ECONOMIC DEVELOPMENT AND REFORM OF SKILL FORMATION IN RELATION TO VET: THE CASE OF SULTANATE OF OMAN

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DEDICATION

I would like to express my sincere love, respect and appreciation by dedicating my study to

My dearest father Ibrahim Ahmed Al Kindi

My beloved wife Badriya Ahmed Al Kindi

My sweetheart

Farqad, Awab, Muneeb, Al Yaqeen and Al Mudathar

My Aunties

Fatima Ahmed Al Kindi and Salima Ali Al Mahrooqi

My Brothers, Sisters, and their Children

For their support, encouragement, and prayers throughout this study

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ABBREVIATIONS

BTEC	BUSINESS TECHNICAL AND EDUCATION COUNCIL
BTECH	BACHELOR DEGREE IN TECHNOLOGY
CAT	CERTIFIED ACCOUNTING TECHNICIAN
CBI	CONFEDERATION OF BRITISH INDUSTRY
ESCWA	ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA
GCC	GULF COOPERATION COUNCIL
GDP	GROSS DOMESTIC PRODUCT
GNP	GROSS NATIONAL PRODUCT
GNVQ	GENERAL NATIONAL VOCATIONAL QUALIFICATION
GPA	GRADE POINT AVERAGE
HD	HIGHER DIPLOMA
HRD	HUMAN RESOURCE DEVELOPMENT
ILO	INTERNATIONAL LABOUR LAW
IMF	INTERNATIONAL MOMENTARY FUND
MIC	MUSCAT INDUSTRIAL COLLEGE
MCHT	MUSCAT COLLEGE OF HIGHER TECHNOLOGY
MOE	MINISTRY OF EDUCATION
MOHD	MINISTRY OF HIGHER EDUCATION
MOI	MINISTRY OF INFORMATION
MOMP	MINISTRY OF MANPOWER
MONE	MINISTRY OF NATIONAL ECONOMY
MSALVT	MINISTRY OF SOCIAL AFFAIRS, LABOUR, AND VOCATIONAL TRAINING
ND	NATIONAL DIPLOMA
NVQ	NATIONAL VOCATIONAL QUALIFICATION
OCCI	OMAN CHAMBER OF COMMERCE AND INDUSTRY
OCIPED	OMAN CHAMBER OF COMMERCE, OMANI CENTRE FOR INVESTMENT PROMOTION AND EXPORT DEVELOPMENT
OND	OMAN NATIONAL DIPLOMA
ND	NATIONAL DIPLOMA
OVQ	OMANI VOCATIONAL QUALIFICATION
PASI	PUBLIC AUTHORITY FOR SOCIAL INSURANCE
PDO	PETROLEUM DEVELOPMENT OF OMAN
PIEE	PUBLIC ESTABLISHMENT FOR INDUSTRIAL ESTATES
PTI	PRIVATE TRAINING INSTITUTE
QCA	QUALIFICATION AND CURRICULUM AUTHORITY
RGOTC	ROYAL GUARD OF OMAN TECHNICAL COLLEGE
RSA	ROYAL SOCIETY OF ARTS
SQU	SULTAN QABOOS UNIVERSITY
TIC	TECHNICAL INDUSTRIAL COLLEGE
UK	UNITED KINGDOM
UN	UNITED NATIONS

UNDP	UNITED NATIONS DEVELOPMENT PROGRAMME
UNESCO	UNITED NATIONS EDUCATIONAL SCIENTIFIC AND CULTURAL ORGANIZATION
UNICEF	UNITED NATIONS CHILDREN'S FUND
USA	UNITED STATE OF AMERICA
VET	VOCATIONAL EDUCATION AND TRAINING
VTC	VOCATIONAL TRAINING CENTRE
WTO	WORLD TRADE ORGANIZATION
SCVLT	SUPREME COMMITTEE FOR VOCATIONAL TRAINING AND LABOUR

ABSTRACT

This study is the first of its kind in the Sultanate of Oman to examine skill formation and Omanisation processes using qualitative methods. This study focuses on the relationship between education, skill formation and economic development in Oman. In particular, it examines the government 'Vision 2020' strategy on the development of human capital to deliver economic growth, especially through the expanding private sector. The upgrading of human capital is believed to be central to the process of Omanisation, that is, a plan to replace expatriate workers with Omani nationals. The main interest of this study is the perceptions and reactions of three stakeholders; policy makers, college managers and private sector employers. An aim of this study was to contribute to a greater understanding of Oman's economic development, skill formation and Omanisation process and identify barriers to the implementation of Omanisation in the private sector.

