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The Possible Future Implementation of the International Financial Reporting Standards (IFRS) in Libya

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Abstract:
The research aims to examine the feasibility of implementing International Financial Reporting Standards (IFRS) in Libya. Based on 306 survey responses and 11 interview transcripts from 2015 and 2018, most respondents had sufficient awareness and knowledge of IFRS and believed its implementation would positively impact financial reports. The top two factors affecting implementation are government instability and corruption, followed by language barriers, low education levels, and political factors. However, most respondents did not feel that adoption of IFRS was urgent. Women were more optimistic than men about government regulations and training courses assisting with IFRS implementation. Respondents were more concerned about the negative effects of political instability on IFRS implementation in 2018 than in 2015. The study found that IFRS standards that do not conform to Islamic requirements could be excluded. The research recommends stakeholders encourage and support training programs for accounting specialists and integrate IFRS into Libyan education programs.

Keywords: accounting education, accounting in Libya, IFRS adoption, IFRS harmonization, IFRS implementation, International Financial Reporting Standards (IFRS), Libya

INTRODUCTION

For several decades, there have been efforts to reconcile differences between accounting standards in various countries for the purpose of enhancing the comparability, transparency, reliability, and quality of financial reporting globally (Madawaki, 2012). The IASC (International Accounting Standards Committee) was founded in 1973 to formulate uniform and global accounting standards to reduce discrepancies in global accounting principles and reporting practices (Madawaki, 2012). The IASC published a series of standards called the International Accounting Standards (IAS) and, after 27 years of slow progress, the IASC was replaced by the International Accounting Standards Board (IASB) on 1 April 2001. The IASB updated the International Accounting Standards and renamed them as International Financial Reporting Standards (IFRS) (Madawaki, 2012).

Libya, prior to the Arab Spring in 2011, was emerging as a strong market-based economy and was making strides towards economic development (Masoud, 2014). With a population of just over 6.155 million, Libya was strategically located in the Middle East-North African economic zone and its economy was boosted by the discovery of abundant oil and gas assets in the late 1950s

(Masoud, 2014). The Libyan economy was ranked 54th in the world by the World Bank with a *per capita* income of $16,800 and a GDP growth rate of 2.1 percent annually (World Bank, 2012). The Central Bank of Libya announced the annual growth of the Libyan economy at 18% in 2013, and the International Monetary Fund expected growth to further increase to 20% p.a. in the coming years (Masoud, 2014).

Libya gained independence from Italy in 1951 and is a small country in terms of population, but has a large surface area (1,759,540 km^2) (CIA World Fact Book, 2021). At independence, the economy was based on agriculture, but the discovery of oil and natural gas reserves in 1958 and their subsequent production and export since 1959 helped increase the country's revenues (Bait-El-Mal, Kilani, & Abusneina, 1973; Kilani, 1988). The foreign oil companies operating in the country were nationalized in the 1970s, resulting in significant income to the government from oil exports (Abusneina, 1992). Colonel Muammar al-Gaddafi (c. 1942-2011) used much of the revenue generated from oil exports to build the army and the country’s infrastructure, such as improvement of the cities and modernization of the transportation system (Abusneina, 1992).

The oil boom in the country resulted in fantastic rates of growth for the economy until the early 1980s. However, the country then faced economic sanctions from the international community and its oil exports were seriously impacted by the fall of global oil prices (Masoud, 2014). The GDP *per capita* shrank by more than 40% in the middle and late 1980s, and the economy only began to recover in the early 1990s (Masoud, 2014). By 2013, 95% of the country’s exports earnings were from oil exports, and oil accounted for one-fourth of GDP (Bayoud, 2013). The oil-dependent economy of Libya has been intricately entwined with the rise and fall of global oil prices (Abusneina, 1992).

Our interviewees were asked several questions to gauge their perspectives on the adoption of International Financial Reporting Standards (IFRS) in Libya. The questions included their personal experience with regard to Libyan society and accounting systems, the challenges to adopting IFRS, the attitudes of their colleagues, the impact of Islamic culture on the adoption process, and their opinions on preparing financial statements in Libya. The study also included a quantitative analysis of survey responses.

