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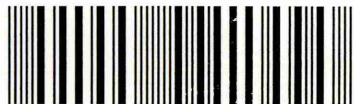
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**The National Corporate Human Resource Development
Strategy in the Sultanate of Oman:**

**The Integration Process of Young Omanis into the
Labour Market**

Fuaad Jaffer Mohammed Sajwani

A Thesis Submitted in Partial Fulfilment of the Requirements for the
Degree of Philosophy

Sheffield Hallam University
Sheffield Business School
Policy Research centre

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Abstract

This study is concerned with the integration of young Omanis into the labour market. The aim is identify the factors that hamper their efforts to gain access into the labour market.

The year 1970 marked the beginning of a new era in the history of Oman. This hitherto backward and undeveloped country embarked on an ambitious development programme and within a span of twenty five years achieved rapid economic growth and social change. The pace of economic development has been determined by the revenues generated from oil which are the main source of income for the government. In its transformation the country relied on an expatriate labour force to meet the demand for a competent work force needed to carry out and run various plans and projects. Their size increased from few hundreds in 1970 to constitute two thirds of the country's workforce which was estimated at around 625,000 in 1995.

Until 1970, most young Omanis were seeking employment in the public sector. The fall of oil prices from 1986 onwards and the advent of the Gulf crises in 1990, weakened the economy of Oman and the Government's role as the leading employer of school-leavers was reduced. Accordingly, a growing number of young Omanis began to approach the private sector for employment. The private sector employers were, however, more enthusiastic to recruit expatriate workers than to employ young Omanis. The result was growing unemployment amongst young school-leavers. This situation coincided with the majority of jobs being occupied by non-Omanis. This situation raised question marks about the efficiency of the human resource policies of the country. The changes brought about by this new pattern of employment and the difficulties faced by the young school-leavers is the central focus of this study.

To provide an adequate explanation for the impact of this issue, the study drew on the experiences of several countries and covered different issues under different disciplines, in order to formulate a set of assumptions. These assumptions were developed to reflect the

perspectives of the principle groups of stakeholders concerned with labour market issues - young Omanis, private sector employers, and Omani society as a whole. In gathering data and generating knowledge, the study employed a triangulation of methods comprising quantitative and qualitative research methods. The employment of multiple methods was essential, on the grounds that not much research has been carried out in Oman. Respondents, many of them expatriates with little motivation to support the objective of the study, often questioned the intention and motivation of the researcher. Therefore, to obtain an accurate picture from them, it was important to intensify the efforts in the field to ensure the veracity of their responses.

Based on these investigations the study has sought to conceptualise a theoretical approach to youth transition from school to the labour market, based on two types of factors: endogenous and exogenous. The study also offered a set of suggestions to policy makers to alleviate the problem of youth unemployment in the country.

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Chapter 1

Introduction

1.1 Statement of the Research Issue

Oman has witnessed rapid economic growth and social change since His Majesty the Sultan Qaboos bin Said ascended to the throne in 1970. The catalyst to this unfolding change has been the revenue generated by its natural resources, mainly oil. In its transformation, the country, like all other oil producing states in the Gulf, has relied on an expatriate labour force to meet the shortages of competent indigenous labour force needed to carry out and run the various plans and projects (Ali, 1990; Al Khawari, 1995; Birks, 1989; Shaw, 1983). Table 1.1 indicates the size of the expatriate labour force to the total labour force in the six Gulf states which together constitute the Gulf Co-operation Council (GCC) (1).

Table 1.1
Percentage of Expatriate Labour Force
to Total Work Force in the GCC in 1995

State	% of Expatriate Labour Force to Total Work Force
United Arab Emirates	90
Qatar	83
Kuwait	82
Saudi Arabia	69
Oman	66
Bahrain	60

- Source: Gulf News (20. 5. 1995)

The number in the expatriate labour force has expanded rapidly from a few hundreds in 1970 to nearly two thirds of the total work force in Oman, which has been estimated at around 705,000 in 1993 (Ministry of Development, 1995). Undoubtedly, the expatriate labour force has made significant contribution to the region and played a major role in the development process of the economies of the Gulf states.

Young Omani school-leavers have traditionally sought employment in the public sector (2). By 1994 end, around 75 per cent of the total Omani work force were employed by the public sector and defence (Ministry of Development, 1995).

The fall of oil prices from 1986 onwards and the advent of Gulf crisis in 1990, resulted in budget deficits. The ability of the Government to absorb more indigenous Omanis reached a point of saturation (Al Mahdi and Johnson, 1995; Ministry of Development, 1995). The Government could no longer provide “sheltered employment” (3) to the young Omanis. Consequently, a growing number of young school-leavers began to seek employment in the private sector. Their attempts to access this sector, however, have been met with many obstacles.

The 1993 national census estimated the total work force in Oman at 705,000, of whom indigenous Omanis numbered 272,000. However, the number of employed Omanis was 240,000 and the number of the unemployed reached 32,000 or 12 per cent of the total Omani work force, particularly among young people. It is likely that the figure has since increased. During 1996 alone more than 20,000 young Omanis registered with the Employment Department as job-seekers (Oman Daily Observer 28 May 1997). The 1993 census also revealed that unemployment among male Omanis reached 32 per cent among the illiterate or those with no formal education, 28 per cent among young people with primary education (up to six years of schooling), 18 per cent among young people with preparatory education (up to nine years of schooling), and 24 per cent among high school graduates who spend 12 years in school. By contrast, the percentage of the unemployed young people with technical or vocational qualifications was three only.

The percentage of economically active Omani females, aged 15 or above, was less than seven per cent, of whom one fifth have been looking for jobs. Unemployment among Omani females was almost twice the rate among Omani males (Watson, 1995). This could support the argument that, in general, females are likely to encounter more obstacles than males in accessing the labour market.

The difficulties young school-leavers face in their efforts to access the labour market have been attributed to several factors. During the preliminary interviews this Researcher conducted with some private sector employers in Oman, employers seemed to be apportioning much of the blame for youth unemployment on the lack of experience and skill of the unemployed themselves. They also blamed young Omanis for a lack of positive attitudes towards the world of work. This blame, if substantiated, could raise important questions about schools' legitimacy as primary agents for skill formation. Employers, however, seem to seek refuge in blaming the schools as a major factor in causing unemployment among young people, thereby absolving themselves of their share in precipitating the situation.

The education system of the country has seen rapid expansion, growing from a meagre number of three male schools with a total of 909 enrolment in 1970 to more than 1,100 schools with about 542,000 enrolments, of whom 48 per cent were females in the school year 1996/1997 (Oman 8 January 1997; Ministry of Development, 1995). Despite the commendable growth of general education, vocational education (4) does not seem to have received enough attention. The total number of participants in all vocational education programmes was less than 0.5 per cent of the total enrolment in general education in 1994/ 1995.

Unemployment among young Omanis is perplexing. The numbers in the expatriate labour force has continued to rise rapidly at around 20 per cent a year between 1991 and 1995, as indicated in Table 1.2. Moreover, both Table 1.2 and Figure 1.1 indicate that the growth rate of the expatriate labour force in Oman has far exceeded the growth in the economy, particularly during the period 1991 to 1995. This situation indicates that the influx of expatriate into the country is not correlated with the needs of the economy but

rather, is due to lack of clear human resource policies. It is, therefore, policy design and policy implementation that needs to be addressed in a study of this kind.

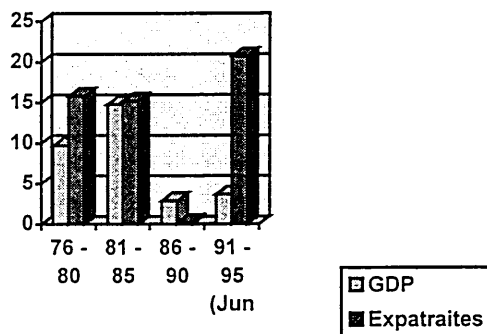
Table 1.2

Growth of GDP and Expatriate labour Force in Oman between
1991 - June 1995

Year	Growth of GDP	Growth of Expatriate Labour Force
76 - 80	9.7	15.8
81 - 85	14.8	15.2
86 - 90	2.9	0.2
91 - 95 (June)	3.7	20.7

Source: Ministry of Development (1995)

Figure 1.1
Growth Rates of GDP and Expatriate
Labour Force in the Sultanate
(1995)



Unemployment can also be explained in demographic context. Several studies conducted in Europe suggested a link between rapid population growth and unemployment among young people. The 1985 report of the OECD on young people policies, for instance, suggested that the “baby boom” of the 1970s resulted in the influx of young people into the labour market. Similarly, the rapid growth rate of the Omani population since 1970 has resulted in a rapid increase in the Omani work force. The growth rate of the Omani work force has been estimated at around four per cent during the Fourth Five Year

Development Plan (1990 - 1995) and seven per cent during the Fifth Five Year Development Plan (1996 - 2000). By contrast, the numbers in the expatriate labour force increased at an average of 10 per cent during the same period. It can be argued, therefore, that the population growth can give only a partial explanation to unemployment among young Omanis.

The percentage of the Omani work force in the private sector, as indicated by the 1993 census, was 19. However this percentage dropped to 14 per cent by June 1995, as the size of the expatriate labour force continued to rise much faster than the growth rate of the indigenous Omanis in the private sector labour market.

The supply of the Omani labour force in the year 2020 is estimated at around 1,250,000, of which less than one third is already in employment. Therefore, the real challenge that the country is facing is not to create employment opportunities, as these opportunities are already available among the jobs currently occupied by the expatriate labour force, but to identify and implement appropriate policies to enable Omanis to gain access to the labour market and participate in and contribute more effectively to the economy. In this context, the Government has embarked upon a policy of Omanisation (localisation of jobs) since 1983 with the aim of promoting self-reliance among the national work force. However, in the light of increasing number of unemployed young school-leavers, the effectiveness of this programme in achieving its objectives needs assessment.

Several studies conducted in Europe, particularly in Britain (OECD, 1985; MSC, 1985; McRae, 1987; Ashton and Maguire, 1986; Bloxham, 1983) concluded that long term unemployment has damaging impact on young people. The growing number of unemployed young Omanis who consistently experience prolonged periods of unemployment are likely to suffer similar symptoms of frustration and anger about their situation. This frustration can result in anti-social behaviour, vandalism, drug and alcohol abuse and crime (OECD, 1985).

The country is blessed with its natural resources, particularly oil. The pace of economic development has traditionally been affected by the revenues generated from oil, which is

the main source of funds to the government. At the current level of production, oil is expected to last for about sixteen years. This means that the country is now in a stage of transition from an oil wealth period and reliance on an expatriate labour force to a post-oil era and reliance on the national work force. This economic change over a short period of time is likely to bring about new realities to Oman. Policy makers in the Sultanate, therefore, face the challenge of efficiently utilising the available resources on education in order to increase the real contribution to the economy of the indigenous workforce. The objective is to create an effective substitute for the expatriate labour force. Human resources of the country will, therefore, be the main capital that the country can rely on. The rapid economic success of the Newly Industrialised Countries of Southeast Asia, particularly Singapore, provides an excellent example of the remarkable contribution of its human capital in the development process of the country. As Sir Monty Finniston (1982) stated:

“ a country which is poor in natural wealth can only meet its needs when the skills and talents of its people translate ideas and concepts into products and services” (Quoted in Ainley and Corney, 1992, p 123).

But what does Omanisation mean? Omanisation is a programme aimed at absorbing young Omanis into the labour market. The process implies the utilisation of the indigenous work force in productive employment through a structured approach. This approach entails a gradual application of the programme to ensure the transfer of skills and knowledge from expatriate workers to Omanis. This means that the country should avoid a ‘quick fix’ trap of throwing expatriates out of the country, as such a step could cause much harm to Oman. Harry (1995) argued that the Gulf states should avoid the post colonial experiences of some African countries which nationalised the organisations which were the main employers of the non-native work force, and expelled the expatriates who left without transferring their skills to the indigenous people. Consequently, many of these countries experienced severe economic and social disruption. Wilkinson (1996) believes that Omanisation represents a threat to some people, particularly the expatriate workers. To the young Omanis, however, it is “a God-

given opportunity for training and career advancement”. It is also “a practical method for adjusting a delicate economic and demographic balance”.

1.2 The Objectives

The foregoing discussion indicates that it has become imperative for the Sultanate of Oman to formulate meaningful human resource development policies and strategies in order to enable its own young people to play an active role in the economic activities of the country. Such policies have to be based, among other things, on an in depth understanding of the various factors that facilitate and hinder the absorption of the young indigenous Omanis into employment. This study aims to develop such an understanding which will help the policy makers of the country to develop appropriate human resource development policies for accomplishing the objectives of Omanisation. The study links the theoretical and practical issues. More specifically, the study has the following objectives:

1. To provide essential data and knowledge related to unemployed young Omanis, young Omanis in employment, and to the perceptions of private sector employers of the youth labour market in the country.
2. To identify the factors that influence the entry of the indigenous young Omanis into the private sector labour market.
3. To suggest suitable approaches for the formulation of more effective human resource policies to facilitate the access of indigenous young Omanis to the labour market.
4. To conceptualise a theoretical framework concerning the process of Omanisation of jobs in the country.

1.3 Methodology

The field work occupied an important part of this research. The research employed multiple methods, comprising quantitative and qualitative methods. This approach is not a simple procedure (Mason, 1996) and not widely used because of its constraints in terms of time, costs, and the possibility that the results from the methods may not be consistent. Nevertheless, this technique, which is known as “triangulation” can help to enhance the quality of data and “improve the accuracy of judgements resulted by collecting data from different kinds of data on the subject matter” (Ghauri, Gronhaug and Kristianslund, 1995).

Employing triangulation research methods was essential on several grounds. The most important of them is the fact that data pertaining to the youth labour market in Oman is still at its early stages. In addition, since field investigations in the country are almost non-existent, a research culture has not yet been established. It was not known how people would react when approached to express their views. Furthermore, it was crucial to obtain a true opinion from employers, the majority of whom were expatriates, who have little motivation to support the Omanisation plan. Therefore, to obtain an accurate picture from employers, it was important to intensify the efforts in the field to ensure the veracity of their responses. The different research methods adopted, their objects and the purpose they served is summarised in Table 1.3

Table 1.3
Methods, Research Population and Purpose

Method	Objects	Purpose
Questionnaires	A net sample of 217 employers across all economic activities representing of 4% of the total establishments in International,	To generate knowledge on the perceptions of private sector employers on the factors responsible for young

	Excellent Grade, Grade I and II and registered in the city of Muscat. The response rate was 56 per cent.	Omanis' difficulties in gaining access into the labour market.
Group Discussions	Three sessions with a total of 17 participants selected randomly from the participants in the employers' survey.	To confirm and supplement the knowledge generated from the quantitative survey
Questionnaires	278 unemployed young Omanis in the age group 16 to 24, representing around two per cent of the total unemployed registered in the city of Muscat were selected randomly. The response rate was 81 per cent.	To generate knowledge on the perceptions of the unemployed young Omanis of the main factors that inhibit their access into the private sector labour market.
Group Discussions	Two sessions with a total of 14 unemployed selected among participants in the questionnaires survey.	To confirm and supplement the knowledge generated from the quantitative survey
Questionnaires	A total of 59 employed young Omanis were selected randomly from establishment participated in the employers survey. The response rate was 88 per cent.	To generate knowledge on the experiences of young Omanis in private sector employment.

There are different approaches to a research of this kind. Given the environment in which this research was conducted, the thesis is based, therefore, on an analysis of the opinion of the key actors.

1.4 The Hypothesis

The study is concerned with the factors, both facilitating and inhibiting, that can influence the efforts of young Omanis to access the labour market. Towards this objective, the study has hypothesised that these factors can be related to three broader groups, viz.:

- 1 . the characteristics of the young Omani job seekers which includes age, educational qualifications, parents socio-economic status, gender, geographic compulsion, employment preference, wage, career guidance, work environment;
- 2 . the views and expectations of private sector employers of the young Oman workers, in terms of skill levels, attitudes, English language, work ethic, punctuality, wage, job mobility, settling down, ethnocentrism ; and
- 3 . the economic policy of the government, the demographic factors, the education system, government regulations, including Omanisation policy, minimum wage policy, the performance of the employment department, the quota system, increasing the cost of recruiting non-Oman workers, financial support for self projects.

1.5 Outline of the Thesis

The thesis is concerned with the transition of young people from school to the private sector labour market. Towards this objective, the thesis has investigated the various factors that could influence their efforts to gain access to private sector labour market. The thesis has been divided into eight chapters. Chapter one has already highlighted the research issues and the magnitude of youth unemployment in the country, the objectives behind embarking on this thesis, the methodology employed and the main hypotheses examined.

Chapter two is an extensive review of the literature on the transition of young people from schools into the labour market. The chapter draws on the experiences of the youth labour market in many countries because very little research work has been done on the subject matter in Oman. Furthermore, as the subject of youth unemployment is not a self-contained discipline, the search has, therefore, covered a number of issues that have a potential impact on the subject under investigation. The search covered government economic policies, population trends and their impact on the youth labour market. These trends include population growth rate, female employment, and the characteristics of the working population.

The chapter then reviews the development of the education and training system in the Sultanate and its role in the process of skill formation of the country's human resources. The chapter also reviews government measures aimed at creating employment opportunities for young Omanis, including the Omanisation programme, the minimum wage policy and quota system and increasing the cost of recruiting non-Oman workers. Finally, the chapter investigates the impact of communication barriers on the employment of the young Omanis.

Chapter three highlights the research methodology and the justification for employing multiple methods. The chapter also provides a profile of the research population, the sample sizes and the procedures adopted in collecting the data.

Chapter four examines a set of assumptions formulated to reflect the perceptions of the principal groups of stakeholders, private sector employer, the unemployed young Omanis and the young Omanis in employment. Drawing on the results of the quantitative and qualitative field surveys, the chapter provides in-depth analysis and interpretation of the factors inhibiting young Omanis to gain access into private sector labour market.

Based on the results of the quantitative and qualitative findings, chapter five introduces a conceptual approach to the examination of the transition of young Omanis from school into the labour market. The chapter categorises the factors that influence young Oman's

attempts to gain access to employment under two main sets, exogenous and endogenous factors.

Chapter six presents a comparison of the labour market in Oman and Singapore. The aim is to develop an understanding both of the similarities and differences, of the sets of policies and strategies that have been adopted, and their impact on employment prospects in the two countries.

Finally, in chapter seven, the thesis returns to highlight the research issue, the main factor responsible for youth unemployment in Oman and the theoretical implications. The chapter also presents a set of policy options to policy makers on the set of factors that can facilitate the transition of the young Omanis from the schools into private sector labour market.

1.5 Conclusion

The central focus of this thesis is to identify the barriers associated with the efforts of young people to secure a successful transition from school to private sector employment. In seeking to achieve this objective, the thesis explores the perceptions of the different stakeholders concerned, namely: policy makers, employers, and young people. As knowledge on youth labour market in Oman is still at its early stages and the real impact of Omanisation on the private sector has not been an issue for public debate, the thesis adopted a triangulation of methods comprised of quantitative and qualitative methods in order to ensure the accuracy of responses.

Chapter 2

The Youth Labour Market: The literature review

2.1 Introduction

The subject of youth labour market in Oman began increasingly to capture attention of the policy makers in the Sultanate. Since early 1990s, there has been a shift in the patterns of employment from the government playing a prominent role in providing young Omanis with employment opportunities, to the private sector playing much more important role. Private sector employers employed around half a million expatriate workers in 1996. However, the same employers were less enthusiastic about offering employment to young indigenous school-leavers. As a result, the number of unemployed young Omanis began to expand, rapidly reaching 12 per cent of the total Omani work force in 1993 (Ministry of Development, 1995). The figure has since been increasing. In 1996 alone, more than 20,000 young school-leavers registered as job seekers (Oman Daily Observer 2 May 1997). This study aims to explore the factors that inhibit the integration of young Omanis into the private sector labour market. The debate on this subject invites the following question: what policies can improve the utilisation of the indigenous youth in the Sultanate? To provide answers to this question, it would be more logical if we consider what has gone wrong. Why do we have unemployment? Until a few years ago young school leavers did not have to worry about finding a job, as plenty of opportunities were available. Why is the number of unemployed young people on the rise, while the number of the expatriate labour force continues to increase steadily?

It is worthwhile mentioning that, so far, little research has been done on this issue in the country. It is, therefore, imperative to examine the different theories and draw on the experiences of different countries, particularly Britain, which can offer an explanation for youth unemployment. The central theme of these issues are policies which are designed to facilitate the youth transition from school to the “world of work”. This Chapter highlights the leading issues and explains how they influence the youth labour

market in general. These issues will be pursued using different approaches and this chapter examines them from the perspective of the labour market, the economy, economic development, human resource development, sociology, demography and culture.

The debate in this chapter begins with the economy: how Government economic policies affect the level of labour force participation. On population trends: what impact do fertility, population growth and age structure exercise on the youth labour market? The discussion will also include an examination of the labour market trends with some emphasis on public sector employment and female labour market participation. The chapter also explores government measures which aimed at promoting the youth labour market and the sets of communication barriers at the workplace which hampers the access of the young Omanis into private sector employment. Finally, the chapter highlights the role of the education system in the country as the primary agent for skill formation.

2.2 The Impact of the Economy

This section explores the impact of the economy on the youth labour market of the Sultanate. It argues that though the reliance on an expatriate labour force was necessary to offset shortages of the skilled and competent amongst indigenous labour force, and expatriates were therefore required to carry out and run various plans and projects, the pace of increase in the number of expatriate labour force has far exceeded the need of the Omani economy.

The Sultanate of Oman has witnessed rapid economic growth and social change since 1970. The catalyst to this unfolding growth has been the revenue generated by its natural resources, particularly after the sudden increase in oil prices from US Dollar 2.7 a barrel in 1973 to US Dollar 12.41 in 1974. Prices thereafter continued to increase and reached US Dollar 34 a barrel in late 1981. During the 1980's and 1990's, oil prices fluctuated sharply, finally stabilising around US Dollar 16 to 18 a barrel (Central Bank of Oman, Annual Reports).

The growth of gross domestic product (GDP) was high. On an average it was about 7.7 per cent during the period from 1980 to 1992. The per capita income, for the period 1970 to 1993, increased by nine per cent (Ministry of Development, 1995).

The economic activity of the Sultanate is traditionally determined by oil revenue, which is the main source of government income. Revenue from oil represented 77.1 per cent of government income in 1996. The share of the oil in GDP constituted 69 per cent in 1970, 63 per cent in 1980, 48 per cent in 1990 and 42.2 per cent in 1994 (World Bank, 1981; CBO, Quarterly Bulletin, May 1995; Ministry of Development, 1997). Oil prices are influenced by the world price of this commodity, as well as development in the petroleum sector in terms of production and level of oil reserves. The growth of the GDP has, therefore, been uneven, reflecting fluctuations in oil revenues. For instance, the growth rate decreased from 11.6 per cent in 1976 to 3.9 in 1977, and then accelerated to 31 per cent in 1979. GDP witnessed a decline of one per cent in 1993, a positive growth of 2.1 per cent in 1994 and a sharp increase of 10.7 per cent in 1996.

Total proven oil reserves were estimated at around 5.4 billion barrels at the end of 1994 (Oman Newspaper, 29 May 1995) and total production reached 322 million barrels in 1996 (Ministry of Development, 1997). At its present levels, oil production can be maintained for a further period of 16 years.

Revenue from oil exceeded US Dollar four billion in 1996. The Government accords significant importance to this sector and has intensified its efforts towards the discovery of new reserves and the enhancement of production in existing fields through the application of advanced techniques.

Oil revenues have supported the Government's ambitious development programmes aimed at building Oman's infrastructure and meeting public demands for housing, education and medical health. These efforts, though remarkable and essential to lead Oman into the 21st Century, have channelled a disproportionate share of the volatile national revenue from the depleting natural resources. Investments in infrastructure

projects coupled with high recurrent expenditure, have caused considerable deficits in the budgets and balance of payments since 1982. Furthermore, the sudden and sharp decline in the price of oil from 1986 onwards, and the advent of the Gulf crises in 1990, inflicted serious blow to the economy of the Sultanate and resulted in a changed in the economic priorities of the Government.

The Government has therefore planned to cut down and control its expenditure. New measures for fiscal adjustment have been considered and a 10 per cent expenditure reduction over a five year period was envisaged.

Budget deficits have partially been financed through loans from the domestic as well as from the international markets, and by draw-downs from the Contingency and the State General Reserve Funds. Moreover, the Government initiated a plan for selling Government-owned properties and its shares in public enterprises to the private sector. Apart from providing financial resources for Government, it was hoped that privatisation would also expand and stimulate the private sector (Peat Marwick Mitchell, 1992).

The World Bank (1994) also urged the Sultanate to adopt immediate measures aimed at generating new revenues so as to reduce budget vulnerability to oil prices. In this respect, a scheme has been presented suggesting ways to expand the budget by increasing taxes, raising tariffs and fees. Among the new measures adopted by the Government are the following:

1. The redrafting of employment policy in order to minimise the Government's role as a main employer of Omani school-leavers. Employment in the Government sector has, therefore, been restricted mainly to professionals, particularly in areas where Omanisation is yet to be achieved.
2. The introduction of an early retirement scheme which, since 1994, has made thousands of Oman civil servants redundant.

Agriculture, which was a source of major income for the population and employed the majority of the indigenous labour force before 1970, has been witnessing a downward trend due to large scale migration of rural folk to the urban areas in search of employment (World Bank, 1981). It is believed that a lack of sufficient employment opportunities in these areas is the main reason for their migration. The total number of the Omani labour force in agriculture and fisheries combined dropped from 104,000 in 1980 to 23,000 in 1993.

Al-Mahdi and Johnston (1995) argued that the economies of the Gulf region encounter several problems. First, “sharply reduced oil revenues, growing budget deficit and rapidly growing population”. Second, “over-dependence on a single source of revenue”. Third, Gulf governments were unsuccessful in “attracting investment in the value-added, income generating industries”. Fourth, there was an over dependence of the private sector on an expatriate work force, and finally, there was insufficient level of human resource development.

The massive economic growth in the region has faced many problems. Shaw (1983) argued that the deficiencies in the quantity and quality of human resources have been the most important 'bottle-neck' in the region. Problems of human resource development include: the imbalance between the demand and supply of labour; the quality of the labour force needed by the economy; the relationship between the growth of the population and employment; the employment of women and the wage structure.

Oman has relied on an expatriate labour force to meet shortages of a competent national labour force needed to carry out and run the various plans and projects (Ali, 1990; Al-Khawari, 1995; Birks, 1989; Shaw, 1983). The size of the expatriate labour force reached 66 per cent in Oman and continued to increase rapidly during the 1990s. The continued swelling in their number is perplexing on two counts:

- i) The size of the expatriate labour force continued to rise rapidly, despite the decline in the pace of economic growth which resulted from the fall of oil prices in 1986 and the consequences of the Gulf

crises in 1990. This situation is contrary to the usual positive correlation between economic growth and employment (Ali, 1990). Others argued that economic growth does not necessarily lead to an increase in the number of jobs, particularly when technological advancement replaces labour intensive production methods (Ashton, Maguire and Spilsbury, 1990).

- ii) The increase in the size of the expatriate labour force coincided with an increase in the number of unemployed Omani school leavers.

It can be argued, therefore, that the growth rate of the expatriates does not appear to reflect the needs of the economy. This situation has been brought about by a lack of clear human resource development policies.

Birks (1983) suggested that the Sultanate has two options for development over the next decade. The first is a rapid economic development path which would provide for a short term financial gain and a quick expansion in the economy. This would be based on expatriate expertise. The second option would be to achieve economic growth only if it was compatible with an effective development of indigenous human resources and a "reasonable size of expatriate labour force". Rapid economic development does not favour development of Omani human resources. Only a restrained economic growth will allow the wider social aim of "development with Omanisation and without excessive reliance upon non-Omani work force".

It seems that the Sultanate has adopted the path of rapid economic growth which relies heavily on expatriate expertise. Ali (1990) argued that human resource development in Oman is in conflict with the economic planning process. Economic planners have failed to acknowledge or, rather, have ignored the impact of the non-national work force as their concerns was to achieve high economic growth.

The World Bank (1981) suggested that planning in the Sultanate should be concerned with two issues: the minimum acceptable rate of economic growth; and the maximum

tolerable number (or proportion) of non-nationals in the work force or population. Once the rate of economic growth is determined, it should then become the bench-mark for the country's future economic planning. This in turn could ensure that the private sector short term interest is in harmony with the longer term social objectives of the country.

The net outward remittance of the expatriate labour force grew from Rial Omani 14 million in 1974 to over RO 600 million in 1994 (5). This amount was equivalent to 28 per cent of the value of all exports, 42 per cent of revenue generated from the oil sector, four times the value of non-oil exports and 39 per cent of the value of imports. Remittance outflow is expected to rise further with the increasing number in the expatriate labour force. The major cause for high outflow remittances is the fact that most of the expatriate labour force come to the country either alone or bring along a few dependants only. The outflow of remittances could affect the balance of payments, particularly in the event of declining oil revenues. Had these remittances been invested in the Sultanate they could have contributed to capital formation and the prosperity of Omani people.

The World Bank (1981) suggested that economic analysts in oil exporting states ignored productivity which is assessed in terms of contribution to GDP and sectoral employment of labour. Instead they focused on other issues, such as economic diversification and evaluation of the rates of return. The tendency to ignore productivity has been attributed to the following:

- a) Employment of indigenous labour force in the public sector was considered essential in order to distribute a share of oil wealth among them. Therefore their productivity was not perceived as an issue, particularly as cheap and cost effective foreign labour was readily available.
- b) The productivity and the number of the expatriate labour force was not considered critical as their presence was deemed temporary.

The rapid economic growth of the oil producing states was not conducive to labour productivity.

As the dependence upon non-national workers has become pervasive and long term, planners in the oil producing states became more considerate to the question of productivity. The World Bank (1981) suggested that the productivity gains of labour in Oman was affected by several factors: the lack of management expertise; the incomplete and immature nature of supportive services; poor maintenance of plant and machinery; the low vocational and training programmes of the work force; the movement of the more experienced and better qualified workers into the public sector; and the low motivation of the workforce.

Table 2.1
GDP (in 1995 Prices) Employment & Productivity in 1993

Economic Activity	GDP Million R.O.	%	Employment Total	% Omanis	Productivity R.O./Worker
Agriculture/ Fisheries	144.0	3.4	74,161	45.0	1,942
Mining/ Quarrying	1,624.0	38.0	15,393	61.0	105,503
Manufacturing	220..2	4.3	61,433	7.4	3,584
Electricity/ Water/ Gas	59.2	1.4	4,465	22.0	13,259
Construction	192.0	4.2	108,154	4.4	1,775
Wholesale/ Retail Trade/Restua/Hoel	661..3	14.1	104,067	22.0	6,355
Transport/ Communic	174.4	4.1	24,770	27.3	7,041
Finance/ Intermediat e	180.0	4.2	17,289	67.5	24,695
Real estate	231..2	5.4	10,083	10.0	22,930
Community/Personal care services	84.6	1.8	108,027	16.0	783
Government	767.6	18.6	165,602	84.5	4,635

Table 2.1 displays the distribution of Omani labour force by economic activities. It shows that Omanis have concentrated in selective activities, particularly oil, financial intermediation and the public sector. It is interesting to note that, except for public

sectors, the sectors with the highest levels of Omanisation such as mining and financial intermediation have recorded the highest levels of productivity gains.

To conclude, the following assumptions could be established from the preceding arguments:

- 1) The rapid and continued increase in the number of expatriate labour force has little correlation with the real needs of the economy. This has been manifested on two grounds:
 - a . The slower growth in the economy has relatively little impact on the rapid and continued increase in the size of expatriate labour force.
 - b . The increase in the size of expatriate labour force has coincided with an increase in the number of unemployed young Omanis.
- 2) Policy makers in the Sultanate were more concerned to achieve higher economic growth at the cost of indigenous human resource development strategy.

2.3 Demographic Characteristics

This section highlights the impact of population growth on the employment of young school-leavers. It is argued that population trends have a major effect over the planning process of the human resources of the Sultanate. Rapid population growth resulted in an increase in the number of young people queuing for jobs. These trends, therefore, provide some explanation for the reasons behind young Omanis' difficulties in obtaining jobs.

The first national census in Oman was carried out in December 1993. It indicated that the total population stood at two million, scattered unevenly over 309,500 sq. km. The Omanis constituted 73.4 per cent of the population.

One striking aspect of the Omani population indicated by the census, was the highly youthful nature of the population. The median age of the population was 13.4. This means that half of the Omani population was below this age in 1993. The population under the age of 15 was 52 per cent among the Omanis and 38 per cent among the total population. In comparison with other countries, the percentage of population below the age of 15 was much higher than the international rate of 32 per cent and higher than the rates found in many other countries. Table 2.2 indicates the percentage of Omanis in the age group 15 to 64 compared with selected countries (Ministry of Development, 1995).

Table 2.2

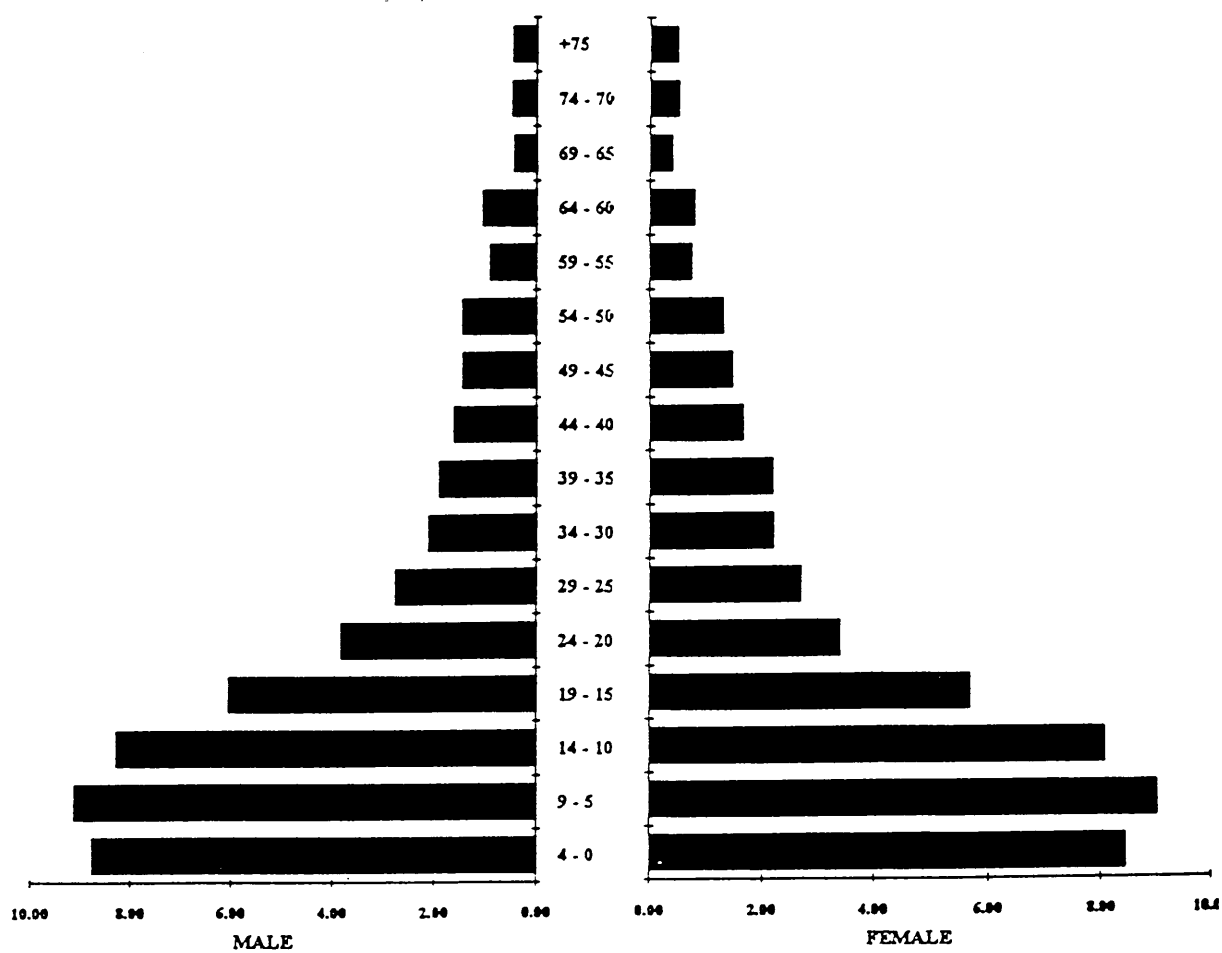
Comparison of Population in the Age Group 15-64
between Oman and Selected Countries

Country	% of Age Group 15 - 64
Oman	45
Saudi Arabia	53
United Arab Emirates	50
Hong Kong	67
Malaysia	58
Singapore	67
UK	66

Source: World Development Report, 1994.
Figures are based on 1992 estimates except for
Oman which was derived from the 1993 census

The “bottom heavy” age structure of the Omani population is illustrated in Figure 2.1. This pyramidal structure with long sloping sides and a large base indicates predominance of youngsters in population. The pyramid shows that each birth cohort is larger than the one that proceeded it, and the population is growing rapidly. The population is considered young as the largest proportion of the population consists of young people.

Figure 2.1
Age Pyramid of Omani Population



1993

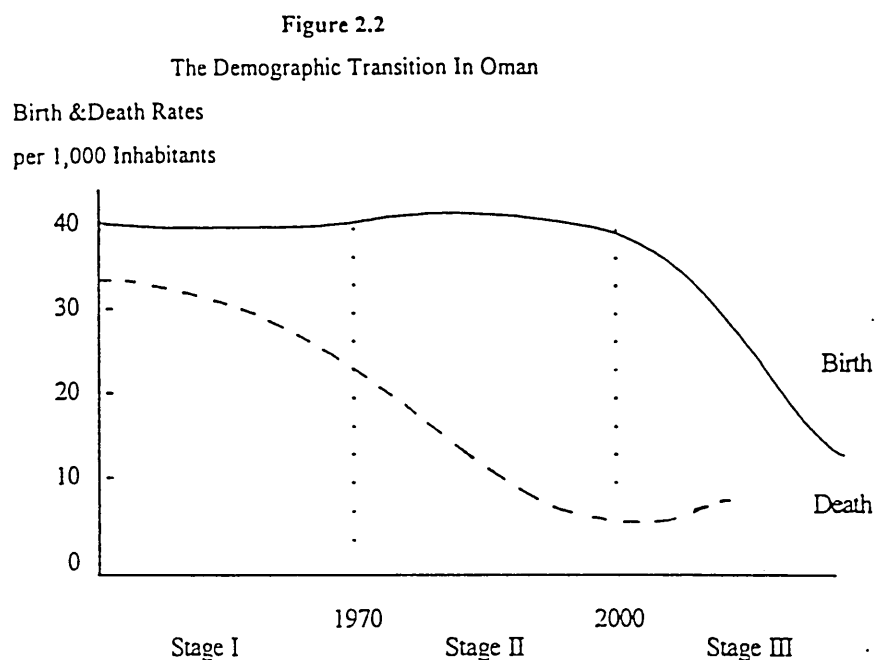
Source: Ministry of Development Statistical Year Book, 1995.

The census indicated that the average growth rate of the indigenous Omani population was 3.7 per cent a year. By contrast, the growth rates of countries (1992 estimates) were: 3.3 per cent in Saudi Arabia, two per cent in the UAE, two per cent in Malaysia, 0.6 per cent in Hong Kong, 1.4 per cent in Singapore and 0.2 per cent in the UK (World Development Report, 1994).

The rapid population increase in Oman is attributed to two main factors. The first is the high birth rate, which has resulted from the application of modern public health measures. Accordingly, the overall death rate fell from 13.3 per thousand in 1980 to 7.3 per thousand in 1993. The birth rate, on the other hand, remained at a high level of 4.1 percent per year. Watson (1995) argued that the decline in mortality rate, while the birth rate remains high, is a signal that Oman has not yet completed its “demographic transition”. Todaro (1994) suggested that developed countries have gone through “three stages of population history”. During the first stage, these countries witnessed a slow population growth. This was due to high birth rates and high death rates. The second stage signalled “the beginning of the demographic transition”. Here societies began to see accelerated population growth because of the high birth rates and low death rates. In stage three, modernisation resulted in a decline in the fertility rates, coupled with low death rates, resulting in slow population growth.

Figure 2.2 illustrates the three stages of the demographic transition in Oman. Stage one marks the period before 1970, in which birth rates, infant mortality and death rates were high, as a result of which the population growth was very slow. Stage two witnessed the beginning of Oman's demographic transition by a progressively falling death rate as a result of improved economic conditions and better public health care. The decline in population growth is likely to begin in stage three as the birth rate is expected to decline with increasing level of education amongst female's, and women's improved social status and increasing participation in the labour market. The figures indicate that the average number of children born to Omani females with a secondary school qualification is almost 50 per cent lower than for females with little or no schooling (Ministry of Education, 1995). Though it is too early to reach any conclusion, the true pyramid, which is illustrated in Figure 2.2, indicates that its lowest base (which represents the age group

cohort of zero to four), has already reduced in size. This could mark the beginning of stage three and a decline in the birth rate, as anticipated.



Concept Adopted from Todaro (1994)

The “baby boom” of the 1970's resulted in a high ratio of dependants. This ratio measures the proportion of youth below the age of 15 and adults of age 65 and above to the economically active people in the age group 15 to 64. Accordingly the dependency ratio is six persons to each economically active Omani, which is considered to be high (Watson, 1995).

Shaw (1983) argued that a high dependency ratio overburdens the social overhead capital, and depletes and reduces household savings and investments. In other words, a high dependency ratio requires the economy to divert its resources towards the maintenance of a high percentage of dependency instead of towards capital formation.

The high birth rate raised concerns among policy makers in the Sultanate over the growing number of young school-leavers entering the labour market and its impact on the development efforts. This situation prompted the government to urge voluntary family planning and “birth spacing” (HM The Sultan, May 1994; Oman 20 May 1997).

At the present growth rate of 3.7, the population could double in 20 years. This means that the country will then need at least an equal rate of increase in the economy, just to stay in the same position (Shaw, 1983).

Todaro (1994) argued that social, economic and institutional forces have a strong influence over the fertility rate. Population growth therefore does not simply change at the call of leaders. It has also been argued (Meier, 1995; Shaw, 1983 and Watson, 1995) that declining fertility is highly correlated with a reduction in unemployment, improved status of women, better health care and more education. Moreover, Daugherty and Kammeyer (1995) suggested that there was a strong relationship between socio-economic status and fertility.

Birdsall (1984) argued that rapid population growth in the developing nations slows development as it “exacerbates the difficult choice between higher consumption now and the investment needed to bring higher consumption in future”. High fertility entails a high cost to society which in turn makes it hard to manage the adjustments needed to promote economic and social change. Todaro (1994) argued that the population growth and the associated increase in the labour force has been considered a positive factor in stimulating growth. A large labour force means more productive manpower while a large population increases the potential size of domestic markets. However, rapid population growth can have serious consequences for the well-being of people in developing nations. Meier (1995) argued that the classical view that rapid population growth has a negative impact on development is not applicable to advanced nations which achieved both a growth in population and a growth in per capita real income simultaneously.

Some of schools of thought do not agree with the classical view on the negative impact of population growth. The revisionists, according to Birdsall (1987), claim that the impact of population growth on development varies in accordance with time, place and circumstances, and must therefore be studied empirically. The emphasis has to be on the interaction of rapid population growth with market failure.

The second contributory factor for accelerated population growth has been the influx of increasing numbers of the expatriate labour force in the country. The figures indicate

that their number grew from a few hundred in 1970 to 24.6 per cent of the total population in 1993, numbering around 432,000 (Ministry of Development, 1995).

Lee (1966) argued that immigrants base their decision on immigration on the positive and negative factors at the “area of origin” and the “area of destination”. They base their judgement on: the employment opportunities, living conditions and cost factor. Lee further argued that the volume of migration in a society varies with the fluctuations in the economy. Migration from other countries to countries with economic prosperity increases during times of economic prosperity and decreases during economic recession. He based his assumption on the post World War II experiences of Western countries.

Despite the slow growth of the economy since 1986, the size of the non-Omani work force continued to enlarge rapidly, to reach 620,000 in June 1995. Al Khawari (1995) argued that slower economic growth, or lower remuneration packages, would not eliminate the flow of immigrants to the Gulf region. He attributed this to the differences between the “push factors” in the countries of origin, which have been witnessing high, rate of unemployment, poverty, a large population and growing social expectations, and the “pull factors” in recipient Gulf states. Al-Deen and Fudhail (1983) argued that “real savings margins” is the main reason behind the large scale immigration to the Gulf region.

Immigrants from the Indian sub-continent constituted 85 per cent of the non-Omani population, followed by 11 per cent who were Arabs, and two per cent Europeans. The majority of the expatriate resided in Muscat. They represented 47 per cent of the city's population and 55 per cent of the total non-Omani population in the whole country. The high proportion of immigrants from the Indian sub-continent is an indication that private sector employers take advantage of the cheap source of labour from that part of the world.

Regions outside main urban area, seem to have less employment opportunities and therefore experience a disproportionately higher level of unemployment. Employment opportunities primarily include “traditional agricultural activities”, a few government

departments, schools and medical units. Other activities include small supermarkets and a variety of small shops which, it is believed, are owned and run by expatriates. Lack of employment opportunities resulted in growing numbers of migrants from these areas to urban centres, particularly Muscat and to the neighbouring rich Gulf states.

The World Bank (1981) estimated migration from rural to urban areas at around 5,000 people per year. The census showed that, out of 272,000 economically active Omanis, only 23,000 were working in the agricultural and fisheries sectors. The lack of sufficient employment opportunities, and the more equal access to education and training in the city, might be amongst the main reasons for migration from rural areas to the urban centres. Shaw (1983) argued that migration from the rural areas drains the more productive element of its work force and leaves behind the over-aged and the less enterprising. It also increases pressures on urban centres, particularly Muscat, which has been growing rapidly since 1970.

Since the majority of immigrants were young males, the sex structure in the rural areas became different from that in urban areas. The 1993 census revealed that the share of the population in the city of Muscat (the main urban centre) was 30.8, of which the percentages of males were 53 among indigenous Omanis and 61 among the total population of the city. This is an indication that work distance from home was an inhibiting factor for Omani females to seek employment in areas away from their homes.

Geographic isolation has many implications. Studies conducted in Europe, particularly in Britain (OECD, 1985; Turbin and Stern, 1987) suggested that young people from rural areas had narrower employment opportunities. They were engaged, predominantly, in unskilled and semi-skilled employment categories. Furthermore, the type of training opportunities available to them was such that they reduce the points of entries into the labour market.

Al-Deen and Fudhail (1983) argued that the reasons for a high male concentration amongst immigrants to the Gulf region were: the transitional nature of their stay in the recipient countries; the tendency for workers to save the maximum amount of money

possible before returning to their homeland; the high cost of maintaining a family; and the strict measures in place preventing family dependants from entering the country.

It is interesting to note that, despite being an importer of labour, Oman also has a proportion of its work force employed in the more affluent, neighbouring Gulf states. The motivation behind such movement is largely economic (World Bank, 1981). Although it is difficult to establish, some estimated their number between 30,000 and 40,000 in 1975. They constituted more than 11 per cent of the total indigenous work force in the country, which has been estimated at around 272,000 in 1993. It could be argued that if these workers return in large numbers they are likely to cause further disruption to the labour market. There have also been large Omani communities in East Africa and Baluchistan. These communities were established during the early 1880's as Oman exercised its power and influence and held colonial possessions in those areas (Ministry of Information, 1995). A significant number of them returned during early 1970's. Although no estimates are available of their number, their impact on the stock of Omani workers in the labour market was considerable. Without them, the influx of expatriate labour force would have been even greater (World Bank, 1981).

In conclusion, it can be inferred that the rapid growth of the Omani population is a direct contribution of the “baby boom”, improvements in medical care and the reduction of infant mortality rates. The growth in population led to substantial increase in the Omani work force and resulted in a growing number of young Omani school-leavers queuing for jobs in the labour market. The situation will be further aggravated as the growth rate of the Omani work force is expected to increase from four per cent during the Forth Five Year Development Plan (1990 - 1995) to around seven per cent during the Fifth Five Year Development Plan (1996 - 2000).

However, the population growth theory provides a partial justification to the growing unemployment rate among young Omanis, as the rate of growth of expatriate labour force since 1990 has been ten per cent compared to a mere four per cent growth of Omani work force during the same period.

2.4 The Labour Market

The central concern of this section is to highlight the main trends of the labour market in the country. The aim is to examine the changes in employment patterns and their implications on the youth labour market.

Since 1970, the labour market has undergone a series of changes in practically every sector of the economy. With the expansion of the economy and due to the shortages of a competent indigenous labour force, the country has relied on an expatriate labour force to accomplish the plan objectives and execute and manage various plans and projects. The size of the non-Omani labour force grew rapidly from a few hundred in 1970 to around 620,000 in June 1995, constituting almost two-thirds of the total work force in the country.

Table 2.3 focuses on the distribution of the labour force by economic activity. A striking feature which can be noted is that over half of the economically active Omanis were engaged in public administration and defence. In comparison, over 55 per cent of the expatriate labour force engaged in three activities: construction, which accounted for 24 per cent; trade, which accounted for 18 per cent; and manufacturing, which accounted for 13.2 per cent.

The figures reveal that around 59 per cent of the Omani labour force were in the unskilled and semi-skilled categories. Omanisation reached 83 per cent in the unskilled categories and less than 10 per cent in manual and semi-skilled professions (Ministry of Development, 1995).

Table 2.3
Economically Active Population (15 year +)
by Omani, non-Omani and Gender
1993

Sr. No:	Economic Activity	% of Total	Omanis %			non-Omanis %		
			Males	Females	Total	Males	Females	Total
1	Agriculture/Fisheries	9.1	11.0	3.2	8.6	10.6	0.0	9.4
2	Mining /Quarrying	2.0	3.2	1.3	3.1	1.5	0.2	1.4
3	Manufacturing	8.6	1.4	3.3	1.7	13.2	10.7	13.2
4	Electricity/Gas/Water	0.6	0.4	0.0	0.4	0.9	0.0	0.8
5	Construction	15.3	1.9	0.0	1.8	26.6	0.0	24.0
6	Trade/Vehicle Repair/ Household goods	12.7	4.5	1.9	4.4	19.8	1.9	18.0
7	Hotel/Restaurants	2.1	0.4	0.0	0.4	3.4	1.9	4.3
8	Transport/ Communication	4.2	4.6	1.5	4.3	3.3	0.6	4.2
9	Financial/ Intermediation	1.0	1.4	4.8	1.8	0.6	0.5	0.5
10	Real Estate	1.4	0.4	0.4	0.4	2.2	0.7	2.1
11	Public Administration/ Defence	23.5	54.5	14.5	51.4	6.3	3.0	5.9
12	Education	5.2	4.4	24.7	6.6	2.8	18.4	4.4
13	Health/Social Work	2.3	1.9	8.0	2.6	1.0	12.5	2.1
14	Other community activities	3.3	3.6	0.9	3.4	3.5	1.2	3.3
15	Private household	4.8	0.1	0.1	0.1	3.1	47.0	7.7
16	Others	4.4	8.2	17.2	9.2	1.3	2.0	1.4
		100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total		704798	248917	284802	72397	387473	44928	32401

Source: Figures were derived from the 1993 National Census

Most of the expatriate labour force were in small size establishments(6). Table 2.4 indicates that 95 per cent of companies in Oman employ less than 20 persons and 54 per

cent of the expatriate labour force were in small size companies. Small sized establishments are believed to have less motivation to employ young Omanis because of their lack of skills. Ainley and Corney (1990) argued that the cost of training could be a prohibitive factor for small and medium sized firms to invest in training. Ashton, Maguire and Spilsbury (1990) found that small firms in Britain were reluctant to recruit young people regardless how cheap they were. For these firms, the cost of disruption to production outweighs any advantages derived from employing them. It is believed, therefore, that lack of skills among young Omanis would be a major obstacle for young Omanis in their attempts to secure employment, particularly in private sector firms.

Table 2.4
Expatriate Labour Force Distributed
by Size of Establishment

Size of Establishments	No.	%	Total No. Of Expatriates	%
Less than 20	32853	95.50	142229	53.90
20 - 49	1131	3.30	32316	12.20
50 - 99	296	0.90	20074	7.60
100 - 499	178	0.50	35722	13.50
500 - 999	17	0.05	12009	4.60
1000 & above	12	0.03	21466	8.10

Source: Oman Chamber of Commerce & Industry (1992)
(Excluding Farmers and private household workers)

A survey of the three largest categories of companies in the private sector in Oman was carried out by the Oman Chamber of Commerce & Industry in 1992. A random sample of 10 per cent of companies was selected. The major findings of the survey were:

- more than 95 per cent of the three largest categories of companies were located in the city of Muscat.
- Among the top largest categories of companies (Excellent Grade), the level of Omanisation was less than 25 per cent.

- One third of the second largest categories of companies (Grade 1) had mere five per cent of Omanisation .
- Omanisation level in the three largest categories of companies in the country, jointly, was 23 per cent.
- The categories which had a higher degree of Omanisation were:
 - * Skilled clerical with 41 per cent
 - * Unskilled with 39 per cent
 - * Semi-skilled with 28 per cent
 - * Managerial with 26 per cent
- The categories that were least Omanised were:
 - * Skilled sales with seven per cent
 - * Skilled service with 14 per cent
 - * Skilled technical with 16 per cent
 - * Semi-skilled clerical with 17 per cent

The higher percentages of Omanisation in the clerical categories may be attributed to the following factors:

- 1) The role of the schooling system, which emphasised general education, leading young school-leavers into clerical jobs rather than technical and/or vocational education (Ali, 1991).
- 2) The emphasis placed on Omanisation, particularly in the Banking sector (OCCI; 1992; CBO, 1994).
- 3) The fact that blue-collar occupations held little attraction for the indigenous labour force (Ali, 1990).

The OCCI Survey (1992) also found that the overall level of Omanisation in the top largest categories of establishments - Excellent Grade - (7) was 26 per cent. This figure was higher than the level of Omanisation in the second and third largest categories of companies (Grades I and II) which reached 16 and 14 per cent respectively.

Around 80 per cent of the Omani labour force were engaged in the top largest categories of establishments - Excellent Grade .

Table 2.5 indicates that the most Omanised business sectors were in the oil sector with 58 per cent, and in financial services, with 48 per cent.

Among the least Omanised categories were companies with two or multiple economic activities which recorded 10 and 12 per cent respectively, and construction which recorded 11 per cent Omanisation.

The 1993 National Census revealed that around 70 per cent of all economically active Omanis were either illiterate, without formal education, or were those who had completed their education to primary school level. Economically active Omanis with high school education were 22 per cent and those with attainment beyond high school level was nine per cent. By contrast, the corresponding figures for the expatriate labour force were 52 per cent, 30 per cent and 18 per cent respectively.

