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Procedia - Social and Behavioral Sciences 219 (2016) 792 – 797

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**Procedia**  
Social and Behavioral Sciences

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3rd Global Conference on Business and Social Science-2015, GCBSS-2015, 16-17 December  
2015, Kuala Lumpur, Malaysia

## Entrepreneurship Infrastructure and Education in Oman

Farzaneh Yarahmadi <sup>a\*</sup>, Hesham A. E. Magd<sup>a</sup>

<sup>a</sup>College of Business, University of Buraimi, Al Buraimi, P.C. 512, Sultanate of Oman

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### Abstract

Considering the importance of entrepreneurship in the growth of countries, many governments have tried entrepreneurship education towards people who has entrepreneurial mind. In Oman, the need to create job opportunities and the volatile oil prices have caused policy makers to think of other sources of income. This paper is to study the facilities provided by government to encourage the growth of new ventures and to demonstrate a conceptual framework on entrepreneurship education .

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Peer-review under responsibility of the Organizing Committee of the 3rd GCBSS-2015

**Keywords:** Entrepreneurship; Entrepreneurship Education in Oman; conceptual framework;

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### 1. Introduction

Entrepreneurship plays an important role in supporting economic activities in the country by creating job opportunities, thus contributing to the development of the country gross domestic product (SME Report, 2006). Governments in both developed and developing countries consistently promote entrepreneurship as the engine of economic development and its critical role in wealth as well as job creation (Guerrero *et al.*, 2014). Considering the importance of entrepreneurship in economic development, entrepreneurship infrastructure and particularly education are one of the most important issues for any country. Studies have shown that entrepreneurship education directly affects the quantity and quality of entrepreneurship in a society (e.g., Guerrero *et al.*, 2014).

Within the context of Oman, there have been issues such as the composition of the population, increasing number

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\* Corresponding author. Tel.: +968-91376171.

E-mail address: [dr.farzaneh.y@gmail.com](mailto:dr.farzaneh.y@gmail.com)

of graduate students, government policies to downsize the structure and inability of its private sectors to create job opportunities for the graduate students. Furthermore, the volatile oil prices and the estimation that Oman has less than 20 years of oil reserves have made policy makers and decision-makers to think of other sources of income other than oil (Al-Shanfari 2012). Today, more than ever there is a greater urgency to diversify the economy and undoubtedly, initiative, creativity and innovation, human resources development, especially in education and higher education sectors after oil is one of the sources. Therefore, government support for entrepreneurship is a crucial strategy for economic development as a country that has entrepreneurs and business stimulus tend to be stronger.

This study reviews existing approaches in Oman in line with the government initiatives to reduce national unemployment and providing future opportunities for learning of how to deal with small businesses as the main source of revenue. It also focuses on the common challenges in moving towards entrepreneurship education in Oman and the steps taken by policy makers to implement entrepreneurship. This paper lay down some of the foundations needed to generate well educated entrepreneurs for the future of Oman in light of the challenges from the marco-environment faced by the country and propose a conceptual framework for entrepreneurship policy in higher education in Oman.

The aim of this paper is to make an assessment on entrepreneurial infrastructure which represents the facilities and services within Sultanate of Oman and foster the development of new ventures and to identify the reasons and challenges behind moving towards entrepreneurship education in Oman.

## **2. Oman Review on Entrepreneurship**

Oman is working to diversify its revenue sources and ensure employment for its young population by encouraging entrepreneurship and steering youth towards private sector jobs. Through a series of new measures, the Sultanate is seeking to establish small and medium enterprises (SME) that benefit the national economy and dispel the prevailing view that government jobs are more stable. Reports by the Omani Chamber of Commerce and Industry indicated that plans are underway to generate thousands of jobs for the youth by steering them towards the SME sector. To this end, Oman has created an SME body which provides technical and financial support and consulting services to young entrepreneurs and monitors shifts in the sector (Al-Buhairi, 2014).

