



United Nations
Educational, Scientific and
Cultural Organization



International Centre
for Technical and Vocational
Education and Training

Entrepreneurship Education, Oman

PROGRAMME OVERVIEW

Implementing Organization:	Ministries of Oman, NGOs (e.g., ILO), colleges, private companies
Funding Organizations:	Government, Non-profit organizations, private companies

CONTEXT AND BACKGROUND

Entrepreneurship education and training represent a special area of innovative new approaches and initiatives in the Arab states. Entrepreneurship and entrepreneurship education have received increased attention in Oman. The Oman case on TVET practices provides a good picture of the various components behind the promotion of entrepreneurship education at national level. They take different forms such as research, expenditure, curriculum development, teacher training and collaboration with NGOs. Various pilot projects and national, regional or international programmes have been implemented to promote entrepreneurship and to provide entrepreneurship education especially among youth, students and unemployed.

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. "Vision Oman 2020" proposed a policy for the Sultanate's development over twenty five years (1996 to 2020). It took into account the far-reaching changes in the world economy and the revolution in telecommunications and information technology that has transformed the global system of production and exchange.

The plan places emphasis on the industrial development of small and medium enterprises.

DESCRIPTION AND AIMS OF THE PROGRAMME

Many initiatives have been launched nationally to encourage young people to take up independent business options. The SANAD programme, which has been a successful

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programme all over Oman, promotes the launch of youth business ventures through the provision of loans and expertise to recent graduates. It was started in October 2001 under the Ministry of Manpower with an objective to help promote and foster the development of small-scale enterprises in Oman. The program supports individual initiatives for all who are willing to self-employment, through depending on the available mechanisms of training, rehabilitation, funding and technical and administrative follow-up. It is targeted especially for the unemployed youths. The SANAD incubators programme helps young entrepreneurs from technical colleges start their own enterprises through monetary and technical support. These young entrepreneurs are expected to build their own businesses with a head start in the business world. The Government has created SANAD offices in each governorates and regions that provide technical and administrative support to the beneficiaries.

Know About Business (KAB) is being implemented in vocational training centers and colleges of technology. KAB is a package being offered under the aegis of ILO to empower the young to acquire skills that will help them earn a livelihood. The main focus of KAB is the training of entrepreneurs in management skills for developing an entrepreneurial attitude through entrepreneurship education. 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 (SMEs). Injaz Oman is 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 motto of Injaz Oman is "Helping People Improve their Competitive Performance."

"Intilaaqah" program is part of the Shell group worldwide initiative, LiveWIRE. This 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. 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.

The colleges of technology have also adopted programmes for newly recruited teachers and lecturers focusing on entrepreneurship education in addition to other areas. After recruitment, these teachers are sent abroad for a Master's Degree. They spend a few months working in industry to gain industrial experience and to acquire entrepreneurship skills, followed by a few months of training within the college to learn modern teaching techniques and methods of transferring knowledge and skills to students.

IMPLEMENTATION: APPROACHES AND METHODOLOGIES

Funding

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 programme. Oman Development Bank (ODB) promotes entrepreneurship among the youth by providing them soft loans and curtailing bureaucracy. Under the SANAD programme, a loan of 5,000 Rial Omani (around \$13,000) is provided as a loan. ODB disburses the loan amount after approval and recovers it as per the Fund regulations. The period of the loan settlement is seven years including one year as a grace period starting from the date of granting the loan. The fund charges an interest rate of 2 percent per annum to cover the administrative cost of the loan.

The Fund for Development of Youth provides financial and management assistance to young people wishing to embark on business in the private sector. The fund was established with a grant of RO (Rial Omani), 1 million granted by His Majesty and the fund has accumulated RO 5.36 million as equity from the private companies. The policy by this fund is to invest in the equity of the small and medium sized projects and to render administrative, financial and technical support. The entrepreneur has the flexibility to buy back the equity in his or her enterprise by paying back to the fund after an exit period of 5 years.

The Injaz Oman has strong links to and support from the industry as the Injaz Oman Board of Directors includes leading companies in Oman. In the "Intilaaqah" programme, a number of companies sponsor the trainees who get a National Vocational Qualification (NVQ) level 2-3 in Business Planning

and Ownership to start a micro project or a small and medium enterprise. Intilaaqah also gives award to young entrepreneurs for successful running of their businesses. The BSC (Business Simulation Classes) programme is funded by the private sector in collaboration with the Ministry of Manpower.