The survey results showed that age and years of experience of surveyed accounting and auditing experts were positively correlated, but there was no correlation between age and qualification or between qualification and years of experience. The majority of the respondents believed that they had sufficient awareness and knowledge of IFRS and thought that it would have a positive impact on financial reports. Nearly all respondents were willing to adopt IFRS and believed that it would have a positive impact in Libya, but most did not see an urgent need for its adoption. The majority believed that government instability and corruption would be the main factors affecting the implementation of IFRS, followed by language barriers.

The survey results also showed that users were more concerned with poor quality reporting and low accountability in the public sector compared to the private sector. A clear majority believed that IFRS would improve the quality of financial reporting. The respondents believed that government regulation, international guidelines, and training courses would have a positive impact on the implementation of IFRS. Women and younger people were more optimistic than men and older people about the positive impact of government regulations and training courses. Younger accountants were more likely to believe that there is a need for IFRS adoption and were more optimistic about the potential of international guidelines, while older accountants were more likely to view IFRS introduction pessimistically. Academics had the highest knowledge of IFRS compared to other respondents.

The second section focuses on the contextual background of the research and the history of accounting standards, including the history of accounting in Libya, the development of accounting standards in Libya, the International Accounting Standards Board (IASB) prior to the study, and the principles-versus-rules debate. The third section is about philosophical and methodological aspects and includes the research methods used in the research. We chose to use institutional theory as the theoretical framework and explain why we made this choice. Section 4 is divided into three parts and contains a literature review of the financial statement harmonization process, the challenges of IFRS harmonization, and the impact of IFRS adoption.

BACKGROUND

This second section provides a historical context of Libya prior to the Arab Spring in 2011. Libya, a small country with a large surface area, gained independence from Italy in 1951. Its economy was initially based on agriculture, until the discovery of large oil and natural gas reserves in 1958. The subsequent production and export of oil and natural gas helped increase the revenues of the country. The nationalization in 1973 of foreign oil companies operating in Libya resulted in significant income to the government. However, the country faced economic sanctions and a drop in global oil prices in the early 1980s, which had a negative impact on its economy. Despite this, the country experienced a rapid growth in its economy in the early 2000s, driven by the exploitation of its natural resources. By 2013, 95% of the country's exports were oil exports, which accounted for one-fourth of GDP.

The development of accounting standards in Libya was influenced by various factors such as cultural, historical, and economic influences. The discovery of oil in the late 1950s and the increased Foreign Direct Investment (FDI) by American corporations have also had a significant impact on the development of accounting in Libya. The Libyan Commercial Code and the Libyan Income Tax Law have played a role in the preparation of financial reports, while the education system and global firms have influenced the dissemination of Western accounting principles in Libya. The IASB and IFRS Foundation have had a global impact, with the EU adopting the IFRS for its publicly-traded companies and the Norwalk Agreement between the FASB and the IASB, leading to the joint convergence of US GAAP and IFRS. The IASB has also been successful in collaborating with other accounting organizations such as the IFAC, and the widespread acceptance of IFRS has enhanced its reputation globally.

METHODOLOGY

Introduction

The methodology section of this research paper aims to provide a detailed explanation of the research design, data collection methods, and analysis techniques employed to investigate the potential adoption of International Financial Reporting Standards (IFRS) in Libya. In this section, we will describe the research philosophy, research approach, and data sources used in the study. Additionally, we will outline the data analysis procedures, including the statistical methods and software utilized to analyze the data collected. The objective of this section is to provide a comprehensive understanding of the methodology used in the research to support the validity and reliability of the study findings.

Purpose
The purpose of this research paper is to examine the potential future implementation of the IFRS in Libya. In order to achieve this objective, a thorough examination of the current financial reporting practices in Libya and an analysis of the benefits and challenges of adopting IFRS were conducted.

Research Design
This research employs a mixed-methods approach, incorporating both qualitative and quantitative research techniques. Qualitative research was used to gather in-depth information about the current financial reporting practices in Libya and to gain a better understanding of the views and opinions of stakeholders regarding the implementation of IFRS. This was achieved through conducting in-depth interviews with Libyan General Managers.