Despite the fact that the overall educational status of the expatriate labour force was higher than their indigenous counterparts, it is surprising to note that the percentage of expatriate labour force who were illiterate, without formal education, or who had obtained up to primary school level of education was as high as 52 per cent. At the same time, unemployment among young Omanis with high school qualifications reached 24 per cent in 1993. Such a situation was almost in direct contrast to the employment status of the expatriate labour force with similar levels of qualifications which reached 69,000 or 23 per cent of the total expatriate labour force in the country in 1993. These findings suggest that the government has not engaged in rigorous screening in selecting non-

Omani workers. By contrast, Singapore, which is also a labour import country, allowed expatriate workers into the country only when the educational system could not meet the demands of the labour market (Ashton and Sung, 1994).

Table 2.5
Omanisation by Economic Activity

Economic Activity	Total Employee	% of Omanis
Agriculture/ Fisheries	106	18
Mining	4929	58
Manufacturing	1429	17
Construction	1317	11
Wholesale and retail/ Garages	5800	14
Hotels/ Restaurants	983	18
Transport/ Communication	115	20
Contracting	3278	15
Financial services/ Real estate	3677	48
Two activities	84251	10
Multiple activities	5360	12
Total	111236	23

Source: OCCI (1992)

Based on a 10 percent random sample of the top three largest

2.4.1 Public Sector Employment

Public sector employees in Oman consists of all persons employed by ministries, public authorities, institutions, councils, authorities and bodies with separate legal status (Ministry of Civil Service, 1996).

Employment in this sector has been rising steadily. The total number of employees has increased from 1,750 in 1970, to around 110,444 in 1996, (Ministry of development, 1997) and has become the single largest employer in the country of which non-Omanis constituted 32 per cent. At this ratio, every 1,000 persons in the population is served by 52 public sector employees. The total number of Omanis working for the public, security and military sectors combined was 175,000 in 1993, constituting 75 per cent of the total Omani labour force in that year (Ministry of Development, 1995).

Concentration of the indigenous work force in the government is not unique to Oman. Similar trends have been found in other Gulf States (Abdul-Khalik, 1995). The corresponding figures per 1,000, were 136 in UAE (1990), 92 in Kuwait (1983), 89 in Qatar (1994), 80 in Bahrain (1991) and 39 in Saudi Arabia (1985). In comparison with other countries, it was 29 in Singapore (1983) and 19 in Thailand (1983).

The Ministry of Education is the largest Government employer, accounting for over 28 per cent of total public sector employment, of which Omanis represented 56.5 per cent. The next largest public sector employer is the Diwan of Royal Court with over 16 per cent and Omanis representing 63 per cent. The third largest public sector employer is the Ministry of Health who employed 15,000 people in 1994, of whom only 50 per cent were Omanis.

The figures also indicate that 27,000 of non-Omanis were clustered in three Government Departments in December 1994. They constituted more than 80 per cent of the total non-Omani employees in the public sector. Table 2.6 displays the growth rate of public sector employees since 1966.

Table 2.6
The growth rate of Public Sector employees
1966 - 1995

Year	No. of Employees			% of Omanis	% of Change to Total Employees
	Omanis	Non-Omani	Total		
1966	1,008	82	1,100	92.5	-
1970	1,630	120	1,750	93.1	59
1971	2,857	255	3,112	91.8	78
1975	13,616	5,507	19,123	71.2	514
1980	24,550	15,790	40,340	61.0	111
1985	40,878	28,232	69,110	59.0	71
1990	53,447	30,822	84,269	63.0	22
1994	71,630	34,219	105,849	68.0	26
1995	75,677	34,767	110,444	68.6	4

Source: World Bank (1981); Ministry of Development (1997)

Excluding National Security and Ministry of Defence.

The rapid increase in the number of employees in the public sector necessitated spending a high proportion of Government revenues on the wages of its civil servants, as indicated in Table 2.7.

Table 2.7
Government Revenues, Expenditure and Recurrent Expenditure
(Million Rial Omani)

Year	Revenues (RO)	Expenditure	Recurrent Expenditure*	Ratio of 4:2	Ratio of 4:3
1	2	3	4	5	6
1990	1,732.1	1,887.4	660.0	38.0	35.0
1991	1,717.0	1,717.0	674.1	39.3	36.0
1992	1,680.2	2,258.7	779.8	46.4	34.5
1993	1,585.1	2,197.7	770.6	48.6	35.0
1994	1,757.4	2,252.9	765.7	40.8	37.7
1995	1,851.6	2,331.1	N.A.	N.A.	N.A.
1996	1,982.2	2,176.1	852.1	43.0	39.2

Source: Ministry of Development (1997); Central Bank of Oman (1995)

Based upon surveys carried out in other Gulf states, the World Bank (1981) suggested

that the job preferences of Omanis would probably be similar to those in other Gulf states. Table 2.8 illustrates the expected rank preferences of Oman's indigenous labour force.

Therefore, this research examines employment preferences of young Omanis and the rationale behind such preferences. The aim is to establish the influence of these preferences over the patterns of employment in the labour market.

Table 2.8

Economic Sectors in Ranked Preference of Employment
of Omani Work Force

Economic Sector	Ranked Preference
Public Administration	1
Banking Sector	2
Personal Services	3
Trade/ Restaurant / Hotels	3
Mining/ Quarrying	3
Transport/ Communication	4
Manufacturing	5
Agriculture / Fisheries	6
Construction	7

Source: World Bank (1981)

The tendency for Omani school-leavers to concentrate in Government jobs may be attributed to the following assumptions:

- i) Government policy to provide employment to indigenous job-seekers (Birks, 1988).
- ii) The impact of the education system which favours jobs in government (Ali, 1990).
- iii) The public sector condition of employment such as: life-long jobs, less working hours, single shift work, longer weekends, holidays and leave, training opportunities and better pay. All of these boost the motivation to seek employment in this sector.

- iv) Cultural differences between Omanis and expatriate workers (Joseph, 1995) and lack of sufficient command of the English language (Al-Khabouri, 1995), seem to inhibit the access of Omanis to private sector employment.
- v) Social and traditional values scorn artisan, manual and menial occupations (Ali, 1990; Al-Jassim, 1990).

These factors are assumed to have created a situation that reinforced the preference patterns of Omanis for public sector jobs.

In common with other Gulf states, the employment of the indigenous workforce in the public sector can be attributed to the following factors:

- i) The employment of the indigenous labour force in the public sector was essentially in order to distribute wealth among them, received by the Government in the form of oil revenues (World Bank, 1981).
- II) Their employment was necessary in order to take part in the new bureaucracies being developed (Birks, 1988).
- iii) Employment in the public sector has been seen by the indigenous labour force as a basic right and an obligation on the part of the Government (Abdul Khalik, 1995).

Harry (1995) found a tendency among the native African, during the late 1970s, to concentrate in government jobs while expatriates were engaged in managerial and professional occupations. Harry attributed the attractions to government jobs to “security, initial higher salaries, attractive work environment, status and power”.

The fall of oil prices from 1986 onwards and the impact of the Gulf crises in 1990, has caused huge budget deficits. As a result, the Government could no longer provide

“sheltered employment” to its indigenous labour force. Moreover the Government encouraged the early retirement of public sector employees by relaxing the retirement rules. During 1996, about 7,600 employees have availed themselves of voluntary early retirement, while some 2,300 were laid off by their employers (Oman Daily Observer 28 May 1997). The total number of retirees reached around 9.4 per cent of the total staff strength of the public sector. The motivation behind such an action was to rationalise government expenditure and to generate employment opportunities for school-leavers (Al-Wattan, November 1996; Al-Ittihad, November 1996).

To conclude, it has been argued that despite all these efforts by the Government to diversify employment opportunities, the average young Omani’s preference for a safe and secure government job still remains a factor to be reckoned with.

2.4.2 Female Employment

Before 1970, the role of Omani women was limited to their traditional commitment towards home and children and no paid employment opportunities were available to them. The situation was based on Ray's (1978) assumption that all men had to work and that the majority of them had wives playing supportive traditional roles. However, from 1970, these presumptions began to change as the country began to experience an unprecedented rise in the rate of female employment. Despite the increase in the number of working females, their percentage is still low. The 1993 National Census revealed that the crude economic activity rates (8), which measures the economically active population aged 15 and above against the total population of all age groups, was 18.4 per cent among Omanis. These rates for Omani males were 33 per cent compared to only 3.2 per cent for Omani females. The rate for all females, Omanis and expatriates, was 10 per cent (Ministry of Development, 1995).

The census also indicated that the majority of Omani females in employment were residing the city of Muscat. Almost 60 per cent of all working Omani females were employed in Muscat. The corresponding figure for males was 24.3 per cent. This is an indication that females from areas outside Muscat face more difficulties in gaining access to the labour market.

Table 2.9

Economically Active Females in some
GCC States and Selected Countries

Country	% of economically Active Females
Oman	10
Saudi Arabia	8
United Arab Emirates	7
Malaysia	35
Singapore	32
Norway	41
UK	39

Source: World Development Report, 1994. Figures are based on 1992 estimates except for Oman which was derived from the 1993 census.

The real cause behind the low level of female' participation in the labour market in Oman has not been established, because as yet no empirical studies have been conducted in the country on this issue. It is therefore the intention of this thesis to seek to identify the important factors that influence female labour force participation in the country. Table 2.2 reflects the difference in the percentages of economically active females in some GCC states and selected countries.

Joseph (1983) argued that because of the complexity surrounding the study of female participation in the labour market, it becomes imperative to examine females' behaviour in labour force from different disciplines. For economists, the main concern is the growth in the size of the labour market. Sociologists on the other hand, would be interested in the examination of the changing social conditions that permit the increase in the size of female employment. From a demographic point of view, two other issues could be highlighted. First, the need to examine the impact of the various demographic factors such as fertility, nuptiality, and migration on changes in the size and composition of the total labour force. Second, the importance of understanding the correlation that exists between fertility and female labour participation in the labour market.

Joseph (1983) argued that most of the attempts to examine the factors responsible for female labour force participation have distinguished between 'motivation' and 'facilitating' conditions. The motives for taking up employment could include financial gain and psychological satisfaction to be derived from work outside the home. The facilitating conditions include size and age of the family members, education, work experiences of the females and the availability of suitable work near the area of residence.

Sobol (1963, quoted in Joseph, 1983) used a detailed scheme to examine the factors that influence women's participation in the labour market. He distinguished between 'enabling, facilitating and precipitating' conditions. Enabling conditions include the age and number of children, and the attitudes of family members towards females employment. Facilitating conditions comprise type and level of education, work

experience and the availability of suitable work. Precipitating conditions covers structural aspects, family financial status, wage structure of female worker, attitudinal aspects and desire for achieving self-fulfilment.

Other studies found a positive association between education and female participation in the labour market (Subbrao and Rancy, 1995). Shaw (1983) found that females participation in the labour market among Kuwaiti females with a University education was between five and ten times higher than females with primary education. Joseph (1983) identified two explanations for the effect of education on female participation in the labour market:

- 1) A positive association existed between educational attainment and earning potential or employability.
- 2) Education predisposed women to work with a career structure.

Females' participation in the labour market in the Gulf region is also influenced by traditions. Despite the fact the advent of Islam in the seventh century had a major impact on the position of women who were "transferred and raised to one of relative equality with men in almost all matters"(Shaw, 1983), Al-Jassim (1990) found that female participation in the labour force in the Gulf region was still constricted by prevailing customs and tradition.

Al-Khader (1995) argued that not all Saudi women desire to participate in the formal labour force. His survey of female students at university level revealed that 75 per cent of those interviewed considered a domestic role at home more important than employment in the labour market. In a survey carried out in the UAE, Fattah (1988) found similar trends among females towards participation in the labour market. Ashton, Maguire and Spilsbury (1990) argued that employers in the UK perceived females to be more loyal to their domestic responsibilities than to their jobs.

The 1993 National Census revealed that the educational status of economically active Omani females aged 15 and over was higher than that of economically active Omani men. Watson (1995) argued that this situation was in contrast to the educational status of the male and female in the overall population. This could be a typical pattern of higher educational levels required by disadvantaged groups who have to expend extra efforts to compete with the groups already established in the different fields of economic activity.

Among economically active females who were seeking work for the first time were those with secondary school qualifications. This cohort constituted 64 per cent of the total number of female job seekers. This percentage is almost three and a half times higher than the proportion of men with similar qualifications which was estimated at around 18.6 percent.

As a consequence of the progress made in the educational status of Omani females, it is likely that more females would seek access to the labour market.

Over 38 per cent of the economically active Omani female labour force were drawn from women in the 15 to 24 age group. This situation is similar to the trends in other Gulf states (Watson, 1995). It also resembles the situation in most developing countries (ILO, 1987). Watson (1995) argued that the youthfulness of the economically active female labour force could be attributed to two factors:

- i) Younger females may be entering into professional activities in greater numbers than before, indicating a changing trend over time; and
- ii) females may be dropping out of the labour force as they take on more family responsibilities.

Shaw (1983) found that activity rates among female immigrants were three to four times higher than that of the indigenous females in Kuwait, Bahrain, UAE and Saudi Arabia.

Another striking feature about the labour market in Oman is the concentration of female workers in selected economic activities. These activities include: education which accounted for more than 37 per cent, public administration and defence which accounted for 22 per cent; and health and social work which accounted for 12 per cent. These activities, combined, constituted more than 71 per cent of the total Omani female work force.

The concentration of females in selected economic activities is not unique to Oman. Similar trends were found in Saudi Arabia (Al-Khader, 1995), the UAE (Al-Nabbeh, 1988) and Qatar (Al-Khawari, 1999). Female occupational segregation along sex lines has also been found in Britain and Canada (Ashton and Lowe, 1991). The OECD Report (1985) indicated that even when females enter the labour market, fully qualified for non-traditional roles, they were still likely to be placed in traditional female jobs or be paid less than similarly qualified males if they obtained a non-traditional one. Employers' recruitment, training and promotion policies and practices have sex biases that treat females unequally in the labour market. Cockburn (1987), using statistical figures of one of the career offices in Britain, found a tendency among young people to segregate themselves along sex stereotype jobs. Very few of them attempted to break the job sex-stereotyping. This situation was further compounded by employers' sex stereotype perceptions. Such perceptions often hinders the attempts of either gender to break the sex job stereotype. Ashton, Maguire and Spilsbury (1990) found that the segmentation of the labour market in Britain tended to restrict the access of the young people into limited job categories, particularly "unskilled and semi-skilled" jobs. Wong (1991) indicated that, at the secondary school in Singapore, females outnumbered males in arts and science disciplines, while males were concentrated in the technical fields.

Ashton, Maguire and Spilsbury (1990) found that the main occupational activities responsible for the increase in female jobs in the UK were in the professions of education, welfare and health. Grimm (1978) argued that the tendency for professions to be 'sex segregated' is important in explaining the inequalities in employment opportunities that exist between males and females in higher status fields. He argued that female dominated professions are likely to continue as long as the firmly established

traditional sex typed pattern of schooling, training and entry to the labour market persist. However, Shaw (1983) argued that discrimination against female employment is likely to reduce with the increasing levels of educational attainment.

Grimm (1978) suggested that females' tendency to concentrate in 'female-dominated professions' such as school teaching, nursing and positions within the public sector could be attributed to the following:

- i) The work activity in these fields are closely linked with aspects of the traditional female role including nurturing, caring and socialisation, particularly of children.
- ii) The cultural factors make such work seem appropriate for women.

To sum up, it can be argued that young Omani females face more obstacles than males in their efforts to access the labour market. Moreover, young females may be experiencing, on an average, longer duration of unemployment than males. Females' difficulties in accessing the labour market can be attributed to their limited mobility, due to social and cultural disadvantages, or because of their family responsibilities. However, unmarried females are likely to have better chances of securing employment more quickly than married women.

It seems that young females have limited job options and tend to concentrate in 'female's' professions such as teaching, nursing and clerical jobs. It is assumed that this situation is due, in part, to their own tendency to concentrate in such work. However, institutional barriers such as discrimination in educational opportunities as some training programmes are designed only for males, provide a further explanation for the reasons behind female concentration in selected professions. It can be argued, therefore, that the limited job options make the efforts of females to secure employment more difficult as they would have a few jobs to select from. In addition, employers tend to prefer males to females. Females are seen to be less punctual at work than males, as they are seen to be more loyal to their family responsibilities than males. This attitude towards females

hampers their upward mobility as they have limited access to in-service training programmes.

Finally, it is argued that female employment is highly correlated with their educational attainment. Female labour market participation is likely to increase with the increasing level of their educational attainment.

2.5 The Education System

2.5.1 Introduction

The education system is a key element in the process of Omanisation of the labour force of the Sultanate. Its importance stems from its ability to meet the paucity of competent human resources, preparation for working life and occupational choice, the matching of human capabilities to labour market needs and opportunities, and increasing the participation of young school leavers in the labour market. This section will therefore seek to explore the role of the education system of the country as it is seen as the primary agent for developing knowledge and competency of Omanis.

The section examines the relationship between schooling and the youth labour market in Oman. It argues that there has not been sufficient contribution from the education system in equipping young Omanis to take careers in industry and commerce and in preparing them for opportunities available in the labour market.

The education system has achieved commendable expansion during the last twenty-five years. This expansion has been necessitated by the vast inherited need for education and the structure of the population characterised by rapid growth rate. However, despite that progress, the education system has not met the needs of the labour market. This has been reflected, firstly, in the growing number of unemployed school-leavers which has reached 12 per cent of the total indigenous work force in the country as per the 1993 national census, and, secondly, by the increase in the size of the expatriate labour force. The reason for this shortfall can be attributed to the role of schools, which are excessively academic and oriented for the most part towards general humanistic curricula aimed at preparing school leavers to take up bureaucratic assignments (Birks, 1988).

Irizzary (1985) argues that “unemployment and underutilisation” of school-leavers results in the following:

- “i) wastage of the educated manpower;
- ii) the loss of financial and social resources invested in their preparation;
and
- iii) high opportunity costs in terms of sacrifice of other more basic human needs - which are not attended because of the diversion of public financial and social resources into the higher level educational system”.

The problem may further be compounded by the frustrations of young school-leavers in not finding suitable employment. Unemployment can be destructive and may result in anti-social behaviour: vandalism, drugs, alcohol abuse and crime (OECD, 1985, preliminary interview with a senior police officer in Oman in October 1995).

In order to clarify the framework within which the education system functions in Oman, it is useful to begin with a discussion on the performance of the education system in Oman. The discussion includes the relationship between school and the world of work. The questions to be raised are how to improve the abilities and skills of young school-leavers and how to modify their motivations and values to suit development efforts and be able to substitute the expatriate labour force in the labour market of the Sultanate.

Debates have been ongoing on the essential role of the education system. The traditional approach to education viewed education as “an intrinsic good” (Husen, 1979). It is a “consumption good and a source of pleasure”. It offers access to knowledge, imparted values, ideas, attitudes and aspirations involved in the process of character formation (Noor, 1985). Peters (1972) links education with reform. Reform suggests approved behaviour and adherence to society’s values.

The enlightenment believed that education was crucial in the formation of culture and the maintenance of social order and that it could contribute significantly to equality, social justice and material advancement (Skillbeck, Connell, Lowe and Tait, 1994).

Coleman (1965) argued that the role of schooling in many developing countries was to inculcate attitudes and values deemed desirable in the good citizen. These values include political indoctrination, respect for authority and support for the political system.

The “economic” approach to education, by contrast, argues that in order to achieve effective educational policy, education will need to be restructured in order to impart a broad base of occupational skills and knowledge which will equip young school-leavers to accept diverse types of employment. The “challenge is to define how schools can give young people the foundation for life in a working world” (Meier, 1984). Therefore, the emphasis is on "relevance", "reality" or "real life" and the need to link education with preparation for the labour market. Harbison (1962), believed that one of the fundamental factors for economic development is the acquisition of the right human capital to facilitate efficient and optimum utilisation of physical capital. “ The rate of modernisation of a country is associated with both its stock and rate of accumulation of human capital”.

According to Todaro (1994), human resource of a nation determines the character pace of its economic and social development, while Meier (1995) argued that, according to the economic approach, education must be evaluated in terms of cost-benefit analysis. The magnitude of a nation's investment in education, and its policy decisions about the manner in which resources are to be allocated among different educational levels, must be based upon manpower needs and the relative contribution of each educational level to meet such needs.

Husen (1972) and Watts (1984) called for a closer link between education and the world of work. Societies expect schools to develop in young people the knowledge, attitudes and skills that will enhance their contribution to the national economy. Finn (1987) argued that the phenomenon of unemployment has a significant effect on education as it raises a question mark on the very legitimacy of schooling. The central challenge to the legitimacy of schooling that causes concern to both school-leavers and their parents is the widening gap between qualifications and jobs. With an alarmingly growing rate of unemployment, good qualities in the student such as regular attendance in the school,

well mannered behaviour and hard working are no longer guarantees of a better job. This situation, according to Finn, has an adverse effect on the achievers whose qualifications became of less value in the labour market. At the same time Finn argued that, although the "world of work" should be a point of reference across the curriculum, the introduction of a strong vocational element of education before the age of sixteen is not desirable and hence should be resisted.

The then Prime Minister of the UK, James Callaghan, expressed concern in 1976 about the need to develop better relationships between the education system and industry stressing that there was no virtue in producing socially well-adjusted members of society who were unemployed because they lacked skills (The Times, 19 October 1976).

Pope John Paul II stated the following in a message during his visit to the UK in 1982:

"Nowadays, the possession of a certificate does not bring automatic employment. Indeed, this harsh reality has brought about not only deep frustration among young people, many of whom have worked so hard, but also a sense of malaise in the education system itself."

(Quoted in Watt, 1984)

The extraordinarily successful economic growth of the new industrial countries of south east Asia has not been based on an abundance of natural resources but, rather, on their human resources (Ashton and Sung, 1994).

It can be argued, therefore, that the "economic" approach is more relevant to the educational need of the Sultanate for two reasons:

- i) this approach places emphasis on human resources as the critical factor in bringing about development. Shortages of a skilled indigenous labour force has been the main reason behind the country's heavy reliance on an expatriate labour force for development. Furthermore, as the oil resource of the country is

depleting, policy makers face the challenge of efficiently utilising the available resources on education in order to increase its real contribution to the economy to provide a work force that can effectively substitute for the expatriate labour force;

- ii) as Abernethy (1969) argued, recognition of education as an economic investment may facilitate a redefining of educational priorities leading to enhanced productivity and prosperity of its recipients. If education is not seen to achieve this objective and it is judged to be a wasted investment, frustration and unrest are likely to be the result.

It is therefore important to create a proper link between the education system and the needs of the economy. This requires restructuring the schooling system so as to foster a broad base of occupational skills and knowledge which will equip young school leavers to accept diverse types of employment. This process of preparation of young school leavers for working life is known as the new "vocationalism" (Skillbeck, Connell, Lowe and Tait, 1994).

To summarise, it can be argued that in order to contribute to national development and be able to achieve effective Omanisation, schools are expected to discharge two important functions:

- i) equip the young people with the cognitive skills and knowledge which they need as productive agents; and
- ii) socialise young people into occupational orientations conducive to national development and values deemed good for productive members of the society.

Performance of the above two functions means new missions, strategies, organisations and curricula for schools.

Accordingly, this section will begin with a brief profile of the status of the Government educational system, and assess the ability of schools to equip young school leavers with the knowledge and skills necessary for effective participation in the economy, so that they are able to replace the expatriate labour force in a phased manner.

2.5.2 General Schooling

The schooling system in Oman dates back to the introduction of Islam to the country during the seventh Century. The role of schools was limited to Quranic teaching and centred at Mosques. This system of schooling remained the only source of education in the country for a long time (Ali, 1990).

Although the first Government school was inaugurated in 1930, scholastic developments progressed slowly. By 1969 there were only three secular male schools, 30 teachers and a total enrolment of 909, and 50 Quranic schools. It has been argued that the previous Sultan was sceptical of alien influence and was antagonistic to secular education (World Bank, 1981). Many Omanis with sufficient financial means sent their children abroad for schooling or emigrated to avoid restrictions set by the Regime.

The reform and policy changes introduced in 1970 by H. M. Sultan Qaboos bin Said initiated an era of modern education in Oman with a massive programme for schooling. The education programme has since grown rapidly.

The educational policy objectives of the country have been expressed in the Charter of the Ministry of Education (Ali, 1990), which emphasises the following:

- "i) education is a basic right for all members of the Omani society. The Government considers itself responsible, with all the resources and education institutes at its disposal, to meet each individual's need for education without limitation;

- ii) each individual's abilities are to be developed, unrestricted by time or place, in order that each may learn and pursue educational progress all through life. Each should be enabled to satisfy his need for a good quality of education to build his personality and make himself capable to play a positive role in society;
- iii) the necessary manpower for all sectors has to be provided for the sake of promoting the country's development plans and projects and for providing such facilities and auxiliary resources for specialised and higher education as may be consistent with Oman's development requirements; and
- iv) the Omani individual is to be enlightened about his rights, duties and obligations towards his own country and his larger Arab Motherland leading to his comprehension that unity and collaboration among the Arab peoples are sources of power for him."

The five "Five Year Development Plans" established the broad objectives for the education system of the country. The First Five Year Development Plan (FFYDP), 1976-1980, stressed the importance of developing human resources to replace expatriates. The second (FFYDP) 1981-1985 set the broad objectives of the education and training system of the country. These objectives included:

- i) orientation of the educational and vocational training systems to meet the country's economic needs for human resources;
- ii) redefining of educational and vocational training curricula in accordance with the needs of local communities so as to match their regional production activities:

- iii) stressing the importance of secondary technical education and teacher training institutes;
- iv) giving priority to vocational training and attracting trainees by giving necessary incentives. Priority was to be given to the training of workers in the fields of construction, electricity, mechanical works, clerical jobs, agriculture, mining and fisheries; and
- v) establishment of a modern University in Oman.

The Council for Education and Vocational Training was established in 1979. The Council consisted of Ministers responsible for education, technical and vocational policies in the country. The goal was to draw together an integrated policy towards the education, technical and vocational system.

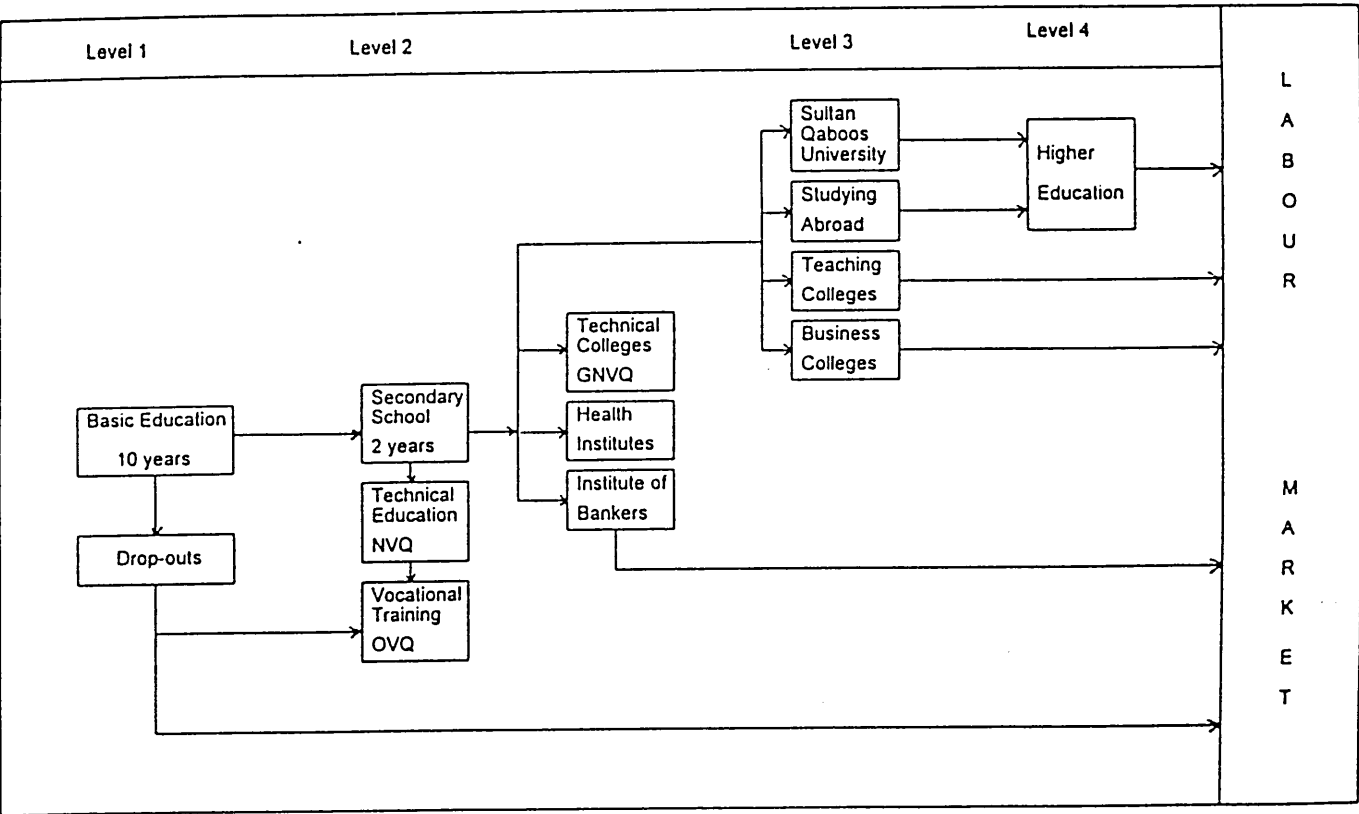
Table 2.10 reveals the growth of the education system in Oman between 1973/74 and 1996/97, with the total number of pupils increasing from 35,565 to 542,000, and the number of females at school progressing steadily from 22 per cent to 48 per cent. The number of schools has also increased from 111 to more than 1,100. The number of teachers has gone up from 1,195 to more than 25,000, while the pupil/teacher ratio has declined from 30 to 22 (Oman 2 September 1995).

Government expenditure on schooling has increased rapidly over the years. Table 2.10 indicates that the share of education to total government expenditure has increased from 2.3 in 1973/ 74 to reach 7.9 per cent in 1994/ 95. The rise in education budget reflects their importance on the Government agenda. However, investment in “formal education alone” would not solve the problems of skill shortages (Harbison, quoted in Meier, 1984). Morris and Marsh (1992) suggested that “the role of education in economic development cannot be explained primarily in terms of resource provision”. The focus, instead, should be on “identifying the attitudes, and motivations to learning”. Harbison (quoted in Meier, 1984) argued that investments in education could support “rapid

growth only if there are adequate incentives to encourage men and women to engage in the kinds of productive activity which are needed to accelerate the modernisation process”.

The structure of schooling can be characterised in the following levels: six years of primary education, three years of preparatory, three years of secondary and post secondary levels. The elements of schooling at these levels are illustrated in Figure 2.5.

Figure 2.5
School Structure in Oman



Source: Ministry of Development (1995)

In secondary level education the largest enrolment is provided by the general secondary schools by means of an initial year followed by two years of instruction in either arts or

science. The total number enrolled at the general secondary level reached 97.5 per cent of the total secondary school level enrolments in 1994/95. A number of specialised institutions also give education at the secondary level. They include Islamic education, Commercial and Industrial education.

Post secondary education is provided by Sultan Qaboos University which was opened in 1986. The total enrolment reached 5,195 during the academic year 1996/97. Students were distributed over seven faculties in a total of 37 different programmes. These programmes include 21 in arts and humanity studies and 16 in engineering, agriculture, science and medicine. Besides the University there are a number of colleges and specialised institutions. They include Teacher Training Colleges, Technical Colleges, College of Business, Islamic Institute, Health & Nursing School, Institute of Public Administration and the Institute of Bankers, in addition to four private colleges. Most of the programmes were of two to three years duration. However, plans are underway to extend most of these programmes to four years. Enrolment in these colleges reached more than 7,000 in 1995/ 1996 (Oman 6 January 1997).

The efficiency of the schooling system can be deduced from the historical rates of transition from one grade to the next (World Bank, 1981). This situation is illustrated in Table 2.11. The table reveals that the inter-level drop out and retention in between the preparatory and secondary levels were as high as 32 per cent in the school year 1992/93, 15 per cent in 1993/94 and 18 per cent in 1994/95. The level of drop out and retention was much higher among males than females.

The number of secondary school graduates was estimated at around 13,000 in 1995. The number is expected to rise to 17,000 in 1996 and 23,000 in 1997. Less than half of the 1995 secondary school graduates have continued their further or higher education. The real reason behind the high levels of retention and drop out could be attributed to the limitations of the number of pupils permitted to transit to the next level. The intake at secondary level is limited to pupils who secure a minimum average of 60 per cent in the final examination at the preparatory level. Moreover, only 65 per cent of pupils who

successfully completed the preparatory education were allowed to enrol in the secondary level (Ali, 1990).

The pool of young school-leavers soon approaches the labour market for employment. The ideal presumption is that they pursue employment in training related opportunities and/or seek employment across all sectors of the economy. However, under the past patterns of recruiting, most of the young school leavers begin work in the public sector.

Table 2.10
Growth of Education System in Oman
in Selected Years

Year	No. of Teachers	Pupils / Teachers	No. of Pupils	% of Females	No. of Classes	No. of Schools	Share of Education to total Gov. Expenditure
73/ 74	1,195	30	35,565	22	899	111	2.3
75/ 76	1,980	28	56,104	27	1,617	214	1.8
80/ 81	5,259	21	108,324	33	3,660	388	4.0
85/ 86	10,131	22	221,694	42	7,201	606	5.1
90/ 91	15,287	23	360,066	46	10,860	800	7.2
94/ 95	21,452	22	474,937	48	14,567	947	7.9
96/ 97	25,000	22	542,000	48	N.A	1,100	N.A

Source: Ministry of Development (1995)

Table 2.11
Transition from Preparatory to Secondary

Total No. of Pupils	92/ 93	93/ 94	94/ 95
Preparatory (Grade II)	25,394	27,348	31,262
Secondary (Grade III)	17,285	23,221	25,574
Drop out/ Retention: Total %	8,109 32.0	4,127 15.0	5,688 18.2
Drop out/ Retention: Females	24.0	12.0	12.6
Males	39.0	18.0	23.4

Source: Ministry of Development (1995)

2.5.3 Vocational Education

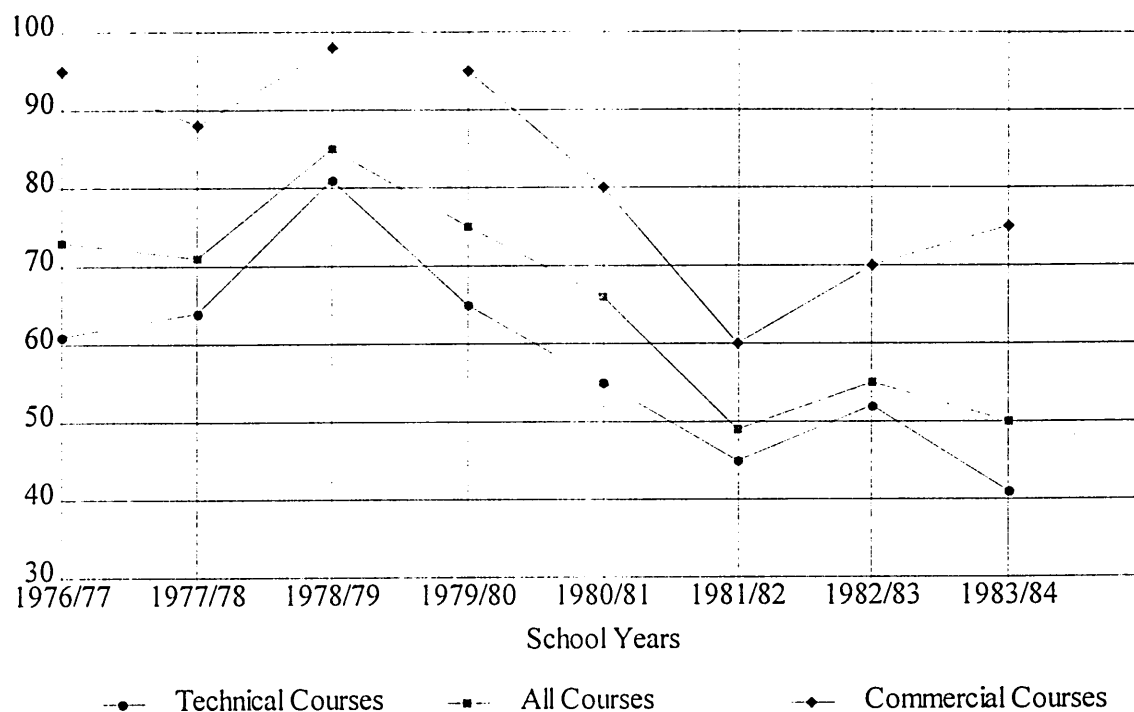
Vocational training started in 1967 when Petroleum Development Oman 'PDO' (the major oil company in the country which is shared by the Government of Oman and Shell) established the first vocational training institute. Participants were trained for different trades such as automotive mechanics, welders, production mechanics and electricians. In 1972, PDO handed over this institute to the Government under the supervision of the Ministry of Social Affairs and Labour. Since 1973, eight new institutes were added by the Ministry in different regions of the country. These institutes were equivalent to the preparatory school level.

The institutes offered three-year courses in mechanical, electrical, automotive and building trades in addition to commercial courses. Admission was restricted to males only. By and large, enrolment in these institutes was low. Al-Khabouri (1985) pointed out that some of VTIs in the regions were hardly operational. The utilisation rate was as low as 20 per cent. According to Al-Khabouri, commercial courses were more popular than technical courses. He also argued that the low level of utilisation did not justify the existence of these institutes. Figure 2.6 illustrates the average utilisation rates of VTIs during the period 1976 to 1983.

Drop out is seen as “a rejection of the goals and values of education (Tannery, 1991). The drop out rates from the VTIs were high. The quantitative drop-out rate of the VTIs can be deduced from the rates of transition from one level to the other. The average rate of drop-out was 42 per cent in technical courses and 24 per cent in commercial courses. Figure 2.7 illustrates the percentages of drop-out from the VTIs.

Figure 2.6
Average utility rates of all
Vocational Training Institutes

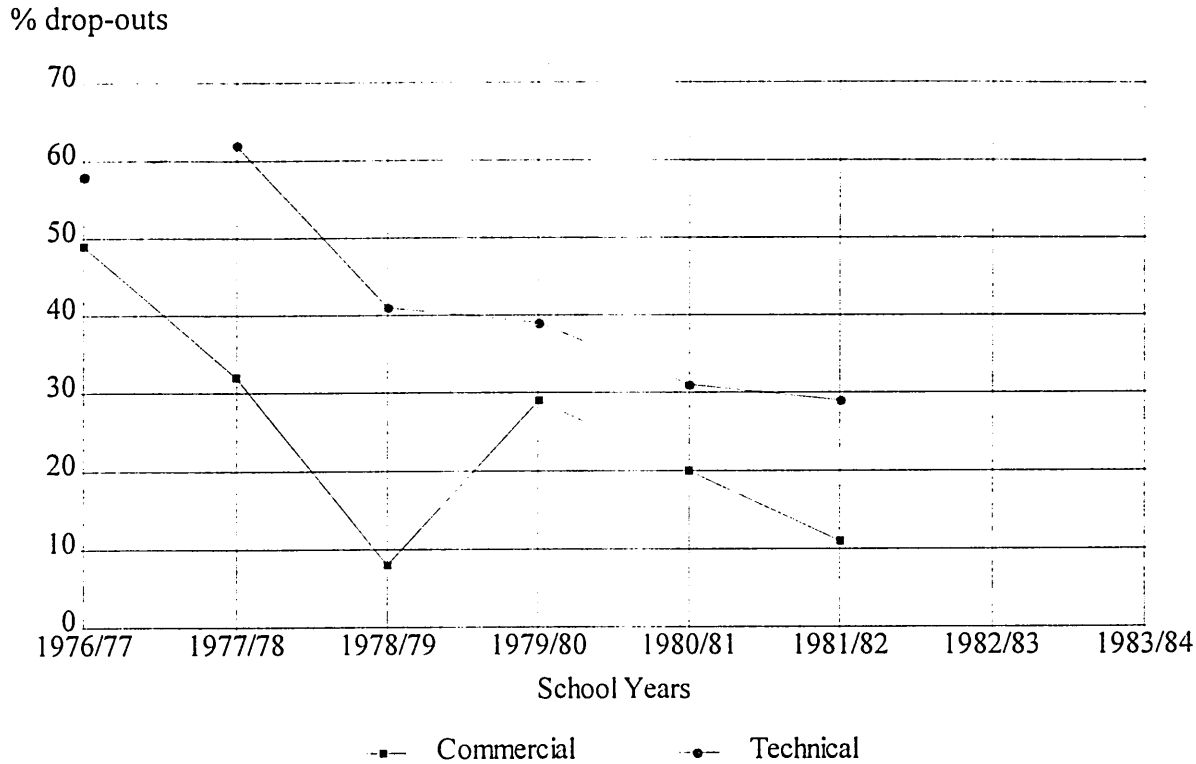
% utility for
all institutes



Source: Al-Khabouri (1985)

In 1985, the Ministry of Social Affairs and Labour decided to raise the level of the VTIs from the preparatory level to secondary level. The majority of participants were those who could not secure admission to general secondary school. The intake at the general secondary schooling was limited to pupils who could secure a minimum average of 60 per cent in the final examination at the preparatory level. Moreover, only 65 per cent of pupils who successfully completed the preparatory education were allowed to enrol in the general secondary level (Ali, 1990). It can be argued that this policy of admission at the general secondary level caused undue damage to the VTIs. This can be seen from the level of enrolment in the VTI's programmes and the rates of drop-out. Total intake capacity of each Institute was 360 a year. However, total numbers of participants who successfully completed their programmes during the period 1984-1994 was 3,292 at an average of 52 participants per Institute (Interview with the Director General of Vocational Training in October 1995).

Figure 2.7
Percentage of drop-out from the
Vocational Training Institutes



Source: Al-Khabouri (1985)

The running costs of the VTIs were becoming higher as the level of utilisation was falling down. Al-Khabouri (1985) argued that training in these institutes was dependent on non-Omani teachers and instructors many, of whom had little or no practical experience. Those instructors came from different countries such as Egypt, Germany, India, Sudan and the UK. They brought along with them the social and moral assumptions of their places of origin. It is therefore important to ask about their qualifications. A teacher must have a thorough understanding, not only of the subject that he teaches, but also of the relation of this to other areas of knowledge.

Moreover, as no Omani curricula were available, an assortment of the curricula from different countries was followed. Al-Khabouri (1985) argued that Oman adopted a foreign education and training system with little modification; a system which was developed under different social and economic realities. The expatriate teachers brought

curricula from their own countries and taught them in the VTIs without very much modification.

It may be argued that these issues defeated the very purpose of the VTIs. Al-Khabouri (1985) pointed out that only 40 per cent of the VTI participants sought jobs in activities related to their training. This reflected the low morale in the VTI programmes.

The 1981 World Bank Report highlighted two elements for the development of the VTIs. The first was that the Institutes were not supposed to be second rate substitutes for general education, but a legitimate alternative stream for one segment of the population. It was vital therefore that the training opportunities provided did not lead to, and were not seen as leading to, a dead-end in career development. It was important that the pathway between general education and vocational training be kept open, to allow both general stream students to transfer to vocational training and also to permit qualified trainers to return to general schooling.

The second element was that the level and content of the curricula offered by the VTI's be structured to meet the needs for technically trained manpower as the economy and the labour force requirements of the country developed.

The shortcomings of vocational training could be seen from enrolment numbers. The proportion of pupils in all vocational training programmes combined was less than one per cent of the total enrolment in general education in 1994/95, and around 2.5 per cent of the total enrolment in secondary schools. Table 2.12 illustrates the growth in vocational education in Oman between 1990 and 1993.

The inability of the VTIs to attract young Omanis or deliver the quality of skills needed by the industry could be attributed to several factors:

- i) the absence of a comprehensive and integrated human resource strategy in the country;

Table 2.12
The growth of the Education System in Oman between
1990 and 1993

Details	Term		Annual Growth Rate %
	1990	1993	
Total number of pupils in Government schools	395,275	495,517	7.9
Total Government expenditure (RO)	1,851.7	2,219.0	5.7
Government expenditure on education (RO)	177.3	234.8	9.8
Ratio of Government expenditure on education to total Government expenditure	9.6	10.7	
Education per capita (RO)	97.8	116.2	5.9
sub details:			
Ministry of Education:			
Total number of pupils in all schools:	360,066	453,884	8.0
% of pupils in all schools	98.6	98.6	
Share of expenditure %	76.4	73.3	
Average cost per pupil (RO)	376.0	379.1	
Vocational Training & Technical Education:			
Total number of students	2,188	1,675	8.5
% of students to total pupils in Government schools	0.6	0.36	
Share of expenditure %	4.9	4.2	
Average cost per student (RO)	3,930	5,910	14.7
Sultan Qaboos University:			
Total number of students	3,021	3,858	8.5
% of students	0.82	0.8	1.2
Share of expenditure %	18.7	22.5	6.3
Average cost per student (RO)	10,990	13,686	7.6

Source: Ministry of development (1995)

- ii) the ineffectiveness of the Government's educational bodies to fulfil the country's needs for various skills. This can be witnessed from the following:
 - a) Government officials have yet to realise that the education system is overly academic in content and is therefore unsuited for preparing young people with vocational skills (Ministry of Development, 1995);
 - b) the total staff strength of the VTIs reached more than 1,100 in 1994 of whom 50 per cent had lower than preparatory level educational qualifications (VTA, 1995);
 - c) the VTA utilised only 55 per cent of its total financial allocation during the period January 1991 to January 1995 (VTA, 1995).
- iii) the absence of empirical and field studies to assess the requirements of the labour market led to a mismatch between the outputs of the vocational training programmes and labour market needs (VTA, 1995);
- iv) vital information was unavailable for planners due to the absence of a labour market database;
- v) Ali (1990) argued that the low level of enrolment in the VTIs could be attributed to the prevailing traditional values which are associated with a disdain for manual work and industrial blue-collar jobs. This situation was perhaps augmented by the schooling system, which turned the VTI's into second rate substitutes for general education. The schooling system exerted a significant impact on youth attitude towards vocational training. Less able pupils who did not do well academically found themselves in VTIs (World Bank, 1981). It could therefore be argued that the schooling system has created a sense of inferiority among youths who joined VTI programmes;

- vi) VTIs were not adequately distributed geographically. There were only nine institutes throughout the Sultanate and many pupils from poor-income families missed the opportunity to join the VTIs due to the absence of a financial support system;
- vii) anecdotal evidence suggests (preliminary interviews with employers in Oman in May 1995) that employers put much of the responsibility for schools' failure to on an inability to:
 - a) adapt to technological change required by the labour market; or
 - b) provide young school leavers with competencies needed by the private sector.

Without competent and properly trained manpower, it would be difficult for companies to maintain their competitive edge or achieve profitability (Al-Mahdi and Johnston, 1995).

Similar patterns were also found in Britain. Technical and vocational education was seen as a refuge for the less intelligent and less enterprising. An example to this was manifested in the separation of schools into the 'technical' secondary modern, and 'academic' grammar schools, which lasted without serious challenge between the 1940s and the 1960s, and the long-perceived inferior status of 'vocational' polytechnics, as opposed to the 'academic' established universities, at the higher level. Wiener (1981) has provided an overview of how this is alleged to have influenced - adversely - Britain's overall industrial and economic development.

Oman can be compared to Singapore. The later has witnessed an extraordinary economic growth rate. In Singapore, the process of skill formation is based on the Government's vision of its future economic goals. Training policies in Singapore are formed to link the present and future demands of the economy. These policies are subject to periodical

revision and change to ensure that the requisite skills are in place to attract the relevant industries (Ashton and Sung, 1994).

- viii) there is an absence of an effective co-ordination between the education system and employers in designing, supervising and assessing the quality of programmes conducted by the VTIs like the Chamber of Commerce in Germany, which is governed by employers who determine the direction and content of vocational studies in that country (Skillbeck, Connell, Lowe and Tait, 1994).

2.5.4 The New Vocationalism

The major resurgence of Government interest in vocational training took place in 1990. The fall of oil prices from 1986 onwards and the advent of the Gulf crises in 1990 caused much concern to the Government promoting, as it did, continued budget deficits, and rendering the government unable to offer employment to the rapidly growing numbers of school-leavers. The Government realised that there was a need for new vocational policies. Accordingly, the Fourth Five Year Development Plan (FFYDP) 1991-1995 set out the main objectives of vocational training and technical education. The FFYDP emphasised the following objectives:

- i) the need to create links between the education and vocational training system to meet the manpower needs of the economy;
- ii) the need to formulate necessary policies for the substitution of the indigenous workforce for expatriates. These policies entail the formulation of proper training programmes to upgrade the skill levels of the indigenous workforce;
- iii) the need to cater for the growing needs for vocational training by providing sufficient training institutions and facilities, developing

technical education and improving the curricula to gear up with the requirements of the economy.

Towards these objectives, two Royal Decrees were issued in 1991. The first was for the establishment of a Supreme Committee for Vocational Training and Labour (SCVTL) entrusted with drawing up the necessary policies pertaining to the technical education and vocational training sector. The second Decree was for the establishment of the Vocational Training Authority (VTA), which is responsible for the implementation of policies and decisions drawn by the SCVTL.

Among the early decisions made by the SCVTL were the following:

- i) to upgrade four VTIs into technical industrial colleges. The aim of these colleges is to supply the technical workforce needed by the economy. These colleges offer three year programmes in two streams:
 - 1) Technical studies comprising:
 - a) computer programming;
 - b) science: chemistry, biology, physics, schools laboratories and medical laboratories;
 - c) electrical and electronic engineering;
 - d) civil engineering: survey, land and buildings; and
 - e) mechanical engineering: manufacturing, air conditioning, refrigeration and auto mechanics.
 - 2) Commercial studies comprising:

- a) accounting;
- b) management;
- c) insurance; and
- d) marketing.

At present capacities, these colleges can admit around 1,500 students a year. The total numbers of graduates is expected to be around 4,000 during the Fifth Five Year Development Plan (FFYDP), 1996 - 2000, based upon an 80 per cent rate of success.

- ii) to convert four VTIs into vocational training centres with the aim of supplying a skilled and semi-skilled workforce to the labour market. These centres conduct short-term training programmes in various trades. The programmes, which are designed for males only, are based on two modules. Module One comprises basic/core courses in one skill or trade for six months. On completion the participants receive a 'Semi-Skilled Labour' Certificate.

Module Two comprises four modules each lasting for three months. Participants must complete Module One before joining Module Two. No educational qualification or age limit is a prerequisite for joining this module. This module offers training in one of the following skills/trades:

- a) automotive repair;
- b) mechanical training;
- c) electrical training;

- d) masonry; and
- e) carpentry.

The total number of participants reached around 740 in 1994/95 and 1,250 in 1995/96. Although it is still too early to assess the effectiveness of these programmes, drop-out rates reached 42 per cent in Module One and 37 per cent in Module Two (VTA, 1995).

2.5.5 The Future Perspectives of Oman's Human Resource Development

The Fifth Five Year Plan (FFYDP) 1996 - 2000 emphasised the importance of the development of indigenous human resources and raising the competency of Omanis to be able to cope effectively with changing technology and to adapt to changing local and international environments. The FFYDP also emphasised the need to adapt appropriate policies to increase the percentages of Omanis in all sectors of the labour market. To achieve these objectives, the FFYDP 1996 - 2000 emphasised the following goals:

- i) the improvement of basic educational standard to the best international standard;
- ii) the expansion of technical education and vocational training to absorb the majority of pupils from basic schooling;
- iii) the provision of preparatory school leavers and drop-outs with other levels of schooling and vocational training;
- iv) the pursuit of the Omanisation plan to ensure the fulfilment of the targets set, and to review these targets periodically in the light of the schooling results;

Table 2.13

Preliminary projection of Oman's labour force requirements in 2020 *
(Figures in 1,000)

Total labour force 1993			Labour force Major occupational categories	Indigenous labour demand 2020	force supply
Omanis	Expat.	Total			
2020					
2.9	13.0	15.9	Scientific & technical professionals	52.1	42.0
13.9	17.0	30.9	Other professionals	52.8	43.2
0.2	1.3	1.5	University & Higher Education Teachers	5.6	4.3
2.3	12.0	14.3	Secondary Education Teachers	42.7	38.2
19.3	43.3	62.6	Total professionals	153.2	127.7
4.0	5.6	9.6	Technicians (Science)	35.8	34.0
1.1	1.0	2.1	Other technicians	4.0	4.0
1.2	5.8	7.0	Nurses 12.0	11.3	
0.4	0.7	1.1	Medical Assistants	2.2	2.2
8.9	4.3	13.2	Primary Education Teachers	37.1	35.2
15.6	17.4	33.0	Total technicians	91.1	86.7
33.8	18.4	52.2	Skilled Office - related jobs	115.9	104.0
76.5	28.8	105.3	Skilled Manual 337.7	295.2	
110.3	47.2	157.5	Total Skilled	453.6	399.2
7.8	92.3	90.1	Semi-skilled Office - related jobs	177.6	149.1
1.3	19.6	20.9	Semi-skilled Manual	68.8	25.8
9.1	101.9	110.0	Total Semi-skilled	246.4	174.9
84.1	218.9	303.0	Other Semi-skilled & Unskilled	344.3	103.3
238.4	428.7	667.1	Grand Total	1289.0	891.8

* Projections are based on the following presumptions:

- 1) GDP annual growth rate of 3.5 per cent.
- 2) Productivity growth rate is based on one per cent a year.
- 3) The decline of population growth rate from 3.7 a year in 1993 to 2.7 in 2020.
- 4) The increase of female labour force participation from 3 per cent in 1993 to 11 per cent in 2020.
- 5) Projections are based on the restructuring of the labour force from lower value added economic activity sectors to higher value added sectors.

Source: Ministry of Development, 1995.

- v) the adaptation of realistic and flexible labour market policies; and
- vi) the improvement of the labour market information system.

The VTA has prepared a future projection of the labour market requirement up to the year 2020. It is expected (VTA. 1995) that the total labour force will increase from 667,000 in 1993 (of which Omanis represent around 36 per cent) to 1,289,000 in the year 2020 (Omanis representing around 70 per cent). Table 2.13 illustrates Oman's labour force requirements in 2020 projected by the VTA. The projection is based upon assumptions of restructuring the labour force from lower value added economic activities to higher value added sectors.

