

ENTREPRENEURSHIP IN THE EMIRATES

Dr. Sriya Chakravarti*

Abstract

The global community is experiencing a wave of entrepreneurship today. It has swept into many countries and societies. Today, employees in all sectors of the economy are being asked to become self-starting, as well as more innovative in their thinking.

This research study seeks to examine the entrepreneurship wave in the UAE (particularly Dubai) and its relevance to the economy and explore strategies to discover supplementary ways of building entrepreneurial ecosystems in the region. In addition, it aims to find out the role and place of higher education in an era of an entrepreneurship driven world and what future benefits it may receive for its contributions. The findings from this research may be useful to government officials, higher education policy makers, curriculum designers of schools, colleges, and business organizations with affiliate interest in the Middle East.

The research was conducted under the mixed method. Primary data was gathered via focus groups, observations, surveys and interview conversations. Secondary data was collected through government sources, research journals, magazines, newspaper articles and books.

Keywords: Business, Expatriates, Entrepreneurship, Emiratis, Education, UAE

* **Higher Colleges of Technology, Dubai, UAE**

Introduction

Entrepreneurship is as an unstoppable wave today. It has seeped into most continents, countries and societies. The success stories of Silicon Valley, easy access to venture capital funding, and lower risk associated with entrepreneurship has made the field more glamorous than ever before. According to (Sobel, 2008), even though Entrepreneurship is a buzz word of today, its roots can be traced to France around thirteenth century:

The word “entrepreneur” originates from a French verb, *entreprendre*, meaning “to do something” or “to undertake.” By the sixteenth century, the term, *entrepreneur*, was used to refer to someone who undertakes a business venture. The first academic use of the word by an economist was likely in 1730 by Richard Cantillon, who identified the willingness to bear the personal financial risk of a business venture as the defining characteristic of an entrepreneur.

Joseph Schumpeter and Israel Kirzner were the stalwarts who enhanced the academic understanding of the term entrepreneurship. According to Schumpeter, an entrepreneur is a creative disruptor and innovator who can introduce change in the economy by introducing new goods or methods of production. Jeff Bezos, Mark Zuckerberg, Aaron Schwatz, Larry Page, Sergey Brin, Steve Jobs are all exemplary entrepreneurs that fall under Schumpeter’s definition of an entrepreneur.

However per Kirzner, an entrepreneur is someone who identifies a need in the market, and is able to turn it into profitable opportunity. Warren Buffet and Richard Branson are some examples of entrepreneurs who have a keen eye to spot opportunities. Researchers on both ends of the spectrum believe that in any given economy both types of entrepreneurs can survive and thrive (Sobel, 2008).

Due to the current world dynamics the global community is experiencing an upsurge of entrepreneurship in all facets of life. Husain J Al Nowais, Chairman, Khalifa Fund for Enterprise Development stated that “the world is experiencing ...extraordinary periods in history as the power equation continues to shift...governments across the globe are seeking to develop

entrepreneurial economies...to improve the social and economic well-being of their people” (Global Entrepreneurship Monitor (GEM) report, 2011).

Therefore, Entrepreneurship, innovation, creativity, collaboration, and imagination have taken center stage worldwide. These traits are being viewed as a source of change that will empower individuals to find solutions for challenges that our afflicting our civilization.

This research study seeks to examine the entrepreneurship wave in the UAE (particularly Dubai) and its relevance to the economy and explore strategies to discover supplementary ways of building entrepreneurial ecosystems in the region. In addition, it aims to find out the role and place of higher education in an era of an entrepreneurship driven world and what future benefits it may receive for its contributions. The findings from this research may be useful to government officials, higher education policy makers, curriculum designers of schools, colleges, and business organizations with affiliate interest in the Middle East.

To set a context and background for this research, the section below will cover literature review on the themes of entrepreneurship and education in UAE:

Entrepreneurship & UAE

Entrepreneurship in the UAE is being treated as a national priority by the policymakers because the country is moving towards being a knowledge economy. Furthermore lesser employment opportunities in the government and private sector are acting as catalyst to promote the field of entrepreneurship.

