The Role of regulatory authorities in Promoting financial stability and Growth in Qatar

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Abstract

The current research has been conducted to examine the role of regulatory authorities on economic growth and financial stability in the Qatar Economy. The data for the analysis was collected through a primary survey. A sample of 52 respondents was collected who were working in various departments of the regulatory authorities and some in the decision-making levels of the private sector. The collected data were analyzed using various statistical techniques including descriptive statistics and inferential statistics. The findings from the study suggested that interest rates, an adaptation of the modern banking system, and the comparison of regulations are the major factors affecting the financial stability in Qatar. Similarly, nonoil production, the inflow of FDI, exports, and controlling the fiscal deficit are some of the major regulatory measures to improve economic growth.

Keywords:

Economic growth, financial stability, Qatar, interest rate, modern banking, non-oil production.

Chapter 1: Introduction

1.1 Background

The financial system in Qatar is open to both conventional banks as well as Islamic banks authorized under the Qatar Central Bank (QCB) (Alsamara et al 2019). Currently, the Islamic finance regulatory authority predominantly utilises the Ijarah and Murabahah structures which are rendered by the QCB-regulated four major Islamic banks i.e. Masraf Al Rayan, Qatar Islamic Bank (QIB), Qatar International Islamic Bank (QIIB), Barwa Bank (Nawaz et al 2020). These banks are supervised by the regulatory authority of Qatar Financial Centre (QFC) under the Islamic financial rules which are introduced by the QFC regulatory authority in 2005.

The Islamic banks which are enlisted on the Qatar stock exchange have been regulated by the QFMA (Qatar financial market authority) and have developed consistent regulatory practices and legal regimes for the establishment of an Islamic financial system and growth in the country's economy (Mateev, Moudud-Ul-Huq and Sahyouni, 2022). The Islamic financial institutions were regulated by both the QFC and QCB in order to establish the Shariah Board and implement the AAOIFI governance standards. The first Shariah-compliant equity index and QE Al Rayan Islamic index were established in 2013.

In 2010, Qatar was given the right to host the FIFA world cup 2022 which has catalysed the domestic investment in infrastructure, hospitality and tourism combined with Vision 2030 (Mirzaei and Moore, 2016). Such national development strategies have driven the country towards a more sustainable economy by diversifying the dependency on oil and gas that have historically accounted for half of Qatar's GDP and to which the Islamic banks have always been an instrumental support system (Phan et al 2021). However, the economic diversification have significantly dipped the oil prices during mid-2014 that have brought major corollary effects on Qatar's economy. The Qatar blockade by Bahrain, UAE, Egypt, and Saudi Arabia and Egypt in 2017 June has led to governmental interventions for stabilizing the economy that includes

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taking appropriate measures through the QCB by means of public sector deposits for the maintenance of liquidity in the finance sector of the country (Milton-Edwards, 2020). The impact of the blockade was high on the finance and economy of the country.

The regulatory authority of Qatar has been a potential support system to the country's economy, however, the financial sector (banking, insurance, etc) is not completely immune to the crisis or forthcoming risks (Tok, Koc and D'Alessandro, 2021). There have been wide-ranging views on how the situation will curb and will end up affecting the widespread financial market (Saleh and Alaallah, 2022). However, there are significant pitfalls on which there has been a unanimous agreement between the regulatory authorities who would be jointly dealing with the forthcoming economic crisis in 2023 owing to the potential events of the Qatar blockade, the Covid-19 crisis and other critical aspects of financial regulatory approaches (Selmi and Bouoiyour, 2020). The flexibility, agility and transformation of business models supported by the regulatory authorities in Qatar will succeed and secure the financial strength required for economic growth (Elgharbawy, 2020). Hence the regulatory authorities have a stringent focus on the financial service firms to be proactive in the context of capitalizing on the opportunities in order to address the highlighted challenges.

1.2 Research Aim

This research aims at understanding the significance of regulatory authorities in the growth and development of the financial system in Qatar.

1.3 Research Objectives:

- To examine the role of regulatory authorities in promoting financial stability and growth in Qatar
- To analyze the impact of regulatory oversight on the development of Qatar's financial sector.
- To explore the relationship between regulatory frameworks and the expansion of Qatar's financial industry.

- To evaluate the effectiveness of regulatory measures in promoting financial stability in Qatar.

- To identify the challenges and opportunities faced by regulatory authorities in shaping the future of Qatar's financial sector.

1.4 Research Problem

Currently, the financial market of Qatar is typically observed as profitable and mature. The four Islamic banks in Qatar are considered among the leading banks in the world, having a total asset value of around US$100 billion which generates a revenue of approximately US$10 million (Berni, 2021). However, even though the government interventions have helped in maintaining liquidity, there are significant challenges faced by the financial market of Qatar presently that call for a comprehensive investigation in understanding the significance of regulatory authorities in the growth and development of the financial system in Qatar. The financial institutions i.e. the Islamic banks are continuously investigating the finances in a foreign market (encompassing Europe) to innovate and seek solutions specifically related to the issues of Sharjah compliance that need special focus (Biygautane, Hodge and Gerber, 2018). There has been a rapid macro-economic development in Qatar that has driven to the huge progress of Qatar's ambition of becoming the Islamic financial centre. However, the financial crisis led by the Qatar Blockade has significantly highlighted the financial resilience and its inherent conservative approach to minimize the exposure to the risks of crisis. While the existing research studies have made a significant attempt in analysing the impact of the Blockade crisis on the financial stability and economic mobility of Qatar, however, there has been a significant gap in identifying the implications of political and regulatory realms on the failure and crisis followed by the Qatar Blockade. The Covid-19 pandemic have an unprecedented impact on the financial market of Qatar, coupled with the significant drop in oil prices thus creating a unique level of crisis in the economy and financial stability (Charfeddine, Al-Malk and Al Korbi, 2018). While the regulatory authority of Qatar has taken proactively supportive measures to ensure that the country's wider economy and financial

system are protected from the effects of the Covid-19 pandemic to the highest extent, however, are certain implications and gaps that the financial institutions, banks and investors will inevitably face.

1.5 Research Rationale

In this particular research study, the focus will emphasize on examining the role of regulatory authorities in the promotion of financial stability and economic growth in Qatar by means of analysing the impact of regulatory oversight on the development of the country's financial sector. In reference to the pre-defined research objectives, this research shall assess the approaches made by Qatar to manage and succeed during the blockade through its efficient regulatory authorities. The researcher has specifically highlighted the role and value delivered by the regulatory authorities at the time of Qatar Blockade 2017. Nevertheless, this research would also shed some light on the role played by the regulatory authorities in promoting economic growth and financial stability in the forthcoming recession of 2023. The findings to be obtained from the primary research study is crucial for identifying the possible policy gaps in the current system of Qatar. Subsequently, the researcher will frame the actionable recommendations for improvements which could be focused on the critical aspect of promoting the financial stability, economic and overall development of Qatar through the regulations of financial systems.

1.6 Research Structure

This portion of the research outlines the key chapters that will discuss the segregated parts of a dissertation in a detailed manner. Subsequently, the researcher has outlined 5 main chapters in an attempt to research the various perspectives of the topic in a standardized manner.

Chapter One: Introduction

This is the first chapter of the dissertation that mainly introduces the topic by presenting the research aim, objectives, background and research problem. The theme of this research is well-placed which will help the

reader better acknowledge the topic. The rationale for conducting this research and the overall structure to be followed in this study are briefly defined.

Chapter Two: Literature Review

This chapter will critically evaluate the existing literature studies and examine the theories and frameworks relevant to the topic following a sequence. Moreover, the findings from the literature will help in guiding the pathway to primary research study. The critical perspectives of the existing literature will help in identifying the areas of the gap which will further be evaluated with respect to the primary research findings.

Chapter Three: Research Methodology

This particular chapter emphasizes on identifying the appropriate research techniques, tools and methods to be applied for the purpose of data collection and data evaluation. The correct selection of research methods and techniques will help in a better analysis of the topic; however, the selection process must be followed by the proper justification that is perfectly feasible for the chosen topic under investigation. The chapter ends with the limitations and ethical concerns that are to be applied in the context of research.

Chapter Four: Data analysis and Interpretations

The fourth chapter illustrates the primary data findings and data analysis followed by the critical interpretations. The primary research findings are correlated in reference to the theoretical knowledge obtained from the secondary literature review. The resulting outcome will help to demonstrate the extent to which the research objectives are met in this study.

Chapter Five: Conclusion and Recommendation

The last chapter of the dissertation will draw the primary findings and results with respect to the theoretical data obtained from the literature review. This will help in concluding the research objectives followed by the recommendations and scope of future research studies.

Chapter 2: Literature Review

2.1 Relationship between regulatory authorities and economic growth

The relationship between regulations and the economic growth of a country has been at the center of the political economy since the 1970s (Saberi and Hamdan, 2019). According to the Public choice theory, the regulatory authorities or the regulations act as a hindrance to economic growth by imposing an excessive burden on the economic actors. The regulations can disincentivize the firms to upscale, innovate, enter a market, or invest in skill formation. In contrast, Charfeddine, Al-Malk and Al Korbi (2018) opine that the introduction of broader perspectives on detailed property rights and the establishment of laws can incentivize investors, safeguard consumers, and encourage companies to innovate advanced technologies. Regulation is mandatory to a certain level for the growth of a country's economy due to the alleviation of uncertainty, whereas incomplete regulations are considered incomplete social contracts that can have a significant impact on the financial stability of a country.

The empirical evidence obtained on understanding the link between regulations and economics has been found to be mixed so far. While studies by Rahman (2014) have opined a positive correlation between economic growth linked to volume of legislation, alternatively, research by Naheem (2017) has provided evidence of a negative correlation between regulations and economic growth in contexts of low-income rate and high employment. Contemporary literature has focused on specifying the conditions under which regulations can be effective for a country's economy. For example, Political instability leads to excessive legislative production and a backlog of bureaucracy. Consequently, any inefficient bureaucracy is unlikely to make the appropriate implementation of legislation which in turn creates incentives for the politicians to make proposals for legislation as a simple signal to showcase their efforts towards the voters (Al-Awadhi et al 2022). Complexity traps studied by Biygautane, Hodge and Gerber (2018), have informed that complexity leads to an even bigger network of complexities which are often prominent during the time of economic crisis or changes brought by technological advancement may lead to the greater need for

regulatory reformations, however, the quality and alignment and quality of interests of the regulatory authorities are relatively low. Hence, the empirical evidence strongly supports that the role played by regulatory authorities in mediating the effect of regulations and reformations has a significant effect on the economic development of a country.

2.2 Role of regulatory authority in promoting financial stability

Financial stability is demonstrated as the situation where a country's financial system is sufficiently robust to bear the shocks, through effective risk management and efficient allocation of resources (Berni, 2021). The objectives of financial stability are significantly focused on economic regulations in which the regulatory agencies and central banks play the key role as a provider of payment systems and financial intermediator (Phan et al 2021). Subsequently, the financial fragility of any system is measured to establish the reactions to macroeconomic shocks and regulatory framework changes. For example, the central banks of any country issue financial stability report due to their importance for periodic analysis made by the BIS (Bank of International settlements), World Bank and International Monetary fund (IMF).

The regulatory authorities generally grant an appeal right to the banks for maintaining fairness in their operations (Parvathy, 2021). However, there are failures of regulatory frameworks due to the excessive dependence on prevention and compliance during the financial crisis. In several countries, the banking regulatory authority is entrusted to the central bank. As opined by Mateev, Moudud-Ul-Huq and Sahyouni (2022), effective regulatory authority and framework are essential for the promotion of financial stability and economic growth culture. Such financial systems include insurance companies, banks, NBFI, and institutions that are responsible for the financial stability, channeling of funds from the investors and protection of consumers from financial products. Hence, financial stability within a country can be attained through continuous interaction with regulatory authorities, financial institutions, and the market industry.