Table 2.14

Labour force projection and the capacities of the
schooling system in Oman
1993 - 2020

Occupational qualifications	Labour force requirements 2020	Available indig. labour force 1993	Shortages of Omani labour force	Training capacity until 2020	Shortfall of training facilities
Skilled labour	453,600	82,800	370,800	18,000	352,000
Semi-skilled labour	246,600	6,900	239,700	25,000	214,700
Total	700,200	89,700	502,300	43,800	566,700

Source: Vocational Training Authority (1995)

It is worthwhile examining how policy makers intend to achieve the projected manpower growth in the year 2020. Table 2.14 illustrates the gap between the requirements of the labour market in 2020 and the capacities of the schooling system. The table indicates that, at current capacity, the Government vocational centres will cater for less than 10 per cent of young Omani school leavers who are expected to pursue employment. Moreover,

the Government has no immediate plans for an expansion in the number of technical colleges or vocational training centres (VTA, 1995), due to a lack of financial resources (Ali, 1993). Instead, the Government has sought to stimulate the private sector to take an active role in the process of skill formation. Through private sector participation, the Government plans to support the private sector to recruitment of young school leavers and provide them with necessary training. Towards that objectives, the Government initiated the following:

i) to support private sector firms in the recruitment of young school-leavers in their provision with necessary training. To achieve this objective, the Government introduced a policy (Decree 2/ 92, 1992 and 4/ 94, 1994) which provided subsidy to establishments engaging their young Omani workers in apprenticeship and on the job training (OJT). The aim of the scheme was to make the recruitment of young Omanis more attractive to private sector employers. The scheme offered a refund of up to 75 per cent of the basic salaries and water and electricity allowances of young Omanis holding a university degree or a technical college diploma, or general secondary or vocational training institutes' certificates, and those with educational qualifications lower than secondary schooling. Between 1991 and 1993, only 730 private sector establishments availed themselves of scheme. No details were available regarding the categories of establishments participating in the scheme. However, it is estimated that mostly large size firms, representing around five per cent of total establishments in the country, participated. It could be argued that the low participation by employers in this scheme was attributable to the following:

a) around 80 per cent of the Omani labour force in the modern economy were engaged in the three largest categories of companies namely: International, Excellent Grade, and Grade I;

b) private sector employers prefer to invest the limited

financial resources of their establishments in profitable options rather than training (Ainley and Corney, 1990);

- c) the cost of recruiting additional staff could be prohibitive for small sized companies, particularly as the application procedures for wage subsidies take longer than three months;
 - d) most of the small sized establishments are controlled and run by expatriates on a kinship basis. They have, therefore, no real interest in recruiting Omanis;
 - e) small establishments may refuse to recruit unskilled young people no matter how cheap their wages. This is because the cost of disruption to production, costs incurred in supervising trainees, the cost of wasted materials and the wages of the trainees during the training period, would outstrip the advantage of low salaries (Ashton, Maguire and Spilsbury, 1990).
- ii) the Government policy also envisaged the establishment of training institutes by the private sector. (Decree 1/92, Ministry of Social Affairs and Labour).

The number of training institutes run by the private sector reached 132 by the end of 1996. There are several remarks regarding the performance of these institutes:

- a) sixty seven per cent of these institutes were located in the city of Muscat, which is the capital and main urban centre in the country. Another 13 per cent were located in two main towns (Salalah and

Sohar) (VTA, 1997);

- b) sixty per cent of programmes run by private sector training institutes were below the standard stipulated by the VTA. (VTA, 1995);
- c) ninety two per cent of the programmes run by these institutes were in office-related training such as typing, clerical work, and languages (VTA, 1997);
- d) most of these programmes were of short duration, designed to improve particular job skills (VTA, 1995);
- e) the current capacity of training institutes run by the private sector combined, including the sub-standard programmes, was around 20 per cent of the requirement of the country by the year 2020.

It can be argued, therefore, that the measures adopted by the Government to improve the skills of school leavers fall far behind the requirements of the labour market, both in terms of quantity as well as quality. Snower (1994, quoted in Al-Mahdi and Johnson,1995) argued that:

"..... a country can fall into a low skill, bad job trap, characterised by a vicious cycle of low productivity, deficient training, and low skilled jobs, preventing the economy from competing effectively in the markets for skill intensive products."

Snower further argued that there was a clear correlation between the skills of a work force and a work force being engaged in less value added activities, and that productivity differences relate much more to work force skills than to the quality of capital equipment.

Al-Mahdi and Johnson (1995) argued that, in countries with a large percentage of unskilled labour force getting little support for education and training, the market mechanism may reinforce the same trend, i.e. lack of skill, by providing little incentive to obtain more skill. By contrast, in countries with well laid-out educational systems and a large pool of skilled labour, the free market may induce people to become more skilled.

In 1996, the Government abolished the wage subsidy scheme. A new scheme was introduced (Decree 3/ 96, 1996) aimed at promoting Omanisation and improving the standard of technical education and vocational training. According to this scheme, the Government would bear the entire cost incurred on the training of Omanis employed in the private sector. The decree, which took effect in June 1996, applies for training up to two years, leading to Gulf National Vocational Qualification (GNVQ) and National Vocational Qualification (NVQ). According to this measure, trainees will not be employed in the public sector while undergoing training. During the first year, up to 5,000 young Omanis, from different parts of the country would be benefiting from the scheme.

2.5.6 The New Schooling System

In January 1997, the Minister of Education announced in the Majlis Ash' Shura (the parliament) a new plan to restructure the schooling system to commence during the schooling year 1998/ 1999, and be completed by the year 2020. The new scheme would be based on ten years of basic education, consisting of two stages. The first stage would comprise four years of schooling. The second stage would be six years of schooling, and two years of secondary schooling (Oman, 8 January 1997).

The new system aims to prepare young Omanis for an enhanced role in the labour market. The proposed educational reforms are designed to achieve the knowledge and mental skills and attitudes that young Omanis need to learn to face the challenges of the future. The new scheme is supposed to be based on a strong background in science and mathematics. There will also be more emphasis on the English language and computer

literacy. The school year and the school day will be lengthened, and the minimum qualifications of teachers will be raised from the present level. The learning resources, such as libraries, laboratories and learning centres in schools, will be improved. The reform will also apply to the central administration, in lieu of planning and decision making process (ECS, 1996).

2.5.7 Conclusion

It has been argued that the new vocational programmes set by the VTA will cater for less than 10 per cent of the young people entering the labour market. The shortcomings in these programmes, which were designed to meet the skills required by industry, have been attributed to the allocation of insufficient funds. Instead, the Government has sought to promote the process of skill formation of young people through private sector establishments. However, the scheme has so far had a limited effect in attracting employers to recruit young people. Ainley and Corney (1990), in their assessment of the MSC in the UK, argued that although the best institution to solve the skill shortage problem is the company itself, employers may take a short sighted view of training and are not prepared to invest the necessary resources in this. If this is replicated in Oman, the implication is that the Government cannot rely simply on private sector organisations to meet the needs of the economy.

2.6 Communication Barriers

The emphasis of this section is on elements of communication barriers that could hamper the integration of the indigenous young Omanis in private sector establishments. It is argued that the different expatriate groups, which dominate the private sector establishments in terms of numbers, have brought to the country a diversity of cultures and languages. These cultural elements began to bring forth reactions among the young Omanis and create a negative impact in the work place. The section will therefore attempt to investigate how these cultural elements have emerged, describe how the interaction between young Omanis and their expatriate co-workers takes place, and examine the impact of cultural elements on the employment of the indigenous youth.

It is important to mention that so far little research has been carried out on “race-relations” or the “immigrant-host” relationship in the Gulf area (Lovelace, 1995). Al-Khabouri (1985) argued that the impact of expatriates on the indigenous Omani culture and language has not received enough attention. It seems that the majority of researchers have confined their studies to the adverse effect of recruiting expatriate baby-sitters or house-keepers on family values.

Oman has been experiencing a phenomenal increase in the cultural diversity of its work force. The work force has changed dramatically since 1970. The country has witnessed the influx of expatriates from various countries. Lovelace (1995) pointed out that the improbability of getting a work force with diversified skills and disciplines from any single geographic area, compels employers to recruit expatriates from different parts of the world. Their number grew from few hundreds before 1970 to around two thirds of the total work force in 1993 (1993 National census). Asians composed almost 97 per cent of the total expatriate work force, of whom, 58.2 per cent were from India, 14.5 were from Pakistan, 16.8 came from Bangladesh, 4.7 were from Sri Lanka, and 2.2 were from the Philippines. Arabs constituted two per cent, coming mostly from Egypt, Jordan, and Sudan. Europeans represented almost one per cent, with the majority from the United Kingdom.

Until 1990, the government could provide sufficient employment opportunities to its indigenous work force. The typical employment pattern in the country was that a majority of Omanis were concentrated in the public sector, while expatriates were engaged in private sector activities. Similar patterns of employment were found in other Gulf states as well (Al-Jassim, 1990; Al-Humaidi, 1988). It is therefore assumed that the impact of expatriate cultures on the indigenous Omani work force before 1990 was negligible, as the main place of contact was the market place. With the continued budget deficit and the inability on the part of the government to provide employment opportunities to school-leavers, since 1990 a growing number of young Omanis began to seek employment in the private sector. This led to a new level of interaction between the indigenous Omanis and expatriates in the work place. It can be argued that this interaction led also to a plethora of problems between the two culturally different groups. Such problems ranged from lack of a proper level of communication between the two groups through to a lack of understanding of the local culture on the part of the expatriate workers in the organisation (Lovelace, 1995).

The importance of effective communication in an organisation stems partly from the fact that miscommunication can be damaging, and partly from the fact that mistakes can be costly (Terpstra and David, 1991; Joseph, 1995).

Communication has been defined by Gibson, Ivancevich, and Donnelly (1991: 540) “as the transmission of information and understanding through the use of common symbols”. They argued that though some “sorts of communication in any organisation is unavoidable”.....but achieving “effective communication” is not always possible to achieve. Samovar and Larry (1991) argued that communication takes place whenever “meaning is attributed to behaviour”. It is “the way we define our world give meaning to events and people” and the aim is “to share ourselves with one another”.

Intercultural communication occurs between people of different cultures (Samovar and Larry, 1991). Emphasis on intercultural communication stems from the fact that the different migrant groups have brought with them a diversity of cultures. For example, Indian managers come from a society comprising different linguistic groups. Indian

society is also based on a caste system and a rather centralised style of management (Terpstra and David, 1991). These managers who were accustomed to a particular management culture found themselves, after 1990, confronted with Omani workers, many of whom did not speak their language. In addition, the Omani culture is based on the principle that all human beings are equal (The Holy Qur'an, Sourat Al-Hujurat), in strong contrast to the caste system of inequality.

But what is culture? Hofstede (1980) defined culture as “ the collective programming of the mind which distinguishes the members of the one human group from another”.

Samovar and Porter (1991) defined culture as:

“ the deposit of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religion, notion of time, roles, spatial relations, concept of universe, and material objects and possessions acquired by a group of people in the course of generations through individual and group striving”.

Terpstra and David (1991) defined culture as

“a learned, shared, compelling, interrelated set of symbols whose meanings provide a set of orientations for members of the society. These orientations, taken together, provide solutions to problems that all societies must solve if they are to remain viable”.

Hofstede (198) suggested that the cultural complexities of different ethnic groups should be taken into consideration by the management of an organisation in its dealings with them in order to avoid being “irrelevant to the receiving people”. He added that it is “unavoidable and natural” to manage Japanese people, for instance, differently from American.

Terpstra and David (1991) argued that culture in a business context included seven elements: language, education, religion, values, technology, social organisation, and

political environment. Samovar and Porter (1991) opined that communication would be smoother in one's own culture. However, intercultural communication can cause difficulties if the different parties to intercultural communication are not aware "of how their cultures affect the context of communication".

Two elements of intercultural communication are identified here as exerting the maximum impact in the work place in Oman. They are ethnocentrism and language.

2.6.1 Ethnocentrism

Ethnocentrism has been defined (Drever, 1952, quoted in Hofstede, 1980: 25) "as an exaggerated tendency to think the characteristics of one's own group or race superior to those of other groups or races".

Expatriate managers, during the preliminary interviews in 1995, believed that young Omanis have a degree of negative attitude towards the expatriate co-workers. According to expatriate managers, this was demonstrated in a number of ways. For example, in refusing the authority of the expatriate managers, in the neglect of work rules, in unauthorised absenteeism, in apportioning the blame for mistakes on expatriate co-workers.

As Oman is a Muslim society, ethnocentrism is believed to be a new phenomena there. Islam strongly denies all patterns of racial discrimination (Terpstra and David, 1991). It can be argued, therefore, that the antipathy towards the expatriates is a new phenomenon based on the following assumptions:

1. There is a feeling among the nationals that the expatriates represent a social group of lower grade individuals. This perception is based on the fact that majority of the expatriate workers are engaged in unskilled, manual, blue-collar employment. Expatriates are becoming 'stereotyped' in this way. Samovar and Porter (1991) saw stereotyping as a "potential problem" and

dangerous phenomena as it is “oversimplified, overgeneralised, and/or exaggerated”.

2. The unprecedented flow of wealth, generated by the oil boom, has probably created a feeling of superiority amongst the Omanis in relation to the expatriates who migrated to the country on economic grounds. Joseph (1995) suggested that wealth which was generated over a short period of time in the Gulf region might have distorted the perceptions of the indigenous people, particularly about work.
3. Brook (1975) argued that immigrants could be accepted more by the host society if they are “seen to confirm to and accept the norms and values of the host society”. Adaptation will, however, be easier if expatriates find acceptance from the indigenous population (Camilleri, 1995). The concept of adaptation and acceptance seems to be in contrast to the situation in Oman. Each group tries to maintain its culture and linguistic identity. It is rare to find an expatriate speaking Arabic as the main language of communication, or adapting to or mixing with an Omani. It can be argued, therefore, that the Omani society has become a pluralistic society, where different cultures and linguistic groups co-exist, but where they maintain their basic identity.
4. Lovelace (1995) argued that expatriates seem to have little motivation to share their knowledge and experience with the indigenous people. Furthermore, Donnelly (1995) argued that indigenous people might even experience some degree of resistance to their employment from the expatriate employers. This seems to be contrary to the belief of the indigenous people in the Gulf region that gaining employment is a basic right (Al-Jassim, 1990; Al-Humaidi, 1988).

But how can people communicate in situations where they are culturally different? Samovar and Porter (1991) argued that better mutual understanding of technically-diverse groups can be achieved through “motivation, knowledge, and appreciation of

cultural diversity”. Towards this aim they suggested eight elements capable, in their view, of achieving better intercultural communication. These elements comprised: “know your self, consider the physical and human setting, seek a shared code, develop empathy, encourage feed back, develop communication flexibility, and seek commonalities”.

Terpstra and David (1991) found that maintaining a congenial environment within the working groups in the organisation was the most important function of Japanese managers.

Gibson, Ivancevich, and Donnelly (1991) suggested that organisations should provide avenues for socialisation. They define socialisation as “the process by which an individual comes to appreciate the values, abilities, expected behaviours, and social knowledge essential for assuming an organisational role and for participating as an organisational member”.

Abdellah-Pretceille (1995) suggested that the difficult part of socialisation training is not how to define the course itself, but “its objectives, and ultimately, the conceptual, ethical, philosophical and social contours of these objectives”.

Lock (1992: 158 - 160) presented a general guideline to enhance intercultural understanding in the organisation. The guidelines comprise seven elements, as follows:

1. All sensitive information with respect to a particular cultural group should be collected from that ethnic group itself.
2. Members of all diverse communities and cultures should be treated with dignity, respect, and responsibility.
3. Convictions about a particular ethnic group should be based on the universally accepted fact that each person is a unique individual, different from any other individual.

4. School curricula should be redrafted to lay emphasis on the significance of multicultural interactions.
5. The multicultural efforts should focus on the positive aspects of social well being rather than negative interaction.
6. Educators and counsellors need to be fully aware of the systemic dimensions of racism and alienation.
7. Educators and counsellors must be trained in such a way as to demonstrate effective interaction with alien communities and groups.

2.6.2 Language

Lack of communication between Omani and expatriate workers at the work place hampers young Omanis' efforts to interact with fellow workers and/or participate effectively in the work place. Communication envisages a co-existence of people "with some degree of shared understanding" (Joseph, 1995). Intercultural communication is "sharing among people of different cultures" (Samovar and Porter, 1991). Language is "the medium of interaction between the parties involved" (Sayer. 1992).

Language has been defined as " a set of symbols, with rules for combining the symbols, that large community uses and understand". It is a form of "human cultural behaviour" that "presents us with a unique way of perceiving the world and interpreting experience" (Samovar and Porter, 1992). Terpstra and David (1991) interpreted language as a "guide for coding behaviour in the sense of interpreting human behaviour and community shared expectations about it". They suggested, however, that sharing a language does not necessarily mean sharing the same culture. Lock (1992) opined that culture is transmitted through language. He found it logical, therefore, for the dominant culture to demand all those living within that culture to learn their language. Speaking their language "becomes a symbolic measure by which members of culturally diverse

groups are over judged”. A major question to be raised is to how far the dominant culture in any country “should tolerate those who do not speak - the native - language?”.

Gibson, Ivancevich, and Donnelly Jr. (1991) believed that the complexity of language could be a major impediment to effective communication. Effective communication involves transmitting ideas, as well as information . They suggested that “if the receiver does not understand, then” the whole purpose of communication is lost.

In Oman, most private sector establishments are run by expatriates. English is the medium of communication in the private sector (Al-Khabouri, 1996). As most young Omanis begin to access the private establishments, the use of English language might become a potential problem for them. The level of educational qualification of Omani workers is considerably low. Their command of English could also be lower than the requirements of private establishments. Many of the private sector jobs require the applicant to be proficient in English. However, most Omani secondary school graduate job seekers, who are without prior experience, lack sufficient knowledge of the English language.

Al-Khabouri (1996) argued that English has become the leading language world-wide. It is the language of development, modernity, and scientific and technological advancement. Despite this, schools in Oman have not given enough attention to the English language. Al-Khabouri further argued that “the level at which our high school graduates starts is very low. It does not justify the amount of time, effort, and money spent during the nine years of learning English from the fourth elementary to the twelfth grade of secondary”.

Despite the market demand for young Omanis graduating from the vocational training programmes, lack of English has been cited as a major obstacle to their recruitment (Oman Observer, 21 August, 1989).

It has been argued (Sayer,1992) that the absence of a common language of communication hampers interaction among workers in the work place. It prevents

learning, clarification, interpersonal communication, and cultivating relationships. At the same time, prevalence of multiple languages often creates “suspicious and feelings of uneasiness” when a language spoken by one group is not understood by others (Samovar and Porter, 1991). Al-Khabouri (1985) argued that the fact that English is a world language would not imply that our young people should be “expected to work, feel, and think” in English.

Al-Khabouri (1996) argued that the lack of English would put the young Omanis in a disadvantaged position when they compete for jobs with expatriates. To solve the problem of English language deficiency, Al-Khabouri suggests the introduction of intensive English language courses at schools. However, it is not known whether such a step would culturally be desirable to the indigenous Omanis (Al-Khabouri, 1985) as language is considered to be a “primary national symbol” (Terpstra and David, 1991).

As the English language continues to dominate the private sector, and in the absence of easy ways to replace it, it is suggested (Terpstra and David, 1991) that “lingua franca” - a mixed jargon used as trade language - could be introduced to provide a reasonable alternative to avoid “confusion, misunderstanding, and hostility” at the work place.

2.6.3 Achieving Localisation in Culturally Diversified Organisation

Lovelace (1995) argued that expatriate workers have made a significant contribution to the economic growth of the Gulf states. Many of them acquire rich experiences, but often do not share their knowledge and experience with indigenous people. He recommended creating an obligation on the part of the expatriate managers to participate in succession planning, which includes training and sharing responsibilities, in order to build the competencies of the indigenous managers “to fill their positions”.

Donnelly (1995) suggested that successful localisation - replacing expatriates with indigenous work force - could be achieved through careful placement planning. The process of placing an indigenous worker in an organisation where the majority work

force are expatriates could be achieved by adopting the following steps, according to Donnelly:

1. The indigenous worker should be informed of the possibility that he may face problems from his expatriate counterparts who may resist his employment.
2. By adopting a “carrot and stick” policy of localisation, with disciplinary actions, in terms of termination of service contract, to be taken against those who would resist the localisation plan. At the same time those who comply with the plan and contribute their share towards the process of localisation should be encouraged through the extension of their service contracts or providing them opportunity to seek better positions elsewhere.
3. A major step towards localisation would be to appoint a qualified indigenous person in charge of the localisation programme to avoid any chances of resistance to the localisation plan.

The above cited steps would be a useful guide for organisations owned by indigenous Omanis, particularly if such plans are linked to a carefully-designed succession plan. Clearly, such steps might not be feasible in organisations which are owned and run by expatriates, because of the conflict of interest.

2.7 Government intervention

The main concern of this section is to explore the set of measures introduced by the Government to combat unemployment among the young Omanis and the implications of by these measures. On the whole, these measures have an important effect in securing employment for the young Omanis.

The prospects of young Omanis in gaining employment have worsened since 1990. The 1993 national census revealed that unemployment among the total indigenous work-force reached around 12 per cent. Being a central issue, this situation captured the attention of policy makers and has increasingly gained wide coverage in the media, due to the following:

1. the perceived moral obligation to provide employment opportunities for young people in a country where expatriates form nearly two thirds of the labour force.
2. unemployment of young people means under-utilisation of national resources.
3. unemployment among young people could lead to their demoralisation. It could also cause social tensions (Atkinson and Rees, 1982) and be a “potential threat to the social fabric” (Atkinson, Rees, Shore, and Williamson, 1992). They further suggested that the impact of unemployment could be seen in terms of “crime, violence, and political extremism”. A vivid example of their argument could be illustrated in the series of incidents in some neighbouring Gulf states during 1994 and 1995 (The Financial Times, 1994).

In response to the above situation, the Government introduced several measures aimed at creating more employment opportunities for Omani youths. This section will highlight the Government's policies and assess their impact in promoting employment opportunities.

It seems that the government aim was to achieve its goal through three approaches:

1. attempts to limit the supply of expatriate labour by making their recruitment “more costly” and/or “less desirable”;
2. compulsory measures on the part of the private firms to create more employment opportunities for young Omanis;
3. the creation of an environment where working for private firms would be more appealing to indigenous youth.

2.7.1 Omanisation

Omanisation is the process of substituting the expatriate work force by Omanis. Towards this objective, the Government, through Royal Decree No. 127/94 (1994), stipulated Omanisation percentages to be achieved by private sector establishments by the end of 1996. Particular emphasis was laid on the following six sectors of the economy:

1. Transport, storage and communication;
2. Finance, insurance and real estate;
3. Manufacturing;
4. Hotels and restaurants;
5. Wholesale and retail trade;
6. Construction.

The Decree made it obligatory on the part of establishments in these sectors to submit their plans for Omanisation. Severe penalties would be imposed on establishments failing to achieve the specified targets (Ministry of Social Affairs and Labour, 1994). The penalties would be equivalent to 50 per cent of the average total salaries of the expatriates, representing the difference between the targeted Omanisation percentage and the actual percentage achieved by the establishment. As indicated in table 2.15, Omanisation percentages have nearly been realised in the transport-storage-

communication and finance-insurance- real estate sectors. This realisation is due to the fact that Omanisation in these sectors has been in effect for more than a decade. The real test would be whether the other four sectors can achieve their targeted figures in time. Given below is a comparative analysis of Omanisation figures in December 1993, and the targets to be achieved by December 1996.

TABLE 2.15

**OMANISATION PERCENTAGES IN December 1993 AND
TARGETED FIGURES FOR DECEMBER 1996**

Economic sector	No. of Omanis 1993	No. of non-Omanis 1993	% of Omanis 1993	Target % by Dec. 96	Additional labour force required
Manufacturing	4,552	55,881	8	35	15,006
Restaurant/Hotels	964	13,492	7	30	3,084
Wholesale and retail	11,879	77,727	15	20	3,666
Construction	4,808	103,946	5	15	10,783

The above table shows that achieving the targeted levels of Omani employment in the four designated sectors by December 1996 would be very difficult. The initial figures indicate that the implementation of this policy resulted in the creation of about 24,0000 job opportunity(Oman 2 April 1997). The introduction of the localisation policy has several implications. The most important implication is the creation of employment opportunities to many young Omanis. Most of the young Omanis, however, are not adequately equipped to satisfy the requirements of the private sector and therefore, take employment within it. This is manifested in the fact that the majority of jobs given to young Omanis were in the unskilled and semi-skilled categories. The rapid implementation of the localisation policy without adequately preparing them for business could therefore, have some impact on the performance of the establishments, particularly in the initial stages. Any ‘over-night’ steps to achieve the target could result in price escalation, inflation, disguised unemployment, and a deterioration in the quality of goods and services. As Snower (1994) argued that “ there is a clear correlation between the skills of the work-force and a work-force being engaged in less value added activities” (Quoted in Al-Mahdi and Johnston, 1995).ⁱThe implementation of the Omanisation

policy could also result in many young Omanis, particularly from poor family background drop out school at an early age and attempt to access the labour market.

2.7.2 The Minimum Wage policy

Wage is regarded as the most important element of the 'Reward Package'. Fairness of pay is considered vital for job satisfaction and productivity (Brown and Walsh 1994). The tension in regard to wage policy and its contribution to employment highlights the wider debates that has been taking place in many countries. The advocates of the minimum (MW) argue that the policy is essential to "prevent the exploitation in the labour market, and brings the living standards of the lowest paid up to some minimum acceptable" (Dolado, Kramarz, Machin, Margolis and Teulings, 1995).

Dench and Richardson (1986) argued that, in accordance with the traditional economic theory, a perfect labour market mechanism determines the level of pay: "Market forces operate through wage levels to bring labour supply and demand into long term equilibrium".

A study conducted in UK by Robert, Dench and Richardson (1986) argued that a marginal increase in minimum wages has little effect on employment. By contrast, another study conducted by Mincer (1976) showed that the raising of the minimum wage does adversely affect the employment opportunities of young people. At the same time, Ashton, Maguire and Spilsbury (1990) found a positive correlation between employment levels and wages. Their theory is that demand for labour is determined by the demand for goods and services. Each firm aims to improve its profits which would mean the minimising of costs. Therefore, any increase in minimum wages would result in firms substituting labour "to save relatively less expensive capital." According to Brown (1981), the "harm" caused by the MW Policy can be assessed by the quantum of employment loss. Other studies also indicated that a 6 per cent increase in MW would lead to one to three per cent increase in unemployment of youth. Coates and Hillard (19) argued that the Conservative Government of Britain of the 1980a and 1990s, held as a central tenet of faith that the 'flexible' economy created employment opportunities; state

regulation and intervention, on the other hand, prevented enterprise and held back job opportunities. The adherence of the Conservative position would take this example from a developing country - of state intervention preventing the take up of employment - as one bolstered their case. They would see this as evidence of the merits of the deregulated 'flexible' economy versus the state-regulated, interventionist model.

Another study conducted by the OECD (1985) suggested that the minimum wage policy had some adverse impact on the employment of young people in the Western World, particularly on youth. The effect, however, was limited. The International Labour Organisation ILO (1995) suggested that "excessive government intervention in the labour market through public-sector-wage and employment policies, minimum wage fixing and employment security rules is a serious impediment to structural adjustment for the developing countries". In this aspect, the commendable success of the NICs of Southeast Asia in implementing 'expert-led developing strategies' was based on little regulation and intervention in their labour markets. Singapore is an exception. The government believed in state intervention and, therefore, "played active role in correcting market policies" (Fong, 1988).

In Oman, no study has so far been conducted to compare the pay scales of the Government and private sectors. It is believed, however, that the overall pay scale is higher in the Government. It is also believed that the disparity between Government and private sector pay has been identified as one of the main reasons for the lack of enthusiasm among young Omanis to join private sector establishments (Oman, 26 July and 5 December 1995). Accordingly, the MW policy has been introduced (1991). The impact of the MW policy has yet to be assessed, in terms of the following:

1. Its impact in attracting more young Omanis to work for the private sector.
2. The impact of the increased labour costs on the competitive edge of private firms, particularly the labour intensive manufacturing firms, over their neighbouring Dubai's rivals.

2.7.3 Increase in the cost of recruiting non-Omanis

Several measures were taken by the Government to increase the cost of recruiting non-Omanis. These moves were intended at making expatriate work-force “more costly” and “less desirable” (Al Mahdi and Johnston, 1995). The policy makers were of the impression that this would enable the Omani work-force to compete with the expatriate labour force. Birks (1989) argued that, for such a policy to be effective, the following two elements need to be taken into account:

- a. The income derived from the tax must be spent on improvement of the local work force;
- b. The tax should raise the minimum price of the expatriate labour force above that of Omani labour force.

The following are the major measures taken by the Government in this respect:

1. Ministerial Decree No. 120/94 (by the Ministry of Social Affairs and Labour), increasing the fee for expatriate labour permits, a pre-requisite for recruitment of non-Omanis.
2. Ministerial Decree No. 126/94 (by the Ministry of Social Affairs and Labour), raising the labour levy for non-Omanis from four per cent to around seven per cent of the gross annual basic salaries of all the non-Omanis employed.
3. A Government notification increasing visa charges and medical care fees.

Despite the initiatives of the Government, these measures, so far, have had little impact on the flow of expatriate labour into the country. The main reason for the continued inflow of the expatriates to the country is that the cost of expatriate workers is believed to be still lower than their Omani counterparts. This is particularly true for small and

labour intensive establishments. Furthermore, expatriate workers are willing to accept a lower wage as long as their real earnings in the host country is higher than that in their home country.

2.7.4 Reserving certain occupations for Omanis

In 1994, the Government issued a Ministerial Decree No. 125/94, reserving certain occupations in their entirety for Omanis. The list outlines 17 occupations, including fishing or sale of fish, traditional Omani craftsmanship, civil guards, public relations officers, Arabic typists, light commercial vehicle drivers and secretaries. The policy succeeded in creating many employment opportunities for the young school-leavers. The policy has, however, its own disadvantage. Al-Mahdi and Johnson (1995) argued the success of this policy depends on “adequate forecasting of both supply and demand.” They also argued that this policy “limits the quality of labour by creating an artificial, non-competitive environment in which locals are assured of employment regardless of their competency levels.”

2.6.5 Early retirement policy

The Government, through an unprecedented move in the Gulf Region, made thousands of civil service employees redundant since 1994. The figure indicate that the total number of civil servant decreased by 3.4 per cent between 1995 and June 1996 (Ministry of Civil Service, 1996). The motivation behind such an action was to rationalise Government expenditure (Oman 26 October 1993) and to generate employment opportunities to school leavers (Oman 1 July 1996). Though no assessment on the impact of this decision has so far been made, it is believed that the majority of those who lost their jobs are still at working age. As their pension earnings were lower than their earlier remuneration, many of them began to search for jobs in the private sector.

2.7.6 Financial support for self employment

The Government announced (Royal Decree 10/91 and 99/91) financial support to young Omanis to establish self employment projects in the fields of manufacturing and tourism. The support consists of grants ranging between 40 and 60 per cent of the project cost and loans on easy terms of up to 40 per cent of the total project cost. The beneficiary should invest 20 per cent on his own and personally run the project.

Despite the liberal nature of these schemes and the simple application procedure, only a handful of young Omanis were attracted to them or considered the option of starting their own business. No assessment has been made to identify the probable reasons for failure of the schemes to attract young Omanis, however, insufficient publicity seems to be one of the main factors.

2.7.7 Working hours

Working hours form the most important element in the 'reward package' after wages (Blyton, 1994; Bienfeld, 1972). The phrase "working hours" comprises several components such as daily working hours, daily working periods, week ends, annual leave, public holidays and discretionary leave.

The working hours in the Government sector in Oman are less than those in the private sector. The number of working days has been reduced primarily to allow Omanis, many of whom are from outside Muscat area, to join their families over the weekends (Civil Service Council, 1989). Table 2.16 below analyses the working hours in the Government and the private sector:

An abortive attempt was made in 1995 to bridge the gap between Government and private sector working hours. The working hours of Government offices were changed from the present 7.30 a.m. to 2.30 p.m. to from 9 a.m. to 4 p.m. However, these changes were introduced without measuring employees' preferences, and accordingly they were resented by a majority of employees, particularly women and those residing outside

Muscat area. The mounting pressure resulted in the abolition of the new working hours within six months.

TABLE 2. 16
WORKING HOURS IN THE GOVERNMENT AND
PRIVATE SECTORS IN OMAN

Working Hours	Government	Private sector
Weekly working hours	34	44 to 48
No. of working periods per day	1	2
Working days/week	5	6
Paid annual leave	20 to 60 days	15 days for the first three years and 30 days thereafter
Public holidays	More public holidays	Less public holidays
Discretionary leave	Up to nine days per year	NIL

Source: Civil Service Law (75); Oman Labour Law (1973)

Chapter 3

The Research Methodology

3.1 Introduction

The purpose of this chapter is to present the field work process and to show the research instruments have been generated and developed to best fit their objectives. The chapter also highlights the various techniques used to carry out the field research. The works of Oppenheim (1992) and Moser and Kalton (1996) have provided useful knowledge and guidelines on how to proceed with the field survey. Furthermore, in designing the young Omanis questionnaires, the study benefited from two empirical studies. The first was conducted in 1987 by Susan McRae on “the social consequences of long-term youth unemployment” in Britain. The second was conducted in 1981 by G.J. Pollack and V. M. Nicholson on “the employment and training of young school leavers” in Scotland.

The aim of social investigation is to develop a “scientific objective propositional knowledge which provides a coherent description and explanation of the world and hence to represent and perhaps mirror an object external to it” (Syaer, 1992). It explains “why things are happening” (Easterby, Thorpe and Low, 1991). Agar (1986) argued that understanding a world entails, among other things, “an intensive personal involvement” and “improvisational style to meet situations not of researcher’s making”. The field work occupied an important part of this research due, to the following:

1. Since only a few field researches have so far been carried out in the country, a research culture has not yet been established. It was not known how people would react when they were approached to express their opinion.
2. Knowledge regarding the youth labour market in Oman is still at its early stages.

3. The field research was carried out in a unique situation. Two thirds of the country's work force is expatriate. These expatriates run and control most of the private sector activities, while the national labour force suffers unemployment. Therefore, to obtain a true opinion from employers, the majority of whom were expatriates, it was important to intensify the field survey by employing different techniques and create sufficient instruments to secure the maximum veracity to their response.

In pursuit of the research objectives, multiple methods were employed, as illustrated in table 1.3 (Chapter One). Methods used included quantitative, and qualitative research methods. Oppenheim (1992) argued that selecting a research method depends on its suitability to meet the research objectives and that no single method can be claimed to be "superior". Denzin and Lincoln (1994) argued that quantitative studies emphasise "the measurement analysis of causal relationships between variables". In contrast, "qualitative studies emphasise on processes and meanings that are not rigorously examined in terms of quality". They claimed that qualitative research can better present the perception of individuals and provide a "rich description of the social world". However, each method, Denzin (1970) argued, has its "own strength and weaknesses".

The link between quantitative and qualitative methods is in line with Struening and Brewer's (1983) suggestions that survey research can combine two methods. Qualitative research can be used as supplementary to the quantitative survey. The knowledge generated from the qualitative inquiry can be used to confirm or modify that of quantitative research. Sieber (1974) also claimed that the findings from one method can support the investigative approach of another if a clearly defined strategy is being adopted in the development of the study design. This can be achieved either by developing hypotheses from the field research, or re-examining certain elements once the quantitative survey is complete. In the former case, the field work has to be undertaken first, before the analysis of the secondary data.

The employment of more than one method is not a simple procedure (Mason, 1996) and not widely used because of its constraints in terms of time, costs and the possibility that

the results from the methods may not be consistent. Nevertheless, Ghauri, Gronhaug, and Kristianslund (1995) suggested that it is useful to employ multiple methods in one study as “even if we do not get the same results, as they can lead us to a better understanding” of the phenomenon.

The process of employing multiple methods is known as “triangulation”. According to Ghauri, Gronhaug, and Krestianslund(1995), triangulation “refers to the combination of methodologies in the study of the phenomenon”. It can combine both qualitative and quantitative methods. Denzin (1986b), and Morgan (1988) argued that group interviews could be used for triangulation purposes along with other methods. Triangulation can help to enhance the quality of data collected (Todd, 1979), and “improve the accuracy of judgements resulted by collecting data from different kinds of data on the subject matter” (Ghauri, Gronhaug, and Kristianslund, 1995). Abrahamson (1983, quoted in Easterby-Smith, 1991) claimed that triangulation helps the researcher to avoid becoming “method-bound”. Denzin (1970) claimed that “the greater the triangulation the greater the confidence in the observed findings”. He therefore urged sociologists to “move beyond single-method” to the strategy of “methodological triangulation”

Therefore, to better understand the factors that influence the efforts of young school-leavers to gain access to employment, both employers and unemployed young Omanis were engaged in group discussions. The knowledge generated from these sessions was utilised in complementary fashion to cross-check them with the quantitative research findings and interview schedules.

3.2 Translation

Translation of all questionnaires was carried out in three stages. In round one, the English version of the questionnaires was translated by the researcher into Arabic. In round two, the service of a professional translator was sought. The translator was assigned to translate the Arabic versions into English. The translator was only given the Arabic questionnaires. The aim of this reversed exercise was to assess the level of accuracy of the Arabic translation and whether it captured the real meaning. It was also

felt that the translator should avoid any influences on his work from the researcher side. The work of the translator was crossed-checked with the original English versions and necessary amendments were carried out. In round three, the researcher and translator reviewed together the two versions with the aim of:

1. Ensuring that both questionnaires tallied with each other completely.
2. Introducing further improvements to the style and structure of the questionnaires.

A final review session was carried out after receiving the expert's opinion and after the completion of the pilot survey.

3.3 Location of the field research

The field research was carried out in Muscat, which is the capital and largest city in the Sultanate of Oman. According to the 1993 national census, the city's population was around 550,000 or about 27 per cent of the total population of the country. The non-Omanis constituted about 45 per cent of the city's population and 55 per cent of the total non-Omani population in the Country. The central part of the city includes the main Government Departments and Ministries, schools, colleges and training institutes, major business areas, shopping bazaars and centres. The Oman Chamber of Commerce and Industry (1994) estimated that around 95 per cent of the three largest categories of establishments were located in Muscat.

To the north of the city, the Wilayat (district) of Seeb is located. A'Seeb has been developing rapidly since 1970. Its main activity has changed from agriculture and tourism to include several Government and private agencies such as Rusail Industrial Estate (the main industrial area in the country), the international airport, the Ministry of Defence.

The Wilayat of Qurayat, which is about 90 kilometres to the west, reflects the traditional Omani style of living with its population primarily engaged in agriculture and fisheries.

3.4 The Pilot Survey

The pilot survey is standard practice in research surveys (Moser and Kalton, 1996) and considered essential to ensure successful research (Burton and Cherry, 1970). Piloting can serve two purposes. Firstly, the field instruments can be tested in “realistic conditions”. Secondly, it helps to collect all possible information on how the respondents understood or react to these instruments (Dreve, 1995). Accordingly, a detailed pilot survey was planned with the aim of enhancing the standard of the questionnaires and increasing the efficiency of the field research (Moser and Kalton, 1996). The pilot work was carried out with the following objectives in mind:

1. Assessing the adequacy of the questionnaires in terms of lay out, clarity of definitions, the usefulness of the questions (Moser and Kalton, 1996), the space given, the sequence of the questions, the length of the questionnaires and clarity of instructions (Oppenheim, 1992).
2. Identifying the best possible way to reach the target population (Oppenheim, 1992).
3. Estimating the timing involved in the process of questionnaire collections, and assessing the type of follow up required (Oppenheim, 1992).
4. Provide a basis for the statistical analysis and extraction of results and conclusions that could follow (Oppenheim, 1992).

The pilot survey was carried out in several stages. In stage one, unstructured exploratory interviews with several senior Government officials concerned with the youth employment were conducted. Interviews with representatives of private establishments were also conducted. These exploratory interviews were held during the various trips the

researcher made to Oman. The primary aim of these interviews was to gain preliminary knowledge and better familiarity and understanding of the research subject (Blumer, 1970).

In stage two, draft questionnaires were designed. Then expert's opinions were sought, mainly to assess the validity of the questionnaires (Nachmias and Nachmias, 1982). Two approaches were used:

1. The judgement of seven experts involved with the issue of HRD were sought. These experts represented: the Vocational Training Authority, the financial sector, Government training institute, private training institutes, and representatives of private consultancy. All necessary suggestions were taken into account and questionnaires were revised accordingly. Experts were requested in writing to review the questionnaires and assess their content and suitability to the research objectives. Several suggestions were introduced. However, there was general consent that the questionnaires were fairly designed and adequately addressed the investigation purpose.
2. Multiple methods were used to investigate the issue under study. The initial findings from the analysis the different instruments tended to confirm each other. These results can therefore serve as evidence of the validity of the instruments employed (Nachmias and Nachmias, 1982).

Questionnaires were tested first on a few friends and relatives to find out if they were easily and clearly understood (Heather and Stone, 1985). Questionnaires were then piloted to ten private firms of different grades and representing various economic activities, five employed young Omanis, and ten unemployed young Omanis.

The impact of the pilot survey on the main survey work can be summarised as follows:

1. The lay-out of the questionnaires was improved.

2. Typing errors were identified and rectified.
3. Questions were further clarified by simplifying the technical jargon.
4. The sequence of several questions was changed.
5. Several questions were eliminated, a few others were added.
6. It was discovered that mail survey could not be implemented for the following reasons:

A. Employers questionnaires

- i. Private firms were found slow in returning the questionnaires or in responding to any follow up on whether they had received, completed or dispatched the questionnaires.
- ii. Expatriate managers were found reluctant to answer the questionnaire on the grounds that they might offend the policy of the Government. Therefore a letter was obtained from the concerned Government authority which solicited support to the researcher by providing necessary information. In addition, personal visits became essential to re-assure expatriate managers of the confidentiality of the information, the anonymity of the respondents, and the support extended by the Government to the study.
- iii. No up to date-data base was available on private firms' addresses.
- iv. Some firms were claiming that questionnaires had been returned but that those questionnaires never reached their destination, either

because the postal service was not very efficient or they were not being dispatched in the first place.

B. Employed young Omanis

No data base was available from which employed young Omanis' addresses could be obtained except through their employers. Since the researcher decided to personally deliver the questionnaires to their employers, it was therefore decided to carry out the same exercise with the employed young Omanis.

C. Unemployed young Omanis

It was found that the postal service delivers mail to postal boxes and main addresses. As not all young Omanis possessed postal box facilities, personal delivery and collection of questionnaires became necessary.

Therefore personal delivery of questionnaires became inevitable in order to improve the response rate.

3.5 Research population

The field survey covered three separate groups of population, namely: private sector employers; young Omanis employed by private firms; and unemployed young Omanis. Accordingly, the search for sampling frames began with the intention of using them for the selection of the random samples.

3.5.1 Private sector employers

The 1974 Commercial law stipulated that all establishments have to be licensed by the Ministry of Commerce and Industry (MCI) and register with the Chamber of Commerce

and Industry (OCCI) before the commencement of their activities. The MCI was therefore approached with a request to obtain the up-to-date list of all licensed establishments. The request was for establishments in Grade II and above registered in the City of Muscat. Grades refer to the minimum registered capital required to obtain the licence. The list could not be obtained, however, as the MCI demanded exorbitant fees. In addition, no specific time-table was indicated as to how long it would take to make the list available. The next station was the OCCI. A list covering all licensed establishment in Grade II and above that were registered in the City of Muscat was obtained. The list, however, covers all establishments registered with the OCCI, whether operating or not. In this regard the 1993 general census of population, housing and establishments, revealed that around 25 per cent of total establishments in the whole country were either closed or found vacant during the census period. The corresponding figures for Muscat was 21 per cent (Ministry of Development, 1995). Furthermore, many establishments moved away from the old town as a result of the city's expansion and improvements in its infrastructure. However, in the absence of other sampling frames, the OCCI list was used.

The grade of establishments was taken as a base for the selection of the sample. This is because the allocation of work permit quotas for bringing expatriates from abroad is based on the grade of the establishment (Ministry of Social Affairs and Labour, Decree 41\1987, 1987).

The pilot survey provided an early warning on the whereabouts of establishments. Therefore, an allowance in terms of sample size was planned in order to cater for the units that could not be contacted. Accordingly, the sample size, that was initially planned to be of 150 employers, was increased to 272, representing 5 per cent of all establishments in International, Excellent, Grade I and II, and registered in Muscat. The net sample size, after subtracting all not existing, not traceable, and duplicate establishments, (Moser and Kalton, 1996) was 217, representing almost 4 per cent of the total sampling frame, as indicated in Table 3.1. The subtraction of the not-existing and not traceable establishments was done after an exhaustive effort to locate their addresses. The search covered the telephone directory, telephone and fax directories

books, business directory and the yellow pages. The net sample also excluded the duplicate cases. Duplicate cases appeared as more than one establishment either owned or run by one person. Therefore, one representative establishment was selected to participate in the survey and others were considered “blanks” (Moser and Kalton, 1996). The random sample was drawn with the support of the SPSS (Statistical package for social science).

Table 3.1
Establishments by Grades and Sample size

Grade	Sample Frame *	Original Sample Size	Net Sample Size**
International	146	7	6
Excellent Grade	662	33	22
Grade I	1816	91	68
Grade II	2824	114	121
Total	5448	272	217

* Source: Oman Chamber of Commerce and Industry, 1992.

** Adjusted for non-existents and duplicate establishments.

In line with Moser and Kalton’s (1996) suggestions, stratification of samples was carried out to increase the effectiveness of the research population. Accordingly, the City of Muscat was selected as a location for the field research. The survey excluded establishments in Grade III and IV for two reasons:

1. Around 80 per cent of the Omani labour force that were working in the private sector were employed by the three largest categories of establishments (OCCI, 1992).
2. Establishments in Grade III and IV were primarily small shops, employing few employees.

3.5.2 Young Omanis employed by private sector firms

The target population was young Omanis in the age group of 16-24 who were in full-time employment. The search found no data base that could be used as a sampling frame. The best alternative was to randomly select one candidate from each establishment covered in the employers' survey and employing young Omanis, bearing in mind that these establishments were randomly selected from a sampling frame. Clearly, the employed young Omanis survey could be carried out only after receiving the employers' questionnaires with the indication that the establishment did employ young Omanis. Accordingly, concerned establishments were re-approached. The list of Omani workers was obtained and checked to ensure that all were included in the list. The age of each Omani worker was reviewed to exclude those who did not fit with the survey objectives. Finally, one candidate was randomly selected from each establishment. Since most of the establishments employed a small number of young Omanis, the selection of the candidate was at site. Out of 121 establishments responding in the employers' survey, only 59 of them employed young Omanis. Two thirds of these establishments employed twelve or less, and the mean for all establishments employing young Omanis combined was 6.64.

3.5.3 Unemployed young Omanis

The target population was unemployed young Omanis in the age group 16-24. The employment register in the City of Muscat was the only sampling frame available. The register contained a total of 13,901 unemployed Omanis. It offered useful information on names, ages, and addresses. However, the register included unemployed Omanis of different ages. People above the age of 24 were, therefore, excluded.

A two per cent random sample was planned to be selected from the employment register which was maintained manually. A sub-sample frame of numbers between 00-99 (inclusive) was created. Two numbers were randomly selected with the help of the SPSS. The two per cent sample from the sample frame was then obtained by selecting the

unemployed Omanis in the register whose serial numbers ending with the numbers which appeared in the sub-sample level (Moser and Kalton, 1996).

3.6 The Field Surveys

Three instruments were used to gather knowledge and data on the research population. These included self-administered questionnaires, interview schedules and group discussions. The employment of these instruments among the research population took the following ways:

3.6.1. Employers survey

The field survey started in mid June 1996 in the City of Muscat. A list of employers was classified district-wise. Telephone calls were made to most of the employers to inform them in advance of the survey. Each employer was visited, briefed about the survey's objectives, and informed as to how the establishment was selected. Each employer was given a copy of the questionnaire (copy at Appendix 3.1) along with the following:

1. The guidelines for the completion of the questionnaire, and the objectives of the questionnaire.
2. A covering letter highlighting the objectives of the survey.
3. A copy of a letter issued by the Ministry of Higher Education soliciting support for the project.
4. A voucher for a free meal was offered to respondents.
5. A pre-paid envelope to selective employers only.

An activity sheet was used to monitor the progress achieved. A second visit to almost all employers was made within a week from the date of delivery of the questionnaires to

collect the completed questionnaires. Where the questionnaire was not ready, the importance of the survey was emphasised to the employers, and they were urged to adhere to the research time-table. On average, four visits or telephone calls were made to each respondent. Obviously, the follow up exercise was time consuming, exhaustive and costly, but it was the only way to secure a reasonable response rate.

Reactions of employers were not all the same. Omanis and European managers were more supportive than Asian. Managers from the Indian sub-continent were, on average less keen to participate in the survey. Their reluctance can be attributed to the following:

1. The fear that they offend the policy of the Government.
2. The claim that Omani sponsors might not agree to participate in the survey or release such information.
3. A clash of interest between the objectives of the survey and the expatriate' employment interest.

By mid-September 1996, a total of 121 questionnaires had been collected, representing almost 56 per cent of the total sample size. These questionnaires were completed by using a self-administered approach or by the interview schedule. A total of 104 questionnaires was completed by the self-administered approach, 15 by face-to-face interview schedules, and two by telephone interview schedules.

3.6.2. Employed Young Omanis

Each respondent was briefed about the survey's objectives, about how he was selected for the survey, and about the importance of timely completion of the questionnaire. Each respondent was given a copy of the questionnaire along with a copy of the objectives, the guidelines (Appendix 3.2), and a free meal voucher. On the whole, respondents were found keen to participate and the response rate was high. Out of 59 employers who indicated that they employed young Omanis, 55 responded. However, three

questionnaires were rejected as employers reviewed them before they were handed over. Therefore only 52 questionnaires were accepted, representing around 88 per cent.

3.6.3. Unemployed young Omanis

Each respondent was briefed about the survey's objectives, about how he was selected in the survey, and on the importance of timely completion of the questionnaire. Each respondent was given a copy of the questionnaire along with a copy of the objectives, the guidelines (Appendix 3.3), and a free meal voucher. Respondents were found enthusiastic to participate in the survey, and the response rate was high. Out of 278 questionnaires, 227 were received back. Seven of them were rejected for being above the age group limit of 16-24. Therefore only 220 questionnaires were accepted, representing around 81 per cent.

The field survey was carried out in a large City where addresses spread over a large area. Weather conditions were very severe, as the temperature was often around 40 degrees Celsius with high humidity rates. The exercise was therefore exhausting, time consuming, and costly.

3.6.4 Improving the response rates

Non-response is a common problem in almost all social inquiries (Moser and Kalton, 1996). Despite that, several measures can be employed to reduce its impact, particularly its biasing effect on the inquiry's results (Moser and Kalton, 1996). Towards that objective, different "preventive measures" were adopted, as follows:

1. Since the researcher assumed the responsibility of distribution and collection of the questionnaires, respondents were informed about the importance of the research, the sampling procedures and were urged to complete the questionnaires without delay.
2. Two letters were attached with each questionnaire. The first was

from the researcher himself, highlighting the importance of the research. The second letter was from the Ministry of Higher Education soliciting support for the research by providing all necessary information.

3. Inducement by way of free meal was offered to respondents (Burton and Cherry, 1970; Moser and Kalton, 1996). Each respondent was given a voucher for a free meal at a well-known restaurant located in a prime area of the City. Respondents were advised that vouchers would be valid only after receiving the questionnaire duly completed. The initial plan was to offer the vouchers to young Omanis only, but it was discovered that the voucher had equal impact on many employers.
4. Respondents were assured of confidentiality of data and of anonymity.
5. Rigorous follow up was carried out to almost all respondents. An average of four calls were made to employers, either in person or on the telephone.
6. Whenever possible, face-to-face or telephone interview, instead of self-administered questionnaires, were conducted, particularly with employers (Drever, 1995). These interviews provided access to busy employers who, otherwise, would probably have not responded.
7. The sample sizes were increased to compensate the “non-existent” units (Moser and Kalton, 1996).
8. Finally, all possible care was taken in planning for the research survey in order to keep the non-response rates at the minimum.

The response rate was 56 per cent among employers, 88 among young Omanis in employment, and 81 per cent among unemployed young Omanis.

The composition of employers who completed and returned the questionnaires is fairly representative. Establishments across all grades and economic activities are represented in the achieved target, as indicated in Table 3.2. It can therefore be argued that the results lead to the conclusion that non-respondents, on the whole, are similar to the respondents, which in return undermine any biasing effect on the achieved sample (Moser and Kalton,1996).

Table 3.2
Employers Response by Grade and Economic Activity

Economic Activity	International	Excellent	Grade I	Grade II	Total	%
Agricultural / Fishing	0	0	1	1	2	1.7
Mining/ Quarrying	0	1	1	1	3	2.5
Manufacturing	1	5	11	6	23	19.0
Electricity/ Water/ Gas	0	0	1	1	2	1.7
Construction	0	0	6	5	11	9.1
Wholesale and Retail Trade	1	7	12	22	42	34.7
Restaurant / Hotel	0	1	2	4	7	5.8
Transportation / Communication	0	1	2	3	6	5.0
Finance/ Insuran./ Real estate	2	4	2	2	10	8.3
Others	1	1	1	2	5	4.1
More than one activity	0	5	4	1	10	8.3
Total	5	25	43	48	121	100.0
%	4.1	20.7	35.5	39.9		100.0

3.7 The accuracy of the achieved sample size

A test can be carried out to assess the size of the sample. The formula can be used to determine the size of the response required to achieve a certain level of “standard error” (Easterby, Thorpe and Lowe, 1991); as follows:

$$n = \frac{P(100 - P)}{E^2}$$

where n = sample size
 P = the percentage occurrence
 E = the maximum error

Or

$$E = \sqrt{\frac{P(100 - P)}{n}}$$

Several tests have been carried out and it was found that the maximum rates of errors were 3.7 per cent among the employers sample, 4.2 per cent among employed young Omanis sample, and 2.4 per cent among the unemployed young Omanis sample.

3.8 Group discussions

The advantages of using multiple methods have been highlighted earlier. They can ‘improve the accuracy of judgements or results by collecting data through different methods’ (Ghauri, Gronhuag, and Kristianslund, 1995). Qualitative surveys can be used in a supplementary fashion to confirm the knowledge generated from quantitative survey

(Struening and Brewer, 1983). Denzin(1986b) pointed out that group interviews can be used for triangulation purposes along with other methods.

Having these objectives in mind, group discussions sessions were planned and organised for both employers and unemployed young Omanis.

Group discussions - sometimes called group interviews, focus groups, or focused interviews - can be used as a qualitative data gathering technique (Fontana and Frey, 1994; Mullings, 1985). The technique is used as a tool “for studying ideas in group context” (Morgan, 1988), and is “gaining popularity among social scientists” (Fontana and Frey, 1994). The technique can also be applied in a “situation in which the interviewer asks group members very specific question about a topic after considerable research has been completed” (Menton, Fiske, and Kindall, 1965, quoted in Fontana and Frey, 1994).

3.8.1 Employers

Employers who, in the questionnaire, indicated their willingness to be interviewed were identified and 17 of them were selected randomly. Three sessions were conducted. Two sessions were attended by six participants, and five participants attended the third. The 17 participants represent 14 per cent of the total employer questionnaire's response.

Each group was selected with a different composition of participants. The first session was attended by an Omani, a European, an Egyptian, a Pakistani, and two Indians. Participants in the second session were all from the Indian sub-continent. The last session was attended by Omanis only. The different composition of participants in each session was useful in terms of exploring as many contributory factors to the problem of youth employment. The selection of different participants in each session is in line with Mullings' (1985) arguments that the composition of group members depends on its purpose and can therefore be “diverse” or “similar”.

