

Public Awareness of Financial Market in Iraqi Kurdistan

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Abstract:

The research is descriptive in nature and have taken three objectives to measure the awareness about stock exchange operations are to find the solution for the problem as to find the variables affect the investor's opinion to invest in ESX, to measure the level of participation of investors in ESX operations and to know the government and company's contribution in the awareness creation in society, to encourage investors for the ESX investment. Thirteen variables taken for study and a sample of 171 respondents belonging to Kurdistan. To check the acceptability for the variables T-Test is performed and further to know the variance in opinion of respondents One Way ANOVA is performed. The analysis is based on the output of SPSS 20 and outputs are presented in tables as research findings. The analysis further explains that the stock exchange must have assurance, so people can put their money in the market with safety, or to invest in developing sophisticated stock investment system ensure more transparency and data clarity needs to increase the publicity and advertisement of listing companies. All together it is observed that there is a long way to go for stock market operations in Kurdistan region but need to get a powerful startup with a very dedicated, investment awareness campaign. The best model of development for Erbil Stock Exchange is based on the active participation of stock exchange, government and companies inviting investors and creating confidence for secured investment.

Keywords: Investment, Stock, Erbil Stock Exchange, Awareness, Kurdistan, Public, Investor.

Introduction

A financial market means buying and selling financial securities such as bonds and stocks by corporations and various institutions. Local and national government such as municipalities can also issues bonds to raise fund for projects and/or overcome the budget deficit. The U.S.A government for instance has Treasury bill also known as T-bill, Notes and Bonds to sell while each security has different term and feature. When the U.S.A government needs fund for infrastructure projects and/or to balance the budget, it may look to issue bonds at the fixed interest rates. Those bonds can be bought by U.S.A companies and citizens or foreigners. In case of Kurdistan, beside real or tangible market, ordinary citizens who have spare fund can buy bonds from their government while both the citizens and the government get benefit from transferred funds.

Financial market is relatively a new phenomenal in Kurdistan. Kurdistan region of Iraq never had such market in the past. However, Baghdad Stock Exchange first Stock Exchange opened in Iraq in 1992. It was operated by the Iraqi Ministry of Finance. After the invasion of the USA-led coalition in 2003, the exchange was closed. In 2004, the exchange opened again under the name of Iraqi Stock Exchange (ISX). According to the ISX website, the exchange is a self-regulated organization and independent from the Iraqi government, similar to the major world's exchange like New York Stock Exchange. In other words, the exchange is owned by its members of brokers and it's regulated by the Iraqi Security Commission. The exchange switched to electronic trading in 2009. There are about 100 Iraqi companies registered in the exchange and finally opened to the foreign investors in 2007. Most investors are working in private sectors which deal with only real or tangible market

Erbil Stock Exchange (ESX) will be the only stock exchange in Kurdistan Region and the second one in Iraq. Erbil Stock Exchange operates under the umbrella of the Iraqi Securities Commission (ISC) Companies that are willing to list on the exchange will have to fulfill certain requirements, including yearly financial and audited accounts. Initial plans are to focus on equities trade (stocks), although energy companies have expressed interest in issuing corporate bonds on the exchange. It is common for Kurdish investors to park their money in residential and commercial real estates. Not everyone however expects property values to rise forever. In addition, many people can't generate enough capital to open a profitable business, especially the middle class citizens and government employees. Instead, most have kept their cash at home or bought gold. Financial market can contribute to the growth of Kurdistan economy by injecting those sleeping cashes the public hold into those newly public corporations.

Many seek to diversify their asset portfolio, piquing curiosity in the idea of a stock exchange. The primary challenge for ESX is encouraging Kurdistan's many family-based companies to "go public." An initial public offering (IPO) can raise capital for businesses, but it also requires transparent accounts. Locals are turning to private and tangible companies which by any measures are limited to real estates, trades, small, independent and family-owned businesses. The resale of Chinese, Turkish and Iranian products are competing each other in the market. Local products are hardly seen, let alone to export.

Literature Review

Unlike the money market which is used for short-term financing such as using the fund for working capital, the capital market considered a long-term financing exceeding one year which includes bond and stock market and also called debt and equity market. Those securities have to be bought and sold through an organized exchange like a stock exchange. Many developed countries with well-developed financial systems have the capability to boost their economic growth. In 2013, the World Bank stated that a well-developed financial system has helped countries to allocate resource more sufficiently and have faster economic growth (Levine, 1997).