Empirical data was gathered from interviews of policy makers, college managers and employers in the private sector in the Sultanate of Oman. Secondary sources of information included books, articles, newspapers, magazines, journals, working papers, conference papers, reports, internet, minutes of meetings and Royal speeches. The study contributes to contemporary theoretical arguments concerning the relationship between supply and demand in national skill formation. Therefore, a conceptual framework was developed capable of examining the linkage between supply and demand for skilled labour in Oman. This theoretical approach was used to contextualise an examination of vocational education and training (VET) which was central to 'Vision 2020'. Three case studies were used to provide insights of the key informants (stakeholders), enabling an assessment of current VET and changes needed to deliver the future requirements of the Oman labour market.

This study concludes with a discussion of the major findings and suggests some useful steps towards Omanisation. Among the main findings in this study is the limited articulation between government organisations, training providers and employers in the private sector, and too many government bodies responsible for different aspects of education and training.

CHAPTER ONE

Introduction

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Introduction

1.1 The Substantive and Theoretical Problems

The process of Omanization, the growth of the economy and the expansion of education and training are long term processes and this study is located within a phase of such developments. The 'Vision 2020' sets out the principal objectives and mechanisms for transforming the Omani economy. Arguably, Oman is considered to be a rentier economy dependent on the wealth generated from oil production but the intention now is to broaden its economic base. Describing the Oman as a rentier economy is something of a contentious if not sensitive issue. For example Beblawi (1990) identified rentier states as when the government is the main employer, the economy relies on substantial external rent, the government is the principle recipient of the external rent and where rent situations predominate. In Oman there are elements of this. In fact oil production and sales still drive the economy and are the basis of the country's wealth. However, the Omanisation project explicitly recognises the need for economic diversification.

As the Ministry of Development (1995) stated:

> in order to achieve the appropriate economic standard we need to support current resources (mainly oil) with other resources like industrialisation. His Majesty is concerned with the necessity of conducting any studies required. For a comprehensive economic assessment of the production and services sectors; the identification of a number of leading sectors that can contribute to the expansion and development of the economic and productive base of the Oman, thereby replacing oil revenues in the future (Official translation, Vision for Oman's Economy p.3).

Together with the reform of the economic base are three interrelated goals. First, there is the ongoing process of Omanization, that is, the planned and systematic replacement of expatriate workers with Omani nationals. Secondly, to expand the private sector signalling a move from dependence on the state for the provision of employment to the development of private firms and a more competitive labour market. Thirdly, a balanced regional programme so that employment opportunities and, in turn, wealth distribution are more evenly spread across the Oman.

Central to the achievement of these economic goals is the creation of an appropriate system of education and training that will provide employers with adequately trained and skilled workers. Consequently, in the Oman, as in Britain,

> over the last twenty-five years education has become the focus for intense debate between politicians, industrialist and academics and the supposed relationship between education provision and economic performance has increasingly underpinned education policy (Jephcote, 2002, p.15).

To illustrate this, in Oman, for the last decade the largest share of the national budget was allocated annually to the Ministry of Education. For example, 25 percent of the total government budget was allocated for the academic year 2005/2006. According to the government plans as stated below:

> a long-term plan for human resources development (1991 – 2020) was formulated. The concentration on labour force planning was a serious attempt to link the outputs of the educational and training systems to the requirements of the national economy so as to avoid any distortions in the labour market that may result in nonconformity between the two sides (the outputs and the labour requirements) (Ministry of Development 1997, p.108).

The current model of education and training is rooted in the British system. However, there is a general lack of confidence in it to supply the standard and number of workers needed to meet the economic goals. In particular, the system has been criticised on its failure to deliver the economic reforms. According to the 'Vision 2020', the current system will not be able to achieve the required number of trained skilled workers at different levels to replace the current expatriate workers. As the Ministry of National Economy (2003) stated, there is a:

> mismatch between the outputs of the existing education system, which is built upon academic education, and the requirements of the labour market for more professionals and technicians, and if it continues, Omanis will be faced with a hideous rise in unemployment. This will have an enormous negative impact on human resources development and on sustainable human development universally (p.135).

