

2019

STUDENT ENTREPRENEURIAL ECOSYSTEM IN UNITED ARAB EMIRATES

SURVEY REPORT

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LOCAL PARTNERS



INTERNATIONAL PARTNERS



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1.

INTRODUCTION

THE SUCCESSFUL ECONOMIC AND SOCIAL MODEL OF THE UNITED ARAB EMIRATES (UAE) LIES IN THE ABILITY TO ADAPT THE ECONOMY TO NATIONAL, REGIONAL, AND INTERNATIONAL CHALLENGES.

THIS ECONOMIC MODEL MOVED FROM A NATURAL RESOURCE-BASED ECONOMY ANCHORED IN OIL AND GAS EXTRACTION TO THE CURRENT DIVERSIFIED ECONOMIC STRUCTURE DOMINATED BY THE LOGISTICS/TRANSPORTATION, TOURISM, REAL ESTATE, AND FINANCIAL SERVICES SECTORS.

Even though the UAE's economy is prospering, the future of the economy is tied to youths' entrepreneurial behavior and their participation in a knowledge-based economy. While more than 50% of the population is between 25 and 54 years old and is directly or indirectly part of the labor mar-

ket, more than 12% of the current population is between 15 to 24 years old. This 12% of the population is going to be responsible for developing and applying a knowledge-based economy in the UAE; hence, their entrepreneurial attitudes matter.

In partnership with the Global University Entrepreneurial Spirit Students' Survey (GUESSS), Rodrigo Basco, associate professor and chairholder of the Sheikh Saoud bin Khalid bin Khalid Al-Qassimi Chair in Family Business at the American University of Sharjah, has led and coordinated the GUESSS project in the UAE to explore students' entrepreneurial intentions and entrepreneurial activities. More than 208,000 students completed the GUESSS in 54 countries.

Our report provides a summary of the most important results for UAE students in terms of entrepreneurial intentions and entrepreneurial activities. We present our results by comparing the UAE student sample with two additional sub-samples: one composed of students from other Arab countries and one composed of students from the rest of the world. We believe this general comparison puts into perspective students' entrepreneurial intentions and their drivers across contexts.

We expect that our report will contribute to generating an entrepreneurial ecosystem in the UAE by mapping students' entrepreneurial behavior, raising awareness about the importance of cultural and institutional environments to support entrepreneurial intentions, and providing information to policymakers that could be useful for tailoring strategic public policies to promote and encourage entrepreneurial behavior among youths.

We would like to thank the universities around the world and specifically those in the UAE that accepted our invitation to participate in this survey and to our partners and collaborators who made this project possible. Specifically, we extend special thanks to our local partner, Sharjah Entrepreneurship Center (Sheraa), and our international partner, Ernst and Young (EY), for their support.

2.



TAKEAWAYS



2.

TAKEAWAYS

ENTREPRENEURIAL INTENTIONS

Only 5% of all surveyed UAE students intend to become an entrepreneur right after graduation. However, students' entrepreneurial intentions increase to 41% when they consider their career five years after graduation.

Entrepreneurial intentions are higher among UAE students compared to students from the rest of the world.

Students recognize the need to have practical experience before starting their own business.

DRIVERS OF ENTREPRENEURIAL INTENTIONS

UAE students show high intentions, attitudes, and self-efficacy related to entrepreneurship but low locus of control.

Even though the university context plays an important role in developing entrepreneurial intentions, the UAE university system has not tailored specific paths to develop entrepreneurial behavior.

Most students have not taken a single course related to entrepreneurship.

Entrepreneurial family background seems to be an important factor in shaping students' entrepreneurial intentions.

UAE students' friends are the most important support group for their entrepreneurial intentions.

NASCENT ENTREPRENEURS

22% of nascent entrepreneurs in the UAE plan to open a business in the trade (retail/wholesale) sector.

The majority of UAE nascent entrepreneurs see their entrepreneurial journey without partners.

Most nascent entrepreneur students in the UAE have discussed their product or business idea with potential customers, collected information about markets or competitors, and written a business plan.

ACTIVE ENTREPRENEURS

28% of active entrepreneurs in the UAE have opened a business in the advertising or marketing sectors.

More than one-third of active entrepreneur students in the UAE started their ventures by themselves without any co-owner.

Most of the active entrepreneur students in the UAE have medium to high levels of sales growth, market share growth, and profit growth in their businesses.

3.

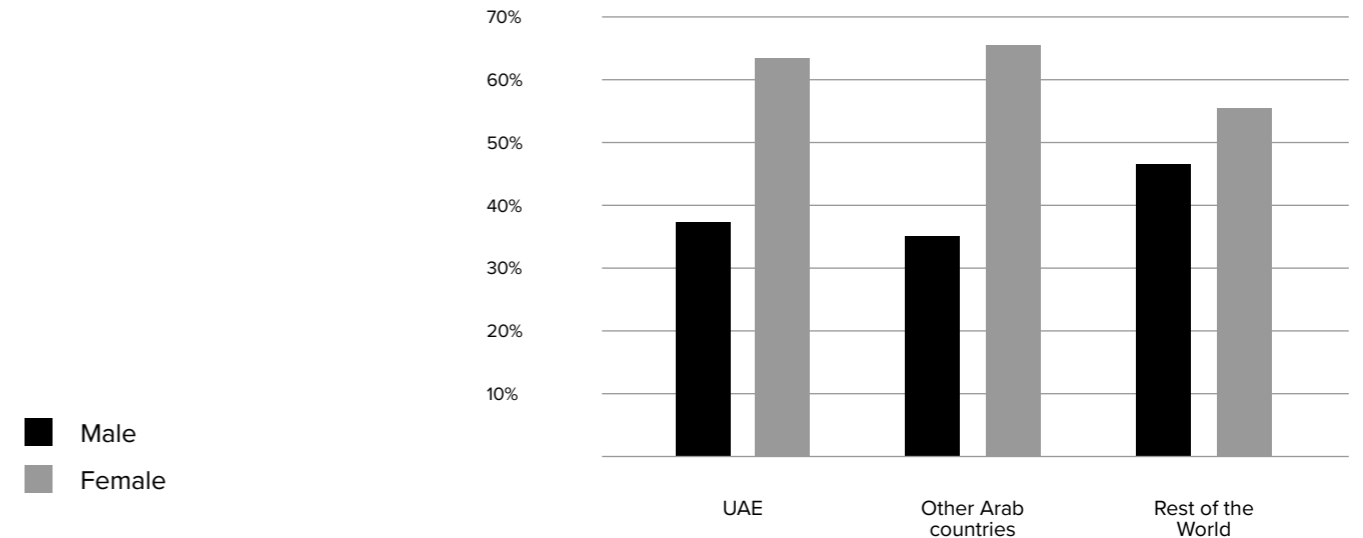
DEMOGRAPHIC INFORMATION ABOUT THE SAMPLE AND AN OVERVIEW

THE GUESSS WAS ANSWERED BY MORE THAN 208,000 STUDENTS FROM 3,000 UNIVERSITIES IN 54 COUNTRIES AROUND THE WORLD. THIS REPORT AIMS TO REVEAL THE ENTREPRENEURIAL INTENTIONS OF UNDERGRADUATE, MASTERS, AND PHD STUDENTS BY COMPARING THREE MAIN SUB-SAMPLES OF PARTICIPANTS: STUDENTS FROM THE UAE, STUDENTS FROM OTHER ARAB COUNTRIES, AND STUDENTS FROM THE REST OF THE WORLD.

Most participants who responded to the survey were undergraduate students (90.2% for the UAE, 86.8% for other Arab countries, and 78.8% for the rest of the world) followed by graduate (9.6%, 12.1%, and 18.2% respectively) and PhD students (7.2%, 8.3%, 13.1% respectively). Figure 1 shows the gender distribution of the sample. In the case of the UAE, the sub-sample is composed of a majority of female (60.7%) and a minority of male (39.3%) participants. While the gender distribution in the sub-sample of other Arab countries shows similar percentages (64.9% and 35.1%, respectively), the distribu-

tion for the sub-sample of the rest of the world is more balanced, with 54.2% of the participants being female and 45.8% being male. Our finding for the UAE gender distribution represents a pattern across the UAE higher educational system, where women dominate enrollment. This high female enrollment is the result of social pressures (i.e., families) and institutional pressures (i.e., state) that encourage female education. Additionally, the distribution of the male-female student ratio could be due to male students' higher propensity to look for educational opportunities abroad.

FIGURE 1: SAMPLE DISTRIBUTION BASED ON GENDER



4.



CAREER CHOICE INTENTIONS



4.

CAREER CHOICE INTENTIONS

REGARDING CAREER CHOICE INTENTIONS, MOST STUDENTS INTEND TO WORK FOR A PRIVATE COMPANY RIGHT AFTER GRADUATING FROM UNIVERSITY RATHER THAN WORKING IN THE PUBLIC SECTOR, BEING A SUCCESSOR IN A FAMILY BUSINESS, OR STARTING THEIR OWN NEW BUSINESS (SEE FIGURE 2).

Students' intentions to create a new business are relatively low in the UAE (5%), other Arab countries (8%), and the rest of the world (9%). However, this tendency changes when participants were asked about their intentions five years after graduation as a higher proportion of students are inclined to start their own business at that point (see Figure 3). Students in the UAE show higher entrepreneurial intentions for five years after graduation (41%) than students from other Arab countries (29%) or students from the rest of the world (35%).

The shift in students' entrepreneurial intentions when the temporal perspective is introduced leads to several questions: Do students believe the educational system can help them develop their entrepreneurial abilities and capabilities? Do students recognize the importance of practical experience for materializing their entrepreneurial ambitions? Do students' perceptions of the risk and difficulty of being an entrepreneur change based on how close the event is—in this case, creating their own business?

