JOBS SEEKERS, THE HOPE FORoman's Economy

A Proposed Strategy for Reviving Oman's National Economy

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EXECUTIVE SUMMARY

Oman is facing a suffocating economic situation due to the sharp fall of oil prices. There is no hope that oil prices will rise again. On the other hand, the continuous, radical and dramatic changes in the political, economic, social, professional, technical, security and legal aspects of the business environment, whether at local, regional or international level have disrupted many long-held assumptions and practices and continuously changing the rules of the game for all business.

These factors have made it strategically essential to shift our national economy from an oil-based economy to a knowledge-based economy.

The great news here is that most of these radical changes are in Oman’s national interest and offer us many great opportunities to turn our national economy into a strong, knowledge-based economy, as it is detailed in the SWOT analysis.

However, the main weakness that hinders us from benefiting from these great opportunities lies in the weakness of our human capital. This issue can be overcome at a limited cost and reasonable efforts, with the participation of both the public and private sectors in accordance with a well-designed plan and right implementation.

To revive Oman’s national economy and turn it into a strong knowledge-based economy, we need to change our mindset and the way we need to develop our national human resources in professions that are in high demand in the gig economy and/or widespread or strategically important in the local public and private sectors.

As a matter of fact, this strategy is the backbone of the success of all other strategies and initiatives adopted nationally to promote Oman’s economy and achieve the national vision.

However, in the knowledge-based economy, human resource development cannot be achieved by training hundreds of thousands of Omani employees and job seekers in classrooms. This is no longer viable, as the focal point nowadays is not what skills someone possesses, but their abilities to acquire new skills and competencies, because the economy and hence the required skills are constantly changing. Not to mention the extremely complex operational and administrative difficulties and the enormous costs required to train hundreds of thousands of individuals in classrooms.

Fortunately, there are many e-learning platforms, such as Udemy, Coursera, and PluralSight, that offer the latest training and development programmes needed for the labour market, at very low cost. Therefore, we can develop our human resources with very little administrative and operational costs and efforts, but with great efficiency and sustainability, taking advantage of the facilities offered by e-learning environments (which was not available until a few years ago).

All that is required from us is, in a sustainable manner at the national level, to work on three strategic axes: creating a culture of professionalism, creating a reward system for those who work on developing their talents and skills, and unlocking the channels for professional development and work opportunities.
Job Seekers, the Hope for Oman’s Economy
INTRODUCTION

Oman is facing a suffocating economic situation due to the sharp fall of oil prices. There is no hope that oil prices will rise again. On the other hand, the continuous, radical and dramatic changes in the political, economic, social, professional, technical, security and legal aspects of the business environment, whether at local, regional or international level have disrupted many long-held assumptions and practices and continuously changing the rules of the game for all business. These factors have made it strategically essential to shift our national economy from an oil-based economy to a knowledge-based economy.

At the turn of the century, the world shifted from an industrial economy to a knowledge-based economy. The change to a knowledge-based economy has led to major changes in the economic sphere, changing the world’s economic map and structure. One of the most important changes is the emergence and significant growth of the gig economy all over the world, specifically after the world financial crisis in 2008.

These changes have led to major strategic and organisational challenges, both at the level of countries and at the level of organisations, worldwide and in Oman. Therefore, to revive Oman’s national economy we need to change our mindset and the way we address economic factors and changes radically, taking into consideration Oman’s identity, values, and particularities. For example, we need to change our perspective toward individuals and see them as the most important and as precious resources and factors of production, rather than an economic problem.

The great news here is that most of these radical changes are in Oman’s national interest and offer us many great opportunities to turn our national economy into a strong, knowledge-based economy, as it is detailed in the SWOT analysis.

In this research we propose a strategy to turn our national economy into a strong, knowledge-based economy. We, Mazars in Oman, are ready to collaborate with government institutions and civil and private sector organisations that are interested in achieving this strategy.

The great news here is that

**MOST OF THESE RADICAL CHANGES ARE IN OMAN’S NATIONAL INTEREST**

and offer us many great opportunities to turn our national economy into a strong, knowledge-based economy, as it is detailed in the **SWOT analysis**.
Job Seekers, the Hope for Oman’s Economy
MEGA CHANGES IN THE ECONOMIC STRUCTURE

Where Is the Nation’s Wealth in the New Economy?

Traditionally, natural resources have been seen as the critical factor in determining the wealth of a society. However, this concept has changed radically during the last few decades when knowledge and human capital became the decisive elements that define the community’s wealth, the extent of its progress and its chances for continued progress in the current century (Salman, 2009).