2.3 Contingent and Non-contingent regulations

The theoretical hypothesis dictates the effect of contingent and non-contingent provisions on economic growth (per capita GDP) under high, medium, and low uncertainty. To be specific, the high contingent legislation may lead to significant economic growth (in the context of profits and wages). This effect tends to be effective for the states that face more economic uncertainty and the initial level of regulation is low.

Figure 1: Impact of contingent and non-contingent regulations on the economy
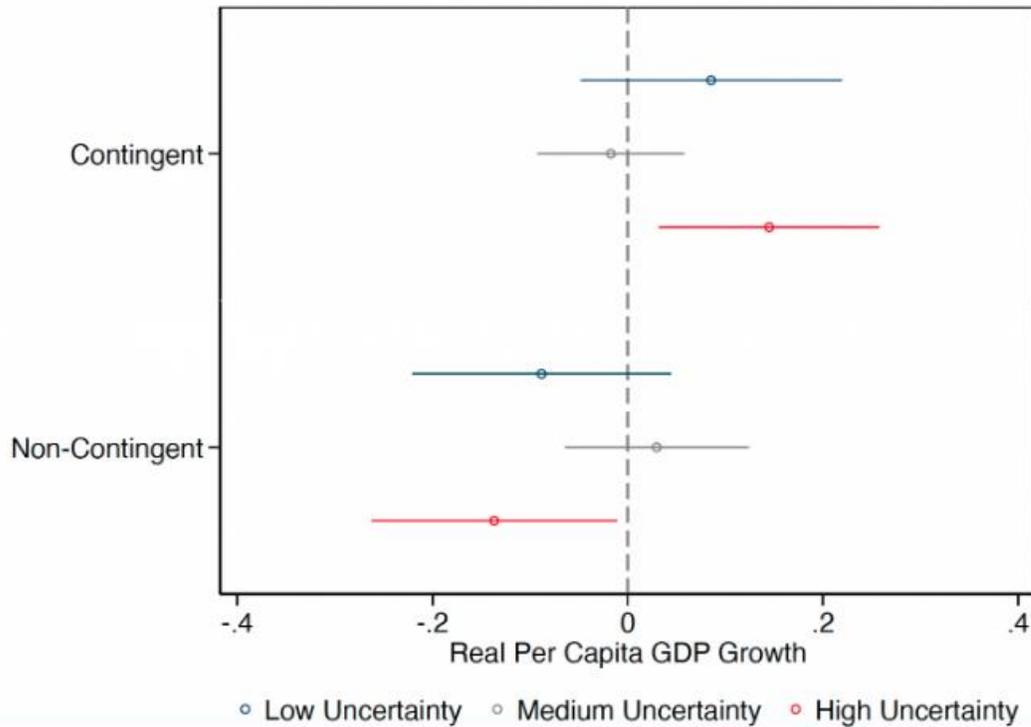
As observed in figure 1, contingent clauses have a positive impact on the economy specifically when the level of uncertainty is high. Under such instances, the regulatory authorities must focus on drafting the complete regulation by taking into consideration all the potential actions that must be taken across the potential scenarios. Under such uncertain scenarios, the non-contingent legislation (i.e., the spot clauses) tends to have a potentially negative effect on the economy. For example, spot clauses dictate a specific and single course of action irrespective of the country's situation. Spot clauses refer to the extremely rigid clauses that may not allow the considerations of varying scenarios and respective actions to be taken at a time of uncertainty that inevitably proves to be detrimental to the economy.

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2.4 Background of Qatar and the 2017 Blockade

As a vulnerable and small country situated amidst the Middle East turmoil, Qatar faces significant challenges in promoting its financial stability and growth. The major reasons comprise the existential geopolitical threat posed by the large neighboring countries alongside the rise of radicalization, the domino effect of regional instability and the significant spread of global terrorism (Ulrichsen, 2018). Subsequently, Qatar's record on the enforcement of laws against the policy of financing terrorism was scrutinized and it was said that Kuwait and Qatar have more permissive jurisdictions in financing terrorism and have made less progress in combating finance for terrorism (Almutawa, 2020). In addition, Qatar was extensively criticized in the US and other western countries for its permissive approach to financing extremist countries.

Qatar has been confronted with multiple social challenges that have originated right from the pace of its transformation from a traditional society to an advanced and modern state entailing all the factors that range from changing the cultural and societal norms. Given the unstable nature of Middle East politics, the regional countries attempt to pursue self-surviving strategies to develop their own resilience against the rising political, social, and economic threats (Saleh and Alaallah, 2022). The recent blockage against Qatar by the Arab Quartet (United Arab Emirates, Saudi Arab, Bahrain, and Egypt) is the major drive in understanding the relationship between regulatory authorities and economic growth in the country.

The Arab Quartet comprising Saudi Arabia, Bahrain, Egypt, and the United Arab Emirates has made potential efforts to isolate Qatar right from the time of their ban that began in June 2017. Despite the significant investment made by the Gulf Cooperation Council, most of the North American countries have chosen to maintain a neutral position (Milton-Edwards, 2020). While most of the regulatory authorities have viewed this decision as traditional diplomacy of neutrality, however, this strategy has been driven jointly due to the threat of hegemonic expansionism and the lure of Qatari investments (Eid, Abdul-Salam and Jaleel, 2022). Consequently, the North American regimes have predicted that the quartet coalition is a rising threat to regional security; hence they have indirectly supported the weak player Qatar.

Qatar which was suffering from the economic pain from the blockade quickly found alternative sources of food supplies and goods along with taking military assistance from Turkey. Subsequently, Qatar has maintained a potential collaboration with American officials and started showing its public relations campaign against the UAE (Nawaz et al 2020). On the contrary, it has been observed that Jocelyn Sage Mitchell enjoyed an unusual burst of patriotism in their home country owing to the rally enforced by the population behind the emir.

2.5 Regulatory authorities at the time of the 2017 Blockade

The commencement of the Qatar crisis in 2017 took place without any warning signals and restored the dynamics of regional security to the regulatory authorities of the state, political elites, and the Qatar society (Zafirov, 2017). Qatar has been significantly vigilant about its foreign policy diversion in the context of regional security perceptions of its neighboring states much before the Qatar crisis took place. Because of this blockade, critical narratives of its neighboring states on independent policies were intimidated by the Regulatory authorities of Qatar. They necessitate the analysis of the 2017 crisis by navigating the domestic region that faces regional and systematic pressure.

In 2017, Qatar experienced land, air, and sea blockades by the Arab Quartet i.e., the three neighboring Gulf countries and Egypt. It appeared to be a shocking event for the Qataris while they considered themselves a significant part of Gulf society. Subsequently, this has led to a significant shock to the regulatory authorities of Qatar towards the trust and unity issues that were supposedly strongly embedded within the GCC (Gulf cooperation council) region (Habibi and Sharif Karimi, 2017). The severity of such a blockade has made the regulatory authorities of Qatar reassess the regional dynamics that have undermined the independence and sovereignty of Qatar. To address this crisis and reach a level of financial stability, reformatory regulations focus on seeking new alliances and increasing the supplier base for its market and trading routes to attain economic stability within the country. Such responses have tested the capacity of Qatar by delving deep into the Gulf power trends that radically transform the state behaviors and regulatory processes.

2.6 Neoclassical realism Theory

According to the Neoclassical realism theory, perceptual shock refers to a single event that alerts the regulatory authorities and raises their awareness of the cumulative effects of long-term power trends. In the case of Qatar, such crisis events that have occurred abruptly tend to make alert the regulatory authorities, political elite, and society at large. As a critic, Ulrichsen (2018) stated that the 2017 blockade appeared as a perceptual shock to the regulatory authorities and the related societies, which has significant implications for strengthening its state regulations and consolidating its societal bonds. Hence, the regulatory authorities play a crucial role in overcoming the blockade shock by withstanding the demands and challenges from the Arab quartet states and justifying the Qatari disputes on the challenges of non-interference in foreign policy decisions and domestic affairs.

From the lenses of neoclassical realism theory, the correlation between systematic incentives, domestic influences and their complex impact on regulatory decision-making can shift the dynamics of economic stability in the country (Ma and Min, 2022). Considering this point of juncture, the regional insight into the Qatar crisis is crucial to understand the systematic imperatives, unit-level variables, and regional perceptions to evaluate its economic capacity (Milton-Edwards, 2020). Neoclassical realism analyses the decision-making processes, regulatory policy dynamics, and security discernment of the regulatory authorities under circumstances where the national responses to international contingencies are guided by the internal characteristics of states. This theory accepts the fact that the unit-level variables tend to facilitate and constrain the state's ability in responding to the systematic imperatives that can hamper its economic growth.

According to Ma and Min (2022), neoclassical realism plays the role of middle ground between neorealism (structural realism) and constructivist theories of international relations. Consequently, Neoclassical realism analyses the determinants of foreign policies, security discernments and decision-making processes of the leaders by raising questions about the circumstances under which the internal state characteristics

guide their national responses to address the international constraints (Gengler, 2020). It has revealed that unit-level variables can facilitate as well as limit the state's abilities to address the systematic imperatives effectively (Juneau et al 2019). Consequently, the Qatar Case has illustrated the ties made between the state and society to emphasize on the state's decision over the controversial regional issues. Consequently, the consolidation of state apparatus in the face of crisis led by the Arab Quartet has assisted Qatar in enforcing its argument of non-interference in domestic politics as well as foreign policy decisions at the international level.

2.7 Qatar's economy bolsters After Blockage

The frictions occurring between Qatar and its neighboring Gulf states are pre-existing, however, the Arab Quartet blockade in 2017 has imposed a more intense effort by Riyadh and its allies to assess the independent foreign policy of Qatar (al-Horr, Tok and Gagoshidze, 2019). This policy encompasses support received from the Muslim Brotherhood (a political Islamist movement) that had been branded a terrorist organization by the four quartet blockade countries (Gengler, 2020). Qatar also shared strong economic ties with Iran owing to its share in the largest field of natural gas. In addition, Qatar received the sponsorship of AI Jazeera Media network which is extremely crucial for its sustenance in the blockade situation. However, this blockade had made the perverse effect of pushing Qatar in becoming an independent entity of the Gulf Cooperation Council (GCC). As a result, Qatar has intensified its political and economic ties with Turkey which is a regional rival to the UAE and Saudi Arabia is also known to be a supporter of the Muslim Brotherhood (Al-Ansari, 2021). Qatar has also developed close commercial ties with Iran out of necessity because the Iranian airspace has become the chief corridor for Qatar to access the countries globally.

Consequently, Qatar had become disengaged from the UAE, Saudi Arabia, and Bahrain economically, as the main purpose of this blockade was to enforce economic pressure on Qatar (Chougule, 2022). Before the blockade, Qatar had made many of its goods and service imports through its neighboring countries,

however, after the blockade, Qatar was compelled to establish its alternative routes of the supply chain, scale up the domestic production of basic services and goods, while expanding its Hamad Sea Port to begin its operations in early 2017 (Barakat, 2019). Such a situation has led to significant short run of economic costs to Qatar which has helped the country to become progressively self-sufficient and improve its economic diversification efforts.

Qatar has evolved as more independent. The declaration made by Qatar's minister of foreign affairs, Sheikh Mohammed bin Abdulrahman Al-Thani, has made clear indications that this country will not downgrade its political and economic relationship with Turkey or establish strong commercial ties with Iran (Ali, 2020). Moreover, Qatari businesses are focused on improving their trade relations with the neighboring countries can lead to greater mutual benefits.