FIGURE 2: CAREER CHOICE INTENTIONS RIGHT AFTER GRADUATION

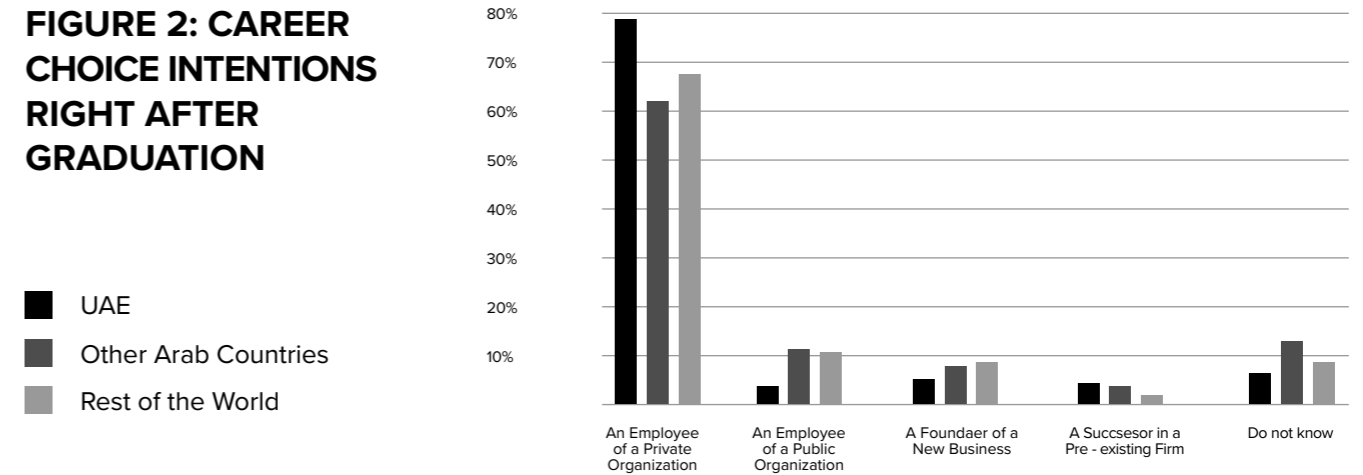


FIGURE 3: CAREER CHOICE INTENTIONS FIVE YEARS AFTER GRADUATION

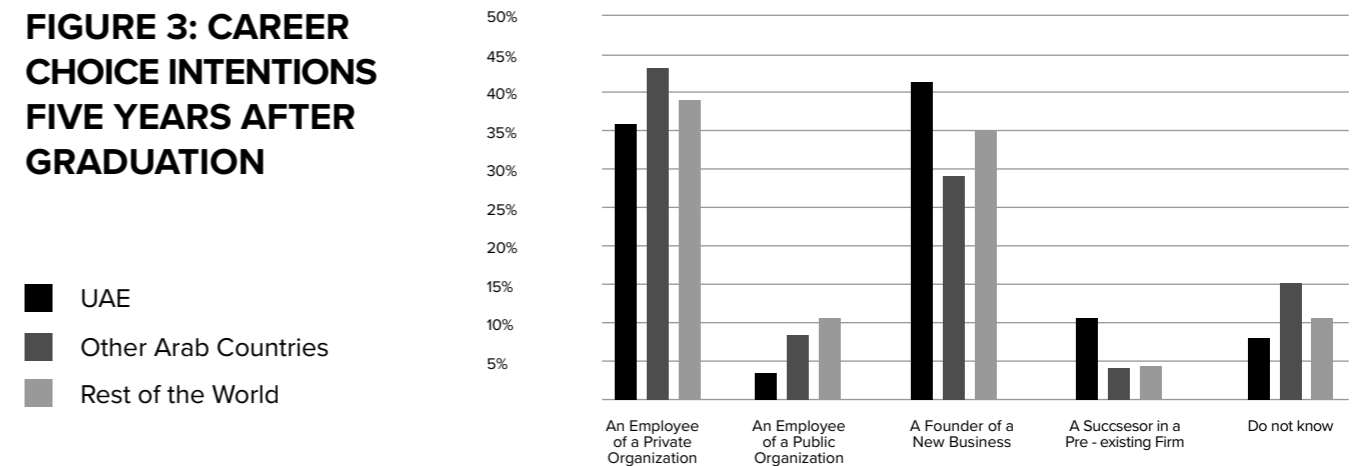
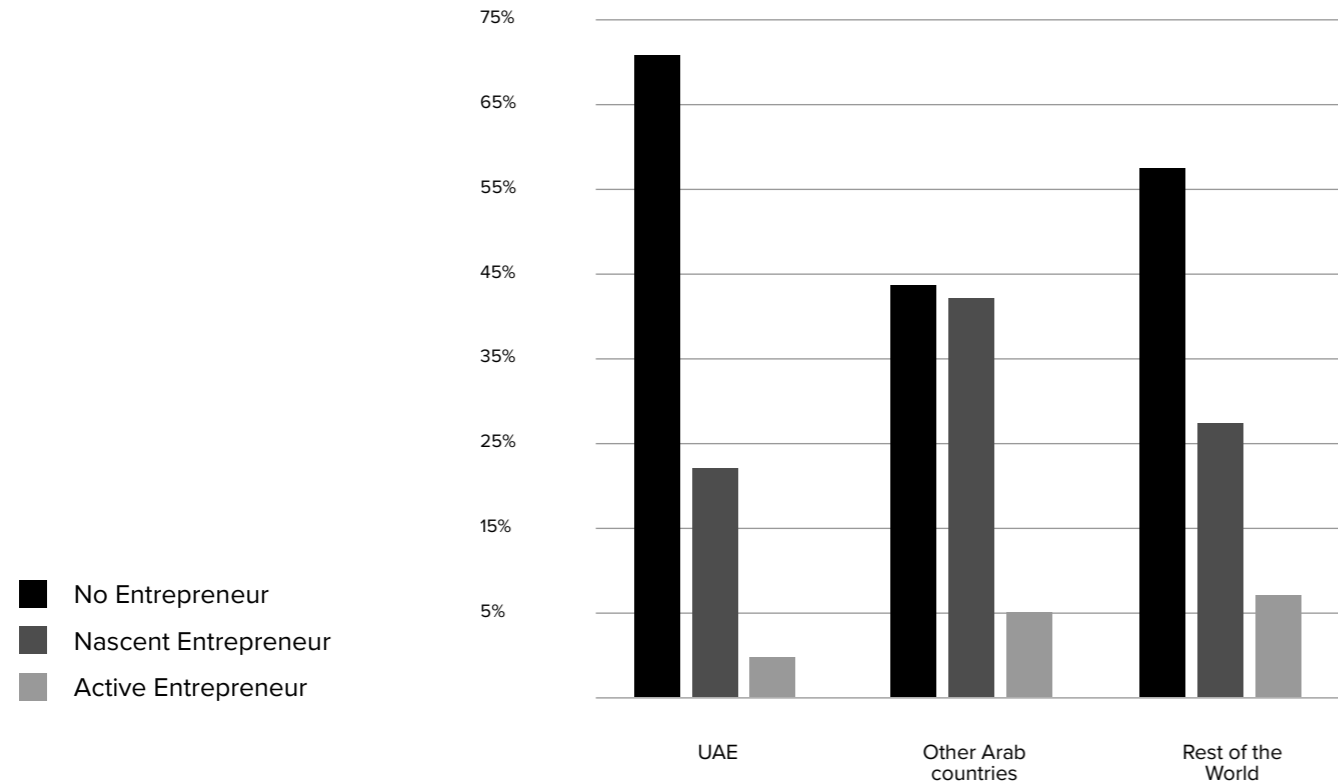


FIGURE 4: NASCENT AND ACTIVE ENTREPRENEURS



CAREER CHOICE INTENTIONS

To delve even deeper into students' entrepreneurial orientation, we divided all students in each sub-sample into three categories: no entrepreneur (i.e., students who do not intend to create a new business in the near future), nascent entrepreneurs (i.e., students who are in the process of creating their own business), and active entrepreneurs (i.e., students who already own and run their own business).

While only 30% of students in the UAE are entrepreneurs (25% nascent entrepreneurs and 5% active entrepreneurs), this percentage increases to 41% for students from the rest of the world (30% nascent entrepreneurs and 11% active entrepreneurs) and is even higher at 54% (44% nascent entrepreneurs and 10% active entrepreneurs) for students from other Arab countries (see Figure 4).

5.

DRIVERS OF ENTREPRENEURIAL INTENTIONS

“

OUR FINDINGS SHOW THAT A SIGNIFICANT PORTION OF STUDENTS PERCEIVE ENTREPRENEURSHIP AS AN ATTRACTIVE AND REWARDING CAREER OPTION.

”

In the previous section, we discussed how students' entrepreneurial intentions are not homogenous across our three sub-samples. Therefore, the question that arises is, *Why do students' entrepreneurial intentions vary across different contexts?*

To explore possible patterns that affect entrepreneurial intentions, we analyzed the drivers of students' entrepreneurial intentions by considering the micro- (individual), meso- (family and university), and macro- (society as a whole) contexts.

5.1

MICRO-CONTEXT (INDIVIDUAL)

Regarding entrepreneurial characteristics as drivers of career intentions, we analyzed students' intentions, attitudes, entrepreneurial self-efficacy, and locus of control (see Figure 5). Most students in the UAE, other Arab countries, and the rest of the world rate their intentions to become an entrepreneur and start their own business as high or very high (65%, 63%, 50%, respectively).

In terms of students' attitudes toward becoming an entrepreneur, many students in the UAE, other Arab countries, and the rest of the world rate their attitude toward entrepreneurship as high or very high (61%, 69%, 53%, respectively). These findings show that a significant portion of students perceive entrepreneurship as an attractive and rewarding career option. In terms of students' belief in their capacity to execute behaviors necessary to produce specific performance in entrepreneurial endeavors, most students in the

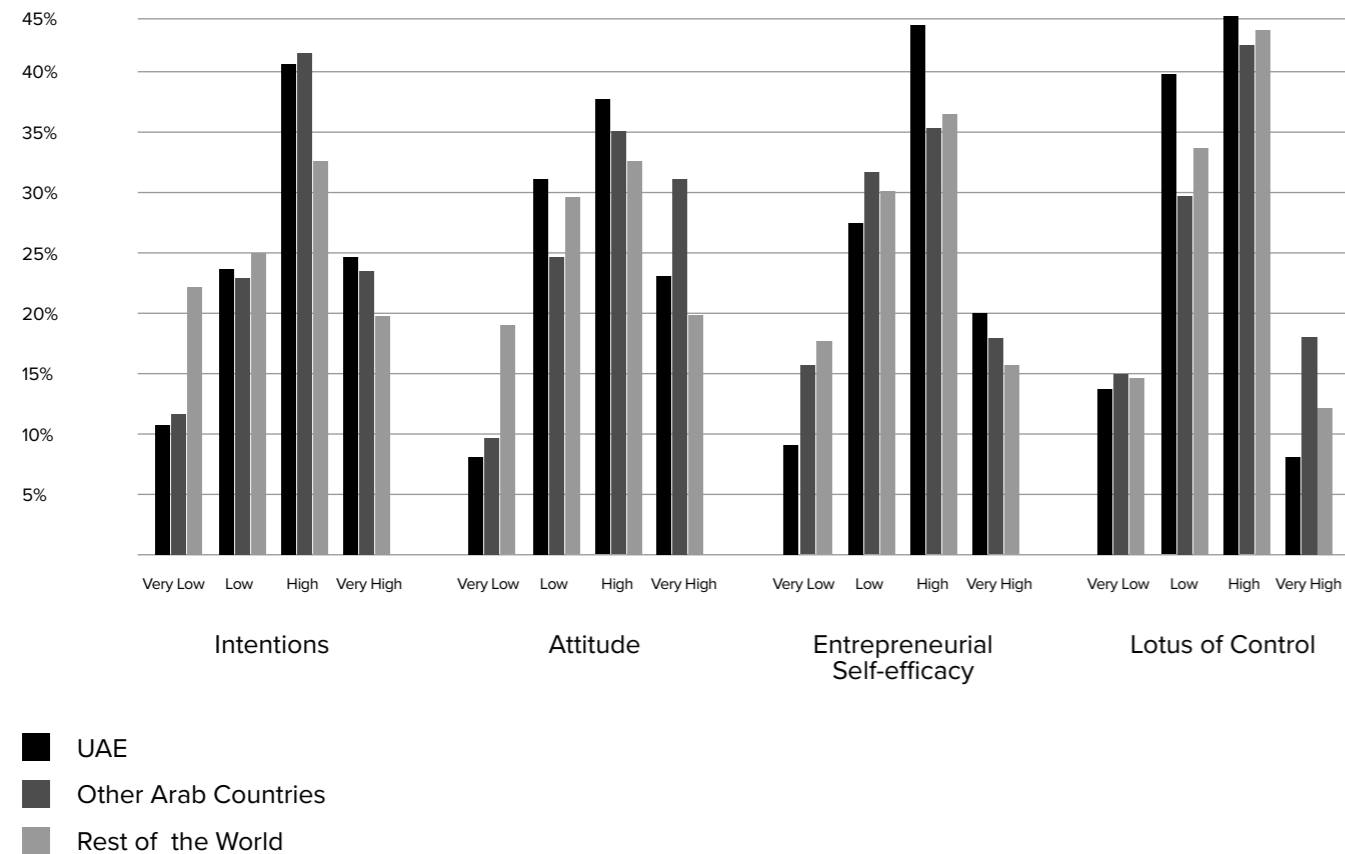
UAE consider their entrepreneurial self-efficacy to be high (44%) or very high (20%). Students in other Arab countries and the rest of the world have slightly lower percentages of self-efficacy than students in the UAE.