The UAE Vision 2021 Report and the Abu Dhabi 2030 Vision state that the nation needs to “diversify and create a knowledge economy based on the principles of innovation and sustainability.” This will enable the country to become stable and independent in the long run. Hence, entrepreneurs will play a critical role in development of UAE in the near future.

According to one of the top innovation incubator, Innseed in UAE, Dubai is considered a city ripe for entrepreneurs because of the constant influx of people from around the world, rise of

Internet technology, new markets, and new consumers. In addition, following reasons make Dubai an excellent base for company headquarters (Innseed.ae):

- Considered a tax haven for all
- Politically safe with very low crime rates
- Due to its strategic location, UAE acts as a great connector between East and West through direct flights
- Modern infrastructure, world class amenities, multicultural population

The UAE government mainly supports Emirati entrepreneurial endeavors through Mohammed Bin Rashid Establishment and Foundation (MBREF). The purpose of this organization is to motivate locals to become integral part of the economy. Under the MBREF initiative, a start-up can get a low interest rate; three-year grace period and a five-year settlement period. With this program, one has to put in just 20 per cent of the total project cost to start-up a business. Some of the initiatives to promote innovation and entrepreneurship under the MBREF are as follows (sme.ae):

National Souq:

The National market or souq derives its concept from the vision of His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum. It promotes entrepreneurship and national spirit among Emiratis. It coincides with the UAE National Day celebrations.

Dubai Entrepreneurship Academy:

The Dubai Entrepreneurs Academy is accredited from Knowledge and Human Development Authority (KHDA) and their mission is to train future business leaders with skills and knowledge.

Business Village:

Business Village is an initiative to develop and support the Small and Medium Enterprises sector in Dubai. Business Village is a perfect avenue if one plans to start a new business in Dubai, get access to key business partners, funding institutions and government organizations.

Dubai SME 100:

Dubai SME100 identifies the top SMEs in Dubai and grooms them into becoming world class sustainable enterprises.

Young Entrepreneurs Competition:

The annual Young Entrepreneurs Competition focuses on all high-school and college students to start their own businesses as a career option. The competition requires participants to create a business and manage it for four days in local malls throughout the city. Students get the opportunity to learn about business planning, product and service conceptualization and marketing.

Mohammad Bin Rashid Award for Young Business Leaders:

The Mohammed Bin Rashid Award for Young Business Leaders was established in 2003 to recognize and honor outstanding entrepreneurs within the nation. The award acknowledges individuals and organizations who have aided the development of entrepreneurs across the UAE.

Dubai Business Women's Council:

According to a UN study, UAE leads in women liberation in the MENA region and entrepreneurship is being viewed as a medium of further empowerment. Therefore, Dubai government specifically encouraged the establishment of the Dubai Business Women's Council for local female entrepreneurs. It operates under the umbrella of Dubai Chamber. Furthermore, women can join organizations like Heals and Deals and International Business Women's Group to explore their entrepreneurial streak.

Moreover, according to (dubai.ae) following are the top incubators that assist in the cultivation of entrepreneurial spirit in Dubai and UAE:

In5	Hamdan Innovation Incubators	Danat e-Ventures
Innseed	Wamda	Tandem
i360	Afkar	Impact Hub

Dubai Silicon Oasis	Astro Labs	Baraka Ventures
Turn 8 accelerators	Dubaibeat	Envestors
Flat6Labs	Arab Science & Technology	Khalifa Fund
Tejar Dubai	Dubai Tech Nights	DWC

Entrepreneurship, Education & UAE

Education enhances entrepreneurship and therefore they are inseparable. A prosperous entrepreneurial ecosystem cannot sustain without robust education. Competitive advantage, growth and high productivity depend on the intellectual energy of a country. It can be properly harnessed if there is cooperation between education and industry. This means theory from education and training turns into practical application.

UAE as a country is dynamic, wealthy and prosperous. It understands the ever-changing needs of its populace. Therefore, in less than four decades it has been able to establish a world-class national educational system, similar to the western countries(Madichie&Gallant, 2012).

