Development of Women Entrepreneurship in Sultanate of Oman: Issues and Policies

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ABSTRACT

In the past, entrepreneurship has been only considered as a male dominant field but with changing socio-cultural environment and an increase in educational opportunities, women have proved distinguish innate business ability and skills. In recent years, with the help of governmental support and funding, the numbers of women entrepreneurs who are joining businesses are growing but very little consideration has been given to the contribution that women make as entrepreneurs. Women entrepreneurs make significant contributions to economic growth and development of the country. AGCC countries’ women (Arab Gulf Cooperation Council consisting of Oman, Saudi Arabia, UAE, Qatar, Bahrain and Kuwait) are no exception and gradually they are involving into entrepreneurship at unexpected rates. In Oman, where is a traditionally male-dominated society, women are beginning to make their mark in the workplace. The main purpose of this study is to identify and evaluate barriers to the development of women entrepreneurship, and the strategies and policies developed by policy makers to support, fund and encourage women entrepreneurship in Oman. The study concluded that Oman has a considerable number of women entrepreneurs in the male dominated society. Women entrepreneurs have proved distinguish innate business ability and skills. In recent years, with changing socio-cultural environment and an increase in educational opportunities, women have turned sharply to entrepreneurship at unexpected rates.

INTRODUCTION

There have been almost numerous definitions of entrepreneurship as there have been many authors on the subject. Entrepreneurship has been mentioned as an important component for the economic development (Volkman, 2006). Entrepreneurship is a process that plays a vital role in ensuring the development of national and even international economic. The extent and importance of entrepreneurship is that the economists considered it as a engine of growth and economic development of the society.

Lazear (2005: 649) defines entrepreneurship as "the process of assembling necessary factors of production consisting of human, physical, and information resources and doing so in an efficient manner" and entrepreneurs as those who "put people together in particular ways and combine them with physical capital and ideas to create a new product or to produce an existing."

In developing countries, small and medium enterprises are important for the economic growth and development. Entrepreneurship supports the process of economic development, fosters economic growth, job creation, and reduces rural unemployment and migration.

For last several decades, the concept of entrepreneurship has rapidly expanded. There is numerous special issues regarding women's entrepreneurship around the world. The entrepreneurial activity by women plays a key role in the economic health of nations. Women in short time were able to enter the field of business in economic development and make great changes.

Women, all over the world have demonstrated success in handling small scale projects. In addition to meeting the needs of some large-scale industries and boosting innovation, the small-scale enterprises help the commercial and industrial community and also the development of women (OCCI, 2006). Statistics shows that the economic activities of women are up to 25 to 35% of the world's activities (Kantor, 2002).

Promoting women's entrepreneurial activities is effective stimulus for growth and economic development. In many societies and cultures, including Oman, women have turned sharply to entrepreneurship. Despite this, women in the field of
entrepreneurship have always been faced with many obstacles and challenges.

Objectives of Study:
This study attempts to get an understanding of women entrepreneurship in Oman. The aim of this study is to identify and evaluate barriers to the development of women entrepreneurship, and the strategies and policies developed by policy makers to support, fund and encourage women entrepreneurship in Oman. It also investigates the factors influencing the development of women entrepreneurs in Oman.

2. Literature Review:
The Sultanate of Oman is an Arab country located on the eastern side of the Middle East, bordering the United Arab Emirates, the Kingdom of Saudi Arabia, and Yemen. It has a population of approximately 2.8 million, and covers 309,500 square kilometers. When the current Sultan, Qaboos bin Said, assumed power in 1970, a new era began in the modern history of the country. The discovery of oil during the last century was a cornerstone in the development of the infrastructure and economy in the region. The majority of export revenues in Oman is linked to oil income, although oil has been the source of much of the economic and social prosperity in the past, it has become, to some degree, a curse in relation to developing a strong, diversified, innovative economy. However, since it is estimated that Oman has less than 20 years of oil reserves left, today more than ever there is a greater urgency to diversify its economy (Al-Shanfari, 2012).

In recent years in Oman there have been some strategies to diversify the economic activities to sectors other than oil, on which the economy was heavily dependent earlier. The government encourages the private sector and focuses on the human resources with a special drive towards ‘Omanisation’, inducing Omani nationals to support and create enterprises (McElwee and Al Riyami, 2003; Al-Mansory and Nagee, 2003). For last decades, there has been a considerable and growing interest in entrepreneurs and entrepreneurship (Kirby, 2003) at both national and international levels because it symbolizes innovation and a dynamic economy (Orhan, 2001).

