samuel Sejjaka (2011) Challenges to the growth of capital markets in underdeveloped economies: The case of Somalia


Dear Respondent

My name is Mohamud Said Hassan, BEC/35672/122/DF a student from Kampala International University carrying out a study on "The contribution of equity markets to the economic growth of Somalia: a case study of Bosaso Stock market exchange, Puntland State". I am very glad that you are my respondent for this study. The purpose of this questionnaire is to obtain your opinion/views to be included among others in the study. This research is one of the requirements leading to the award of bachelor's degree of arts in economics at Kampala International University. It is hence an academic research and will not be used for any other purpose other than academic. Your co-operation and answers to these questions heartily and honestly will be significant to this study to gather the data needed. Thank you in advance for your cooperation.

SECTION A: BACKGROUND INFORMATION

1. Gender
   - Male
   - Female

2. Marital Status
   - Married
   - Single

3. Highest Educational level
   - Primary
   - Secondary
   - Tertiary
   - University

4. Age
   - Below 20
   - Between 20-39
   - Between 40-59
   - 60 and above
SECTION B: EQUITY MARKERS AND ECONOMIC GROWTH

What are the various equity markets that affect economic growth in Somalia?

a) Stock exchange
b) Foreign Markets
c) Exchange Rates

do what extent are these equity markets influential on the economic growth in Somalia?

a) Very high
b) High
c) Not sure
d) Low
e) Very low

What are the challenges faced by equity markets in Somalia?

a) Global economic crisis
b) Quantitative Easing
c) Political interference

do what level have the above mentioned challenges affected equity markets in Somalia?

a) Very high
b) High
c) Not sure
d) Low
e) Very low

What measures can be applied to overcome the above challenges?
To what level are these measures suggested above effective in overcoming the challenges faced by equity markets?

a) Very high
b) High
c) Not sure
d) Low
e) Very low

What is the impact of equity markets on economic growth of Somalia?

a) Productivity
b) Income equality
c) Demographic changes
d) Resource depletion

to extent is the impact of equity markets influential on economic growth in Somalia?

a) Very high
b) High
c) Not sure
d) Low
e) Very low

Is there any significant relationship between equity markets and economic growth?

a) Yes
b) No

What are other suggestions that you recommend to be done to improve on economic growth in Somalia?

Thanks for your responses

End
APPENDIX II

INTERVIEW GUIDE

Key Issues

What are the various equity markets that affect economic growth in Somalia?

To what extent are these equity markets influential on the economic growth in Somalia?

What are the challenges faced by equity markets in Somalia?

To what level have the above mentioned challenges affected equity markets in Somalia?

What measures can be applied to overcome the above challenges?

To what level are these measures suggested above effective in overcoming the challenges faced by equity markets?

What is the impact of equity markets on economic growth of Somalia?

To extent is the impact of equity markets influential on economic growth in Somalia?

Is there any significant relationship between equity markets and economic growth?

What are other suggestions that you recommend to be done to improve on economic growth in Somalia?
## APPENDIX B: TIME FRAME

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>JANUARY</th>
<th>FEBRUARY</th>
<th>MARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic formulation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduction writing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literature review writing</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Methodology</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Typing and correction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final copy formulation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# APPENDIX C: STUDY BUDGET

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>Air time</td>
<td>60,000</td>
</tr>
<tr>
<td>Transport</td>
<td>To &amp;fro</td>
<td>55,000</td>
</tr>
<tr>
<td>Meals</td>
<td>Lunch (5)</td>
<td>50,000</td>
</tr>
<tr>
<td>Printing</td>
<td>3 copies</td>
<td>30,000</td>
</tr>
<tr>
<td>Binding</td>
<td>3 copies</td>
<td>34,000</td>
</tr>
<tr>
<td>Papers</td>
<td>1 ream</td>
<td>15000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>244,000</strong></td>
</tr>
</tbody>
</table>