This is evidenced by the statistics shown in the World Bank book, Where Is the Wealth of Nations? this book, Table 1.1 “Total Wealth, 2000” presents the composition and levels of wealth per capita by income group and for the world as a whole. The table is reproduced below:

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Natural Capital $</th>
<th>Natural Capital %</th>
<th>Produced Capital $</th>
<th>Produced Capital %</th>
<th>Intangible Capital $</th>
<th>Intangible Capital %</th>
<th>Total Wealth $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Countries</td>
<td>1,925</td>
<td>26</td>
<td>1,174</td>
<td>16</td>
<td>4,434</td>
<td>59</td>
<td>7,532</td>
</tr>
<tr>
<td>Middle Income Countries</td>
<td>3,496</td>
<td>13</td>
<td>5,347</td>
<td>19</td>
<td>18,773</td>
<td>68</td>
<td>27,616</td>
</tr>
<tr>
<td>High Income Countries (OECD)</td>
<td>9,531</td>
<td>2</td>
<td>79,193</td>
<td>17</td>
<td>353,339</td>
<td>80</td>
<td>439,063</td>
</tr>
<tr>
<td>World</td>
<td>4,011</td>
<td>4</td>
<td>16,850</td>
<td>18</td>
<td>74,998</td>
<td>78</td>
<td>95,860</td>
</tr>
</tbody>
</table>

According to the World Bank’s table, natural resources (natural capital) represent on average only 4% of the wealth of 120 countries. Produced capital (equipment, machinery and buildings and urban land) forms only 18%, while intangible capital (see below) represents an average of 78% of the wealth of nations.

“The intangible capital measure captures all those assets that are not accounted for elsewhere. It includes human capital, the skills and know-how embodied in the labor force. It encompasses social capital, that is, the degree of trust among people in a society and their ability to work together for common purposes. It also includes those governance elements that boost the productivity of the economy. For example, if an economy has a very efficient judicial system, clear property rights, and an effective government, the result will be a higher total wealth and thus an increase in the intangible capital residual” (The World Bank). (1)
These numbers come from a study conducted in 2000 and thus need to be treated carefully. However, the current shift from traditional industry towards a knowledge-based economy is clear. Therefore, the value of intangible capital will continue to increase, at the expense of other types of capital, especially after the emergence and significant growth of the gig economy in 2008.

The Power of Small Businesses

It is obvious that nowadays and in the coming decades, small businesses have a competitive advantage against big businesses and mega corporations due to their relative flexibility and ability to withstand the frequent changes and challenges of the globalised world.

In this regard, John Naisbitt (2004) (2) says:

“The point is, you can now replicate quality anywhere in the world. So the competitive differentiation comes from swiftness to market and innovation. And, in that regard, small companies, right down to the individual, can beat big bureaucratic companies ten out of ten times. Therefore, unless the big companies reconstitute themselves as a collection of small companies, they will just continue to go out of business.

“It’s the small companies who are creating the global economy, not the Fortune 500. And these days a small company can be as small as one person. It’s not ‘Can we?’ We are. Right now, Right now, 50% of US exports are created by companies with 19 or fewer employees. Only 7% are created by companies with 500 or more employees. And the United States is by far the largest exporter in the world.

The figures are similar in Germany. The global economy of the twenty-first century will be dominated by small and middle-sized players”

The Labour Market

Robert Half, one of the world’s largest recruitment companies, in its 2014 report The Demand for Skilled Talent noted: “The current employment market is characterized as ‘the great skills divide’. Those with specialized skill sets are in high demand and short supply, while the opposite rings true for the general workforce.”

The global labour market suffers from two large, related problems. On the one hand, there is an exceptionally high rate of unemployment (either direct or indirect) and on the other, there is a growing shortage of talent. PWC stated in a 2013 report that “The ‘war for talent’ is still waging – both globally and in the Middle East.”

According to the Manpower Group’s 2018 Talent Shortage Survey, 45% of employers say they cannot find the skills they need. For large organisations (250+ employees), this number is even higher, with 67% reporting talent shortages in 2018 according to the survey, the highest ever measured. (3)
At the same time, there is a very high rate of unemployment and a high number of job seekers globally (both those who are unemployed in a conventional sense and those in vulnerable jobs) of approximately 1.6 billion people (ILO, 2018).

More specifically, the Arab world “faces the critical challenge of creating 80 million jobs by 2020. Today, around one in four Arab youth are unemployed – the highest rate in the world” (FIKR 12 DUBAI, 2013). (4)
The Gig Economy

The uncertainty of the global economic environment, the intensification of competition, the trend towards globalisation, and the proliferation of tools, resources and means of communication all drive the steady growth of the so-called gig economy, especially after the 2008 financial crisis.

It is an environment in which organisations and individuals hire independent workers for short-term engagements, via internet platforms.

In the gig economy, technical platforms connect service seekers to job seekers from around the globe, whether businesses or individuals, in a very cost-effective way, overcoming political, geographical and time constraints, with strong control over the performance.