The sessions were held on three consecutive days. Each participant was telephoned by the researcher to thank him for his participation in the survey and also for his willingness to be interviewed. Those who confirmed their willingness to attend the group discussion sessions were informed about the date, time, and venue. This was followed by a formal invitation. A chart on how to reach the address was enclosed.

All sessions were held in a quiet restaurant located in a prime area of the City. Sessions were conducted late in the afternoon, as few people attend the restaurant at that time. Arrangements were made with the restaurant's management to provide the best possible atmosphere. The selection of the restaurant as a venue for the sessions served two purposes. First, as an inducement tool to the participants. Second, to avoid any misinterpretation that the sessions would have any objective other than the research issue.

Participants were informed only about the topic of the discussion. Names of participants were not disclosed earlier. A mini recorder was used after participant's consent was obtained. Short writing notes were also taken. A short ice-breaking discussion was found useful to make the atmosphere for the panel members more relaxing. The researcher was seated in the middle, played the role of moderator, and this ensured the participation of all panel members in the discussions.

The sessions aimed to qualify the findings of the employer's questionnaire in terms of positive and negative traits, and qualities that can influence the employability of the young Omanis.

3.8.2 Unemployed Young Omanis

Young Omanis who were living in Muscat and indicated their willingness to be interviewed were identified. Many of them could not attend because they were: females, away from home, not available, already in employment, or already involved in some programme. The first session was attended by eight participants, while the second was attended by six. The two sessions were held in a quiet restaurant. Sessions were held late

in the morning on two consecutive days. Similar techniques that applied in the employers' sessions were followed. The aim of the sessions was to qualify certain findings from the unemployed young Omanis' questionnaire.

3.9 The field survey time-table

The field survey process took around six months to complete. The process covered various related activities from the designing stage of the survey's instruments, to the collection of the questionnaires, and through to conducting the group discussions. The list of activities are detailed in table 3.3 below:

Table 3.3
The Survey Research Time-table

ACTIVITIES	SCHEDULE
Designing of questionnaires	15.3.1996 - 25.4.1996
Experts opinion	27.4.1996 - 15.5.1996
Translation	20.5.1996 - 30.5.1996
Pilot survey	4.6.1996 - 22.6.1996
Research survey	26.6.1996 - 17.9.1996
Group discussions	8.9.1996 - 17.9.1996

3.10 Summary and Conclusion

The study employed a triangulation of methods comprising quantitative and qualitative research methods in order to secure the most accurate information. This was due to the fact that knowledge about youth labour market in Oman was still at its early stages. Furthermore, not much research work has been carried out in the country. The intention and motivation of the researcher, therefore, was often questioned. Respondents had to be assured time and again that their response would be kept confidential, their identity would not be disclosed and data obtained would be used only for the specific purpose.

The communication barriers could be overcome by the positive interaction of the researcher with the target groups. As a result of which the response rates were high. The direct involvement of the researcher in the collection of data helped to obtain first hand knowledge on the factors influencing the attempts of youth to gain access into the labour market.

Chapter 4

Data Analysis & Interpretation

4.1 Introduction

This study is concerned with the integration process of young Omanis into the labour market. The process of analysis entails the identification of the different variables that influence young school leavers' attempts to gain access into the private sector labour market. Some of these variables are closely associated with the changing structure of the labour market in Oman.

The sudden and sharp decline in oil prices in 1986, and the advent of the Gulf crises in 1990, inflicted an adverse effect on the country's economy and resulted in a continued budget deficit (Ministry of Information, 1995). Accordingly, the economic priorities of the Government changed. The growing budget deficits compelled the Government to adopt new measures aimed at fiscal adjustment. Amongst these policies, the Government minimised its role as a main employer of Omani school-leavers. The Government acknowledged that the creation of more employment opportunities for the young Omanis could only succeed with the support of the private sector. As a result, more and more school-leavers began to approach the private sector for employment (Al-Markezi, May \ June, 1995).

The impact of the changes in the job seeking pattern and their orientation is the central focus of the field research. Assumptions have been formulated to reflect the perspectives of the principal groups of stakeholders: the employers, the unemployed, and employed young Omanis. Government policies in the area of labour market were also examined. Drawing on the results of the field research carried out in Oman between the 15th of June to the 18th of September 1996, the chapter provides in-depth analysis and interpretation of the factors inhibiting young Omanis to gain access into the private sector labour market.

4.2 The Research Assumptions

4.2.1 Government Regulations

The study has investigated the following assumptions:

- i) The minimum wage policy, introduced by the Government in 1989, has priced young people above their market value and is hindering their access to the labour market.
- ii) The wage subsidy scheme has had only a limited effect on firms, particularly small ones, in recruiting young Omanis.
- iii) Government labour market regulation, enforcing a certain percentage of Omanisation, will help to offer employment opportunities to many young Omanis. However, if young Omanis fail to contribute effectively to productivity, such a policy could lead to:
 - a. disguised unemployment;
 - b. inflation; and
 - c. deterioration in the quality of goods and services.

4.2.2 Skill Formation

The study examines the view that a growing number of young school leavers have no experience of the world of work and lack basic skills needed by industries. If this is the case the following potential explanations for this lack of experience and skills need examination:

- i) The ability, or inability, of schools to play an effective role in preparing young people for work. Schools are assumed to be excessively academic

and biased towards humanistic curricula. They neither have a positive role in fostering young people's attitudes towards vocational programmes, nor in stimulating attitudes of young people to careers in industry.

ii) The degree of co-ordination between schools and private sector employers in terms of type, level and quantity of various skills required by the industries.

iii) The ability of Vocational Training Centres (VTCs) and formerly Vocational Training Institutes (VTIs) in attracting young people to their programmes.
The thesis therefore, examines:

a) The role of the VTCs/ VTIs in delivering the quality of skills needed by industry which can influence young people's chances to secure employment.

b) The impact of the social values which demean jobs involved with artisan, manual and menial work on enrolment in the VTCs/ VTIs.

c) Whether the provision of financial support can have any impact on enrolment in the VTCs/ VTIs programmes.

d) Whether the provision of an employment guarantee upon the completion of the VTCs/ VTIs programmes can have any impact on enrolment.

e) The impact of a publicity campaign emphasising the importance of vocational training to the national economy.

iv) Whether traditional schooling is considered more prestigious than vocational training programmes.

- v) The correlation between young people's socio-economic status and their choice of education.
- vi) The view that private sector firms are less inclined to spend money on training as they find it a great risk . In this context, the following issues are examined:
 - a) Whether there is any tendency among young Omani workers to frequently quit their jobs.
 - b) Poaching among firms for experienced and talented young workers.
 - c) Whether cost of training is prohibitive, particularly among small firms.

4.2.3 Young People's Perspectives

The study also examines other sets of variables that can influence young people's attempts to enter the labour market. These variables include:

- i) A large segment of young Omani workers prefer to work for the Government. Their preference for Government jobs is attributed to the various benefits which are not easily found in other jobs. These benefits include:
 - a) social status and power;
 - b) job security, a job for life;
 - c) career development, promotion;
 - d) better wages, particularly at lower echelons;
 - e) less working hours, single shift a day, longer weekends, longer holidays; and

- f) a more congenial working environment.
- ii) The correlation between the socio-economic status of young people's parents and their labour market point of entry.
- iii) The impact of social and religious factors on young Omanis. This influences the employment choice of young Omanis.
- iv) The study also focuses on the effect of the working environment in private sector firms on young Omani's employment. In this context the thesis examines:
 - a) Whether the domination of English and other non-Arabic languages can hamper the inter-personal communication, effective participation and contribution of young Omanis, the majority of whom have no knowledge of the language.
 - b) The impact of cultural differences between the majority expatriates and the minority Omanis employed in the private sector.

4.2.4 Female Employment

The study examines that female employment is influenced by a number of factors, such as:

- a) socio-economic status of the family, particularly father and husband;
- b) responsibility towards husband or dependent children;
- c) educational status;
- d) cultural factors;
- e) distance of work from home;

- e) institutional barriers such as limited job choice, lack of training opportunities, and absence of career advancement.

4.2.5 Employers' Perspectives

The variables which reflect employers' views in regard to factors responsible for young people's difficulties to access the labour market are analysed. In this context the thesis examines the following:

- a) Whether young Omanis possess the necessary occupational skills needed by private sector industries.
- b) Whether young Omanis possess the appropriate occupational attitudes and work ethic.
- c) Whether young Omanis respect rules and authority and are punctual at work.
- d) Whether young Omanis demand higher wages than the expatriate labour force or have priced themselves above their market value.
- e) Whether young Omani workers have a tendency to quit jobs.
- f) Whether young Omani workers are inclined more towards office-related work. If this is the case does this inclination limit their scope in the labour market?
- g) Whether young Omani workers put enough effort to learning from their expatriate counterparts.

- h) Whether the structure of the labour market limits the job choices and points of entry of young people.

4.3 The Profiles of the Research Population

The research covered three separate groups of stakeholders concerned with the issue of youth employment in Oman, namely: private sector establishments, unemployed young school-leavers and young Omanis in employment. These groups of stakeholders provide the necessary insight on how they perceive the youth labour markets and problems associated with it, particularly their views of the factors that influence the access of the young school-leavers into private sector employment. Proper understanding of these factors help to formulate better policies and bridge any loopholes in the current youth labour market policies.

4.3.1 Private Sector Establishments

The success or failure of the Government Omanisation policy largely depends on the co-operation of private sector establishments (referred to as private sector establishments in this study), as they are the ones to provide the bulk of employment opportunities to the young school-leavers. It is therefore important to understand their views and perceptions on young school-leavers. Understanding their perceptions helps to reveal many of the obstacles young Omanis are facing in their efforts to gain access into the labour market.

As shown in Table 3.1, (Chapter three), about four per cent net sample of all establishments in international, excellent grade, grades I and II, registered in the city of Muscat were randomly selected. Out of 217 establishments in the sample, a total of 121 establishments completed and returned the questionnaires, representing around 56 per cent. In terms of economic activity, Table 3.2 (Chapter three) shows the classification of establishments by grades and economic activities. It indicates that the sample represents establishments across all economic activities.

Establishments that participated in this survey varied in terms of their work force size. The work force size ranged between one person in the smallest establishments and 1600 in the largest establishment. The average staff strength was around 60 workers.

The ratio of indigenous Omani workers to the overall work force of establishments covered in this survey was around 20 per cent. The corresponding figure for the three largest categories of establishments in the whole country - Excellent Grade, Grade I and II - was around 23 per cent (OCCI, 1992). Young school-leavers constituted about eight per cent of the workforce while the percentage of Omani females was less than four per cent. The crude economic activity rate for Omani females in the whole country was 3.2 per cent in 1993 (Ministry of Development, 1995). The percentages of Omani workers to the overall workforce in establishments in the sample varied between the different sectors of the economy. The highest percentages were recorded in the mining (60%), and finance (55.4%). The lowest percentages of Omanisation were observed in restaurants and hotels (7.9%), construction (13%), agriculture and fishing (13.1%), and manufacturing (23.6%). Elsewhere, it was 18.9 per cent in wholesale and retail trade, and 26.8 in transportation and communication.

Table 4.1

Omanisation percentages in Establishments Participated in the Field Survey and the Targets Imposed by the Government to be Achieved by 1996 End

Sr. No.	Economic Sector	Gov. Omanisation target by 1996 (%)	Omanisation % as per field survey
1	Transport, Storage and Communication	60	26.8
2	Finance, Insurance & Real Estate	45	55.4
3	Manufacturing	35	23.6
4	Restaurants & Hotels	30	7.9
5	Wholesale & Retail Trade	20	18.9
6	Construction	15	13.0

Table 4.1 compares the Omanisation percentages to be achieved by the private sector establishments in six sectors, as stipulated by Royal Decree No. 127/ 94 (1994), and the Omanisation percentages reported by establishments participating in this survey. The table shows that the finance, insurance and real estate sector have already realised the target set by the government. The remaining five sectors were supposed to achieve the specified targets before 1996 end. The Decree stipulates that a financial fine, equivalent to 50 per cent of the average total salaries of the expatriates - representing the difference between the imposed Omanisation percentage and the percentage achieved by the establishments - will be imposed if establishments fail to realise the specified targets in time. Clearly, the task of achieving the targets in some sectors such as transport, storage, and communication, restaurants and hotels, and manufacturing seems to be long and difficult. This is attributed to two broad factors. First, jobs in these sectors do not appeal to many young Omanis. Second, a lack of skills on the part of young Omanis. Table 4.1 also indicates that the government has set lower targets for some sectors in the economy such as construction, hotels and restaurants, and wholesale and retail. Lower targets are an indication that young Omanis are not inspired by job opportunities in these sectors of the economy.

Three group discussion sessions were held. A total of 17 employers were selected randomly from the participants in the employers survey.

4.3.2 The Profiles of Young Omanis

A total of 220 unemployed young Omani school-leavers returned the completed questionnaires. Males constituted 61 per cent of respondents and females were around 39 per cent. Participants were in the age group of 16 to 24, and the overall mean was 20.42. Table 4.2 indicates that the majority of young unemployed in the sample were in the age group of 19 to 22. Jointly, they constituted 81 per cent of the total surveyed participants, with the percentage of females slightly on the higher side. This means that young Omanis in general and females in particular spend, on average, a long time before they enter the labour market.

As per Oman Labour Law (1973), sixteen is the minimum age eligible for full-time employment. The research covered young Omanis up to the age of 24. This is attributed to the fact that schooling in Oman started in 1970 and took time to spread around the country. Therefore the age limit was extended to allow young Omanis who missed the opportunity of enrolment at school at the age of six.

Around nine per cent of female respondents were married during the field survey in contrast to one per cent for males. A total of four respondents reported that they had children, three females and one male.

Among young Omanis in employment, the survey found that 85 per cent of them were in the age group 21 to 24 and the overall mean was 22.8 years.

Table 4.2
Distribution of Unemployed Young Omanis in the Sample by
Age and Gender

Age	Male		Female		Total	
	Frequency	%	Frequency	%	Frequency	%
16	1	0.8	0	0.0	1	0.5
17	3	2.3	0	0.0	3	1.4
18	10	7.6	3	3.7	13	6.1
19	27	20.6	23	28.4	50	23.6
20	37	28.2	20	24.7	57	26.9
21	22	16.8	12	14.8	34	16.0
22	20	15.3	11	13.6	31	14.6
23	4	3.1	7	8.6	11	5.2
24	7	5.3	5	6.2	12	5.7
total	131	100.0	81	100.0	212	100.0

It is striking to note that young school-leavers were generally experiencing a long period of unemployment before getting their first job. The data from the empirical research reveals that 89 per cent of participants had never worked prior to the field survey. Among female respondents, the percentage of those who had past work experience was 12. The levels among males was about 10 per cent. The period of unemployment among the unemployed respondents ranged between zero and five years. On average they spent

a year and half searching for jobs. The highest levels of unemployment were recorded in summer following the completion of the academic year.

The field results indicate that employed young Omanis in the sample spent, on average, 14 months in unemployment before getting their first job. The period of unemployment ranged between zero to five years.

Respondents were asked to comment on the reasons for their inability to secure employment. Table 4.3 lists down the reasons as highlighted by young unemployed in the sample. Around 51 per cent of them attributed their failure to secure employment to their low level of educational qualifications. In addition, 12 per cent believed that their educational qualifications did not meet with the market requirements. Lack of command of English language was seen by about 45 per cent of the participants as a major obstacle to their employment. About 41 per cent of respondents believed that private sector employers unnecessarily put too many conditions before their employment. As many as 31 per cent of respondents complained of inadequate government policies to achieve Omanisation.

Table 4.3

Reasons for not Being Able to Get a Job

Sr. No.	Reasons for not Getting a Job	Frequency	%
1	Low educational qualification	112	50.9
2	Qualifications do not match needs	26	11.8
3	Lack of the English language	98	44.5
4	Rigid conditions	89	40.5
5	Inadequate government policies	67	30.5
6	Others	7	3.2

4.3.2.1 Employment opportunities for young indigenous Omanis

The analysis of the field results indicates that young Omanis were concentrating in limited job choices, particularly in office-related and sales jobs. This is manifested in the replies of employers when they were asked to list the type of jobs they could offer to young Omani school-leavers. As Table 4.4 reveals, around 64 per cent of establishments

in the sample indicated that they could offer young Omanis a combination of clerical, accountancy, sales, secretarial, reception, computer and telephone operating and public relation jobs. Sales constituted 20 per cent, while blue-collar jobs represented 1.5 per cent only. Surprisingly, around nine per cent of employers reported that they could not offer young indigenous Omanis any employment opportunity at all.

Table 4.4
Type of Jobs That Could be Offered to Young Indigenous Omanis in General
as well as to Young Omani Females

TYPE OF JOB	CLERICAL	ACCOUNTANCY	SALES MARKETING	SECRETARIAL	RECEPTION	COMP. OPERATING	TEL. OPERATING	PUBLIC RELATION	BLUE-COLLAR JOBS	NOTHING TO OFFER	OTHER JOBS
Overall	10.05	10.05	20.10	6.03	2.51	3.51	0.50	11.05	1.50	8.54	26.13
Females	10.45	11.80	14.54	19.09	7.72	5.00	3.63	-----	-----	10.90	16.80

Among young employed Omanis, the survey found similar patterns of employment. As shown in Table 4.5, around 67 per cent of them were engaged in office-related jobs, 18 per cent were in sales, while blue-collar occupations represented eight per cent only.

Table 4.5
Employed Young Omanis by gender and Pattern of Occupations

Sr. No.	Pattern of occupations	Male		Female		Total	
		Freq.	%	Freq.	%	Freq.	%
1	Clerical/ Administrative	7	18.4	2	14.2	9	17.6
2	Sales	6	16.2	3	21.3	9	17.6
3	Public relations	6	16.2	0	0.0	6	11.9
4	Accountancy	4	10.8	3	21.4	7	13.7
5	Secretarial	3	8.1	6	42.8	9	17.6
6	Other office-related jobs	3	8.1	0	0.0	3	5.9
7	Blue-collar jobs	8	21.6	0	0.0	8	15.7
	Total	37	100.0	14	100.0	51	100.0

The concentration of young Omanis in this selective range of jobs, according to this research, is due to the following reasons:

- 1 . Their educational qualifications did not meet the need of many jobs in private sector industries.
- 2 . The negative attitudes of young school-leavers towards manual and technical jobs.
- 3 . The limited job choices offered by employers.

Clearly, the concentration of young Omanis in selective occupations means that their access to the labour market is governed by the availability of employment opportunities within these fields. In addition, a relatively large number of employers categorically denied any employment opportunity to young Omanis. This is attributed to lack of maturity and lack of skills on the part of the young school-leavers meaning, therefore, that particular jobs could not be entrusted to young people.

4.3.2.2 Female employment

The assessment of the employment patterns of young Omani females reveals a tendency to concentrate in female stereotype occupations. Employers were asked whether young Omani females should be confined to selective occupations. About 55 per cent replied negatively. At its face value, this reply seems to provide some relief to females about job opportunities available to them. However, further analysis reveals that the type of job employers were willing to offer them was limited to typical sex stereotype jobs. Table 4.4 provides some insight into the patterns of jobs employers were willing to offer to young Omani females. Around 72.3 per cent of job opportunities were in clerical, accountancy, secretarial, sales, reception, computer and telephone operating categories. No employer indicated his willingness to offer young females Omanis blue-collar jobs. Furthermore, around 11 per cent of employers in the sample refused to offer any employment opportunities at all to young Omani females. Similarly, the survey found that working young Omani females in the sample were engaged in sales and office-related jobs only. Forty three per cent of them were in secretarial, 21 in accountancy, 21 per cent in sales, and 14 per cent were in other jobs. Clearly, denying access to

employment and or restricting their employment to selective jobs tend to hamper their efforts to gain access into the labour market.

Female concentration in selective jobs is based on different reasons. The educational system in the country is partially responsible for the gender employment disparities. Several programmes of the vocational training institutes and centres were strictly designed for males. Hassanain, Al-Ghaffar, Hannourah and Hilal (1989) found similar patterns in the United Arab Emirates. Schools' curriculum in that country puts more emphasis on the role of males in society. Clearly, a lack of skills in several disciplines would put young females in a disadvantageous position, in terms of occupational choices.

Young Omani females are also responsible for their limited job access. Many young females hold the view that females should be confined to selective occupations only. Unemployed and employed young Omani females were asked whether females should be confined to selective jobs. Around 64 per cent of the unemployed and 40 per cent of the employed replied positively. Table 4.6 indicates the type of jobs unemployed young females considered to be more appropriate for themselves.

Table 4.6
Job Preference Among Unemployed Young Omani Females

Job Preference	Teaching	Medical	Secretarial	Clerical	Account	Government	Others
Frequency	35	31	27	23	14	11	17
%	65	57	50	43	26	7	32

It is interesting to note that low participation among females in the labour market and or their confinement to selective jobs is not unique to Oman. Similar patterns of employment were also found in other Gulf states such as United Arab Emirates (Fattah, 1988; Al-Jassim, 1990; Al-Nabeh, 1990; Al-Mutawaa, 1990; Ghabbash, 1990), Saudi Arabia (Al-Khader, 1995; Al-Shadhily, 1995) and Qatar (Al-Kaliq, 1995; Al-Khawari, 1995).

The segregation of the labour market along sex lines existed in Britain as well. Cockburn (1987), using statistical figures of one of the career offices, found a tendency among young people to segregate themselves along sex stereotype jobs. Very few of them attempted to break the job sex stereotyping. This situation was further compounded by employers' sex stereotype perceptions. Such perceptions often hinders the attempts of either gender to break the sex job stereotype. Ashton, Maguire and Spilsbury (1990) found that the segmentation of the labour market tended to restrict the access of young people into limited job categories, particularly "unskilled and semi-skilled" jobs. Wong (1991) found that, at the secondary school in Singapore, females outnumbered males in the arts and science disciplines, while males were concentrated in the technical fields.

Employers' tendency to restrict the job choices available to young females to selective jobs only is partially attributed to their perception of the sex role. Males are seen to be more flexible and more committed to work, while females are seen as being oriented more towards their families. This perception is also shared by many employers in the UK (Ashton, Maguire and Spilsbury, 1990). This perception of females' role results in depriving many of them from jobs in the labour market.

The analysis of the field results indicates that young Omani females' decision' on whether and how to access the labour market is governed by several factors. Table 4.7 lists, in the order of their importance, the factors that govern the decision of young Omani females to access the labour market in both surveys.

Table 4.7

Factors Governing Young Omani Females' Decisions on
Accessing the Labour Market

Sr. No.	Label	Unemployed		Employed	
		Frequency	%	Frequency	%
1	Family financial status	42	54	8	53
2	Distance of work	25	32	6	40
3	Attitudes of employers	24	31	3	20
4	Traditional values	20	26	3	20
5	Family restriction	17	22	2	10
6	Family responsibility	10	13	1	5
7	Other factors	5	6	1	5

It is significant to note that the order of importance of the various factors, as indicated in the table, is similar in both surveys. The table indicates that the financial status of the family, particularly of the father, or husband, play an important factor in a young Omani female's decision whether to work or not. This means that females' search for jobs is not governed by the desire for a job per se, but rather their motivation is financial, otherwise many of them would not work. The table also demonstrates the various difficulties females face in general before they can access the labour market. Such difficulties include the distance of work from home. Family restrictions means whether or not females are allowed to work.

In conclusion, it has been found that young Omani females face more obstacles than males in their efforts to gain access into the labour market. These obstacles are attributed to the following factors:

- 1 . The attitude of employers about the role of females and the type of jobs to be given to them.
- 2 . The role of the education system in restricting several programmes to males only.
- 3 . The traditional values which impose restrictions on female employment, in terms of whether females should be allowed to work and the type of jobs to be engaged in.
- 4 . Female opinion that they should be confined to jobs which suit them most.
- 5 . Female orientation towards the domestic role and family responsibility, such as husbands, children.
- 6 . Distance of work from home prevents many females from accepting employment.

By way of comparison, Singapore, an example of an economy that has seen growing dynamically, provides a vivid example of the positive role the state can play in

enhancing females' participation in the labour market. Sharma and Luh (1994) argued that the government there endeavoured to create a conducive environment for female employment. Prominent among this effort was the government's subsidy scheme to private sector firms for setting up child-care centres and the introduction of the flexi-time and part-time work schedules.

4.3.2.3 Geographic Compulsions on Employment

The survey revealed that geographic isolation had a negative impact on skill formation of young Omanis and the employment opportunities facing them. Young people from outside the Muscat area did not enjoy equal access to job opportunities, when compared to those residing in Muscat. Employers in the sample were asked whether they preferred recruiting young people from Muscat or from those residing outside the Muscat area. It was found that more employers preferred young Omanis from Muscat than from other areas. Table 4.8 shows that around 46 per cent of employers had no particular preference in regard to the area from which they recruited, 34 per cent preferred young Omanis from Muscat and 20 per cent preferred young Omanis from areas outside Muscat.

Table 4.8
Employers' Area-wise Preference for Young Omanis

Area-wise Preference	Frequency	Percentage
Muscat	26	34.2
Areas outside Muscat	15	19.7
No particular preference	35	46.1
Total	76	100.0

Employers' preference for recruiting young Omanis from the Muscat area is based on several factors:

1. Recruitment of workers from areas outside Muscat often means an obligation on the part of the establishments to provide them with accommodation.
2. Lack of punctuality has been reported as a common characteristic of young Omani workers and poses problems in relation to their employment. Many workers from

rural and outside Muscat areas commute to work on daily basis. They report late to work due to lack of self transportation, traffic problems, weather conditions, as well as self-absenteeism, particularly on days falling between holidays and weekends, and or on social occasions.

3. Traditional restrictions on females to accept jobs away from their homes. Tables 4.9 and 4.10 illustrate that only small percentage of females migrated to Muscat in search for job in comparison to males.

Table 4.9

Unemployed Young Omanis by Gender and Reasons for Migration to Muscat

REASONS FOR MIGRATION	SEARCHING FOR JOB FREQ. %	CONTINUE EDUCATION FREQ. %	OTHER REASONS FREQ. %	TOTAL FREQ. %
Male	62 64.6	6 6.3	4 4.2	72 75
Female	15 15.6	7 7.3	2 2.1	24 25
Total	77 80.2	13 13.5	6 6.3	96 100

Table 4.10

Young Omani Workers by Gender and Reasons for Migration to Muscat

Reasons for Migration	Searching for jobs Frequency %	Continuing Education Frequency %	Other Reasons Frequency %	Total Frequency %
Male	14 73.6	1 5.3	2 10.5	17 89.5
Female	1 5.3	1 5.3	0 0.0	2 10.5
Total	15 78.9	2 10.5	2 10.5	19 100.0

4. Young people from outside Muscat areas did not have good access to the labour market. There were not enough employment (Government job centres) departments nearby. Accordingly, they lacked information about job opportunities. Furthermore, people from interior areas are often out of reach due a to lack of an effective communication network.
5. Young people from outside Muscat areas did not have equal opportunities for training as most of the training institutes were located in Muscat. Also, the range of training opportunities available to them was limited. The Vocational Training

Institutes were not adequately distributed. Until 1994 there were only nine institutes throughout the country. Many pupils from poor-income families missed the opportunity to join these institutes due to absence of financial support. Moreover, sixty seven per cent of the private sector institutes were located in Muscat. Another 13 per cent were located in two main towns (Salalah and Sohar). Almost all of their programmes were in office-related areas such as typing, languages and computer skills (VTA, 1995). Lack of appropriate training makes the efforts of young people to access the labour market, especially for those from areas outside Muscat, even more difficult.

6. Most of the large establishments were located in Muscat. Evidence suggests that about 95 per cent of the three largest categories of establishments, i.e. excellent grades, grades I and II, were located in Muscat (Oman Chamber of Commerce and Industry, 1992). The employment opportunities available in areas outside Muscat were, therefore, limited to “traditional rural activities”. Such activities were mainly in agricultural sector. However, this sector did not appeal to the majority of young school-leavers in both the unemployed and employed categories. In fact, the importance of this sector has been declining over the years. Many farmers began to leave their land and migrate towards urban areas from 1970 onwards. Other employment opportunities were not significant in size. They included a few government departments, schools, and medical units. Private activities included a variety of small shops, which were often run by expatriates. Very few young Omanis were involved in these activities, either because the type of jobs available did not appeal to them or, because they did not have easy access to these jobs as expatriates would resist their entry into vocations dominated by them.

The survey figures indicate that about 46 per cent of the respondents who were searching for jobs and 39 per cent of the young people in employment were from areas outside Muscat. The reasons for their migration to Muscat are given in Tables 4.9 and 4.10. The tables show a flow of young people to Muscat in search of employment.

It seems that geographic isolation exerts a similar impact on young people in terms of training and employment opportunities in other countries (OECD, 1985). Turbin and Stern (1987) found similar trends in rural Britain. Young people had narrow employment opportunities, primarily in “traditional rural activities”. They were engaged, predominantly, in unskilled and semi-skilled employment categories. Furthermore, the type of training opportunities available to them were such that the points of entries into the labour market was reduced.

The difficulties young people from areas outside Muscat face in their efforts to access the labour market lead to protracted period of unemployment or, migration towards the urban centres, particularly Muscat. Migration from rural areas has several implications. First, it drains rural areas of the more able people, leaving behind the older and the less enterprising. Second, it increases the pressure on urban centres, particularly Muscat which has been growing very rapidly since 1970. Third, migration serves to bring about a disintegration of the traditional family ties.

4.4 The Young Omanis and the Socio-economic Status of Their Families

The socio-economic status of the young Omanis in both surveys was assessed on the basis of their father’s educational qualifications and his occupation. These two parameters were then investigated to find out if they had any influence on the employment status of young Omanis. Respondents, both employed and unemployed, were therefore requested to provide details of their fathers’ educational qualifications and occupation. Table 4.11 shows the educational qualifications of respondents’ fathers.

It is important to mention that fathers’ educational qualifications should be examined with caution. Schooling in Oman started only in 1970. Therefore, many older generations missed the opportunity of schooling. This is manifested in the relatively large proportion of fathers who had no or little education. Therefore, fathers’ levels of education might not provide a very accurate correlation with the employment status of young Omanis. Despite that, the table indicates that the educational qualifications of fathers of young people in employment were relatively higher than that of the

unemployed young. The variation in the level of education is clearer among fathers who had either no educational qualification or had secondary school qualification or above.

Table 4.11
Educational Qualifications of Young People's Fathers

SR. NO.	EDUCATIONAL QUALIFICATION	UNEMPLOYED		EMPLOYED	
		FREQ.	%	FREQ.	%
1	No Education	132	61.1	26	50.0
2	Up to Primary Schooling	27	12.5	9	17.3
3	Up to Preparatory Schooling	29	13.4	4	7.7
4	Up to Secondary Schooling	16	7.4	4	7.7
5	Diploma	5	2.3	1	1.9
6	Bachelor Degree or Equivalent	3	1.4	1	1.9
7	Other Qualifications	4	1.9	7	13.5
	Total	216	100.0	52	100.0

Table 4.12 highlights the type of occupations respondents' fathers in both the unemployed and employed young people surveys were engaged in. The table reveals that the employment patterns of fathers of employed young Omanis were relatively higher than those of the unemployed. These two findings on the young Omanis' fathers, in terms of level of education and occupational patterns, confirm the assumption that young people from poor income families, or those with lower educational qualifications, experience more difficulty in accessing the labour market.

The impact of the socio-economic status of parents is well investigated in other societies. In Britain, for instance, Ashton and Field (1976) found a strong probability that young people would end up in jobs within their "social strata".

Table 4.12
Occupations of Young Peoples Fathers

SR. NO.	FATHERS OCCUPATION	UNEMPLOYED		EMPLOYED	
		FREQ.	%	FREQ.	%
1	Gov. Employees / Clerical jobs	31	16.5	6	13.6
2	Business / Merchant	27	14.4	11	25.0
3	Managers / Gov. And Private	10	5.3	0	0.0
4	Drivers	20	10.6	3	6.8
5	Labourers	14	7.4	3	6.8
6	Guards / Policemen	13	6.9	4	9.1
7	Farmers	7	3.7	2	4.6
8	Fishermen	3	1.6	0	0.0
9	Professional/ other occupations	8	4.3	7	15.9
10	Unemployed	20	10.6	4	9.1
11	Deceased	18	9.6	3	6.8
12	Retired	17	9.1	1	2.3
	Total	188	100.0	44	100.0

4.5 Impact of Education on Employment

The research investigated the impact of educational qualifications on the employment prospects of young school-leavers. The analysis of the data pertaining to unemployed school-leavers indicates a positive correlation between their educational qualifications and their period of unemployment. Table 4.13 distributes young unemployed by educational qualification and period of unemployment. It shows that, on an average, young unemployed with lower educational qualifications tend to spend more time in unemployment.

Table 4.13
Young Unemployed by Educational Qualifications and Periods
of Unemployment

Period of Unempl oyment	Up to 12 Months No. %	13 to 24 Months No. %	25 to 36 Months No. %	37 to 48 Months No. %	49 to 60 Months No. %	61 to 72 Months No. %	Total
Primary	1 20	3 60	0 0	0 0	0 0	1 20	5
Preparat ory	11 9	6 27	4 18	1 5	0 0	0 0	22
Secondar y	96 62	33 21	20 13	4 3	1 1	1 1	155
Diploma	3 50	2 33	1 17	0 0	0 0	0 0	6
Bachelor	1 100	0 0	0 0	0 0	0 0	0 0	1

Table 4.14 compares the educational qualifications of both unemployed and employed young Omanis. The findings confirm the following:

Table 4.14
Comparison of Educational Qualifications of Unemployed and Employed
Young Omanis

Sr. No.	Educational qualifications	Unemployed		Employed	
		Frequency	%	Frequency	%
1	Primary	5	2.6	2	3.8
2	Preparatory	22	11.6	10	19.3
3	Secondary	155	82.0	30	57.7
4	Diploma	6	3.2	8	15.4
5	Bachelor	1	0.6	0	0.0
6	Others	0	0.0	2	3.8
	Total	189	100.0	52	100.0

- 1 . Young people with educational qualifications higher than secondary school level had, relatively, lesser problems in securing employment more quickly. The table shows that there were more people holding higher educational qualifications in employment.

2 . The percentage of unemployed young people with secondary school qualifications was higher than those in employment. This situation demonstrates the difficulties secondary school-leavers experience in order to gain a job which they consider suitable. Their difficulties stem partially from the fact that their qualification has no bearing with labour market realities.

In a study conducted in Britain, Ashton and Field (1976) found a similar association between “the performance of young people at school and the kind of occupation which they enter”.

Most employers, on the other hand, pointed out that young Omani school-leavers lack the necessary skills and educational qualifications relevant to the needs of the labour market. Lack of proper skills hinders their efforts to access the labour market. Employers, therefore, strongly advocate the gaining of higher educational qualifications or technical or professional skills by young Omanis in order to improve their chances of securing employment.

Employers participating in the group discussion sessions believed that productive Omanis are seen to be those who possess specialised schooling. A director of an agricultural firm described his unsuccessful efforts to train and retain Omanis possessing only general schooling. He blamed schools for not exposing pupils adequately to the practical training necessities of areas such as agriculture and manufacturing. He emphasised that the country needed practical training far more than it needed academic learning. Other participants complained that, while some of young Omanis do possess educational qualifications, their knowledge of trade and the professions is poor. On the other hand, employers believed that Omanis who had proper training and qualifications succeeded rapidly in their careers.

In fact there is evidence that young Omanis hold positive opinions about education. Many of them wanted to continue their further or higher studies. They missed the opportunity to do that, however, for several reasons. Forty two per cent of respondents in the unemployed sample could not secure admission to the university or any of the

colleges because of poor performance at school. About 26 per cent said that they could not pursue their education for financial reasons. Furthermore, four per cent complained about the absence of higher educational institutes in their areas. These findings suggest that young people did believe that higher and further education could enhance their chances of securing a better job in the market.

Young respondents in both surveys were asked whether they had taken any vocational or technical courses at school. Sixty four per cent of the unemployed and 61 per cent of the employed replied in the negative. Forty eight per cent of unemployed and 59 per cent of employed young Omanis did not believe that schools had adequately prepared them for the labour market. Furthermore, 30 per cent of unemployed and 53 per cent of employed young people believed that subjects studied at school were not relevant to the requirements of the labour market. Clearly, the responses of the employed young workers varied from those of the unemployed. More employed young Omanis believed that school did not prepare them adequately for the labour market and subjects studied at school were not very relevant to the needs of industry. These replies reflected the experiences and the understanding on the part of employed young Omanis of the needs of the world of work, in terms of educational qualifications and skills.

The empirical survey confirms the assumption that young school-leavers held negative attitudes towards vocational training. Table 4.15 indicates the reasons for young Omanis' preference for general schooling over vocational education. Prestige and preference for office related jobs were mentioned as the main two reasons. The table also indicates that there were no significant differences between employed and unemployed young Omanis, in terms of their positive attitudes towards office-related jobs.

Young Omanis participating in the group discussions were asked to debate the issue of schooling and to point out the reasons for undertaking general schooling rather than vocational programmes. Several points were highlighted. Paramount was the fact that the transition from preparatory level (nine years of schooling) to secondary level was based on the performance of pupils at the final year examination at the ninth grade. Pupils failing to secure minimum grade marks were denied access to secondary schooling.

Vocational and technical education were the only venues available to them. Vocational programmes were, therefore, associated with the failed and the less successful. The net result is the development of a culture that disdains vocational programmes and manual jobs.

Participants in the discussions in Oman described how they were making jokes of their fellow friends who failed to secure admission to secondary schooling. Yet the career outcomes associated with varying educational routes proved to be different from that anticipated by those casting the aspirations. The graduates of vocational programmes were quicker to secure jobs, while those who continued with mainstream secondary schooling remained unemployed for years. A lack of proper guidance on what to study was pointed to by the participants as being a reason for not joining vocational programmes, and therefore not securing the employment positions later that they had hoped they would.

These findings illustrate the impact of the schooling system in creating a culture that scorns manual jobs. In turn, this provides a wide and strong demand for general schooling when it is possibly vocational and technical education that would be more conducive to economic development, and more conducive to the indigenisation of the labour force.

Table 4.15

Reasons Given by Young School-leavers for not Joining Vocational Training Programmes

Sr. No.	Reasons for joining general schooling	Unemployed Frequency	%	Employed Frequency	%
1	Prestige	66	33.5	15	30
2	Preference for office-related jobs	52	26.3	15	30
3	Graduates of the V.T. could not continue their higher education	37	18.6	10	20
4	No V.T. institutes were available in their area	35	17.6	4	8
5	Other reasons	34	17.1	11	22

In a contextual sense, there is a parallel with the developed world or, at least, a parallel with Britain. Many commentators have described how, for many years in the twentieth century, technical and vocational education was seen as a refuge for the less intelligent and less enterprising in Britain. They have cited as examples the separation of school pupils at the age of eleven into 'technical' secondary modern schools and 'academic' grammar schools, which lasted without serious challenge between the 1940s and the 1960s, and the long-perceived inferior status of 'vocational' polytechnics, as opposed to the 'academic' established universities, at the higher education level. Wiener (1981) has provided an overview of how this is alleged to have influenced - adversely - Britain's overall industrial and economic development.

Despite the negative attitudes young school-leavers were holding towards vocational training programmes, it seems that the hardship of being unemployed had an impact on many of them. Unemployed respondents were asked whether they would have joined any of the vocational training programmes, if they were offered financial incentives or if employment upon successful completion of the programmes was guaranteed. The figures indicate that 62.2 per cent of respondents were willing to join the V.T. programmes had they been offered financial support. Furthermore, 83.4 per cent of them were willing to join the V.T. institutes should they be guaranteed employment upon graduation from the programmes.

The above findings suggest that there was little contribution on the part of schools in the Oman in equipping the pupils to take up careers in industry and preparing young Omanis for the types of opportunities available in the labour market. These findings also confirm the assumption that schools in the country were excessively academic with a heavy emphasis on humanistic curricula. Such orientation at school is fine in preparing school-leavers for certain categories of employment. On the other hand, technical and vocational courses did not receive equal attention. Furthermore, most of the young Omanis were leaving schools without any computing skills or a sufficient command of the English language. Therefore, young people were leaving schools unprepared to face the challenges in the labour market. The specialisation of young school-leavers in selective

academic streams has its implications on their employment prospects. There has been growing number of school-leavers queuing for jobs in selective areas, particularly white-collar work, while ample opportunities were available elsewhere, but without having people with relevant expertise to fill them in. This situation raised critical questions among the unemployed about the value of schooling if they fail to achieve their dream of making a living through rewarding employment.

The analysis of the data also found that the level of interaction between business and the education system was low. Ninety three per cent of employers replied negatively when they were asked if their labour needs had ever been assessed by any agent of the education system. Clearly, this situation results in an imbalance between the educational qualifications of school-leavers and the requirements of the market.

4.6 Training

The field survey investigated the role of training in preparing young Omanis for an active role in the labour market. The examination of the data found that, by and large, training has not received enough attention from the parties concerned, i.e. government, private sector establishments and the young Omanis.

The analysis of the field findings reveals that the vast majority of young unemployed did not participate in any vocational or technical training after leaving school. As many as 81 per cent of them reported that they did not join any vocational or technical programme, with the percentage of females slightly higher than that of males. The situation among young Omanis in employment was better. Seventy three per cent of them reported having received some training, with the percentage of females just above male percentage. This is an indication that young Omanis who acquired training and skills have a better chance of securing employment. Therefore, schools focusing on vocational and technical programmes, and which had a greater orientation towards the world of work, help in achieving faster integration of young Omans into private sector employment.

Opinions on the usefulness of these programmes amongst unemployed young people who have already undergone vocational training programmes was uniform. Seventy seven per cent of them believed that the programmes had improved their skills. The percentage of males was 83 and females, 63. Respondents were also asked whether the programmes had improved their chances of securing employment. Only 48 per cent of them replied positively. It is interesting to note that males and females had differing opinions on the matter. More females saw the programmes as being useful in improving their chances of getting a job than males did. Fifty three per cent of females and 44 per cent of males believed that the programmes had a positive impact on their employability.

The main fields of training were in office-related activities. They included: computer operating, secretarial work, English language and accountancy. Table 4.16 lists the fields of training that both unemployed and employed young Omanis received. Training in office-related fields constituted about 67 per cent and 46 per cent of all training taken by unemployed and employed respondents in the two samples. Blue-collar training represented 15 per cent and 13 per cent respectively. The table also indicates that, with the exception of blue-collar training, there was clear variation between the fields of training taken by unemployed and employed young Omanis. This variation illustrates that young Omanis did not have proper guidance, or enough knowledge and information about the real needs of the labour market, in terms of type and level of skills. This is also an indication of the lack of co-ordination and interaction between the training agencies and industries.

Table 4.16
Unemployed and Employed Young Omanis by Fields of Training

Sr. No.	Field of Training	Unemployed		Employed	
		Frequency	%	Frequency	%
1	Computer operating	17	37.0	4	9.8
2	Secretarial	8	17.4	4	9.8
3	English language	4	8.7	5	12.2
4	Accountancy	2	4.3	5	12.2
5	Sales	0	0.0	3	7.3
6	Public relations	0	0.0	1	2.4
7	Other training	8	17.4	14	34.1
8	Blue-collar	7	15.2	5	12.2
	Total	46	100.0	41	100.0

Apparently, the selective job preferences tend to make the job opportunities available for young school-leavers in the labour market limited, leading to long queues for these occupations, hence prolonging periods of unemployment.

Employers frown upon the type of training programmes provided to young Omanis as many of these programmes fell short in equipping young people with the necessary skills required in the labour market.

The same opinion was shared by many young unemployed who confirmed that many of the training programmes they had undergone had little new to offer them and were of little use in helping them to secure jobs. In addition, the limited skills achieved through the training programmes tend to soon be lost as people did not have an opportunity to practice them.

Table 4.17 provides details of who organised the training programmes for the young Omanis. The table indicates that training opportunities were not widely available for the young unemployed, particularly from private sector establishments. Vocational training institutes and centres provided most of the programmes. Personal initiatives of the young unemployed were next in importance. Initiatives by the young unemployed to undergo training programmes at their own expense is a manifestation that the young unemployed were beginning to realise that educational qualifications by themselves were not sufficient to provide them with skills that could get them jobs. The survey found that 72 per cent of the young unemployed planned to join a vocational training programme in the future. Among those who planned to join future training programmes, three quarters of them indicated that they would join office-related training. This intention to seek training in careers in office-related jobs demonstrates that these youngsters lack proper guidance and information about the market requirements. It also demonstrates their negative attitude towards other jobs.

Table 4.17
Who Organised the Training Programmes for the Young Omanis

Sr. No.	Label	Unemployed		Employed	
		Frequency	%	Frequency	%
1	Vocational Training Institutes	16	42.1	16	42.1
2	Personal Initiatives	12	31.6	7	18.4
3	Other Government Organisations	8	21.1	5	13.2
4	Private sector Establishment	1	2.6	10	26.3
5	Others	1	2.6	0	0.0
	Total	38	100.0	38	100.0

The survey revealed that despite the importance of training in providing the work force with the necessary skills to enable them to carry out their job satisfactorily, training did not assume a high priority in firms' agendas, particularly among smaller ones. Around 63 per cent of establishments did not provide any training programmes for their workers. However, and as indicated by Table 4.18 the importance of training varied in accordance with the size of the establishment. All international firms participating in this survey reported that they had training programmes for their staff, while the percentages of establishments of other grades which provided training opportunities were 60, 42, and 15 among excellent grades, grade I and grade II respectively. Clearly, there was a direct correlation between the size of establishments and the provision of training for their workers. The smaller the firm the lesser the training opportunities provided to their workers.

Table 4.18
Distribution of Establishments by Grades and Whether Provided any
Training Programmes

Training Provided	International Firms	Excellent Grade	Grade I	Grade II	Total	%
Yes	5	15	18	7	45	37.2
No	---	10	25	41	76	62.8
% Yes	100.0	60.0	41.9	14.6	37.2	100.0

These findings confirm the assumption that small establishments lack the motivation to train young Omanis. Inadequate investment in training has been attributed to several factors. Table 4.19 provides a list of such factors, in the order of their importance, highlighted by employers as the main reasons for not spending sufficiently on training.

The tendency of the young Omanis not to stick to a particular job for a substantial period has been highlighted by many of the employers as a factor in their decision not to investing adequately in training programmes. Their argument is that, after acquiring skills through training an Omani employee leaves the job. The effort and the resources utilised for his / her training will be an absolute loss for the establishment. Accordingly, some employers resort to the practice of luring trained young Omanis from other organisations to their establishments, taking advantage of the Omanis' nature to change jobs.

The cost of training has been pointed out as another prohibitive factor by employers. A study was undertaken by a director of a multiple activity firm. The study was on the cost of employing indigenous Omani workers in one of the factories owned by him. Alongside the salary, the cost of training was taken into account. The director of this firm explained that the productivity of young Omani workers in the first 12 to 18 months of employment is often low. In addition, there is the cost of the expatriates' time spent on training their Omani colleagues. Jointly, these costs constituted around six to seven per cent of the entire running costs of the factory. When profitability is around three to four per cent a year, any extra pressure would mean the company losing its competitive edge over its rivals and eventually going out of business. Commercial organisations in other Gulf states, such as Dubai, Saudi Arabia, Kuwait and Qatar, benefit from government subsidies and, at the same time, do not bear all these costs. These firms have full access to the Omani market without any trade restrictions. Therefore, the Omani manufacturer is placed in a disadvantageous position vis-à-vis his counterparts in other GCC states. Another participant said that after an organisation had expended time, money and effort to train the Omani worker, he leaves at the first opportunity he gets. This participant suggested, therefore, that unless immediate corrective steps were taken by the Government, employers would continue to be hesitant to provide Omanis with training.

Table 4.19
Factors Prohibiting Adequate Investment on Training

Factor	Frequency	Employers Percentage
High turn over among Omani workers	48	39.7
Cost of training is high	44	36.4
Lack of seriousness among Omani workers	32	26.4
Poaching of skilled workers by other establishments	20	16.5
Job security on the part of expatriate worker	6	5.0
Other factors	12	9.9

Hirono and Siy (1986) found that poaching of skilled workers reduces employers' incentives to invest in training in Singapore. Ashton and Sung (1994) found that small and medium sized firms in Singapore were less enthusiastic to spend on training. The government has therefore imposed a levy on employers. The fund raised from the levy was spent on training.

Many employers felt that young Omanis have a carefree approach to training and accordingly do not put sufficient effort into the training programmes. This lack of seriousness is an important factor causing much concern to employers. Added to all these factors is the lack of motivation among expatriate workers in sharing their skills and expertise with the Omani trainees whom they view as a potential threat to their positions in the near future. A manager of a maintenance company admitted that expatriate workers do not have the motivation or the incentive to share their skills and experience with their Omani co-workers. In a study conducted in the UAE, Abdul-Wahab (1992) also found expatriates to be reluctant to share their knowledge and experience with the indigenous workers. Participants suggested there should be much more rigorous initiatives in this policy area on the part of the Government. Such initiatives, it was thought, should include better interaction between industry and the schooling system.

They suggested visits by employers to schools to “catch them young”. They believed that schools should play a more prominent role in the process of skill formation. Such a role would include training initiatives and practical programmes. Youngsters should be made aware of what is happening in the real world. A manager of a maintenance company argued that Omanis come out of school without enough knowledge about the world of work. They live in an “ivory tower” and see life through “coloured glasses”. “Omani graduates, once they leave school, expect a high salary, a separate office, and a car because they are living in an illusory world”, far away from the hard realities of life.

The general manager of a printing press emphasised the importance of training. He said that their machines are sophisticated, very speedy, and require a lot of skill to operate. Mistakes would be very costly. This is why young Omanis have to spend a long time mastering the trade before they could be assigned to operate the machinery independently.

A general manager of a garment factory explained that his trade is a highly labour intensive one. They employed 500 people and paid a large sum in employment levy to the Government. That levy, however is not channelled towards training Omanis in the manufacturing sector. It goes to many other sectors as well. The result is that the industry gets Omanis who have no experience in the sector, and Omanis who are past their prime physically. Some of the workers are old ladies or wives who are pushed by their husbands to work. Because of this the company suffers from low productivity. So, while the company provided training, and paid trainees salaries, the manager believed that it received nothing in return.

Some employers acknowledged that counselling and socialisation with the newly recruited young Omanis had positive results in improving their attitudes and attendance. It also helped in developing a more friendly environment in the work place. Despite that, many employers acknowledged that they did not provide any counselling to their Omani workers. Furthermore, some employers believed that such responsibility lies with the government.

The overall percentage of employed young Omanis in the sample who had been given training opportunities was almost 17. It is interesting to note that more Omani females were given training than males. About 23 per cent of indigenous females were provided with training opportunities as against around 15 per cent of the males. This finding is in contrast to the assumption that females, on average, are given less training opportunities. In the case of Oman, this might be attributed to the fact that females are more stable at their job than males who are often on the look out for better employment opportunities elsewhere.

The findings reveal that the highest levels of training were given by employers in mining, manufacturing, finance, insurance, and real estate, and in establishments with more than one activity. On the other hand, the least training opportunities were in hotels and restaurants, the retail and wholesale, construction, and transportation sectors. This can be attributed to the fact that jobs in those sectors do not meet with the expectations and aspirations of the young school-leavers. Young Omanis who happen to join these jobs soon quit their jobs once they obtain a better opportunity elsewhere. Therefore, establishments in the construction, hotels and restaurants sectors, which are particularly labour intensive, rely heavily on expatriate workers.

The type of training private sector establishments provided to young Omanis is markedly skewed towards office-related occupations. Table 4.20 reveals that 67 per cent of the training programmes were in office related areas. This training, combined with training in sales orientation, constituted more than 83 per cent of all the training programmes provided to young Omanis. On the other hand, blue-collar training constituted less than 17 per cent of the total training given to them. This finding confirms the assumption that young Omanis have particular preferences to work in selective occupations, particularly office-related jobs. This tendency among the young Omanis is the contribution of a schooling system which prepares school-leavers for those type of jobs.

Table 4.20

Fields of Training Given to Young School-leavers

Fields of Training	Frequency	%
Sales orientation	13	15.1
Secretarial	11	12.8
Accountancy	11	12.8
Administrative	11	12.8
English	10	11.6
Computer operating	7	8.1
Public relations	4	4.7
Other office-related training	5	5.8
Blue-collar training	14	16.3
Total	86	100.0

Except for international firms, more excellent grade establishments reported having training centres of their own than did grade I and grade II establishments. Clearly, the financial resources and the size of the establishment are important elements in justifying the creation of such centres.

The reason why international firms have less training centres of their own in the country could be justified on the grounds that most of them were branches of their corporate offices, operating on a smaller scale. Therefore, there was no real need to have separate training centres of their own. Instead, they relied on larger sister subsidiaries in the Gulf region to assist them in their training needs. This is manifested in the volume of training programmes provided to their staff. All international firms in the country reported that they provided training to their staff, particularly to the young indigenous Omanis.

4.7 Job Preferences

The research investigated the employment preferences of young Omanis. Towards that objective several questions were raised. Respondents in the unemployed survey were requested to rank their employment preferences, on a scale of one to fourteen - based on the International Standard Classifications of Occupations (ISCO) - at one digit basis. (Because of the relative importance, Trade, Restaurants and Hotels sector was split into

Trade [referred to as Retail and Wholesale] and Restaurants and Hotels. Community and General social services were also split. Government was added as a separate sector. Also a separate heading under Others was added to cater for the unknown cases.) The survey found that education was rated most often (34 %), followed by government (25%), finance (11%), and health and social work (8%). Further analysis found a strong inclination on the part of unemployed young females towards jobs in the health and social work sector (79%) and education (63%) respectively. Conversely, males were more inclined towards government jobs. They represented about 73 per cent of the respondents who preferred government jobs. The data confirms that unemployed young Omanis in the sample were less keen towards manual work, menial jobs, or jobs which they believed enjoyed less prestige in society. The construction sector was therefore rated the least preferable. In fact, no respondent selected the construction sector as his first choice of employment. Agriculture and fishing rated 12th, manufacturing was rated 9th, electricity, water, and gas and hotels and restaurants were rated 7th, and 8th respectively. Retail and wholesale, and transportation and communication were rated fifth and sixth respectively.

Respondents were asked about the factors they considered important in accepting a job. Table 4.21 lists the priorities of young Omanis in both surveys. The table shows the similarities in the opinion of the unemployed and the employed young Omanis. Opportunities to learn and initiate self-development were given the highest rating by both groups. About 54 per cent of the unemployed and 58 per cent of the employed considered that self-development and having an opportunity to learn were the most important elements.

It is interesting to note that there was a clear emphasis by both groups on the psychological elements at the work place. Psychological elements include: the opportunity for learning and self-development, the opportunity to use skills and knowledge, and having a good and supportive management. These elements jointly accounted for about 67 per cent of the total factors considered essential by the young unemployed and 61 of the total elements considered essential by the employed young Omanis. Non-tangible factors such as pay structure, working hours, and job security,

were considered to be less important than the tangible elements. These findings are in conformity with Taylor's arguments that improving productivity is possible only when "employees' needs, wants, aspiration, thoughts, fears and frustrations are taken into account".