Even though such views are well known, there is still limited co-operation between the government and the private sectors on how to fulfil the plan (UNESCO, 1999). A key aim is to increase the numbers of students with different levels of skill and decrease the number of unemployed school leavers. However, the problems encountered in the Oman system of education and training are not unique. As a system largely modelled on the British system it is not surprising that many of the problems faced in the Oman are similar to those faced in Britain. Indeed, the Oman was ahead of Britain in losing confidence in the NVQ and GNVQ qualifications leading, in the Oman, to their withdrawal in year the 2000 and a return to a curriculum of BTEC awarding body, incorporated into the curriculum of technical colleges to better suit the Omani labour market requirements.

Generally, there are ongoing concerns about the relevance of the education and training system and its ability to provide sufficient and suitably skilled and qualified workers especially given that the Oman has seen an increase in the number of expatriates being brought into the country to take up jobs, that according to 'Vision 2020', should be taken by Omanis. 'In fact, the education and training system had not been fully successful in meeting the labour market demand, as the system was not planned according to the labour market' (Kumar, 2003). This report suggested a strong need to reform the education and training system to produce the appropriate skills required by employers. In this respect, there is a divergence between Britain and Oman, in that the Oman has ongoing five-year economic development plans based on a model of manpower planning, but there are similarities in the approach to education and training policy such as the inclusion of work experience in the curriculum, and importance given to the development of transferable and basic skills. The importation of an education and training system or policy will not fit without major alterations. As Brown (1999) stated, the problem of policy importation is that:

> it rarely boils down to a simple matter of changing the voltage supply applicable to a given society like one finds on many household appliances. It almost always involves changing the circuitry. But we should reject the contention that policy importation is destined to fail because the circuitry is so different between societies that very little is transferable (p.248).

What the above quotation shows that it is not a straightforward matter of using another country's system, but that we can avoid other people's mistakes, thus confirming Raffe and Byrne's (2005) attachment to the idea of policy learning rather than policy borrowing.

Over the last quarter century, different governments, especially in the Arab World, have been engaged in 'manpower' planning of various kinds. Therefore, the development of human resources is regarded as a high priority. For example, in the Arabian Gulf and some Middle East countries such as the Kingdom of Saudi Arabia, the United Arab Emirates, Kuwait, and Libya to name a few, there is also a great shortage of technical skilled manpower (see Al-Omair, 2003; Musamari, 2002). Unskilled employees are unable to cope with the introduction of new technologies. The countries mentioned above still depend on high numbers of expatriate workers with technical skills. Al-Omair (2003) explained that, despite the emphasis on education and training and the establishment of large educational and vocational systems, Saudi Arabia has a serious shortage of skills. Hageg (1986) (in Musamari, 2002) confirmed that the Libyan's economic and social progress was dependent upon the continued employment of foreign technical manpower in a wide variety of core positions in major public and private sectors. Although the Omani government has invested a lot of money in education and training there continues to be a high demand for different skills to replace the expatriate workers, especially lower labour skills such as labourers, drivers, welders, shopkeepers, tailors, mechanics, builders, electricians, and plumbers.

In different ways, governments, economists and educationalists have drawn on human capital theory as a theoretical basis for planning and analysis. In essence, human capital theory assumes that education and training are the most important investment in economic development (Becker, 1993). Human capital theory is a key element for human resource development in relation to education and training.

Indeed, Becker (2006) concluded that human capital is of great importance in the modern economy and has become of much greater significance during the past two decades. Carnoy (1977) suggested that human capital models relate an individual's productivity with the amount they spend on self-development towards searching for better education and training. Furthermore, the economic successes of individuals, and also of whole economies, are believed to depend on how extensively and effectively people invest in themselves (Lauder et al., 2006).

We should not, however, necessarily think that investment in education and training is the only answer to the problems. For example, Ashton and Green (1996), approaching this theme from an interdisciplinary perspective, have argued strongly against the unproblematic nature accorded to the relationship between education and economic development by both scholars and policy makers. Maglen (1990) observed that educational policy formation arenas are obsessed with the 'myth' of the potential benefits of education to economic development. It is better, therefore, not to regard human capital theory as unproblematic.

Of course, developments taking place in Oman cannot be looked at in isolation from changes taking place across the world. The move to a so-called 'global economy' require us to be aware of the forces at work beyond the borders of a single country and reminds us of these forces which shape economic and education and training policies such as via the OECD, World Bank etc., with their imperative for and an increasing emphasis on the importance of the acquisition of basic skills. For example, with reference to the rapid economic development of Singapore, Brown (1999), has

highlighted the problem of how to lift the skills base, when approximately a quarter of the workforce have no more than primary level education. However, regardless of the importance of national conditions some commentators point to an increasing global convergence of education and training systems founded on similar policies. For example, Dale (1985) has drawn attention to policy making in education to bring the education system into closer alignment with the priorities of employers, and to the problems formed by youth unemployment.