In simple terms, this means that independent workers can choose from temporary jobs offered to them around the world. By having a good track record of performance history, they can establish their own business agencies to provide their services at a larger scale.

On the freelance platform Upwork, freelancers earn more than $1 billion annually. (5) According to a study conducted by Upwork and Freelancers Union, 60% of freelancers in the United States started freelancing by choice rather than necessity and 67% of freelancers agree that more people are choosing to work independently today compared to three years ago. (6)

The trend towards the gig economy began several years ago and is expanding rapidly. One Intuit study predicts that 40% of the United States workforce will be participating in the gig economy by 2020.

According to a new study conducted by Upwork in 2018, 56.7 million Americans (35% of the U.S. workforce) are freelancing and doing an average of one billion hours of freelance work per week. (7)

With the emergence of companies providing on-demand services and with the increase in temporary positions or freelance jobs on the internet, the gig economy can be considered a rising economy in the Middle East and North Africa. (8)

In some ways, the gig economy is a significant threat to many businesses, because it creates large numbers of online competitors, but at the same time it is a great chance to control costs, enhance quality, or even accelerate growth. It also means that employers can choose independent workers for specific jobs from around the world based on the specific skills required and budget available and with minimal risk. The gig economy is a great way to get projects accomplished without immense overhead.

As Irish author, philosopher and organisational behaviour specialist Charles Handy pointed out in Rethinking the Future (2004):

“We have to remember that the very definition of work is changing. Work used to mean having a job with an employer. But today, it increasingly means working for yourself and even by yourself.”
In the near future, half of all the workforce of the developed world will be working outside the organisation. Traditional organisations now employ only 55% of the workforce on a full-time basis. The rest are temporary, part-time or contractual workers. Our portfolios will increasingly be collections of different work for different clients. (9)

The magic formula for competing successfully and commanding high fees in such an economy is one’s ability to market oneself and one’s professional competencies and skills.

Therefore, the gig economy is a great opportunity to address the problem of about 90,000 Omani job seekers, as employing them in a labour market of hundreds of millions is an easy task. All that is required is empowering those 90,000 and open the right channels toward the gig economy for them.

THE GIG ECONOMY is a great opportunity to address the problem of about 90,000 Omani job seekers.
Most in Demand Online Jobs

The Upwork Skills Index ranks the site’s 20 fastest-growing in-demand skills in a quarterly series.

The 20 fastest-growing freelance skills in Q3 2018 experienced more than 115% year-over-year growth, while demand for the top 10 skills grew more than 400% year over year.

The top 20 fastest-growing skills, Q3 2018 (10) are the following:

1. Dropbox API
2. Equity research
3. Molecular biology
4. iPhone UI design
5. Salesforce Marketing Cloud
6. Genetic algorithms
7. Vue.js framework
8. Kubernetes
9. Social customer service
10. HR consulting
11. Google Cloud Platform
12. Oculus Rift
13. Microsoft Power BI
14. Proposal writing
15. Vuforia
16. Instructional design
17. Lesson plan writing
18. Google App Engine API
19. React.js framework
20. Tensor Flow
Apart from the above-mentioned opportunities, the ones below have also been in high demand recently:

1. **SOCIAL MEDIA MANAGEMENT:**
   - whether for individuals, corporations, products or brands.

2. **CONTENT WRITING AND BLOGGING/SEO:**
   - to help websites become more visible on major search engines (such as Google and Bing).

3. **VIRTUAL ASSISTANT (VA) JOBS:**
   - this job is similar to a personal assistant, except that the virtual assistant completes his or her tasks online. Tasks include bookkeeping, WordPress, data entry, calendar management, and writing. These jobs are in high demand due to the ongoing start-up revolution; business owners want to focus their time on core tasks that make them money, while delegating the rest.

4. **E-COMMERCE SPECIALIST:**
   - clients are looking for e-commerce specialists who can help them increase sales and profits.

5. **APP DEVELOPERS:**
   - more businesses are realising how important it is to have not only a web presence but a mobile presence too.

6. **ANIMATION JOBS:**
   - this skill is in demand, as more people are embracing animation as a better way to reach their audience.

7. **DESIGN JOBS:**
   - design jobs involve the creation of graphic content aimed at specific objectives.

8. **SEO EXPERTS/CONSULTANTS:**
   - SEO Consultants are people who review and analyse websites to improve the site’s rank in search engines. This, too, is one of the most in-demand freelance jobs.

In order to be able to do those jobs, individuals need to be trained, so the next section looks at training opportunities.
E-Learning

A decade ago, one had to get a bachelor’s degree in order to get a well-paid job, paying between $40,000 and $100,000 in tuition fees. However, this is not the case nowadays. We must take this into consideration when planning for the economic development of Oman.