On a long-term basis, the stock market has returned an average of 10% to 12%; therefore, participating in the equity market is considered a significant economic result. It is possible that an individual or households lose considerable welfare by not contributing in the equity market (Cocco et al. 2005). In a survey conducted in a Netherlands discovered that many people recede from participating stock market due to lack of financial literacy and knowledge regarding the stock market (Van Rooij, 2011). Most companies obtain fund from external entities by issuing bonds or selling shares for expanding their businesses even though some of those companies have sufficient fund in their disposal as retained earnings but for whatever the reasons they determined to keep it untouched. Another reason for issuing bonds or selling shares is that companies may want to reorganize their capital structure perhaps to meet industry benchmark. Companies offer investors a claim to their assets by selling them part of the ownership in the company in term of stocks. As part of restricting the capitals, companies can also borrow funds from investors by issuing bonds or getting straight forward loan from a bank (Pattani & Vera, 2011).

The World Bank indicated in 1989 that the natural resources alone will not bring wealth to the nation. Great Britain, Australia, Argentina are prime examples of a few countries which had tremendous amount of natural resources in the past but their income per capita was less than poor natural resource countries like Switzerland. In recent decades countries like Japan, South Korea, China and Singapore have been ranked the highest countries in regard to per capita income growth rate. The prime cause of this growth is due to their capability to access their economic capital through their financial capital (Acquah-Sami, 2013).

Many middle class public and private employees normally do not possess enormous amount of money, rather save slowly. An established financial market assists those individual savers to invest in small portion in stock or bond market rather than risking their entire saving. On contrast, many real businesses requires huge fund to operate, let alone the time and energy to run a business. Financial market also helps those people who are not interested in running a business but have the spare capital to invest. In return, those funds provided by saver help companies to expand and also assist the government to develop long term project by issuing bonds to its citizens. Its government's responsibility is to regulate the trading the security via Security and Exchange Commission. The government also has to play a role via central bank by monitoring and controlling the interest rate and money supply in the market. (Acquah-Sam, 2014).

On the other hand, the lack of knowledge and awareness has influenced the public not to participate in the stock market. The public awareness of financial market including capital market, and other security investments are positively correlated with household educational background (Guiso & Jappelli, 2005). The effectiveness of stock market efficiency is expressed by market capitalization, market liquidity and market turnover. In addition, a survey conducted by Zingales in 2008 to analyze the effects of trust on stock market participation, respondents felt that the industry needs to disseminate the public awareness and benefits of stock market (Yartey & Adjasi, 2007). Trust remained a big challenge to the productivity and efficacy of stock market. Investor's access to information and skepticism on investing opportunities of the market were hindering the capital market progress. Among others, company's cynicism and skepticism were the cause of declining registration with Uganda Security Exchange (USE) (Lintari, 2011). Consumer's awareness of availability of financial assets relays on distributors benefits. In other words, consumer's awareness is based on asset suppliers to disseminate the information regarding the security they issue. They also expend a bit further by dividing into three grounds of the literature, which are financial information, social learning and advertisement. They concluded that investors will buy the asset when they are aware it and that awareness can be via social interaction or from asset suppliers

(Guiso, Sapienza & Zingales, 2008). In Sub-Saharan Africa, the financial markets are having a significant role in providing sufficient capital for telecommunication and financial service industries. It also has given the local savers the opportunity to have an alternative investment. However, the lack of accurate data and transparency has slowed down the progress. For instance, in Nigeria, changing the capital structure of banking sector between 2005 & 2008 has raised \$4b US mostly from local investors. The success of those corporations has increased the interest of local investor to invest in energy sector and assisting the government to transfer the huge stake in these companies. However, some of the financial institutions were loaning investors to purchase shares of those new corporations, which resulted in experiencing trouble and inflating the financial market. The enthusiasm lasted until the financial crisis of 2008 (Nkontchou, 2010).