Participants

The SANAD programme is targeted for the unemployed youths within the age group 18-40 years. These include jobseekers 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. Twenty two sectors were selected as focus areas. In addition to these occupations and businesses, the applicant is free to choose any business of his or her choice. 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)

The Know About Business (KAB) programme is successfully being implemented in vocational training centers and the colleges of technology. It is offered to students before they venture out into the job market. The "Intilaaqah" programme targets young men and women who are 18-35 years of age and are unemployed or self-employed. They should have a viable business idea and have approval from a funding institute or have the financial ability to start their businesses. They should have a viable business idea and have approval from a funding institute or have the financial ability to start their businesses (www.intilaaqah.org).

Injaz started its programme in Oman in May 2005 with a pilot master class in collaboration with Injaz Al-Arab and the SANAD Programme. A total of 212 students were enrolled and two programmes were implemented. In 2006-2007, the programme was expanded to 14 schools with fifty classrooms and over 2,450 students. In 2007-2008, Sultan Qaboos University and the Higher College of Technology became involved in the programme. Injaz Oman also linked up with the National Career Guidance Center (NCGC), which gave access to over 240,000 students and over 4,000 classrooms. Currently the programme is preparing to include students age 13 and under, which will increase the number of students to over 500,000 per semester.

Learning and Training

The school system in Oman aims to ensure that students are prepared to be good citizens who can use the skills they acquired in school whether they become higher education students, employees, or even entrepreneurs. Post-basic education provides an opportunity for students to continue the development of entrepreneurship skills required for higher studies, employment and career planning. The vocational training centres and colleges of technology also have several legislations that support Entrepreneurship Education, for example, in the form of entrepreneurial skills requirement for graduation. New courses have been offered to all students regardless of their specialization (e.g., entrepreneurship, business ethics) and specific training programmes on entrepreneurship skills are included in curricula. The National Career Guidance Centre provides career guidance to students at their different levels of study in schools and to job seekers. It creates awareness by issuing several brochures, booklets and guides to provide them with entrepreneurial skills.

All new teachers are provided with specific orientation programmes introducing them to the concepts and methods of teaching the different skills, including entrepreneurial skills. They are paired with experienced senior teachers who are involved with specific entrepreneurial skills subjects, and who act as mentor who brief, coach and support new teachers to polish their skills. Other training programmes include teachers who teach or supervise students in the business simulation center. This training includes inviting business leaders from the industry to train the college teachers so that industrial culture is transferred to the college.

Entrepreneurship education is further provided through the various initiatives among youth and unemployed. The SANAD programme supports individual initiatives for all who are willing to self-employment, through mechanisms of training, rehabilitation, funding and technical and administrative follow-up. It prepares them to participate actively in the labor market through the development of individual projects, programs and plans and supports in establishing small projects. A Self-employment Centre, based at the ministry, encourages entrepreneurship and supports entrepreneurs at the different stages of their projects with guidance, technical advice, and training. The SANAD offices provide technical and administrative support to the owners of the small projects regarding the activities to be practiced. They organize short courses on management, accounts, cost and marketing in cooperation with the public and private sectors. As of August 2010, SANAD operated 154 offices in the country.



Know About Business (KAB) is delivered in Arabic in vocational training centers and in English in the colleges of technology. In the colleges of technology, the curriculum was divided into two parts, KAB1 and KAB2. After consideration and discussion between the colleges, it was decided to offer the KAB programme during the Enhancement Practical Training (EPT). The programme is learner-centered and consists of training and project games. It uses the latest techniques in teaching, training and learning, where the learner sets the learning objectives, works towards achieving them and also sets and follows the rules for the training. The programme promotes self-expression and communication and also focuses on teamwork and taking up responsibility. The programme includes training the teachers using specialized modules developed by the ILO for this purpose.

The “Intilaaqah” training program takes three months. It covers all aspects of setting up and running a business, such as market research, preparing cash flow, and financial forecasts, importance of the right location, use of computer and proper filing system. The program also provides counseling support and advice to the beneficiaries. It has a network of voluntary advisers to support graduates who have started their enterprises. The programme conducts workshops for the young entrepreneurs and also gives awards to the best businesses every year to boost the motivation of the entrepreneurs. Two programmes were implemented via “My Economy” and “How to be a Successful Leader” by the Injaz Oman. Its work relies on volunteers in all stages of the programme. Each volunteer is assigned a class in one of the schools. Every volunteer commits to 1 hour per week for an average of 10 weeks during an academic semester. This is preceded by an orientation training workshop.