Today’s world offers a large sector of online jobs at high wages. Many of these jobs, such as digital marketing and website development, do not require any academic qualifications, but can be learned using specialised training programmes, which are available online at very low prices.

According to a survey conducted by Upwork, 70% of full-time freelancers participated in skills training in the past six months, compared to only 49% of full-time non-freelancers. In addition, freelancers are placing a greater emphasis on skills training than on traditional education. 93% of freelancers with a four-year college degree said training was useful to their current job positions, but only 79% said their college education was useful. (11)

Even in traditional jobs, academic qualifications are no longer considered as the most important element; a proven ability and strong performance is what matters. This ability emerges from well-known professional qualifications, which can be acquired and learned at any time, from anywhere, and by anyone on the Internet.

In today’s world, self-motivation, the ability to learn continuously, developing new skills online, and building professional online profiles are the factors that matter when it comes to having a successful career with a high income.

Training staff in classrooms is no longer viable in the
There are many e-learning platforms, such as Udemy, Coursera, and PluralSight. They offer the training and development programmes that are needed for the labour market, at very low cost.
Job Seekers, the Hope for Oman’s Economy
OMAN’S CURRENT ECONOMIC LANDSCAPE

INTRODUCTION

Although the Government of Oman has invested in the non-hydrocarbon private sector over the past decade, the economy remains heavily dependent on oil resources and this is a pressing economic risk. As oil revenues are the main source of funding investments in Oman, any disruption in production and prices could threaten the country’s economic prospects. Reforming state resources to boost sources of income outside the oil sector is therefore one of the main economic priorities of Oman’s policy makers, especially given the continuing decline of crude oil prices.

Low oil production and the decrease of energy prices in the world will affect Oman’s economic growth over the next decade. Although it already has a diverse economy, it needs to put more effort into reducing its dependency on energy and develop self-sustainable growth, independent of the hydrocarbon and energy-intensive sectors. (12)

Foreign direct investment (FDI) represents a small percentage of Oman’s GDP. Previously, Oman has succeeded in obtaining large oil revenues and used them to promote ongoing domestic investment with minimal FDI requirements. As part of its diversification plans, Oman has in recent years adopted foreign business participation in a range of key sectors to encourage more foreign investment. However, there are obstacles to foreign investment, including restrictions on ownership of property, that could hinder investors. Due to this, Oman achieved a score of 52.2 for investment openness, making it the 9th country in the MENA region. (13)
ATTRACTION FOREIGN DIRECT INVESTMENT (FDI)

OMAN's Ability to Attract FDI

Oman has many features that make it one of the most attractive destinations for FDI in the MENA region. The following are some of these special features:

01. Oman is located close to the Arabian Gulf and has major ports. Its ports can continue to operate in the case of unrest within the Gulf itself.

02. Oman has access to main shipping routes connecting the West and the East and the country's ports have become shipping hubs on these routes.

03. Oman is characterised by a strong position among its competitors in terms of indicators of economic freedom, investment attractiveness and ease of doing business.

04. Oman has friendly relations with almost all of the major powers in the region, as well as good relations with the USA, the UK, India and China. (14)

05. A large number of neighbouring countries have lost their ability to compete, as well as their competitive position to attract and maintain FDI, because of the internal and external conflicts going on over there since years now.

06. Oman has a strategic geopolitical location and the high level of safety that is important and competitive when it comes to attracting FDI.
Despite the growth of FDI globally and the digital transformation that has allowed trade enterprises and countries to access the global market effectively, Oman’s performance has not been good enough.

The following numbers come from the United Nations Conference on Trade and Development (UNCTAD) website (15):

1. Overall, the world annual FDI inflow increased by 21%, from approximately $1,179 billion in 2009 to $1,430 billion in 2017.

2. In the same time period, MENA’s share of annual FDI inflows declined by 59%, from $81 billion in 2009 to $33 billion in 2017, due to external and internal crises resulting from the global financial crisis, transformations and conflicts.

3. Both of the above-mentioned factors should have raised Oman’s share in the annual FDI inflow, especially as it is the only country in the region that has managed to largely avoid both external and internal conflicts, as it has demonstrated an outstanding ability to maintain security, safety and internal cohesion, and due to its inherent features to attract FDI inflows (see above).

4. However, although Oman’s share of FDI inflows has indeed increased, it has not done so to the extent possible considering the above-mentioned factors. To illustrate, Oman’s share of FDI inflows increased by 26% from about $1.5 billion in 2009 to about $1.9 billion in 2017. This sounds good, until you realise that Oman’s share of the total annual FDI inflows is about 0.13%, which is considered a relatively small percentage.
Obstacles that OMAN Faces to Attract FDI

The following are some of the weaknesses and the most important obstacles that Oman faces in terms of attracting FDI:

01. The high level of bureaucracy in government institutions, which has become very well-known and unwelcomed in Oman’s society and among investors.