### *2.1 Entrepreneurial in Education*

Moving towards entrepreneurial academic institutions requires particular inputs, processes and environment. Oman has already formed two national committees: Main Committee and Executive Committee. The purpose of these committees are to develop curriculum in a way that improves skills of students and make them successful entrepreneurs, determining the educational programs which assist students to implement their projects and searching for training opportunities provided by private institutes such as AMIDEAST/Oman provides training for entrepreneurship in Oman as well as Cisco Entrepreneur. The members of main committee have prepared a matrix of entrepreneurship concepts and principles and sent to entrepreneurship specialists for evaluation (UNESCO & Stratreal Foundation, 2013). With the rapid development happening in the Sultanate of Oman, a handful number of institutions of higher learning have started providing entrepreneurial courses in order to educate the students to manage their own small and medium businesses.

Entrepreneurship and entrepreneurship education are receiving increased attention in Oman. This attention takes different forms such as research, expenditure, curriculum development, teacher training and collaboration with NGOs. As far as research is concerned, several research projects were conducted or are still being carried out. Most of these projects are supported by institutions of higher learning such a Sultan Qaboos University (SQU) and The Research Council in Oman. One of the projects conducted in SQU aims at investigating the entrepreneurial attitudes and trends in high school students. Another research project entitled “Towards Enhancing Entrepreneurship Development in Oman” highlights the emergence of entrepreneurship education and training and reviews relevant programs and activities in Oman. Other projects are also supported by the Research Council in Oman.

In terms of providing the necessary access to finance many initiatives have been launched. The SANAD programme is targeted for the youths jobseekers within the age group 18-40 years. These include unemployment and new graduates who are interested in starting small projects managed by them and craftsmen interested in starting new productive or serviceable work for themselves or interested in expanding their existing business. The SANAD

programme has been able to attract numbers of women entrepreneurs. In all, 37 percent of the funds during 2002-2004 was provided to women. (Khan, Ghosh, & Myers, 2005)

Know About Business (KAB) is being implemented in vocational training centers and colleges of technology. The programme seeks to develop the entrepreneurial skills of young people and educate them not only to establish their own businesses at some time in the future, but also to work productively in small and medium enterprises. Intilaaqah program is part of the Shell group worldwide initiative. This program helps the young entrepreneurs by providing them the right kind of training, counselling and consultancy services which enables them to start their own businesses. The “Intilaaqah” program in particular has attracted a significant number of women who are interested in establishing their micro-enterprise. They started businesses such as tailoring of ladies dresses; photo and video shooting in wedding parties; sale of readymade garments; beauty salons; and health clubs. (Khan, Ghosh & Myers, 2005). The BSC (Business Simulation classes) is a project being developed at Nizwa College of Technology. It aims to offer proper training and integrate entrepreneurial culture within the college academic programmes by providing an actual functioning business enterprise, totally managed by students. It offers college students a genuine experience with normal business practices not taught in textbooks or classrooms. Injaz Oman is also a non-profit organization and its mission is to inspire and prepare young people to succeed in a global economy. It is linked to Junior Achievement (JA) worldwide. It provides hands-on learning experience to young people in enterprise education from school to university level. The program helps the young entrepreneurs by providing them the right kind of training, counseling and consultancy services which enables them to start their own businesses. The objective of the training program is to develop the candidate’s ability to conceptualize the business environment by enabling him or her to acquire necessary skills to run small businesses professionally (UNESCO-UNEVOC International Centre).

The Oman government has adopted certain steps in promoting entrepreneurship education. These include availability of Oman Development Bank loans, incubator facilities, equity funding by the Youth Fund, and micro-business development facilities offered through the SANAD programmer. Oman Development Bank (ODB) promotes entrepreneurship among the youth by providing them soft loans and curtailing bureaucracy.

### 2.1.1 Entrepreneurship in Higher Education

Entrepreneurship and entrepreneurship education are receiving increased attention in Oman. This attention takes different forms such as research, expenditure, curriculum development, teacher training and collaboration with NGOs. As far as research is concerned, several research projects were conducted or are still being carried out.