However, regarding the degree to which students believe that they have control over their plans and goals, more than half of UAE students indicate low (39%) and very low (14%) locus of control. The picture is slightly different for students belonging to other Arab countries and the rest of the world, with 56% and 52% of students, respectively, reporting high or very high locus of control.

We conclude that while UAE students seem to understand their potential to achieve their entrepreneurial aims, they are less confident that they can control the outcomes of events to achieve their aims.

5.1

FIGURE 5: INDIVIDUAL ENTREPRENEURIAL CHARACTERISTICS AS DRIVERS OF ENTREPRENEURIAL INTENTIONS



Micro-Context (Individual)

5.2

MESO-CONTEXT (FAMILY AND UNIVERSITY)

The meso-context is composed of two environments in which students are embedded—the family and the university—which can condition students’ entrepreneurial intentions. Regarding family background as a driver of students’ entrepreneurial intentions (see Figure 6), most students in the UAE, other Arab countries, and the rest of the world indicate that their

parents are either self-employed (39%, 37%, and 37%, respectively) or business owners (37%, 27%, and 24%, respectively). Having family members as entrepreneurial role models seems to be an important factor in exposing students to the entrepreneurial environment and to managerial activities, which might encourage them to develop their entrepreneurial intentions.

“

HAVING FAMILY MEMBERS AS ENTREPRENEURIAL ROLE MODELS SEEMS TO BE AN IMPORTANT FACTOR IN EXPOSING STUDENTS TO THE ENTREPRENEURIAL ENVIRONMENT AND TO MANAGERIAL ACTIVITIES.

”

Meso-Context (Family and University)

5.2

Beyond the family context as a potential driver of students' entrepreneurial orientation, the university context could also shape students' entrepreneurial intentions. The majority students from other Arab countries and the rest of the world indicate that the univer-

sity environment is only a moderate driver of their entrepreneurial intentions (see Figure 7). However, for students in the UAE, the university environment plays a major role in shaping their entrepreneurial behavior.

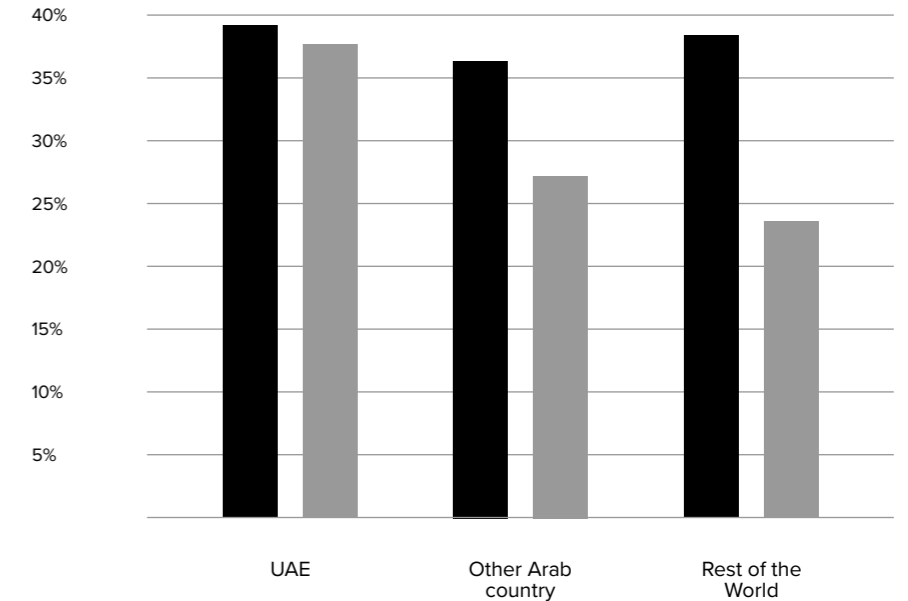
“

FOR STUDENTS IN THE UAE, THE UNIVERSITY ENVIRONMENT PLAYS A MAJOR ROLE IN SHAPING THEIR ENTREPRENEURIAL CHARACTERISTICS.

”

**FIGURE 6:
ENTREPRENEURIAL
FAMILY BACKGROUND
AS A DRIVER OF
ENTREPRENEURIAL
INTENTIONS**

■ Parents Self-employed
■ Parents Owners of a Business



5.2

Despite the importance of the university environment, students still believe that universities can do more to fuel their entrepreneurial spirit. For instance, most students in all the surveyed countries, but especially in the UAE, indicate that they have not taken a single course on entrepreneurship at their university (see Figure 8). Hence, there is still room for

universities to incorporate entrepreneurial education in their educational programs. An entrepreneurial education broadens and encourages students' entrepreneurial thoughts, equips students with the entrepreneurial skills needed to build an entrepreneurial career, and enables them to successfully create new firms.

“

THERE IS STILL ROOM FOR UNIVERSITIES TO INCORPORATE ENTREPRENEURIAL EDUCATION IN THEIR EDUCATIONAL PROGRAMS.

”

FIGURE 7: UNIVERSITY ENVIRONMENT AS A DRIVER OF ENTREPRENEURIAL BEHAVIOR

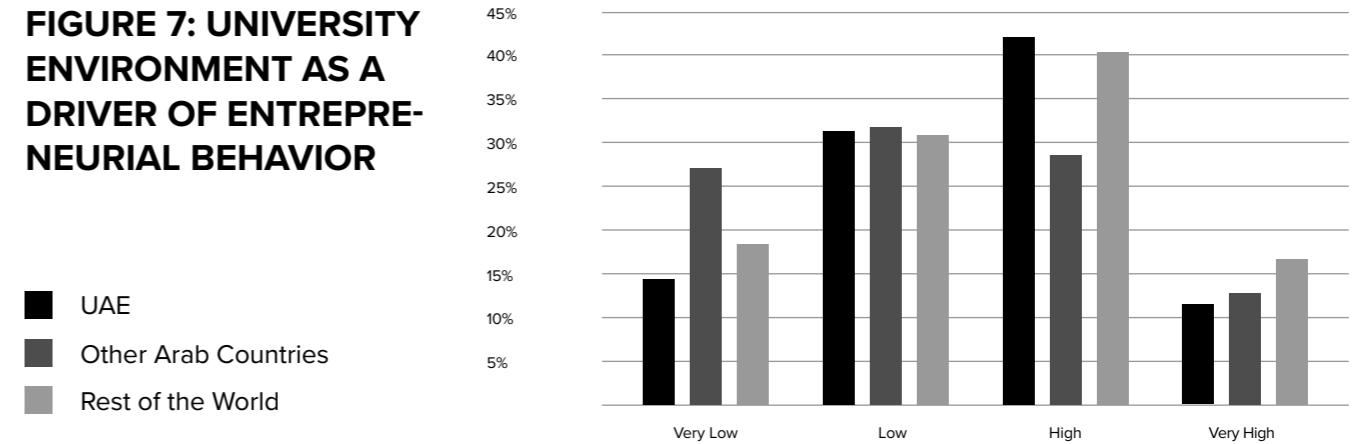
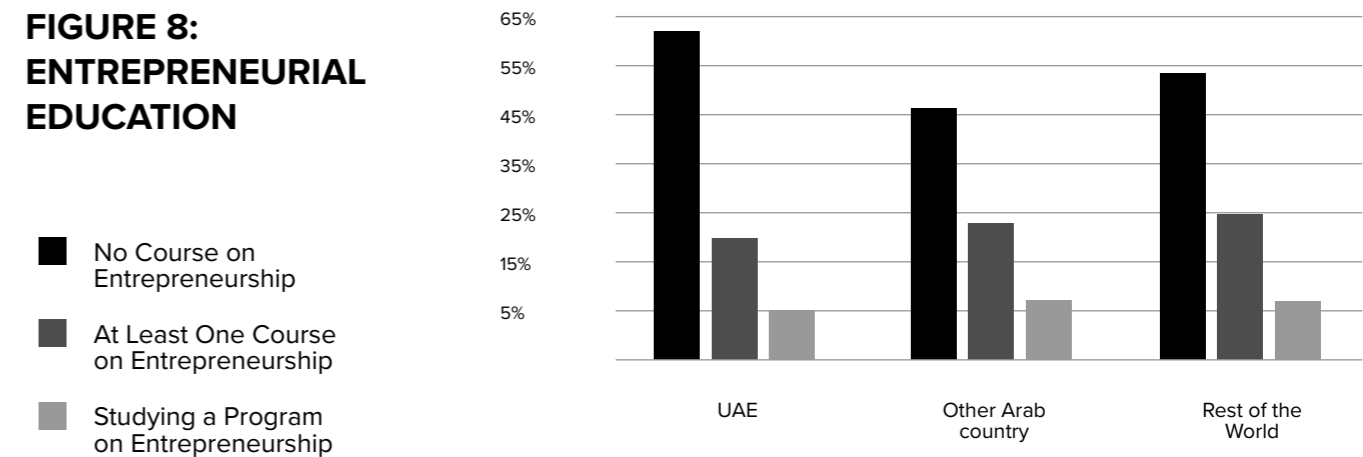


FIGURE 8: ENTREPRENEURIAL EDUCATION



5.3

“

MOST STUDENTS EXPECT THAT THEIR FRIENDS WOULD REACT POSITIVELY TOWARD THEIR ENTREPRENEURIAL INTENTIONS AND WOULD SUPPORT THEM.