02. The failure of a number of governmental institutions to keep pace with the global economic changes happening in the world in their policies and procedures.

03. Lack of focus and vision in the design and implementation of localisation policies (so called “Omanisation”) in a way that significantly harms investors’ competitiveness.

04. Local ownership requirements, where laws impose at least 35% of local ownership on the majority of investments in the country.

05. Oman’s poor performance in marketing itself in the world as a promising and attractive investment destination.
The Oman has the 4th highest unemployment rate regionally and the 20th worldwide, with a rate of 16% according to the latest statistics (December 2017). The global average is 5.8%. (16)

88% of those job seekers live outside Muscat, the capital of Oman (64% of them are women). This makes it challenging to offer them jobs in the local market, since the great majority of jobs are located in Muscat. Therefore, the option of engaging these jobseekers in the global online labour market could be the only realistic option available, especially since a high percentage of them are graduates of high-demand specialisations, such as IT and business. (17)

84% of the total number of job seekers hold a general education diploma (57% of them are university diploma holders), which means that they can easily be professionally trained to match the needs of the local and global labour market and accordingly get hired in decent high pay jobs in the gig economy. (17)
The number of active jobseekers reached nearly to 44,000 at the end of September 2017. However, the number jumped to 93,000 in 9 days after the announcement of 25,000 new positions. This clearly indicates that actual number of Omani jobseekers is much higher than the number registered officially in the government records.

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84% of the total number of job seekers hold a general education diploma (57% of them are university diploma holders), which means that they can easily be professionally trained to match the needs of the local and global labour market and accordingly get hired in decent high pay jobs in the gig economy.
SWOT ANALYSIS SUMMARY

The SWOT analysis suggests that our opportunities to improve and turn around our economy far outweigh the threats we face, including the threats to the oil sector. These opportunities are mainly concentrated in attracting FDIs and the dominance of the gig economy.

Indeed, even the oil price decrease can be seen as a driving force for our government and people to explore the new opportunities and turn around to a knowledge-based economy.

We have many strengths that enable us to exploit these opportunities, such as our geographical and political position and the wise policy that Oman pursues on an external and internal level since the beginning of the Renaissance.

However, the main weakness that hinders us from benefiting from these great opportunities lies in the weakness of our human capital. This issue can be overcome at a limited cost and reasonable efforts, with the participation of both the public and private sectors in accordance with a well-designed plan and right implementation.
STRENGTHS

01
OMAN is characterised by a very high level of social capital, i.e. the extremely high level of confidence among Omani people, which enables them to work together and achieve common purposes.

02
OMAN is located close to the Arabian Gulf and has major ports. Its ports can continue to operate in the case of unrest within the Gulf.

03
OMAN is at the centre of the east-west nexus joining markets in Europe, Asia and North America and it has close proximity to Africa.

04
OMAN is one of the world’s safest and most secure countries with one of the lowest crime rates in the world.

05
The OMANI workforce is educated and largely bilingual.

06
OMAN has friendly relations with almost all of the major powers in the region, as well as good relations with the USA, the UK, India and China.

07
OMAN is a signatory to the WTO, the GCC common market and GAFTA and has FTAs with the US, Singapore, Iceland, Norway, Switzerland and Lichtenstein.

08
OMAN’s Government engages in steady and ambitious investment in the country’s infrastructure, including manufacturing free zones, seaports, airports, rail, and roads, as well as in its health care and educational systems and facilities.

09
OMAN has globally ranked ports, airports and roads and some of the most strategically placed ports in the world.

10
OMAN has a leading, advanced telecommunication infrastructure, supporting interconnected domestic and international networks.

11
OMAN was ranked 1st among MENA’s 20 countries in Starting a Business by the World Bank and 32nd globally.

12
OMAN has seen a significant improvement in e-governance.
In comparison to most Middle Eastern countries, Oman is home to a vibrant expatriate and foreign investor community, amounting to almost half the total population of the country.

Oman boasts affordable city living. House rental prices are well below the Gulf’s regional average.

84% of Omani job seekers hold a general education diploma (57% of them are university diploma holders), which means that they can easily be professionally trained to match the needs of the local and global labour market and accordingly get hired in decent high pay jobs in the gig economy.

Oman has an excellent quality of life: It is a modern, friendly, and scenic country, with outstanding international schools, widely available consumer goods, modern infrastructure, and a convenient and growing transportation network.

Oman has 3,165 kilometres of stunning public shoreline.

88% of Omani job seekers live outside Muscat, the capital of Oman (64% of them are women). This could be well motivated workforce that can be engaged in the gig economy, especially since most of them are graduates of high-demand specialisations.