International Network on Financial Education (INFE) conducted a survey in various countries regarding financial literacy of people including but not limited to financial knowledge, literacy, fund management and behavior. According to the survey, if a person answers 6 questions correctly, he or she considered well-versed in financial knowledge. However, in some countries fewer than half of the respondents obtained this score (answer 6 or more correctly) and no country with 70% of its population could obtain this score. Worth mentioning that great percentage of respondents was not able to calculate simple interest on a saving account for the period of one year and finding the significant of compounding interest over five years (Atkinson & Messy, 2012).

As asset less exposed to potential investors they are less selected; therefore, it makes sense for the corporations to disseminate the information regarding their stock directly or via other channels such as financial intermediaries and asset distributors who have similar interest in informing the investors (Merton, 1987). A survey regarding awareness of financial assets of Italian households showed that lack of basic financial information is substantial asset awareness is the primary determinant in portfolio selection (Guiso & Jappelli, 2004). A research examines financial awareness of financial products including but not limited to saving, insurance and stock market among various Indian population including students, employees and retirees. The research showed that students who are exposed to those products in school were aware of them (Agarwalla, Barua, Jacob & Varma, 2012).

ESX many not be able to compete with major stock exchanges in the world. For instance, African stock exchanges are small, illiquid and less diversified with a few listing. Most stocks are highly volatile and mainly concentrated on commodities, agribusiness, bank and tourism. Many of the listing came from former state-owned enterprises with a few family-owned companies. Many companies shied away due to the high cost of listing. Economic instability and government interference, and low transparency strangled the development of the exchanges (Bohnstedt, Hannig & Odendall, 2000). The lack of understanding of government institutions of financial market underestimated the stock market performance and made it difficult to plan proper and efficient policies. Government should have led to sale more of state-owned asset via financial market. Developing agencies can also assist the exchange to have broad spectrum of investments such as bonds and more of liquid assets that the local investors may choose from, and assist and encourage more companies to list (Nkontchou, 2010).

Nairobi Stock Exchange (NSE), which was first found in Africa in 1954, recognized and monitored by London Stock Exchange, yet handicapped by the drop in oil price and the capital gain tax. However, between 1990 and 1996 most companies listed on Ghana Stock Exchange even outperformed government treasury which was up to 45% interest. After tax cut by the government on corporation had encouraged demand for stocks among those companies. Another success story from African nations was Stock Exchange of Mauritius (SEM). The reason for this success was again a huge reduction of tax on capital gains and dividends, and transferred fund (Bohnstedt, Hannig & Odendall, 2000).

For the economic growth of a country is that the liquidity of stock market is more important than the size of its size (Beck, Thorsten & Levine, 2004). Based on research conducted in Sweden depicted that women are more risk averse than men and low in financial literacy. Educational level and household incomes also play an important role in stock market awareness and participation. Even though sole risk preferences are inadequate to describe low level of participation in stock market, women are typically more risk averse than men in general (Echel and Grossman, 2008). In addition, stabilizing and transparent banking system is the most crucial elements of successful financial market due technological involvement in regard to the clarity of transaction and minimizing the miscalculation and errors (Levine, Ross & Zervos, 1998).

Research Problem and Objective

As per the research stock market operation is an activity to strengthen the economy through mobilizing the financial resources for the acceleration of industrial growth. Iraq budget has increased drastically after the collapsed of the former Iraqi government starting from the year of 2004 and onward. The current Iraqi budget is around US \$110b. Kurdistan regional government supposes to receive 17% of it. However, Iraqi government itself is in crisis of balancing the budget and has no fund to distribute it to KRG ((Kurdistan Regional Government) employees due to the drop of oil price. According to the Ministry of Economy and Finance of KRG, around 70% of its budget will be allocated to government employees' salary. The rest will be allocated to other sectors, such as infrastructure, tourism, industrial and agriculture. It's worth mentioning that KRG currently is allocating 1.8% of its budget in agriculture where most nations allocate at least 10% in this sector. The economic problem of Kurdistan is troubled considerably when Iraqi central government halted budget share to Kurdistan in 2014. Baghdad believes that Erbil (the capital of Kurdistan region) should hands over the oil sales to SOMO (State Organization for Marketing of Oil) rather than selling in independently. On the other hand, KRG believes that's its constitutional right to sell oil independently in the global market. The dispute led to Iraqi government to cut the KRG budget share; in response, KRG started pumping oil and selling in the global market independently. However, Iraqi government warned international companies not to buy Kurdish oil and finally sued KRG – ministry of oil and natural resource in the federal court in Texas. The budget cut by the Iraqi government shocked KRG officials, stagnated the economic development in the region and government employees were not paid on times. KRG attempted to borrow money from international institutions but it was failed due to the fact that KRG is not a sovereign state and no one can be held responsible if KRG failed to meet its obligations. As a result, KRG turned to local and international companies and banks to borrow money. Besides, the crisis of ISIS (Islamic State of Iraq & Sham) has exacerbated the situation due to mass refugee entering KRG from Syria and other parts of Iraq and the expense of fighting the ISIS has increased. Iraq and KRG budget is mostly drawn from oil sales. Other sectors such agriculture and industrial to some extend are ignored. To some degrees, the nation's administrators or public institution is acting like a private sector rather than public one. For instant, just like any private company, the government turned blind eyes on all sectors except oil due to its easily extracted and quickly sold. According to the World Bank, the KRG economy has shrunk, population has increased by 28% and poverty rate has doubled to 8.1%. According to the report, the KRG need an estimate of \$1.4b to sustain its growth.