Quantitative research was used to gather opinion data on the current state of financial reporting practices in Libya and to examine the potential impact of IFRS implementation. This was achieved through conducting a survey of Libyan accounting and auditing experts and analyzing existing financial reports and data.

Data Collection
The data collection process involved two main stages: primary data collection and secondary data collection. Primary data collection was conducted through in-depth interviews with Libyan General Managers, as well as through a survey of Libyan financial reporting professionals. The in-depth interviews were conducted in-person or via telephone, and were recorded and transcribed for analysis. The language used was Arabic and the first researcher translated responses into English. The survey was administered in-person, and the accounting and auditing experts were asked to respond to a series of questions related to their views and experiences with financial reporting practices in Libya. The survey was distributed at two points in time: 2015 and 2018, so we have access to both cross-sectional and time-series data. Secondary data collection involved a review of existing financial reports, data, and relevant literature related to the implementation of IFRS in other countries, as well as a review of relevant legislation and regulations in Libya. This information was used to gain a better understanding of the current state of financial reporting practices in Libya and to inform the analysis of the potential impact of IFRS implementation.

Data Analysis
The data collected from the in-depth interviews and the survey were analyzed using qualitative and quantitative data analysis techniques. Qualitative data analysis involved a thematic analysis of the transcripts from the in-depth interviews and a content analysis of the open-ended responses to the survey questions. The results from the qualitative data analysis provide insights into the opinions of stakeholders regarding the implementation of IFRS in Libya.

Quantitative data analysis involved the use of descriptive statistics and inferential statistics to analyze the data from the survey. The results from the quantitative data analysis provide expert opinions on the current state of financial reporting practices in Libya and on the potential impact of IFRS implementation.

Ethical Considerations
The research was conducted in accordance with ethical research standards and practices. Participants were informed of the purpose of the study and were asked to provide informed

consent prior to participating in the in-depth interviews or completing the survey. Confidentiality and anonymity were maintained, and participants' personal information will not be disclosed without their consent.

Literature Review

The possible future implementation of International Financial Reporting Standards (IFRS) in Libya is a subject of interest due to the country's efforts to diversify its economy and attract foreign investment. The potential benefits of adopting IFRS, such as improved transparency and comparability, have prompted many developing countries to consider adoption (Jermakowicz, 2004). However, there may be external pressures, such as those from multinational corporations, World Bank, United Nations, and Western organizations, influencing the adoption of IFRS in Libya and elsewhere (Lourenço & Branco, 2015).

At present, the Libyan Stock Exchange is inactive, and local companies generally follow local Generally Accepted Accounting Principles (GAAP) rather than IFRS. Although the al-Gaddafi government considered adoption, there are no plans for implementation or convergence (Cerne, 2009; Masoud, 2014). The implementation of IFRS in Libya is likely to be problematic and slow, as in the case of Greece (Iatridis & Rouvolis, 2010). The implementation of IFRS in developing economies is a daunting challenge due to the diversity of political and cultural contexts and the varied effects of globalization (Guler, Guillén, & Macpherson, 2002).

Lourenço and Branco (2015) make clear that, even after adoption, country-specific features such as the legal structure, cultural settings, institutional processes, and differences between IFRS and local standards will have a crucial influence on implementation. The political environment in Libya, shaped by its history of domination by foreign powers, current social chaos and decline, and Arabic culture and Islamic religion, may affect the country's readiness for adoption (Ritchie & Khorwatt, 2007). The stage of development of the present accounting system and the future political dispensation may also play a role in the effective implementation of IFRS in Libya.

A literature review of the accounting system, capital market, and private sector in Libya shows that the country faces many challenges in the adoption and implementation of the International Financial Reporting Standards (IFRS). One of the main challenges is the weakness of the accounting profession in Libya, which is highlighted by Ahmad and Gao (2004). The lack of technical expertise and insufficient knowledge of Libyan professional auditors, as well as poor education and training, are considered as some of the major problems that may hinder the effective implementation of IFRS in Libya (Schachler, Al-Abiyad, & Al-Hadad, 2012; Masoud, 2014).

