

Chapter 88

Critical Review of Entrepreneurship in Oman

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ABSTRACT

Entrepreneurship has assumed super importance for accelerating economic growth both in developed and developing countries. It promotes capital formation and creates wealth in country. It is hope and dreams of millions of individuals around the world. It reduces unemployment and poverty and it is a pathway to prosper. The word entrepreneur is of French origin and literally means the person that takes between – the middlemen; in a more free translation, the individual who pursues a commercial activity. In spite of various studies, defining entrepreneurship is still a major dispute among researchers and the word entrepreneur still has no common meaning among the academic community. So, espousing a very broad definition for entrepreneurship that incorporates business owners and self-employed individuals and adopting a grounded theory approach with in depth literature review of published documents and data, the core of this chapter is to review critically entrepreneurship in the Middle East with specific focus on Oman.

INTRODUCTION

In recent years, the promotion of entrepreneurship as a possible source of job creation, empowerment and economic dynamism in a rapidly globalizing world has attracted increasing policy and scholarly attention (Baporikar, 2014). Entrepreneurship has assumed super importance for accelerating economic growth both in developed and developing countries. It promotes capital formation and creates wealth in country. It is hope and dreams of millions of individuals around the world. It reduces unemployment and poverty and it is a pathway to prosper. Entrepreneurship is the process of exploring the opportunities in the market place and arranging resources required to exploit these opportunities for long term gain (Baporikar, 2002, 2007). Economists have been trying to relate economic development to entrepreneurial activity. However, apart from several theories, empirical findings do not allow us to draw any definite

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conclusions on the connection between overall economic development and any aspect of entrepreneurship. It is important though to identify the different ways in which economic development is facilitated. These generally are:

- **Growth of Capital Stock:** Capital is one of the key elements of entrepreneurship, and when more capital is available it is assumed that entrepreneurial activity will be facilitated.
- **Technological Progress:** Technological progress is imported as well as endogenous to the entrepreneurial activity. New technology is sometimes adopted by the entrepreneur, while in other instances developed through the knowledge base that is established by past entrepreneurial activity.
- **Endogenous Increase of Personal Wealth:** In the case that the entrepreneur or the worker will accumulate wealth from own work, it is expected that this wealth will be directed to new or further entrepreneurial activity.

Thus, entrepreneurship and entrepreneurial activities play an important role in the daily business environment. Entrepreneurship has also crucial role in the world economy. Entrepreneurship is an interesting topic as it deals with the behaviour of the firm entrepreneur and the entrepreneur's main competencies. However, the field of entrepreneurship world over is evolving (Baporikar, 2011, 2013). Further the networked economies are playing a greater role in creating level playing field and facilitating rise of entrepreneurship world over (Baporikar, 2015b). The concept of an entrepreneur is refined when principles and terms from a business, managerial, and personal perspective are considered. In almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behaviour that includes: initiative taking, the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account and acceptance of risk or failure. To an economist, an entrepreneur is one who brings resources, labour, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order. To a psychologist, such a person is typically driven by certain forces; the need to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone who creates wealth for others, as well as finds better ways to utilize resources, reduce waste, and produce jobs others are glad to get.

Thus, entrepreneurship refers to a process that is dynamic and creates incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitment or provide value for some product or service. The product or service may or may not be new or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources efficiently and effectively. Entrepreneurship is thus considered as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence that comes with it. This definition stresses four basic aspects of being an entrepreneur regardless of the field. First, entrepreneurship involves the creation process, creating something new of value. The creation has to have value to the entrepreneur and value to the audience for which it is developed. Entrepreneurship has assumed super importance for accelerating economic growth both in developed and developing countries. It promotes capital formation and creates wealth in country. It is hope and dreams of millions of individuals around the world. It reduces unemployment and poverty and it is a pathway to prosper. Entrepreneurship is the process of exploring the opportunities in the market

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