On the basis of above studies and literature review it is found that the most of the economy all around the world is facing challenges with the industrialization in lack of financial availability. Kurdistan region of Iraq having financial resources as having a great asset of petroleum demanded all around the world. In this economy the foreign companies are operating directly to execute their business. Kurdish companies are not as actively involved as foreign in the oil sector. Kurdistan regional government has opened the Erbil Stock Exchange mainly to attract local investors but public awareness and knowledge of stock market is limited in the region. So the study is measuring the level of awareness of investors about stock market activities with level of participation of government and companies in investor's opinion. Objectives formulated are to find the solution for the problem as to find the variables affect the investor's opinion to invest in ESX, to measure the level of participation of investors in ESX operations and to know the government and company's contribution in the awareness creation in society to encourage investors for the ESX investment.

Research Methodology

The study is descriptive in nature and for the purpose of research both primary and secondary data collected. In the first phase secondary data collected through literature review about the concept. Based on the secondary data collected a self explained instrument created taking 13 items describing the awareness measurement of respondents about Erbil Stock Exchange. Out of the much unorganized population of Kurdish, Iraqis, Turkish, Syrians, Indians and many other nationalities, only Kurdish population has been taken in study. A sample of 171 respondents has been taken for the study and to collect primary data. The primary data collected further analyzed using SPSS 20 version. The reliability testing performed and the Cronbach's Alpha value supported the acceptance of questionnaire as a measuring instrument. A frequency and percentage analysis is performed for all the variables. To check the acceptability for the variables T-Test is performed and further to know the variance in opinion of respondents One Way ANOVA is performed. The analysis is based on the output of SPSS 20 and outputs are presented in tables as research findings.

Research Findings and Results

For the assurance of the reliability of scale reliability analysis of SPSS 20 performed and the value is .801 on 13 items explained. So this questionnaire is accepted for the study as shown in the Table I below. Further the respondents analysis is performed shows that male respondents are more compared to female respondents , the

reason can be the society is considered to be a male-dominant and males are more exposed to society. When the age observed it is found most of the respondents are youth as the country is in the development stage not having aged population with education. The justice has been done with the marital status and both married and unmarried are almost equal in percentage. Monthly income is evenly distributed then also the first category explaining the salary below USD500 is mostly accepted. Educational level is again aligned with the age as youth and highest percentage of the respondents are from college. The next 13 variables are descriptively presented showing the movement of data with the opinion of respondents. All the above discussed analysis is presented in Table II below. For the purpose of checking the acceptability of variable the T-Test is performed on 13 variables taking the test value 3, where 3 variables are rejected having the significance value more than 0.05 shows respondent opinion is significantly varying on these 3 variables. Other 10 variables are getting accepted with value less than the 0.05 shows that respondent opinion is not significantly varying on 10 variables shown in Table III below. So it is good for the further study. For the purpose of further analysis of variance of respondents opinion on 13 variables One Way ANOVA test is performed taking 5 demographic variables as factor. There are 65 sets prepared and tested taking the significance value 0.05. Out of 65, the sets having the more than 0.05 are 21 shows respondent opinion is significantly varying on these 21 sets. Other 44 sets are getting accepted with value less than the 0.05 shows that respondent opinion is not significantly varying on 44 sets shown in Table IV below. So the analysis very clearly depicts that the stock exchange operation awareness is their among population but it has many challenges to overcome as well needs tripartite participation of Erbil Stock Exchange, Government and respondents.