Nevertheless, we have to be aware of existing cultural, historical and economic circumstances at the national level that continue to shape educational development (Ashton and Green, 1999). Therefore, it is important to remember that the systems already in place in the Oman are rooted in an economic and cultural heritage and, once established might be difficult to alter. Thus, as Brown (1999) observed, whilst financial markets are subject to wild fluctuations, educational, social and economic institutions are embedded in a historical, cultural and political context which is more difficult to transform.

1.2 The Objectives of the Study

The focus of this study is on vocational training and technical education (henceforth referred to as VET) in the Oman and its potential to contribute to the reform of skill formation and the process of Omanization (manpower planning) set out in 'Vision 2020'. In essence, this is about achieving the demands of the labour market, in response to the Omani government's aim to establish and develop the private sector by 2020 and reduce the dependency of oil, with an increase the Omanization rate to

75 percent (Ministry of National Economy, 2001). This is despite the World Bank's warning that foreign investors would be unlikely to invest in Oman if it was apparent that Omanization would increase costs of production, have an effect on the efficiency of management and presage increased government intervention (Oman Economic Review, 2003). Overall it is our intention in this study to reveal the extent to which current VET in Oman is likely to achieve these goals, despite the fact that VET still under development. The study will contribute to the development of filling a gap in the research literature available in Oman. Specifically, the aim of this study is to develop a conceptual framework for understanding the process of Omanization. It seeks to provide investigative and empirical information that could contribute to the understanding of social and economic development in Oman and provide recommendations to policy makers, training providers and employers in the private sector.

The main objectives of the study are:

- To better understand the process of Omanization
- To illustrate the importance of and potential contribution of the VET system to Omanization and economic development

In order to address these objectives the empirical part of this study sought the perceptions of three key groups; policy makers responsible for education and training; managers of vocational and technical education colleges responsible for the local planning and delivery of the curriculum; and, a sample of private sector employers with experience of employing expatriates and Omani nationals. Thus, data were drawn from the interviews of the policy makers, college managers and private sector employers.

This study recognises the Al Lamki (1999) important contribution to the field where she undertook quantitative research with policy makers, employees and employers. However, this study makes a different and important contribution not just in the ways that it considers the views of private sector employers who are central to achievement of Omanization, but also because it adopts a qualitative and in-depth approach to reveal deeper insights.

1.3 Theoretical and Conceptual Framework

Although this study is primarily concerned with the development of vocational education we can see that this has to be related to a number of other matters. It is argued that matters to be investigated can be conceptualised as an educational problem, essentially an issue of the sufficient supply of a work force with appropriate skills to replace foreign workers and meet the needs of a developing private sector. The use of foreign workers, mainly from Asia, is not unique to the Oman as many western countries have also developed migrant programmes including foreign talent schemes. For example, economic expansion in Britain in the late 50s and early 60s saw a rise in demand for labour and in part, this was met by an influx of overseas workers, particularly from Asia and West Indies (Jephcote, 2002). There are similarities too with Singapore and Malaysia where, for example, unskilled labour are employed from overseas countries. This will be explored further in Chapter Two.

The 'Vision 2020' strategy emphasises the important issue of human capital to economic growth and the development of human resources in relation to the development of the private sector. Essentially, investment in human capital is seen as

a long-term process. Human capital is believed to be the most important form of capital in modern economies (Lauder et al., 2006). Investing in human capital is assumed to create opportunities and competition for positions in the Oman labour market, and for Omanis to gain access to the jobs occupied by expatriate workers. The growing diversity of the economy is an indication of the demand for different types of skills ranging from semi-skilled to high-skilled vocational and technical workers. In turn, as Pscharopoulos (1988) (in Al Shanfari, 1991) asserted better technical and vocational education has a direct impact on the rate of economic growth. Hence, vocational education has become an important 'flywheel' to create vocational and technical 'manpower' to accommodate the economic growth goals and objectives related to developing human resources.