The Libyan Stock Exchange, established in 2007, is also considered as a hindrance to the adoption of IFRS as it lacks international reputation (Faraj & Akbar, 2010) and is now inactive. In its best years, it was host to only about eleven companies. However, there have been some efforts to adopt IFRS in the banking sector and the Stock Exchange regulations require all Libyan banks and companies listed on the Libyan Stock Exchange to adopt IFRS (Libyan Government, 2005a, 2005b; Zakari, 2014).

One of the other challenges is the language barrier, as the IFRS standards are written in English and the accountants in Libya lack the expertise to communicate in English (Bui, Le, & Dao, 2020). To overcome this barrier, a major project of translating the entire IFRS documentation into Arabic is necessary (Buzied, 1998). The shift of economic activities from the public to private sector is also likely to take place slowly in Libya, but it is expected to increase the potential relevance of IFRS to the Libyan economy (Nobes, 1998). The experience of Egypt in transitioning from state-controlled to a freer economy and its approach to gradually adopting IFRS could provide lessons for Libya. The adoption of the International Financial Reporting Standards (IFRS) in Libya has been hindered by several factors such as the lack of technical skills and adequate knowledge among auditors, inconsistencies in existing laws, and difficulties generated by taxation. Masaud (2013) highlighted that auditor in Libya are not required to undergo continuous professional training after becoming a member of the Libyan Association of Accounting and Auditing (LAAA). The LAAA is responsible for the implementation of the IFRS through training and classes, but it has historically lacked the authority to do so. The legal framework in accounting in Libya does not reflect the real issues related to the economy and society and needs to be reconsidered for efficient implementation of the IFRS (Faraj & El-Firjani, 2014). The Libyan tax laws influence accounting practices and do not produce information conforming to international standards, making it difficult for the implementation of the IFRS (Masoud, 2014). Political and business differences, as well as the difference between the IFRS and local tax reporting, have also been identified as obstacles to implementation of IFRS (Armstrong, Barth, Jagolinzer, & Riedl, 2007; Ball, 2006).

RESULTS AND DISCUSSION

The paper focuses on the quantitative results of a survey on the adoption of IFRS in Libya, including demographic results of the survey respondents. The majority of the sample were men (83.33%) while the percentage of woman respondents was 16.67% (see Figure 1). The manuscript also discusses the qualitative findings in relation to institutional theory and notes that the Libyan accounting and business sector is male-dominated. All statistical tests were performed using SPSS version 14.

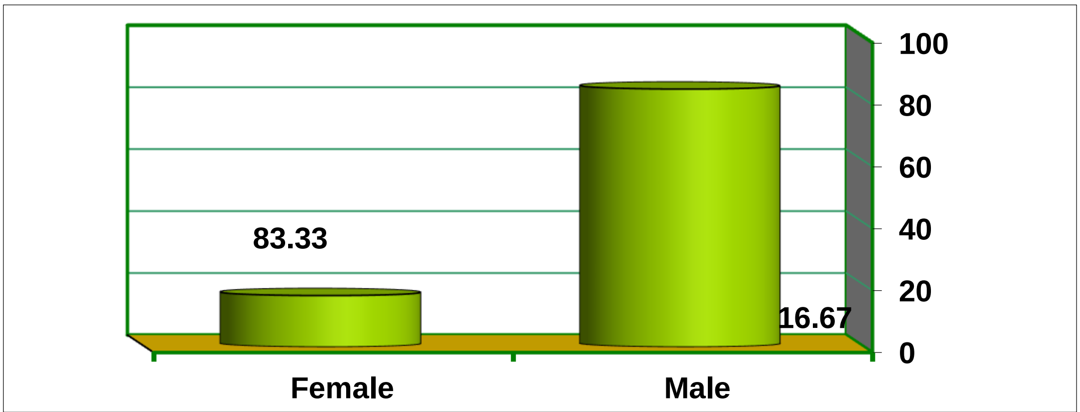

Figure 1 - Distribution of the research sample in terms of gender

Table 1 - Correlation matrix, age and experience

		AGE	Experience
AGE	Pearson Correlation	1	.750(**)
	Sig. (2-tailed)		.000
	N	306	306
Experience	Pearson Correlation	.750(**)	1
	Sig. (2-tailed)	.000	
	N	306	306

(**) Statistically significant at the significance level (0.01).