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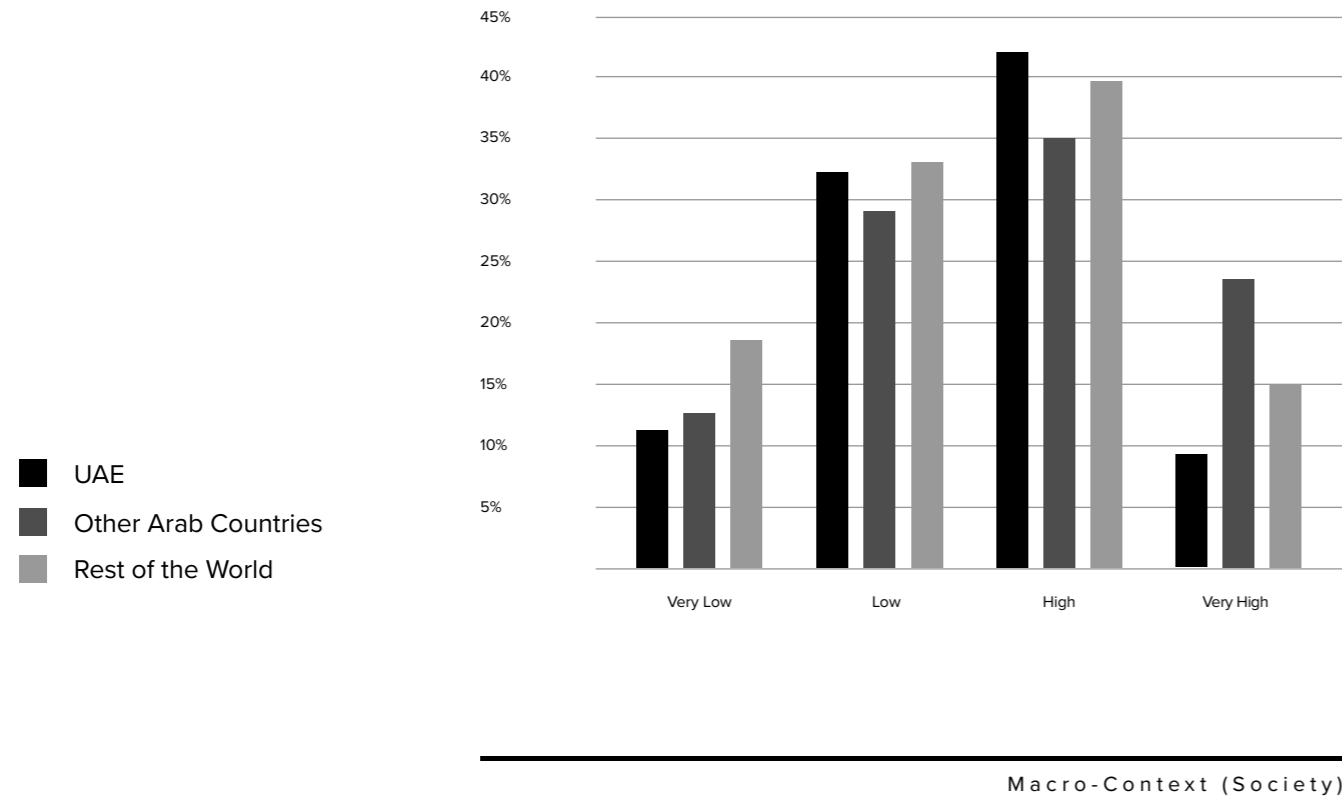
MACRO-CONTEXT (SOCIETY)

To determine the potential impact of society on students' entrepreneurial intentions, the students were asked to indicate their perceptions of the power distance in their society—that is, the degree to which the less powerful members of their society expect and accept that power is distributed unequally. Specifically, they were asked whether they think that the power in their society is distributed or concentrated at the top and whether people's influence is based primarily on their abilities and contributions to society or on the authority of their position. The responses from students in the UAE, other Arab countries, and the rest of the world indicate that power distance is moderate in their societies (see Figure 9). Although it looks like power distance is equally distributed across the three groups, students from the rest of the world rate power slightly lower than students from the UAE and other Arab countries (49%, 56%, and 59%, respectively, indicate that power distance is high or very high in their society).

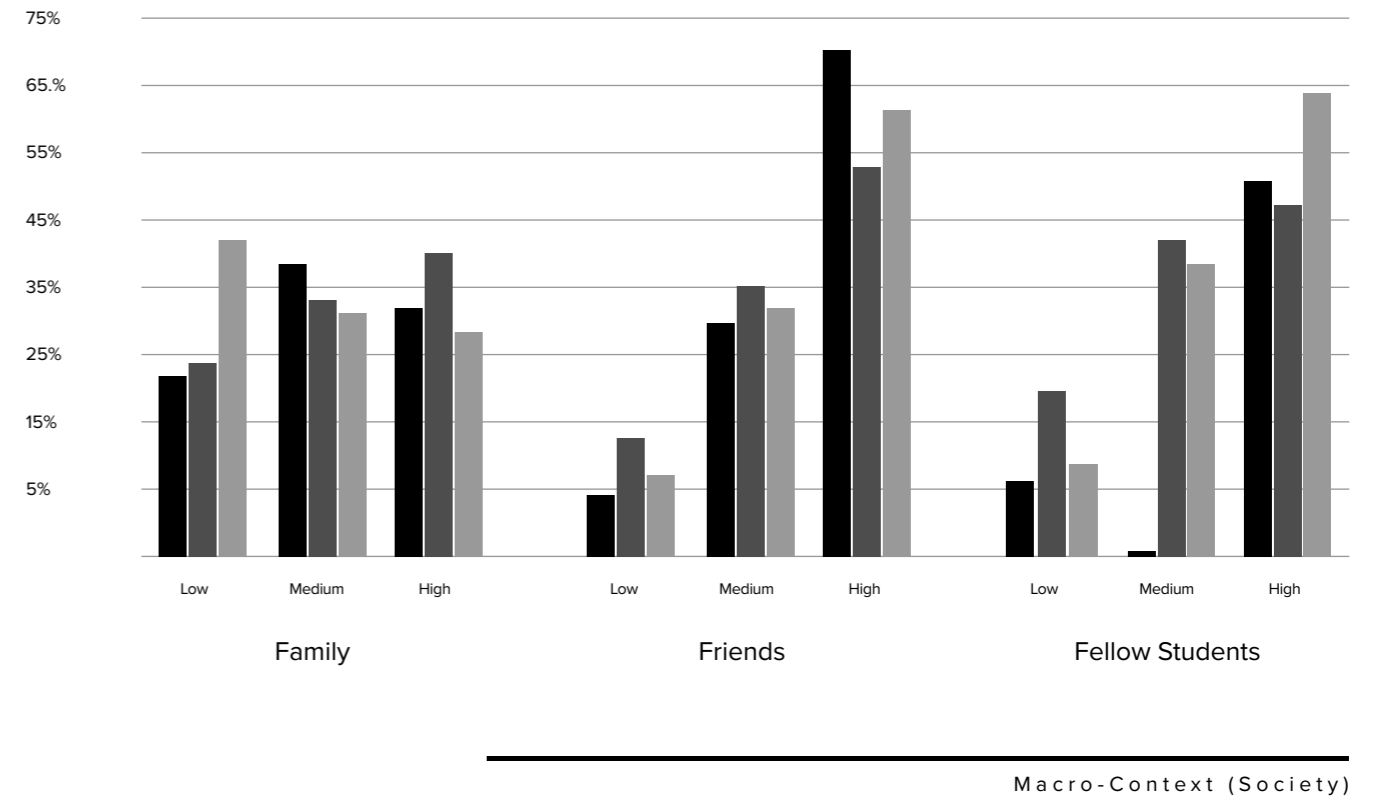
When digging into the students' smaller social circles, which include their immediate family members, friends, and fellow students, students from the UAE, other Arab countries, and the rest of the world indicate that their group of friends is the social circle that encourages their entrepreneurial intentions the most (see Figure 10). Most students expect that their friends would react positively toward their entrepreneurial intentions and would support them. Most students from the UAE and other Arab countries give moderate to high ratings when asked whether their family supports their entrepreneurial intentions. However, students from the rest of the world rate family support as low (42%). As Arab communities, in general, are collective and collaborative and family ties are strong, it is expected that families influence over their children's career intentions, particularly intentions to pursue entrepreneurship and start a business.

5.3

**FIGURE 9:
THE CULTURAL
DIMENSION OF
POWER DISTANCE**



**FIGURE 10:
ENVIRONMENTAL
SUPPORT OF
ENTREPRENEURIAL
INTENTIONS**



6.

**NASCENT AND ACTIVE
ENTREPRENEURS**



6.

NASCENT AND ACTIVE ENTREPRENEURS

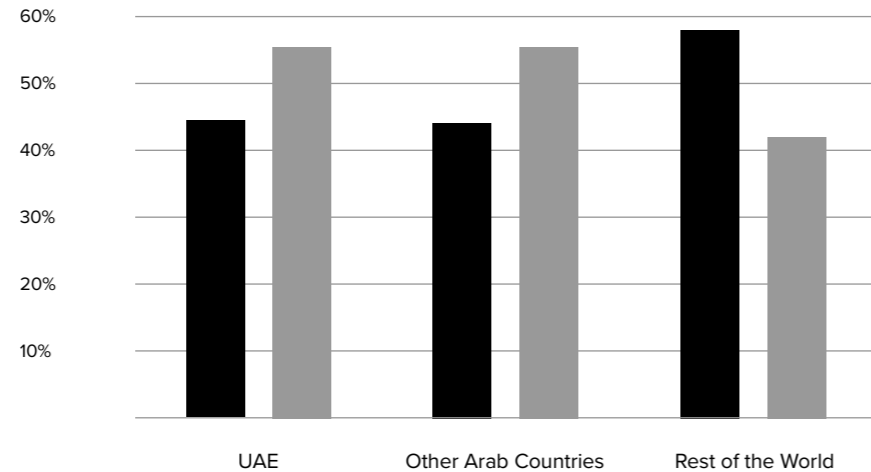


30% OF STUDENTS IN THE UAE ARE ENTREPRENEURS: 25% NASCENT ENTREPRENEURS AND 5% ACTIVE ENTREPRENEURS.