According to UAE Vision 2021 report, the government’s investment in education represents the largest share of the Federal budget. These resources are used to “focus on the professional development of teachers, building of new public schools and the move towards new technologies to improve student outcomes.”Vision 2021 report further states:

The National Agenda aims for the UAE to be among the best in the world in entrepreneurship as this plays a key role in unlocking the potential of nationals and enables them to be a driving force of the UAE’s economic development through small and medium enterprises in the private sector. Furthermore, the Agenda strives to instill an entrepreneurial culture in schools and universities to foster generations endowed with leadership, creativity, responsibility and ambition. This will allow the UAE to be among the best in the world in ease of doing business, innovation, entrepreneurship and R&D indicators.

Therefore UAE government has spared no effort in infusing entrepreneurship at all levels of education. As, “Entrepreneurship education has the capacity to increase students’ desire to become entrepreneurs at some stage after completing their University education” (Friendrich&Visser, 2005).

Listed below are some of the initiatives to foster entrepreneurship through education:

- According to MENA Report 2015, INJAZ UAE partnered with Tejar Dubai to create awareness and develop entrepreneurial skills of students. Global companies like Shell and Boeing joined the above initiative to further develop entrepreneurial thinking of the young minds in the region.
- Emirates Foundation for Youth Development
- Young Entrepreneurship Competition
- Entrepreneurship clubs and incubators at all government universities
- Partnership with Stanford University on creating Entrepreneurship courses for colleges and universities in UAE are some examples of inclusion of entrepreneurial spirit in Academia.

The following section of this research will address the research methodology, sample size of research participants and selected research questions.

Research Methodology

This research is mainly participatory in nature, and the research process is drawn from Herda (1999). 14 conversation partners were identified for this exploratory research. Contacts were made through recommendations from friends and colleagues.

The research was conducted under the mixed method. Primary data was gathered through interview conversations, observations and focus groups. Secondary data was collected through government sources, research journals, magazines, newspaper articles and books.

Data collection for this research includes recorded conversations, informal conversations, observations and documents in the research areas. The formal research conversations were conducted in the English language. The literature reviewed is in depth and it

is used as a base and to give a proper frame of reference and context for this research. For the data analysis following sequence was followed as presented in Herda (1999: 98-99).

- The taped conversations should be transcribed as soon as possible. Typically, the transcription should be done by the researcher so as to live through the “conversation experience again.”
- Reading transcriptions helps in conceptualizing the issue at hand and initiates the course of “appropriating a new world from the text.”
- Highlight important statements from the transcripts, develop themes and place them within categories. These categories must be adjusted continuously as needed during the research process.
- Substantiate significant ideas with quotes from the conversation transcripts, researcher’s log and observed data. All of my research conversations will be conducted in English for this study.
- Examine the ideas in light of the theoretical framework of critical hermeneutic categories selected for the research.
- Transcriptions will be sent to the research participants so that they can make changes and check for accuracy, in addition to potentially furthering our discussion regarding the research topic.
- Set a context for the written research discussion.
- “In developing the text, discuss groupings of themes and sub-themes within each category in light of the theory and the problem at hand. Often themes may fit into more than one category, so the discussion should indicate this and bring in more than one dimension to the theme or grouping of themes.”
- Discuss the research problem at a theoretical level allowing practical use of critical hermeneutics.
- Explore implications from the written discussions that provide insight and new direction for the issue or problem under investigation.
- Identify aspects of the research that merit further study.
- Mention examples of learning experiences and fusion of horizons on the part of participants that took place during the research process. Relate study to self in terms of what I learned and what role the study played in my life.

Following questions were used to guide the research conversations and not to solicit specific answers:

- What are your thoughts on entrepreneurship in UAE?
- As an Expat/ Emirati what entrepreneurial opportunities do you have available?
- What is the role of higher education in entrepreneurship? Explain your answer
- What future benefits can be harnessed by higher education if it invests fully in the field of entrepreneurship teaching and learning?
- What are some other ways of building entrepreneurial ecosystems in the UAE?