Oman is considered one of the best places in the Gulf to bring up a family.
WEAKNESSES

01
Since the fall of oil prices, OMAN is facing a challenging economic situation.

02
FDI constitutes a small part of Oman’s GDP.

03
There is a high level of bureaucracy in government institutions.

04
The failure of a number of governmental institutions to keep pace with the global economic changes happening in the world in their policies and procedures.

05
Lack of focus and vision in the design and implementation of “OMANISATION” (see above), in a way that significantly harms investors’ competitiveness.

06
Weakness in human capital and skills in the labour force.

07
OMAN’s poor performance in marketing itself in the world as a promising and attractive investment destination.
OPPORTUNITIES

01
The digitalised knowledge-based economy enables companies instantly to become multinational companies.

04
The continuous significant growth of the gig economy globally since the beginning of this century.

07
E-learning platforms offer the latest training and development programmes that are needed for in the labour market, at very low cost.

02
Many neighbouring countries lost their attractiveness for FDI, due to the internal and external conflicts going on over there since years now.

05
The emergence of the knowledge-based economy, in which individuals and small enterprises have the competitive advantage.

03
Globally, annual FDI continues to rise.

06
An increasing need for talented individuals.

THREATS

01
The heavy reliance on the oil production is the most serious risk to Oman’s economy. Low oil production and low oil prices worldwide are expected to affect the economic growth over the next decade.

02
High rate of job seekers.

03
It seems that the global trade and global economy will never grow again at the same rate and will remain at under 4% per year.
Job Seekers, the Hope for Oman’s Economy
DEVELOPING NATIONAL HUMAN CAPITAL

To get rid of the bottleneck, turn around national economy into a strong knowledge-based economy, and maintain our strong social cohesion we need to develop our national human resources in professions that are in high demand in the gig economy and/or widespread or strategically important in the local public and private sectors.

As a matter of fact, this strategy is the backbone of the success of all other strategies and initiatives adopted nationally to promote Oman’s economy and achieve the national vision.

More specifically, the right investment in developing our national human resources would enable us to achieve the following strategic objectives:

TO TURN AROUND NATIONAL ECONOMY INTO A STRONG KNOWLEDGE-BASED ECONOMY, WE NEED TO DEVELOP OUR NATIONAL HUMAN RESOURCES IN PROFESSIONS THAT ARE IN HIGH DEMAND IN THE GIG ECONOMY AND/OR WIDESPREAD OR STRATEGICALLY IMPORTANT IN THE LOCAL PUBLIC AND PRIVATE SECTORS.
Foster the **gig economy:**

**GLOBALLY:** the gig economy currently accounts for 30% of the workforce in Europe and America and this number is expected to rise significantly in the coming years.

**IN OMAN:** the gig economy is practically inactive.

**SOLUTION:** we need to develop our Omani human resources in professions that are in high demand in the gig economy and open channels toward the gig economy for them.

Foster the success of **small and medium** enterprises (**SMEs**) in the **globalised economy:**

**GLOBALLY:** “In the OECD area, SMEs are the predominant form of enterprise, accounting for approximately 99% of all firms. They are major contributors to value creation, generating between 50% and 60% of value added on average.

“In emerging economies, SMEs contribute up to 33% of GDP. When taking the contribution of informal businesses into account, SMEs contribute to more than half of GDP in most countries irrespective of income levels.” (18)

**IN OMAN:** SMEs’ contribution to the GDP is negligible. One of the biggest challenges facing SMEs in Oman is the lack of competencies and skills of entrepreneurs, who are the main derive behind SMEs’ success.

**SOLUTION:** we need to develop our Omani human resources professionally and managerially and sharpen the skills of the workforce.

Attracting **Foreign Investment:**

The professional development of our human resources will enhance the performance of institutions involved in attracting foreign investment in Oman. It will also effectively address the main weaknesses and obstacles in attracting FDI, by enhancing our governance processes, improving our marketing, and solving the Omanisation problem.
The strong correlation between the development of human resources and the improvement of the national economy is evidenced by the World Bank study (2000) that shows that 80% of the total wealth of nations in high-income countries comes from intangible capital. Looking into the three components of intangible capital in Oman, the most vulnerable one (for keeping up with the globalised economy) is human capital. Therefore, proper investment in human capital would greatly enhance the value of the other two components (social capital and governance components) and subsequently significantly raise our national economy and turn it into a knowledge-based economy.

Empower them to work in the gig economy, which is a huge market that consist of hundreds of millions and can easily accommodate Omani job seekers.

Develop job seekers to become entrepreneurs, running their own businesses successfully.

By improving our ability to attract FDI, the number of jobs created for Omanis directly and indirectly would subsequently increase.

Developing Omanis’ skills and talents, significantly enhancing their competitiveness against expatriates, would enable them to obtain good jobs in the local labour market. The Omanisation rate in the private sector was only 12% in 2017. (15)

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HOW TO DEVELOP OUR HUMAN RESOURCES?