The educational history of the Sultanate of Oman has undergone rapid development. In 1970, there were three primary schools in the country with less than 1000 students and no college or university (Al Shmeli, 2009). Today, there are more higher education institutions run by private and public sector offering various programmes. Higher Education Institutions (HEI) are owned and governed by a variety of entities, including the Ministry of Higher Education, the Ministry of Man Power, the Ministry of Defense, the Ministry of Health, and the Ministry of Commerce and Industry, other governmental entities, and private owners (OAC, 2006).

Higher education sector in Oman has grown and made significant development in the last decade. There is heavy investment to improve the education infrastructure, provide increased education opportunities with focus on women education to ensure equality and equity. Higher education provide human resources which are expected to be equipped with skill and knowledge necessary for society as occupational and citizen. Oman has a young, dynamic and fast-growing higher education sector and has taken a number of steps to provide quality human resources equipped with necessary skills and knowledge to replace expatriate work force. These steps include imported curricula of western countries, recruitment of native English teachers, recruitment of qualified and experience faculty from all over the world in various disciplines, provision of excellent infrastructure facilities to the students and arrangements of one / two years foundation courses by each HEIs including English language, mathematics and IT to build students basis for advance curricula at university level. To monitor quality of each HEI, Oman Accreditation Council has been established. It has been observed that despite of various efforts, the quality of education in term of 21st century requirement both in terms of knowledge acquisition and skills seems to be missing and is not up to the desired level.

Although much effort is currently being undertaken by various policy makers to integrate entrepreneurship education within the Omani educational system, programs at both undergraduate level and postgraduate level is lacking.

### 3. Proposed Conceptual Framework on Entrepreneurship Education Policy

This study suggests a conceptual framework on entrepreneurship education policy in line with the Omanization initiatives. In the case of the Sultanate of Oman many efforts have been made by policy makers to develop and encourage entrepreneurship among its national citizens. However, as the educational sectors are evolving constantly, existing frameworks needs to be reviewed to remain relevant in the education sector, especially within the context of education in Oman. This framework attempts to identify the different strategy and policies towards the entrepreneurship education. Figure1. depicts the conceptual framework proposed in this study.