Similarly in Malaysia, Ibrahim (1998) argued that investment in education and training contributed directly to economic growth at the national or regional level. He also considered that human capital theory remained a useful framework, provided that other institutional conditions are fulfilled in order to bring about economic development. Thus, the Omani strategy for national economic development is similar to other nations and especially western countries and other economies of Southeast Asia. In addition, Oman ranks among the top twenty of the freest economies in the world (Oman Observer, 18 November, 2005). The Ministry of Information (2005) argued that the Omani economy is now open to inward investments and multinational companies, without imposition of Omanization restrictions. The diversification of the economy, including the growth of a number of projects, such as a polypropylene plant, a methanol scheme, the production of liquefied natural gas, a fertiliser plant,

building materials products and telecommunications has increased the demand for skilled technical manpower, especially in manufacturing technology.

Taken with the intention to expand the private sectors, the overall intention is to encourage the Omani labour force to seek employment in it, and the development of technical education will support the Omanization plan in the private sector (Ministry of Development, 1997). The implementation of such a plan has, however, met a number of barriers and obstacles which work to shape national skill formation strategies. In attempting to address the political economy of skill formation we find that the 'conceptual and theoretical tool box is cluttered with the artefacts of human capital theory' (Brown, 1999, p.238). Hence, the development of VET has fluctuated for the past two decades for different reasons. For example, the responsibilities for planning general education and in particular the school curriculum were carried out mostly by non-Omanis who had very limited knowledge of the country (Al Shanfari, 1991). He also noted that there were no clear specific aims for vocational education. It was only in the last decade that the Omani government under local supervision introduced a curriculum for general education, and the government realised the need for skilled manpower to replace expatriate labour. As in Britain, there is a general presumption that there is a direct link between national economic efficiency and high levels of VET, though not everyone accepts this linkage (Ahier and Esland, 1999). Indeed, a purpose of this study is to investigate whether or not there is sufficient articulation between policy makers, training providers and private sector employers.

1.4 Outline of the Study

In order to address the issues constructively and effectively, the thesis is organised as follows. This chapter has provided an introduction to the study. In this chapter the substantive and theoretical problems to be investigated are highlighted and matters concerned with development of vocational education are viewed as related educational and economic problems.

Chapter Two examines and reviews an extensive literature to explore the likely links between education and global economic development through skill formation and the use of human capital approach. It describes the position of human capital approach as human resource investment in Oman. It also includes a discussion of manpower planning and the advantages of investment in education. Also, it reviews the idea that education and training can produce workers with appropriate basic skills and knowledge that can be applied to jobs in the labour market in Oman. In relation to all of the above this chapter locates the theoretical and empirical dimensions that generated the research questions of the study.

Chapter Three reviews the early stages of economic development that Oman has adopted. It shows how the country previously depended entirely on oil production during the early age of the new era. At this time the country faced a shortage of workers with low and high skill abilities; including nationals and expatriates. Hence, all Omani school leavers and those who came back from abroad were absorbed into the labour market. However, most of them were absorbed into the public sector which remains the largest employer with a total of 132,000 in 2005 compared with the private sector with 108,604 employees in 2006 (Oman Economic Review, 2006).

Although the country relied on oil production which was and still is the main resource, the country has undergone changes in its VET. It is argued that the diversification of the economy made a major impact on society, culture and politics towards the development of vocational education in Oman. Therefore, a detailed examination of existing structural issues is provided.

Chapter Four discusses and presents the methodological approach and research methods in relation to the empirical dimensions of the study. The advantages and disadvantages of the methodology, methods and techniques or tools for research which were selected are discussed and justified. Further sections explain the research process such as the forming of interview schedules, access negotiation, and ethical issues. Particular consideration is on the use of qualitative research such as semi-structured interviews. Chapter Five presents, as a case study, empirical findings generated from interviews with the policy makers in relation to the development and implementation in vocational education, employment, and Omanization for the past thirty years or so. It also presents policy makers' views towards the implementation of the recommendations of 'Vision 2020'. Chapters Six and Seven respectively present the empirical findings generated from college managers and employers, in which the strengths and limitations of vocational education are discussed.

Chapter Eight draws the strands of the study together to discuss in a wider perspective of education and training, Omanization, employment and economic diversification according to the 'Vision 2020' and in relation to the substantive and

theoretical dimensions such as skill formation, human capital theory and globalisation.

Chapter Nine is the final chapter of the study. It summarises the main outcomes of this thesis and presents some concluding commentary. It also makes some constructive recommendations to policy makers, college managers and employers in the private sector who are at the heart of the process of Omanization, skill formation, employment, education and training. Finally, the chapter comes to a close with a proposal for future research.