In the knowledge-based economy, human resource development cannot be achieved by training hundreds of thousands of Omani employees and job seekers in classrooms. This is no longer viable, as the focal point nowadays is not what skills someone possesses, but their abilities to acquire new skills and competencies, because the economy and hence the required skills are constantly changing. Not to mention the extremely complex operational and administrative difficulties and the enormous costs required to train hundreds of thousands of individuals in classrooms.

Fortunately, there are many e-learning platforms, such as Udemy, Coursera, and PluralSight, that offer the latest training and development programmes needed for the labour market, at very low cost. Therefore, we can develop our human resources with very little administrative and operational costs and efforts, but with great efficiency and sustainability, taking advantage of the facilities offered by e-learning environments (which was not available until a few years ago).

All that is required from us is, in a sustainable manner at the national level, to work on three strategic axes: creating a culture of professionalism, creating a reward system for those who work on obtaining professional qualifications and developing their talents and skills, and unlocking the channels for professional development and work opportunities.

ALL THAT IS REQUIRED FROM US IS, IN A SUSTAINABLE MANNER AT THE NATIONAL LEVEL, TO WORK ON THREE STRATEGIC AXES: CREATING A CULTURE OF PROFESSIONALISM, CREATING A REWARD SYSTEM FOR THOSE WHO WORK ON OBTAINING PROFESSIONAL QUALIFICATIONS AND DEVELOPING THEIR TALENTS AND SKILLS, AND UNLOCKING THE CHANNELS FOR PROFESSIONAL DEVELOPMENT AND WORK OPPORTUNITIES.

FIRST/ CREATING A CULTURE OF PROFESSIONALISM

For decades we have been an oil-based economy, in which the government (based on oil revenues) was the source of wealth and income for the entire national economy. In these decades, a culture of government dependency developed.

However, such a culture is a major weakness in the knowledge-based economy, in which the government is supposed to only play the role of a facilitator and supporter to some extent. In the knowledge-based economy, the source of wealth is not the government, but people themselves, whether they are individuals, SMEs or even large enterprises.

Therefore, the first and most crucial thing to be done by the government, media institutions, civil society, intellectuals and writers is to work together to change the above-mentioned mindset and instead adopt an attitude that will lead us to successfully enter the knowledge-based economic sphere.
RECOMMENDATIONS:

- We need to change our perspective toward individuals and SMEs and see them as the most important and as precious resources and factors of production, rather than as a drain on our national resources.

- We all, the government and the people, must unite and work together to improve our educational system. We are all responsible for this from our different positions in the civil society, whether as students and recipients of education services, or as parents, as employees, as suppliers, or as a general environment incubating these developmental processes.

- We all need to promote a culture of ongoing education and training in our society, including all aspects of education, such as writing and reading, academic and professional qualifications, or technical development, the Internet, and English language.

- We all need to promote a culture and methodology of career planning, as well as a culture of professionalism in dealing with virtual space, its tools, and its channels.

- We all need to promote the use of the internet, especially in the workplace, and encourage people to benefit from the facilities and opportunities that it offers, whether in e-Learning, business, jobs or in the thousands of tools and programmes it offers to facilitate today’s life. We call this a culture of cyberspace.

- We all need to promote digital literacy, building and developing knowledge-related content at all levels, areas, or sectors.

SECOND / CREATING A REWARD SYSTEM

Development should stem from people themselves. That is why we need create self-motivation among individuals for developing their skills and talents, in line with international professional standards.

Developing those who have no desire and incentive to grow is almost impossible. Therefore, the key to a successful developmental process lies first and foremost in motivating people.
RECOMMENDATIONS:

- The government should officially adopt a strategic vision that aims to Omanise the top of the career pyramid in Oman, in line with international professional standards and free market laws, rather than imposing Omanisation at the bottom of the pyramid, knowing that Omani HR is the most important and a precious resource and factor of production.

- The government needs to establish/adopt a national framework for professional qualifications in line with international professional standards.

THIRD STAGE/UNLOCKING THE CHANNELS TOWARD PROFESSIONAL DEVELOPMENT AND WORK AND BUSINESSES OPPORTUNITIES

Achieving the first two strategic axes pushes the population toward cyberspace to develop themselves and participate in the gig economy. However, there are numerous choices, qualifications, technical programmes, accredited international professional qualifications, etc. and their accessibility, as well as the ongoing changes therein.

THAT IS WHY THERE IS A STRONG NEED OF A SPECIALISED ORGANISATION TO GUIDE PEOPLE AND SUPPORT THEM TO MANAGE THEIR PATHS SUCCESSFULLY IN THIS HUGE AND SOPHISTICATED ENVIRONMENT. BELOW ARE SOME OF THE TASKS TO BE RUN BY THE ORGANISATION THAT WILL TAKE THIS RESPONSIBILITY:

1. Continuously examine Oman’s labour market, the world market, its needs and requirements, and monitor the continuous changes that occur.