Table 4.21

Opinion of Young Omanis of the Elements Considered to be Important in
Accepting a Job

Sr. No.	Important Factors About Jobs	Unemployed		Employed	
		Frequency	%	Frequency	%
1	Opportunity to learn and self-develop	78	40.4	13	36.1
2	Good pay	32	16.6	5	13.9
3	Job security	27	14.0	6	16.6
4	Opportunity to use skills and knowledge	26	13.5	8	22.2
5	Good management	15	7.8	2	5.6
6	Prestige and social status	13	6.7	2	5.6
7	Shorter working hours and longer holidays	1	0.5	0	0.0
8	Others	1	0.5	0	0.0

4.7.1 Preference for Government jobs

The assumption that young Omanis, particularly females, prefer government jobs has been confirmed by empirical findings. About 55 per cent of respondents among the unemployed and 71 per cent among the employed young Omanis reported that they preferred government jobs to private sector jobs. Among young females the percentages among the unemployed and employed were 57 and 73 respectively.

As highlighted in Table 4.22, several reasons were given for this inclination towards government jobs. The table shows that psychological factors constituted a high

proportion of the reasons for preferring government jobs. These include: career development, social status, and a friendly working environment.

Table 4.22

Reasons Given by Young Omani for Preferring Governmental Jobs

Sr. No.	Reasons for preferring government jobs	Unemployed		Employed	
		Frequency	%	Frequency	%
1	Career development	84	40.0	19	44.2
2	Social security	84	40.0	18	41.9
3	Better pay	80	38.1	25	58.1
4	Life job	77	36.7	15	34.9
5	Social status	70	33.3	19	44.2
6	Less working hours/ longer holidays	70	33.3	20	46.5
7	Friendly working environment	47	22.4	10	23.3

Despite the strong desire by the young unemployed to work for the government, 94 per cent of them reported that they would be willing to accept a private sector job rather than wait until they get a government job. However, they attached conditions to accepting a job within the private sector. About 52 per cent of respondents stated that they were not willing to accept certain jobs. The list of rejected jobs includes: waiters or waitresses in restaurants (20%), manual jobs (17%), menial jobs - servile or laborious jobs - (17%), fishing and farming (7%), jobs that do not fit with females' nature - physically and or traditionally - (16%), jobs which are condemned by religion or by traditions (4%), low paid jobs (2%), and a combination of other jobs (17%).

4.8 The Role of the Employment Department

The employment department is a government body under the auspices of the Ministry of Social Affairs and Labour. Its main activity is to search for employment opportunities for

Omani workers. The department has several regional offices in the different parts of the country, with its main office located in the city of Muscat.

The survey investigated the role of the employment department in searching and securing jobs for the young unemployed. It was found that the geographic distribution of the department offices was not sufficient. Compared to the employed, more unemployed young Omanis complained about the absence of employment offices in their areas. About 37 per cent of unemployed respondents reported that there were no employment offices in their areas against 25 per cent among employed young Omanis. Furthermore, the regional offices of the employment department did not play an effective role in providing job opportunities for the young unemployed. The inadequacy in the number of employment departments had some impact on the employment opportunities facing young job-seekers, particularly from remote areas. Young unemployed from those areas reported having difficulties obtaining first-hand information about the availability of job opportunities. In addition, young people from poor-income families found it difficult to travel regularly to the employment offices far away from their homes because of financial constraints.

The two surveys pertaining to unemployed and employed young Omanis indicated that many young Omanis did not hold a high opinion of the performance of the employment department. About 74 per cent of the unemployed, and 59 per cent of the employed, youths reported that they did not receive any help from the employment department. Around 52 per cent of both groups stated that they had never visited the employment department. Unemployed respondents' disappointment with the performance of the employment department has been attributed to several factors. About 34 per cent of them said that employment opportunities were not available in their areas. Thirty two per cent reported that jobs were available but were at the lower occupational echelons, which did not, therefore, meet with their expectations. Thirty per cent of respondents stated that good opportunities were available but they required higher educational qualifications than they possessed. Many respondents complained about the unfriendly attitude of the employment department staff, while some others accused the staff of favouritism.

Participants in the group discussion sessions were equally critical about the performance of the employment department. The main problem, according to employers, was communicating with the staff at the employment department. They believed that industry did not get a fair deal from the employment department. Employers held the view that efficient and skilled Omanis get employment in Government, or in larger private sector establishments, and that there are plenty of opportunities for them in the labour market. The unfit, and the less efficient, are recommended to do factory work, and assigned by the employment department to the factories without giving an opportunity to the factory management to assess their skills and qualifications. If the assigned person is not appointed by the factory, then the management has to spend a long time justifying the refusal. A general manager of a garment factory argued that the employment department was concerned only to “achieve their Omanisation target and nothing else”.

Another industrialist mentioned that his organisation suffered production losses because of the negative attitude of Omani workers. He argued that management’s ability to deal with this problem was constrained by an authoritarian approach from the employment department. “They come charging at us. You are under their durance”.

Employers felt it was important to establish a strong link between the Ministry of Social Affairs and Labour, on the one hand, and the industry on the other. Such link would facilitate a more co-ordinated exchange of views and, in turn, would serve to improve the implementation of micro-economic policy, such as intervention in the labour market. Interaction between the two sides would ensure a better and more fruitful partnership.

4.9 Career Guidance

Young Omanis in both surveys were asked if they had received any guidance on their post school career. As indicated in Table 4.23, respondent’s families were the main agent in influencing young people’s career choice. Eighty one per cent of unemployed and 83 per cent of employed young Omanis reported that they had received guidance from their families. Friends also played an important role in influencing their future choices. Around forty per cent of the unemployed, and 50 per cent of the employed, received

guidance from their friends. Fifteen per cent of the unemployed, and 17.3 per cent of the employed, reported that they had received guidance from school. The employment department, however, did not play a significant role in guiding young Omanis. It is clear that the role played by families, friends, and schools, in guiding young school-leavers, has helped only in cultivating a deep-rooted ethos which values highly only government and office-related jobs. On the other hand, manual jobs did not enjoy equal prestige. In the same way, this trend highlights the role of schools in preparing young people either for office-related jobs or, for the lucky ones, to pursue further or higher education. Clearly, the preference to work in selective areas only results in young people queuing for already saturated employment opportunities.

Table 4.23
Career Guidance of Young Omanis

Sr. No.	Label	Unemployed		Employed	
		Frequency	%	Frequency	%
1	Family	179	81.4	43	83.0
2	Friends	87	39.5	26	50.0
3	School	33	15.0	9	17.3
4	Employment department	16	7.3	1	1.9
5	Others	13	5.9	0	0.0

4.10 The Impact of Wage on the Employability of Young Omanis

Disparity between government and private sector levels of pay, particularly in the lower occupational echelons, is assumed to be a major reason for lack of enthusiasm on the part of young Omanis to join private sector establishments. The employed young Omanis in the sample were asked about the future prospects for the jobs they held. Forty six per cent of them indicated that they were not satisfied with their level of pay. Twenty six per cent were not sure in relation to the pay issue, while 28 per cent expressed their satisfaction. In fact, “better pay” was highlighted by employed young Omanis as the most important factor for preferring government jobs. The pay level was second most important factor for unemployed young Omanis.

Accordingly, in a step aiming to bridge the gap in pay structure between the government and the private sector, the government introduced the minimum wage (MW) scheme in

1989 (Ministry of Social Affairs and Labour, Decree 87 /89, 1989). This policy covered the two main categories of young Omani job-seekers: young Omanis holding secondary school qualifications and young Omanis with educational qualifications lower than secondary school.

The survey investigated the impact of the minimum wage on the employment of young Omanis. As indicated in Table 4.24, the findings revealed that employers held different perceptions about the impact of the minimum wage.

Table 4.24

Employers by Major Economic Activities and Their Views on Whether the Minimum Wages Set by the Government was too high

Employers' views	Agric... / Fishing	Mining	Manuf' acturin g	Elect Water Gas	Constr uction	Wholes ale/ Retail	Restaur ant Hotel	Transp. Comm	Financ e	Others	Multipl e
Strongly Disagree	1	1	2	0	1	6	1	0	0	2	3
Disagree	1	0	2	1	1	4	1	1	4	2	0
Not sure	0	0	5	0	2	14	1	0	5	4	2
Agree	1	1	8	1	5	11	2	3	1	4	4
Strongly Agree	0	0	3	0	0	2	1	0	0	2	1

Employers were asked their opinion of the minimum wage policy set by the government. Around 43 per cent replied that the policy had priced young Omanis out of the market. Table 4.24 indicates that, except for finance, insurance, real estate, and agriculture and fishing, establishments across various economic activities reported that the minimum wage was too high. These establishments are traditionally labour-intensive. Cost of production is often a major factor in maintaining their competitive edge. Therefore, the imposition of the minimum wage increases the government's difficulties in the implementation of the Omanisation plan, as many establishments are likely to resist such policy. Many more small sized establishments, particularly grade I and II, than international and excellent grade firms, viewed the minimum wage as being high, as illustrated in Table 4.25. As the majority of establishments in the country are of a small size, this situation aggravates the challenges facing the government in achieving its

Omanisation targets, whilst at the same time minimising the harm to many private sector establishments. Any increase in their overheads, particularly for manufacturing firms, would result in them losing their competitive edge to their rivals in neighbouring Gulf states.

Table 4.25

Employers by Grade and Their Views on Whether the Minimum Wages Set by the Government was too High

	Strongly Disagree	Disagree	Not sure	Agree	Strongly agree	% Agree
International	1	1	0	2	0	50
Excellent grade	6	3	8	4	1	78
Grade I	4	4	10	19	6	81
Grade II	6	9	15	16	2	69

Employers were also divided on the impact that wage reduction might have in promoting the employment of an increasing number of young Omanis. One third of employers stated that wage reductions for young Omanis would improve their employment prospects, one third did not think that would be the case, and another third were not sure. Further analysis indicates that a reduction in the level of pay would hardly have any impact on the recruitment of young Omanis among the larger establishments. For those employers, wage is not the only criterion for decisions on the recruitment of young people. Educational qualifications, experience, skills, command of the English language and communication abilities are among the important criteria large establishments often search for. In contrast, the findings indicate that any increase in the wage level is likely to deprive many young people from employment opportunities in the smaller establishments. The findings also reveal that the impact of wage reduction in terms of whether or not more young school-leavers would be employed would be less in grade II establishments.

The government also introduced a policy (Decree 4 \ 94, 1994) which provided a wage subsidy to establishments engaging their young Omani workers in apprenticeships and on the job training (OJT). The aim of the scheme was to make the recruitment of young Omanis more attractive to private sector establishments. The scheme offered a refund of

up to 75 per cent of the basic salaries and the water and electricity allowances of young school-leavers holding a university degree or a technical college diploma, or general secondary or vocational training institutes' certificates, and those with educational qualifications lower than secondary schooling, for a period of 12, 18 and 24 months respectively. Despite this lucrative scheme the survey revealed that the scheme was utilised by only a small number of employers. Table 4.26 indicates that less than 32 per cent of employers reported that they availed themselves of the scheme, while more than 68 per cent did not take part. Further analysis reveals that the level of utilisation of this scheme was positively correlated with the grade of the establishments. Except for the international firms, the level of utilisation among excellent grade establishments far exceeded those in grade I and II. About 62.5 per cent of excellent grade establishments utilised the scheme, against 32.5 among grade I, and 14.6 among grade II establishments. Since around 95 per cent of establishments in the country were of small sizes, employing less than 20 people, this illustrates the magnitude of the problem the government is likely to face in convincing private sector establishments to recruiting young Omanis.

Table 4.26
Establishments Utilising the Wage Subsidy Scheme to Employ Young Omanis

Grade Availed the scheme	Internati onal	Excellen t Grade	Grade I	Grade II	Total	%
Yes	2	15	14	7	38	31.7
No	3	9	29	41	82	68.3
% Yes	40	62.5	32.5	14.6	120	100.0

Employers were asked whether the wage subsidy scheme provided them with a cheap source of labour. Less than 30 per cent agreed that this was the case, while more than 70 per cent either disagreed or were not sure.

It is interesting to note that the lowest levels of utilisation of the wage subsidy scheme were reported in the sectors at which the Omanisation plan was targeted. The level of utilisation was nil in hotels and restaurants, 22 per cent in construction and wholesale and retail, and 45 per cent in manufacturing. Jointly, these four sectors employed around 55 per cent of the total expatriates in private sector establishments (Oman Chamber of

Commerce and Industry, 1992). These figures further explain the difficulties the government is facing in achieving its Omanisation objectives, particularly in those sectors.

It is important to note that establishments which employed the highest number of young Omanis have utilised the scheme extensively. Around 82 per cent of the total young Omanis covered in this research were recruited by organisations utilising the wage subsidy scheme.

The impact of differing wage levels was a subject which promoted considerable deliberation among employers participating in the group discussion sessions. Some employers felt that the wage level of Omani workers was not, in real terms, higher than that of the expatriates. They explained that if all the expenses involved in hiring an expatriate are taken into consideration, such as accommodation with all utilities paid, transportation, health, insurance, air tickets and government fees, then Omani workers are not more expensive than their expatriate counterparts. One Omani director said that for him the wage level was not a very important factor, particularly if the right level of productivity could be secured from the Omani worker. A manager in an airline company stated that wage levels were a problem in recruiting Omani candidates with the right qualifications. This is because Omanis compare their salaries with those available from the Government. A general manager of a printing press offered an explanation as to why the level of wage is important for Omanis. The cost of living is high and Omanis, unlike expatriates, have different obligations to meet.

Other participants partaking in the sessions held different views and believed that Omani workers were more expensive than expatriates. They also considered the level of wages to be an important factor in the survival of their commercial organisations. They believed that they were already facing tough competition from their rivals in neighbouring Gulf states. Any increase in the cost of their products, therefore, would result in them losing their competitive edge. With the current wage productivity level, it would, in their view, be very difficult to achieve the Omanisation target immediately. Two employers said that some Omanis had approached them for work and were willing to accept a salary lower

than the minimum wage stipulated by the Government. The labour department, however, had insisted that the government wage policy be adhered to.

The tension in regard to wage policy and its contribution to employment or unemployment highlights the wider debate that has been taking place in many countries. The advocates of the MW (Dolado, Kramarz, Machin, Margolis and Teulings, 1995) argue that the policy is essential to “prevent the exploitation in the labour market, and bring the living standards of the lowest paid up to some minimum acceptable”. Coates and Hillard (19) argued that the Conservative Government of Britain of the 1980s and 1990s held as a central tenet of faith that the ‘flexible’ economy created employment opportunities; state regulation and intervention, on the other hand, prevented enterprise and held back job opportunities. The adherents of the Conservative position would take this example from a developing country - of state intervention preventing the take-up of employment - as one bolstered their case. They would see this as evidence of the merits of the deregulated ‘flexible’ economy versus the state-regulated, interventionist model.

The International Labour Organisation ILO (1995) suggested that “excessive government intervention in the labour markets through public-sector-wage and employment policies, minimum wage fixing and employment security rules is a serious impediment to structural adjustment for developing countries”. In this aspect, the commendable success of the NICs of Southeast Asia in implementing “export-led developing strategies” was based on little regulation and intervention in their labour markets. Singapore is an exception. The government believed in state intervention and, therefore, “played active role in correcting market policies” and achieve social goals. The most important role of the government was in the labour market (Fong, 1988).

Another study conducted by the OECD (1985) suggested that the MW policy did have some averse impact on the employment of young people in the Western World, particularly on youth. The effect, however, was limited.

Ashton, Maguire and Splisbury (1990), in a study of the British labour market, argued that in a segmented labour market, the contribution of wage reduction on employment

levels is not the same in different sectors of the labour market. A reduction in the level of wages would tend to make the employment of young people more attractive in firms “operating in competitive product markets” because the cost of labour is a crucial component of the overall cost. Elsewhere in the labour market, reductions in the cost of young labour could create further employment opportunities, but that would be at the expense of other workers in the economy.

4.11 Self-employment

Young unemployed people in the sample were asked if they had considered the option of starting their own business. Fifty eight per cent of them replied negatively. They gave different reasons for not wanting to have a project of their own. Around 69 per cent of them attributed it to lack of finance. Other reasons given included: risk factors, as they were not sure how to prepare a business plan and financial forecasts; lack of guidance and experience of running a business; and the prevailing bureaucratic hurdles. Many of them did not hear about the financial schemes introduced by the Government in 1991(Royal Decree 10/ 91, 1991 and 99/ 91, 1991), which provide financial support, in terms of grants and easy loans for small projects.

Among the unemployed young in the sample, 29 per cent of them were willing to consider self-employment. They provided a list of projects they wanted to do. It included: shops, business service centres, small workshops, hairdressing, and restaurants. These results suggest that self-employment can provide good number of employment opportunities for the young unemployed, even if there is no guarantee that the proposed enterprises would succeed. However, a lack of finance and a lack of experience are the main obstacles. Lack of publicity, particularly among young school-leavers, and lack of guidance have been the main reasons for only a handful of them availing themselves of the scheme.

This finding resembles the findings of a study conducted in Britain by Granger, Stanworth and Stanworth (1975) who found that self employment had a crucial impact “in economic development, through the encouragement of innovation, job generation and

wealth creation”. They also found that “recessionary pressures can provide a stimulus to the growth of permanent, and not just cyclical, self-employment. “It follows that, if one of the objective of government policy is to encourage the long-term flexibility of labour markets to promote macro-economic vitality then it should target support toward those who want to join such a labour market”.

4.12 Communication Barriers

It was argued in chapter two that young Omanis did not have sufficient command of the English language as they did not receive enough courses in English at schools. The analysis of the field results indicate that the lack of the English has become a major obstacle in the efforts of Omani school-leavers to access the private sector labour market. About 25 per cent of unemployed young school-leavers in the sample stated that lack of command of English was a major reason for not being able to obtain a job. This is due to the fact most of the private sector establishments are run by expatriates. They use English extensively as a medium of communication. About 63 per cent of employers in the sample indicated that they used only English as the communication language in their establishments. Around 36 per cent of them were using Arabic next to other languages, particularly English. Only one per cent reported using Arabic as the sole language in their establishments. Therefore, lack of the English language puts young Omanis in a disadvantaged position when they compete with expatriates for jobs.

Employers were asked their opinion of the impact of lack of English on the effective participation of young Omanis in the work place. Around 39 per cent of employers stated that a lack of command of the English language would diminish the ability of young Omanis to participate at work. This explains why private sector establishments provide many English language programmes for their new young Omani recruits. The same issue was investigated with the young Omanis in employment. They were asked their opinion of the impact of a lack of the English language on their participation in the work place. Forty four per cent of them believed that their difficulties with English had a negative impact on their participation and performance in the work place.

The survey revealed that 53 per cent of managers in private sector establishments in the sample could not converse in Arabic. Clearly, a lack of command of the English language on the part of young Omani workers and the inability on the part of expatriates to converse in Arabic make any communication between Omanis and expatriates in the work place difficult. Lack of a common language between the two groups has many consequences. Firstly, it hampers the ability of young Omani workers to learn and understand their expatriate colleagues. This might explain the reason why young Omanis take a long time to settle down and perform well in their job. Secondly, it becomes difficult for young Omanis to establish social contacts and relationships at the work place. Lack of social contacts results in the alienation of young Omani workers from the mainstream. This situation creates a feeling of alienation and dissatisfaction with their job. The field data provides interesting evidence to support this assumption. About 22 per cent of unemployed young Omanis in the sample who had past work experience reported that they had left their previous jobs because the working environment was not friendly.

Employers participating in the group discussion sessions also believed that the lack of command over the English language is a formidable hindrance to communication at the work place. They admitted that, although it is good for expatriates to learn the Arabic language, this is easier said than achieved. The lack of command over the English language creates a “stumbling block” for the career development of young Omanis, as described by the manager of an insurance company. Language barriers make the learning process of young Omani workers longer. It also makes their participation in the work less effective and isolates them from the rest of the workers.

The survey found that around 95 per cent of expatriate managers had not been given any induction programme on the traditions and culture of Omani society. As most of the managers came from a different ethnic and national background, much of their traditions and cultures are different from the Omani customs and cultures. Lack of information and understanding about the local culture explain, in part, the friction between many expatriate managers and Omani workers. The survey revealed that expatriate managers complained of young Omanis bullying and displaying disrespect towards them.

4.13 Ethnocentrism

Ethnocentrism also had an impact on young Omanis at the work place. The survey found that some of the young Omanis had left their jobs because the working environment was dominated by expatriates.

About 45 per cent of young Omanis in employment complained of discrimination at the work place when they were asked whether there was any difference in the treatment at work of Omanis and expatriates. Moreover, the majority of young Omanis in employment believed that having an Omani as head of the personnel department would improve the working environment for new Omani workers.

Employers were also critical of young Omanis' attitudes such as the "the son of soil". Despite this tendency, one participant said that he found the situation in Oman to be far better than other Gulf states. He said that in such states, indigenous people considered themselves to be "God's chosen ones".

A production manager in a factory explained that the expatriate management feel that they face challenges from Omani workers who hold higher educational qualifications. The following quotation illustrates expatriates' feelings towards Omani workers:

"We expatriates [get] more respect from people with lower educational qualifications. But those who [have] passed higher than secondary [qualifications] they somehow have [a feeling that they], just because [they] are Omanis,are better off even than the manager of this company.... And they say, who is he? Such characters are very difficult to handle. But in the factory, I have seen that those who were not educated never say such words...that I am this, I am that. They [want] to earn money and work."

Other participants said that Omani workers frequently questioned the authority of expatriate managers. They often refused to carry out certain jobs, and suggest such work to be assigned to expatriates.

A manager of a maintenance company admitted expatriate workers' dislike of Omani workers. He cited three features as to why this was so. Firstly, Omani workers lack the language of communication. They neither speak English nor Hindi. Secondly, there is a feeling among expatriate workers that Omanis do not work as hard as they could do. This means that they are viewed by the expatriates as taking advantage of the migrant labour. Thirdly, expatriates are not motivated to share their skills and knowledge with Omanis. This is manifested in the following quotation:

“Expatriates, also if they asked something [by fellow Omanis], they do not answer because [there is] no supervisor standing on their head all the time. They don't impart all [the] information to them because they want[ed] to bring to the management that these guys are useless, you know. That 's.....[the]... concept”.

A lack of interaction and/ or unfriendly relationships create friction between the Omanis and the expatriates at the work place. This situation increases tensions and consequently makes the access of young Omanis to private sector jobs even more difficult.

4.14 Work Ethic

Many of the participants complained of an absence of a work ethic among Omani workers. Several examples were cited such as a lack of seriousness, a lack of sense of responsibility, low productivity, refusal to carry out certain tasks, poor attendance records, negative attitudes, and too many personal telephone calls.

A manager of a maintenance firm described how his Omani drivers lack a sense of responsibility. He said that “ an Omani driver would never work after five o'clock. He will leave the car and walk away saying that his duty is over”.

The participants felt that Omani workers' lack of a strong work ethic is directly connected to their immaturity. In addition, many of them come from a background where there is no work culture. "The habit of working from young age has yet to be inculcated", said an Omani director of a multiple activity firm mentioning that the country expects to achieve wonders within a short period. What is the rationale behind one's expectation that a fresh school leaver or a teenager would easily get accustomed to the working pressure in a factory or a construction company? The young Omanis are unable to adapt to the situation as they have never seen their parents working under a strict and disciplined schedule, as life for them has been so easy in the past.

One of the participants was hopeful of positive change among the Omani workers. He believed that younger Omanis, for instance, were better suited to working environments than were the adults. He said: "if the kids see their fathers working hard they follow suit. But if the father is not a good example, then [the] kids could be similar".

Omani workers from the interior areas were judged to be better when compared with those from the city. They attributed this to the economic conditions in the interior, as not many employment opportunities are available in those areas. Participants also believed that Omani workers from interior areas were better than those from the city, in terms of attitudes.

A production manager in a factory mentioned that many of the Omani workers who displayed an absence of the work ethic, or a lack of self-discipline, come from a problematic family background. Some participants stressed that these young people had many domestic or personal problems. They are in need, therefore, of patience, guidance and counselling, which would help to remodel their characters. Some employers acknowledged that counselling and socialisation with the newly recruited young Omanis had positive results in improving their attitudes and attendance records. It also helped in developing a more friendly environment at the work place. Despite that, many employers acknowledged that they never tried to provide any counselling to their Omani workers. Furthermore, some employers believed that such responsibility lies with the government. Such stand on the part of some employers is contrary to Islamic views that calls for "co-

operation between capital and labour” and the “harmonious employee-employer relationships” (Dedoussis, 1997).

4.15 The Effect of Unemployment on Young School-leavers

A prolonged period of unemployment has serious consequences for young people's morale. This is manifested in their replies to a question about their feelings on unemployment. One fifth of the respondents were still optimistic about getting a job. The remaining 80 per cent expressed varying degrees of frustration and anger. About 45 per cent of them said that they were frustrated. Twenty three per cent stated that they had even developed a tendency to keep away from people. Few participants were content with the value of schooling. They complained that having a certificate was depressing, because after all the efforts that had put at school they still could not find a job. One participant mentioned that he would have committed suicide but for his friends. Others mentioned that they felt that they were useless, insecure, depressed, hopeless, bored, and a liability on their families and the society.

The feelings of bitterness and frustration experienced by the young unemployed can be partially attributed to their belief that society stigmatises them for being without work. Many of the young unemployed in the sample came from lower income families. They are expected, as part of their moral duty, to provide support to their families to reciprocate for the time and costs involved in their upbringing. However, young people not only found themselves unable to provide such support, they also continued to be financially dependent on their families. In contrast, having a job has a social context. It provides the ability to develop an independent personality, conveys social acceptability, provides the economic means to make possible the starting of a family, and provides the wherewithal for leisure.

The damaging impact of long-term unemployment is a shared concern in many societies. Several studies have been carried out in Western Europe (see OECD, 1985; CEDEFOP, 1978) and in Britain particularly (see McRae, 1987; Ashton and Maguire, 1986; Brown and Sease, 1991; Coles, 1988; and Bloxham, 1983) revealed that for the young

unemployed, employment means for many of them, apart from earning money, self-fulfilment and social recognition. Willis (1985) argued that the young unemployed not only suffer financial restraints, “dependency, and broken transitions, but also some or all of the following:

- alienation, depression and pessimism about future prospects;
- distrust of the State seen as concerned with regulation and control than help and support;
- cultural poverty and exclusion from an increasingly consumerist and self engrossed working society;
- relative social isolation in the home or neighbourhood;
- indecision, self blame and lack of take up of the community facilities which do exist;
- delay or abandoned plans for marriage;
- a suspicion that other people blame them for their own condition;
- the increased subjective importance of the work ethic as the opportunities for practising it diminished;
- particular and distinctive combinations of the above according to gender and race”.

Respondents were also asked about the hurdles they face in their search to gain employment. Several issues were raised, as listed in Table 4. 27. The main one was no reply to job applications, or late feedback from employers on enquiries about job vacancies. Young Omanis also complained about the likelihood of disappointment in job seeking, despite putting in their best efforts. Many respondents complained about not having access to information about job opportunities. The young unemployed

complained of not receiving sufficient help from the employment departments. They also complained of improper treatment by the private sector, both Omani and expatriate employers. Other respondents complained about the cumbersome interviewing processes and about filling in application forms. This is because many of them did not have a sufficient level of education or knowledge of how to fill in the application forms. Many respondents reported that shortages of money hampered their efforts to continue their search for job.

Table 4.27

Perceptions of Unemployed Omanis of Obstacles Faced in Searching for Job

Sr. No.	Things they dislike in searching for jobs	Frequency	%
1	No reply from employers to their applications for jobs	124	56.4
2	The likelihood of disappointment in applying for a job	95	43.2
3	Late reply by employer to their application for jobs	90	40.9
4	Their inability to obtain information about the job opportunities	82	37.3
5	Staff at employment department were not co-operative	70	31.8
6	Improper treatment from expatriate employers	64	29.1
7	Improper treatment from Omani employers	42	19.1
8	Lack of finance to search for job	58	26.4
9	Interview process	54	24.5
10	Filling application forms	18	7.3
11	Others	16	2.3

4.16 Perception of Employers of Young Omani Workers

Private sector employers were of the opinion that capable young Omanis often seek employment in the government. The figures indicated that more than 48 per cent of

employers believed this to be true. This tendency, according to employers in the sample, resulted in the less able workers seeking refuge in private sector employment.

4.17 The Employment Prospective of Young Omanis

Employers were asked who they would prefer for employment, young Omanis or young expatriate workers, and why. The analysis of replies indicates that more employers preferred expatriate workers to Omanis. The survey found that 51 per cent of them reported that they would be willing to employ young Omanis. By comparison, 68 per cent of them reported that they would prefer expatriate workers. It is striking to note that being prepared to employ Omanis was not founded on the basis of the perceived merits of the Omanis. Rather, among employers who preferred young Omanis, the main reason given for recruiting them was on the grounds of patriotism. Employers assumed a moral and social obligation towards the indigenous work force. Recruiting of indigenous school-leavers was also in compliance with the Government Omanisation programme. A complete list of reasons given by employers for recruiting Omani school-leavers is provided in Table 4.28. Clearly 40 per cent of respondents reported that recruitment of young Omanis is based on two main grounds: moral obligation and meeting the Omanisation target. The majority of those who supported recruiting young Omanis on patriotic grounds were Omani respondents representing their employers.

As the recruitment of young school-leavers was often not, therefore, based on their merits, it could be concluded that such beneficent gestures shown by some employers might not be sufficient to accommodate all young job-seekers. In addition, the use of mandatory measures, such as the Omanisation plan alone, serve only as a stop-gap arrangement. It provides only a temporary respite: young Omanis remain inadequately prepared for industry, in terms of skills and attitudes. Indeed, the Omanisation policy could result in establishments losing their competitive edge, particularly against rivals from neighbouring states. Unproductive workers after all result merely in disguised unemployment and an increase in overheads. Furthermore, a lack of skills among young Omani workers means an inferior quality of goods and services. From the results of these empirical surveys it can be seen that there is a need for serious and urgent measures to

ensure that the application of government Omanisation measures is consistent with the up-grading of skills. This will require some re-designing of policies, but if successfully implemented, it will ensure the recruitment of Omanis on merit and competency, rather than on other grounds.

Table 4.28

Reasons Given by Employers for Recruiting Young Omanis

SR. NO.	REASONS FOR RECRUITING OMANI WORKERS	FREQUENCY	%
1	Patriotic / Social obligation	24	32.9
2	To achieve Omanisation target	5	6.9
3	They are sincere and honest	9	12.3
4	If qualified Omanis are available	9	12.3
5	Their actual cost is lower than the expatriates	6	8.2
6	To train them	5	6.9
7	Obedient towards rules	2	2.7
8	Obedient towards supervisors	2	2.7
9	Other reasons	11	15.1
	Total	73	100.0

Employers were also asked to give reasons for recruiting expatriate workers. A list of reasons is given in Table 4.29. Among the justifications advanced by respondents were: experience, skills, and professionalism; willingness to work for longer hours and under pressure; an acceptance of a lower wage than their Omani counterparts; positive attitudes towards rules and superiors; and punctuality.

Table 4.29

Reasons for Recruiting Expatriate Workers

Sr. No.	Reasons for Recruiting Expatriate workers	Frequency	%
1	Experienced, skilled, and professional	39	25.5
2	Willing to work in harsh conditions	20	13.1
3	Accept lower wages than Omanis	19	12.4
4	High performance and productivity	14	9.1
5	Hard working	11	7.2
6	Willing to work for longer hours	9	5.9
7	Punctual	8	5.2
8	Willing to carry out any work	5	3.3
9	Positive attitudes towards work and rules	4	2.6
10	Responsible	4	2.6
11	Command of English language	3	2.0

12	Sincere and honest	3	2.0
13	Respect to supervisors	2	1.3
14	Other reasons	12	7.8
	Total	153	100.0

4.18 Settling Down Period

The “settling down” period refers to the period during which the employee has to prove his suitability and worthiness to the firm, and demonstrate his ability to learn and carry out his work independently.

The survey established that the settling down period for young Omani workers in their jobs is rather prolonged. Employers in the sample were asked about the period of time new young Omani recruits needed to learn and to carry out their work independently. It was found that new young Omani workers needed an average of nine months in order to reach this stage of independent and competent performance. Table 4.30 indicates that 22 per cent of young Omani workers needed up to a three month period to settle down in their jobs, while around 78 per cent needed a period of three to more than twelve months. The long settling period for young Omanis was attributed to the following:

1. Young Omanis do not possess adequate skills and competencies necessary to carry out their work. The lack of relevant skills raises question marks about the efficiency of the education system as a primary agent in preparing young school-leavers for the labour market.
- 2 . A lack of a common language between Omanis and expatriates hampers young Omanis’ capacities to learn trades and skills in the workplace.
- 3 . Expatriate workers are insufficiently motivated in sharing their experience and knowledge with their Omani co-workers.
- 4 . Employers seem to be more lenient towards young Omanis in relation to the working demands placed on them. This sympathetic approach could be regarded as a

necessary step, particularly in the short term, in the encouragement of young Omanis to work in the private sector. However, this tendency could, in the long run, have damaging effects. It could lead to an underutilisation of a firm's resources and, in turn, result in an increase in a firm's overheads, putting it at a competitive disadvantage.

Table 4.30
Young Oman Workers and Settling Down Period in Job

SETTLING DOWN PERIOD	FREQUENCY	%
Up to three months	25	22.1
3 -6 months	33	29.2
6 - 9 months	39	25.7
More than 12 months	26	23.0
Total	113	100.0

4.19 Job Mobility

The survey investigated the assumption that young Omanis have a tendency to frequently change jobs. Respondents in both surveys were asked whether they had changed jobs in the past, how many times, and their duration in each employment. The analysis of the findings revealed that, among unemployed young Omanis, 11 per cent had previous work experience. The percentages were 10 and 12 for males and females respectively.

Further analysis of field research findings revealed that 28 per cent of the unemployed young Omanis in the sample had had some job in the past, of these 79 per cent had had one job only. Within this group, 53.3 per cent spent up to six months in their jobs, 33.3 per cent spent seven to twelve months, and the remaining 13.3 per cent spent more than 12 months in their first job. The findings also revealed that among unemployed young Omanis in the sample who had two jobs in the past, three quarters of them did not continue with their jobs beyond a period of six months. One quarter of them spent more than twelve months in their jobs.

The survey also investigated the tendency of quitting jobs among employed young Omanis. Twenty nine per cent of them had changed their jobs in the past. The

percentages were 34 and 15 among males and females respectively. Sixty eight per cent of them had one job in the past, while 21 per cent had two jobs, and 11 per cent had three. Among those who had one job in the past, 23 per cent spent up to six months in their jobs, 31 per cent spent between seven and twelve months, and 46 per cent spent more than twelve months. For those who had had a second job in the past, 25 per cent spent up to six months and 75 per cent spent more than twelve months.

Table 4.31
Reasons for Quitting Jobs

Sr. No.	Reasons for Quitting Last Job	Unemployed		Employed	
		Frequency	%	Frequency	%
1	No career development	10	18.2	8	12.5
2	Low wage	9	16.4	6	25.0
3	No job security	7	12.7	3	12.5
4	Unfriendly environment	6	10.9	2	8.3
5	Most counterparts expatriate	6	10.9	3	12.5
6	Rigid rules	6	10.9	0	0.0
7	Lack of English language	4	7.3	3	12.5
8	Manual work	1	1.8	1	4.2
9	Others	6	10.9	3	12.5
	Total	55	100.0	29	100.0

These findings demonstrate that, among the unemployed school-leavers, the proportion of those with past work experience was low. However, within that group that had had a job in the past, a majority had voluntarily left their jobs, both first and second, within only a six month period. With regard to employed young Omanis, the survey found that the proportion with past work experience was higher, at 29 per cent . On average they had spent longer periods in their previous jobs than had the unemployed. Table 4.31 highlights the main reasons given for the candidates leaving their last jobs. Clearly, wage levels and career development prospects were the most important factors for both unemployed and employed young Omanis.

Employers participating in the group discussion sessions complained of a high labour turn over among the young Omanis. They attributed this to the fact that many private sector jobs did not meet the expectations and aspirations of young Omanis. Young Omanis saw these private sector jobs as being merely stepping stones to organisations

seen as being better, such as the Government, the police, or the army. Furthermore, many Omanis resigned from private sector positions because of their inability to cope with working conditions. Additionally, many Omanis complain of the low wages in the private sector, and consequently, resign once they receive a better offer elsewhere.

The foregoing findings indicate that young Omanis are perpetually on the look out for better prospects elsewhere. The tendency to quit jobs often results in many of them spending a long period of time searching for another job. This is manifested in the case of unemployed Omanis who, despite having past work experience, were unable to secure employment. Furthermore, the tendency to voluntarily leave a job was highlighted by many employers as a reason for not investing in the what might be seen as adequate training of young Omani workers. In addition, this tendency obstructs establishments in their efforts to achieve Omanisation targets.

Job changing seems to be a common characteristic of young people across many countries. Parallel examples can be drawn from European countries (OECD, 1985). In Singapore, also, Fong (1989) noted a high turn over among young workers. He attributed this to the shortage of labour and the competitive wage structure that this induced.

4.20 Lack of Punctuality

Employers participating in the group discussion sessions pointed to lack of punctuality as a serious problem on the part of young Omani workers. Most of them complained that Omani workers often report late to work in the morning, particularly on Saturdays. Furthermore, young Omanis insist on leaving work around noon time on Thursdays. Such an act on the part of Omani workers is partially attributed to the fact that most of them were from the interior areas. They come to Muscat in search of jobs, leaving behind their families. The first thing they want to do is to visit their families during the weekends or during any available opportunity. A manager of a food packaging company complained that eight of his Omani workers refused to continue their work on Thursdays, despite an offer of a salary increase of Rial Omani 30 to 40 per month. When the manager insisted on attendance until the end of the working day on Thursdays, some

of the workers resigned. A general manager of a garment factory complained that Omani workers left the factory at three o'clock in the afternoon, while the factory operates until nine in the evening. He said that the Omanisation plan stipulates that the manufacturing sector should achieve 35 per cent Omanisation, and he enquired as to how he could run his factory with only 65 per cent of its work force present at the time. Clearly, the whole flow of work would be disturbed. A manager of a maintenance company complained that Omanis do not adhere to the company's time schedule. He said that 7:15 or 7:30 in the morning is too early for them. The same workers are also not willing to stay at work after five o'clock in the afternoons. Another manager mentioned that he had had to resort to salary deduction as a deterrent to Omani workers in an effort to stop the delays in attendance. He noticed, however, that there was better attendance when Omani workers were resident in the company's accommodation. Despite this, not many companies offer Omanis such accommodation.

Lack of punctuality on the part of Omani workers was attributed to three types of problem. A director of multiple activity firm explained that the first problem related to improper management practices. Private sector employers tended to exploit workers and "make them work like slaves for long hours". Many expatriate workers have no choice but to submit, particularly given that many of them have migrated to Oman only for the sake of making their living. Most of them have no family obligation in the host country. Indigenous Omanis do not submit to such practices. In addition, they have to attend to their own families and to social obligations.

The second set of problems identified is the lack of maturity and the absence of the work ethic. This is believed to be due, mainly, to the age of young Omanis, the majority of whom are between 18 and 20 only. Moreover, a rigorous "work culture" has not yet been established in the country which might have the effect of bringing about an appreciation of the value of work among young Omanis. Therefore, not adhering to a company's time schedules fails to even become an issue for many young Omanis.

A third set of problems relate to the long working hours - six working days a week - and the short annual leave and greater restrictions on sick leave in the private sector

compared to the government sector. Long working hours and insufficient leave causes problems for Omanis who are governed by several traditional obligations which tend to make their attendance less regular.

Many of the participants complained of an absence of an appropriate work ethic among Omani workers. Several examples were cited, such as lack of seriousness, lack of sense of responsibility, low productivity, refusal to carry out certain tasks, poor attendance records, negative attitudes, and too many personal telephone calls.

A manager of a maintenance firm described how his Omani drivers lack a sense of responsibility. He said that “an Omani driver would never work after five o’clock. He will leave the car and walk away saying that his duty is over”.

The participants felt that Omani workers’ lack of a strong work ethic is directly connected to their immaturity. In addition, many of them come from a background where there is no work culture. “The habit of working from young age has yet to be inculcated”, an Omani director of a multiple activity firm said, mentioning further that the country expects to achieve wonders within a short period. What is the rationale behind one’s expectation that a fresh school leaver, or a teenager, would get easily accustomed to the working pressure in a factory or a construction company? The young Omanis are unable to adapt to the situation as they have never seen their parents working under a strict and disciplined schedule. Life for them has been so easy in the past.

One of the participants was hopeful of positive change among the Omani workers. He believed that younger Omanis, for instance, were better suited to working environments than were the adults. He said: “if the kids see their fathers working hard they follow suit. But if the father is not a good example, then [the] kids could be similar”.

Omani workers from the interior areas were judged to be better when compared with those from the city. They attributed this to the economic conditions in the interior, as not many employment opportunities are available in those areas. Participants also believed

that Omani workers from interior areas were better than those from the city, in terms of attitudes.

A production manager in a factory mentioned that many of the Omani workers who displayed an absence of the work ethic, or a lack of self-discipline, come from a problematic family background. Some participants stressed that these young people had many domestic or personal problems. They are in need, therefore, of patience, guidance and counselling, which would help to remodel their characters. Some employers acknowledged that counselling and socialisation with the newly recruited young Omanis had positive results in improving their attitudes and attendance records. It also helped in developing a more friendly environment at the work place. Despite that, many employers acknowledged that they never tried to provide any counselling to their Omani workers. Furthermore, some employers believed that such responsibility lies with the government. Such a stand on the part of some employers is contrary to the Islamic view that calls for “co-operation between capital and labour” and the “harmonious employee-employer relationships” (Dedoussis, 1997).

4.21 Rating Young Omani workers and Young Expatriate workers

Employers in the sample were asked to rate the characteristics on which indigenous young Omani and young expatriate workers were perceived to be different from each other, in terms of: productivity, punctuality at work, attitudes towards supervisors, attitudes towards rules and discipline, commitment towards long term employment, and level of involvement in the work. A five level scale descending from excellent to poor was used to measure the differences between the two groups of workers. The T-Test for paired samples was applied to test the null hypothesis as to whether the two groups - Omanis and expatriates - were equal. Respondents were requested to apply a scale of one to five on the different characteristics (where one = excellent, two = good, three = average, four = below average, and five = poor). The results demonstrate that there were seen to be striking differences between the two groups of workers. By and large, young Omani workers were rated far lower their expatriate co-workers across all characteristics. Table 4.32 shows that the T- values in all cases were significant. Furthermore, the

differences of mean average between the two groups of workers were both clear and significant. The findings confirm several assumptions that employers were thought to hold about young Omani workers. They explain why employers resist the employment of unqualified Omani workers. These findings also illustrate the challenges before the government in its efforts to improve the quality of the indigenous work force in terms of skills, attitudes, and discipline. It is the development of these qualities which would be the prime force in convincing private sector employers of the worthiness of the young school-leavers.

Table 4.32
T-Test for Paired Samples
Comparison between The Characteristics of Young Omani and Expatriate Workers

Characteristics	Productivity	Punctuality	Attitudes Towards Supervisors	Attitudes Towards rules	Commitment for Long term Employment	Level of Involvement towards
Means * Omanis	2.82	2.96	2.74	2.67	3.21	2.95
Means * Expatriates	1.67	1.56	1.60	1.69	1.89	1.82
T. Value	9.56	10.64	8.81	8.42	9.46	10.10
Degree of freedom (df)	105	104	103	106	105	106
2-tail significant	0.000	0.000	0.000	0.000	0.000	0.000

* 1 = Excellent, 2 = Good, 3 = Average, 4 = Below average, and 5 = Poor.

A comparative study was conducted on localisation in Saudi Arabia and this found a wide gap between the indigenous Saudi workers and their expatriate counterparts in terms of punctuality, absenteeism, stability at work, observance of rules and possession of experience (Al-Buraey, 1995). On a scale of one, expatriate workers scored between 0.79 and 0.96, while Saudi workers' scores were between 0.08 and 0.22.

4.22 Omanisation

In October 1994, the Government stipulated Omanisation percentages to be realised by 1996 end, in six sectors of the economy. The Government made it obligatory on the part of private sector establishments to achieve the specified targets in time to avoid a heavy penalty.

The Omanisation programme was highlighted in the employers survey. Respondents were asked whether they would be in a position to achieve Omanisation targets by the end of 1996 as specified by the Ministry of Social Affairs and Labour (Decree 127/ 94, 1994). About 53 per cent of employers in the sample indicated that they would not be in a position to achieve the specified target in time. Further analysis revealed a positive correlation between the size of the establishment and its ability to meet the Omanisation target in time. A far greater proportion of smaller establishments indicated that they faced difficulties reaching the Omanisation targets on time, as shown in Table 4.33.

Table 4.33
Whether Establishments would be Able to Achieve Omanisation Targets
by the end of 1996, as Specified by the Government

Able to achieve Omanisation	International	Excellent Grade	Grade I	Grade II	Total	%
Yes	4	21	17	12	54	47
No	1	4	24	33	62	53
Total	5	25	42	45	116	100
% Yes	80	84	40.5	27	47	47

While financial, mining, and manufacturing sectors indicated that they were targeting to achieve the specified percentages of Omanisation, establishments in other activities, particularly construction, the wholesale and retail trade, and restaurants and hotels, were likely to fall behind on the Omanisation objectives.

Table 4.34 highlights the main reasons behind employers' inability to comply with the Government's Omanisation programme. The lack of relevant skills among Omanis was cited as the most critical problem. Other reasons included the following:

Table 4.34

Reasons Given by Private Sector Employers for an Inability to Achieve
Omanisation Targets by the End of 1996 as set by the Government

Reasons for not being able to achieve Omanisation	Frequency	%
Shortages of skilled Omanis	32	23.5
Tendency among Omanis to quit jobs	29	21.3
Omanis are willing to work only in selective jobs	26	19.1
Short notice period	23	17.0
Omanis demand high wages	19	14.0
Other reasons	7	5.1
Total	136	100.0

1. A tendency among Omani workers to voluntarily leave jobs with frequency.
2. A willingness to work in selected occupations only, particularly white-collar jobs, narrowing the employment opportunities available to them.
3. A demand for relatively high wages.

The initial figures indicate that the implementation of this policy created about 24,000 job opportunities for young Omanis since its inception in October 1994 and 1996 end. The majority of jobs were, however, in the unskilled and semi-skilled categories (Oman 2 April 1997). The introduction of localisation has many implications. By far the most important implication of the policy is that it has helped many young Omanis secure employment opportunities. However, most of young Omanis are not adequately equipped to satisfy the requirements of the private sector and therefore take up employment within it. The rapid implementation of the Omanisation policy is, therefore, likely to have some impact on the performance of the establishments, particularly in the initial stages.

The issue of Omanisation was also discussed by employers participating in the group discussion sessions. A manager from an insurance firm believed that it was the duty of the private sector to recruit young Omanis. He added that proper training and good management practice could produce good workers. Other participants believed that the situation in the financial sector was quite different from that obtaining in other industries. The Omanisation plan in the financial sector was achieved gradually over several years, in contrast to other economic sectors. In addition, the environment in the financial sector was more structured. The perceived status is high, and the remuneration is generally higher in the financial sector than elsewhere. By way of a contrast, a manager of a mineral water firm illustrated some of the difficulties the private sector faced with Omanisation, using an example from one of his factories. He offered Omani workers Rial Omani 40 to 45, as sales commission over and above their salary, to go on a van to carry and deliver bottles of water. But nobody wanted to do the job. Young Omanis, he explained, feel ashamed to carry bottles of water into Omani houses and “degrade” themselves as unskilled labour. Instead, the Omani workers suggested entrusting the task to Indian workers.

A director of a chemical factory explained that Omani workers in his factory leave their jobs quite often because the working conditions in the factory are such that they cannot leave the factory during a shift, and cannot smoke, besides many other restrictions. A maintenance firm manager added that his experience with young Omani workers was similar in the beginning. They did not want to be seen at the workplace carrying blocks or doing menial jobs. He suggested, therefore, that young Omanis needed to be taught at schools, and by parents, “the dignity of labour”. Another example was cited from an agricultural firm, where young Omanis found working conditions to be unsatisfactory from their viewpoint. A young Omani female, with a degree in agricultural engineering, was recruited. She could not cope with the field work. Accordingly, she was given office work only. But eventually she left the job within six months, unable to accommodate herself to the working conditions.

A manager of food packaging firm referred to an advertisement he had recently seen in the Oman Daily Observer for expatriate workers wanted in various jobs in gardening, cleaning and other similar categories for Muscat Municipality. He wondered why these jobs could not be offered to Omanis.

Participants expressed concern over the fast pace Omanisation was taking in the private sector. They believed the short time-scale envisaged that industry was not ready to achieve a high percentage of Omanisation over a short period of time. Putting more reliance on Omanis would affect the level of productivity. Omani workers' lack of skills, negative attitudes towards rules and discipline, low productivity, immature nature, and the prevailing traditional and social values have already been highlighted as the main reasons for the employers' concerns over the pace of implementation of Omanisation. They suggested that a more pragmatic and gradual implementation of the policy, supported by Government assistance and incentives to organisations successfully achieving the required level of Omanisation, would be a step in the right direction, more likely to achieve success.

4.23 Qualities of Good Omani Workers

The survey sought to discuss the perceptions of employers on the qualities and traits of young Omanis that could either help or hinder their efforts to gain employment. Table 4.35 highlights the main factors that could, according to employers, help young Omanis to gain employment. The implementation of this policy might also encourage many young people, particularly those from poor family background, to drop out of school and access the labour market in search for a job. Such attempts would have further impact on the level of skills among the young Omani job-seekers.

Table 4.35

Perception of Private Sector Employers of the Qualities \ Traits among Young Omanis that are Favourable to Their Gaining Employment

Sr. No.	Qualities Help Omanis Gaining Employment	Frequency	%
1	Willingness to work	32	33.0
2	Having professional or higher education	25	25.8
3	Having skills	22	22.7
4	Willingness to learn	18	18.6
5	Interpersonal skills	14	14.4
6	Command of English language	11	11.3
7	Punctuality	9	9.3
8	Seriousness	9	9.3
9	Responsibility	9	9.3
10	Positive attitudes towards work	8	8.2
11	Sincerity	7	7.2
12	Having drive and motivation	7	7.2
13	Friendliness towards expatriate co-workers	7	7.2
14	Having experience	7	7.2
15	Respect to supervisors	6	6.2
16	Compliance with rules	5	5.2
17	Accept market rate salary	4	4.1
18	Having initiatives	3	3.1
19	Job continuity	3	3.1
20	Pride in working for the private sector	3	3.1
21	Patience	3	3.1
22	Productivity	2	2.1
23	Adaptability	2	2.1
24	Good appearance	2	2.1
25	Having knowledge of the world of work	2	2.1
26	Not sure	4	4.1
27	Other qualities	24	24.7

4.24 Rejected Workers

Employers were also asked about the qualities and traits among young Omanis that diminish their chances of gaining employment. Table 4.36 highlights the main characteristics employers believed hampered the employment prospects of young Omanis.

Table 4.36

Qualities and Traits that could Hamper Young Omanis' Efforts to Gain
Access into the Labour Market

SR. NO.	TRAITS HAMPER OMANI'S EMPLOYMENT	FREQUENC Y	%
1	Absenteeism / Not being punctual	19	19.4
2	Lack of commitment	16	16.3
3	Lack of seriousness	16	16.3
4	Tendency to quit jobs	16	16.3
5	Demanding high wages	15	15.3
6	Lack of skills	10	10.2
7	Lack of English language	8	8.2
8	Selectivity in work	8	8.2
9	Lack of work ethics	8	8.2
10	Negative attitudes to manual jobs	7	7.1
11	Irrelevant educational qualification	6	6.1
12	Inclination to work for the Government	6	6.1
13	High expectations	5	5.1
14	Lack of discipline	5	5.1
15	Low productivity	5	5.1
16	Irresponsibility	4	4.1
17	Unwillingness to learn	4	4.1
18	Tendency to be dependent	3	3.1
19	Not accepting guidance or advice	2	2.0
20	Many demands once settled in job	1	1.0
21	Illiteracy	1	1.0
22	Not sure	5	5.1

4.25 Conclusion

The break-out of the Gulf War in 1991 inflicted a serious impact on the economies of the Gulf countries and provoked a change in their economic prospects. The indigenous population of the Gulf countries had traditionally looked to the Government as the chief provider of employment. The post war period brought new realities to the region. Government priorities were changed, and private sector firms were encouraged to have much a more prominent role in the providing employment to an ever-growing number of school-leavers.

In order to implement this policy, the Government had to resort to an aggressive Omanisation programme. The plan aimed to create employment opportunities for indigenous Omanis. Yet despite the different Omanisation schemes and all the mandatory measures of the Government such as the imposition of fines for non-compliance with policy targets, the labour market situation facing young Omanis has not improved substantially.

This chapter has identified the problems faced by young Omani school-leavers in their interactions with the labour market. A set of assumptions was formulated, and data collected which related to that and a triangulation of methods comprising both the quantitative and the qualitative were employed. The three principle groups of stakeholders involved in the investigation - employers, the unemployed and the employed young Omani school-leavers - comprised the sample research population.

The interpretation of the field data revealed that many employers hold the view that the employment of young Omanis school-leavers is uneconomical on account of their lack of skill and experience, low productivity, poor command of the English language - the language of communication of most of the establishments - the tendency of Omanis to frequently change jobs, their lack of punctuality, their negative attitudes towards rules and discipline, and their refusal to carry out manual and menial jobs. Young Omanis, both employed and unemployed, put the blame for this state of affairs on the system of education, the inadequacy of training facilities, the unfriendly attitude of expatriate employers and co-workers, and the culture conflict at the work place which is exacerbated by language barriers.

The study analysed the impact of the wage subsidy on the employment of young Omanis by private sector organisations participating in the apprenticeship and on the job training (OJT) scheme. It also examined the effect of the minimum wage on the employment of indigenous young people in the private sector. While it has been demonstrated that the wage subsidy has been made use of by larger establishments, and that it does have a positive impact on enhancing employment prospects for young Omanis, the minimum wage policy, on the other hand, appears to have a negative effect as it is perceived to

‘price’ young Omanis at higher than their real worth within the labour market. This is particularly damaging for small, and labour intensive organisations.

An analysis of the perceptions of young Omanis towards employment generated significant findings. A majority of them continue to be inclined towards Government jobs, despite a reduction in such public sector employment opportunities. Both male and female Omanis preferred office-related jobs and were less inclined to favour blue-collar occupations. There was also a general feeling of antipathy towards manual and menial jobs. Much of the responsibility for young Omanis’ inclination towards government and office-related jobs can be placed at the door of the schooling system in the country. Undoubtedly, the concentration of young Omanis on selected employment opportunities only limits the choice of jobs available to them in the labour market.

Employers’ preferences on the residential location of their employees also raises some concern to the unemployed youth. Many employers prefer to appoint Omanis who are residents of Muscat rather than those belonging to the interior regions of Oman. This adds to the difficulties of young Omanis from the interior regions of the country as they are deprived of opportunities on both counts, training as well as employment.