Table I

| Reliability Statistics | |
|-------------------------------|------------|
| Cronbach's Alpha | N of Items |
| .801 | 13 |

Table II

| Respondents Profile and Variables Description | | | |
|--|-------------------|------------------|-------------------|
| | Parameters | Frequency | Percentage |
| Gender | Male | 120 | 70.2 |
| | Female | 51 | 29.8 |
| Age | 18-30 years | 105 | 61.4 |
| | 31-40 years | 36 | 21.1 |
| | 41-50 years | 15 | 8.8 |
| | 51-60 years | 12 | 7.0 |
| | 61 years and more | 3 | 1.8 |
| Marital Status | Married | 87 | 50.9 |
| | Single | 84 | 49.1 |
| Monthly Income | 0-500 USD | 66 | 38.6 |
| | 501-1000 USD | 39 | 22.8 |
| | 1001-1500 USD | 30 | 17.5 |
| | 1501-2000 USD | 21 | 12.3 |
| | 2001 and above | 15 | 8.8 |
| Education Level | Elementary | 12 | 7.0 |
| | High School | 9 | 5.3 |
| | College | 111 | 64.9 |
| | MS and Ph.D | 39 | 22.8 |
| Stock Exchange Operation Awareness | Strongly Disagree | 60 | 35.1 |
| | Disagree | 33 | 19.3 |
| | Not Sure | 18 | 10.5 |
| | Agree | 54 | 31.6 |
| | Strongly Agree | 6 | 3.5 |
| Erbil Stock Exchange Awareness | Strongly Disagree | 63 | 36.8 |
| | Disagree | 27 | 15.8 |
| | Not Sure | 24 | 14.0 |
| | Agree | 42 | 24.6 |
| | Strongly Agree | 15 | 8.8 |
| Benefits Stock | Strongly Disagree | 18 | 10.5 |

| | | | |
|--|-------------------|------------|------------|
| Exchange Participation | Disagree | 27 | 15.8 |
| | Not Sure | 21 | 12.3 |
| | Agree | 87 | 50.9 |
| | Strongly Agree | 18 | 10.5 |
| Profit on Stock Investment | Strongly Disagree | 30 | 17.5 |
| | Disagree | 15 | 8.8 |
| | Not Sure | 45 | 26.3 |
| | Agree | 69 | 40.4 |
| | Strongly Agree | 12 | 7.0 |
| Awareness by Erbil Stock Exchange | Strongly Disagree | 51 | 29.8 |
| | Disagree | 39 | 22.8 |
| | Not Sure | 60 | 35.1 |
| | Agree | 18 | 10.5 |
| | Strongly Agree | 3 | 1.8 |
| Awareness by Erbil Stock Exchange on Listed Companies | Strongly Disagree | 54 | 31.6 |
| | Disagree | 51 | 29.8 |
| | Not Sure | 51 | 29.8 |
| | Agree | 15 | 8.8 |
| | Strongly Agree | 0 | 0.0 |
| Awareness on Financial Instruments at Erbil Stock Exchange | Strongly Disagree | 66 | 38.6 |
| | Disagree | 33 | 19.3 |
| | Not Sure | 24 | 14.0 |
| | Agree | 36 | 21.1 |
| | Strongly Agree | 12 | 7.0 |
| Government Activity in Promotion Investment through Erbil Stock Exchange | Strongly Disagree | 39 | 22.8 |
| | Disagree | 27 | 15.8 |
| | Not Sure | 57 | 33.3 |
| | Agree | 39 | 22.8 |
| | Strongly Agree | 9 | 5.3 |
| Companies Activity in Promotion Investment through Erbil Stock Exchange | Strongly Disagree | 30 | 17.5 |
| | Disagree | 24 | 14.0 |
| | Not Sure | 45 | 26.3 |
| | Agree | 66 | 38.6 |
| | Strongly Agree | 6 | 3.5 |
| Investor Activity in Promotion Investment through Erbil Stock Exchange | Strongly Disagree | 21 | 12.3 |
| | Disagree | 27 | 15.8 |
| | Not Sure | 60 | 35.1 |
| | Agree | 42 | 24.6 |
| | Strongly Agree | 21 | 12.3 |
| Stock Exchange Contribution to Country's Economy | Strongly Disagree | 13 | 7.6 |
| | Disagree | 17 | 9.9 |
| | Not Sure | 30 | 17.5 |
| | Agree | 87 | 50.9 |
| | Strongly Agree | 24 | 14.0 |
| Suggestion on Investment through Erbil Stock Exchange | Strongly Disagree | 99 | 57.9 |
| | Disagree | 33 | 19.3 |
| | Not Sure | 30 | 17.5 |
| | Agree | 6 | 3.5 |
| | Strongly Agree | 3 | 1.8 |
| Personal Interest on Investment through Erbil Stock Exchange | Strongly Disagree | 36 | 21.1 |
| | Disagree | 20 | 11.7 |
| | Not Sure | 60 | 35.1 |
| | Agree | 45 | 26.3 |
| | Strongly Agree | 10 | 5.3 |
| Total | | 171 | 100 |