FIGURE 11:
GENDER OF NASCENT ENTREPRENEURS

■ Male
■ Female



Nascent and Active Entrepreneurs

6.1

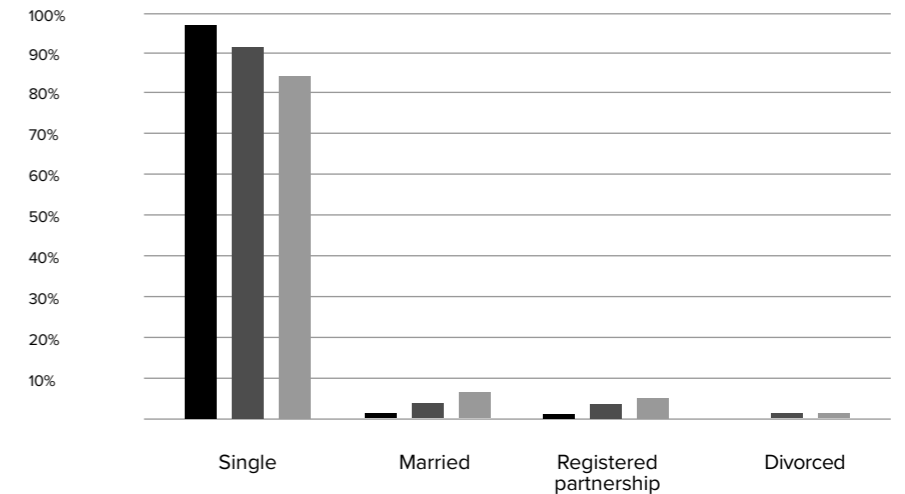
NASCENT ENTREPRENEURS

Nascent entrepreneurs are students who are planning to create their own new venture. The demographics of nascent entrepreneurs show that 55% of nascent entrepreneurs are females in the UAE and other Arab countries. However, in the sample for the rest of the world, we observe that there are more male nascent entrepreneurs (58%) than female nascent entrepreneurs (see Figure 11).

Regarding marital state (see Figure 12), more than 90% of nascent entrepreneurs in the UAE and other Arab countries are single compared to 80% in the rest of the world. Only 11% of nascent entrepreneurs from the rest of the world are married. This percentage is lower for students in the UAE and other Arab countries (5% or less).

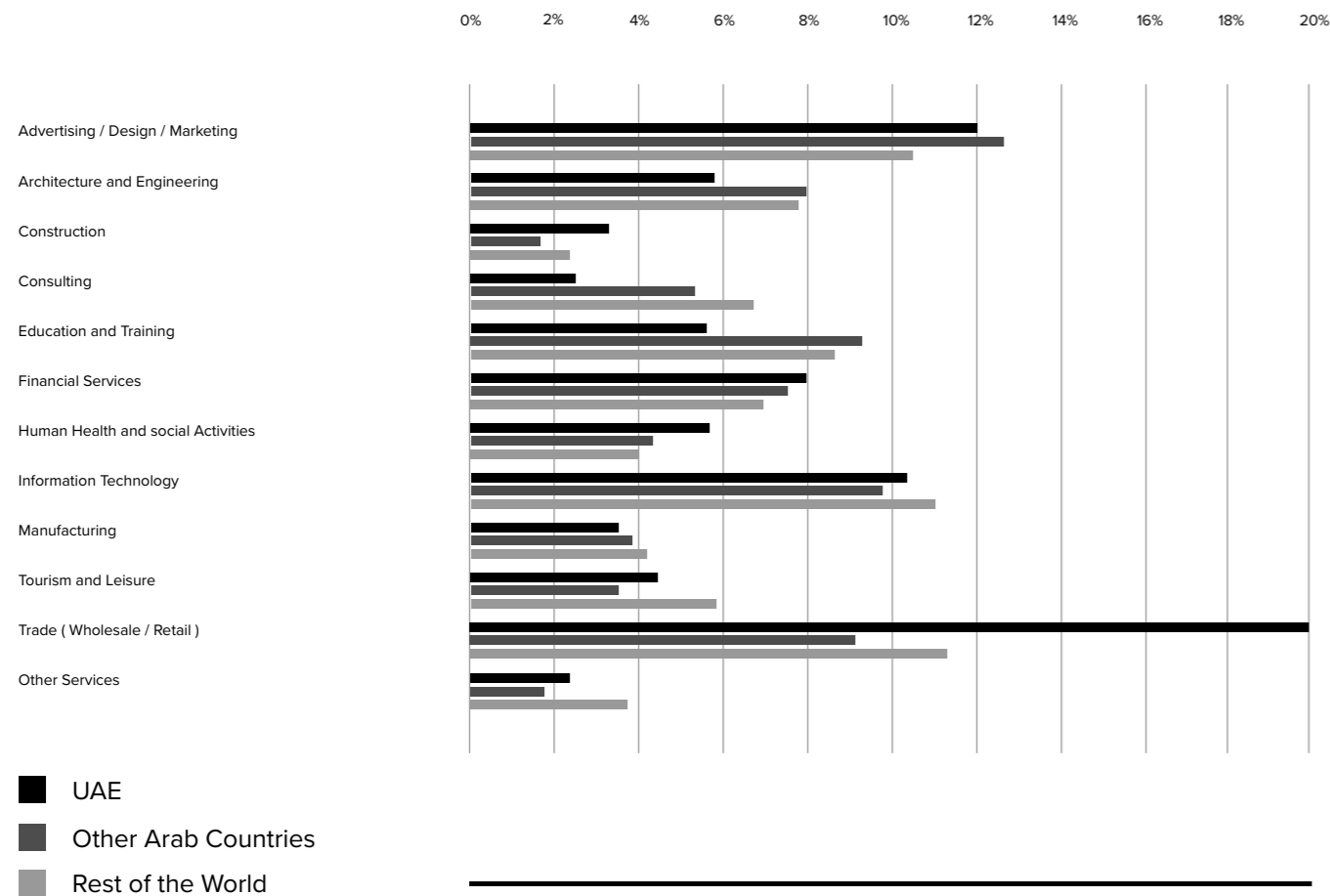
FIGURE 12:
MARITAL STATUS OF NASCENT ENTREPRENEURS

■ UAE
■ Other Arab Countries
■ Rest of the World



Nascent Entrepreneurst

**FIGURE 13:
ECONOMIC ACTIVITIES
OF NASCENT
ENTREPRENEURS**



NASCENT ENTREPRENEURS

Regarding their initial activities to set up their own firms, around 22% of nascent entrepreneurs in the UAE plan to open a business in the trade (retail/wholesale) sector; 12% are interested in the marketing and advertising sectors; 10% are interested in the information systems industry; and the rest of the UAE students plan to enter other sectors, such as engineering, health, education and training, financial

services, and manufacturing (see Figure 13). The importance of the trade sector could be related to the developmental stage of the UAE economy and the high consumption of the internal market. The most sought-after sectors by students in the other Arab countries and the rest of the world are marketing and advertising, information technology, and trade with almost equal percentages.

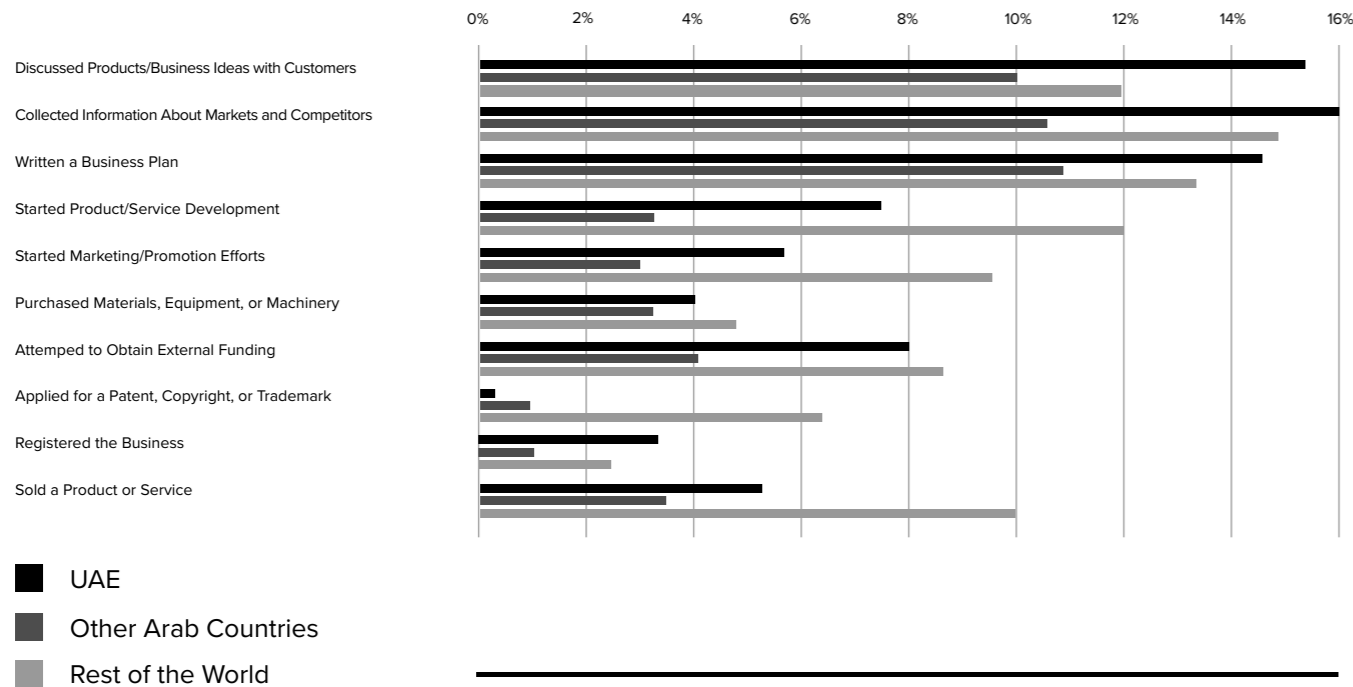


AROUND 22% OF NASCENT ENTREPRENEURS IN THE UAE PLAN TO OPEN A BUSINESS IN THE TRADE (RETAIL / WHOLESale) SECTOR.



FIGURE 14: INITIAL ENTREPRENEURIAL ACTIVITIES FOR NASCENT ENTREPRENEURS

The nascent entrepreneur students report that they have already done some entrepreneurial activities in the initial stages of starting their new ventures. Most of the students, especially in the UAE, have discussed their product or business idea with potential customers, collected information about markets or competitors, and written a business plan. Students from the UAE and the rest of the world have shown more progress than students from other Arab countries in accomplishing activities in the planning stage, such as starting product/service development and marketing or promotion efforts; purchasing materials, equipment, or machinery for their business; or attempting to obtain external funding (see Figure 14).



