

Entrepreneurship as social policy: A case study of the United Arab Emirates

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Typically in discussions of entrepreneurship the emphasis is predominantly economic (Morris, quoted in Dechant and Lamky, 2005, 123) although social entrepreneurship is developing as an important field. While there are acknowledged social effects (increased levels of employment being a major one) the primary goal of entrepreneurship is economic, from which social effects can flow.

However, in the case of the United Arab Emirates (UAE), entrepreneurship is seen as a potential solution to a social problem first, with economic effects secondary. Due to the high levels of unemployment of the National population (19.7% for women, 8.2% for men) and the structure of the labour market new venture establishment is seen potentially as a way of reducing these high levels of unemployment while adding to the already rapid rate of economic development of the country.

Economic growth in the UAE has seen real GDP growth rates of 11.8 percent in 2003 and 7.4 percent in 2004, with a GDP per capita of \$US20,000 approximately (UAE Handbook, 2006, 4) making the UAE one of the fastest growing and wealthiest economies in the Middle East. These growth rates are not without their problems. Among the most pressing for the government of the UAE is the need to find employment for many of its citizens. In a country with a total labour force of 2.47 million only 254,000 (10.2 percent) are Nationals, Of the 10.2 percent of nationals 183,000 are men, and 71,000 are women (Human Resources Report, 2005, Chapter 2).

The imbalance in the labour markets are due mainly to the employment of significant numbers of expatriates, predominantly from Asian (Indian and Pakistan) and other Middle Easter countries (Egypt, Lebanon, and Syria). While the imbalance can be attributed to differential wage levels between expatriates and Nationals, the lower labour costs have made employment of Nationals costly. Contributing to the unemployment rates are the expectations of the Nationals themselves. Consistently they refuse to consider taking jobs which would demean their status as Nationals and part of a collective elite. Government policies have also had a part to play.

As a result of government policies, which treat both men and women equally, the number of women accessing higher education is significantly higher than men - approximately 66 percent of all students at tertiary level are women. These women are also part of a society which is undergoing significant social changes, with many women opting to seek careers rather than fulfilling the traditional roles of wife and mother. However, not only are women battling against centuries of tradition, they also have to compete in with cheap labour from India and Pakistan. Emirati men and women have high expectations in relation to salary and conditions than do many of the expatriate workers. Even though the purchasing price parity of expatriate workers in the Emirates is low, in Indian terms the purchasing price parity of Emirati wages are significantly higher than that of wages in India (assuming there are jobs available in the first place).

These social and economic conditions have combined to create difficulties for a National Government which is seeking ways to find employment for their citizens while at the same time is loathe to take direct action to ensure preference for the employment of Nationals. Even though there are laws imposing quotas in specific industries (banking, insurance, and trade) government has a preference for self regulation by industry (although there are some signs this might be changing). One policy initiative being supported by the government is the creation of new business ventures as a way of creating employment opportunities for their citizens. Given the way in which the labour market is structured in relation to gender issues, women have been the main beneficiaries of this government policy. According to a recent report by the National Employment Agency (Tanmia 2004) women have been creating their own employment opportunities in greater numbers than men.

This paper aims to explore how entrepreneurship as a social policy has been have taken advantage of by National women.

Methodology/Key Propositions

A multi-method approach, combining various types of secondary data with qualitative case data. A key proposition of the paper is that for countries such as the United Arab Emirates, where economic growth is not a significant issue, is the way that women are able to take advantage of government initiatives aimed at creating employment for National men and women by facilitating new venture formation.

Results and Implications

The results indicate that women are taking advantage of government initiatives in far greater numbers than their male counterparts for as many social reasons as potential economic reasons. Women entrepreneurs are able to create space for themselves in what has been, and continues to be, a very patriarchal society. It is also apparent that for developing economies new business ventures can be about more than simply wealth creation, but can also provide for women significant alternatives to the traditional roles of wives and mothers. In human capital terms it is also a potential way of gaining a return on government investment in social infrastructure, predominantly education.)

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