1.5 End-note

The production and writing of a PhD thesis is a dynamic process in the sense that during its completion the contexts of the study are likely to change. In this case, the thesis was first conceptualised in 2000 at which time the process of 'Omanization', which got underway in the early 1990s, was in development with targets set in 1995 providing the '2020 Vision'. Between 2000 and 2007 the school education system has been transformed mainly from a general education system to a basic education system. Whereas in the general system a student could be excluded from schooling if they failed tests, the basic curriculum gives an entitlement to 10 years of schooling (age 6-15) through continuous assessments which ensures the achievement. A special committee was set up for weaker and special needs students to determine their progression into the next grade. The point here is that this new curriculum is designed to underpin the needs of Omanization including, for example, an emphasis on problem solving, creative thinking and transferable skills such as information

technology. Over the same period the process of Omanization has moved forward but has faced challenges because of economic diversification in response to the World Trading Organisation free labour market economy.

So, in the process of writing and reviewing this thesis we have tried to be alert to such changes. At the same time, decisions have had to be taken about the scope of the research questions and which areas to investigate and it has not been possible to respond to some more recent developments. For example, the process of Omanization initially included sectors such as electricity and water, private education, marine transportation, navigation agencies, computer technicians. More recently policy makers' attention has turned to include sectors such as telecommunications, travel and tourism and building contracting.

CHAPTER TWO

Omanization, Skill Formation, and the Global Economy

CHAPTER TWO

Omanization, Skill Formation, and the Global Economy

2.1 Introduction

The past thirty six years of economic development in Oman has led to political and social stability. The Oman government advocated a strategic planning approach to expand a sustainable and balanced economy, through the judicious implementation of a series of designed and well-focused five-year plans. However, rapid changes in the private sector have generated discussions about the requirement to promote training and upgrade skills in order to provide an appropriate labour force in Oman according to 'Vision 2020'. The development of a skilled workforce will bring many benefits and is important in the achievement of Omanization. For example, as the Economic and Social Commission for Western Asia (ESCWA) (2001), argued, the raising of workforce skills could reduce the gap between rich and poor and an increase knowledge and wages could improve living standard in general.

This chapter examines the existing literature on globalisation, Omanization, skill formation, education and economic development. It contrasts 'human capital' and 'skill formation' approaches in relation to the supply and demand of education labour market in Oman. It examines the role of education in preparing Omani students for the transition from school and college into the labour market. Importantly, the development of a knowledge-based workforce is explored in

relation to the impact of globalization on the competitiveness, quality and accessibility of currently available skills in Oman.

2.2 Background

The Oman is at a critical point in a period of economic transition. On the one hand, there are established and embedded social, cultural, economic and political practices. In some ways, these might work to hold back development. On other hand, the Omani government is looking to the future and is a driver in the attempt to transform the economy, including the development of a private sector and the establishment of free trade links with Western economies. So, it is important to understand the relationship between culture, the economy and political and social issues in order to improve the quality of the education and training system and human capability that could be generated as a 'complementary condition' (Levin, Kelly and Staurt, 1997). Oman cannot be excluded from other Asian, Middle Eastern and Gulf countries, or from the implications of cultural problems. In an era of intense competition due to economic liberalisation and globalisation, nations that want to survive and succeed need to think more carefully and analytically about managing and training their human resource (Al-Lamki, 1998). Oman has gone through considerable change and produced a framework where the labour market is discussed and presented using three stages: development, transition and consolidation. In the early 1970s there were no laws or regulatory systems to define how institutions functioned, the principles and goals, or the rights and duties of employees (Ministry of Information, 1975).

The population during the early stage of the new era was not known, but it was estimated in 1974/75 to be 480,000 (Birks and Sinclair, 1980). Children were receiving a very basic traditional education mainly in the Quran and Islamic law (Sharia) (Skeet, 1974). In 1974 it was estimated that 74 percent of young Omanis aged between 14 and 40 years old were working abroad mainly in neighbouring countries such as the United Arab Emirates (Birks and Sinclair, 1980). The government imported foreign labour to fill the labour gap required for the country's development. This was the very early stage for skill development because the government concentrated mainly on infrastructure establishment. Primary and secondary education was the main priority (see Chapter Three for Oman educational development). During this period the first five-year development plan was introduced in 1976. In 1978, the Omanization strategy was launched which restricted certain private sector jobs to be possessed by Omani nationals only, such as taxi drivers (Ministry of Information, 1979). Table 2.1, represents the employment in all sectors, and it also shows the percentage differences between Omani national workers and non-national workers, including Omani nationals who were working abroad during this period. According to the Table 2.1 it can be seen that the majority of nationals were employed in the government. Economic development and foreign investment policy in Oman created intractable problems such as unemployment for the young people and limited educational institutions which could not provide appropriate skills to match the labour markets requirements.