2.8 Role of Regulatory authority in the financial stability of Qatar post Blockade

Qatari banks (both the local and foreign conventional banks along with the Islamic banks) have been a strong cornerstone of the country's financial stability which is fueled by the expansion of regional and domestic economic growth. From the year range between 2012 to 2016, there is a significant asset growth of 11% CAGR in the Islamic banking sector of Qatar against the 9% CAGR of the overall finance industry (al-Horr, Tok and Gagoshidze, 2019). Post-blockade, the economic embargo had a hard hit on the banking sector due to which the percentage of non-resident deposits to total customer deposits dipped from 25% to 17%. The deposits have been completely withdrawn from the blockade countries whereas the non-blockade depositors have made high demand for interest rates (Chougule, 2022). Moreover, the funding from foreign interbank to Qatari banks has dropped to US$30bn in six months span after the crisis. Such massive withdrawals have left the Qatari bank sector in liquidity limbo in the short run. Lahmamed (2022) reported that the Moody's investors (rating agency) have reduced the investment and stable financial status of Qatari banks to negative scoring by citing weak operational conditions in the banking sector and continuous withdrawal of foreign funding that typically amounts to 36% of the total liabilities. The reliance on

confidence-sensitive external funding has made the financial stability in Qatar highly vulnerable to liquidity issues in situations where the investor sentiment has shifted due to the blockade (Mohammed, Tok and Ali, 2020). In fact, the impact of such a huge outflow of foreign money on the economy was substantial which has made the GDP witness a sharp decline of 15%.

As a result, the Qatari banking sector has been marked as the most vulnerable owing to the continuous deterioration driven by the Arab Quartet boycott, declining occupancy rates, and real estate prices, with a severe decline in performance consistently over the years before the occurrence of the blockade. In addition, the Qatari Islamic banks are not immune from the liquidity conundrum within the state despite its unique banking operations. On the contrary, Ali (2021) argues that financial stability will be deeply hampered as more than a quarter of bank borrowings inflows from the Gulf States.

Despite this funding crunch and financial instability for a short span of time, the Qatar financial situation has evolved as the survivor or at least in a shape better than before. The role played by the state's regulatory authority has helped in injecting funds into the economy through the inflow of public sector deposits while outweighing the non-resident withdrawals (Gengler, 2020). After a month of ban, more than US$10bn has been injected by the Qatari government into the domestic banks to counteract the impact of foreign withdrawals from the sector. Álvarez-Ossorio and García (2021) have acknowledged cited Moody's and Fitch reports highlighting that right after 2 months of the blockade, the government injected money to bring financial stability was amounted to US$40bn from its sovereign fund of US$340bn to support the economy and financial system of the state. In addition, the regulatory authority has encouraged the central bank and public sector bank to make deposits of around US$9bn and US$19bn respectively. According to the reports by Albasoos, Hassan and Al Zadjali (2021), the non-resident deposits amounted to US$9bn after a year of crisis which is returned to the country in an attempt to ease the pressure. Consequently, a positive trend is witnessed by the banks within a few months after the blockade.

2.9 Response of Qatar to the crisis

The deterring relations by UAE, Egypt, Saudi Arabia, and Bahrain with Doha in 2017 have led towards an unexpected shift in the perception of the regulatory authority in Qatar (Berni, 2021). The perseverance of blockading state policies and resistance from Qatar to these challenges has shifted the regional dynamics into politics, military, economy, and diplomacy. The resultant outcome has seen a stark shift in its relationship of with its neighboring countries; conversely, it has also highlighted a deep decline in the relations between the UAE, Turkey, Egypt, and Saudi Arabia.

The role played by the regulatory authorities of Qatar on the internal variables is crucial for understanding the country's reaction towards regional, domestic, and international events (Almutawa, 2020). Consequently, the Qatar blockade has evolved as a perceptual shock to the regulatory authorities and decision-makers of Qatar that have led to the unexpected shift in leader's perception towards the domestic and regional threats and national power. According to Mitchell (2021), the decision-makers (regulatory authorities) were made aware of the cumulative effects of the long-term power trends that would bring abrupt awareness to the state and the society's perception of regional security. On the same wave, after being exposed to the air, land and sea blockade, the perception of Qatar towards the rigidity of blockading neighbors has suddenly shifted (Albasoos, Hassan and Al Zadjali, 2021). In fact, Qatar and its neighboring countries have shared an immensely fragile relationship based on their regional dynamics in the period of post-Arab uprisings.

Most importantly, the Qatar crisis has altered the discourses on both aspects instantaneously which has largely exposed the distinctive factors of security perceptions and its regional power. Following the crisis and post Arab uprising war period, it is stated that Qatar has shifted to an antagonistic trend in the economy, society, and political arena (Parvathy, 2021). This has incrementally started to express at the level of leadership discourse. However, Qatar's response was conscious in the continuation of the blockade, while the regulatory authorities of Qatar were focused on the endeavors of finding new economic and strategic

partners to make them more independent from the economic and political standpoints related to its neighboring countries (Başkan and Pala, 2020). Rather, the Qatar authorities have transformed state-society relations in a more constructive way (Riggs, 2021). Such a crisis has made the regulatory authorities of Qatar highly conscious of the need to intensify or form new alliances, reducing the dependency on neighboring states (specifically UAE and Saudi Arabia), diversifying of LNG (liquefied natural gas) based economy to consolidate the state apparatus within the Qatari society.

Arab quartet and Qatar have faced multiple crises throughout its history; however, the 2017 blockade is conceived as a catastrophic event owing to its rapid implementation and unfriendly discourses across the various fields that have led to the sudden shift in the regional dynamics of Qatar (Gengler and Al-Khelaifi, 2019). Historically, in the previous crisis, the relationships had been resumed and restored after the individual crisis, except for the 2017 crisis. Referring to the evolution of the relationship between the GCC states, it has been studied that Qatar's refusal to act in accordance with the regional preference of the individual Gulf States is not new, specifically that of UAE and Saudi Arabia. Hence, referring to the historic records on the relationship between Arab Quartet and Qatar, it could be anticipated that the ongoing crisis will ensure a cordial trend towards the rapprochement after some time even though it has proven to be just acting in opposite direction until now.

Chapter 3: Methodology

3.1 Introduction

This section of the research is focused on outlining the selection of appropriate research tools and techniques to obtain relevant data and findings (Clarke and Cossette, 2016). The following parts of this chapter will present comprehensive details of primary and secondary methods of data collection in order to derive better insights through the improved analysis of the issue under investigation. Moreover, the selection of the correct research approach, philosophy, methods, and sampling techniques will help in conducting the overall research in a standardized manner.

3.2 Secondary Data Sources

The secondary research employs the compilation of data from existing literature sources (Johnston, 2017). The secondary research techniques emphasize on sourcing data from peer-reviewed journals, existing case studies on the issue, textbooks, online web content, University web libraries, and government statistics on financial stability and economic growth in Qatar. The secondary research is useful for identifying the research gap in the existing literature which will serve to guide the roadmap for effective primary research.

While the data sources for secondary research are derived from the articles, peer-reviewed journals, websites, University libraries, textbooks and government statistics, the majority of these sources are collected from the University online library and other major databases such as Scopus, Science Direct, ERIC, Economist Intelligence Unit, Scopus and JSTOR. Moreover, the theoretical derivations and empirical evidence are will be reviewed based on the following keywords: Role of regulatory authorities, economic growth in Qatar, financial stability, contingent and non-contingent regulations, Qatar Blockade 2017, Arab Quartet, Neoclassical Realism theory, the contribution of regulatory bodies in growth and sustainability of Qatar financial market, Qatar financial policies, macro-environmental forces that leads to boom and recession.

3.3 Primary Research

Primary research implies to the collection of raw data in terms of facts and experiences from the participants (human subjects) directly. The primary data is useful to address the research problem as the information and facts obtained are based on the real experience and motivation of the research participants (Saunders, Lewis and Adrian Thornhill, 2019).

The primary research in this study will focus on the collection of quantitative data driven by the systematic research design, approaches and philosophies which is essential for obtaining credible data findings and proceeding with the analysis in a standardized manner (Schoonenboom and Johnson, 2017). The following sections will present brief details on the research approaches and philosophies selected for this research study.

3.4 Research Philosophy – Interpretivism and Positivism

The research philosophy refers to the systematic thought implied by the researcher followed by the phenomenon of deriving reality in the context of the research issue under investigation. Hence, interpretivism and positivism are the two major Research philosophies typically applied in academic research studies. In the positivist philosophy, the researcher seeks a reality more objectively devoid of any personal viewpoints and derives the facts independent of their individual interpretations (Alharahsheh and Pius, 2020). On the other hand, interpretive philosophy emphasizes on the participant's beliefs, motivations and reasoning over quantification in an attempt to comprehend social interactions.

In this particular study, the researcher seeks to employ the principles of positivism and observe reality objectively in order to derive knowledge from the survey findings. Consequently, the research will have a clear and concise discussion devoid of any descriptive or subjective interpretation of the participant's feelings.

3.5 Research Approach – Deductive and Inductive

The two main approaches to academic research are deductive and inductive. Deductive reasoning implies the use of theoretical knowledge to deduce the hypothesis which will further be tested by the derivation of empirical evidence. Alternatively, inductive reasoning concludes by seeking more specific observations on the issue and shifting to a broader generalization which will be validated further to reach specific conclusions (Armat et al 2018).

In this particular study, the deductive approach will typically associate with the quantitative derivation of findings in correlation to the existing theories and phenomena in order to test the hypothesis. In reference to the deductive approach, the research works in an exploratory way by drawing on wide-ranging inputs to create the hypothesis and explore the research problem which is not clearly defined. Hence, the exploration of the topic will help in providing insights and a comprehensive understanding of the research problem.

3.6 Data collection technique: Quantitative

The two strategic approaches to data collection in a research study are quantitative and qualitative. While qualitative data collection implies to the collection of narrative responses from the research participants, quantitative data collection emphasizes on the collection of numerical data from a larger sample size (Haardörfer, 2019). The quantitative data thus obtained will further be evaluated by means of statistical data analysis in an attempt to derive the recurring patterns, trends and relationships between the dependent and independent variables. For the purpose of this study this paper will only look at the quantitative method.

3.7 Quantitative data collection: Online survey

The survey technique of data collection will comprise of close-ended questionnaire along with multiple-choice of options. The close-ended survey questions will include the list of an exhaustive list of options relevant to the research objectives being assessed (Neuendorf, 2018). Moreover, the quantitative data

collection will further be assessed on Likert's scale rating on a scale of 1 to 5 or responses varying from "strongly agree" to "strongly disagree".

The survey questionnaire is most feasible in this research context as it helps derive quantitative data from a large sample size in a relatively short period. The survey questions are categorized with respect to the research objectives which will unfold in a logical sequence (Almalki, 2016). Moreover, the survey questions will initiate with basic questions and gradually dive deep into the research problem to make it more engaging and interesting for the participants. This approach is essential to ensure the survey is logical and the participants are not imposed with critical questions. The findings of the survey are further quantified to enable statistical analysis.

3.8 Reliability and Validity

The survey questions are standardized by sending the same set of questionnaires to each participant via email. This is mainly to evaluate the reliability and consistency of the results in correlation to all the responses together. Moreover, participants are more reluctant in continuing the survey if the questionnaire is long and in a complex format (McGrath, Palmgren and Liljedahl, 2019). Hence it is ensured that each survey questions are short, clear and focused on the point. In addition, the language is kept simple and feasible for the participants to understand. The survey questionnaire is shared in soft format whereas the survey guidelines are thoroughly discussed via virtual meetings in which the participants can use their personal opinion to complete the questionnaire.

3.9 Sampling Technique

The sample size for the survey is selected by using a random probability sampling technique in which the survey participants will be selected randomly to ensure a true representation of the industry experts who can provide useful insights on the role played by the regulatory authorities in the promotion of economic growth and financial stability in Qatar (Tran, 2019). The chosen sampling technique is aimed to ensure that

all the participants have equal chances of getting selected for the survey in order to make the findings more standardized and representative.

3.10 Sample size

The sample size of the survey will focus on employing 80 participants (industry experts) from Qatar by means of simple random probability sampling. Out of 80 participants, 52 participants have turned to the survey, hence the final sample for the survey settles at 52 participants.

3.11 Data Analysis: Statistical analysis

The survey findings thus obtained are presented numerically in table format and corresponding bar charts for better interpretations of the responses (Neuendorf, 2018). The findings from survey participants are depicted in horizontal bar charts to conduct an effective visual comparison of data across the variable options, tracking the changing trends and patterns and improving the analysis of the quantitative data.