Table III

| One-Sample T-Test | | | |
|--|----------|------------------------|---------------|
| Test Value = 3 | | | |
| Parameters | t | Sig. (2-tailed) | Result |
| Stock Exchange Operation Awareness | -4.953 | .000 | Accepted |
| Erbil Stock Exchange Awareness | -4.363 | .000 | Accepted |
| Benefits Stock Exchange Participation | 3.886 | .000 | Accepted |
| Profit on Stock Investment | 1.135 | .258 | Rejected |
| Awareness by Erbil Stock Exchange | -8.398 | .000 | Accepted |
| Awareness by Erbil Stock Exchange on Listed Companies | -11.325 | .000 | Accepted |
| Awareness on Financial Instruments at Erbil Stock Exchange | -5.885 | .000 | Accepted |
| Government Activity in Promotion Investment through Erbil Stock Exchange | -3.061 | .003 | Accepted |
| Companies Activity in Promotion Investment through Erbil Stock Exchange | -.391 | .696 | Rejected |
| Investor Activity in Promotion Investment through Erbil Stock Exchange | .974 | .331 | Rejected |
| Stock Exchange Contribution to Country's Economy | 6.446 | .000 | Accepted |
| Suggestion on Investment through Erbil Stock Exchange | -16.921 | .000 | Accepted |
| Personal Interest on Investment through Erbil Stock Exchange | -1.866 | .064 | Accepted |

Table IV

| One Way ANOVA | | | | |
|---|----------------|----------------|-------------|---------------|
| Parameters | Factor | F Value | Sig. | Result |
| Stock Exchange Operation Awareness | Gender | .769 | .382 | Rejected |
| | Age | 17.361 | .000 | Accepted |
| | Marital Status | 14.577 | .000 | Accepted |
| | Yearly Income | 1.481 | .199 | Rejected |
| | Education | 1.512 | .213 | Rejected |
| Erbil Stock Exchange Awareness | Gender | .111 | .739 | Rejected |
| | Age | 11.393 | .000 | Accepted |
| | Marital Status | 15.632 | .000 | Accepted |
| | Yearly Income | 1.852 | .105 | Rejected |
| | Education | 6.600 | .000 | Accepted |
| Benefits Stock Exchange Participation | Gender | 2.867 | .092 | Rejected |
| | Age | 3.625 | .007 | Accepted |
| | Marital Status | 12.566 | .001 | Accepted |
| | Yearly Income | 5.941 | .000 | Accepted |
| | Education | 1.997 | .116 | Rejected |
| Profit on Stock Investment | Gender | 1.770 | .185 | Rejected |
| | Age | 3.051 | .019 | Accepted |
| | Marital Status | .128 | .721 | Rejected |
| | Yearly Income | 2.489 | .033 | Accepted |
| | Education | 1.184 | .317 | Rejected |
| Awareness by Erbil Stock Exchange | Gender | 2.537 | .113 | Rejected |
| | Age | 2.050 | .090 | Rejected |
| | Marital Status | 7.296 | .008 | Accepted |
| | Yearly Income | 2.601 | .027 | Accepted |
| | Education | 4.464 | .005 | Accepted |
| Awareness by Erbil Stock Exchange on Listed Companies | Gender | 2.958 | .087 | Accepted |
| | Age | 4.886 | .001 | Accepted |
| | Marital Status | 4.774 | .030 | Accepted |
| | Yearly Income | 3.167 | .009 | Accepted |
| | Education | 2.976 | .033 | Accepted |