In addition, there were a limited number of job opportunities in the private sector for Omanis because the majority of companies employed expatriates at a lower wage. A majority of Omanis preferred to work in the public sector because of better wages, less working hours per day and better opportunities for further education and training.

Table 2.1 Comparison between Nationals and Non-nationals Employed 1970-1975

	Nationals		Non-Nationals		Totals	
Type of Employment	Number	Percent	Number	percent	Number	percent
Rural	46,850	34.2	10,000	12.3	56,850	26
Private sector	28,000	20.5	65,000	80.0	93,000	42.6
Civilian public sector	11,000	8.0	4,000	4.9	15,000	6.9
Army	12,750	9.3	2,250	2.8	15,000	6.9
Workers abroad	38,400	28.0	-	-	38,400	17.6
Total	137,000	100.0	81,250	100.0	218,250	100.0

Source: Birks 1978, only figures. Note: It estimated a very low rate participation of women in the rural areas

It can be seen in Table 2.2 that during the period 1970 to 1975 the number of non-nationals dramatically increased because of the increase in demand for workers to participate in the constructing the infrastructure and exploring oil wells. However, where the number of nationals is high the majority of Omanis possessed lower skills mainly working as labourers.

The oil industry was an exception where many Omanis possessed some technical skills such as electricians, plumbers, accountants and administrators. The highest numbers of Omanis (18,460) were working in building and construction mainly as labourers. However, these figures are approximated as claimed, because the government did not keep exact records (Birks and Sinclair, 1980). Therefore, it was

important to change the disposition of young Omanis towards employment in the private sector.

Table 2.2 Comparison between Nationals and Non-nationals Employed in Private Sector 1970-1975

Economic Sector	Nationals	Non-Nationals	Total employees	Non-nationals percentage
Petroleum & mining	2,892	1,787	4,679	38.2
Manufacturing	825	1,374	2,199	62.5
Building construction	18,460	56,596	75,236	75.2
Trade	923	1,841	2,764	66.6
Hotels	1,420	1,194	2,614	45.7
Transportation	2,286	794	3,080	25.7
Financial institutions	668	454	1,122	40.5
Services	348	954	1,302	73.2
Total	28,002	64,994	92,996	69.8

Source: Birks and Sinclair 1980. p.187

General goals of development were set by the leader of the country, which focused on private sector participation, the development of human resources, diversification of the economy and an equitable geographic distribution of government programmes (Ministry of Development, 1976-1980). These goals led to the requirement of skilled people to participate in the development of the private sectors. For example, the majority of people employed by the oil company Petroleum Development of Oman and Banks, technicians, administrators, clerks, supervisors and managers.

During this transition period oil revenue was used to build an industrial infrastructure, to facilitate the new global era based on competitiveness. The government set up the wholly state-owned Oman oil company in the late 1980s for

the purpose of investing in foreign commercial enterprises and oil operations (Owen, 1983). Such a transition involved changing the types of jobs, the levels of skills and the role of the public and private sectors in economic activity. For example, non-skilled labour were given training opportunities to develop their skills to semi-skilled or even to skilled labour which enhanced their self satisfaction by increasing salary (Observer, 1989). Despite the expansion of the production service sector and the fall in the oil price, the government's plans for education and training did not come to an end. In a speech H. M. Sultan Qaboos stated:

> development must not stop at the achievement of a diversified economy. It must go beyond that and contribute to the formation of the citizen who is capable of taking part in the process of progress and comprehensive development. Such improvement can be achieved through the improvement of their various skills. (Royal Speech, 1970-1995, p.58).

In 1985 the Sultan Qaboos University was opened as the first university established in Oman to accommodate the school graduates and facilitate their continuation on degree courses. Also, nine Vocational Centre and Training Institutes were established in all regions of Oman to balance the Vocational and Technical needs required by each region accordingly (see Chapter Three).

According to the ESCWA (2001):

> it is vital to change the attitudes of nationals towards employment in the private sector and relevance of productivity to remuneration must be made clear, especially to young people, who must adopt work ethics based on productivity rather than social status. Governments must

> reduce the benefits gap between the private and public sectors (p.46).

