

# Chapter 3

## A Study of the Convergence Between Entrepreneurship, Government Policy, and Higher Education in Oman: Entrepreneurial Ecosystem Perspective

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### ABSTRACT

*This chapter examines the inter-relationships between government policy and higher education in the development of entrepreneurship in Oman. Grounded in Isenberg's entrepreneurship ecosystem framework, the role of higher education in driving entrepreneurialism, as a distinct subset of 'education capital', is examined in the context of policy development and implementation in Oman. Interviews are utilised to gain insights into government initiatives deployed in the Omani higher education sector to develop indigenous entrepreneurs. Findings point to a dislocation between the approaches adopted in Omani higher education institutions and the context in which they have been employed. This is evidenced through three emergent themes: a desire for 'joined-up' policy on entrepreneurship, the role of higher education institutions in encouraging entrepreneurship, and the challenge of work preference. The study concludes that a lack of holistic appreciation of the entrepreneurial ecosystem precludes the emergence of entrepreneurship as a driver of sustainable economic development in Oman.*

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## **INTRODUCTION**

In an increasingly complex and volatile global institutional environment, entrepreneurship has emerged as a means for governments in both developed and developing countries to revitalise and/or secure economic growth. In mature economies, entrepreneurship principally helps to drive innovation; in emerging markets, it contributes towards job creation, knowledge development and overall sustainable development through the establishment of micro-, small- and medium-size enterprises (Schumpeter, 1989; Fritsch & Mueller, 2004; Fritsch & Schroeter, 2011; Drucker, 2014; Tunio et al., 2017). As further pointed out by Tunio et al. (2021), in the latter contexts where employment opportunities tend to be scarce, entrepreneurship can offer a unique route to financial independence for the youths. However, extant research indicates that entrepreneurial myopia that regards entrepreneurship as a monolith has emerged as a key barrier to effective entrepreneurialism outcomes (see Welter & Gartner, 2016 for overview; see also Bögenhold & Fachinger, 2007; O'Neill et al., 2009; Fritsch & Schroeter 2011; Elmes et al., 2012; Bögenhold, 2018). For example, Bögenhold and Fachinger (2007) highlight the issue with translating entrepreneurship as self-employment without acknowledging the contributions of the distinct types of self-employment to sustainable economic development. Viewed through the curtailed lens, entrepreneurial billionaires who contribute towards job creation and economic growth share the same category with the very marginal solo self-employed who run micro-firms that offer little beyond basic survival for the self-employed person Bögenhold (2018). Although all forms of self-employment help alleviate poverty (Tunio et al., 2017), it is the contributions of the former that help address the grand challenges of economic growth revitalisation (Bögenhold & Fachinger, 2007).

A fertile ground for narrow interpretation of economic entrepreneurship is the process of policy transfer (Dolowitz & Marsh, 2000), during which government policy makers pressurised by rapidly flailing economies search for entrepreneurship policy success stories from other countries to replicate, regardless of the often vastly different situational environments (e.g., Abraha, 2006;).

To strengthen entrepreneurship policy outcomes, Welter and Gartner (2016b) advocate contextualising entrepreneurship. The authors argue that considering the setting is crucial, as entrepreneurship outcomes are rooted in their specific situations, which have been generated by the distinct economic and socio-political and cultural environment. Extant literature posits that an apposite approach to contextualising economic entrepreneurship is to approach entrepreneurship from an 'ecosystem' perspective. Al Abri, Rahim and Husain (2018) suggest that an entrepreneurial ecosystem lens allows for the development of solutions to "market failures as well as to correct the deficiencies in ignoring the role of entrepreneurship in the economic system" (p. 194).

This study considers the development of entrepreneurship in the Sultanate of Oman by examining the inter-relationships between government policy and higher education. In so doing, the study builds upon the notion developed in extant literature that key capitals are required for entrepreneurs to flourish (Isenberg, 2010, 2014; Stam, 2015; Jensen, 2017; Spigel, 2017). Further, as initially highlighted by Isenberg (2014), the foundation of a sustainable entrepreneurial ecosystem is an understanding of how entrepreneurs develop within a system of interacting agents (organisations and individuals) in conjunction with other resources in their environments. Education is widely acknowledged to be one of the principal 'capitals' of an entrepreneurial ecosystem (Isenberg, 2014; European Commission, 2013; Spigel, 2017).

In this study, we narrow down to higher education as a key subset of education capital in the context of policy development and implementation in Oman. The role of higher education in driving entrepreneurialism as a strategy for economic diversification policies is also considered, and it is evaluated in

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