| | | | | |
|--|----------------|-------|------|----------|
| Awareness on Financial Instruments at Erbil Stock Exchange | Gender | .026 | .873 | Rejected |
| | Age | 3.623 | .007 | Accepted |
| | Marital Status | .542 | .462 | Rejected |
| | Yearly Income | 2.447 | .036 | Accepted |
| | Education | 3.650 | .014 | Accepted |
| Government Activity in Promotion Investment through Erbil Stock Exchange | Gender | 2.509 | .115 | Rejected |
| | Age | 1.082 | .367 | Rejected |
| | Marital Status | 2.196 | .140 | Rejected |
| | Yearly Income | 3.031 | .012 | Accepted |
| | Education | 7.012 | .000 | Accepted |
| Companies Activity in Promotion Investment through Erbil Stock Exchange | Gender | .465 | .496 | Rejected |
| | Age | 2.538 | .042 | Accepted |
| | Marital Status | .600 | .440 | Rejected |
| | Yearly Income | 2.944 | .014 | Accepted |
| | Education | 5.004 | .002 | Accepted |
| Investor Activity in Promotion Investment through Erbil Stock Exchange | Gender | 2.227 | .137 | Rejected |
| | Age | 1.281 | .280 | Rejected |
| | Marital Status | 3.176 | .077 | Accepted |
| | Yearly Income | 6.583 | .000 | Accepted |
| | Education | 2.478 | .063 | Accepted |
| Stock Exchange Contribution to Country's Economy | Gender | .724 | .396 | Rejected |
| | Age | .546 | .702 | Rejected |
| | Marital Status | 4.631 | .033 | Accepted |
| | Yearly Income | 1.230 | .297 | Rejected |
| | Education | 2.669 | .049 | Accepted |
| Suggestion on Investment through Erbil Stock Exchange | Gender | .152 | .697 | Rejected |
| | Age | 2.898 | .024 | Accepted |
| | Marital Status | .985 | .322 | Rejected |
| | Yearly Income | .580 | .715 | Rejected |
| | Education | 5.170 | .002 | Accepted |
| Personal Interest on Investment through Erbil Stock Exchange | Gender | .782 | .378 | Rejected |
| | Age | 6.740 | .000 | Accepted |
| | Marital Status | 2.342 | .128 | Rejected |
| | Yearly Income | 2.924 | .015 | Accepted |
| | Education | 6.889 | .000 | Accepted |

Managerial Implication

As the research is based to reach the objectives of to find the solution for the problem as to find the variables affect the investor's opinion to invest in ESX, to measure the level of participation of investors in ESX operations and to know the government and company's contribution in the awareness creation in society to encourage investors for the ESX investment. The analysis of the data collected through the structured questionnaire reaching to all the objectives. The analysis further explains that the stock exchange must have assurance, so people can put their money in the market with safety. Or to invest in developing sophisticated stock investment system ensure more transparency and data clarity needs to increase the publicity and advertisement of listing companies. All together it is observed that there is a long way to go for stock market operations in Kurdistan region but need to get a powerful startup with a very dedicated, investment awareness campaign.

Conclusion

On the basis of above study and analysis, it can get concluded as the Erbil Stock Exchange is in the first phase of development. The political scenario of the region is not stable so stock exchange is also facing many hindrances. Though the population is not very educated then too they have the awareness about the stock market operations with their benefits and opportunity factors. People are interested to be investor but there is some hidden unexplained fear is stopping them to participate in operation. The best model of development for Erbil Stock Exchange is based on the active participation of stock exchange, government and companies inviting investors and creating confidence for secured investment. This activity will seek a huge support from government to

channelize all the operations and motive companies and investors. The most important are the investors need to get positive attitude for Erbil Stock Exchange investment in a planned way.

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