In today’s world, entrepreneurship is developing rapidly. Women entrepreneurship is becoming a turbulent subject in all over the world (Golrad, 2006). According to the Global Entrepreneurship report published by the Centre for Entrepreneurship Kaufman emphasizes the prominent role of women entrepreneurs in the economy (the world’s Entrepreneurship Center, 2002).

In Middle East and North Africa, women’s entrepreneurship is increasingly recognized as an important factor for economic growth and development (CAWTAR, 2007). However, their share is far lower than in the other middle-income regions of East Asia, Latin America and the Caribbean, and Europe and Central Asia (World Bank, 2007). In addition to the lack of quantitative and qualitative data describing women entrepreneurs, it was deemed necessary to study this phenomenon.

In last decades women’s entrepreneurship has been acknowledged as an important factor in economic growth. In developed countries women entrepreneurs are a significant part of the sustainable economic growth and social development. Due to the growing industrialization, urbanization, social legislation and along with the spread of higher education and awareness, the emergence of women owned businesses are highly increasing in the economies of almost all countries (Masood, 2011).

In the Arab countries, the statistics of the participation of women in economic activities shows lower rate than in any other part of the world (UNDP, 2005). Arab women entrepreneurs are faced with macro environment barriers such as funding difficulties, and the social attitude. Such barriers are mainly informal barriers based on cultural norms, values and customs (Mohsen, 2007).

Women entrepreneurship:
In advanced market economies, women own more than 25% of all businesses (Woldie & Adersua, 2004). Women entrepreneurs can significantly contribute in poverty reduction, mobilization of entrepreneurial initiatives, autonomy, and in accelerating the achievement of wider socio-economic objectives (Belwal & Singh, 2008).

Women participation in the economy is the real indicator of women empowerment in any society and education and training of women play a key role for women empowerment. Until 1970 in Oman, there were only three primary schools. Education was made available to all Omani nationals irrespective of sex from 1970. The opening of the co-educational Sultan Qaboos University in 1986 and making the primary to tertiary education available to women played a key role towards the efforts of emancipation of women in Oman (Al-Lamki, 1999; Oman Daily Observer, April 1996).

Since 1970, Oman has achieved a lot in making education available to girls and boys alike. To date, there are about 1,020 government schools and 134 private schools with 601,461 students studying in schools of which girls constitute nearly half (Ministry of Information, 2002).

The Government of Oman identified the role of privatization and liberalization of its policies to accelerate the rate of economic growth. Government encouraged men and women equally to participate in the process of economic development of the Sultanate. It also emphasized the role of human resources and participation of Omani women in the private sector development and diversification process (Ministry of National Economy, 2002).
While women entrepreneurs entrance in the society is a new experience in Oman but they are not free from challenges and difficulties. Macro environmental issues such as funding difficulties, access to business information and technology, and personal issues such as been independence and the need for change and continuous innovation to ensure the ability of competitiveness entail major challenges. For a decade, the policies makers in Oman has developed certain strategies to diversify the economic activities to sectors other than oil as earlier the economy was heavily dependent on Oil.

To improve entrepreneurship and the Small and Medium Enterprises, the government of Oman has taken many initiatives such as the Sanad Program, Knowledge Oasis Muscat (KON), and projects under the Oman Development Bank and the Ministry of Social Development. The private sector has also created similar programs such as Youth Projects Development Scheme, Intilaqa Program and Grofin Oman, to boost entrepreneurship (Al Sadi et al. 2011).

Furthermore, private sector banks also support the small and medium enterprises (Al Sadi et al. 2011). Small and medium sectors such as sewing, cosmetics, design and other sectors that do not require large amounts of capital have attracted largely Omani women (Nadwa, 2009).

However, despite progressive entrepreneurial activities in Oman, it is obvious that for the development of entrepreneurial activities of women, there are many obstacles and problems which need to be identified. This study tries to identified barriers to women's entrepreneurship limitations, modify the route of the future and ultimately help increase personal and social performance.