(*) Statistically significant at the significance level (0.05).

Table 2 - Correlation matrix, age and qualification

		AGE	Qualification
AGE	Pearson Correlation	1	.058
	Sig. (2-tailed)		.314
	N	306	306
Qualifications	Pearson Correlation	.058	1
	Sig. (2-tailed)	.314	
	N	306	306

Table 3 - Correlation matrix, experience and qualification

		Experience	Qualification
Experience	Pearson Correlation	1	-.012
	Sig. (2-tailed)		.838
	N	306	306
Qualifications	Pearson Correlation	-.012	1
	Sig. (2-tailed)	.838	
	N	306	306

The paper presents correlation matrices for three variables, namely age, experience, and qualifications. It is noted that some other variables cannot be correlated empirically. For example, job titles, academic qualifications, and training courses are not comparable in a meaningful way. The correlation coefficient between age and experience is significantly positive, suggesting that younger people have fewer years of professional experience. However, this correlation is on the borderline for multicollinearity. Age and qualification, and qualification and experience, show no significant correlation. The marginally negative coefficient for qualification and experience suggests that younger people tend to be ambitious in securing higher qualifications, while those with more experience got into the system earlier when educational expectations were lower. Overall, the correlation matrices provide insight into the relationship between the variables, and caution must be exercised in the interpretation of the results, especially when dealing with variables that are not comparable.

Question 1: To what extent are Libyan professionals aware of the international financial reporting standards? Do you feel you have sufficient knowledge of IFRS?

The study presents frequency distribution and percentage of the respondents' answers in descending order, and Chi-Square test of independence. Results indicate that the majority of the respondents believe that they have sufficient knowledge of IFRS, and it will have a positive impact on financial reports. IFRS plays an important role in improving the quality of financial reports, and most respondents are willing to apply the standards, but believe Libya is not suited for it now due to political instability. The study supports the validity of institutional theory, as isomorphic pressures work to ensure conformity with IASB's IFRS. These pressures appear primarily normative and mimetic, rather than coercive.

Question 2: Do you agree that applying the IFRSs will have a potential positive impact on financial reports in the Libyan reality?

The majority of surveyed accounting and auditing professionals in Libya believe that using IFRS will have a positive impact, according to this study. 96% of respondents supported IFRS, while only 4% disagreed. This high level of support suggests that IFRS is not seen as an unwarranted foreign intrusion into the Libyan accounting environment.

Question 3: Factors expected to affect the process of applying these standards in Libya

The survey found that instability of government and corruption were the two most significant factors that could affect the implementation of IFRS in Libya. The country has experienced severe problems since 2014, including frequent electrical blackouts and the exodus of a large number of Libyans. Respondents believed that a stable government with an effective judicial system is required to enforce the IFRS standards, which are difficult and expensive to adopt. A more educated accounting profession could improve the quality and up-to-date nature of accounting education over time. Factors like language barrier, low level of education, and political factors were also seen as barriers to implementation. However, financial factors, complexities of tax laws, and cultural factors were not perceived as major barriers.

Question 4: Will the IFRSs have potential impacts on financial reporting?

The vast majority (97%) of respondents in the study believe that IFRS will have potential impacts on financial reports, according to the frequency distribution and Chi-Square test of independence. Only a small number of people (3%) think that IFRS will not have any potential impact. This indicates that isomorphic forces have been very effective in shaping people’s views on IFRS.

Question 5: What is the need to apply the international financial reporting standards and perceptions of Libyan professionals about their entry to the accounting profession in Libya? Is there an urgent need by users of accounting data and information in Libya to adopt the international financial reporting standards?