The quantitative representation of the survey in horizontal bar graphs is an effective statistical analysis owing to improved readability, precision value points and the prominent highlight of the data findings and key changes.

3.12 Ethical issues

Ethical considerations are mandatory for a research study that involves human participants. It is the sole duty of the researcher to ensure the respondents can participate in the survey based on their informed consent. The participants of the survey must be informed about the aim, objectives and purpose of this research, and survey guidelines and acknowledge of voluntary participation (Ploug and Holm, 2015). In addition, the identity of respondents is kept anonymous to avoid the threat of physical or mental harassment. Also, the participants must be informed that they have the liberty to withdraw their participation willingly at any point in time. The ethical information along with the consent form will be shared with the individual

participants via email. On the contrary, the researcher must complete the ethics checklist from of University before the commencement of research.

3.13 Research Limitations

The following limitations have been experienced while conducting the research study:

- The academic research study is cross-sectional in nature, hence the possibility of time constraints is high (McGrath, Palmgren and Liljedahl, 2019). The researcher face time limitations in the core investigation, hence some of the significant areas could not be assessed due to the limited time. Hence, the time constraint is a major limitation that can influence the derivation of accurate findings of this research.
- The research also has reliability issues as the data derived from the participant tends to have biased responses owing to the social influence, peer pressure and risk of harassment.

Chapter 4: Results and Findings

The current project is aimed to examine the role of the regulatory authorities in Qatar in terms of promoting financial stability and economic growth in the country. For the data, the researcher has conducted a primary survey using a closed-ended questionnaire. A sample of 53 respondents was collected and various statistics analysis was conducted. The results from the data analysis have been analyzed in the following section.

4.1 Descriptive Statistics

The first type of analysis is descriptive statistics which has been conducted to observe an overview of the collected data and its basic distribution.
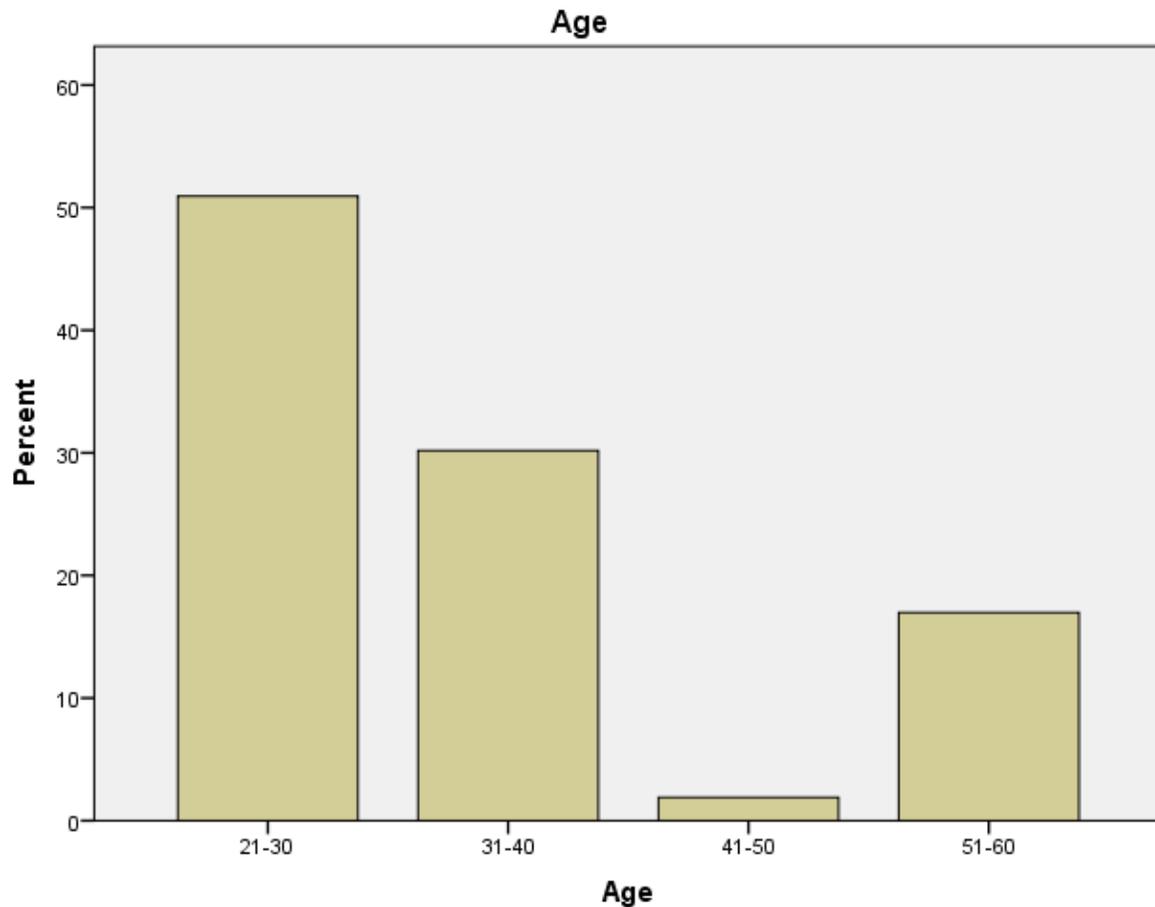
The first variable is age and the results from the same showed that around 51 % of the respondents are in the age group of 21- 30 years of age followed by the respondents in the age group 31-40 which constitutes around 30 % of the total respondents. Furthermore, around 17 % of the respondents are in the age group of 51-60, and the rest of the respondents are in the 41-50 age group. This indicates that most of the respondents are young.
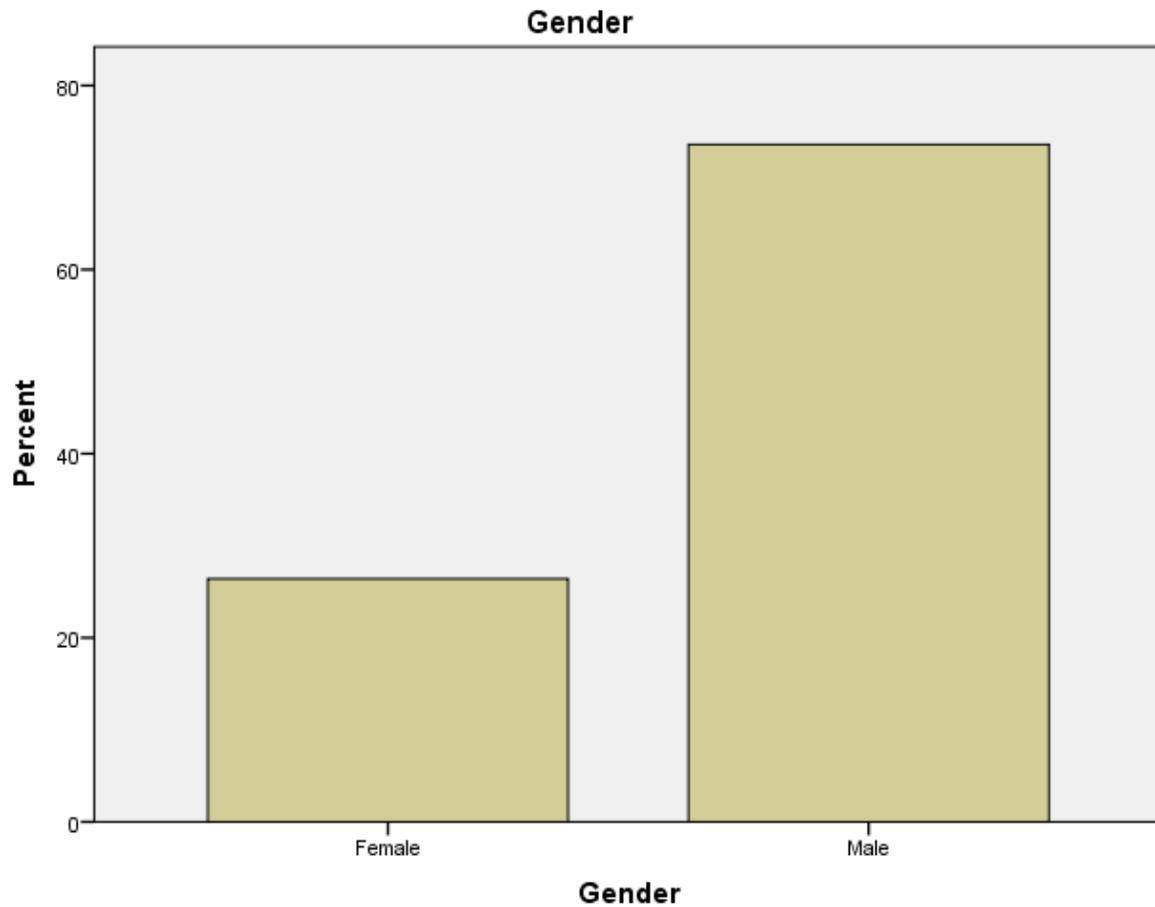
Gender

The findings from the gender distribution suggested that around 74 % of the respondents are male and the rest 26 % are female. The proportion of male respondents was expected as most of the employees in Qatar are male and the participation of the female workforce is comparatively low. However, in recent years, there has been an increase in female employees in both the private and the public sectors.