According to Arasti (2007) women has been creative, innovative and inventive as entrepreneurs in the global arena, and they have been the source of great developments in industrial, manufacturing and service. Their role is explained as the engine of economic development, national heroes and industrial development, stimulating and encouraging investment, job creation factor, the main options and the technology transfer agent, and removing bottlenecks fractured market.

Studies show that women find difficulties that are distinct from those that men face in operating and starting an enterprise (Neider, 1987). A study on 140 women entrepreneurs in the United States showed that the main obstacles for women in the way to operate and proceed in the establishment of their business is funding and operation stages. There is also the lack of experience in financial planning (Hisrich and Brush, 1984).

According to Hisrich and Brush (1984), the main problems of women entrepreneurs are in starting and continuing the work. The start-up problems are lack of professional skills, funding, inexperience in financial planning, and lack of guidance and counseling. Furthermore women entrepreneurs lack professional skills. Another study by Golrad (2006) interviewing women entrepreneurs participating in the training program for women entrepreneurship development (WED) in Romania, revealed that most of them felt that the most important obstacles were internal barriers including fear of failure, lack of courage, lack of moral support and the lack of appropriate models (Golrad, 2006). A study of 129 women entrepreneur in the United States showed that 34% of them have difficulty in attracting investment and financial management. In the study, women entrepreneurs reported that they were not easily able to enter some social places, but this was worse for black women (Battner and Moore, 1977).

As in the case of Oman, which is the subject of interest for this study, the participation of women entrepreneurs are limited and do not exceed 12% of the total effective institutions considering that they are open to many types of economic activity in the society (Omani Women Workshop, 2009). As a male dominated decision-making environment of Oman, the era of leadership dominance is changing to women’s empowerment (AlLamk, 2007). Omani Women Workshop (2009) observes that legal, educational and training and financial support have offered some opportunities to Omani women in the field of entrepreneurship.

Sultan Qaboos University in 1986 opens co-educational program available to women and helped towards the efforts of emancipation of women in Oman (Al-Lamk, 1999; Oman Daily Observer, April 1996).

The General Directorate for Women and Children Affairs was established in 1985 has set up a network of women development centres throughout the country. The aims and mission is to setup special programs to deal with education and the development of women minds and strengthening their role as responsible citizens. This was a important action by the government to enhance the status and role of the women in Omani society (Al-Lamk, 1999).

The Omani Women’s Association (OWA) in 1970 as a voluntary organization for the development of women has played an important role in Oman. The Omani Women’s Association’s objective is to help in providing a network for Omani women who are employed or running their own businesses. The main aim of OWA is to provide quality education and training to women in increasing their knowledge in order to facilitate in protected good jobs and businesses. OWA also promotes the traditional Omani custom and values so that the tradition culture continues to remain in the country. It encourages its members to actively contribute to the economy by whatever ways possible. The responsibility of OWA has been very encouraging in helping women to learn skills and education and make them independent (Al-Lamk, 1999).
In recent years, the participation of women in private and public sectors in Oman has increased drastically. In Oman 36 percent of employees in public sectors are women. They are actively involved in decision-making and occupy leading posts in government sector (Oman Daily Observer, January 9, 2005). Thus, the participation of women in education, employment and decision-making has grown considerably and it has resulted into the emancipation of Omani women in the twenty first century presenting an example for other Arab countries to follow (Khan et al. 2010).

3. Conclusion:

The formulation of a market, industrial development, new trends in higher education and social phenomenon have gained increased social power and prominence in women. The study observed that all the barriers faced by women entrepreneurs related to infrastructure, profession, education, training, socio-culture, legal system, behavior which affect women entrepreneurship. Many initiatives have been done by policy makers in Oman and much progress has been made since the 1970s. The Government of Oman has undertaken lots of efforts to educate women and foster women entrepreneurship. For last decades, Oman has a significant number of women entrepreneurs in the male dominated Arab society.

In Oman with regard to the external environmental concerns such as difficulties in arranging fund, availability of business information and technology, personal problems of being independence and the need for continuous creativity and innovation, there is a need of major challenges for women entrepreneurs in the society. The policies makers in Oman has developed certain strategies to diversify the economic activities to sectors other than oil as earlier the economy was heavily dependent on Oil.

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An empirical study needs to be implemented in order to find out the path to the development of women entrepreneurship in Sultanate of Oman as there is a need of more resources and infrastructure to deal with women entrepreneurship in Oman.

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