MONITORING AND EVALUATION

Despite the success of the Oman case and several improvements in promoting entrepreneurship skills within the education system, especially in regard to curriculum development, the impact of changes has not been assessed to identify how they have helped in molding a generation that is well rounded for the job market and future life. On the other hand, further development is required for the programmes designed to support EPE in teacher training. For example, collaboration and information sharing among all authorities could help to establish better practices and further integration of the different education levels

The SANAD offices conduct periodical evaluation of the small projects and their effects on the targeted categories of businesses, but many of the existing programmes are in need of re-evaluation. Entrepreneurship education is a relatively new

initiative and literature shows only a few studies in Oman and the Arab countries that address entrepreneurship and entrepreneurship education. However, there are lessons learned and suggestions for improvements have been presented. For example, the SANAD program should be equipped with more resources and infrastructure to deal with the Herculean task given to it. On the other hand, the size of the Intilaaqah programme is small in regard to the number of job seekers in Oman and those interested in establishing their businesses. One of the obstacles in the programmes relates to the nature of the social culture and lack of knowledge about the gains of self-employment. Changing that culture needs planting initiative in young people through the local media and providing citizens with knowledge about the programmes. The private sector also plays an important role in activating the demand for youth investment projects.

In the Intilaaqah programme, the participants got attracted towards good jobs rather than running their own businesses. Interviews with teachers and students in the Know About Business (KAB) programme elucidated that the programme does not necessarily encourage young people to begin their careers as entrepreneurs or self-employed workers. Rather, it gives them practical experience and an awareness of opportunities, challenges, procedures, characteristics, attitudes and skills needed for entrepreneurship. In general, the idea of the fund provided has not been so successful in attracting young entrepreneurs. The entrepreneur feels that their freedom of decision-making and enterprise is limited by the involvement of the fund in the administration of the business.

The role of voluntary private organizations is considered as important in establishing the network of the entrepreneurship programs. The sensitization of the society in terms of employment and ownership is seen as important and all stakeholders should play an active role in encouraging and promoting small and medium enterprises to move from oil sector to non-oil sector. The most common problems in women businesses are that most of these are small and in service sector. Women also lack networks where they can share their learning and exchange information.

IMPACT

Since October 2001, the SANAD programme has contributed to revealing the creative energies of youth, encouraging investment, supporting small businesses and reducing the pressure on the administrative apparatus of state. From the government perspective it enhances the infrastructure of the country by increasing the points of presence for citizen services and improves public service delivery.

It supports knowledge workers through a unique and innovative business model that is technology driven and scalable as per public adoption rates. This has resulted in self-employment opportunities for Omani youth, supported with professional training and government sponsorship. According to the officials, 28,000 citizens benefited from finance support offered, while 12,000 others benefited from the training, subsidy and technical support. Statistics for the programme indicate that total number of shops that were established or expanded until the end of September 2011 was 12 998 and these provided 28 502 job. The program has funded 3 632 projects in various economic activities. The number of trainees under the training programs up to September 2011 was 14 238 and 8 426 of them were girls. The project is in a steady progress including high rate of paying off loans (from 72% in 2005 to 83% in 2011) and increased demand on the loans and establishment of new projects. The number of loans offered by the program at the end of year 2010 increased by 145% compared to 2009. Since the launch of its actual activity to the end of August 2011, the total number of beneficiaries of the various aspects of the program was 42 740 persons, of whom 38% were females.

The Know About Business programme is successfully being implemented in vocational training centers and the colleges of technology. The implementation of KAB in Oman required customizing it so that it is delivered in a way that was easy to be integrated within other programmes. The initiative taken by Intilaaqah programme has been expanded to centers across the Sultanate. The programme expanded to 18 centers across the country and trained 680 people up to the end of 2004. The success rate of Intilaaqah program was high and only 32% of the trainees were unemployed. Moreover, 27% of the trainees were able to start their business that created job opportunities for 383 people. Oman has a significant number of women entrepreneurs in the male dominated Arab society. The "Intilaaqah" program in particular has attracted a significant number of women who are interested in establishing their micro-enterprise. Women more often than men (53%) participated in the training during 2001-2004. They started businesses such as tailoring of ladies dresses; photo and video shooting in wedding parties; sale of readymade garments; beauty saloons; and health clubs. (Khan, Ghosh & Myers, 2005)

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More information:

www.injazalarab.org

www.intilaaqah.org

www.manpower.gov.om/en/sanad_home.asp

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