Most respondents do not believe that there is an urgent need to adopt IFRS. The Chi-square test shows a significant difference between Yes and No responses. This suggests a cautious attitude due to difficulties in implementation. The IFRS still look better by comparison.

Question 6: How will the introduction of the IFRS be perceived by the main actors involved in accounting matters in Libya?

The majority (87%) believe that introducing IFRS in Libya will be perceived optimistically, indicating a positive attitude towards IFRS. Pessimistic attitudes would slow adoption and lower the quality of IFRS reporting. Perceived problems relate to education, language barriers, and political factors.

Question 7: What are the factors to be taken into consideration while making the required adjustments? What are the potential implications of the future application of IFRSs?

The majority (79%) of accountants in Libya believe that IFRS will improve the quality of financial reporting, but only a bare majority (50.3%) think that Libyan financial reporting will be more acceptable to international financial markets after IFRS adoption.

Question 8: Factors to consider while making the required adjustments?

The survey respondents believe that government regulations, international guidelines, and training courses will have a positive impact on IFRS implementation, with high percentages for each option. The respondents were more skeptical about the benefits of government regulations due to political turmoil. The belief in the usefulness of international guidelines and training courses shows the success of isomorphism in driving change.

This section presents the results of 11 qualitative interviews with General Managers from Libya on the perceived benefits and challenges of adopting and implementing IFRS in their country. The results of the interviews reveal that the key benefits of adopting IFRS include the ability to easily compare financial data across borders, attract investors and foreign direct investment, and have a unified language and concepts for accounting and financial transactions.

The main challenges identified by the interviewees include the lack of professional expertise and knowledgeable accountants, limited education and training opportunities for Libyan accountants, Islamic regulations, and cultural differences that run contrary to the Anglo-based ideology inherent in IFRS, and the difficulty in accurately translating and interpreting IFRS for Libyan adoption. However, the respondents believe that the mandatory implementation of IFRS in Libya will bring net benefits, particularly in reducing the cost of information and improving its quality, and that well-educated and competent staff are needed to supplement current employees. These qualitative results provide insight into the perceived benefits and challenges of IFRS adoption and implementation in emerging and Arab countries, particularly Libya.

The adoption and implementation of the IFRS in Libya is facing several challenges. Political instability is the main hindrance to the implementation and adoption of the IFRS. The lack of regulatory board that issues laws and legislations to encourage the adoption and implementation of the IFRS in Libya is another obstacle. Moreover, the lack of awareness, training, education, and regulatory framework impedes the adoption and implementation of the IFRS in Libya. The political instability in the country is also a cause of concern for investors, and there needs to be more political stability before investor confidence can increase.

In addition to the political challenges, there are several accounting challenges as well. The current accountants lack the knowledge, training, and education in the IFRS, which also constitutes a major obstacle for the adoption and implementation of the IFRS. There is also a lack of awareness of accounting knowledge, a weak regulatory framework, a lack of education and training of accountants, and insufficient technical skills. These challenges are consistent with previous studies that have pointed out the lack of technical skills, inadequate knowledge of Libyan professional accountants, difficulties involved in improving existing accounting structures, and insufficient education and training of accountants as challenges to the implementation of the IFRS in Libya. The success of the adoption and implementation of the IFRS in Libya would depend on the country's legal and political system and the judgment of professional accountants with experience.

The findings show that translating and interpreting the IFRS will pose significant challenges due to a lack of well-educated and multilingual staff, leading to poor interpretations of concepts and terminologies. Additionally, translation may lead to the loss of meaning, concepts and terminology, and could result in distorted meanings, affecting comparability and leading to poor investment decisions. On the other hand, users valued the benefits of the IFRS over traditional financial statements. The literature we reviewed highlights the need for improved multilingual skills of accountants, thorough mapping of expressions, and understanding of cultural differences to effectively implement the IFRS in Libya.