Educational Qualification
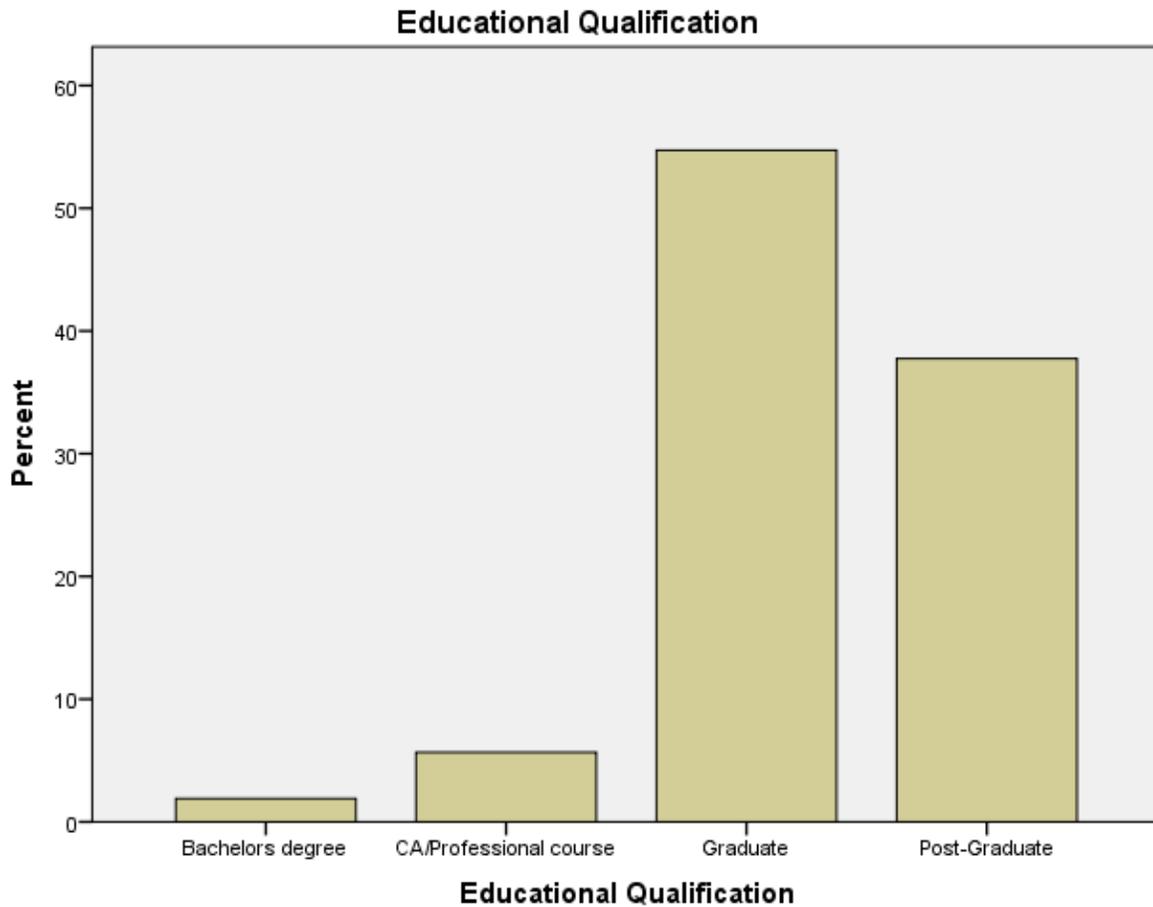
The findings from the educational qualifications suggest that most of the respondents (55 %) have completed graduation followed by post-graduate respondents who constitute around 38 % of the total respondents. The proportion of the respondents having a professional degree is around 6 % and the rest of the respondents have bachelor's degrees.
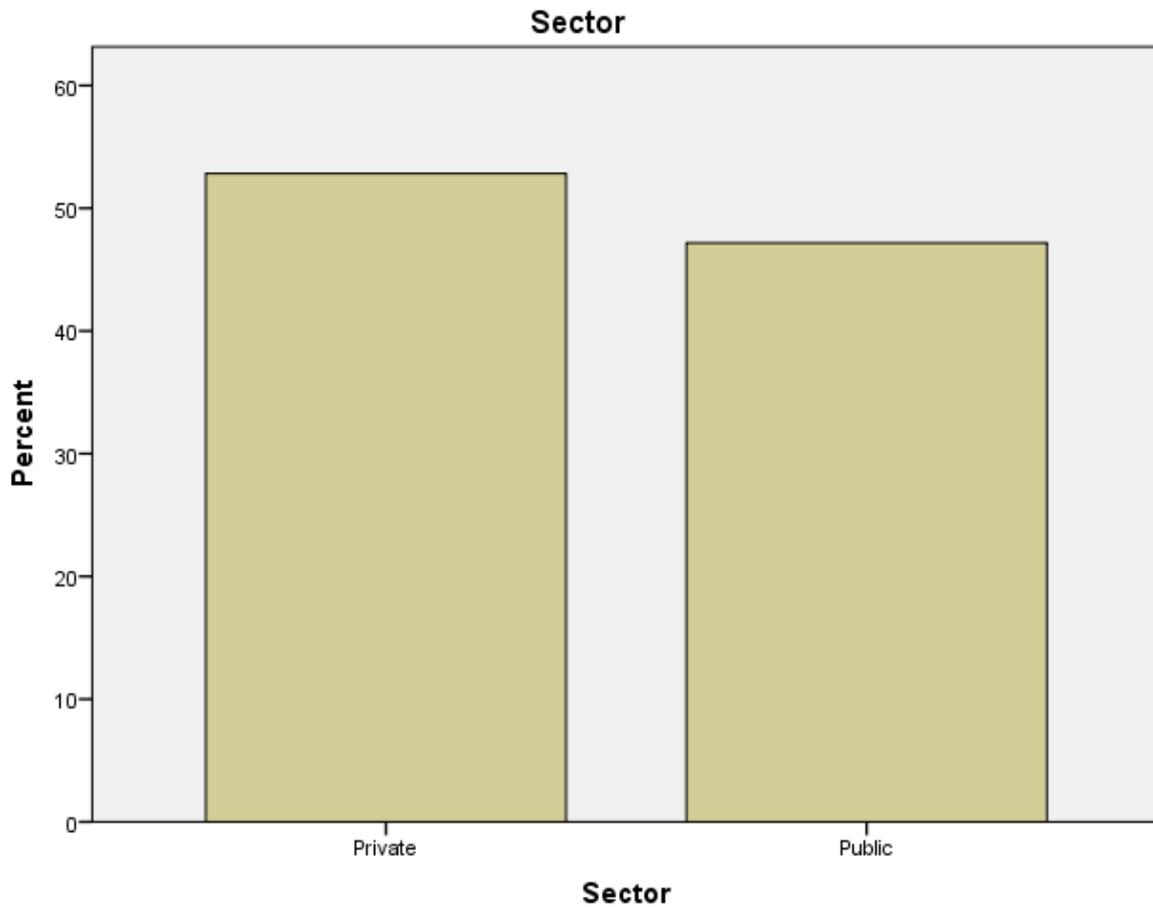
Sector

Furthermore, when the respondents were asked about the sector in which they work, around 53 % of the respondents were working in the private sector whereas the rest of the 47 % were working in the public sector. This indicates that employment opportunities are almost equal in both the private and the public sectors in Qatar. However, the sample size taken into consideration for the current study is comparatively low to make the true representation of the entire population.
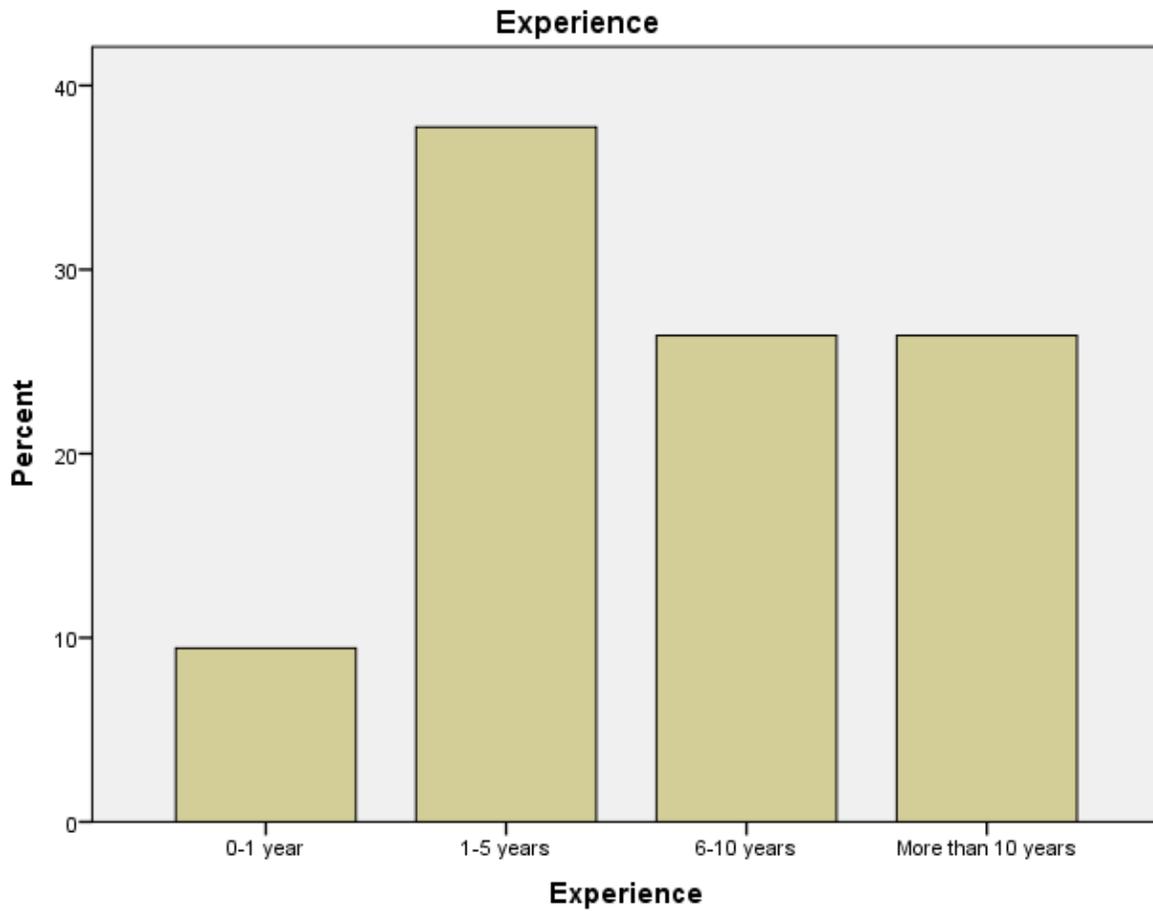
Experience

The findings from the experience of the respondents showed that most of the respondents (38 %) have experience of fewer than 5 years which was expected, as most of the respondents were in the age group of 21-30 years. Furthermore, there were 27 % of the respondents who have 6-10 years of experience, and a similar proportion of respondents who have more than 10 years of experience.
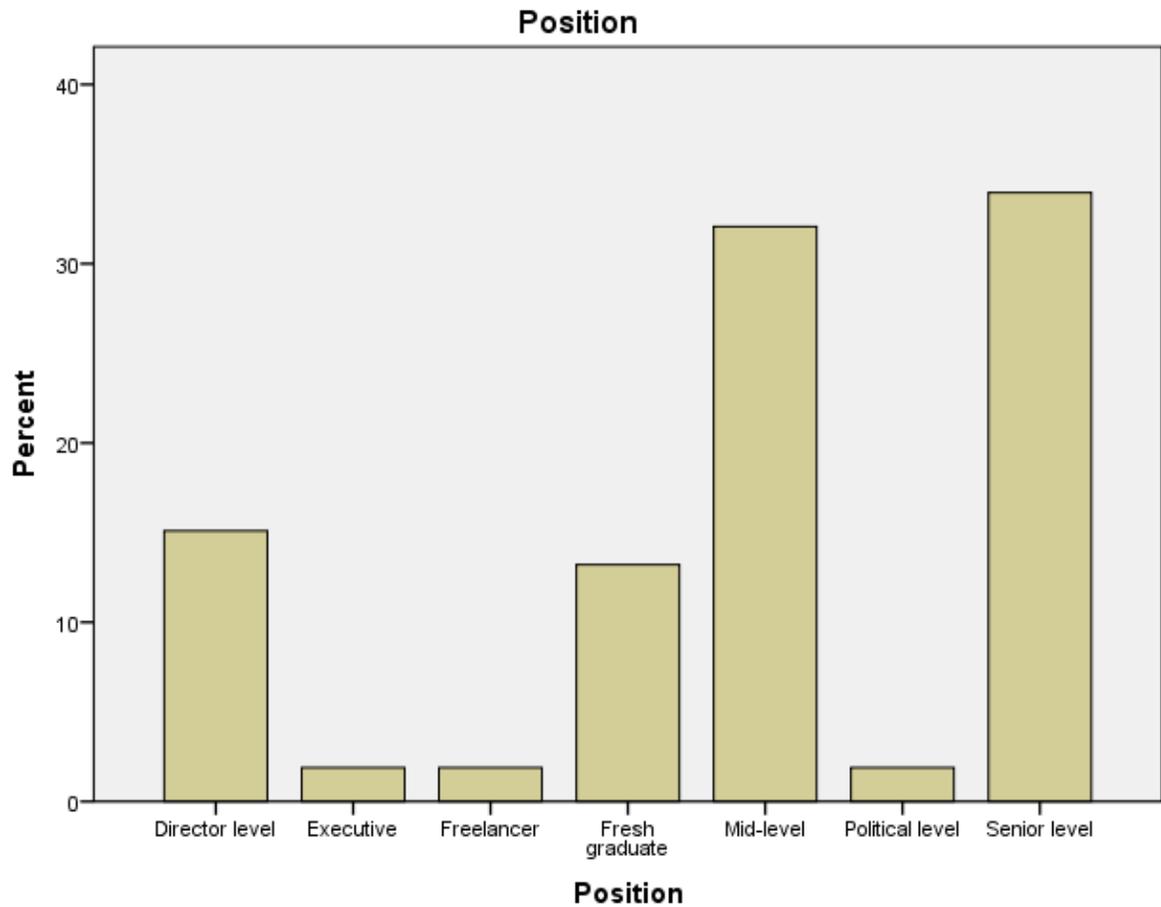
Position

In terms of position, most of the respondents (34 %) were in senior-level positions, followed by 32 % in mid-level positions. Furthermore, 15 % of the respondents were in Director level positions. The proportion of the respondents in all other levels was less than 2 %. This indicates that most of the respondents were in decision-making positions and aware of the policies and regulations of the regulatory authorities in Qatar. Therefore, the profile of the respondents is suitable as per the requirements of the research.