2. Continuously examine the virtual and conventional training market (including short professional and technical programmes, accredited international professional qualifications, etc.) and their accessibility, as well as the ongoing changes therein.

3. Establish and continuously update a database of the above-mentioned information and make them accessible and easily available to Omanis.

4. Develop a strategy and plans to shift to the knowledge-based economy and manage its implementation in cooperation with private and public sector institutions.
5 Promote the culture of cyberspace and empower Omanis to benefit from e-Learning facilities and businesses and job opportunities in the gig economy.

- Working in coordination with public and private sector institutions (such as the technical college and others) to develop and spread a culture of professionalism, continuous development, and a professional work sphere.

- Conducting training programmes and workshops in all governorates across Oman, to create awareness and empower Omanis to benefit from e-Learning facilities and businesses and job opportunities in the gig economy.

- Conducting e-marketing to promote the culture of cyberspace and to create awareness of and empower Omanis to benefit from e-Learning facilities and businesses and job opportunities in the gig economy to the largest possible part of the Omani society.

6 Developing and managing an interactive website specialising in career planning:

- Provide advice and information to Omanis about their chosen careers and the available paths to grow within them, in line with their desires and capabilities and strengths and international professional standards.

- Advise Omanis about relevant and reliable websites and platforms that they can use to develop their talents and capabilities and to work/do business in the gig economy.
Job Seekers, the Hope for Oman’s Economy
MAZARS OMAN is one of the leading audit and advisory firms in the country. It is approved since 2004 by the Capital Market Authority (CMA) to audit the entities regulated by CMA.

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MAZARS OMAN is led by the Omani national Mr. Abbas Al-Humaid who is also a Partner of the international Mazars Group, registered in Belgium.

OUR GOAL is to always go above our clients’ expectations and needs and deliver the value they deserve. Therefore, we pay due attention to education, transparency and local regulations.

At Mazars, we do not consider Oman as just another destination where we have expanded our business, but a country where our mission is to serve and help it grow. For that purpose, we offer Oman all of the strengths of Mazars’ offices globally.
ABOUT THE AUTHOR

Abbas is a strategist, management consultant, auditor and author. He is inspired in his life by enabling others, whether individual, organizations or communities to succeed.

He has supported many organizations in achieving successes, helping them achieve their strategic and operational objectives. He has also contributed to raising the capabilities of thousands of individuals both at the professional level and in the general humanitarian aspects through his books, lectures, special sessions and the development of their institutional capacity.

Abbas, a partner of the international Mazars Group, registered in Belgium, and a managing partner of Mazars Oman. A seasoned C-Level executive, business visionary, with successful history of delivering unprecedented growth in his businesses. His 25+ year career in renowned organizations such as Arthur Anderson, E&Y and KPMG is distinguished by his sustained accomplishments. He is recognized as a thought leader, innovator, trustworthy business advisor. He is an expert in defining, evolving and executing business strategies. Renowned for broad strengths in strategic management, risk management, change management and optimizing business processes. Aiding government-owned companies to realize their economic goals.

He is the first Gulf State national (and one of a few thousand globally) who is authorized by the “International Council of Management Consulting Institutes” (ICMCI), a UN sanctioned non-government organization, to practice as a Management Consultant. His areas of expertise are in Strategic Management, Leadership Development, Organizational Development, Restructuring and Financial & Administration Systems. He was bestowed with the title “Fellow” in management consultancy. This is the highest level of professional membership and is only awarded to those who can demonstrate significant evidence of contribution to the management consultancy profession.

He was one of the only two people outside of the UK who was accredited by the Chartered Management Institute (CMI, UK) to assess candidates for the prestigious accreditation: Chartered Manager (CMgr), the ultimate accolade for any practicing professional manager.

He holds a range of fellowships, academic and world professional qualifications such as “Certified Public Accountant” (CPA) from the USA, “Certified Management Consultant” (CMC) from the UK, “Chartered Manager” (CMgr) from the UK and “Certified Fraud Examiner” (CFE) from the USA. He is a Fellow of the “Institute of Consulting” (IC) - UK, a professional member of the “Institute of Management Consultancy” (IMC) – USA and a Fellow member of the “Chartered Management Institute” (CMI) - UK. Abbas holds two B.A. degrees, one in Accounting and the other in Economics. These are in addition to a postgraduate degree in Business Administration from Heriot - Watt University, UK.

He published 8 books and many articles that are aimed at providing support and guidance to individuals, communities and institutions to enable them to make positive, conscious and purposeful practical changes that result in making their lives better, more secure and happier. His books have been highly appreciated by many independent professionals and thinkers of various intellectual orientations and religious affiliations around the world.
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