The role played by the employment department of the Government was critically analysed in the survey. The young Omanis expressed their concern over the present performance of the employment department. An overwhelming majority of the respondents, both employed and the unemployed, were vocal in their criticism of this department.

The impact of a prolonged period of unemployment on young people is also a matter of great concern. Some young people are on the verge of frustration. A feeling of alienation is growing which could lead to delinquency and/or social instability if allowed to remain unchecked.

Expatriate workers are held in high esteem by private sector employers when compared to young Omanis. Expatriate workers were given higher points in terms of productivity,

discipline, flexibility, commitment to the job, attitude towards rules and regulations, punctuality, and level of involvement. The rating of the Omani employees in general, in terms of the characteristics highlighted above, is not good news for the policy makers seeking a successful outcome to the Omanisation policy, for the unemployed or even for the employed youth. Even those employers who opted to employ a certain percentage of Omanis in their organisations admitted that such appointments were either to fulfil legal stipulations laid by the Government, or were made on patriotic or moral grounds. In other words, most of the young Omanis employed in the private sector were there not on account of their merit or competency, but due to other considerations.

Young Omanis, on the other hand, had their own complaints about the private sector. These include the lower wages offered, the longer working hours, the less frequent holidays, and what was perceived to be a very often unfriendly working environment. They also felt that employers held a generalised, stereotyped view of the efficiency and adaptability of young Omanis, which was very often based on the inadequacies of a handful of people and was, therefore, inaccurate.

Chapter 5

The Transition of Young Omanis from School into the Labour Market: A Conceptual Approach

5.1 Introduction

This chapter introduces a conceptual approach to the examination of the transition of young Omanis from school into the labour market. This is based on an understanding of the different sets of factors that influence that transition. Since 1990, there has been a substantial shift in the pattern of job seeking in the country. The focus has shifted from the Government, as the main employers of the young school-leavers, to the private sector. Chapter four and five have already highlighted the various implications associated with that shift. The two chapters also identified the set of factors that influence young Omani's attempts to gain access to the private sector labour market. Based on these findings, this chapter has categorised these factors under two main sets, exogenous and endogenous determinants. Exogenous determinants are pertaining to the external environment and exert influence on the attempts of young Omanis to access the labour market. Endogenous determinants are related to young Omanis' background such as sex, age, level and type of education, socio-economic status of parents, attitudes, job preference, skills and career aspiration.

5.2 Exogenous Determinants

Exogenous determinants exert a direct as well as an indirect impact on young people's efforts to gain access into the labour market. They are of two types: state or societal factors and factors pertaining to the role played by private sector employers.

5.2.1 Societal Factors

5.2.1.1 The Impact of the Economy

Oman relied heavily on an expatriate labour force to meet the shortages of a competent indigenous labour force needed to carry out and run the various plans and projects. The expatriates have made a significant contribution and played an important role in the development process of the Omani economy. Accordingly, their number grew sharply from a few hundred in 1970 to two thirds of the labour force in 1995. Their number continued to enlarge rapidly despite a decline in the pace of economic growth, and despite an increase in the number of unemployed Omani school-leavers (see Table 1.2 in Chapter one).

The sudden and sharp decline in the oil prices in 1986 and the advent of the Gulf crises in 1990, inflicted a serious blow to the economy of the Sultanate and resulted in a change in the economic priorities of the Government. The growing budget deficits compelled the government to adopt several measures aimed at fiscal adjustment. These measures included the following:

1. Redrafting of the employment policy by minimising the Government's role as a main employer of Omani school-leavers. Their employment has therefore been restricted, mainly to professionals, particularly in areas where Omanisation in the Government sector is yet to be achieved (Observer, 27 May 1996).
2. Introducing an early retirement scheme which, since 1994, has made thousands of Omani civil servants redundant. The figures indicate that the total number of civil servants decreased by 3.4 per cent between 1995 end and June 1996 (Ministry of Civil Service, 1996). As the majority of them are still at working age, and the fact that their pension earnings were lower than their earlier remuneration, many of them began to search for jobs in the private sector.

Inadequate Government investment in areas outside main cities has resulted in these areas having less training facilities and employment opportunities. Many people therefore migrated to the main cities and towns, particularly Muscat, to continue their education and/ or search for jobs.

5.2.1.2 The Demographic Factors

The Omani population is characterised by rapid growth rate. The average annual growth rate was 4.3 per cent during the period 1980 to 1992 and expected to be around 4.1 per cent during the period 1992 to 2000 (world Bank, 1994). Population growth has been attributed to two factors. First, the “baby boom” since 1970, which has been concomitant with improved medical care and a decline in mortality rates. This has resulted in an increase in the numbers of youths. According to the 1993 population census, the median age of the population was 13.4. The population under the age of 15 was 52 per cent among the indigenous Omanis. This situation led to a substantial increase in the number of young people leaving schools and entering the labour market. The growth rate of the indigenous work force was around four per cent during the period 1991 to 1995. It is expected to be around seven per cent during the period 1996 to the year 2000 (Ministry of Development, 1995). Despite the rapid increase in the number of young Omani job-seekers, their rate of increase is , however, still lower than the rate of increase of the work force at the national level. The rate of increase in the national work force is estimated at around ten per cent (Ministry of Development, 1995). Rapid increases in the number of school-leavers, and the fact that many of them did not possess the skills required by business, make their efforts to gain access into the labour market more difficult.

The second contributory factor for population increase is the influx of expatriates into the country. As already mentioned, their number grew sharply from few hundreds in 1970 to around two third of the labour force in 1995.

5.2.1.3 The Schooling System

The education system is a key element in the process of Omanisation of the labour force of the Sultanate. Its importance stems from its ability to improve the paucity of competent human resources, the preparation for working life and occupational choice,

the matching of human capabilities to labour market needs and opportunities, and in its contribution to increasing the participation of young school-leavers in the labour market.

The education system in the Sultanate has witnessed commendable expansion over the last twenty six years. The expansion has been necessitated by the vast inherited needs for education and a structure of population which is characterised by a rapid growth rate. In 1970, there were only three schools with a total of 909 male pupils and thirty teachers in the entire country. The 1996 figures indicate that there were around 1,000 schools with more than half a million pupils, of whom 48 per cent were females, and around 23,000 teachers. The share of Government expenditure on education has also increased from 4.8 per cent in 1980 to 11 per cent in 1992 (Ministry of Development, 1995).

Despite that progress, the findings suggest that there has not been sufficient contribution from the education system in equipping pupils to take careers in the industry and in preparing young Omanis for the type of opportunities available in the labour market. The field survey carried out in Oman in summer 1996 revealed that private sector employers were of the opinion that young Omanis, on the whole, are seriously handicapped by their lack of skills and essential qualifications. Many of the employers put the blame on the prevailing education system. They believed that schools in the country were excessively academic, with too heavy an emphasis on humanistic curricula. Such orientation at school offers only limited categories of employment to the school-leavers. Technical or vocational courses did not receive enough attention. Furthermore, most of the young Omanis were leaving schools without computing skills or sufficient command of the English language. This meant that young people were leaving schools unprepared to face the challenges in the labour market. The specialisation of school-leavers in selected academic streams has implications for the employment prospects of young Omanis. There have been growing numbers of young Omanis queuing for jobs in certain occupations, particularly office-related jobs, while ample opportunities were available elsewhere. Employers have, therefore, strongly suggested that schools should shift their focus from academic learning to practical training, applying the notion “catch them young”, by providing young Omanis with a trade orientation from early days of schooling. To improve their chances of securing employment, youngsters should possess

higher educational qualifications or technical or professional qualification skills. They should also be aware of what is happening in the world of work. Employers also called for better interaction between the school and private employers. They believe that the most productive Omanis are those who possess specialised schooling.

Many of the Omani school-leavers share the employers' view that their failure to gain employment is at least partially attributable to a schooling system that has done little to enhance their value in the labour market.

The same study found a direct correlation between educational qualification and employment. Young Omanis with higher, technical or professional qualifications are more successful in securing employment more quickly. However, young Omanis preferred traditional schooling to vocational programmes. They held the view that vocational programmes are for the failed and the less successful. This view is attributed to the schooling system. Transition from preparatory level to secondary level was based on performance at the final year examination at the ninth grade. Pupils failing to secure minimum grade marks are denied access to secondary schooling. Vocational and technical programmes are the only venues available to them. Furthermore, pupils in the vocational stream cannot return to general schooling. The young Omanis in the group discussion sessions described how they were making jokes of their fellow friends who failed to make an entry to secondary schooling. This policy has had a deep impact in the society. A culture has been created that scorns vocational training programmes and manual jobs, resulting in wide demand for general schooling and office-related jobs.

Despite the negative attitude towards vocational training, it seems that the hardship of being unemployed had a severe impact on many of the young Omanis. The findings suggest that many of them would have been willing to join vocational programmes, had they been given proper guidance, whether at school, or by the family. They would have also joined if they have been offered some incentives, such as financial support and \ or guaranteed employment upon successful graduation. This approach proved successful in attracting young Omanis to other sectors of the economy such as banking and teacher

training colleges. The Omanisation percentages in both of these two sectors are among the highest in the country.

5.2.1.4 Training

The study established that training has not received enough attention from the parties concerned, i.e. Government, private sector establishments and young Omanis. The analysis of the data revealed that as many as 81 per cent of the young unemployed did not participate in any vocational or technical programmes, with the percentage of females slightly on the higher side. The situation among young Omanis in employment was better. This is an indication that young Omanis with training and skills have better chances of securing and maintaining a job. Therefore, schools focusing on vocational and technical programmes and with greater orientation towards the world of work, help in achieving faster integration of young Omanis into private sector employment.

Three quarters of the unemployed who joined vocational training programmes believed that the programmes improved their skills. However, less than fifty per cent believed that the programmes helped them improve their chances of securing employment. This can be attributed partially to the fact that most of the training programmes were in office-related fields. More than two third of the young participants in both surveys belonged to the group. Blue-collar training constituted 15 and 13 per cent among the unemployed and employed young Omanis respectively. This heavy concentration in office-related fields limit the job opportunities available, hence prolonging the period of unemployment. Training in limited fields demonstrates that young people did not have proper guidance, or enough knowledge and information about the real needs of the labour market, in terms of type and level of skills. This was another indication of the lack of co-ordination between the training agencies and industries. It is, however, interesting to note that males and females had differing opinions on the matter. More females saw the training programmes as being useful in improving their chances to get a job than male did. This represents evidence of females' success in this area of employment.

The study revealed that, despite the importance of training in providing the work force with the necessary skills to enable them to carry out their work more effectively, training did not assume a high priority on the firms' agendas, particularly among smaller ones. There was a direct correlation between the size of the establishments and the provision of training programmes for their staff. The smaller the firm the lesser the training opportunities provided to their workers. All the international firms which took part in the survey provided training to their employees. The percentages of establishments of other grades which provided training opportunities were 60, 42 and 15 among the excellent grades, Grade I and II respectively. The highest level of training was given in the mining, manufacturing and finance sectors. Training facilities were least available in hotels and restaurants, retail and wholesale, construction and transportation and communication sectors. The study also revealed that young Omanis were not very enthusiastic about joining these sectors.

Lack of enthusiasm for training among private sector establishments has been attributed to the following factors:

1. Cost of training has been pointed out as a prohibitive factor, particularly among small and labour intensive firms. For these firms, cost of production is often an important factor in their survival. Any extra cost could result in these firms losing their competitive edge over their rivals in the neighbouring Gulf states. Commercial organisations in other Gulf states, such as Dubai, Saudi Arabia and Kuwait, benefit from government subsidies. These firms have full access into the Oman market without any trade restrictions. Therefore, the Omani firms would be placed in a disadvantageous position vis-à-vis their counterparts in other Gulf states (GCC).
2. Lack of seriousness on the part of young Omanis. Employers believe that young Omanis have a carefree approach to training and, accordingly, do not put sufficient effort into the training programmes. This lack of seriousness is an important factor causing much concern to employers.

3. The tendency of the Omanis not to stick to a particular job for a substantial period has been highlighted as a factor by many of the employers as a justification for not investing adequately in training programmes. Their argument is that, after acquiring skills through training an Omani employee leaves the job. The efforts and the resources utilised for his/ her training will be absolutely lost for the establishments.
4. Some employers resort to the practice of luring trained Omanis from other organisations.
5. Some expatriate employers admitted that expatriate workers do not have the motivation to share their skills and experiences with their Omani co-workers whom they view as a potential threat to their future positions.
6. Some establishments complained that they paid a large sum in employment levy to the Government. That levy, however, is not channelled towards training Omanis in their sector. It goes to many other sectors as well. The result is that the industry gets Omanis who have no experience in the sector, and Omanis who are past their best physically.

Accordingly, private sector employers called for more a rigorous role on the part of the Government in providing training to young Omanis. Unless immediate corrective steps were taken by the Government, employers would continue to hesitate to provide Omanis with training.

It is interesting to note that, contrary to the assumption that females, on average, are given less opportunities to training, the study found that more Omani females were provided with training by their employers than males. In the case of Oman, this is attributed to the nature of females, who are seen as being more stable in their jobs than males. Males, by contrast, often look around for better employment opportunities.

Some employers acknowledged that counselling, and socialisation with the newly recruited young Omanis, have positive results in improving their attitudes and

attendance. It also helped in developing a more friendly environment in the work place. However, despite that, many employers acknowledged that they did not provide any counselling to their Omani workers. Moreover, some of the employers believed that such a responsibility was the Government's and not the private sector's.

5.2.1.5 The English Language

The study found that the linguistic barrier was a formidable hindrance to communication at the work place. The communication medium of the private sector is English. Only one per cent of the employers reported using Arabic as the sole language of communication in their organisations. Sixty three per cent used English as a main communication language, while 36 per cent used Arabic and English simultaneously. However, most of the Omani school-leavers lacked a command of English language as they did not receive adequate courses in English at school. The overwhelming number of expatriate workers also fail to converse in Arabic. The result is lack of interaction between the expatriates and Omanis. This situation results in the following:

1. It makes the learning process of Omani workers at the work place longer and their participation at work less effective.
2. It hampers the inter-personal communication in the organisation. Therefore, it becomes difficult for young Omanis to establish social contacts in the work place. This situation results in the alienation of young Omani workers from the mainstream. The study found that many young Omanis voluntarily left their jobs because the working environment was judged not to be friendly.
3. It hampers the access of young Omanis to private sector labour market.

5.2.1.6 Government Measures

In response to the increasing number of unemployed young school-leavers, the government introduced several measures aimed at creating more employment opportunities for young Omanis.

5.2.1.6.1 Omanisation Policy

In 1994, the Government stipulated Omanisation percentages to be realised by the end of 1996 in six sectors of the economy. The Government decision made it obligatory on the part of private sector establishments to achieve the specified targets on time. The policy also involved levying heavy fines on establishments failing to reach the specified targets. The fine would be equivalent to 50 per cent of the average salaries of the expatriates representing the difference between the specified Omanisation target and the realised percentage. The initial figures indicate that the implementation of this policy resulted in about 24,000 job opportunities for young Omanis since the inception of the policy in October 1994 to 1996 end (Oman, 2 April 1997). The localisation policy, however, has many implications. By far most important implication of the indigenisation policy is that it helped many young Omanis secure employment opportunities. However, most of the young Omani job-seekers are not adequately equipped to take an active role in the private sector and/ or take over from expatriates. The rapid implementation of the policy could, therefore, have an impact on the performance of the establishments, particularly in the initial stages.

More than fifty per cent of the establishments indicated that they would not be in a position to achieve the specified target in time. Employers expressed concern over the fast pace of Omanisation taking place in the private sector. They believed that the industries were not yet in a position to achieve the high percentage of Omanisation over a short period of time. Laying heavy reliance on Omanis would affect their level of productivity. Private sector employers also highlighted other reasons for their inability to comply with the Government localisation plan. First, the tendency among the young Omani workers to voluntarily leave jobs with frequency. Second, a willingness to work

in selective jobs only, mainly “white-collar” jobs, narrowing the employment opportunities available to them. Finally, the demand of young Omanis for relatively high wages.

Employers have therefore suggested a more gradual application of the Omanisation programme, supported by Government incentives to establishments successfully achieving the stipulated level of Omanisation.

5.2.1.6.2 The Wage Impact

Disparity in the level of pay between the Government and the private sector, particularly in the lower occupations, has been seen as a major reason for the lack of enthusiasm on the part of young Omanis to join private sector establishments. Accordingly, as a step aiming to bridge the gap in the pay structure between the government and the private sector, the Government introduced the minimum wage policy (MW) in 1989. However, the study established that the MW policy fell short in satisfying many of the young Omanis.

Employers held divergent views on the impact of the MW policy. This is partially attributed to the fact that the study covered employers across all sector of the economy. Some of the private sector establishments were not averse to the MW policy. They justified this by explaining the comparative costs of employing an expatriate and an Omani. To hire an expatriate, the employer has to provide him with accommodation, medical facilities, insurance, transportation, and air tickets, besides his utility and Government fees. None of these expenses are involved with respect to Omanis. However, many other employers, particularly the small and the labour intensive, did not share this view. They believed that the MW was on the high side. They argued that the cost of production is often a major factor in maintaining their competitive edge. In a competitive market, any addition to costs would not be in the interest of the business. They mentioned that they face tough competition from their rivals in neighbouring Gulf states. Any increase in the cost of their products would result in them losing their

ground. Therefore, achieving the level of Omanisation with the MW policy would have serious impact on their competitive edge.

The wage subsidy scheme, announced by the Government in 1992, aimed to encourage private sector establishments to recruit and train young Omanis. The scheme offered financial support to establishments engaging their Omani workers in the apprenticeship and on the job training (OJT). The support was in terms of refund of up to 80 per cent of the total salaries and allowances paid to Omani trainees for a period of 18 to 36 months. The scheme was later modified in 1995. The new scheme offered financial compensation of up to 70 per cent of basic salaries and water and electricity allowances for a period between 12 to 24 months. This study, however, found that the scheme was mainly utilised by large establishments only, yet around 95 per cent of establishments in the country are of small size, employing less than 20 people. This illustrates the challenges the Government is likely to face in convincing private sector establishments to recruit young Omanis.

It is worth noting that the implementation of Omnisation plan was very low in the very sectors at which the Omanisation programme was targeted i.e. construction, wholesale and retail and transportation. On the contrary, establishments with the highest number of Omanis availed the scheme extensively.

5.2.1.6.3 Increase in the Cost of Recruiting Non-Omani Workers

Several measures were introduced by the Government in 1994, imposing additional fees on the recruitment of expatriate workers. The aim was threefold. First, to make the recruitment of expatriate workers costlier, hence “less desirable”. Second, to allow young Omanis to compete with expatriates in terms of their total cost to the establishment. Third, to generate more income that can be utilised to fund Government’s human resource development schemes. The labour levy, which is calculated on the basis of the salary of the expatriate workers, has been increased by the Government. At the outset, the levy was payable only by those establishments employing more than 20 people. The percentages of levy was between two and six per cent. The higher the number of

expatriate workers, the more the levy percentage. The system was subsequently amended in 1994. According to the amended decree (Decree 126 / 94, Ministry of Social Affairs and Labour, 1994), the levy was increased to between six and seven per cent of the total basic salaries of expatriate workers. The Government also increased the visa charges and fees for medical care for the non-Omanis.

The official figures indicate these measures did not slow down the continued influx of expatriates into the country. One of the reasons is that the cost of expatriate workers is still lower than their Omani counterparts for many establishments, particularly the smaller ones. Expatriate workers are willing to accept lower remuneration. Their real earnings in the host country are still higher than in their home country. At the same time as qualified Omanis who can carry out the work are not yet available, reliance on expatriate workers became inevitable.

5.2.1.6.4 Financial Support for Self-projects

The Government announced (Royal Decrees 10/ 91 and 99/ 91, 1991) financial support to young school-leavers to establish self employment projects in the fields of manufacturing and tourism. The support consists of grants and loans on easy terms. Despite the liberal nature of these schemes, only a handful of young Omanis were attracted them or considered the option of starting their own business.

The study found that the majority of young Omanis were not enthusiastic to have a project of their own. They attributed this to lack of finance, the risk factor involved and a lack of guidance and experience. Further investigation revealed that many of them had not heard about the Government schemes. This finding suggests that self-employment could provide a good number of employment opportunities for the young unemployed, even if there is no guarantee that the proposed enterprises would succeed. However, lack of publicity among the young school-leavers, and lack of guidance, have been the main reasons why only a handful have availed themselves of the scheme.

5.2.2 Private Sector Employers

Private sector employers are of the opinion that capable young Omanis often seek employment in the Government and in larger organisations. This tendency results in the less able workers seeking refuge in the private sector employment.

5.2.2.1 Omani and Non-Omani Workers

The study found that employers preferred expatriate workers to Omanis. It is striking to note that private sector employers' decision to employ Omanis was not founded on the basis of perceived merits of the Omanis. Rather, among employers who preferred young Omanis, the main reason given for recruiting them was on the grounds of patriotism. Employers assumed a moral and social obligation towards the indigenous work force. Recruitment of school-leavers was also in compliance with the government Omanisation plan. As recruitment of young school-leavers was often not, therefore, based on their merits, it could be concluded that such beneficent gesture shown by some employers might not be sufficient to accommodate all young job-seekers. In addition, the use of mandatory measures, such as the Omanisation plan alone, serve only as a stop-gap arrangement. It provides only a temporary respite: young Omanis remain inadequately prepared for industry, in terms of skills and attitudes. Indeed, the Omanisation policy could result in establishments losing their competitive edge, particularly against rivals from neighbouring states. Unproductive workers, after all, result, merely in disguised unemployment and an increase in overheads. Furthermore, a lack of skills among the workers means an inferior quality of goods and services.

In comparison to expatriate workers, the rating of Omani workers is below average. Expatriate workers, on the other hand, are held in high esteem by the private sector employers. They were given higher points in terms of productivity, punctuality, attitudes towards rules and regulations, commitment to long term employment, decorum and level of involvement.

From these findings, it can be seen that there is a need for serious and urgent measures to ensure that the application of government Omanisation measures is consistent with the up-grading of skills. This will require some re-designing of policies, but if successfully implemented, it will ensure the recruitment of Omanis on merit and competency, rather than on other grounds.

5.2.2.2 Settling Down Period

The study established that young Omani workers take, a relatively long period of time to learn their job and to carry out their work independently. They needed an average of nine months in order to reach a stage of independence and competent performance. The long settling period for young Omanis is attributed to the following:

1. A lack of skills and competency necessary to carry out their work.
2. A lack of a common language between Omani and expatriates, hampering young Omanis' efforts to learn trades and skills in the workplace.
3. An insufficient motivation among expatriate workers in sharing their experiences and knowledge with their Omani co-workers. Many expatriates consider Omani workers as potential threats to the future livelihood.
4. Employers seemed to be more lenient towards young Omanis in relation to the working demands placed on them. This sympathetic approach could be regarded as a necessary step, particularly in the short term, in the encouragement of young Omanis to work for the private sector. However, this tendency could, in the long run, have damaging economic consequences. It could lead to an underutilisation of a firm's resources and, in turn, result in an increase in a firm's overheads, putting it at a competitive disadvantage.

5.2.2.3 Job Mobility

Private sector employers complained of high turn over among the young Omani workers. They blame them for frequently changing jobs. Employers attributed such tendency on the part of the young Omanis to the fact that many of the private sector jobs did not meet with their expectations and aspirations. Young Omanis view private sector jobs as being merely stepping stones to organisations seen as being better, such as the government, the police or the army. Furthermore, many Omanis resign from private sector positions because of their inability to cope with the working conditions. Additionally, many Omanis complain of the low wages in the private sector, and consequently resign once they receive a better offer elsewhere. Other reasons for Young Omanis changing jobs are: absence of career development prospects, lack of job security, unfriendly working environment, rigid rules, lack of English language. The tendency on the part of young Omanis to voluntarily leave jobs often results in many of them spending a long period of time searching for another job.

5.2.2.4 Punctuality

Lack of punctuality has been highlighted by private sector employers as a serious trend among the young Omani workers. Employers complained that young Omanis often report late to work, particularly on Saturday mornings. Furthermore, young Omanis insist on leaving work around noon time on Thursdays. This is because many of the Omani workers are from the interior of the country. They usually leave towards their towns and villages every Thursdays and return to Muscat on Saturdays. Lack of punctuality on the part of Omani workers was attributed to the following:

1. Improper management practices. Some employers tended to exploit workers and make them work long hours. Many expatriate workers have no choice but to submit, particularly given that many of them have migrated to Oman only for the sake of making their living. Most of them have no family obligation in the host country.

Indigenous Omanis, however, do not submit to such practice. In addition, they have to attend to their own families and social obligations.

2. Lack of maturity and the absence of the work ethic. This is believed to be due, mainly, to the age of the Omanis, the majority of whom are young. Moreover, a rigorous 'work culture' has not yet been established in the country which might have the effect of bringing about a more serious appreciation of the value of work. Therefore, not adhering to a company's time schedule fails to even become an issue for many young Omanis.
3. The comparatively long working hours - six working days a week - and a shorter annual leave and greater restrictions on sick leave in the private sector compared to the government sector. Long working hours and insufficient leave causes problems for Omanis who are governed by several traditional obligations which tend to make their attendance less regular.

Employers pointed out that lack of punctuality of the young Omani workers adversely affects productivity and creates disharmony in the functioning of the industries. It also affects the morale of the expatriate workers as they do not see the Omanis working as hard as they do.

5.2.2.5 The Role of the Employment Department

Employers were critical about the role played by the Government's employment department. Not many of them were happy with the role of the department. The main problem, according to employers, was communicating with the staff at the employment department. They believed that industry did not get a fair deal from the department. Employers held the view that efficient and skilled Omanis get employment in Government, or in larger private sector organisations, and there were plenty of opportunities for them in the labour market. The unfit, and the less efficient, were recommended to do the factory work, and seconded by the employment department to the factories without giving opportunity to the factory management to assess their skills

and qualifications. If the seconded person is not appointed by the factory, then the management has to spend a long time justifying their refusal. If they accept that person, then they have to suffer of his / her poor performance.

Most of the young Omanis were equally critical of the employment department. The majority of them reported that they did not visit or receive help from the department for different reasons. First, it was found that the geographical distribution of the department offices was not sufficient. Second, they complained about the unfriendly attitude of the departments' staff, while some accused the staff of favouritism. Third, they opined that not many opportunities were available in their areas or, opportunities were available but they were either lower than their expectations or would required higher qualifications.

5.2.2.6 Work Ethic

Employers expressed concern over the lack of a work ethic among the young Omani workers. Several examples were cited such as lack of seriousness, lack of sense of responsibility, low productivity, poor attendance, negative attitudes, and too many personal telephone calls. This lack of a work ethic is connected to the immaturity of the young Omani workers. In addition, many of them come from a background where there is no work culture. This is because that life for the parents of many of them has been very easy in the past. Oil wealth meant that, for many, although they were technically employed by the government, their tasks were not onerous. Therefore, the young Omanis find it difficult to adapt to the situation as they have not seen their fathers working under a strict and disciplined environment. However, not many employers were willing to extend help to such cases.

5.2.2.7 Ethnocentrism

Ethnocentrism is the “tendency to think that the characteristics of one’s own group or race superior to those of other groups or races” (Drever, 1972). Employers were critical of young Omanis’ attitudes such as “the son of the soil”. Employers reported that they

often face challenges, particularly from the educated young Omani workers who question the authority of the expatriate managers.

Apparently, the lack of interaction between the Omanis and the expatriates at the work place creates friction. This situation increases tension and, consequently, some employers are reluctant to employ young Omanis to private sector jobs.

Many of the Omani workers who displayed an absence of work ethic or lack of self-discipline, came from problematic family background or had many personal problems. Those workers were in need for guidance, counselling and patience in order to remodel their character. Some employers acknowledged that counselling and socialisation with the newly recruited young Omanis had positive impact in improving their attitudes and attendance record. Such practice also helped in developing a more friendly environment at the workplace. Despite that, many employers acknowledged that they never tried to provide counselling to their Omani workers.

5.2.2.8 Employment Preference

The study established that young Omanis are offered jobs in selected fields like clerical, administration, accounts, sales, secretarial, reception, computer and public relations. About 64 per cent of employers indicated that they could offer young Omanis jobs in these fields. The same pattern of employment is applicable to females as well. The study found that 72 per cent of the females were offered jobs in selected fields, many of them similar to those offered to males with more concentration in female “stereotype” jobs. One striking finding is the admission of about nine per cent of the employers that they had nothing to offer to young Omani males. By the same token, 11 per cent of employers had nothing to offer to young Omani females. The limited job offers are a result of the lack of educational qualifications of young Omanis, and the preference of the young Omanis towards the office-related jobs.

The attitude of the employers in assigning only specific tasks to young Omanis reduces their employment chances. Furthermore, the employers’ preference to males rather than

females puts more obstacles in the way females in their efforts to gain employment in the private sector.

5.3 The Endogenous Determinants

The study found the following endogenous factor that could either help or hinder young Omanis to gain access to private sector labour market.

5.3.1 Job Preference

The study found that the majority of young Omanis preferred to work for the Government. About 71 per cent of the unemployed and 55 per cent of the employed young Omanis had a desire to secure Government jobs. Females outnumbered males in their inclination to Government jobs. The reasons behind this preference were based on their perception of the various benefits likely to be derived from Government employment, including social status, job security, career advancement, better wages, a single working shift, less working hours, longer weekends, more holidays, and a more congenial working environment. These benefits became a point of reference when considering jobs in the private sector. Nevertheless, an overwhelming majority, of about 94 per cent of the job-seekers, were willing to accept jobs in the private sector rather than remain unemployed. However, accepting a job with the private sector was conditional. Many of them refused to work as waiters or waitresses, engage in manual or menial works, farming or fishing, or to carry out jobs that are condemned by their religious beliefs or traditions.

Clearly, the concentration of young Omanis in selective occupations means that their access to the labour market is governed by the availability of employment opportunities within these fields. The study found that young Omanis were generally experiencing a long period of unemployment before getting their first job. The unemployed young Omanis in the study spent, on an average, a year and half searching for job. The employed young Omanis spent, on average, 14 months in unemployment before getting their first job.

Several reasons were highlighted by the young Omanis for their inability to secure employment. Firstly, their educational qualifications were either low or did not meet with the requirement of the labour market. Secondly, there was a lack of command of the English language. Thirdly, the rigid employment conditions applied by private sector employers made securing employment difficult. Finally, government policies to achieve Omanisation were seen to be insufficient.

5.3.2 Female Employment

The study established that young Omani females spend, on an average, a longer waiting period before they get a job, than males. The majority of them were offered jobs in selected fields such as office-related jobs. This tendency created a situation where too many females were chasing too few jobs, thus reducing their competitive edge in the labour market. The employers' tendency to restrict job choice to young females was based on several factors. The perception of employers about the sex role was one of them. Males were assumed to be more flexible and more committed to work, while females were seen to be oriented more to their families and domestic responsibilities such as husbands and children. The education system in the country was partially responsible for the gender employment disparities. Several programmes of the vocational training institutes and centres are strictly designed for males. Clearly, a lack of skills in several disciplines put young females in a disadvantageous position.

The study found that the concentration of females in selected jobs was not the fault of employers or the education system alone. Young females shared the responsibility equally. Many of them held the view that females should be confined to certain jobs, particularly, female stereotype occupations such as office-related jobs, teaching medical and government jobs. Other factors which govern females decision to access the labour market include the following:

1. The financial status of the family. This means that females' search for job was based on financial need, and not on having a job per se.

2. Restrictions imposed on females by traditional values, such as whether females should be allowed to work, and type of jobs they shall be allowed to be involved in.
3. Distance of work from home. This prevents many females from accepting employment.

5.3.3 Geographic Compulsion on Employment

The study established that young people from outside Muscat areas did not enjoy equal access to job opportunities in comparison to those resident in Muscat. This was attributed to several factors:

1. Young people from outside Muscat areas did not have good access to the labour market. There were not many employment department offices nearby. Accordingly they lacked information about employment opportunities. Furthermore, people from these areas were often out of reach due to a lack of an effective communication network.
2. Young people from outside Muscat areas did not have equal opportunities to training as most of the training institutes are located in Muscat. Also, the range of training opportunities available to them was limited. The vocational training institutes were not adequately distributed. Until 1994 there were only nine institutes throughout the country. Many people from poor-income families missed the opportunity to join these institutes due to absence of financial support. Moreover, two thirds of the private training institutes were located in Muscat. Another 13 per cent of them were located in two other main towns (Salalah and Sohar). Seventy seven per cent of the private sector training institutes programmes were on office-related areas such as typing, English language, and computer operating (VTA, 1996). Lack of appropriate training makes the efforts of young people, particularly from areas outside Muscat, even more difficult.

3. Most of the large establishments were located in Muscat. The figures indicate that 95 per cent of the three largest categories of establishments in the country were located in Muscat (Oman Chamber of Commerce and Industry, 1994). The employment opportunities available in areas outside Muscat were, therefore, limited to “traditional rural activities”. Such activities were primarily in the agricultural sector. However, this sector did not appeal to the majority of young school-leavers. In fact the importance of this sector has been declining over the years. Many farmers left their lands and migrated to urban areas, particularly Muscat. The World Bank estimated rural-urban migration in Oman at around 5,000 people a year (World Bank, 1981). Other employment opportunities were not significant in size. They included a few government departments, schools, and medical units. Private activities included a variety of small shops, which were often run by expatriates. Very few young Omanis were involved in these activities either because the type of jobs available did not appeal to them, or that they did not have easy access to these jobs as expatriates resisted their entry into vocations dominated by them.

4. Traditional restriction on females to accept jobs away from their homes.

The difficulties young people from areas outside Muscat face in their efforts to access the labour market lead to prolonged period of unemployment, or migration towards urban centres, particularly Muscat. Migration from rural areas drains the more able people, leaving behind the over-aged and the less enterprising.

5.3.4 The Young Omanis and the Socio-economic Status of Their Families

Father's occupation and educational qualifications have been used as a parameter for their socio-economic status of young Omanis. Accordingly, the study found a positive correlation between the fathers' socio-economic status and employment potential of the young Omanis. Young school-leavers from lower socio-economic status experienced more difficulty accessing the labour market.

5.3.5 Career Guidance

The study found families and friends as the most important agents in guiding and influencing young Omanis. Schools come next in importance, while the role of the employment department was insignificant. The role played by these agents helped in cultivating a deep-rooted employment value towards government and office-related jobs. On the other hand, jobs involving manual work did not enjoy equal prestige. In the same way, this trend highlights the role of school in preparing young people either for office-related or, for lucky ones, to pursue further education.

5.4 Conclusion

The preceding discussions presented a conceptual approach for the transition of young Omanis from school to the labour market. The factors that have been identified as hampering young Omanis' efforts to enter the private sector labour market calls for a more pragmatic approach from the Government. This is particularly applicable to the policy of Omanisation that Government is pushing vigorously in the private sector. The fact that the majority of small employers, or employers belonging to the labour intensive businesses, are resisting the present pace of localisation needs to be reassessed. By far the most important achievement of the localisation programme is that it has helped many young Omanis secure employment opportunities. However, most of the young Omani job-seekers are not adequately equipped to take an active role in the private sector and/ or take over from expatriates. The rapid implementation of the policy could, therefore, have an impact on the performance of the private sector establishments, particularly in the initial stages.

Rationalisation of the school curricula, with a more realistic approach to the needs of the labour market would help in easing the tension in the labour market. This is because schools are producing youngsters incapable of doing most of the work required by the employers. The focus needs to be changed from general schooling to more practical and vocational training. The present system of vocational training should be redrafted to make it more appealing to the young Omanis.

Cultivating a work culture among the new generation is to be taken more rigorously. The most vocal complaints of the employers against the young Omanis were related to their lack of punctuality, disrespect for rules, inconsistency, and absence of a work ethic. Since the elimination of the entire expatriate work force from the country is not possible or practical, ways and means should be evolved for a more cohesive coexistence of both groups - Omanis and expatriates.

Chapter 6

The Transition Of Young People from School to Labour Market:

A comparison between Oman and Singapore

6.1 Introduction

This chapter presents a comparison of the labour markets in Oman and Singapore. The aim is to develop an understanding, both of the similarities and differences, of the sets of policies and strategies that have been adopted, and their impact on employment prospects in the two countries. The comparison is primarily descriptive. The chapter highlights, broadly, several issues that have influence on the labour market, including government economic policy, population trends, the role of the education and training system, as well as other sets of governmental measures.

Singapore has been chosen for the comparison for a number of different reasons. Prominent among these is the admiration among the policy makers in Oman of the remarkable success of the Newly Industrial Countries of Southeast Asia in achieving rapid economic growth. Singapore provides a vivid example of such success. The country was transferred from an economy that is based on “entrepot to a developed economy”. The cornerstone to Singapore’s “overwhelming success” is the quality of the workforce that made Singapore a prime place for investment (Lim, 1991).

Opinion on the effectiveness of the comparative method differs widely between scholars of sociology. The advocates of the method argue that it is an effective instrument in assessing one’s own experience and performance in comparison to those of others. Comparison of dissimilar units provides “*great clarity*” (Smelser, 1976, p. 3). Evans and Haffenden (1991, p. 4) suggested that “such comparison can be powerful instrument” in rationalising our perceptions and revealing “hidden assumptions and values which shape our activities”. Tan and Mingat (1992), in a comparative study on education in Asia

argued that the comparative method helped in interpreting the correlation between the policies and their effectiveness in different countries.

But sceptics urge caution. According to Evan and Haffenden (1991), the comparative approach should be adopted with utmost care as it requires special skills. Darkheim (Quoted in Smelser, 76) “warns of a possible error in extended comparisons”.

Jeong (1995) argued that “it is wrong to believe that learning from other countries’ experiences will always be helpful”. This, however, “does not necessarily mean that there are no lessons to be learned abroad; however, lessons from other countries must be carefully interpreted to allow for the different national contexts” (Jeong, 1995).

6.2 The Impact of the Economy

6.2.1 Singapore

Singapore is a small “city state” situated at the southern part of the Malay peninsula in Southeast Asia with a total population of around three million and a land area of approximately 646 square kilometres (Lim, 1997). The country has a very short history. It was founded in 1819 and the total population of the island was about 150 people, of whom one fifth were Chinese and the rest were Malays. The island enjoys a strategic geographical location and an ideal harbour. This natural endowment provided Singapore with some “comparative advantages”. The initial economic development of Singapore was based mainly on its harbour and the free port policy adopted by the government (Huff, 1995).

Singapore gained self-government from Britain in 1959 (Chen, 1983). The self-governing era represented a challenge for the new State as it inherited several social and political problems. Among them was a high rate of unemployment of about ten per cent (Soon and Tan, 1993), mounting social tension between the different ethnic groups, and the lack of an adequate social infrastructure. Singapore also had to settle its political conflicts with its neighbouring countries (Beng and Chew, 1992). However, in three decades the country has not only settled most of its problems but also achieved

remarkable economic growth, transferring it from “slums and poverty into a vibrant and successful metropolis” (National Producing Board, 1991). Between 1960 and 1990, the average growth rate of GDP was around 8.2 per cent (Soon and Tan, 1994). Real income has increased several-fold, foreign exchange reserves have grown comfortably, and the country witnessed a substantial increase in the numbers of “scientists, professionals, and technical manpower” (Sharma and Luh, 1995). The country achieved an overwhelming success despite the limited natural resources and little land area. The ultimate aim of Singapore, as visioned by Mr Goh Chok Toy, the Prime Minister, is “to become a developed country by the year 1999” (1 March 1992).

The government was the driving force for Singapore development (Ashton and Sung, 1994; Fong, 1988). Despite the fact that the government did not follow any periodical development plan, except for a short period of time, it has played an active role in the development process of the country which has faced several challenges, including the decline of the entrepot and the withdrawal of the British, who had provided thousands of job opportunities to the indigenous people (Chen, 1983). Because Singapore’s population was small, which limited the scope for the development of a domestic market, the government decided to adopt a development policy based on a reliance on regional and international markets. It has emerged as one of the four newly industrialised economies (NIEs) known as “the gang of four” (Sharma and Luh, 1994). One of the most important factors of Singapore success is its human resources (Ashton and Sung, 1994; Soon-Beng and Chew, 1995 and Sharma and Luh, 1994). Ashton and Sung (1994) view that Singapore’s strategy is based on the development of a “strong industrial economy” that has successfully maintained its identity and political independence.

Economic development in Singapore dates back to early 1900. The development process went through different stages. At the beginning of this century, the economy was dependent on being a staple port (Huff, 1995). During 1950s, the country became the most important communication centre in the Far East, the world’s biggest market for natural rubber and an important oil distribution centre (Huff, 1995).

By 1959 - 1960s, entrepot trade began to decline. Being a small state and lacking natural resources, industrialisation was the “best” possible option for job creation and income generation (Hirono and Siy, 1986). Therefore, Singapore began a campaign for industrialisation, and adopted a number of schemes aimed to provide an environment for industrial and foreign investment (Hirono and Siy, 1986). This policy soon began to yield momentum. It succeeded in establishing “export oriented” manufacturing industries. Most of the industries, however, were labour intensive, low skilled and low value-added. Between 1969 and 1973, employment grew at about 17.7 per cent a year (Hirono and Siy, 1986). The government policy was so successful that by early 1970s Singapore began to experience labour shortages. (Sharma and Luh, 1994; Soon-Beng and Chew, 1995). In 1975, foreign companies represented more than 80 per cent of the “manufactured exports” (Huff, 1995).

To solve the problem of labour shortages, the government adopted different measures in the mid 1970s, including promoting a shift from labour intensive to capital intensive industries, encouraging an increase in female participation in the work force, and bringing about a flow of expatriate labour into the country (Soon-Beng and Chew, 1995).

Hirono and Siy (1986), argued that labour intensive, low value-added industries did not fit with the country’s preferred orientation towards skill development and productivity growth. Furthermore, the availability of low cost labour in other countries in the region in the late 1970s began to attract international investment elsewhere. This situation presented a challenge to Singapore. To continue its economic growth, the country embarked upon a new campaign “Second Industrial Revolution”. The aim was to sustain the pace of the growth of the economy and to improve living standards (Ashton and Sung, 1994).

In its efforts to retain its competitive edge over other countries in the region, Singapore adopted a new policy in the 1980s aimed at raising the standard of living of its people to the level of Switzerland by the year 2020 or 2030 (Ashton and Sung, 1994). The achievement of such objective is based on two elements. First, the attraction of more of the “high value added” investment. Second, encouragement to Singapore companies to

establish themselves in other parts of the region. The objective is to help Singapore to benefit from the cheap labour in those areas and also establish the name of Singapore in the international map” (Ashton and Sung, 1994).

Castelle (1992) short-listed three principal factors which have contributed to the success of the Newly Industrialised Countries of South East Asia. These included their success in ‘exporting manufacturing goods’, “the ability of these economies to adapt to the changing” “world economies” and the availability of skilled and educated manpower at the most competitive prices and with the optimum productivity levels. Over and above these factors, is the role of the State in the development process.

Fong (1980), argued that several external factors contributed to Singapore’s rapid economic growth. First, the flow of investment from Hong Kong, which experienced disturbances in 1967. Second, the increased activities in the oil industry in the area. Third, the Vietnam war during the 1960s which “created a demand for Singapore products and services. Singapore was also helped by “the sustained growth in world output trade from 1967 to 1973”.

Huff (1995) attributed Singapore’s success in attracting multinational companies as being the results of several factors. “Firstly, a willingness to accept foreign enterprise (from the late 1960s) continued a long tradition of adaptability.... Singapore’s strong location advantage...., successful economic development during the staple port phase and a virtually unbroken history as a free port all pointed to the likelihood of a continued responsiveness to the world economy”.

Ashton and Sung 1994) attributed the phenomenal economic success of Singapore to the crucial role played by the State “as an agent independent of the interests of capital and labour”. The government ensured that policies earmarked for the development of the economy and society as a whole were never sacrificed on the altar of parochial vested interests. This helped in achieving long term political and economic objectives. There was vision with respect to the goals to be achieved in specific period of time. Once the government identified the type and size of industries required for the targeted

development, it ensured the availability of competent manpower and provided necessary infrastructure facilities to support the industries to effectively compete in the world market.

6.2.2 Oman

The Sultanate of Oman is situated in the south-eastern corner of the Arabian Peninsula. It has a small population of about 2.2 million (1996), but cover a vast area of about 309,500 square kilometres (Ministry of Development, 1995). Oman overlooks the Strait of Hurmuz, borders the Arabian sea, the Gulf of Oman, and the Persian Gulf. Oman has one of the oldest civilisations in the area and enjoyed a great prosperity from its sea and land trade during the middle ages. From the seventh century onwards, Oman's maritime trade flourished. By late 1700, the country began to expand beyond its geographical limits. Oman's possessions and influence reached Zanzibar and other parts of East Africa in addition to provinces in Persia and Baluchistan (KPMG, 1992; Ministry of Information, 1995). By the second half of the nineteenth century, a period of stagnation began followed by a sharp decline the international commercial activities. Until 1970, there was a period of total isolation from the rest of the world.

Though export of oil started in 1967, little attention was paid to the basic development needs of the country. The infrastructure was very poor and the country suffered extreme backwardness in health, education, housing and communications. The government was also engaged in a full scale local war against rebellions in the southern part of the country (Ministry of Information, 1996).

Oman embarked on an era of economic development in 1970. The country witnessed rapid economic growth and social change. The catalyst to this unfolding growth was the accession of HM Sultan Qaboos to the throne in 1970, and the revenue generated by its natural resources, particularly oil.

Since 1970, Oman has achieved rapid economic development and social change. The growth rate of the gross domestic product (GDP) was 8.5 per cent between 1981 to 1985,

9.7 per cent between 1986 to 1990 and 3.9 per cent between the period 1991 to 1996 (Ministry of Development, 1997). The per capita income for the period 1970 and 1993 increased by nine per cent a year. The growth of GDP, however, has been uneven, reflecting fluctuations in oil revenues. For instance, the growth rate decreased from 11.6 per cent in 1976 to 3.9 per cent in 1977, and then accelerated to 31 per cent in 1979. GDP witnessed a decline of one per cent in 1993, a positive growth of 2.1 per cent in 1994 and a sharp increase of 10.7 per cent in 1996.

The highest percentage of government revenue comes from oil: 77.1 per cent in 1996. Oil also represented 42.4 per cent of the GDP in the same year (Ministry of Development, 1997). Oil revenues became the driving force of economic activity in the country. The Government, therefore, accords significant importance to this sector and has intensified its efforts towards the discovery of new reserves and the enhancement of production in existing fields through the application of advanced techniques.

The economic activity of the Sultanate is directly and indirectly influenced by the world prices of oil as well as development in this sector, in terms of production and reserves levels.

Total proven oil reserves were estimated at around 5.14 billion barrels at the end of 1994 (Oman, 29 May 1995) and total production reached 322.3 million in 1996 (CBO, Quarterly Bulletin, May 1995; Ministry of Development, 1997). The oil production was around 883,000 barrels a day in 1996. At this level oil production could be maintained for a further period of 16 years.

The government has based its economic development on plans of five year periods each. The first five year plan started in 1976. The first four five year development plans aimed at building Oman's infrastructure and meeting public demands for housing, education and health, supported by oil revenues. These efforts, though remarkable and essential to lead Oman into the 21st century, have channelled a disproportionate share of the volatile national revenue from the depleting natural resources. Government expenditure has caused considerable deficits in the budgets and balance of payments since 1982.

Furthermore, the sudden and sharp decline in oil prices from 1986 onwards, and the advent of the Gulf crises in 1990, inflicted serious blows to the economy of the Sultanate and resulted in a change in the economic priorities of the Government.

The Government has therefore attempted to cut down and control its expenditure. New measures for a fiscal adjustment programme have been considered. Among these measures are the following:

1. Redrafting of employment policy in order to minimise the Government's role as a main employer of Omani school-leavers. Employment in the Government sector has, therefore, been restricted mainly to professionals, particularly in areas where Omanisation is yet to be achieved.
2. The introduction of an early retirement scheme which, since 1994, has made thousands of Omani civil servants redundant.

Agriculture, which was a major source of income for the population and employed the majority of the indigenous labour force before 1970, has been witnessing a downward trend due to large scale migration of farmers to the urban areas in search of employment (World Bank, 1981). The total number of the Omani labour force in agriculture and fisheries combined dropped from 104,000 in 1980 to 23,000 in 1993. Inadequate Government investment in areas outside Muscat, which resulted in these areas having less training facilities and employment opportunities, were among the main reasons for migration to Muscat and other major urban centres.

Al-Mahdi (1995) argued that the economies of the Gulf region encountered several problems. First, "sharply reduced oil revenues, growing budget deficit and rapidly growing population. Second, over-dependence on a single source of revenue". Third, Gulf governments were unsuccessful in "attracting investment in the value added, income generating industries". Fourth, there was an over dependence of the private sector on an expatriate work force, and finally, there was an insufficient level of human resource development.

In 1995, the Government launched its strategic vision, “Oman 2020” for the next 25 years. The new strategy mainly aims at improving the per capita income by doubling it by the year 2020. It also aims to manage a transition from an oil based economy to an economy that is based on renewable resources. The strategy is based on redefining the role of the government in developing the private sector. These goals can be reached through the achievement of several objectives, including the development of human resources and upgrading Omanis’ skills and competence to face the challenges thrown by technological and scientific advancement (Ministry of National Economy, 1996).

6.3 Demographic Trends

6.3.1 Singapore

Singapore has witnessed a rapid population growth since its foundation in 1819. The population grew from few hundreds in 1819 to about three million in 1990. The development of the country as a “staple port” attracted an influx of expatriates from many neighbouring countries. Huff (1995) argued that “the demographic growth was the result rather than the cause of its expanding economic functions”.

Singapore is a multi-ethnic society. Chinese became the largest ethnic group of the population, constituting about 78 per cent of the population, Malays around 14 per cent, while Indians were around seven per cent, and one per cent were of different ethnic groups. Since the racial composition is a sensitive issue, the government endeavours to maintain the racial composition status quo of the country (Soon-Beng and Chew, 1995). In this pluralistic society which was formed, largely, by immigration (Kong, 1983), the different ethnic groups maintained their separate identities and character and did “not mix together very often” (Huff, 1995).

Figures indicate that Singapore has an ageing population. The government in the early 1960s adopted a family planning policy. Accordingly, the population growth rate dropped from 2.2 during the 1980s to 1.2 during the 1990s. Fertility rates have also

dropped from 4.7 in 1965 to 1.9 in 1990 (World Bank, 1993). By the year 2030, 25 per cent of the Singapore population is expected to be in the age group of 60 and over (Beng, 1992). Between 1980 and 1990, the percentage of the economically active population shrunk from 68 per cent to 64.9. The number of young people accessing the labour market is also on the decline. This is due, mainly, to family planning introduced by the government in the early 1960s (Chen, 1983) and the expansion in education which tends to delay the entry of young people to the labour market (Sharma and Luh, 1994). The growth of the economy and the decline in the number of young school-leavers accessing the labour market resulted in a shortages among the indigenous work force. To overcome this situation, the government adopted new policy measures.

6.3.1.1 Retirement Age

In 1987, the government has initiated an action plan aimed at raising the retirement age from 55 to 60 and encouraging the employment of retirees. In 1992, the number of employees “who could work up to the age of sixty” was 400,000, constituting around 35 per cent of the indigenous labour force. A retirement age of 60 was made mandatory in 1993. The government decided to further extend the retirement age to 64 by 1998 and 67 by the year 2003. To encourage employers to comply with this scheme, a five per cent reduction in the employers contribution to the pension fund of employees above the age of 55 was announced. At the same time, fines were to be imposed on employers whose employees were forced to retire before the age of 60. As a result of these steps, by 1995 about 39 per cent of “matured workers” in the age group of 55 and 64 were economically active (Sharma and Luh, 1994).

6.3.1.2 Female Employment

Another action plan of the government was aimed at increasing the participating of females in the labour market without sacrificing family values. To create a conducive environment in which a married women could engage in work, a subsidy scheme to establishments for setting up child-care centres was formulated in 1988. Other measures such as maternity leave, unpaid leave and “flexi-time work scheme” were introduced to

further encourage married women to come back to work. The effectiveness of these schemes is established by the fact that, by 1990, female participation in the labour force reached 65 per cent, and more than 50 per cent of females above the age of 15 became economically active (Sharma and Luh, 1994). Another area where the participation of females in the labour force was increased, without sacrificing family values, was that females were encouraged to work from home (Beng and Chew, 1002).

Fong (1988) argued that one of the important factors in increasing the size of the labour market in Singapore was the growing numbers of females accessing the labour market. This trend has “changed, greatly the sex composition of the labour force”. Fong (1988) further argued that increasing participation of females in the labour force was attributed to the “changing social attitudes towards the role of women in the economy, the rising educational level of women...., inflation which induced women to take up market work to supplement family income, and the trend towards smaller families which enabled women to return sooner to market work”.

6.3.1.3 The Influx of Expatriate Workers

The economic success of Singapore caught the attention of job-seekers from neighbouring countries and their migration to Singapore resulted in a phenomenal increase in the country's population from few hundreds in 1819 to three million in 1994 (Soon-Beng and Chew, 1995). The influx of expatriate labour helped the country overcome the problem of labour shortages, which had started in the late 1960s. It also helped to curb the wage escalation that had threatened the growth of the economy. Soon-Beng and Chew (1995) argued that it was imperative that Singapore deploy expatriate labour to sustain the growth in its GNP.

There are two types of expatriate labour in Singapore, guest labour and immigrant labour (Soon-Beng and Chew, 1995):

1. “Guest labour” consists of “work permit holders” and “holders of professional passes”. Work permit holders are those who earns less than S\$1,500 a month. They

are required to leave the country upon expiry of their four-year work contract period, and their dependants are allowed into the country only during the period of their contract. Professional passes are to qualified personal and high wage earners. They can bring their families and may apply for permanent resident's status. Estimates in 1994 indicate that Singapore had more than 300,000 quest workers, mainly from Malaysia and Thailand, and smaller numbers from the Philippines, India, and Sri Lanka, representing around 18 per cent of country's work force of 1.7 million in 1994 (Soon-Beng and Chew, 1995).

2. Immigrant labourers are expatriates "who are granted permanent residency and encouraged to take root in the Singapore". To qualify for permanent residency, the expatriate has to have a minimum of secondary schooling, a monthly earning of S\$ 1,500 and five year's working experience.

It is worth noting that no preferential treatment, even in the allocating of government jobs, is given to the indigenous workers of Singapore over expatriates in the job market. Beng and Chew (1992) argued that while the placing of the best people for the job, whether indigenous or expatriates, is important for the economy, the policy does not promote loyalty among the citizens of Singapore towards their country.

Despite the inflow of expatriates into Singapore, efforts have been made to discourage excessive reliance on foreign workers. In 1982, the government announced a series of measures mainly targeting unskilled labour, including the following (Sharma and Luh, 1994):

1. A monthly levy of S\$ 200 to 450, imposed since 1987, on foreign workers with permit holders. This is alongside severe penalties that are imposed on employers recruiting illegal guest workers.
2. A "two- tier levy" came into effect in 1992, curbing the reliance on expatriate workers. This additional levy is payable when the firm exceeds a stipulated expatriate quota.