The study examines the application of institutional theory in the context of the adoption and implementation of International Financial Reporting Standards (IFRS) in Libya. The results of the study show strong support for IFRS among Libyan respondents, but they also highlight the challenges posed by political instability, corruption, language barriers, and the incompatibility of religious practices with the British cultural worldview underlying IFRS. The study concludes that the adoption of IFRS in Libya is influenced by normative and mimetic isomorphism, as well as the global power of institutions such as the IASB, the IMF, the World Bank, and the UN that still drive the neoliberal agenda worldwide.

The qualitative and quantitative results of the study are mutually consistent and reinforce each other, giving confidence to the researchers in the complete set of findings. The study confirms that all three types of isomorphism are present in the Libyan context, but it also highlights the real concerns of Libyan respondents. The limitations of the study, suggestions for further research, and recommendations for practice are discussed in the final section of the article. The study concludes that the implementation of IFRS in Libya will be challenging, especially given the political turmoil and widespread culture of corruption in the country. Unless these factors are resolved, the quality of the accounting profession in Libya may decline and the eventual implementation of IFRS may become even harder.

CONCLUSION

Summary of Results

This section provides a summary of quantitative and qualitative results regarding the adoption of International Financial Reporting Standards (IFRS) in Libya. The study found that most respondents believe that IFRS will have a positive impact on Libyan financial reports and play an important role in improving their quality. However, most respondents also believe that the Libyan present-day context is not suitable for these standards due to instability of government and corruption. Users are more concerned with poor-quality reporting and low accountability in the public sector than in the private sector.

General Conclusion

The study concludes that the adoption of IFRS in Libya is a secondary consideration and that political, economic, and social stability are needed first. While the concept of IFRS is widely supported in Libya, the accounting profession cannot implement the standards without political stability. Women and younger respondents were more optimistic about the ability of government regulations and training courses to assist in the implementation of IFRS in Libya.

The article discusses the adoption of IFRS accounting standards in various developed and emerging economies, and identifies themes of readiness, flexibility, and commitment in the adoption process. The article suggests that adopting IFRS in Libya would benefit the country by improving financial reporting and attracting foreign investment, but also suggests that modifications may be necessary to meet the country's cultural and socioeconomic needs. However, the adoption process in Libya may face challenges such as the weakness of the professional accountancy organization, lack of technical skills, and insufficient knowledge of Libyan professional auditors. We also acknowledge the wholesale loss and destruction of political institutions and social stability in Libya, which has made IFRS adoption a secondary consideration at best. Overall, the study offers insights into the challenges and opportunities for adopting IFRS in a developing Arab country like Libya.

Limitations

The study has examined the suitability of IFRS in the Libyan financial environment and proposed the establishment of local regulatory bodies in accounting and auditing to standardize and codify accountancy practices in Libya. One limitation in the research process was the delay in completing the study due to various factors, including the first author's shift to a new university and disruptions caused by the COVID-19 pandemic and lockdowns. The difficulty in accessing people for the research and the lack of interesting and detailed answers from interviewees were other shortcomings. However, the diversity of the survey sample in terms of gender, age, and job occupations was a positive aspect. The researchers also expressed discouragement due to the decline in Libya's political, economic, and social health.

Policy Recommendations

The paper applies institutional theory to the adoption and implementation of IFRS in Libya, finding that normative pressures can encourage stakeholders to support training in IFRS. It recommends increasing IFRS integration in accounting curricula and offering formal and informal training opportunities for all levels of education and accounting staff. The Fiji Institute of Accountants' success in maintaining professional values through training courses and creating a professional accounting culture is highlighted as a relevant case study. This research suggests that creating an atmosphere of professional identity and pride is important for resisting government control. The former al-Gaddafi government's scholarship program for education should be reinstated and directed towards talented schoolchildren and school-leavers.

Suggestions for Further Research

The interviews for the research were conducted only in Tripoli due to political and safety concerns. Future studies should expand by interviewing people in other parts of Libya and the private sector. Industry-specific studies, such as the oil and gas industry, can be useful. Libya may contribute to global accounting developments in cooperation with the IASB. Stable governance is needed so that we can refocus on the topic of IFRS adoption, and this study can be replicated in the future to monitor actual implementation and problems encountered.

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