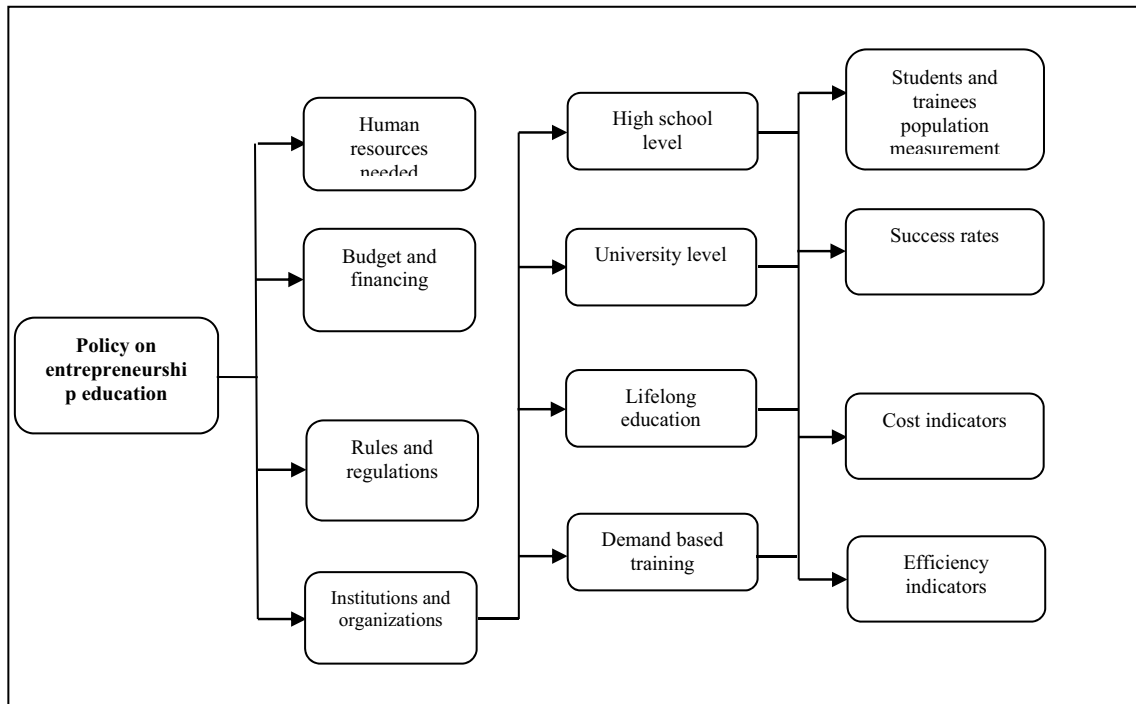


Fig. 1. Proposed Conceptual Framework on Entrepreneurship Education Policy

The framework has four main directions:

- The human resources mainly trainers and education providers in terms of expertise levels and areas.
- The budget and financing issues include the funding resources allocated by the policymaker for attaining the objectives intended.
- Rules and regulations in terms of issuing diploma, quality assurance, reporting, and other areas.
- Institutions and organizations are the public sector management authorities of the programs, and the education providers.

The components of the education systems can involve different existing and new organizations grouped as follows:

- The high school level, providing the basic initial training on a wide scale for all students in order to generate the entrepreneurial spirit, knowledge and drive at early ages.
- The university level, providing students to compete in the changing global economic landscape and developing a '*can do*' entrepreneurial mind-set among the students through innovative services and practices.
- Lifelong education should be provided for all graduates and professionals in order to provide the new knowledge and skills required because of the rapid development of the economy. This is intended to reduce the unemployment that could appear because of inability of people to prepare for changes to come and to keep the competitiveness of the existing workforce at high level.

- Demand based training: represents the most flexible organizational tool. This component can cover a wide variety of training levels and areas, intended to be created whenever such a need is identified. As an example, if a big investment is intended to be created in a certain area, such training could be provided to local workforce in order to meet the demands of the new jobs created.

The indicators of education system can be involved as follows:

- Students and trainees population, is one of the criteria in entrepreneurial educational policies which need to be measured in order to understand the availability of the human resource and budget and financing
- Success rates, is another important factors and indicators which need to be measured in order to identify the potential of entrepreneurial mind among the human resource which usually can be effected by the family and education.
- Cost indicators, provides a financial and budgeting measurement for the entrepreneurship education policies.
- Efficiency indicators, has a direct relation with success rate. If the success rate increase the efficiency rate goes up or vice versa.

In Oman, as the population grew faster than the economy could sustain, serious economic challenges have arisen (Al Moharby & Khan, 2007). The growth in population has outstripped the capacity of higher education institutes and the job market. This has created two main challenges for the government - unemployment and provision of opportunities for higher education. These economic and social dilemmas have been key factors in pressurizing the government to look at entrepreneurship and self-employment, especially among the young, as key components in tackling these challenges and diversifying the economy (Al Moharby & Khan, 2007).

This proposed framework could be applied in the context of Oman, to develop entrepreneurship education. One of the important highlight of this framework is the indicator component which allows policy makers to measure the efficiency of their strategies and policies towards entrepreneurship education constantly.

#### 4. Conclusion

Many initiatives have been done by policy makers and much progress has been made in the higher education industry in Oman since the 1970s. This can be seen with the development and establishment of institutions which provide various types of support and education to the entrepreneurs and would-be entrepreneurs. These initiatives have been under the directives of several ministries and agencies in Oman. This paper has proposed a conceptual model of entrepreneurship education policy. It encompasses several dimensions in which policy makers should take into account when implementing entrepreneurship education. Although much attention has been given to several aspects of entrepreneurship and entrepreneurship education in institution of higher learning, it is evident that not all the areas can be addressed in one single study. More research is needed especially in the development and implementation of policies on entrepreneurship education.

The paper has highlighted the common approach towards entrepreneurship success in Oman. One of the highlights of this paper is with regards to the factors behind innovative entrepreneurship. It is widely acknowledged that entrepreneurship education plays a key role in shaping innovative entrepreneurs and requires particular attention from policy makers. The importance and role of entrepreneurship education in institutions of higher learning is the key to the development of successful entrepreneurs and has received considerable attention in this study.

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