6.3.2 Oman

Oman's population of around 2.2 million is scattered unevenly over its about 309,500 square kilometres. Omanis constituted 73.4 per cent of the population in 1993.

One striking aspect of the Omani population is its rapid growth rate. Since 1970, the growth rate has been estimated at about 3.7 per cent a year (1993). The census also indicated the highly youthful nature of the population. The median age of the population was 13.4. This means that half of the Omani population was below this age in 1993. The population under the age of 15 was 52 per cent among the Omanis and 38 per cent among the total population. The percentage of population below the age of 15 was much higher than the international rate of 32 per cent (Ministry of Development, 1995).

The rapid population increase in Oman is attributed to two factors. The first is the high birth rate and a decline in the mortality rate, which is a direct outcome of the application of modern public health measures. The fertility rate was 7.2 in Oman, compared to 1.8 in Singapore in 1992 (World Bank, 1994). The second contributory factor to the population increase is the influx of expatriate workers into the country.

Rapid population growth resulted in high dependency ratios. This ratio measures the proportion of youth below the age of 15 and adults of age 65 and above to the economically active people in the age group 15 to 64. The ratio of the age group 15 to 64 to total population was 45 in Oman compared to 67 in Singapore (Ministry of Development, 1995).

The high birth rate raised concerns among policy makers over the growing number of young school-leavers entering the labour market and the impact of this on the development efforts. This situation prompted the Government to urge voluntary family planning and "birth spacing" (HM The Sultan, May 1994). At the present growth rate of 3.7 per cent, the population could double in 20 years. This means that the country

would then need at least an equal rate of economic growth rate, just to stay in the same position (Shaw, 1983).

Massive economic growth in the Gulf region has encountered many obstacles. Shaw (1983) argued that the deficiencies in the quantity and quality of human resources have been the most important “bottle-neck” in the region. Problems of human resource development include: the imbalance between the demand and supply of labour; the quality of the labour force needed by the economy; the relationship between the growth of the population and employment; the employment of women and wage structure.

Oman has relied on an expatriate labour force to carry out and run the various plans and projects because of shortages among its own national work force of adequately qualified and competent workers (Ali, 1990; Birks, 1988). The size of the expatriate labour force constituted around 85 per cent of the private sector labour force and 25 per cent of the public sector employees in 1995 (Ministry of Development, 1995). Undoubtedly, the expatriate labour force has made a significant contribution to the region, and played a major role in the development process of the economies of the Gulf states. However, the continued swelling in their number is perplexing on two counts:

- i) The number of the expatriate labour force continued to rise rapidly despite a decline in the pace of the economic growth which resulted from the fall of oil prices following the Gulf War in 1991. This situation is contrary to the usual positive correlation between economic growth and employment (Ali, 1990; Birks, 1988). Ashton, Maguire and Spilsbury (1990) argued economic growth does not necessarily lead to an increase in the number of jobs, particularly when technological advancement replaces labour intensive production methods.
- ii) The increase in the number of the expatriate labour force coincided with an increase in the number of unemployed Omani school leavers.

Therefore, the growth in the number of expatriates does not appear to reflect the needs of the economy. This situation has been brought about by a lack of clear human resource development policies. By contrast, Singapore, which also relied on expatriate workers adopted different policies. The inflow of expatriate workers in Singapore is governed by the needs of the economy and increasingly when the educational system is unable to meet the demand for specific types of workers.

Birks (1988) suggested that the Sultanate has two options for development over the next decade. The first is a rapid economic development path which would provide for a short term financial gain and a quick expansion in the economy. This would be based on expatriate expertise. The second option would be to achieve economic growth only if it was compatible with the effective development of indigenous human resources and a “reasonable size of expatriate labour force”. Rapid economic development does not favour development of Omani human resources. Only a restrained economic growth will allow the wider social aim of “development with Omanisation and without excessive reliance upon non-Omani work force”.

It seems that the Sultanate has adopted the path of rapid economic growth which relies heavily on expatriate expertise. Ali (1990) argued that human resource development in Oman is in conflict with its economic planning process. Economic planners have failed to acknowledge or, rather, have ignored the impact of the non-national work force as their primary concern was to achieve high economic growth.

Despite a slump during the last four years, the numbers of non-Omanis in the work force continued to grow rapidly, reaching 625,000 in January 1996 (Oman 27 April 1996). Al Khawari (1995) argued that slower economic growth, or lower remuneration packages, would not eliminate the flow of immigrants to the Gulf region. He attributed that to the differences between the “push factors” in the countries of origin, which have been witnessing high rates of unemployment, poverty, large populations, and growing social expectations, and the “pull factors” in recipient Gulf states. Al-Deen and Fudhail (1983)

argued that 'the real savings margins' is the main reason behind the large scale immigration to the Gulf region.

The growth in population led to substantial increase in the Omani work force and resulted in a growing number of young Omani school-leavers queuing for jobs in the labour market. Many of them lacked the skills needed by industry. The situation may be further aggravated as the growth rate of the Omani work force is expected to increase from four per cent during the forth Five Year Development Plan (1990 - 1995), to around seven per cent during the fifth Five Year Development Plan (1996 - 2000).

6.3.2.1 Female Employment

Prior to 1970, females in Oman had no employment opportunities except for in traditional role looking after the home and children. However, from 1970 the country began to experience a steady rise in the participation rate of females in the labour market. Despite that increase, their share of employment in relation to the overall work force is still low. The 1993 census revealed that economic activity for the Omani population in the age group 15-64 as a whole was 41 per cent. The respective percentages were 68 and 7 among Omani males and females in the age group 15-64. Almost 60 per cent of all employed Omani females were enumerated in Muscat, compared to only 24.3 per cent of all males. In Singapore half the females above the age of 15 were economically active (Sharma and Luh, 1994).

The Decision of young Omani females, on whether or not to try to access the labour market is governed by several factors. They include the following:

1. The attitudes of employers about the role of females and the type of jobs to be given to them.
2. The role of the education system in restricting several programmes to males only.
3. The traditional values which impose restrictions on female employment, in terms of

whether females should work, and the type of work to be engaged in.

4. Females' perception that they should be confined to jobs which suit them most.
5. Females' orientation towards the domestic role and domestic responsibility.

Young Omani females spend, on an average, a longer waiting period before they get a job, than males do. In addition, the majority of them were offered jobs in selected fields only such as office-related jobs. Occupational segregation creates a situation where too many females chase too few jobs, thus reducing their competitive edge in the labour market.

To sum up, young Omani females face more obstacles than males in their efforts to access the labour market. Moreover, young females experience, on average, longer duration's of unemployment than males. These situations could be attributed to their limited mobility due to social and cultural restrictions and/or their family responsibility.

6.4 The Education System

6.4.1 Singapore

Singapore has achieved rapid economic growth in a relatively short period of time. The cornerstone of the country's success is its human capital and the commendable performance of the schooling and training system, which made the country's workforce among the best in the world. In fact two thirds of Singapore's economic progress during the 1980s was attributed to productivity growth (National Productivity Board, 1991). Mr Tong, the Prime Minister (1991) stressed that "there must be no let-up in the training effortsthe entire workforce must be resilient and sturdy to make up a quality nation.... Sustaining productivity must continue to depend on our workforce striving to excel in their skills and in their work". Wong (1991) argued that "The country has developed an efficient and a highly competitive, educational system that demands a high standard of academic performance among its children". The process of "skill formation"

in this State is based on the “future political and economic goals of the government” (Ashton and Sung, 1994). Morris and Marsh (1992), argued that the main objective of the education system is to promote “national development”. Such swift economic development required a literate, flexible “and hardworking work force who shared the goals of national development”.

Schooling in Singapore dates back to the late 1800s. The different ethnic groups - Chinese, Indians and Malays - provided schooling to their communities. The schooling system was either vernacular (mother tongue) or religiously based. The British colonial administration built English schools to produce the people required by the their administration (Wong, 1991).

The new self-governing state faced several challenges. Firstly, there was the need to build schools to accommodate the rapidly growing population (Meao and Seah, 1983). Secondly, national integration in a society with different ethnic groups and multiple languages had to be achieved (Meow and Seah, 1983). Thirdly, as schools were geared to the lower and non-technical occupations, there was a need to shift the emphasise to the study of mathematics, science and technical subjects, which were needed to successfully implement the policy of industrialisation (Soon and Tan, 1994).

In order to achieve national integration, Singapore centralised the education system and nationalised all schools and colleges (Chen, 1983). Before independence, each ethnic group had their different curricula at schools. Those curricula were influenced by the prevailing education system of each ethnic group in their mother lands, with hardly any reference to the “local background, ... or local values”. Chen (1983) argued that this situation was the reason for lack of “common national identity in the country”.

The education policy of Singapore has witnessed many changes and the curriculum was subject to “constant revision”. Wong (1991) argued that these changes were necessary for preparing the labour force of the country “to strive economically in a technological and commercial environment”.

Ashton and Sung (1994) identified three main stages in the modern history of the schooling system in Singapore. At the first stage, emphasis was laid on essential literacy, i.e. the teaching of basic mathematics, science and technical skills. As the country moved to its second phase of economic development, emphasis was placed on the development of high value-added industries. Education and training were, therefore, given top priority (Deyo, 1992; Ashton and Sung, 1994). The adult population, many of whom lacked basic skills, also received attention (Ashton and Sung, 1994). Several programmes were initiated in liaison with employers, which aimed to upgrade the level of schooling of existing employees to the secondary level, and to improve their working skills. As a result of these efforts, the illiteracy rate of the population as a whole dropped to a mere 10 per cent, while among the age group 22 to 24 it was only 1.4 per cent (Ashton and Sung, 1994).

The second phase of school development witnessed the launching of several programmes, including the Best Education for Skill Training (BEST) in 1983, aimed at enhancing the basic skills of workers (Ashton and Sung, 1994). Between 1983 and 1992 the programme covered 78 per cent of a total targeted workers of 225,000. Best included “Modular Skills Training” (1986), which targeted semi-skilled workers. “Worker Improvement through Secondary Education”, (WISE) launched in 1987; and “The Core Skills for Effectiveness and Change” (1987) (Ashton and Sung, 1994; VITB, 1992).

The third phase envisaged improving “the education system to match it “with the most advanced system in the older industrial countries”. Utilisation of the work place as a source of learning was given prominence during this phase (Ashton and Sung, 1994).

By 1986, almost all children in Singapore were pursuing a minimum of ten years of schooling (Soon and Tan, 1994). By the year 2000, it is estimated that junior colleges and universities accommodate 25 per cent of the total student population, while the polytechnics and other technical institutions will admit 40 and 25 per cent respectively. The drop out figure is assumed to be 10 per cent (Ashton and Sung, 1994).

The government played a pivotal role in linking the outcomes of the system with the needs of the economy. Hirono and Siy (1986) believed that the government, unlike the private sector, considered education and training as social goods. Ashton and Sung (1994) argued that the education policy of the government aimed to support the future needs of the economy.

The Ministry of Trade and Industry has a pivotal role in “ensuring the economy is geared to the demands of international market”. As part of this, the Ministry forecasts “the future demand for human resources”. The data is communicated to the educational institutions for feed back on their ability to provide the requisite manpower. If the educational system cannot meet these demands, the search for expatriates begins (Ashton and Sung, 1994).

Singapore follows a ten-year schooling system and an enhanced form of technical education. Schooling begins at the age of six. In the first three years all pupils study languages (English and mother tongue), mathematics and moral education. Pupils are then “streamed into three different courses based on their assessment by the schools. The objective behind streaming is to reduce “wastage” and to cater for those who are less desirous to pursue their academic education. Such pupils are sent to vocational programmes. This system has been subject to criticism, however, particularly in that it tends to differentiate between pupils at this early age. Pupils on the lower courses are also demoralised, being stigmatised by the society (Wong, 1991). The second stage of streaming takes place when pupils enter secondary 1. Based on their performance in the exam, pupils are divided into three groups: the Special (top five percent), the Express (next 57 per cent) and the Normal (Wong, 1991).

Hirono and Siy (1986) believed that Singapore realised at an early stage the importance of technical and vocational education in the industrialisation process. Therefore, by 1968, technical and vocational education had been introduced in the schooling system. Beng and Chew (1992) opined that the demand for technical and vocational schooling was very high. Young people and their parents considered technical and vocational schooling to be very prestigious. At secondary three, pupils have four disciplines to

choose from: arts, science, commerce or technical. Females outnumbered males in the arts and science disciplines, while males concentrated in the technical fields (Wong, 1991). Pupils who complete their secondary schooling either pursue their and higher education, or for those who are not qualified to do so, there is the choice of joining the polytechnics, or the vocational training institutes, or finding employment within the labour market (Wong, 1991). Computer literacy received early attention. By 1981, computers were provided to schools, though in small numbers. Within ten years almost one-third of secondary schools had computer laboratories.

The focus of education is shifting from the 'harder' technical skills to the 'softer' office and business skills. "The reforms are likely to create a system comparable to the best in the West" (Low, 1994). The enrolment level is above 90 per cent for 15-19 age group and 26 per cent for 20-24 age group.

Adult education programmes, forming a part of the third phase, has been seen as an important factor in the process of skill upgrading. These programmes started showing signs of running out as the target pool size has declined over the years. The emphasis has now moved towards "the process of work-based learning". Of late, the industries demand not just technical competence but also that workers should "achieve greater flexibility and develop the skills" to face any eventuality" (Ashton and Sung, 1994).

Singapore learned from the experiences of the German, Japanese and Australian training system in targeting the small and medium-sized enterprises which often do not spend adequately on training. The apprenticeship programme, for instance, was not accepted by some employers in Singapore. The government has, therefore, adopted different measures. The Skills Development Fund (SDF) was established for this purpose. The SDF imposed a levy on employers who pay workers less than \$ 750/- per month and the amount raised was utilised for training purposes. Over a period of 10 years, "the number of training places supported by the fund increased 12 times from 32,000 in 1981 to 407,900 in 1991" (Ashton and Sung, 1994).

Employers were given proper orientation on “how to organise and implement training”. Besides, they were given a grant of “between 30 and 90 per cent of the cost of (re) training workers through in-plant programmes to upgrade their skills” (Ashton and Sung, 1994).

“Structured on-the-job training was seen to be the most cost effective form of training”. Though 90 per cent of companies in Singapore were offering OJT, these schemes were often not adequately structured, leaving the workers “to chance to acquire the skills during the course of their work”. The programme introduced by the government aimed at identifying model OJT schemes. The programme targets to provide OJT to 100,000 people by the end of the decade besides training a group of OJT instructors (Ashton and Sung, 1994).

The structured OJT, along with skills deepening programme, provided an education and training approach “different from that of some of the older industrial societies such as the with UK and Germany. “In those societies, provision of adults has been largely confined either to facilities for liberal self-development or for the unemployed to assist them back into the labour market”. The main thrust of this model is its focus on enhancing the level of skills of the entire labour force” (Ashton and Sung, 1994).

Ashton and Sung (1994) argued that Singapore’s approach provides a model of a rapid development of a new concept in the process of skill formation in which the government pioneers the education and training policy in line with the future needs of the economy. The striking difference between the Singapore model and the German and Japanese models is that in spite of acknowledging the importance of combining practical and theoretical aspects, the burden of training is not left entirely on the employers as it is in the latter countries. Singapore has been successful in creating a training culture that enhanced both the volume and quality of training. This has been established by introducing incentives for firms engaged in training as well as mandatory measures. Over a period of four years from 1988 to 1992, employers have raised their spending on training from 1.8 per cent of the gross salary to 2.05 per cent.

Despite all the success achieved in the field of education, the government continues its efforts to improve the quality of their workforce. Mr Lee Kuan Yew, the Senior Minister stressed that the workforce of Singapore need to “change their attitudes towards work and training and emulate the Japanese in striving for perfection” (quoted in Beng and Chew, 1992).

6.4.2 Oman

The education system in the Sultanate has gone through different stages. Prior to 1970, the country suffered extreme backwardness in all social infrastructure including education. In 1970, there were only three schools with a total of 909 male pupils and thirty teachers in the entire country. The second stage started in 1970, as the country began to witness rapid expansion in the schooling system. This expansion has been necessitated by the vast inherited needs for education, and by rapid population growth. The figures indicate that during the schooling year 1996\ 1997, there were around 1,105 schools with about 542,000 pupils, of whom 48 per cent were females, with more than 25,000 teachers (Oman 8 January 1997; Ministry of Development, 1995).

One of the main objectives of the governments in the Gulf region was to establish a new bureaucracy (Birks, 1981). The schooling system was, therefore, designed to achieve that objective. Consequently, the Government became the main employer of the indigenous people while the private sector activities were controlled by the expatriate workers.

Schooling is structured on a number of different levels: six years of primary education, three years of preparatory, three years of secondary and post secondary levels.

In secondary level education, the largest enrolment is provided by general secondary schools by means of an initial year followed by two years of instruction in either arts or science (Ali, 1990). The total number enrolled at general secondary level reached 97.5 per cent of the total secondary school level enrolments in 1994/95. A number of specialised institutions also provide education at the secondary level.

Post secondary education is provided by Sultan Qaboos University, which was opened in 1986. The total enrolment reached 4,541 during the academic year 1994/95. There are also several public and private colleges.

Vocational training was first started in 1967 by the oil company in the country. By 1973, the government established nine vocational institutes distributed in the different regions of the country. These institutes were equivalent to the preparatory school level.

The institutes offered three-year courses in mechanical, electrical, automotive and building trades, in addition to commercial courses. Admission was restricted to males only. Enrolment in these institutes was low. Al-Khabouri (1985) pointed out that some of VTI in the regions were hardly operational. Their utilisation rate was as low as 20 per cent. Commercial courses attracted a higher enrolment than technical courses. Al-Khabouri also argued that the low level of utilisation questioned the very relevance of these Institutes. The drop out rate, which is a sign of rejection of the programme, was as high as 42 per cent in technical courses and 24 per cent in commercial courses.

In 1985, the Ministry of Social Affairs and Labour raised the level of the VTIs from the preparatory level to secondary level. Still the level of participation in the VTIs remained very low. The majority of participants were those who could not secure admission to general secondary school. Admission to general secondary schooling was dependent on the performance in the final year examination at the third year of the preparatory school. A minimum average of 60 per cent in the final examination at the preparatory level was a prerequisite. Moreover, only 65 per cent of pupils who successfully completed the preparatory education were allowed to enrol in the general secondary level (Ali, 1990). This policy of admission at the general secondary level caused undue damage to the VTIs as it created a culture that scorns vocational studies and manual jobs. This can be seen from the level of enrolment in the VTI programmes and the rates of drop-out. Total number of seats in each Institute was 360 a year. However, total numbers of participants who successfully completed their programmes during the period 1984-1994 was 3,292 at an average of 52 participants per Institute (Interview with the Director

General of Vocational Training in October 1995). Furthermore, only 40 per cent of the VTI participants sought jobs in activities related to their training (Al-Khabouri, 1985).

The shortcomings of vocational training could also be seen from the total levels of enrolment. The proportion of pupils in all vocational training programmes combined was less than one per cent of the total enrolment in general education in 1994/95, and around 2.5 percent of the total enrolment in secondary schools.

A 1981 World Bank Report highlighted two elements for the development of the VTIs. The first was that the Institutes were not supposed to be second rate substitutes for general education, but a legitimate alternative stream of education for one segment of the population. It was therefore vital that the training opportunities provided did not lead to, and were not seen as leading to, a dead-end in career development. It was also important that the pathway between general education and vocational training be kept open, to allow both general stream students to transfer to vocational training, and also to permit qualified trainers to return to general schooling.

The second element was that the level and content of the curricula offered by the VTIs be restructured to meet the needs for technically trained manpower as the economy and the labour force requirements of the country developed.

The inability of the VTIs to attract young Omanis or to deliver the quality of skills needed by the industry could be attributed to several factors:

- i) The absence of a comprehensive and integrated human resource strategy in the country (Ministry of Development, 1995).
- ii) An inability of the educational system to fulfil the country's needs for various skills. The field research which was conducted in summer 1996 in Oman revealed that private sector employers were of the opinion that the schools in the country are excessively academic with too heavy an emphasis on humanistic

curricula. Such orientation at schools offered only limited categories of employment to school-leavers.

- iii) The absence of empirical and field studies to assess the requirements of the labour market leading to a mismatch between the outputs of the vocational training programmes and labour market needs (VTA, 1995),
- iv) Government employment policy which has created social values which scorn manual work and industrial blue collar jobs (Ali, 1990; Birks, 19). This situation was exacerbated by the schooling system, which turned the VTIs into second rate substitutes for general education. The schooling system exerted a significant impact on youth attitudes towards vocational training. Less able pupils who could not do well academically found themselves in VTIs (World Bank, 1981).
- v) VTIs were not adequately distributed geographically. There were only nine institutes throughout the Sultanate. Many pupils from poor-income families missed the opportunity to join the VTIs due to the absence of a financial support system.
- vi) The absence of an effective co-ordination between the education system and employers in designing, supervising and assessing the quality of the schooling system (field surveys, 1996). This is to the system in Germany, for example, where the Chamber of Commerce, governed by employers, who determine the direction and content of vocational studies in the country (Skillbeck, Connell, Lowe and Tait, 1994).

Clearly, without competent and properly trained manpower, it would be difficult for private sector establishments to maintain their competitive edge or achieve profitability (Al-Mahdi and Johnston, 1995).

The comparative with Singapore is instructive. Singapore has witnessed an extraordinary economic growth rate, and the process of skill formation is based on the Government's vision of future economic goals. Training policies are formed to link the present and future demands of the economy. These policies are subject to periodical revision to ensure that the requisite skills are in place to attract the relevant industries (Ashton and Sung, 1994).

The major resurgence of Government interest in vocational training in Oman took place in 1990s. It signalled the start of the third stage of the schooling system in Oman. The fall of oil prices from 1986 onwards, and the advent of the Gulf crises in 1990, made it difficult for the Government to offer employment to the rapidly growing numbers of school leavers. Young school-leavers faced many difficulties in their attempts to access the private sector labour market. This situation prompted the Government to realise the need for new vocational policies. Accordingly, the Fourth Five Year Development Plan (FFYDP) 1991-1995 was designed to set out the main objectives of the vocational training and technical education. The FFYDP emphasised the following objectives:

- i) the need to create links between the education and vocational training and private sector industry;
- ii) the need to formulate necessary policies for phasing out expatriates, replacing them by the local Omani labour force. Such policies would entail the formulation of proper training programmes to upgrade the skill levels of the indigenous work force;
- iii) the need to cater for the growing needs of vocational training by providing sufficient training institutions and facilities, the development of technical education and the improvement of the curriculum to better fit with the requirements of the economy.

Towards these objectives, two Royal Decrees were issued in 1991. The first was for the establishment of a Supreme Committee for Vocational Training and Labour (SCVTL),

entrusted to draw necessary policies pertaining to technical education and vocational training. The second was for the establishment of the Vocational Training Authority (VTA) for the implementation of policies and decisions drawn by the SCVTL.

Among the early decisions made by the SCVTL were the following:

- i) the upgrading of four VTIs into technical industrial colleges. The aim of these colleges is to supply technical work force needed by the economy;

At present capacities, these colleges can admit around 1,500 students a year. The total numbers of graduates is expected to be around 4,000 during the Fifth Five Year Development Plan (FFYDP) 1996 - 2000, based upon an 80 percent rate of success;

- ii) the conversion of four VTIs into vocational training centres with the aim of supplying a skilled and semi-skilled work force to the labour market. These centres conduct short-term training programmes in various trades.

The Fifth Five Year Plan (FFYDP) 1996-2000 emphasised the importance of developing the indigenous human resources and raising the competency of Omanis to be able to effectively cope with changing technology and adapt to changing local and international environments. The FFYDP also emphasised the need to adapt appropriate policies to increase the percentages of Omanis in all sectors of the labour market. To achieve these objectives, the FFYDP 1996-2000 envisaged the following:

- i) an improvement in the level of basic education to the best international standard;
- ii) an expansion of technical education and vocational training to absorb the majority of pupils from basic schooling;
- iii) the provision of preparatory school leavers and drop-outs with other levels of schooling and vocational training; the pursuance of the Omanisation plan to ensure

fulfilment of the targets set and the review of those targets periodically in the light of the schooling results;

iv) the adoption of realistic and flexible labour market policies; and

v) the improvement of the labour market information system.

The VTA prepared a future projection of labour market requirements up to the year 2020. It is expected (VTA, 1995) that the total labour force of the country will increase from 667,000 in 1993 (of which Omanis represent around 36 per cent) to 1,289,000 in the year 2020 (Omanis representing around 70 per cent). It is worthwhile examining how policy makers intend to achieve the projected manpower growth in the year 2020. The projection indicates a gap between the requirements of the labour market in 2020, and the capacities of the schooling system. The Government vocational centres cater for less than 10 per cent of young Omani school leavers who are expected to pursue employment. Moreover, the Government has no immediate plans for expansion in the number of technical colleges or vocational training centres (VTA, 1995) due to financial constraints (Ali, 1993). Instead, the Government has sought to stimulate the private sector into taking a more active role in the process of skill formation by recruiting young school leavers and providing them with necessary training. Towards this objective, the Government followed two paths:

1. the encouragement of private sector establishments to recruit and train young Omanis. Government announced a new scheme in 1992 aimed at this. The scheme offered a subsidy to private sector establishments engaging their young Omani workers in apprenticeship and on the job training in;
2. the encouragement of private sector firms to initiate private training institutes and colleges. By 1996, a total of 130 private sector had been established. There are, however, several qualifying remarks necessary in relation to the performance of these institutes:

- a) sixty seven per cent of the private sector institutes were located in the city of Muscat. Another 13 per cent were located in two main towns (VTA, 1996);
- b) sixty per cent of programmes run by the private sector training institutes were below the standard stipulated by the VTA (VTA, 1995);
- c) ninety two per cent of the programmes run by these institutes were in office-related training such as typing, clerical work and languages (VTA, 1996);
- d) most of these programmes were of short duration only than designed to improve particular job skills (VTA, 1995), rather

In January 1997, the Minister of Education announced in the Majlis Ash'Shura (the parliament) a new plan to restructure the schooling system to commence during the schooling year 1998 \ 1999 and be completed by the year 2020. The new system would be based on ten years of basic education, consisting of two stages. The first stage would comprise four years of schooling. The second stage would be six years of schooling, and two years of secondary schooling (Oman, 8 January 1997).

The new system aims to prepare young Omanis for life and work. The proposed educational reforms are designed to achieve the knowledge and mental skills and attitudes that young Omanis need to learn to face the challenges of the future. The achievement of such a goal requires a high degree of adaptability and a strong background in science and mathematics. There will also be more emphasis on the English language and computer literacy. The school year and school day will be lengthened, and the minimum qualifications of teachers will be raised from the present level. The learning resources, such as libraries, laboratories and learning centres in schools, will also be improved. The reform will also apply to the central administration, in lieu of planning and decision making process (Ministry of Education, 1996).

6.5 The Pay Policy

6.5.1 Singapore

Singapore has adopted different wage policies since the early 1960s, aimed at promoting the economic objectives of the country. In the first stage which was between the early 1960s and early 1970s, wage policy was aimed at curbing wage escalation. This was seen as necessary if industrialisation was to be successfully brought about. Attracting foreign investment was a key aspect of this, with of the over-riding aims being to defeat the problem of unemployment (Bercuson, 1995). Accordingly, the government kept the level of wage below the level of productivity growth (Deyo, 1992).

In 1972, the government established The National Wage Council (NWC). The NWC is a “tripartite” body with the representation from the government, unions and employers. It is chaired by an economist from the university. The NWC is responsible for setting guidelines for the annual increase of wages in the country. These guidelines, though not mandatory, are acceptable by the majority of employers in the country (Beng and Chew, 1992; Fong, 1983; and Chen 1983). Usually, the public sector announces its adherence to the guidelines. Such announcement by the public sector “creates expectations among private sector workers that their employers” will follow suite (Fong, 1983).

The government industrialisation strategy was very effective in attracting foreign investment. Accordingly, the country has been transferred from an economy that was plagued with high rate of unemployment to an economy that suffered shortages of labour (Soon-Beng and Chew, 1995; Sharma and Luh, 1994). This situation began to exert pressure on wage levels. Therefore, the government adopted other measures to curb the pressure on wage increases, such as encouragement of expatriate workers into the country, attempts to increase female participation in the work force, and the extension of retirement age (Soon-Beng and Chew, 1995; Sharma and Luh, 1995).

In 1979, the government announced a “second industrial revolution”. The intention was to move from labour-intensive to capital-intensive industries (Ashton and Sung, 1994;

Sharma and Luh, 1994). This policy was coupled with a high increase in the wage level. The wage escalation, however, exceeded productivity growth and resulted, along with other factors such as the appreciation of the Singapore dollar (Bercuson, 1995), in poor performance of the economy. Consequently, by 1985, the country began to lose its competitive advantage in the international market and began to witness a recession. Between 1984 and 1986, there was a loss of about 120,000 jobs in the country (Sharma and Luh, 1994). The government was swift to announce a new initiatives to reduce the impact of wage escalation. The new measures included the reduction in the employers' contribution to the pension fund from 25 per cent to 10 per cent. This cut constituted about 12 per cent of the total wage. The labour levy was also reduced from four per cent to one per cent (Bercuson, 1995). Furthermore, the government recommended keeping wage increases below increases in productivity. It also recommended increasing the wage flexibility. Accordingly, the exiting wage system was replaced by "a flexible wage system" (Beng and Chew, 1992; Sharma and Luh, 1994). Under the flexible wage system, "wage increases are paid in two parts: a built-in increment and a variable component. Such a system enables companies to adjust more quickly to changing business conditions and provides greater job security to workers". The wage flexible system gained quick popularity and more than 71 per cent of companies adopted this system (SICC, 1995).

6.5.2 Oman

The post 1970 government introduced a very generous pay for public sector employees. The pay structure was based on a predetermined entry salary, fixed annual increments and a periodic promotional element. Between 1970 and 1985, the pay scale was revised several times to accommodate rising inflation. The decline in oil prices from 1986 onwards inflicted heavy budget deficits. Accordingly, pay levels were kept under strict control and several measures were adopted aimed at tightening government expenditure. Some benefits were reduced, and the frequency of periodic promotions was prolonged.

Prior to 1989, pay scales in the private sector were determined by direct negotiation between employers and workers. As the overwhelming majority of workers in this sector

were expatriates, 94 per cent of them were from the Indian subcontinent, employers took advantage of a cheap source of labour.

As the Government began to encourage young school-leavers to access the private sector labour market for employment, disparity in the level of pay between the Government and the private sector has been seen as a major reason for the lack of enthusiasm on the part of young Omanis to join the private sector establishments. Accordingly, the Government introduced the minimum wage policy (MW) in 1989 aiming to bridge the gap in the pay levels between the two sectors. The MW policy sets minimum pay to two categories of young Omanis, those with secondary school qualifications and those who possessed qualifications below the secondary level. Jointly, these two categories are believed to constitute the majority of young Omani job-seekers.

Reactions towards the MW were mixed. The field research carried out in Oman in the summer of 1996, found that the MW policy fell short in attracting the young Omanis to private sector employment Omanis still perceived pay levels lower than the pay levels in the public sector, particularly amongst the lower echelons.

Employers held negative views on the impact of the MW policy. Except for the capital intensive establishments such financial firms, most employers, particularly the small and the labour intensive, held the view that the MW was too high. They argued that wages are an important factor in the survival of their enterprises. In a competitive market, any addition to costs would not be in the interests of the business. They mentioned that they faced tough competition from their rivals in neighbouring Gulf states. Any increase in the cost of their products would result in them losing their ground. Therefore, achieving the level of Omanisation with the MW policy would have a serious impact on their competitive position.

In 1991, the Government introduced a wage subsidy scheme targeted at establishments engaging young Omani workers in apprenticeships and on the job training (OJT). The aim of this scheme was to encourage private sector establishments to recruit and train young Omanis. The scheme offered support, in terms of salary and allowances, paid to

Omani trainees for a period of 18 to 36 months. The scheme was later changed in 1995. The new scheme offered financial compensation of up to 70 per cent of basic salaries and water and electricity allowances for a period of 12 to 24 months. However, the study found that the scheme was mainly utilised by large establishments only. Around 95 per cent of business establishments in the country are of small size, however, employing less than 20 people. This illustrates the challenges the Government faced in convincing private sector establishments to recruit young Omanis.

It is interesting to note that the lowest levels of utilisation of the scheme were in those fields where the Omanisation programme was targeted. Establishments with the highest number of Omanis, on the other hand, have utilised the scheme extensively.

6.6 The Labour Market

6.6.1 Singapore

“We must be single-minded in developing our most valuable resource, the people of Singapore”

Mr Goh Chok Tong

Prime Minister

31 March 1992

Singapore has achieved remarkable success over a short period of time. The cornerstone of this success is attributed to the quality of its human resource capital. The country realised at an early stage that stable, well educated, well trained, and resilient labour, are important factors for the economic development of the country.

The newly self-governing state inherited several problems: high unemployment rate of about ten per cent, low labour force participation of about 42.3 per cent, unstable labour and rapidly growing population. Moreover, the decline of the entrepot and the withdrawal of the British from the island which provided thousands of job opportunities to the indigenous people, aggravated the government challenges. This situation prompted the government to adopt several policies aimed at economic development, industrialisation and job creation. Since Singapore lacked natural resources, its human capital became the focal point for the country's development (Beng and Chew, 1992). Therefore, the emphasis of schooling began to shift to technical and vocational studies which became popular and prestigious (Meao and Seah, 1983).

During the 1970s, unemployment was very high among young people. About 50 per cent of job-seekers were young, below the age of 20. Half the job seekers had at least a secondary education. In searching for job, the unemployed relied on their families and friends for information about job opportunities. During the 1980s, the pattern of

unemployment began to change. Less than one fourth of the unemployed were below the age of 20, and the majority of them were females or those with no formal education (Fong, 1988). During the 1980s, job-seekers began to pursue employment through formal channels, primarily, job centres. During the 1970s, job-seekers spent, on an average more than a year before getting their first job. This situation changed during the 1980s as the average unemployment period was less than one year (Fong, 1988). There was “a shift in the pattern of employment from “blue-collar job to knowledge- intensive white-collar jobs in the services and knowledge industries” (Beng and Chew, 1992).

There were several shortcomings in the characteristics of workers in Singapore. Fong (1988) noticed a high turn over among workers. He attributed this to a shortage of labour which made workers more selective in the labour market and more selective over the wage levels they would accept. Beng and Chew (1992) cited remarks of Japanese firms in Singapore about the workers characteristics in Singapore. Workers in Singapore were seen as having little loyalty to their companies, as lack punctuality, as having an individualistic nature, as being impatient for promotion, reluctant to work overtime or do shift work and as being adhering strictly to their tasks as specified in their job descriptions.

Despite negative observations by Japanese firms about the workforce of Singapore during the 1980s, the country enjoys what have come to be seen as some of the best workers in the world. During the 1990s, Singapore has achieved one of the highest literacy rates in Asia, having young, English-speaking workers, with high productivity. “Singaporeans are also known for their resilience and their commitment to excellence” (SICC, 1995). Between 1980 and 1990, “the level of productivity increased by 150 per cent to reach \$ 40,000 per worker which was higher than Taiwan and South Korea and parallel to Hong Kong” (Lim, 1991).

In 1991, the labour force of Singapore was “rated the best in the world for the ninth successive year”. They were rated first in terms of productivity, second in characteristics - attitudes and punctuality - and first in organisation and practices. Singapore was rated

ahead of many advanced countries such as Switzerland, Japan, Germany and the USA (Beng and Chew, 1992).

Tay Eng Soon, Chairman of Vocational and Industrial Training Board, said (1992) that “If Singapore wants to remain competitive in the long run and, at the same time, our people want a continuing rise in the standard of living, we must be prepared to compete with the world on the basis of very high quality products and services. The skills and knowledge of our workers must keep up with the rapid technological changes and global development. Enhancing the quality of our workforce is a national imperative as the people of Singapore is our only resource to strengthen our competitiveness”.

The state played a very active role in the development process of Singapore. Public sector managers were actively involved in policy design (Soon, 1994). The important role of the public sector resulted in a rapid increased in the number of the bureaucrats, particularly between the late 1960s and 1980s. The size of public sector employment reached about one fifth of Singapore workforce in 1980 (Fong, 1988). Beng and Chew (1992) argued that the philosophy of the government was “that the best brains in the Republic should serve the public sector at very attractive rates”.

6.6.2 Oman

The labour market has undergone three distinct stages in the modern history of Oman. Before the discovery and exportation of oil, Oman was in almost complete isolation from the outside world. This period was characterised by slow population growth, high mortality rate and severe backwardness in education, health, housing and basic demands. The country also lacked basic infrastructure. The economic activities of the Sultanate were centred, mainly, around agriculture, husbandry and fishing. During this period of time, Oman was labour exporting country, particularly to the neighbouring affluent Gulf states. There were also large Omani communities abroad. These communities were connected to the legacy of Omani power, when Oman dominated parts of east Africa and provinces in Baluchisatn in the nineteenth century.

The year 1970 signalled the start of the second stage in the labour market development. This stage was characterised by rapid economic growth and rapid social change. The catalyst to this growth was the revenues generated from the export of oil which started in small quantity in 1967. Employment began to rise steadily. In the public sector, the total number of employees increased from 1,750 in 1970, of which Omanis constituted about 93 per cent, to around 110,444 in 1995, with Omanis representing 69 per cent. The increase in the number of employees in the public sector, particularly among Omanis, is attributed to several factors. Their employment was necessary to build the bureaucracy of the new state (Birks, 1988). Then there was government policy to provide employment to Omani job-seekers. A further factor was the impact of the education system, which favours jobs in the public sector. The research conducted in Oman in summer 1996 indicated that public sector condition of employment, such as better pay, better career opportunities, life-long jobs, less working hours, longer holidays and the friendly working environment, boost the motivation to seek employment in this sector.

The private sector labour market also witnessed rapid growth. With the expansion of the economy and due to the shortages of a competent indigenous labour force, the country relied heavily on an expatriate labour force to carry out and run the various plants and projects. The number of expatriate labour force increased from a few hundreds in 1970 to 482,000 in 1996 (Ministry of Development, 1997). The expatriate labour force dominated the private sector labour market. Their ratio to the overall workforce in the non-traditional sectors reached 85 per cent in 1995. Most of the Omanis who were working for the private sector were in the unskilled and semi-skilled categories.

The weak oil price from 1986 onwards, and the advent of the Gulf crisis in 1990, seriously affected the economy of the Sultanate, and led to a change in the economic priorities of the Government. The growing budget deficits compelled the Government to adopt different measures aimed at fiscal adjustment. These measures included the redrafting of the employment policy of the Government. The new emphasis was on minimising its role as a main employer of young Omani school-leavers, and reducing the size of the public sector workforce by means of mandatory and voluntary early retirement. The Government acknowledged that the creation of more employment

opportunities for young Omanis could only be achieved with the support of the private sector. As a result, a growing number of young school-leavers began to approach the private sector for employment. In their attempts to gain access into the labour market, young Omanis encountered several difficulties.

The field research conducted in Oman in summer 1996 revealed that private sector employers, in general, were not very keen to employ young Omanis. Their major handicap, as highlighted by private sector employers, were their lack of skills, lack of work ethic, lack of positive attitudes towards work, rules and expatriate co-workers, lack of seriousness, lack of punctuality, tendency to change jobs frequently, linguistic barriers and the demand for higher wages, preference to work in selective jobs, particularly office-related occupations, in addition to traditional restrictions, particularly on female employment. Private sector employers showed more preference for employing expatriates rather than Omanis. When They did employ Omanis, this was set on the basis of their perceived merits. Rather, among employers who preferred young Omanis, the main reason given for recruiting them was on the ground of patriotism. Employers assumed a moral and social obligation towards the indigenous workforce. The employment of the young Omanis was also in compliance with the Government localisation programme.

In comparison to expatriate workers, the rating of Omani workers was below average. Expatriate workers, by contrast, were held in high esteem by private sector employers. They have been given higher rates in terms of productivity, punctuality, attitudes towards rules, commitment to long term employment, decorum and level of involvement.

Accordingly, the number of unemployed young Omanis began to enlarge rapidly. Their number reached 12 per cent of the total Omani workforce in the country in 1993 (Ministry of Development, 1995). In response, the Government has introduced several measures aimed at creating more employment opportunities for the young Omani school-leavers.

6.6.2.1 Omanisation Policy

Omanisation refers to the localisation policy introduced by the government in 1983, intended to promote self-reliance on the indigenous workforce by replacing expatriates. The initial figures indicate that the implementation of this policy resulted in about 24,000 job opportunity since its inception in 1994 to the end of 1996. The majority of the jobs were in the unskilled and semi-skilled categories (Oman, 2 April 1997).

The implementation of the Omanisation scheme encountered several difficulties. More than fifty per cent of private sector establishments indicated that they would not be in a position to achieve the specified target on time. Employers expressed concern over the fast pace of Omanisation taking place in the private sector. They believed that the industries are not yet in a position to achieve the high percentage of Omanisation over a short period of time. Laying heavy reliance on the Omanis will affect the level of productivity. Employers have therefore suggested more gradual application of the Omanisation programme, supported by Government incentives to establishments successfully achieving the stipulated level of Omanisation.

6.6.2.2 Increase in the Cost of Recruiting Non-Omani Workers

Several measures were introduced by the Government in 1994, imposing additional fees on the recruitment of expatriate workers. The aim was threefold. First to make their recruitment costlier, hence “less desirable”. Second, to allow young Omanis to compete with expatriates in terms of their total cost to the establishment. Third, to generate more income that can be utilised to fund Government’s human resource development schemes. Further the labour levy, which is calculated on the basis of the salary of the expatriate workers, has been increased by the Government.

The official figures indicate that these measures did not slow down the continued influx of expatriates into the country. One of the reasons is that the cost of expatriate workers is still cheaper than their Omani counterparts for many establishments, particularly the

smaller ones. Expatriate workers are willing to accept a lower remuneration. Their real earnings in the host country are still higher than that in their home country. At the same time qualified Omanis who can carry out the work are not yet available in sufficient numbers.

6.6.2.3 Reserving Certain Occupations for Omanis

The Government announced new measures aimed to reserve certain occupations in their entirety for Omanis (Decrees 125/ 94). The list includes 17 occupations, mostly in the unskilled and semi-skilled categories.

6.6.2.4 Early Retirement Scheme

The government encouraged early retirement of public sector employees by relaxing the retirement rules. Between 1994 and 1996, thousands of employees were laid off either voluntary or coercively. The motivation behind such an action was to rationalise Government expenditure and to generate employment opportunities to school-leavers (Al-Ittihad November 1996)

6.7 The English Language

6.7.1 Singapore

Singapore is a multi-ethnic society. Before Independence, the British colonial administration built English schools to produce the personnel required by their administration (Wong, 1991). This policy, however, benefited very few, mainly the Malays, while the Chinese, predominantly working class, were more exposed only to Chinese education (Hill and Fee, 1995). In order to maintain racial harmony, the post-independence Government pursued “bilingualism” as a system of teaching. The bilingual system was based on English and a second language which was to be determined by the parents. In this multi-lingual society, English was made the common language of communication. (Hill and Fee, 1995). The use of the English language has been seen as a

‘vital tool for inculcating a cohesive national identity and for facilitating communication between ethnic groups’ (Kong, 1983; Morris and Marsh, 1992, p. 263). Initially, the bilingual system of schooling was not very effective since “teaching of the English and the mother languages left little time for other subjects to be adequately taught at school”. In addition, it was difficult for young pupils to study in a language other than the mother tongue. Furthermore, the cost of schooling was rising (Morris and Marsh, 1992). To solve the problem without compromising the importance of the English language, which has been seen as essential tool to “satisfy the needs of a competitive, international and modern society” (Morris and Marsh, 1992), the government introduced a preparatory programme for all the five year olds in order to compensate for the heavier demand made by the bilingual requirement” (Ashton and Sung, 1994).

By 1976, the importance of the “vernacular” education began to decline, particularly among Malays and Indians. Hill and Fee (1995) argued that “parents had placed the careers of their children before any cultural or linguistic patriotism”. Accordingly, the government introduced some changes to the bilingual system of education. The new system is based on “three options....depending on the ability of the pupils - English and mother tongue as first language,.....English and mother tongue as second language, and English and mother tongue as an oral language” (Hill and Fee, 1995).

Clearly, the new system emphasises the importance of the English language and was designed to enable the new generation in Singapore to acquire sufficient command the English language.

6.7.2 Oman

The field study conducted in 1996 found linguistic barrier as a formidable hindrance to communication at the work place in Oman. The communication medium of the private sector is English. Only one per cent of the establishments reported the use of Arabic as the sole language of communication. Sixty three per cent used English as the main communication language, while 36 per cent used Arabic and English simultaneously. However, most of the Omani school-leavers lack command of the English language as

they do not receive adequate courses in English at school. The dominant expatriate workers also fail to converse in Arabic. The result is a lack of interaction between the expatriates and Omanis. This situation results in the following:

1. It makes the learning process of Omani workers at the work place longer and their participation at work less effective.
2. It hampers inter-personal communication in the establishments. Therefore, it becomes difficult for young Omanis to establish social contacts. This results in the alienation of young Omani workers from the mainstream. Accordingly, many young Omanis quit their jobs because the working environment is judged by them to be unfriendly (Field study in Oman, Summer 1996).

In 1997, the Government announced a new programme to be implemented in the schooling year 1998 - 1999, aiming to improve the proficiency in the English language among the young Omanis school-leavers. Accordingly, the teaching of the English language will start from grade one instead of grade four (Oman 8 January 1997).

6.8 Discussions and Conclusion

The foregoing discussions presented a comparison, of both commonalties and dissimilarities, between labour market policies in Oman and Singapore. It has discussed the saga of Singapore's emergence from a tiny state to a modern, developed, industrial power, which was based on a clear and a futuristic vision of national goals, and had effective strategies to achieve those goals.

The onward march of Singapore dates back to the early 1960s when the government embarked on an ambitious industrialisation programme and adopted a number of schemes aimed at attracting foreign investment. For a small island nation, with a population of a few hundred people, the transformation to a mighty industrial power was not an overnight success story. Of course, the country had the distinct advantages of its strategic location and free port policy adopted by its government. However, the actual

take off of the economy was achieved through the formulation of a set of specific policies by the government.

Growing unemployment in the country was causing much concern to the post self-governed state. Labour intensive, export oriented industries were set up. As a result, by 1970, the country began to witness a shortage of labour. The focus of the government was shifted from labour intensive to capital intensive industries. The government encouraged females to take up employment by announcing a set of incentives. Foreign labour was welcomed and there was an influx of expatriates into the country. The population of Singapore touched the three million figure in 1990, a quantum jump from the year 1819 when the country had only a few hundred people.

As the availability of cheap labour began attracting foreign investors to the neighbouring countries in the late 1970s, Singapore announced its ambitious second industrial revolution to sustain the momentum of economic growth. The most important factor that contributed to the economic growth and social development of Singapore, besides its strategic location and the free port policy, was the emphasis given by the government in developing its human resources. The most striking aspect of the Singapore model of human resource development programme was that the policy was not entirely centred around individuals or companies. Instead, national interest, in the long run perspective, was given prominence above all consideration.

Oman has many similarities with Singapore. In recent days, it is considered to be one of the cleanest cities in the world, second only to Singapore. Similar to the small population of Singapore, Oman has a population of about 2.2 million (1996), of whom one fourth was expatriate. At the same time, Oman is blessed by a vast area of about 309,500 square kilometres land and a modest amount of natural resources in comparison with other Gulf countries, particularly oil and natural gas. While Singapore is a small, multi-ethnic, multi-religious community and a multi-lingual society, Oman has a homogenous community with a single religion and a single common language. With respect to the development of infrastructure facilities over a short period of time, Oman's example is unique and unparalleled in many developing countries. Both Oman and Singapore enjoy

political stability which is a prerequisite for economic and social development and important for attracting foreign investments.

While Singapore has been steadfastly concentrating on developing its human resources along with the economy and the infrastructure, this vital factor has not received equal attention in Oman. During the past 25 years, the indigenous Omani workforce was concentrated in the government sector while the private sector was heavily dependent on a the foreign labour force. The influx of expatriates into the country continued despite a recession during 1986, and the Gulf War crises, during the beginning of the 1990s. Nothing much has been changed over the years and the dominance of expatriate labour in the country continued unabated.

Oman's economy continued to be heavily dependent on oil revenues. Any fluctuation in the international oil prices leaves its impact on the economy. A sharp decline in oil prices from 1986 onwards coupled with the Gulf crises in 1990 set a heavy blow to the oil price-sensitive Oman economy. Budgetary deficits were mounting and this necessitated some control over Government spending. A major initiative of the government in response to this was decision to minimise its role as the single largest employer of Omanis. Prior to this decision, a large number of school-leavers used to find employment in some government department. The newly limited scope in the government sector forced many young school-leavers to approach the private sector for employment. However, they found the going tough and difficult.

Private employers were not ready to offer employment to young school-leavers enthusiastically. From the employers point of view, the young generation were characterised by low productivity, they lacked an appropriate work ethic, flexibility, punctuality and discipline, besides having a general lack of skills and a poor command of communication in the private sector.

A parallel between the experience of the two countries can be drawn. In Singapore, the new generation of job-seekers could be accommodated in the mainstream without much obstacle. The government in Singapore had a clear education and training policy,

designed in line with the future needs of industries and the economy. On the Omani side, young Omanis face many problems in order to gain employment. This is attributed to the shortcoming of the human resource strategy in the country. For many years, there had been no serious efforts to identify the needs of the economy and to train and equip the young generation to cater to the needs of the country's labour market. Schools are excessively academic with little orientation to the needs of private industry. Moreover, training schemes introduced by the government through the establishment of vocational training institutes and vocational training attracted small number of participants. Therefore, many young Omanis could not satisfy the employment requirements of the private sector.

Language remains a sensitive issue in any multi-linguistic society. Singapore has adopted a sensitive approach in this matter. While each ethnic group's right to learn and spread its own language was acknowledged, the importance of English as an international language and a common communication medium was emphasised. Teaching of the English language gave birth to a new generation of youngsters fully accommodative and sensitive to the growing needs of the labour market and to fast changing international economic scenario.

Omani educational planners, on the other hand, came to realise only lately the importance of the English language. Teaching of English as a language has not been given sufficient attention, as a result of which even secondary school-leavers found it difficult to communicate in English. The absence of a common language hindered their chances of better training and mastering skills from their expatriate counterparts. Consequently, the young Omanis felt isolated and alienated from the mainstream.

To conclude, the reason for the advantageous position of Singapore vis-à-vis Oman is due to the emphasis laid by its government on the development of the human factor. It is encouraging to note that the planners in Oman as well have started realising the importance of human resources development, though belatedly. The country will have a new 10 + 2 schooling system and completely revamped curricula from the academic year 1998. Teaching of English will start from the first year instead of the present system of

starting it from the fifth year of schooling. It is hoped that, by the turn of the century, Oman could witness a real revolution in its human resource capital.

Chapter 7

Conclusion

7.1 Introduction

This thesis focuses on national human resource development in Oman. It emerges from a concern over the growing rate of unemployment among young Omani school-leavers. Unemployment in Oman is the by-product of a sharp decline in oil prices from 1986 onwards and the impact of the Gulf crises in 1990 which led to continued budget deficits. Since then a substantial shift in the pattern of job seeking in the country began to emerge. The Government revised its traditional role as the main employer of young indigenous school-leavers, urging the private sector to play an active role in providing employment opportunities for the young school-leavers. In their efforts to access the private sector labour market, the young school-leavers faced many difficulties, as employers were more enthusiastic to offer employment to expatriate workers than to recruit young Omanis. Despite the importance of this issue, very little research has been carried out in this area.

It is against this background that the thesis has undertaken to highlight issues, and provide insights, into the obstacles that are faced by the young school-leavers in their approach to the private sector labour market. Several questions have been raised. Why is there unemployment among the indigenous young Omanis, while two thirds of the country's workforce are expatriates, with their number continued to enlarge steadily since 1970? Drawing on the experiences of other countries, a set of assumptions has been formulated (Chapters one and four), and extensive examination carried out in the labour market. To conceptualise a theoretical approach, the study covered different issues under several disciplines, particularly demography, economics, labour market studies, economic development, human resource management, sociology, the study of women, and culture. This is because each discipline alone could not provide a sufficient explanation for the causes of youth unemployment in Oman. The ultimate emphasis of the thesis was to conceptualise an approach that links the various stakeholders involved

in the process of youth labour market in the country, i.e. the government, private sector employers and the young Oman school-leavers.

In collecting data and generating knowledge, the research employed a triangulation of methods comprising quantitative and qualitative methods. This proved to be very important in order to secure the most accurate findings, particularly given that knowledge pertaining to the youth labour market in Oman is still at its early stage. In addition, it was crucial to obtain a genuine opinion from employers, the majority of whom were expatriates. Many of them have little motivation to support the localisation programme. Based on these investigations, the findings have been grouped under two main categories: endogenous and exogenous factors. Exogenous factors have been further classified as societal, and into those contributed by the private sector employers.

7.2 The Theoretical Implications

The thesis advocates the view that the rapid increase in the expatriate labour force in the country does not correlate with the needs of the economy. This is because the growth rate in the expatriate labour force has far exceeded the growth rate of the economy.

The “baby-boom” since the early 1970s resulted in a substantial increase in the number of young people accessing the labour market in search of employment. Though their growth rate is still lower than the overall growth rate of the work force in the country, the fact that many of them lack the skills, appropriate attitudes and an appropriate work ethic make their attempts to access the labour market difficult.

The thesis established that most private sector employers shared the view that, on the whole, young Omanis were seriously handicapped by their lack of skills and essential qualifications. Many of the employers put much of the blame on the prevailing schooling system. They believed that schools in the Sultanate were excessively academic with too much emphasis laid on a humanistic curricula. Such orientation at schools offered only limited categories of employment to school-leavers. Technical or vocational courses did not receive equal attention. Furthermore, most of the young Omanis were leaving

schools without computing skills or sufficient command of the English language. This meant that young people were leaving schools unprepared to face the challenges in the labour market. The specialisation of school-leavers in selected academic streams has its implications for the employment prospects of young Omanis. There have been growing numbers of young Omanis queuing for jobs in particular occupations only, such as office-related jobs, while ample opportunities in other labour market sectors were available elsewhere. Therefore, schools should not only inculcate values deemed desirable in the good citizens, they should also foster a broad base of occupational skills and knowledge to the young school-leavers to help them accept diverse types of employment, as advocated by employers. Employers also suggested the need for a closer interaction between schools and private sector employers.

Another assumption that is confirmed by the thesis is the view of young Omanis that traditional schooling enjoys more prestige in society than do vocational programmes. They believed that vocational programmes were for the failed and the less enterprising. Yet despite the negative attitudes towards such programmes, graduates of the vocational institutes were more successful in securing employment more quickly. Furthermore, many young Omanis would have joined the vocational programmes should they have been offered some incentive such as financial support, or guaranteed employment upon graduation.