After the demographic profile, in the next section, the general information about the regulatory authorities and their role in Qatar has been analyzed based on the response from the respondents included in the research.

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Do you think that the regulatory authorities are important for Qatar's financial stability?
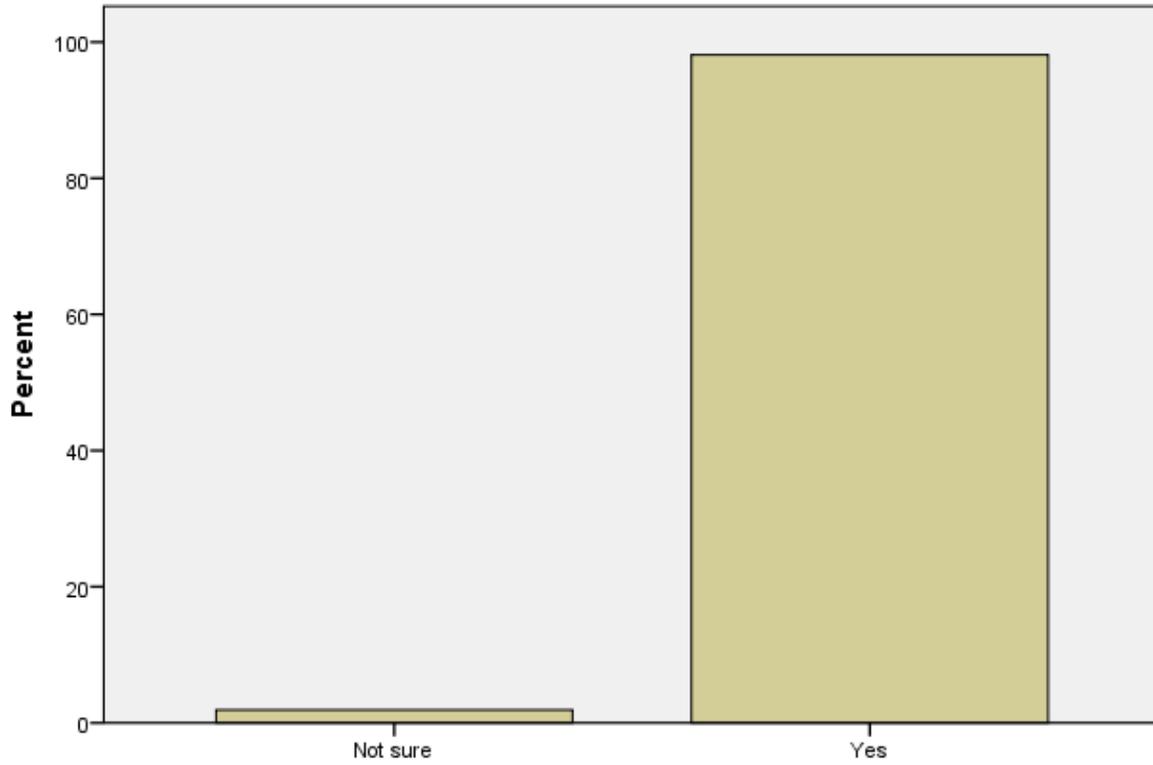
Do you think that the regulatory authorities are important for Qatar's financial stability?

The first question was whether the regulatory authorities are important for the financial stability of Qatar. As shown in the figure above, most of the respondents agreed that for stability in the financial sector, the role of regulatory authorities is important and, also the importance of the regulatory authorities has been highlighted by various other scholars.

Do you think that the regulatory authorities are important for the economic growth of Qatar?
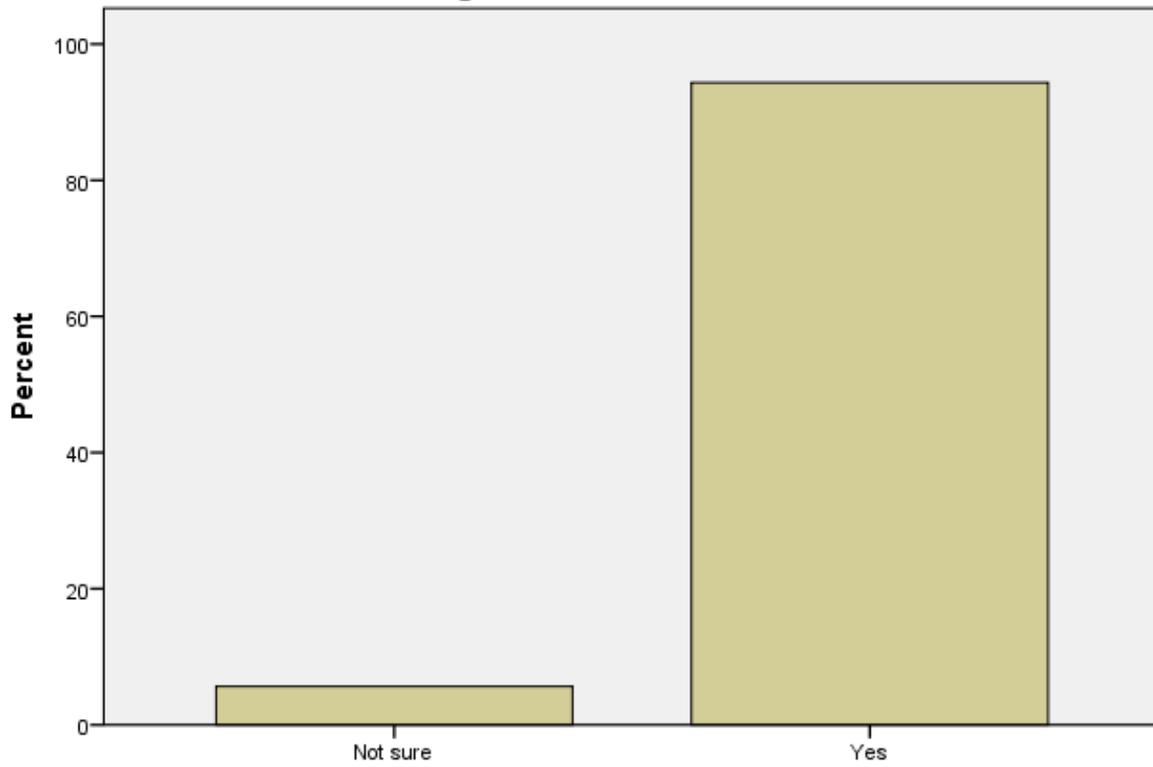
Do you think that the regulatory authorities are important for the economic growth of Qatar?

Furthermore, the role of the regulatory authorities in the economic growth of Qatar was also asked of the respondents and most of the respondents agreed that the regulatory authorities have an important role to play in the economic growth also, which was expected as the drivers of the economic growth for any economy are controlled by some or the other regulatory authorities.

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Does your department focus on ensuring financial stability in the country?

Does your department focus on ensuring financial stability in the country?
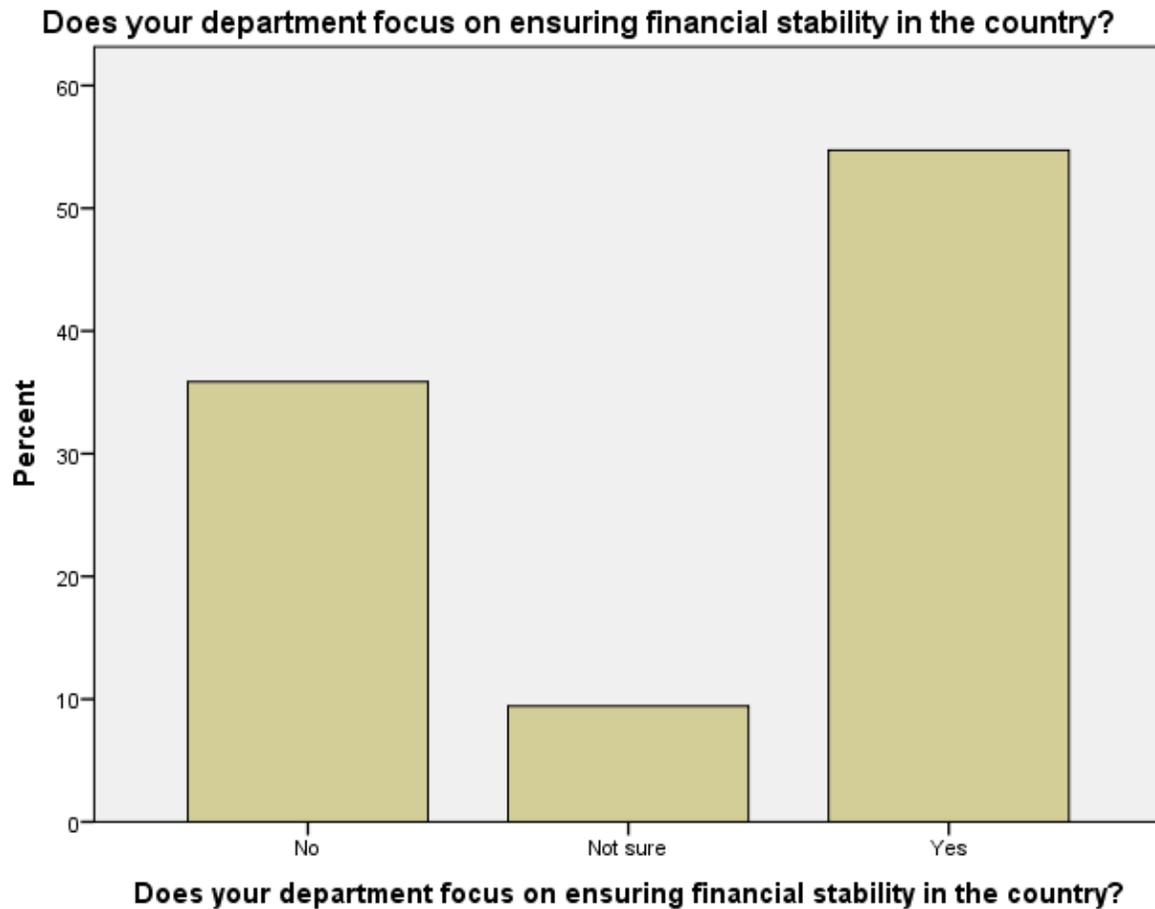
In addition, when the respondents were asked whether the department they are currently working, in focus on ensuring the financial stability in Qatar not. As shown in the figure above, most of the respondents (55%) said "Yes" whereas around 36 % of the respondents said "No". The rest of the respondents were not sure about the answer. There could be various reasons for the results. For example, the department of the respondents was not responsible for any financial regulations. Furthermore, the respondents might not be aware of the regulatory authorities of the department.