Nascent Entrepreneurs

FIGURE 15: NASCENT ENTREPRENEURS AND CO-FOUNDERS

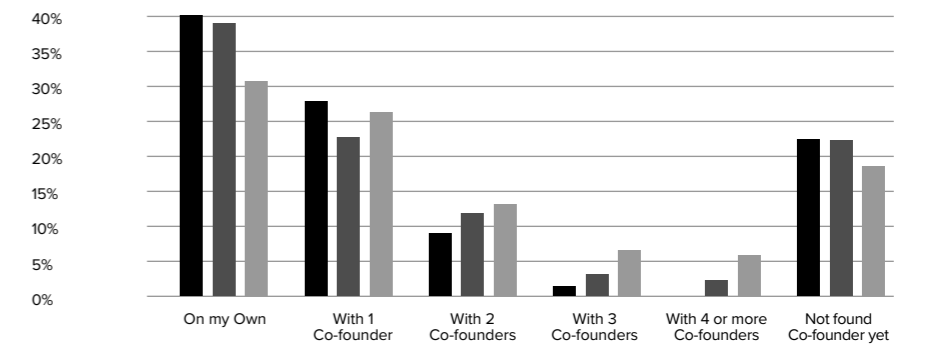
With regard to founding their firms, more than one-third of the students in the UAE, other Arab countries, and the rest of the world indicate that they are planning to start their business by themselves without co-founders (40%, 39.6%, and 31%, respectively). Only 27% of the nascent entrepreneurs indicate that they will engage one co-founder, 8.7% reveal that they plan to have two co-founders for their business, and 2.2% report that they will have more than two co-founders in the UAE. Several students also indicate that they have not yet found co-founders for their business (see Figure 15).



MORE THAN 40% OF THE NASCENT ENTREPRENEURS IN THE UAE INDICATE THAT THEY WILL START THEIR BUSINESS BY THEMSELVES WITHOUT CO-FOUNDERS



UAE
Other Arab Countries
Rest of the World



Nascent Entrepreneurs

6.2

“

THE DEMOGRAPHICS ON STUDENT ACTIVE ENTREPRENEURS INDICATE THAT FEMALES COMPRISE 60% OF STUDENT ACTIVE ENTREPRENEURS IN THE UAE AND 49% IN THE OTHER ARAB COUNTRIES.

”

ACTIVE ENTREPRENEURS

Active entrepreneurs are students who have already created their own new venture and are currently running and developing their business. The demographics on active entrepreneurs indicate that females comprise 60% of active entrepreneurs in the UAE and 49% in the other Arab countries. However, in the rest of the world, there are more male active entrepreneurs (62%) than female active entrepreneurs.

Regarding the sectors in which active entrepreneurs have created their ventures, around 28% of active entrepreneurs in the UAE have opened a business in the advertising or marketing sectors, 15% in the trade sector, and 10% in the construction industry; the rest of the UAE active entrepreneurs have entered other sec-

tors, such as information technology, education and training, financial services, consulting, and engineering (see Figure 16). The importance of the advertising and marketing sectors could be related to the UAE's position as a global commercial center for the region and the world and the resulting growth of the creativity industry. The UAE hosts a cluster of numerous international firms and start-ups competing/collaborating in local, regional, and international markets. The most important sectors for active entrepreneurs in other Arab countries and the rest of the world are marketing/advertising, education and training, information technology, manufacturing, tourism and leisure, and trade with similar percentages.

FIGURE 16: ECONOMIC ACTIVITIES OF ACTIVE ENTREPRENEURS

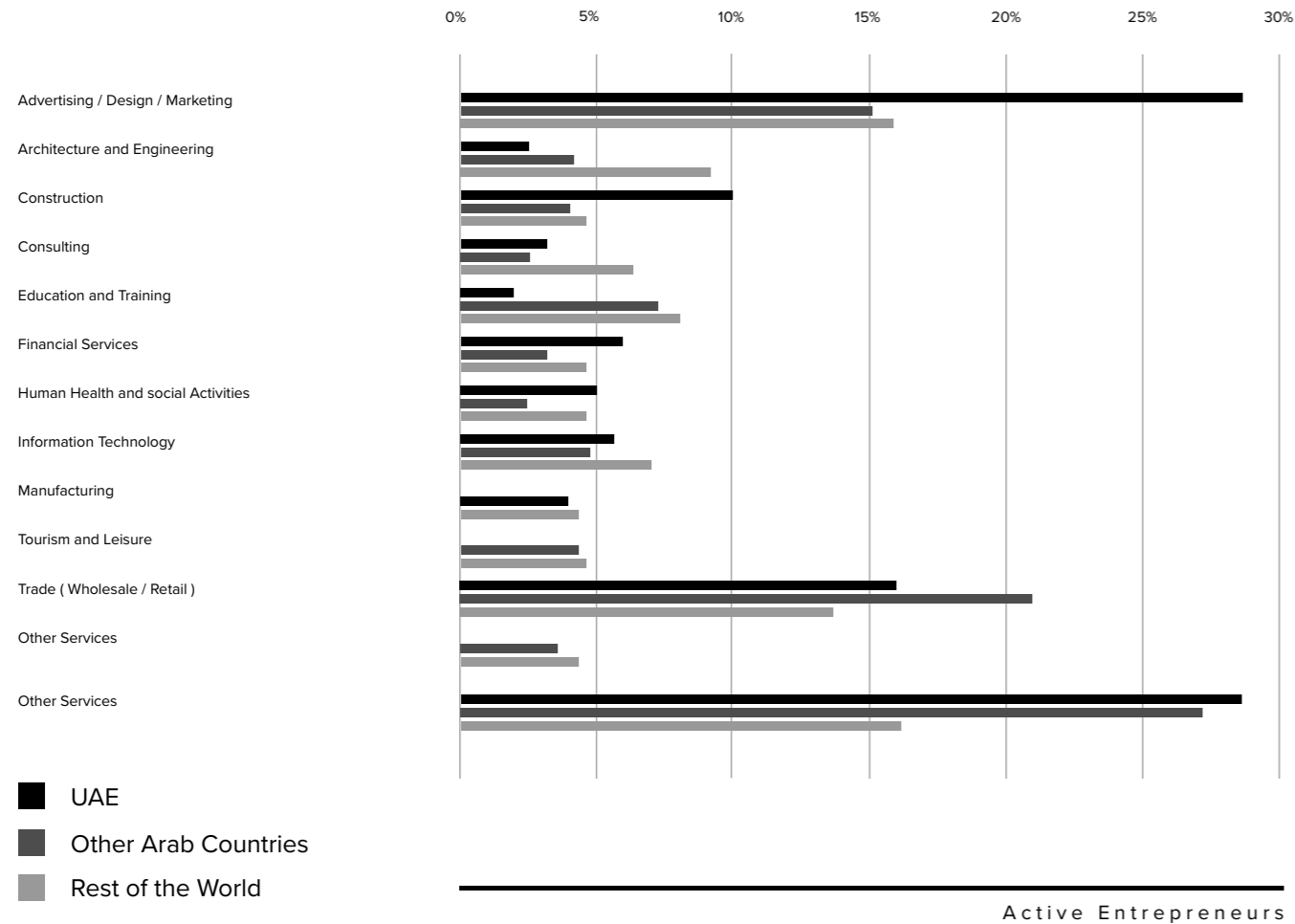
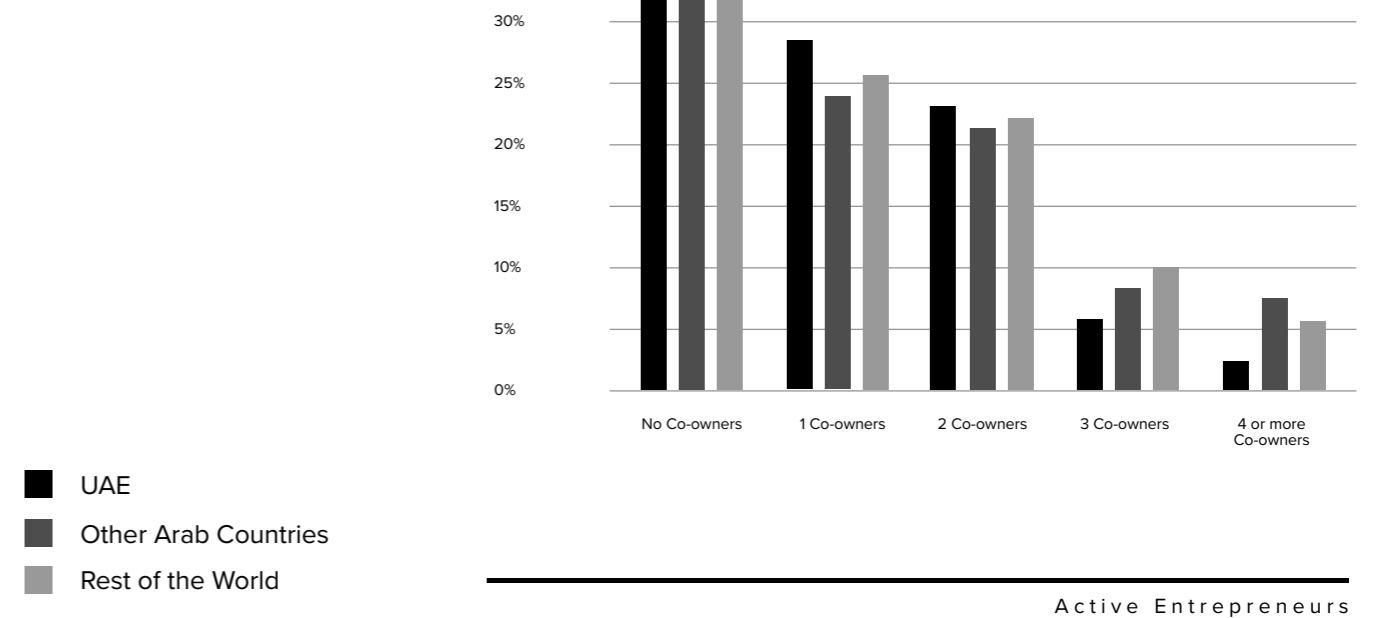


FIGURE 17: ACTIVE ENTREPRENEURS AND CO-OWNERS



With regard to firm ownership, more than one-third of students in the UAE, other Arab countries, and the rest of the world indicate that they started their venture by themselves without any co-owner.

Only 25% of the active entrepreneurs report that they have one co-owner, around 23% indicate they have two co-owners, and 8% indicate that they have more than two co-owners (see Figure 17).

CHARACTERISTICS OF ACTIVE ENTREPRENEURS

In this section, we discuss some characteristics of active entrepreneurs in the UAE, other Arab countries, and the rest of the world, including an assessment of students' subjective vitality, affective commitment, and power distance.

Subjective vitality in the entrepreneurship and business contexts refers to a positive feeling of aliveness and energy related to one's venture. In the UAE, around 70% of students indicate low or very low subjective vitality toward their ventures. That is, students feel less energized and excited about their own ventures. On the other hand, students in other Arab countries and the rest of the world (around 60%) indicate high or very high subjective vitality (see Figure 18).

Affective commitment refers to an active entrepreneur's psychological attachment to his or her venture. More than 85% of students in the UAE and other Arab countries have low or very low affective commitment toward their ventures (see Figure 18). That is, students in the Arab region feel less emotionally attached and have a lower sense of belonging to their businesses. However, almost half of students in other countries in the world indicate feeling high or very high affective commitment toward their businesses, while the other half have low or very low affective commitment toward their ventures.