The results showed that that training has not received enough attention. The majority of the young unemployed did not participate in any vocational or technical programme. Another striking feature of the training programmes undertaken by young Omanis was that most of them were oriented to office-related occupations. This finding confirms the peculiar job preferences of the young Omanis.

It was established that private sector employers were not enthusiastic to provide young Omanis with training, particularly small establishments. Such a tendency was largely attributed to: the prohibitive cost involved in training; the tendency of the young Omanis not to stick to a particular job for a substantial period of time; lack of seriousness on the part of the young Omanis; employers' practice of luring trained Omanis from other

organisations, and a lack of motivation on the part of expatriate workers to share their skills and experiences with their Omani co-workers. Besides, some employers complained that the levy paid to the government was not channelled towards training Omanis in their respective sectors.

The thesis demonstrated that the linguistic barrier was a formidable challenge to young school-leavers in their efforts to get private sector employment. The communicative language of the overwhelming majority of private sector establishments was English. But most of the Omani school-leavers lacked a command of the English language as they did not receive adequate courses in English. Alongside this, the majority of the expatriate workers failed to converse in Arabic. This lack of interaction between the expatriates and Omanis has many consequences. It makes the learning process of the young Omani workers longer, and their participation in the work place less effective. It also hampers the inter-personal communication in the organisation. Consequently, it becomes difficult for the young Omanis to establish social contacts in the work place. This situation resulted in the alienation of the young Omanis from the mainstream and their eventual exit from the job on account of the unfriendly working environment.

Almost all the expatriate managers, who came from different ethnic and traditional backgrounds, had not been given any induction programme on the traditions and culture of Omani society. The result is a lack of proper interaction, and a friction between many expatriate managers and Omani workers.

The thesis also investigated the impact of Government measures aimed at creating more employment opportunities for the young Omanis. The implementation of the localisation policy, which specified certain percentages of Omanisation to be achieved within a time scale in six business sectors, has many implications. On the positive side, it helped many young Omanis secure employment opportunities. However, most of the young Omani job-seekers were not adequately equipped to take an active role in the sector or take over from expatriates. The rapid implementation of the policy could, therefore, have an impact on the performance of the establishments, particularly the small ones.

The findings confirmed the assumption that many private sector establishments, particularly the small and the labour intensive, were of the opinion that the minimum wage policy (MW) introduced by the government was rather high. In a competitive and open market like the one in Oman, any addition to costs, including a rise in wages, could have an adverse effect on business. Therefore, achieving the required level of Omanisation, alongside the MW policy, would have a serious impact on the competitive edge of the economy. The wage subsidy scheme, which offered financial support to establishments engaging young Omanis in apprenticeship and on the job training (OJT), attracted only small number of establishments, mainly large ones.

Government measures to impose additional fees on the recruitment of non-Omani workers were also analysed. The intention was to make the recruitment of expatriate workers “costlier”, and “less desirable”. Furthermore, the aim is to allow young Omanis to compete with expatriates in terms of their total cost to the establishments. The thesis found that this measure did not slow down the influx of expatriates into the country, for two main reasons. Firstly, the cost of expatriate workers was still lower than their Omani counterparts for many establishments, particularly the small and the labour intensive. Secondly, expatriate workers were also willing to accept lower remuneration. Their real earnings in the host country were still higher than that in their home countries.

The financial support scheme of the government for self-employment in the areas of manufacturing and tourism did not attract many young people because of a lack of publicity about the project itself, as well as the risk factors involved and the lack of guidance and experience on the part of the young Omanis.

The thesis examined extensively the perceptions of private sector employers of the factors that contribute to young Omanis’ difficulties in accessing the labour market. Private sector establishments were critical about the performance of young Omani workers. They held the view that the employment of the young Oman school-leavers was not economical on account of their lack of skills, work ethic, punctuality, poor command of the English language, and their tendency to change their jobs frequently.

Private sector employers indicated their preference for the recruitment of expatriate workers rather than Omanis. In comparison to expatriate workers, the rating accorded to Oman workers was below average. Expatriate workers, on the other hand, were held in high esteem by private sector employers. They were given higher points in terms of productivity, punctuality, attitudes towards rules and regulations, commitment to long term employment and level of involvement. The employment of young Omani workers was not founded on the basis of the perceived merits of the Omanis. Rather, among employers who preferred young Omanis, the main reason given for recruiting them was on the grounds of patriotism. Employers assumed a moral and social obligation towards the indigenous work force. Recruitment of young school-leavers was also in compliance with the government's Omanisation policy.

The thesis found that young Omani workers take a relatively longer period of time to learn their jobs and to carry out their work independently. This was due to their lack of skills, lack of common language, a lack of motivation among the expatriate workers in sharing their experiences and knowledge with their Omani co-workers, and the tendency of employers to be more lenient towards the young Omani workers in relation to the working demands placed on them.

Private sector employers complained of a high turn over among the young Omani workers. They were of the opinion that many private sector jobs did not meet with their expectations and aspirations. Young Omanis viewed private sector jobs as a mere stepping stone to organisations seen as being better, such as the government. The thesis found that many young Omani workers left their jobs because they could not cope with the working conditions, low wages, absence of career development prospects, lack of job security, unfriendly working environment, rigid rules and the lack of the English language. The tendency on the part of the young Omanis to voluntarily leave jobs often resulted in many of them spending a long period of time searching for another job.

Lack of punctuality was indicated by private sector employers as a serious weakness among the young Omani workers. This tendency adversely affects productivity and creates disharmony in the functioning of the industries. It also affects the morale of the

expatriate workers as they do not see their Oman counterparts working as hard as they themselves do. While employers tend to place the blame for this state of affairs solely on young Oman workers for such tendency, the thesis found that private sector establishments also shared responsibilities because of improper management practices and the longer working hours.

Employers were critical of the performance of the employment department. They were of the view that efficient and skilled Omanis get employment with the government, or in larger private sector organisations, and there were plenty of opportunities for them in the labour market. The unfit and the less efficient, were recommended to do the factory work and seconded by the employment department to factories without giving opportunity to the factory management to assess their skills and qualifications.

Young Omanis were equally critical of the performance of the employment department. The majority of them did not visit or receive help from the department, for different reasons. The geographical distribution of the department offices was not sufficient. Staff of the department were seen to be unfriendly, while some of them were being accused of favouritism. Employment opportunities were available but they were either lower than the expectations of young Omanis or would require higher qualifications.

Private sector employers also expressed concern over the lack of work ethic among the young Omani workers. Several examples were cited such as lack of seriousness, lack of a sense of responsibility, low productivity, poor attendance records and negative attitudes.

The thesis found that a tension prevailed between the young Omani workers and their expatriate counterparts. Expatriate employers reported that they often faced challenges from the young Omani workers, who questioned the authority of the expatriate managers. Furthermore, the lack of interaction between the Omanis and expatriates at the work place created friction. Consequently some employers, particularly expatriates, were reluctant to recruit young Omanis.

Another finding is that young Omanis were offered jobs in selected fields like clerical, administration, accounts, sales, secretarial, reception, computer and public relations. It was also established that jobs were distributed along gender lines. A striking finding was the admission of about one tenth of private sector employers that they had nothing to offer young Omanis.

The endogenous factors that affect the employment opportunities face young Omanis include their job preference, factors surrounding female employment, geographic compulsions, the socio-economic status of their parents, and career guidance.

The analysis of the perceptions of young Omanis towards employment revealed that a majority of them preferred government jobs. The reasons behind this preference were based on their perception of the various benefits likely to be derived from government employment, including social status, a better salary, shorter working hours, single shifts, longer holidays, job security and career advancement. These benefits became a point of reference when considering a job in the private sector.

The young Omanis' general preference was towards office-related jobs, and they were less inclined to favour blue-collar, manual and strenuous jobs. Young Omanis', preference for selective jobs only affecting both males and females, limited their scope in the labour market.

The study confirmed the assumption that young Omani females spend a comparatively longer waiting period before they get a job than males do. The majority of them were confined to certain jobs, mainly female stereo-type jobs. The confinement of females to specific jobs was due to employers perception about the appropriate labour market role for different sexes. Females were seen to be more oriented towards their families and to domestic responsibilities. The education system was also partially responsible for gender employment disparities. Moreover, many females personally held the view that they should be confined to particular jobs. Other factors which govern females' decision to access the labour market included the financial status of the family, restrictions imposed on females by traditional values, and distance of work from home.

Geographical preferences of the employers also raised some concern to the unemployed youth. Many private sector employers preferred to recruit young Omanis who were residents of Muscat rather than those belonging to the interior regions of Oman. This added to the difficulties of the young job-seekers from the interior regions of the country as they did not enjoy equal opportunities to training or employment.

A correlation has been established between the fathers' socio-economic status, in terms of educational qualifications and occupation, and the employment potential of young Omanis. Young school-leavers with a lower socio-economic status experience more difficulty in accessing the labour market.

Families and friends were the most important agents in guiding and influencing young Omanis. Schools came next in importance, while the role played by the employment department was insignificant. The role played by these agents helped in cultivating a deep-rooted employment value towards government and office-related occupations.

7.3 Policy Implications

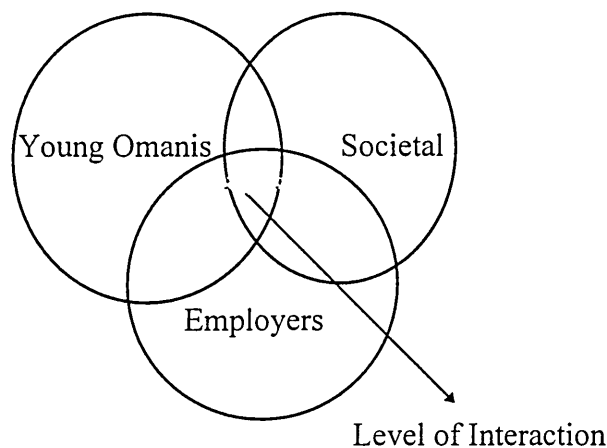
The impact of a prolonged period of unemployment among the young Omanis became a matter of great concern for the Government, as it could lead to an intensified degree of frustration, depression and social tension. A feeling of alienation could also grow, and reach an undesirable level if allowed to remain unchecked. This gives more concern in a country where its own people are denied employment while two thirds of the job market is taken by expatriates. The thrust of this thesis is to call for serious and immediate measures from the Government to redraft employment policies with a view to improving the market value of the increasing number of unemployed young school-leavers.

The most important finding of the thesis is the complexity of the problems surrounding the subject of unemployment among young Omani school-leavers. The thesis demonstrated that the three groups of stakeholders, i.e. the government, private sector

employers and young Omanis, share the responsibility for the failure of the labour market to create an environment capable of safeguarding the interests of society as a whole. Most importantly is the absence of a proper interaction among the different stakeholders in the process of decision making. Figure 8.1 depicts the interaction between the three stakeholders concerned. Bringing the three stakeholders together will improve youth labour market policies in the country. The thesis, therefore, suggests that to ensure its viability, any policy should balance the interests of the different parties involved. Any policy, if applied in isolation, might fall short of producing the desired results.

Figure 8.1

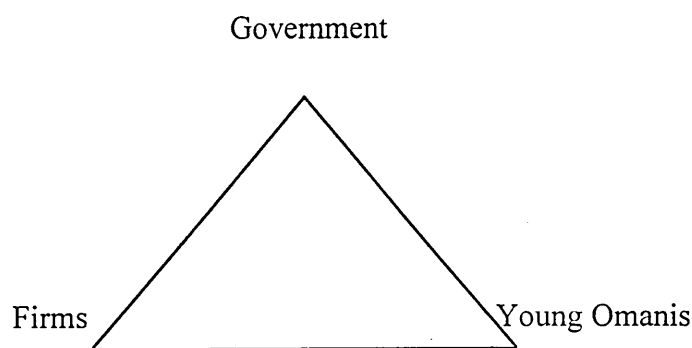
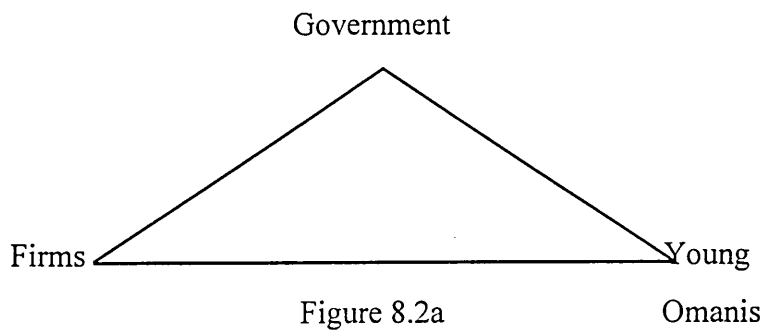
The Interaction among the Main Stakeholders
in the Process of Decision Making in Oman



A vivid example of the single sided policy is the schooling system. The thesis found a direct correlation between schooling and the employability of young school-leavers. Employers were unanimous in their judgement that young Omanis, on the whole, were seriously handicapped by their lack of skills and essential qualifications. They believed that schools in the country were excessively academic with too much emphasis on humanistic curricula. Such an orientation at schools offered limited categories of employment only to the school-leavers, particularly in the government. This situation can be further illustrated in symbolic form a triangle, with its three corners representing the three sides, the government, private sector employers and the young Omanis. Figure

8.2a illustrates, that schools in the country were skewed more towards the needs of the government, with less focus on the needs of the private sector establishments or on the aspirations of the young Omanis. The difficulties facing young school-leavers in accessing the private sector market points to the need to widen school roles so that the value of good citizens can be enhanced. At the same time, schools would be more capable of supporting the needs of the economy see Figure 8.2b (9).

This example of the single sided policy is not exclusive to the education system in the country. A deductive approach can be used to reach to similar conclusions about other governmental policies relating to the youth labour market in Oman, such as the Omanisation programme and the MW policy. Therefore, a recognition of the important role that can be played by the concerned stakeholders will help in generating support and legitimacy to the localisation efforts.



Figures 8.2a and 8.2b
The Role of Schooling System in Oman

The complexity of the problem requires the adaptation of an integrated and comprehensive set of policies. The isolated application of any policy will not only fall short in producing the desired effect but could also result in negative reactions, whether explicit or implicit, particularly from private sector employers. The implementation of the localisation policy, for instance, supports this claim. The introduction of the policy is an important step towards the creation of employment opportunities for the growing number of young Omani job-seekers. The policy is equally important in creating a balance in the private sector labour market between the dominant expatriates and Oman workers. However, most of the young Omanis are not adequately equipped, in terms of skills and occupational attitudes, to take an active role in the private sector and / or take over from expatriates. Fast implementation of the policy could, therefore, have a damaging effect on the performance of private sector establishments. Unproductive workers, after all, lead to an increase in the overheads of an establishment. Furthermore, a lack of skills among the workers means an inferior quality of goods and services. This situation calls for the participation of other agencies, such as the schooling system, to ensure that the skills and attitudes are appropriate for young Omanis seeking to access the labour market.

The thesis indicates that the participation rate of the indigenous Omanis in the work force, particularly among females, was very low. The ratio of economically active indigenous Omanis in the age group 15 to 64 was 41 per cent in Oman (1993) compared to almost 65 per cent in Singapore (1990). The ratio of economically active females was seven per cent in Oman and 50 per cent in Singapore. These figures indicate the existence of a huge untapped potential within the indigenous labour force that could be developed to take a more active role in the labour market.

The example set by Singapore, in introducing subsidy schemes to establishments for setting up child care centres and encouraging flexi-time and part-time employment could be adopted by Oman to increase the participation of married women in the labour market.

Increasing the participation of the indigenous Omanis in the labour force would help the country to save increasing outward remittances to expatriate workers, which was over R.O 600 million in 1994. This figure was equivalent to 42 per cent of the revenue generated from the oil sector in that year. The retention of these remittances would contribute to the capital accumulation of Oman.

The rising educational level of Omani females, and their more active role in the labour market, will have a positive effect in the long run. It may lead to a reduction in the growth rate of the population and a reduction in dependency rates. Lesser numbers of young Omanis entering the labour market will ease the tension in the job market.

The labour laws clearly spell out that employment of expatriate workers shall be allowed in the country only when the number of Omanis with relevant skills is insufficient to meet demand. Apparently, the increase in the number of expatriate workers outnumbered the growth rate of the economy during most of the last two and a half decades. This situation calls for an urgent review of the immigration policy. The inflow of non-Omani workers should be linked to the growth of the economy, the output of the education system, and the growth of the indigenous work force. The extra demand should be met by allowing expatriates workers with relevant skills into the country.

Young Omanis, on the whole, are characterised by low productivity. The thesis found several allegations from private sector employers that young Omanis are seriously handicapped by their lack of skills, particularly in blue-collar and technical jobs. Young Oman's also lack computer literacy, sufficient command of the English language and communication skills. Young Omanis confine themselves to selected job categories. Such roles in the unskilled and semi-skilled jobs marginalised their involvement in the economy as a whole.

It was also found that young Omanis have an appropriate lack of work ethic. This is manifested in their lack of seriousness, lack of punctuality, lack of positive attitudes towards rules, discipline, and lack of positive attitudes towards manual and technical occupations.

Lack of skills, inappropriate attitudes and absence of an appropriate work ethic call for urgent measures aimed at improving the market value of the young Omani work force. Such an objective requires the mobilisation of the country's resources in order to generate the requisite changes. The urgency of this is increased by the fact the country's natural wealth is fast of depleting. Human capital will be the only resource left to rely upon to continue the economic growth, alongside attracting foreign investment. The country, therefore, needs to enhance the contribution of young Omanis in the labour market. This entails a revolution from "the board room to the shop floor". The successful experience of Singapore provides an example of how the skills and talents of the people, if properly channelled, can contribute to the progress of the nation. In this regard, the thesis suggests the following:

- i) it is important for policy makers to recognise that the country needs a "training revolution" for its entire indigenous work force. It is argued that improvements in vocational training will improve the employability of the young Omanis. A strong commitment from the Government towards training is essential. Training is a vital component of employment stability and growth. A better motivated work force, and enhanced human resources utilisation, would increase productivity in the long run. It is therefore important that:
 - a) all young people, without any restriction in terms of age, qualification or gender, be given a skill, training programme prior to accessing the labour market; and
 - b) all young people who finish the basic education shall have the opportunity either of continuing in full-time education, or of entering a training programme for on the job training.

- iii) a comprehensive human resource strategy is essential to co-ordinate the scattered labour market policies needed to improve the efficiency of the labour market. Therefore, the success of vocational training programmes will be dependent on the unification of education and training. The aim is to end the anti-industrial values permeating the Omani society;
- iv) substantial changes need to be introduced to our traditional schools to enable them serve the needs of the economy more effectively. These changes would be based on abolishing the existing structure of schooling which is characterised in terms of six years of primary education, three years of preparatory and three years of secondary, as illustrated in Figure 2.5 (Chapter 2). The new model of schooling, as shown in Figure 8.3, will be characterised in terms of 10 years of basic schooling to be followed by one of the two streams mentioned below:
 - a) pupils who continue their further or higher education will take two years of secondary schooling. Transition from basic schooling to secondary level shall be limited to pupils who secure minimum average grades at the basic education. Intake at secondary level shall also be governed by the need of the economy for colleges and university graduates. Other pupils who desire to pursue this stream may join the private sector schooling.
 - b) all other pupils may be admitted to a two year vocational training programme. These programmes have to be designed in accordance with the needs of the labour market and shall include:

- 1) competence in a job and/or range of occupational skills;
- 2) ability to transfer knowledge and skills to new situations; and
- 3) personal effectiveness.

The Government will be able to optimise the utilisation of financial resources devoted to education and training, as well as optimise the utilisation of physical capital, such as building, which have been allocated for the current traditional secondary schooling. In this way the new model of training and education will be more effectively implemented.

Furthermore, to make this programme successful, it is important to supplement it with other policies that will change young people's attitudes towards vocational training:

- i) there is a need to link the programmes with the needs of the labour market. Therefore close co-ordination is essential with the employers in the labour market to assess their views, expectations and requirements;
- ii) there is a need to establish a labour market database;
- iii) there is a need for publicity campaigns at the national level to stress the importance of these programmes to the national development strategy;
- iv) there is a need to secure employment for the young people who complete these programmes. Such action can create trust in the

worthiness of these programmes. Moreover, unemployment for a long time could lead to loss of skills if there is no opportunity to practice them. It also means wastage of national resources;

- v) the Government needs to broaden its incentive schemes to private sector establishments. Incentives could include wage subsidies, tax exemption, preferences in Government tenders, or taxes on the expatriate labour force.

The thesis found improper management practices at the work place in private sector firms. The Government should therefore ensure that necessary legislative and supervisory bodies are in place to encounter any breach of the standard practices such as working hours, and ensuring that fair treatment on the basis of race, gender, health and safety are all in place. The imposition of these codes of practice will help young Omanis achieve a better performance. After all, a friendly working environment results in stronger loyalty towards the firm, better adherence to the rules and better performance, as Taylor (1980), that work will be “more efficient when it is enjoyable”.

Due to the elasticity in the supply of non-Oman work force, young Omanis are placed in a disadvantageous position. This is because the expatriate labour force not only possesses the skills but also accept jobs at a lower wage as well. Their acceptance is based on real savings in the host country. Therefore, the MW policy would be important to maintain an acceptable living standard of the young Omanis. Furthermore, until a skilled indigenous work force is built, the government needs to introduce some incentives, such as tax holidays and preferential government contracts, in order to encourage small size and labour intensive establishments to recruit more young Omanis.

The results of this study suggests that areas outside the main cities did not receive enough attention in terms of training facilities and employment opportunities. This situation calls for more government initiatives in improving the training facilities and in providing more incentives to set up businesses in those areas. Such a policy will not only

provide a fair opportunities to the young Omanis from areas outside Muscat, but also help to stop the drain of the young and the more enterprising from those areas.

Lack of motivation on the part of the expatriate workers in sharing their experience and knowledge with their Oman co-workers is not unusual. Instead, as Donnelly (1995) suggested, the Government should introduce a reward system to expatriate managers engaging themselves in a successful localisation programme. The reward could be in terms of a cash lump sum, an extended contract or even life residency in the country. Furthermore, placing an Omani as a head of human resource department within the organisation will help to ensure quicker implementation of any localisation plan.

7.4 Future Research

It has been described in this thesis how knowledge about the youth labour market in Oman is still at its early stages. There are, therefore, several areas worth more focused researching. Among these topics are:

- 1 . The relationship between educational qualifications and the point of entry into the labour market.
2. How to achieve school / business partnership
3. The initial preparation of young Omanis at the work place (the induction process)
4. The psychological treatment given to young Omanis at the work place (marginalisation of young Omanis at the work place).
5. The exploration of Government incentives to small and labour intensive private sector establishments in employing young school-leavers
- 6 . Female Labour Market in Oman
- 7 . Employment Patterns in Rural Oman.
8. The physical and psychological consequences of unemployment on young people in Oman.
9. The exploration of the areas where young Omanis can be most successful in starting self employment.
10. Factors that have impact on productivity at the macro and the micro levels.

7.5 Conclusions

This thesis is concerned with the transition of the young Omanis from schools to the labour market. The objective was to generate knowledge about the primary factors that prevent young school-leavers from gaining access to the labour market. The thesis has devoted efforts to analysing the reasons for the emergence of these factors. The thesis also offered several an integrated set of suggestions to policy makers to alleviate the problem of youth unemployment in the country. The thesis emphasised the importance of human resource development in the onward march of Oman towards progress and prosperity. Of course the thesis is not perfect in itself. The thesis has many limitations. Many areas deserve further investigations and analysis.

If the thesis can be of some use to the prosperity of Oman, however, and all future researchers and students of social science, the researcher feels that the study has accomplished its mission.

Notes

1. The Gulf Co-operation Council was formed in 1981 as a defence, political and economic association. It includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates.
2. The public sector in Oman refers to ministries, councils, public authorities, institutions, and bodies with separate legal personalities.
3. Sheltered employment has been defined in the Oxford English Dictionary (1989) as “designating place for.... working (or suitable work) provided for....., where special assistance and facilities are available”.
4. Vocational education is the education programme which provides “generic or specific skills with a view to employment” The DES document, 1985, quoted in Brown and Ashton, 1987).
5. US Dollar equates 0.3845 Rial Omani
6. Establishment is any project that has been run by a natural or judicial person and employs one or more labourers who receive wage whichever might be (Oman Labour Law, 1973).
7. Prior to presuming activity, all establishments in Oman need to obtain a license from the Ministry of Commerce and Industry. They have also to register with the Oman Chamber of Commerce and Industry (OCCI). The OCCI has classified establishments in the Sultanate into International, Consultancy (both international and local), Excellent grade, Grade I, II, III and IV in accordance with the prescribed capital. On the basis of this classification, the Labour Department grants labour work permits to establishments wishing to employ expatriate workers from abroad.
8. “According to conventional international definitions, the ‘economically active population’ of a given country includes all individuals who are currently employed as well as those who may be unemployed but were either previously employed or are seeking work for the first time. Exclude from consideration in this definition are the following categories of population: students, housewives, retired, income recipients, and those unable to work - all of whom are considered ‘economically inactive’” Watsun (1995).
9. The original concept is borrowed from Sellin, Burkart (1991).

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**Sheffield Hallam University
Sheffield Business School
Policy Research Centre**

**Questionnaire
for
Employers in the Private sector**

**Fuaad Jaafer Sajwani
June 1996**

The objective of this Questionnaire

This questionnaire is designed to gather information on the factors that influence (facilitating or inhibiting) young Omanis gaining access to the labour market. The findings will help to formulate a more comprehensive understanding of this vital issue. Data collected will be used for statistical purpose and participants will remain anonymous. It would be of great assistance to me if you could answer the questions listed in the attached Questionnaire. Many thanks in anticipation.

Fuaad Jaffer Sajwani
PO Box 3442,
Ruwi, PC 112,
Sultanate of Oman

June 1996

Dear sir

The Integration Process of Young Omanis into the Labour Market

I am a doctorate research student at the Sheffield Business School, based in Sheffield in the United Kingdom. With the objective of pursuing my thesis on the above subject, the attached questionnaire has been developed. The questionnaire is designed to generate knowledge on the factors influencing young Omani's attempts to gain access to the labour market.

The survey covers a cross-section of young people in employment. To be able to cover all points of view, it is important to receive a reply from every person we write to and will therefore solicit your kind co-operation. Data collected will be used for statistical purpose and participants will remain anonymous.

Kindly fill-in your answers and post back the questionnaire to the undersigned using the pre-paid envelope.

I Look forward to your early response and would like to thank you in anticipation.

Yours sincerely,

Fuaad Jaffer Sajwani

Guidelines for the completion of the Questionnaire

- 1) In completing the questionnaire, it would be helpful to you to read *all* the questions *first*.
- 2) Ensure that you understand the question well before you give your answers. If any query arises, please do not hesitate to contact the undersigned by telephone or fax which are given below.
- 3) Be careful to tick / the right box.
- 4) We are seeking *your* views only. You are therefore requested not to ask anyone else to fill in the questionnaire on your behalf otherwise we will not be able to obtain a factual cross-section of opinion.
- 5) Feel free to express your opinion when answering any questions . Clearly, there are no right or wrong answers.
- 6) Upon completion please review the questionnaire to ensure you have not left any questions unanswered.
- 7) Please use the attached pre-paid envelope to return the questionnaire to the undersigned.

Thank you very much for your co-operation.

Fuaad Jaffer Sajwani
PO Box 3442
Ruwi, PC 112
Oman

Telephone: 698041
Fax. No. : 694775

Invitation

As a token of appreciation to your participation in the survey, you are cordially invited to use the attached voucher for a free meal at Burger King Restaurant situated at Al-Harthi Shopping Centre in Qurum. The voucher will be valid only upon receiving the questionnaire duly completed.

Section A: Firm Profile

Q.1 Name of the firm:

--

Q.2 Grade:

--

Q.3 Address:

--

Q.4 What is the business activity of the firm? Please tick ✓ whichever applies.

a) Agriculture/Fisheries.. ☐

b) Mining/Quarrying.. ☐

c) Manufacturing ☐

d) Electricity/Gas/Water ☐

e) Construction ☐

f) Wholesale/Retail Trade ☐

g) Restaurant/Hotel ☐

h) Transportation/Communication ☐

i) Finance/Insurance/Real Estate/Business Service ☐

j) Other, please specify ☐

--

Q.5 Size of the firm. Please provide the following information:

Number of Staff as at 1.6.1996				
Omanis		Non-Omanis		Total
Male	Female	Male	Female	

Q.6 Number of Omani staff aged 16-24:

Q.7 What kind of jobs your firm can offer to young Omanis holding secondary school qualification?

Q.8 Do you believe that Omani female employees should be confined to certain type of jobs?

YES NO
☐ ☐

Q.9 What kind of jobs your firm can offer to young Omani females?

Q.10 On average, how long does young Omani with secondary school qualification take to settle in his job and be able to carry out his duties independently. Please tick / one box.

- a) Up to three months
.....
☐
- b) 3 - 6 months
.....
☐
- c) 6 - 12 months
.....
☐
- d) More than 12 months
.....
☐

Q.11 Has your firm ever employed young Omanis supported by the Government’s wage subsidy scheme? Please tick / one box.

YES

NO

☐
☐

If the answer to Question 11 is YES, please answer Question 12

Q.12 How many young Omanis have you already recruited who are supported by the wage subsidy scheme?

For questions involving five choices, please tick / one box to indicate the extent of your agreement with the question (where 1 means you strongly disagree and 5 means you strongly agree.

Q.13 Do you think that the wage subsidy scheme provides your firm with cheap source of labour. Please tick / one box.

Strongly disagree

Disagree

Not sure

Agree

Strongly Agree

1

2

3

4

5

☐
☐
☐
☐
☐

Q.14 Do you believe that the level of wages set by the Government and demanded by young Omanis is too high. Please tick / one box.?

Strongly disagree	Disagree	Not Agree	Agree	Strongly agree
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.15 Would a reduction in the minimum wage set by the Government provides an incentive for your firm to employ more young Omani workers? Please tick / one box.

Strongly disagree	Disagree	Not sure	Agree	Strongly Agree
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.16 Whom do you prefer for employment? Please tick / one the box.

a) Omani ☐

Why:

b) Non-Omani ☐

Why:

If your answer to Question 16 is option (a) please answer Question 17 below

Q.17 Who do you prefer for employment?

a) Young Omanis from Muscat area ☐

b) Young Omanis from the interior ☐

c) No particular preference ☐

Q.18 Has your firm ever been consulted by any Government Department, General education or Vocational Training Institutions on the number, type and level of skill required by your firm? Please tick / one box.

YES NO
☐ ☐

Q.19 Has your firm ever been requested by any Government Department, General education or Vocational Training institutions to participate in the process of curriculum design? Please tick / one box.

YES NO
☐ ☐

Q.20 Does your firm have a training centre of its own? Please tick / one box..

YES NO
☐ ☐

Q.21 Have you organised any training programme for your employees? Please tick / one box.

YES NO
☐ ☐

If the answer to Question 21 is YES, please answer question 22

Q.22 Has any of the young Omani employees with your firm participated in any of the training programmes? Please tick / one box.

YES NO
☐ ☐

If the answer to Question 22 is YES, please answer question 23

Q.23 Number of young Omanis participated in your training programmes in 1995?

Females:	
Males :	

Q.24 What kind of training programmes have you organised for your Omani employees during 1995:

Name of the programme	Duration	No. of Young Omani Participated

Q.25 It is believed that private firms are not investing adequately on training young Omanis. In your opinion, What are the reasons for that? Please tick / one box.

a) High turn over among young Omani workers ... ☐

b) Poaching of skilled Omanis between firms ... ☐

c) Cost of training is prohibitive ... ☐

d) Lack of seriousness among young Omanis ... ☐

e) Other, please specify ... ☐

--

Q.26 How do you rate young Omani workers and young non-Omani workers in terms of the following characteristics:

Rating Characteristics										
	Omanis					Non-Omanis				
	Excellent	Good	Average	Below average	Poor	Excellent	Good	Average	Below average	Poor
Productivity										
Punctuality at work										
Attitudes towards supervisors										
Attitudes towards rules										
Commitment for long term employment										
Level of involvement/ commitment to work										
Other, please specify:										

Q.27 It is believed that the more capable young Omanis seek employment in the Government. How far do you agree with? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly Agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.28 Do you think your firm will be able to meet , by end of 1996 ,the Omanisation percentage set by the Ministry of Social Affairs and Labour? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If the answer to Question 28 is No, please answer Question 29

Q.29 Why do you think your firm will not be able to meet the Omanisation percentage set by the Ministry of Social Affairs and Labour?

- a) Short notice period for the implementation of the required percentage ☐
- b) The unavailability of young Omanis with relevant skills ☐
- c) Young Omanis are demanding high wages ☐
- d) Young Omanis do not stay in their employment ... ☐
- e) Young Omani's choices of jobs are limited .. ☐
- f) Other, please specify ☐

Q.30 What is the working language at your firm? Please tick / whichever applies.

- a) Arabic ☐
- b) English ☐
- c) Other, please specify ☐

Q.31 It is believed that young Omanis are not often able to participate effectively in the firm because of their inadequate knowledge of English. Do you agree with this? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly Agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q. 32 Do you believe that the domination of non-Arabic language in your firm is creating an environment of alienation to young Omani employees?

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly Agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Question 33 is for the non-Omani respondents

Q.33 Are you conversant with the Arabic language?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

Q.34 Have you organised any kind of training programme for your expatriate managers to enable them to interact effectively/ establish better relationship with the new young Omani employees? Please tick one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If your answer to Question 34 is YES please answer Question 35 below

Q.35 Please give details about the programmes given to your expatriate managers.

Q.36 In your opinion , what qualities/ traits or any other characteristics among the young Omanis are *favorable* to their gaining employment?

--

Q.37 In your opinion, what qualities/ traits or any other characteristics among the young Omanis which are *not favorable* to their gaining employment?

--

Q.38 The writer of this Questionnaire would like to discuss this subject with you in person. If you are willing, please tick / the box and give your name:

☐

Name:

--

Position

--

Thank you very much for taking time and interest to complete this questionnaire.

Sheffield Hallam University
Sheffield Business School
Policy Research Centre

**Questionnaire
for Young Omanis in Employment**

Fuaad Sajwani
June 1996

The objective of this Questionnaire

This questionnaire is designed to gather information on the factors that influence (facilitating or inhibiting) young Omanis gaining access to the labour market. The findings will help to formulate a more comprehensive understanding of this vital issue. Data collected will be used for statistical purpose and participants will remain anonymous. It would be of great assistance to me if you could answer the questions listed in the attached Questionnaire. Many thanks in anticipation.

Guidelines for the completion of the Questionnaire

- 1) In completing the questionnaire, it would be helpful to you to read *all* the questions *first*.
- 2) Ensure that you understand the question well before you give your answers. If any query arises, please do not hesitate to contact the undersigned by telephone or fax which are given below.
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Fuaad Jaffer Sajwani
PO Box 3442
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Invitation

As a token of appreciation to your participation in the survey, you are cordially invited to use the attached voucher for a free meal at Burger King Restaurant situated at Al-Harthy Shopping Centre in Qurum. The voucher will be valid only upon receiving the questionnaire duly completed.

Section A: General Questions

Q.1 Are you male or female? Please tick / one box. Male Female

☐ ☐

Q.2 What is your age?

Q.3 Are you married? Please tick / one box

YES ☐ NO ☐

Q.4 Do you have any children? Please tick / one box.

YES ☐ NO ☐

Q.5 What is your home Wilayat (District)?

If you are not from Muscat Governorate then answer Question 6 below:

- Q.6** Why did you move to Muscat? Please tick / the relevant box/boxes.
- a) To continue your education ☐

b) To get a job ☐

c) Other, please specify ☐

Q.7 What is your father's highest educational qualification?

a) No education ☐

b) Up to primary level ☐

c) Up to preparatory level ☐

d) Up to secondary level ☐

e) Higher diploma, please specify ☐

f) Bachelor degree, please specify ☐

g) Other, please specify ☐

Q.8 What is your father's occupation?

Section B: Educational Qualifications

Q.9 What is your highest educational qualification?

- a) No education ☐
- b) Up to primary level ☐
- c) Up to preparatory level ☐
- d) Up to secondary level ☐
- e) Higher diploma , please specify ☐

- f) Bachelor degree, please specify ☐

- g) Other, please specify ☐

Q.10 What was your grade or average marks obtained
in the final year examination at the school/ institute?

Q.11 Why did you not continue your studies? Please tick / as many boxes as applies.

- a) No higher level of education was available in your area . ☐
- b) You could not join a college or the university because of your grade marks
- c) You did not like school
- d) You did not believe that obtaining a higher qualification would improve your employability
- e) Your family could not pay for your education
- f) You believed that work is more useful than further education
- g) Other, please specify

Q. 12 Have you been given any technical or vocational courses at school/ institute? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

The following questions include five options. Please tick / one box to indicate the extent of your agreement with the question (where 1 means you strongly disagree and 5 means you strongly agree).

Q.13 Do you believe that the school/ institute has provided you with enough help in preparation for finding a job? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q. 14 Do you believe that the subjects you studied at school/ institute are relevant to your work? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.15 Why have you not joined a Vocational Training Institute/Centre instead of the general/ academic school?

- a) Academic schooling enjoys more prestige ☐
- b) No vocational training institute/ centre was available in your area ☐
- c) Graduates of vocational training institutes could not continue their higher education ☐
- d) Your preference was for office-related jobs ☐
- e) Other, please specify ☐

Q.16 If the Vocational Training Institutes offered monthly bursary would you have considered enrolling? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.17 If the Vocational Training Institutes guaranteed your employment upon completion of the programme would you have considered enrolling? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C: Employment

Q.18 What was your future plans before leaving school?

- a) To join the university ☐ b) To join a technical college ☐
- c) To get a job ☐ d) To join a vocational centre/
institute ☐
- e) Other, please specify: ☐

Q.19 Have you received any guidance from any of the following on what you should do upon leaving school? Please tick / the relevant box/ boxes.

- a) Family ☐ b) Friends ☐
- c) Employment Department ☐ d) The school ☐
- e) Other, please specify: ☐

Q.20 Which job sector did you prefer when leaving school? Please rank your preferences in the order of 1 to 14 on each of the following categories (Place 1 against your first preference , 2 against your next preference, and so on to 14 against your least preference):

- a) Agriculture/Fisheries
- b) Mining.....
- c) Manufacturing
- d) Electricity/Water/Gas
- e) Construction.....
- f) Trade/Vehicles & Household goods repairs ...
- g) Hotel/Restaurants
- h) Transport/Communications
- i) Financial services
- j) Real estate
- k) Government/Defense/Police
- l) Education
- m) Health/Social work
- n) Other, please specify

☐
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☐
☐

Questions 21 to 24 are for female respondents:

Q.21 Do you believe that being a female is in any way restricting your employment choice? Please tick / one box.

YES NO
☐ ☐

Q.22 Which of the following factors, do you think, restrict your employment choice? Please tick / the relevant box/ boxes.

- a) Family financial status ☐
- b) Family restrictions (father, husband) ☐
- c) Family responsibility (husband , dependent children) ☐
- d) Distance of work from home ☐
- d) Cultural barriers in society ☐
- e) Attitudes of employers to recruiting female employees ☐
- f) Other , please specify ☐

Q.23 Do you believe that females should confine themselves to certain jobs?

YES NO
☐ ☐

If your answer to Question 23 is YES, please answer Question 24 below:

Q.24 Please give examples of jobs you believe they are most suitable for female.

Q.25 What are all the things you value most from a job? Please rank the following factors in order of their importance to you. (Place 1 against your first preference, 2 against your next preference and so on to 8 against your least preference).

- | | |
|---|--------------------------|
| a) Prestige in society/ social status | <input type="checkbox"/> |
| b) Opportunities to learn and self develop | <input type="checkbox"/> |
| c) Job security | <input type="checkbox"/> |
| d) Good management | <input type="checkbox"/> |
| e) Good pay | <input type="checkbox"/> |
| f) Shorter working hours/ longer holidays | <input type="checkbox"/> |
| g) Opportunities to use knowledge / skills | <input type="checkbox"/> |
| h) Other, please specify | <input type="checkbox"/> |

Q.26 Do you prefer to work for the:

- a) The Government ☐
- b) The private sector ☐
- c) Other, please specify ☐

If your answer to Question 26 is (a), please answer Question 27 below:

Q.27 Which of the following factors would encourage you to consider working for the Government? Please tick / as many boxes as applies.

- a) Social status ☐
- b) Better pay ☐
- c) Social security ☐
- d) Job for life ☐
- e) Career development/Promotion opportunities ☐
- f) Less working hours/Single shift a day/Longer holidays ☐
- g) Friendly working environment ☐
- h) Other, please specify ☐

Q.28 Is there an Employment Department in your area? Please tick / one box.

YES NO
☐ ☐

Q.29 Did you visit the Employment Department? Please tick / one box.

YES NO
☐ ☐

Q.30 Did you receive any help from the Employment Department? Please tick / one box.

YES NO
☐ ☐

If the answer to Question 30 is YES, please answer Question 31 below:

Q.31 What kind of help did you receive from the Employment Department? Please tick / the relevant box/boxes.

a) Search for a job ☐

b) Provide you with useful information, Booklets
Brochures ☐

c) Keeping in touch with you ☐

d) Induction programmes ☐

e) Other, please specify ☐

--

Q.32 Details about your current job:

a) Job title:

--

b) Type of job:

--

Q.33 How long had you been unemployed before you got your first job?

--

Q.34 If you have changed jobs before, how long did you stay in each job?

Job 1

--

Job 2

--

Job 3

--

--

Q.35 Why did you leave your last job? Please tick / the relevant box / boxes.

- a) The wage was lower than your expectation ☐
- b) The job involved manual work ☐
- c) Rigid working rules in place ☐
- d) No job security ☐
- e) No career development.. . . . ☐
- f) Lack of fluency in English ☐
- g) Unfriendly working environment ☐
- h) Most of colleagues at work place were expatriates ☐
- I) Other, please specify ☐

Q.36 What is the predominant language used in the firm? Please tick the relevant box / boxes.

- a) Arabic ☐
- b) English ☐
- c) Other, please specify ☐

Q.37 Do you believe that the domination of a non-Arabic language in the firm affects the level of your contribution and productivity? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.38 Do you believe that there is some discrimination between Omanis and non-Omanis in your present place of work. Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.39 Do you believe that having an Omani as head of Personnel Department in the firm can provide better working environment for Omani workers? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section D: Training

Q.40 Have you ever participated in any technical or vocational training programme? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If your answer to Question 40 is YES, please answer Question 41 to 44 below:

Q.41 Who organised the training programme? Please tick / the relevant box.

- a) The Ministry of Civil Service ☐
- b) A Vocational Training Institute/Centre ☐
- c) Other Government Department ☐
- d) Private sector firm ☐
- e) Personal initiative ☐
- f) Other, please specify ☐

Q.42 In what field was the training?

Q.43 How long was the training programme?

Q.44 Do you think that the training programme has improved your skills? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.45 Have you been given any training programme at your present job?
Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

Section E: Concluding Questions

Q.46 Are you are satisfied with your current job? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	Strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.47 How do you see your career in your current job in terms of the elements listed below.

Element	Rating				
	Excellent	Good	Do not know	Below average	Bad
Pay increase					
Career development					
Job security					
Social status					
Other, Please specify:					

Q.48 The writer of this Questionnaire would like to discuss this subject with you in person. If you agree to being contacted , please tick / the box.

☐

Your name

--

Your address

--

Tel. No.

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Thank you very much for taking time and interest to complete this questionnaire.

Sheffield Hallam University
Sheffield Business School
Policy Research Centre

**Questionnaire
for Unemployed Young Omanis**

Fuaad Sajwani
June 1996

The objective of this Questionnaire

This questionnaire is designed to gather information on the factors that influence (facilitating or inhibiting) young Omanis gaining access to the labour market. The findings will help to formulate a more comprehensive understanding of this vital issue. Data collected will be used for statistical purpose and participants will remain anonymous. It would be of great assistance to me if you could answer the questions listed in the attached Questionnaire. Many thanks in anticipation.

Guidelines for the completion of the Questionnaire

- 1) In completing the questionnaire, it would be helpful to you to read *all* the questions *first*.
- 2) Ensure that you understand the question well before you give your answers. If any query arises, please do not hesitate to contact the undersigned by telephone or fax which are given below.
- 3) Be careful to tick / the right box.
- 4) We are seeking *your* views only. You are therefore requested not to ask anyone else to fill in the questionnaire on your behalf otherwise we will not be able to obtain a factual cross-section of opinion.
- 5) Feel free to express your opinion when answering any questions . Clearly, there are no right or wrong answers.
- 6) Upon completion please review the questionnaire to ensure you have not left any questions unanswered.
- 7) Please use the attached pre-paid envelope to return the questionnaire to the undersigned.

Thank you very much for your co-operation.

Fuaad Jaffer Sajwani
PO Box 3442
Ruwi, PC 112
Oman

Telephone: 698041
Fax. No. : 694775

Invitation

As a token of appreciation to your participation in the survey, you are cordially invited to use the attached voucher for a free meal at Burger King Restaurant situated at Al-Harthi Shopping Centre in Qurum. The voucher will be valid only upon receiving the questionnaire duly completed.

Section A: General Questions

Q.1 Are you male or female? Please tick / one box.

Male	Female
<input type="checkbox"/>	<input type="checkbox"/>

Q.2 What is your age?

Q.3 Are you married? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

Q.4 Do you have any children? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

Q.5 What is your home Wilayat (District)?

If you are not from Muscat Governorate then answer Question 6 below:

Q.6 Why did you move to Muscat? Please tick / the right box.

a) To continue your education ☐

b) To get a job ☐

c) Other, please specify ☐

Q.7 What is your father's highest educational qualification?

a) No education

☐

b) Up to primary level

☐

c) Up to preparatory level

☐

d) Up to secondary level

☐

e) Higher diploma, please specify

☐

f) Bachelor degree, please specify

☐

g) Other, please specify

☐

Q.8 What is your father's occupation?

Section B: Educational Qualifications

Q.9 What is your highest educational qualification?

a) No education ☐

b) Up to primary level ... ☐

c) Up to preparatory level ... ☐

d) Up to secondary level ... ☐

e) Higher diploma, please specify ... ☐

f) Bachelor degree, please specify .. ☐

g) Other, please specify .. ☐

Q.10 What was your grade or average marks obtained in the final year examination at the school/ institute.

Q.11 Why did you not continue your studies further? Please tick / as many boxes as applies.

- a) No higher level of education was available in your area . ☐
- b) You could not join a college or the university because of your grade marks
- c) You did not like school
- d) You did not believe that obtaining a higher qualification would improve your employability
- e) Your family could not pay for your education
- f) You believed that work is more important than further education
- g) Other, please specify

Q.12 Have you been given any technical or vocational courses at school/ institute? Please tick / one box.

YESNO

The following questions involved five options, please tick /one box to indicate the extent of your agreement with the question (where 1 means you strongly disagree and 5 means you strongly agree.

Q.13 Do you believe that the school has provided you with enough help in preparation for finding a job. Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.14 Do you believe that the subjects you studied at school are relevant with the requirements of the labour market. please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Questions 15-17 are for preparatory or secondary school leavers

Q.15 Why did you not joined a Vocational Training Institute/Centre instead of the general schools?

- a) Academic schooling enjoys more prestige ☐
- b) No vocational training institute/ centre was available
in your area ☐
- c) Graduates of vocational training institute could not
continue their higher education ☐
- d) Your preference was for office-related jobs ☐
- e) Other, please specify ☐

Q.16 If the Vocational Training Institutes offered monthly bursary, would you have considered enrolling? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.17 If the Vocational Training Institutes guaranteed your employment upon completion of the programme, would you have considered enrolling? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C: Employment

Q.18 What was your future plans before leaving school? Please tick / one box.

- | | | | |
|---------------------------|--------------------------|---|--------------------------|
| a) To join the university | <input type="checkbox"/> | b) To join a technical college | <input type="checkbox"/> |
| c) To get a job | <input type="checkbox"/> | d) To join a vocational centre
institute | <input type="checkbox"/> |
| e) Other, please specify: | <input type="checkbox"/> | | |

Q.19 Have you received any guidance from any of the following on what you should do upon leaving school? Please tick / one box.

- | | | | |
|---------------------------|--------------------------|---------------|--------------------------|
| a) Family | <input type="checkbox"/> | b) Friends | <input type="checkbox"/> |
| c) Employment Department | <input type="checkbox"/> | d) The school | <input type="checkbox"/> |
| e) Other, please specify: | <input type="checkbox"/> | | |

Q.20 Which job sector did you prefer when leaving school/ institute?

Please rank your preferences in the order of 1 to 14 on each of the following categories (Place 1 against your first preference , 2 against your next preference , and so on to 14 against your least preference):

- a) Agriculture/Fisheries ☐
- b) Mining.. ☐
- c) Manufacturing ☐
- d) Electricity/Water/Gas ☐
- e) Construction.. ☐
- f) Trade/Vehicles & Household goods repairs .. . ☐
- g) Hotel/Restaurants ☐
- h) Transport/Communications ☐
- i) Financial services ☐
- j) Real estate ☐
- k) Government/ Defence/ Police ☐
- l) Education ☐
- m) Health/Social work ☐
- n) Other, please specify ☐

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Questions 21 to 24 are for female respondents:

Q. 21 Do you believe that being a female is in any way restricting your employment choice? Please tick/ one box.

YES NO
☐ ☐

If your answer to Question 21 is YES, please answer 22 below:

Q.22 Which of the following factors , do you think, restrict your employment choice? Please tick / the relevant box/boxes.

a) Family financial status

☐

b) Family restrictions (father, husband)

☐

c) Family responsibility (husband , dependent children)

☐

d) Distance of work from home

☐

d) Cultural barriers in society

☐

e) Attitudes of employers to recruiting female employees

☐

f) Other , please specify

☐

Q.23 Do you believe that females should confine themselves to certain jobs? Please tick / one box.

YES NO
☐ ☐

If your answer to Question 23 is YES, please answer Question 24 below

Q.24 Please give examples of jobs you believe are most suitable for female.

Q.25 Have you ever worked before? Please tick / one box..

YES

☐

NO

☐

Q.26 How long have you been unemployed since you left school?

Q.27 What are all the things you value most from a job? Please rank the following factors in order of their importance to you. (place 1 against your first preference , 2 against your next preference and so on to 8 against your least preference).

a) Prestige in society/ social status

☐

b) Opportunities to learn and develop

☐

c) Job security

☐

d) Good management

☐

e) Good pay

☐

f) Shorter working hours/ long holidays

☐

g) Opportunities to use knowledge/ skills

☐

h) Other, please specify

☐

Q.28 Would you prefer to work for:

- a) The Government ☐
- b) The private sector ☐
- c) Other, please specify ☐

If your answer to Question 28 is (a) please answer Question 29 below:

Q.29 Which of the following factors would encourage you to consider working for the Government? Please tick / as many boxes as applies.

- a) Social status ☐
- b) Better pay ☐
- c) Social security ☐
- d) Job for life ☐
- e) Career development/Promotion opportunities ☐
- f) Less working hours/Single shift a day/Longer holidays ☐
- g) Friendly working environment ☐
- h) Other, please specify ☐

Q.30 Would you prefer to remain unemployed if you can not obtain Government job? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.31 Is there an Employment Department in your area? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

Q.32 Do you visit the Employment Department? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

Q.33 Do you receive any help from the Employment Department? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If the answer to Question 33 is YES, please answer Question 34 below:

Q.34 What kind of help do you receive from the Employment Department?
Please tick / the relevant box/boxes.

a) Search for a job ☐

b) Provide you with useful information, Booklets
Brochures ☐

c) Telephone calls/Communications ☐

d) Induction programmes ☐

Other, please specify ☐

Q.35 How do you find the job opportunities when you visit the Employment Department? Please tick / the relevant box/boxes.

- a) No job opportunities are available in your area ☐
- b) Jobs are available but above your qualifications ☐
- c) Jobs are available but below your expectations ☐
- d) Other, please specify ☐

Q.36 Do you believe that jobs involving manual work are less prestigious than office related works? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.37 Are there any jobs that you will definitely not accept? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If your answer to Question 37 is YES, please answer Question 38 below:

Q.38 Please give examples of jobs you will definitely not accept:

Q.39 What are the difficulties that you normally face in searching for a job? Please tick / the relevant box/ boxes.

- a) No access for job information. ☐
- b) The Employment Department staff are not co-operative ☐
- c) Possible disappointment/Failure ☐
- d) Filling in application forms ☐
- e) Interview process ☐
- f) Employers do not reply ☐
- g) Delay in getting reply from employers ☐
- h) Omani employers are not friendly ☐
- i) Non-Omani employers are not friendly ☐
- j) Lack of money ☐
- k) Other, please specify ☐

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Q.40 If you have changed jobs before, how long did you stay in each job?

JOB 1

JOB 2

JOB 3

Q.41 Why did you leave your last job? Please tick / the relevant box/boxes.

- a) The wage was lower than your expectation ☐
- b) The job involved manual work ☐
- c) Rigid working rules in place ☐
- d) No job security ☐
- e) No career development ☐
- f) Lack of fluency in English language ☐
- g) Unfriendly working environment ☐
- h) Most of the colleagues at the work place were expatriates ☐
- i) Other, please specify ☐

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Q.42 In your opinion, what are the reasons for not being able to get a job.

Please tick / the relevant box/ boxes.

a) Poor educational qualifications ☐

b) Your education did not meet with the needs of
the labour market ☐

c) Rigid employment policies of private sector firms . . . ☐

d) Insufficient Government policies ☐

e) Lack of English language ☐

f) Other, please specify ☐

Q.43 Being unemployed, how do you feel about your self? Please tick / one box.

a) Optimistic ☐

b) Frustrated ☐

c) Tendency to keep away from people ☐

d) Other, please specify ☐

Section D: Training

Q.44 Have you ever participated in any technical or vocational training programmes? Please tick / one box.

YES NO
☐ ☐

If your answer to Question 44 is YES, please answer Questions 45 to 49 below:

Q.45 Who organised the training programme? Please tick / the relevant box.

a) The Ministry of Civil Service

☐

b) A Vocational Training Institute/Centre

☐

c) Other Government Department

☐

d) Private sector firm

☐

e) Personal initiative

☐

f) Other, please specify

☐

Q.46 In what field was the training?

Q.47 How long was the training programme?

Q.48 Do you that the training programme has improved your skills? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.49 Do you think that the training programme has improved your employability? Please tick / one box.

Strongly disagree 1	Disagree 2	Not sure 3	Agree 4	strongly agree 5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q.50 Do you plan to join any of the training programmes organised by the Vocational Training Institutes/Centres? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If your answer to Question 50 is YES, please answer Question 51 below:

Q.51 What trade will you select?

Q.52 Have you thought about self employment? Please tick / one box.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

If your answer to Question 52 is YES, please answer Question 53 below:

Q.53 Please give details about the self employment project you want to carry out.

If your answer to Question 51 is No, please answer Question 54 below:

Q.54 Please explain why you do not want to carry out self employment project?

Q.55 The writer of this Questionnaire would like to discuss this subject with you in person. If you agree to being contacted , please tick / the box.

Your name :

Your address:

Thank you very much for taking time and interest to complete this questionnaire.