Does your department work towards improving the regulations to improve the economic growth of Qatar?
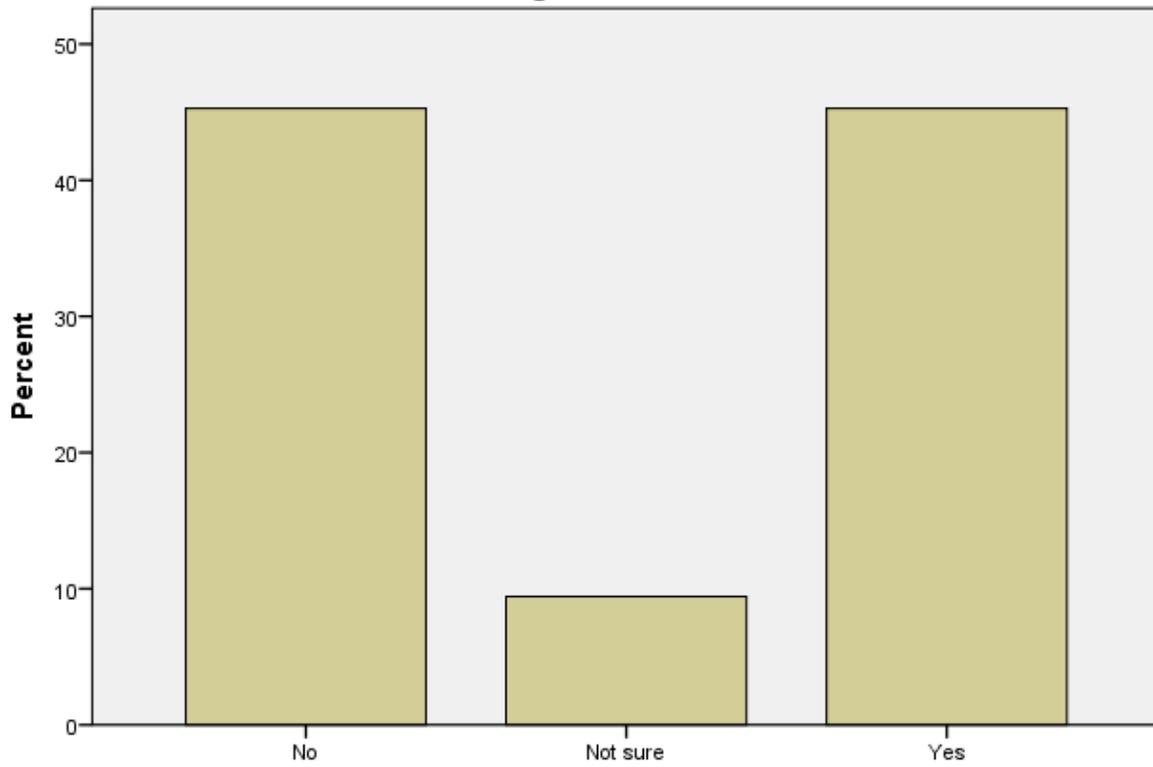
Does your department work towards improving the regulations to improve the economic growth of Qatar?

The last question in this section was to know whether the department of the respondent works towards improving the economic growth in Qatar. The findings from the analysis suggested that around 45 % of the respondents said "Yes", in other words, the respondents agreed that their department work towards improving the regulations to improve the economic growth in Qatar. In contrast, an equal proportion of respondents (45 %) said "No". In other words, they do not agree that their department works towards improving the economic growth in Qatar. The rest of the 10 % were not sure about the role of their department in improving economic growth. This shows that there was not a clear majority for the role of various departments in economic growth.

4.2 Correlation Analysis

After the descriptive statistics, the second type of statistical analysis performed for the current research is correlation analysis, which measures the relationship between the two variables. The correlation analysis is interpreted based on the correlation coefficient which lies between -1 and +1. The closer the value is to its upper bound or the lower bound, the stronger the relationship between the variables. Coefficients close to the upper bound indicate, a strong positive relationship, whereas coefficients close to the lower bound indicate a strong negative relationship.

For the current analysis, two different correlation analysis has been conducted as the research paper is aimed to examine the role of regulatory authorities in two different factors namely financial stability and secondly economic growth.

	Correlation Coefficient
Economic growth	1
Non-oil production	.666**
FDI inflow	.636**
Inflation rate	.686**
Innovation R&D	.624**
Exports	.674**
Tourism	.541**
Fiscal deficit	.603**

The correlation between economic growth and the role of regulatory authorities is shown in the table above. As per the results. Economic growth is positively correlated with all the regulatory authorities included in the study. For example, the correlation between economic growth and the regulatory authorities' role in non-oil production is 0.66 which indicates both variables move in the same direction. Also, the correlation coefficient is statistically significant at a 5 % significance level. Furthermore, the correlation of all the factors can be interpreted similarly. However, it should be noted that the causation cannot be established only based on the correlation analysis. Further analysis is required to establish the causation.

	Correlation Coefficients
Financial stability	1
Interest rate	.523**
financial literacy	.621**
Stable stock market	.458**
Integrating informal sector	.619**
Modern banking system	.620**
Digital payment	.527**
Technology innovation	.599**
Regulatory environment	.567**
Policies	.561**
role of banking	.513**
Oil market	.613**
Compare other economies	.572**
International standard	.686**

The second correlation table is shown in the table above which examines the correlation between the financial stability in Qatar and various regulatory authorities related to the financial stability in Qatar. As the results suggest, in this case also, the correlation coefficients of all the factors are positively related to financial stability. For example, the correlation coefficient between financial stability and the regulation related to the interest rate is 0.52 which indicates that financial stability and the regulation of the interest rate are positively and strongly correlated. Also, the correlation coefficient is statistically significant at a 5 % significance level. The correlation between financial stability and all other variables included in the study can also be interpreted similarly. The overall results indicate that the financial stability and regulatory authorities' factors show a positive relationship as all the correlation coefficients are positive.

4.3 Regression Analysis

The last analysis conducted in the current research is the regression analysis which is used to study the impact of the independent variables on the dependent variable. In this case, two different regression models have been performed as the study is aimed to examine the impact on two different variables. The impact is explained based on the regression coefficient which not only indicates the magnitude of the impact but also the direction.

4.3.1 Regression Model 1

In the first regression model, financial stability has been taken into consideration as the dependent variable and the various regulatory authorities as the independent variable. The findings from the regression analysis are discussed in the following section.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	.929[a]	.863	.817	.30259

a. Predictors: (Constant), International standard, Digital payment, Interest rate, stable stock market, Comparison other economies, Modern banking system, Technology innovation, role of banking, Regulatory environment, financial literacy, integrating informal sector, Oil market, Policies

The findings from the moral summary indicate that the value of R squared is 0.86 which indicates that around 86 % of the variation in financial stability is explained by the independent variables included in the study. The minimum value of R squared for the good fit of the regression model is 0.6 and, in this case, the R squared value is higher than the minimum required value. Furthermore, the adjusted R squared value is less than the R squared value which indicates that the increasing number of the variable does not lead to a better explanation of the dependent variable.

ANOVA^a

Model		Sum of Squares	Degree of freedom	Mean Square	F distribution	Significance level
1	Regression	22.505	13	1.731	18.907	.000^b
	Residual	3.571	39	.092		
	Total	26.075	52			
a. Dependent Variable: Financial stability						
b. Predictors: (Constant), International standard, Digital payment, Interest rate, stable stock market, compare other economies, modern banking system, technology innovation, role of banking, regulatory environment, financial literacy, integrating informal sector, oil market, policies.						

The results for the ANOVA table suggest that F statistics of 18.90 is statistically significant indicating that the cumulative impact of independent variables on the dependent variable is significant. In other words, at least one of the regression coefficients of the independent variable is non-zero.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Significance level
1	(Constant)	-.080	.270		-.297	.768
	Interest rate	.119	.050	.200	2.377	.022
	financial literacy	.031	.059	.045	.533	.597
	Stable stock market	.044	.052	.066	.849	.401
	Integrating informal sector	.089	.059	.130	1.515	.138
	Modern banking system	.139	.058	.187	2.387	.022
	Digital payment	.024	.055	.037	.442	.661
	Technology innovation	.098	.065	.129	1.500	.142
	Regulatory environment	.094	.082	.153	1.149	.258
	Policies	.053	.096	.078	.558	.580

role of banking	.039	.056	.058	.695	.491
Oil market	.055	.077	.069	.711	.481
Comparison other economies	.127	.057	.176	2.237	.031
International standard	.113	.069	.153	1.635	.110
a. Dependent Variable: financial stability					

The findings from the regression coefficients are shown in the table above and it indicates that all the independent variables have a positive impact on financial stability. For example, the regression coefficient of interest rate is 0.119 indicating that the role of regulatory authorities related to the interest has a positive impact on financial stability. Also, the regression coefficient is statistically significant as the p-value is less than 0.05. All other regression coefficients can be interpreted similarly. However, among the variables included in the study only interest rate, regulations related to the modern banking system and regulation as compared to the other economies showed statistically significant results. Even though all the variables have a positive impact only the above-mentioned variables have a significant impact. This indicates that regulatory authorities should focus on interest rate regulation to maintain financial stability. This has been shown in previous studies also and most of the central banks around the world use the interest rate as a tool to control inflation in the economy which leads to financial stability the economy. Also, the regulatory authorities should follow the modern banking system, and the regulation and financial measures should be compared with other economies also to learn more about financial stability and ways to manage it.

4.3.2 Regression Model 2

The second regression model examines economic growth as the dependent variable and the regulatory authorities' roles in economic growth as the independent variables. The findings from the regression model are discussed in the following section.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	.944ᵃ	.892	.875	.26718
a. Predictors: (Constant), Fiscal deficit, FDI inflow, Tourism, Non-oil production, Innovation R&D, Exports, inflation rate				

The findings from the model summary indicate that around 89 % of the variation in the dependent variable is explained by the independent variables included in the study. Also, the value of adjusted R squared is less than R squared, which implies that increasing more independent variables will not increase the goodness of fit of the regression model.

ANOVA[a]						
Model		Sum of Squares	Degree of freedom	Mean Square	F distribution	Significance level
1	Regression	26.486	7	3.784	53.002	.000[b]
	Residual	3.212	45	.071		
	Total	29.698	52			
a. Dependent Variable: Economic growth						
b. Predictors: (Constant), fiscal deficit, FDI inflow, Tourism, Non-oil production, Innovation R&D, Exports, inflation rate						

The findings from the ANOVA table indicate that the F statistics of 53 is statistically significant as the p-value is less than 95 % significance level. This implies that the null hypothesis of all the regression coefficients being zero can be rejected. In other words, at least one of the regression coefficients is non-zero.

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Significance level
1	(Constant)	-.026	.222		-.117	.907
	Non-oil production	.205	.052	.271	3.958	.000
	FDI inflow	.155	.044	.218	3.564	.001
	inflation rate	.039	.065	.043	.601	.551
	Innovation R&D	.162	.047	.211	3.438	.001
	Exports	.111	.046	.157	2.391	.021
	Tourism	.183	.036	.296	5.046	.000
	Fiscal deficit	.167	.039	.242	4.240	.000
a. Dependent Variable: economic growth						

The findings from the regression coefficients indicate that all the variables included in the model show a positive impact on the dependent variable. However non-oil production, the inflow of FDI, innovation, research and development, exports, investment in the tourism section, and the reducing fiscal deficit showed a statistically significant impact. The focus on the inflation rate does not show significant results.

4.3.3 Regression Model 3

In the last regression model, economic growth has also been included as the independent variable and the impact of other factors along with economic growth on financial stability has been examined.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	.929[a]	.863	.813	.30612
a. Predictors: (Constant), international standard, digital payment, interest rate, economic growth, regulatory environment, role of banking, stable stock market, modern banking system, comparing other economies, financial literacy.				

In this case, the R squared is 0.86 which implies that 86 % of the variation in financial stability is explained by the independent variables.

ANOVA[a]						
Model		Sum of Squares	Degree of freedom	Mean Square	F	Sig.
1	Regression	22.515	14	1.608	17.161	.000[b]
	Residual	3.561	38	.094		

Total	26.075	52				

a. Dependent Variable: Financial stability

b. Predictors: (Constant), International standard, Digital payment, Interest rate, Economic growth, Regulatory environment, role of banking, stable stock market, modern banking system, comparison other economies, financial literacy, technology innovation, integrating informal sector, oil market, policies.