Regarding the power distance in active entrepreneurs' ventures, around 80% of students in the UAE indicate high power distance in their businesses. This means that the power is concentrated at the top, and employees are expected to obey instructions with minimal discussion or questioning. Students in other Arab countries also show high levels of power distance in their ventures (55%). However, 64% of students in other countries in the world report having low or very low power distance within their businesses (see Figure 18). The entre-

preneurs' assessments of power distance within their organizations reflect their societies.

Finally, active entrepreneurs in the UAE indicate lower levels of self-esteem (65%) than their counterparts in other Arab countries and the rest of the world (see Figure 19). The highest levels of self-esteem are among students in the rest of the world, where more than half of the students report having high or very high levels of confidence in themselves and their ability to run their business successfully.

“

70% OF STUDENTS INDICATE LOW OR VERY LOW SUBJECTIVE VITALITY TOWARD THEIR VENTURES.

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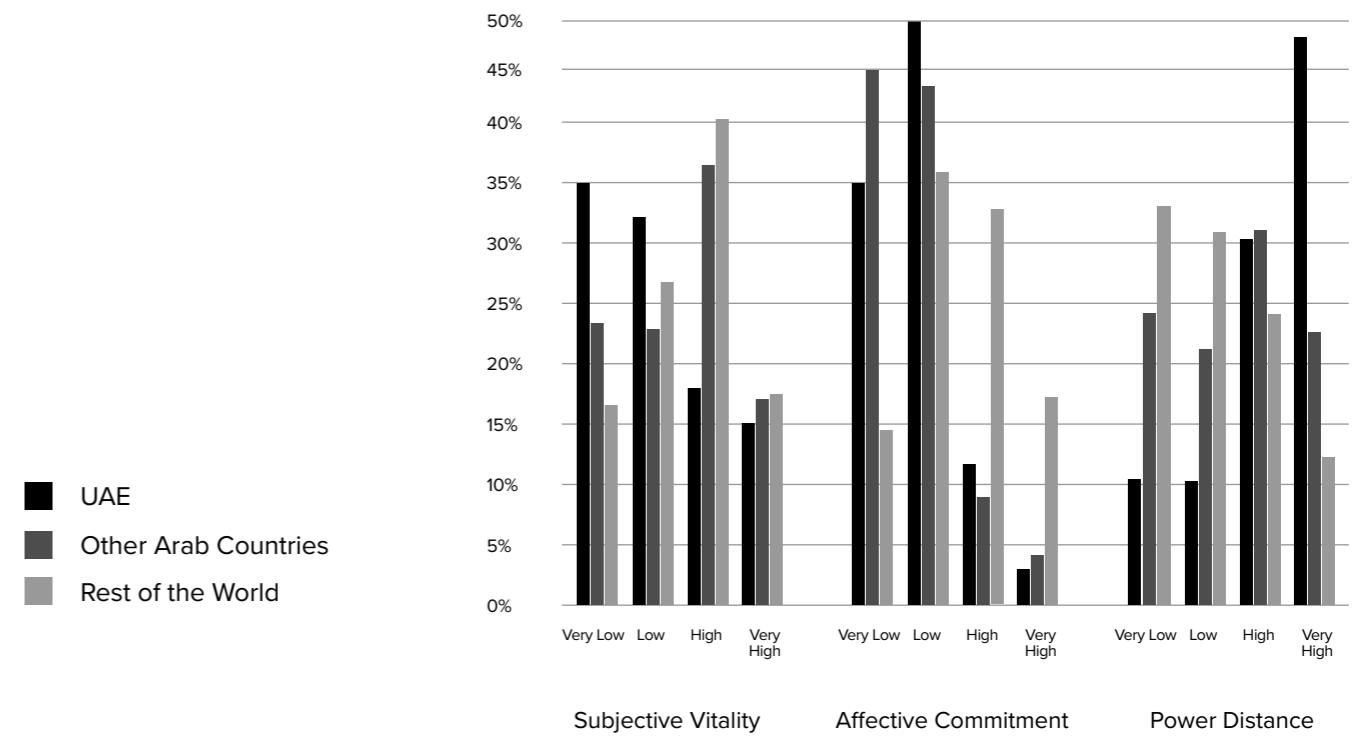
6.2

“

STUDENTS IN THE ARAB REGION FEEL LESS EMOTIONALLY ATTACHED AND HAVE A LOWER SENSE OF BELONGING TO THEIR BUSINESSES.

”

**FIGURE 18:
CHARACTERISTICS
OF ACTIVE
ENTREPRENEURS**



6.2

Are active entrepreneurs mostly focusing on creating new products and exploring new business ideas, or are they focusing on increasing the efficiency of their businesses?

Business owners usually face a trade-off between “exploration”, which involves searching, discovering, and implementing new products and ideas, and “exploitation,” which involves cutting operation and production costs as well as increasing overall organizational efficiency. Around half of the active entrepreneurs in the UAE, other Arab countries, and the rest of the world indicate medium levels of exploration (see Figure 20), indicating that to a certain extent, they are engaged in introducing a new generation of products, penetrating new markets, and implementing new technologies.

Similarly, around half of the active entrepreneurs in the UAE, other Arab countries, and the rest of the world show medium levels of exploitation, meaning that a high percentage of students engage in improving existing product quality, enhancing flexibility, and reducing production costs.

FIGURE 19: ACTIVE ENTREPRENEURS’ SELF-ESTEEM

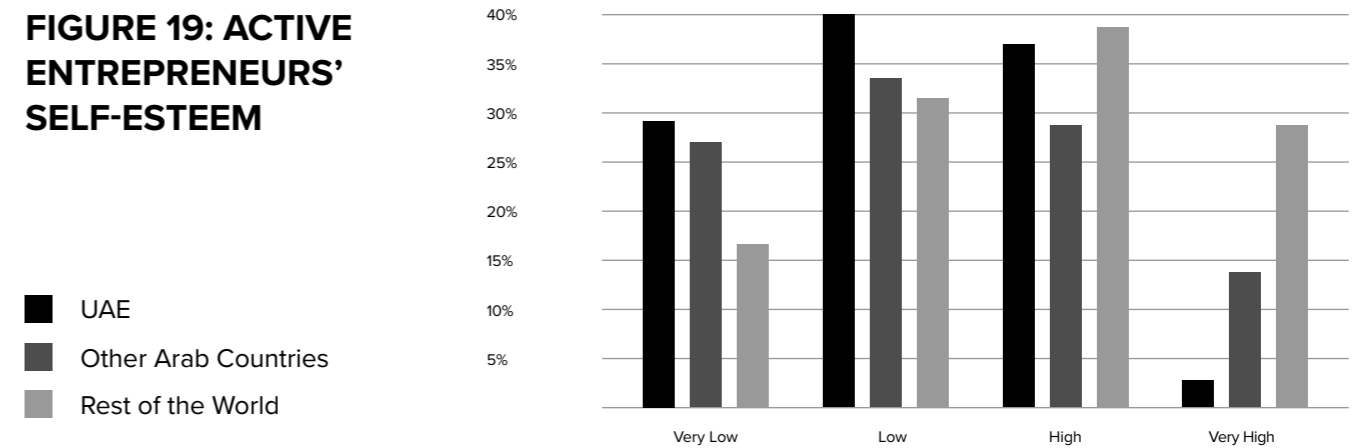
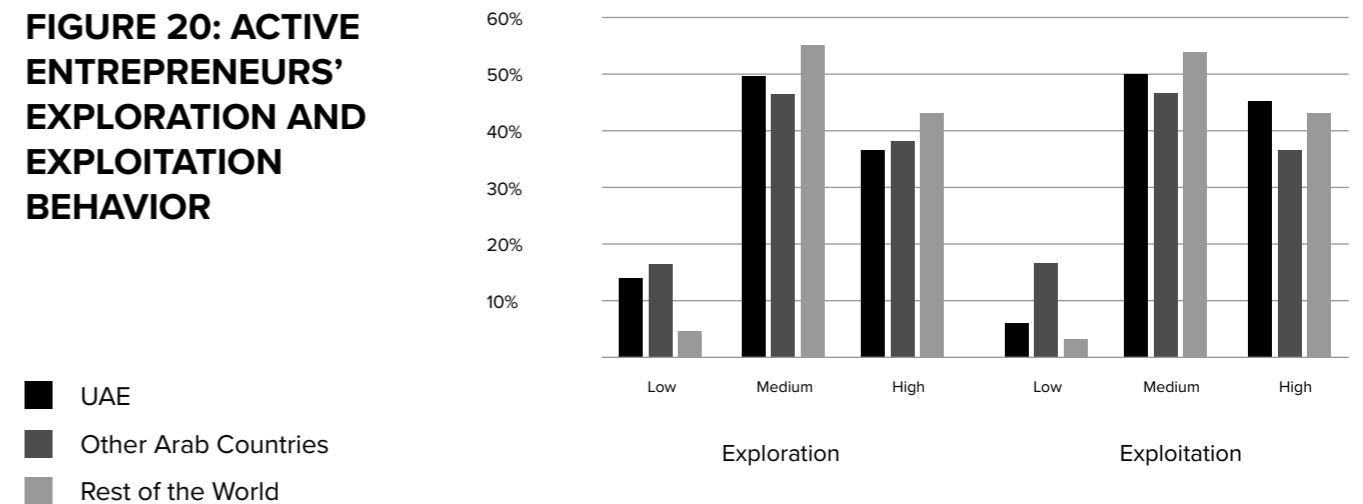


FIGURE 20: ACTIVE ENTREPRENEURS’ EXPLORATION AND EXPLOITATION BEHAVIOR



6.2

Regarding the performance of active entrepreneurs' ventures compared to their competitors in the market most students in the UAE, other Arab countries, and the rest of the world indicate medium and high levels of sales growth (see Figure 21), market share growth (see Figure 22), and profit growth (see Figure 23) in their businesses. This means that their ventures are performing well in terms of growth and profit based on their subjective perceptions.

In terms of job creation (see Figure 24), around 43% of UAE active entrepreneurs state that their ventures have achieved medium performance in terms of job creation, while 32% state their ventures had high job-creation performance compared to their competitors. However, more active entrepreneurs in other Arab countries (40%) rate their ventures' job-creation performance as low. In terms of innovativeness (see Figure 25), active entrepreneurs in the UAE, other Arab countries, and the rest of the world indicate that their business have high innovation performance (40%, 46.5%, and 49%, respectively).