Listed below is the table of participants for this research paper. Table 1 identifies the 14 research participants and presents their background:

Name	Age	Status	Professional Background
Rosalind Rice	45	Expat	Works in Education
Dr. Jihad	70	Expat	Works in Education
Fatma Al Mehairi	34	Emirati	Works in Education
Vikas	36	Expat	Works in Industry
Jimit Darbari	38	Expat	Works in Industry
Vivek	31	Expat	Works in Industry
Aisha Al Falahi	32	Emirati	Works in Education
Mark	25	Expat	Works in Industry
Naresh	31	Expat	Works in Industry
Ilias Demiris	28	Expat	Works in Industry
Abdullah Jawas	27	Expat	Works in Industry
Garima Singh	33	Expat	Works in Industry
Victoria	27	Expat	Works in Industry
Amryta	27	Expat	Works in Industry

Table 1: Research Participants

After the data collection process was completed for this research, the main themes were highlighted and key ideas were categorized under it. Following are the findings and recommendations from the research:

Findings

Listed below are the key findings that were uncovered after the research was conducted:

Positive effect of Entrepreneurship in Expats and Emiratis

National policy on entrepreneurship has made both Expats and Emirati research participants positive about the future prospects of growth and development in the UAE. In addition, 100% ownership, LLC with Emiratis, and other such initiatives have led many young minds to try their hand in entrepreneurship. However, due to ever changing rules, expats with high appetite for risk only venture into entrepreneurial pursuits.

Entrepreneurship education resulting in a generation of fearless entrepreneurs

Education in entrepreneurship is greatly valued in UAE because it gives various perspectives and practical knowledge. This enhances the overall learning experience. Research participants believed that if courses on entrepreneurship can be simplified, and is available in different languages then it would gain wider acceptance. In addition, it was also pointed out that if higher education fully invests in the field of entrepreneurship then it might give birth to a generation of fearless entrepreneurs of tomorrow.

UAE Entrepreneurship is in its seed stage

Research participants unanimously pointed out that entrepreneurship in UAE is still in its beginning stages and needs greater clarity. Even though there are a number of government initiatives, formalized entrepreneurship is still in its infancy and as such it will take time for these changes to have an impact on the economy.

Lack of mentorship and support about entrepreneurial avenues for Expats:

Most expat research participants stated that while there are opportunities available for entrepreneurship, they are unaware of the right source to get resources to start their own venture. In addition, those expats who knew about the resources stated that they did not know about the steps involved in the process or how to get support for starting a company.

Another area of concern was entrepreneurial funding allocation for expatriates. Research participants believed that more funds should be directed towards nurturing the entrepreneurial dreams of expats.

Listed below are suggestions and recommendations that emerged from this research through primary research conversations, focus groups and observations:

Recommendations

Entrepreneurship awareness campaigns for Expats

Free educational seminars and awareness campaigns on entrepreneurship and resources available to start ventures needs to be given to expat communities of UAE through digital platforms, regular seminars and events, which are hosted by the government.

Form international venture capital partnerships

Affluent Emiratis in partnership with international investors and venture capitalist can build a fund to boost a startup ecosystem in UAE, by pooling together expat entrepreneurs and local money.

Position UAE as research hub

UAE should position itself as a research hub in the years to come. It can do so by establishing scholarships and funds to attract best minds of the world. Moreover, giving permanent residency options to top talent from around the world can help in attracting and retaining brainpower. Initiating partnerships with corporates to setup product development and research hubs can be another way of boosting research and development in the country.

Conclusion:

Results for this exploratory research study pointed out that UAE has tremendous potential for continuing growth and development. Though entrepreneurship in UAE is in its beginning stages but the innovative mind frame of the nation compensates its lack of experience.

In the words of H.H Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates, and Ruler of Dubai:

Everybody starts small. We all begin life as a single cell. Every business starts as one person with an idea. How fast you go, how far you get, is in your hands. The bigger your vision, the bigger your achievement will be. Will you stumble on the way? Perhaps, but we cannot let fear keep us small. We have to be brave to be big.

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