Furthermore, the ANOVA table also suggests significant results as the F statistics of 17.16 is significant at 5 %. Therefore, further analysis can be conducted.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.102	.281		-.364	.718
Economic growth	.030	.092	.032	.325	.747
Interest rate	.121	.051	.202	2.367	.023
Financial literacy	.026	.061	.037	.428	.671
Stable stock market	.042	.053	.063	.793	.432
Integrating informal sector	.082	.063	.119	1.290	.205

Modern banking system	.136	.059	.183	2.292	.028
Digital payment	.030	.059	.046	.517	.608
Technology innovation	.090	.071	.118	1.270	.212
Regulatory environment	.095	.083	.155	1.148	.258
Policies	.054	.097	.078	.556	.582
role of banking	.040	.057	.061	.714	.480
Oil market	.050	.080	.063	.629	.533
Comparison other economies	.121	.061	.167	1.994	.053
International standard	.115	.070	.157	1.645	.108
a. Dependent Variable: Financial stability					

Lastly, the findings from the regression coefficient suggest that economic growth showed a positive impact on financial stability. However, the regression coefficient is not statistically significant. This implies that economic growth does not have a significant impact on financial stability. However, other regulations have a positive impact on financial stability such as interest rates, an adaptation of the modern banking system, and the comparison of the financial stability regulations with other countries that have a more stable economy.

Chapter 5: Conclusion and Recommendations

5.1 Conclusion

The role of regulatory authorities in the economy is very important. According to the Public choice theory, the regulatory authorities or the regulations act as a hindrance to economic growth by imposing an excessive burden on the economic actors. Also, the regulation might incentivize the private sector for new investment, upscaling the growth or entry of new players in the economy. There has been various research conducted by previous scholars on the role of regulatory authorities in economic growth. However, such studies have not taken into consideration the impact on the financial stability of the economy. Therefore, the current research has been conducted to examine the role of regulatory authorities on economic growth and financial stability in the Qatar Economy. The data for the analysis was collected through a primary survey. A sample of 52 respondents was collected who were working in various departments of the regulatory authorities and some in the decision-making levels of the private sector. The collected data were analyzed using various statistical techniques including descriptive statistics and inferential statistics.

The findings from the demographic profile showed that most of the respondents were in the younger age group and the proportion of respondents above 50 was also significant. In terms of gender-wise distribution, most of the respondents were male which was expected. In terms of educational qualifications, most of the respondents were graduates and only a few of the respondents had a professional degree. The sector-wise distribution showed the number of respondents working in the private sector was higher than that of the public sector, however, the difference was not significant. Furthermore, many of the respondents have work experience of 1-10 years and some of the respondents have more than 10 years of experience which was good for the study as the experienced workers are in the positions to provide the true picture of the regulatory authorities work on economic growth and financial stability.

In addition, the findings from the general questions about the role of regulatory authorities showed that most of the respondents agreed that the role played by such authorities on economic growth and financial

stability is very important. However, when asked about the role played by their department in financial stability and economic growth the response was mixed. This indicates that the importance of regulatory authorities in promoting financial stability and economic growth is recognized by everyone, however, in terms of implementation, there is a lack of proper implementation. The findings from the correlation analysis suggested that factors related to economic growth showed a positive and significant correlation with economic growth. Also, the regulatory authority's role and financial stability showed a positive and significant association. In other words, both variables move in the same direction.

The findings from the regression analysis suggested that various roles of the regulatory authorities in Qatar showed a positive impact on promoting financial stability in the economy. However, among the various factors the regulations related to interest rates, the modern banking sector, and comparison with other economies showed statistically significant results. Furthermore, the second regression model suggested that the regulations related to economic growth showed a positive impact on the growth of Qatar's economy. However, among the various factors, However, non-oil production, the inflow of FDI, innovation, research and development, exports, investment in the tourism section, and the reducing fiscal deficit showed a statistically significant impact. The focus on the inflation rate does not show significant results. In the last regression model, the impact of economic growth on financial stability was also examined and the results indicate that economic growth was positive, however, the coefficient was not statistically significant.

5.2 Recommendation

1) The findings from the results suggested that interest rate has a significant impact on promoting financial stability in the economy. Therefore, the regulatory authorities should focus on stabilizing the interest rate. On one hand, the depositors prefer the high-interest rate on the savings which yields more return for them. On other hand, with a higher interest rate, borrowing will be more expensive. Therefore, the regulatory authorities should keep the balance in the interest rate.

2) Furthermore, Qatar should focus on adopting the modern banking system which shows a positive and significant impact on financial stability. The banking system around the World has been derived from the latest technologies such as AI and blockchain and Qatar also should focus on such developed technologies.

3) Other findings from the study suggested that Qatar should focus on non-oil production to promote economic growth. The world is slowly moving towards clean energy and the use of crude oil is expected to decline in the coming years. Therefore, the regulatory authorities in Qatar should focus on generating non-oil production to increase economic growth which is more sustainable for the long term.

5.3 Limitations of the Study

There are certain limitations of the study. The first limitation is related to the small sample size. With a small sample size, it is difficult to generalize the results to the entire population. Also, in terms of analysis, only the quantitative analysis was conducted, and no qualitative analysis was conducted. Furthermore, there were certain limitations related to the cost and time devoted to the project.

5.4 Future Research

One can conduct further research on a similar area by considering the actual data for the various macroeconomic indicators. Also, the study can be conducted by examining a large sample size. Furthermore, one can conduct the study was comparing two different economies with similar economic size and finding the major difference in the role of the regulatory authorities in promoting financial stability and economic growth.

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Appendix

Descriptive

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	27	50.9	50.9	50.9
	31-40	16	30.2	30.2	81.1
	41-50	1	1.9	1.9	83.0
	51-60	9	17.0	17.0	100.0
	Total	53	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	14	26.4	26.4	26.4
	Male	39	73.6	73.6	100.0
	Total	53	100.0	100.0	

Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor's degree	1	1.9	1.9	1.9
	CA/Professional course	3	5.7	5.7	7.5
	Graduate	29	54.7	54.7	62.3
	Post-Graduate	20	37.7	37.7	100.0
	Total	53	100.0	100.0	

Sector

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Private	28	52.8	52.8	52.8
	Public	25	47.2	47.2	100.0
	Total	53	100.0	100.0	

Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-1 year	5	9.4	9.4	9.4
	1-5 years	20	37.7	37.7	47.2
	6-10 years	14	26.4	26.4	73.6
	More than 10 years	14	26.4	26.4	100.0
	Total	53	100.0	100.0	

Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Director level	8	15.1	15.1	15.1
	Executive	1	1.9	1.9	17.0
	Freelancer	1	1.9	1.9	18.9
	Fresh graduate	7	13.2	13.2	32.1
	Mid-level	17	32.1	32.1	64.2
	Political level	1	1.9	1.9	66.0
	Senior Level	18	34.0	34.0	100.0
	Total	53	100.0	100.0	

Do you think that the regulatory authorities are important for Qatar's financial stability?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not sure	1	1.9	1.9	1.9
	Yes	52	98.1	98.1	100.0
	Total	53	100.0	100.0	

Do you think that the regulatory authorities are important for the economic growth of Qatar?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not sure	3	5.7	5.7	5.7
	Yes	50	94.3	94.3	100.0
	Total	53	100.0	100.0	

Does your department focus on ensuring financial stability in the country?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	19	35.8	35.8	35.8
	Not sure	5	9.4	9.4	45.3
	Yes	29	54.7	54.7	100.0
	Total	53	100.0	100.0	

Correlation

		Financial stability	Interest rate	financial literacy	Stable stock market	Integrating informal sector	Moc
Financial stability	Pearson Correlation	1	.523**	.621**	.458**	.619**	
	Sig. (2-tailed)		.000	.000	.001	.000	
	N	53	53	53	53	53	
Interest rate	Pearson Correlation	.523**	1	.332*	.311*	.529**	
	Sig. (2-tailed)	.000		.015	.024	.000	
	N	53	53	53	53	53	
Financial literacy	Pearson Correlation	.621**	.332*	1	.327*	.455**	
	Sig. (2-tailed)	.000	.015		.017	.001	
	N	53	53	53	53	53	
Stable stock market	Pearson Correlation	.458**	.311*	.327*	1	.302*	
	Sig. (2-tailed)	.001	.024	.017		.028	

65

Integrating informal sector	N	53	53	53	53	53
	Pearson Correlation	.619**	.529**	.455**	.302*	1
	Sig. (2-tailed)	.000	.000	.001	.028	
Modern banking system	N	53	53	53	53	53
	Pearson Correlation	.620**	.148	.482**	.245	.409**
	Sig. (2-tailed)	.000	.290	.000	.077	.002
Digital payment	N	53	53	53	53	53
	Pearson Correlation	.527**	.323*	.402**	.379**	.472**
	Sig. (2-tailed)	.000	.018	.003	.005	.000
Technology innovation	N	53	53	53	53	53
	Pearson Correlation	.599**	.233	.433**	.403**	.220
	Sig. (2-tailed)	.000	.093	.001	.003	.113
Regulatory environment	N	53	53	53	53	53
	Pearson Correlation	.567**	.189	.274*	.007	.271*
	Sig. (2-tailed)	.000	.176	.047	.958	.050
Policies	N	53	53	53	53	53
	Pearson Correlation	.561**	.021	.375**	.031	.315*
	Sig. (2-tailed)	.000	.883	.006	.825	.022
role of banking	N	53	53	53	53	53
	Pearson Correlation	.513**	.174	.320*	.359**	.198
	Sig. (2-tailed)	.000	.212	.020	.008	.156
Oil market	N	53	53	53	53	53
	Pearson Correlation	.613**	.245	.377**	.274*	.330*
	Sig. (2-tailed)	.000	.077	.005	.047	.016
	N	53	53	53	53	53

Comparison other economies	Pearson Correlation	.572**	.229	.482**	.393**	.339*
	Sig. (2-tailed)	.000	.099	.000	.004	.013
	N	53	53	53	53	53
International standard	Pearson Correlation	.686**	.336*	.451**	.345*	.400**
	Sig. (2-tailed)	.000	.014	.001	.011	.003
	N	53	53	53	53	53

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Correlations									
		Economic growth	Non-oil production	FDI inflow	inflation rate	Innovation R&D	Exports	Tourism	Fiscal deficit
economic growth	Pearson Correlation	1	.666**	.636**	.686**	.624**	.674**	.541**	.603**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	53	53	53	53	53	53	53	53
Non-oil production	Pearson Correlation	.666**	1	.449**	.590**	.445**	.524**	.086	.291*
	Sig. (2-tailed)	.000		.001	.000	.001	.000	.539	.035
	N	53	53	53	53	53	53	53	53
FDI inflow	Pearson Correlation	.636**	.449**	1	.514**	.479**	.360**	.194	.244
	Sig. (2-tailed)	.000	.001		.000	.000	.008	.164	.078
	N	53	53	53	53	53	53	53	53
Inflation rate	Pearson Correlation	.686**	.590**	.514**	1	.471**	.481**	.307*	.435**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.025	.001
	N	53	53	53	53	53	53	53	53
Innovation_R&D	Pearson Correlation	.624**	.445**	.479**	.471**	1	.405**	.091	.316*

	Sig. (2-tailed)	.000	.001	.000	.000		.003	.516	.021
	N	53	53	53	53	53	53	53	53
Exports	Pearson Correlation	.674**	.524**	.360**	.481**	.405**	1	.414**	.280*
	Sig. (2-tailed)	.000	.000	.008	.000	.003		.002	.042
	N	53	53	53	53	53	53	53	53
Tourism	Pearson Correlation	.541**	.086	.194	.307*	.091	.414**	1	.338*
	Sig. (2-tailed)	.000	.539	.164	.025	.516	.002		.013
	N	53	53	53	53	53	53	53	53
Fiscal deficit	Pearson Correlation	.603**	.291*	.244	.435**	.316*	.280*	.338*	1
	Sig. (2-tailed)	.000	.035	.078	.001	.021	.042	.013	
	N	53	53	53	53	53	53	53	53

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Survey link

https://docs.google.com/forms/d/e/1FAIpQLSfwb5qrX15cDGeW4GAXSvSg7fFHjL_PIJy380D94Swab

NDx_g/viewform?usp=sf_link

Responses Link

https://docs.google.com/spreadsheets/d/10g230uNFT_FQPjLUdfq2se6mCTYZ_2zBllsb4hGdAPE/edit?u

sp=sharing