FIGURE 21: ACTIVE ENTREPRENEURS' PERFORMANCE: SALES GROWTH

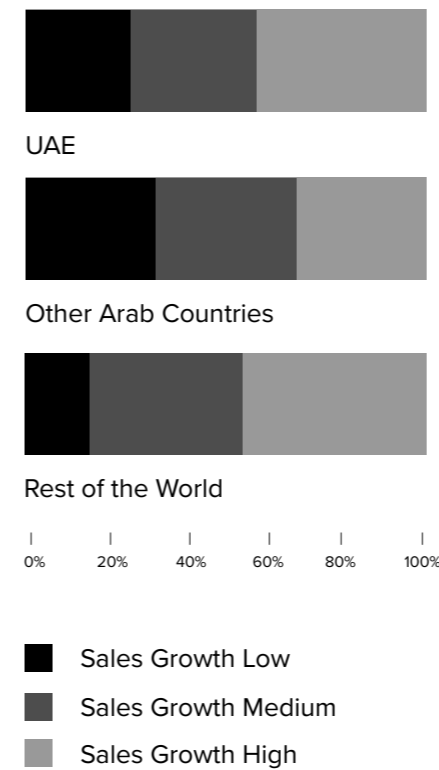


FIGURE 22: ACTIVE ENTREPRENEURS' PERFORMANCE: MARKET SHARE GROWTH

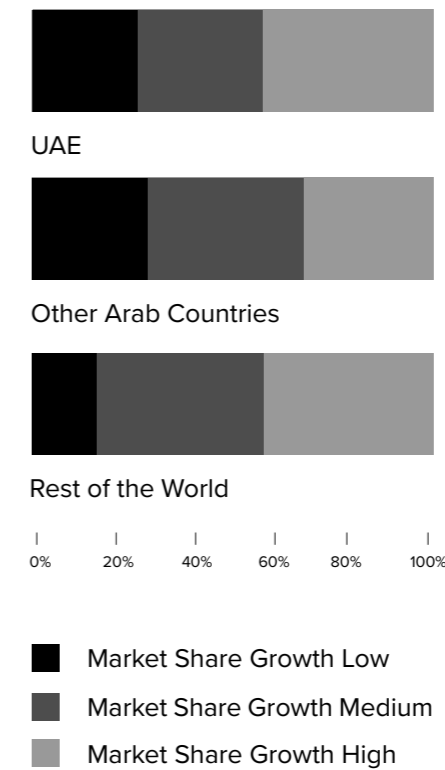
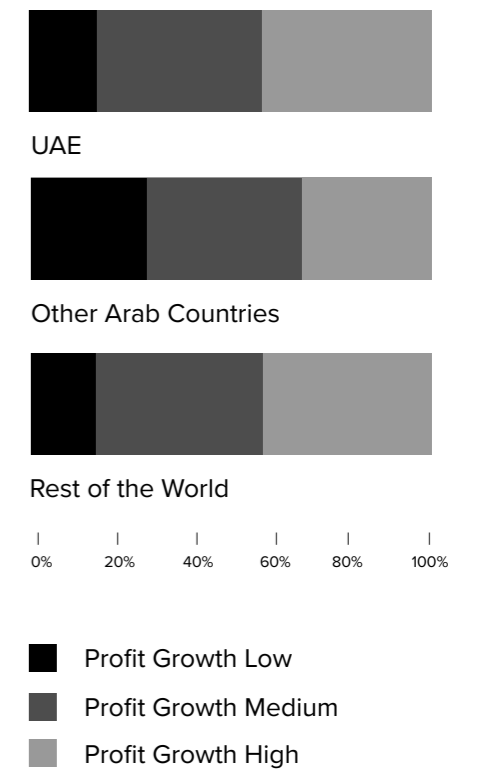


FIGURE 23: ACTIVE ENTREPRENEURS' PERFORMANCE: PROFIT GROWTH



6.2

PERFORMANCE OF ACTIVE ENTREPRENEURS



ACTIVE ENTREPRENEUR'S VENTURES IN THE UAE ARE PERFORMING WELL IN TERMS OF INNOVATION, GROWTH AND PROFIT.



FIGURE 24: ACTIVE ENTREPRENEURS' PERFORMANCE: JOB CREATION

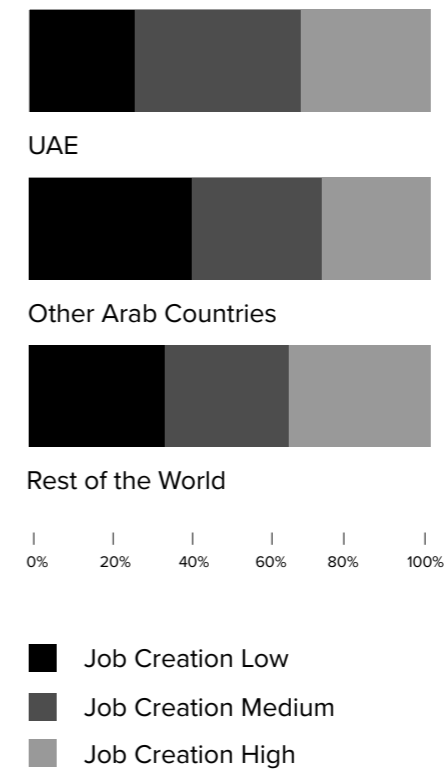
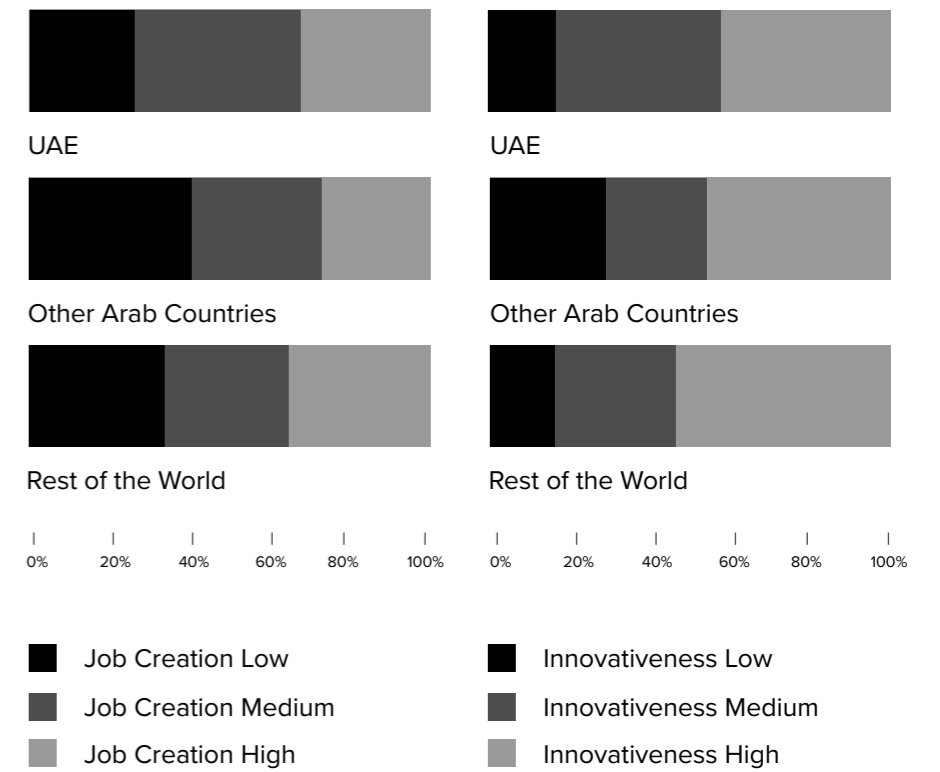


FIGURE 25: ACTIVE ENTREPRENEURS' PERFORMANCE: INNOVATIVENESS



7.

CONCLUSION

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STUDENTS IN THE UAE SHOW HIGH ATTITUDES AND SELF-EFFICACY TOWARD ENTREPRENEURSHIP, WHICH ARE IMPORTANT INDIVIDUAL CHARACTERISTICS THAT SHAPE THEIR INTENTIONS AND ARE CONDUCIVE FOR ENTREPRENEURIAL ACTION.

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The main motivation behind our investigation and this report is to explore entrepreneurial intentions and activities in the UAE university population. Comparing UAE students with other students around the world provides insights into students' entrepreneurial intentions and their drivers across cultures. We believe that comparison studies could help better clarify students' career intentions, drivers of entrepreneurial intentions, and entrepreneurial activities to develop a sustainable entrepreneurial ecosystem and to contribute to local development by promoting economic and social prosperity.

Students in the UAE show high attitudes and self-efficacy toward entrepreneurship, which are important individual characteristics that shape their intentions and are conducive for entrepreneurial action. However, students in the UAE show low locus of control, which negatively impacts their entrepreneurial intentions and consequently reduces entrepreneurial action. If UAE policymakers would like to create an entrepreneurial ecosystem, it is important to understand why youths believe they have low control over the outcomes of events in their lives and to take action to support and encourage potential entrepreneurs.

CONCLUSION

Even though students in the UAE show significant interest in pursuing entrepreneurship, they recognize that the university environment does not equip them with the necessary skills and capabilities to start the entrepreneurial journey right after graduation. The UAE educational system and each university education program should rethink their role in creating, developing, and encouraging entrepreneurial intentions. Most students

in the UAE have not taken a single course in entrepreneurship. However, the university environment is not the only context to create, develop, and encourage entrepreneurial intentions; there are other environments and social circles to take into consideration, such as students' family and friends. Indeed, family and friends are two micro-contexts that support potential entrepreneurs in starting the entrepreneurial journey.

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A SUSTAINABLE ENTREPRENEURIAL ECOSYSTEM SHOULD ENCOURAGE YOUNG ACTIVE ENTREPRENEURS TO NOT ONLY DEVELOP THEIR OWN BUSINESS BUT ALSO BECOME ROLE MODELS FOR AND TAKE CARE OF ENTREPRENEURIAL STUDENTS.

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A sustainable entrepreneurial ecosystem needs a diversified economic environment to expand the possibilities for students to visualize and exploit entrepreneurial opportunities. Most nascent entrepreneurs are focused on the retail/wholesale sector, showing the limited vision of future entrepreneurs to find entrepreneurial opportunities. Economic and social actors should work on expanding students' entrepreneurial vision beyond traditional sectors that are overrepresented and oversaturated. For instance, entrepreneurial education should be transversal across the whole university educational system and not be limited solely to business and management schools. Another weakness of nascent entrepreneurs is their desire to embark on their entrepreneurial journey without partners. Since the new economic and social environment requires teamwork to successfully create a firm and manage it across generations, our educational system and

the social actors that comprise the entrepreneurial ecosystem need to develop students' interpersonal, problem-solving, and communication skills.

Even though the student population of active entrepreneurs in the UAE is low, it is important to support these new entrepreneurs on their entrepreneurial journey for two reasons. First, one-third of active entrepreneurs in the UAE do not have partners, so public and private actors could serve as emotional, economic, and social supporters who accompany these entrepreneurs on their journey. Second, young active entrepreneurs could become role models for nascent entrepreneurs and for students who are developing their entrepreneurial intentions. In this sense, a sustainable entrepreneurial ecosystem should encourage students to not only create their own business but also take care of active entrepreneurial students.



PHOTOS BY **KAMRAN FAROOQUI**

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