This was the beginning of a development stage where Oman started to enter the globalized world and experience its effects. In 1991 the Oman Oil Company created in the late 1980s, signed a protocol between Oman and Kazakhstan, where Oman would assist the Kazakhstan government in negotiations with foreign oil companies. This also included the construction of a pipeline to convey oil from Kazakhstan and Azerbaijan to the Russian port of Novorossick on the Black Sea (Owen, 1993). This approach created other job opportunities and required different skills, but not necessarily for Omani nationals. The main aim was to develop the relationship between the two countries and share the experience in the oil field, where a numbers of technically trained Omanis were involved.

There was by now a consensus of opinion about the importance of education in general and also for a high quality basic and post education system among all the people concerned with development issues. Allen and Rigsbee (1996), stated that the overall goal of all human resource development programmes was to provide Omanis with skills to replace expatriates, at both the skilled and unskilled levels. The introduction of the fourth five-year development plan 1991-1995 and the Vision Conference 'Oman 2020' in 1995 emphasised the development of human resources and upgrading of the skills of the Omani workforce. It proposed radical measures to be taken in planning new ways of developing Omani talents (Ministry of Information, 2001). For example, providing training for Omanis in

communication and telecommunication engineering utilising the most up-to-date technology. This response was based on changes in the world economy and in the way that the revolution in telecommunications and information transformed global production and service.

According to Allen and Regsbee (1996):

> by 1995 Oman had completed its infrastructure and service base as roads, schools, port facilities, airports and such like were phased. With the fifth five-year plan, therefore, the country seemed to have entered a new phase in development phasing one that appears to take a more long-term view of the economy and a view that sees a much wider participation of Oman in the international economy (p.107).

2.3 Omanization

The government emphasis on Omanization, the replacement of foreign workers with Omani nationals, officially started during the new era in the public sectors, was highlighted at the conference 'Vision 2020' in June 1995. However, we have to recognise that Oman is fortunate to have wise leadership under His Majesty the Sultan Qaboos who has been leading the country based on his vision for Oman's economy from the beginning of this new era. When he asked his compatriots to return to their native land and take part in the process of renovation, the response was extraordinarily enthusiastic (Plekhanov, 2004) with a large number of Omanis who were outside the country before 1970 coming back and participating in transforming the country to modern a society. Plekhanov (2004) noted that there were just 1750

government employees in the entire country at that time and he further explained that an acute shortage of qualified personnel was an obstacle to the creation of new government bodies and to the realisation of large-scale projects in health and education. A lack of educated and skilled Omani nationals in the 60s and early 70s was one of the main reasons for employing foreign workers to cope with the rapid infrastructure development of the country. Recognising the importance of investing in human capital UNESCO (1999) stated that 'education is a fundamental human right and a key to development. It is a vital tool for ensuring the full development of the potential of each individual and for combating the problem of underdevelopment at its very origin' (30 June-2 July). Similarly, His Majesty Sultan Qaboos has continuously emphasised the importance of Omanization in relation to economic development and personal achievement and he said that:

> development is not a goal in itself. Rather, it exists for building man, who is its means and producer. Therefore, development must not stop at the achievement of a diversified economy. It must go beyond that and contribute to the formation of the citizen who is capable of taking part in the process of progress and comprehensive development (Vision 2020 Conference, June, 1995).

The implementation of His Majesty's vision and directives on Omanization was considered to be on the top of the government agenda. Economic diversification including the development of a private sector to create job opportunities for Omanis was encouraged by the Sultan in 1995 when he stated that 'the private sector currently represents the economic foundation of all countries, through its competitive

and versatile nature, the private sector enhances the solid base for government and citizens alike' (Vision 2020, p.2). The vision for the Oman's economic development was set out in 'Vision 2020', a response to concerns about globalisation and especially the revolution in information and communication technologies. Its ongoing policies and goals were refined and worked towards through a series of five-year plans. The key aims of the sixth five-year Plan (2001-2005), the main period in which this study is located, were to:

- guarantee stable personal incomes;
- increase the number of secondary school students enrolment in education and technical colleges;
- create more jobs for Omanis;
- adopt sustainable financial policies;
- promote economic diversification;
- develop the private sector.

'Omanization', essentially a process of the replacement of expatriate workers with Omani nationals, gives rise to issue of human resource management, training and skill formation. At the same time, in particular, the private sector is seen as central to both the achievement of Omanization and the creation of a national economy based on private enterprise and competition. Moreover, as stated by HM Sultan Qaboos,

> we firmly believe that the development of human resources is the cornerstone of the development process in any society, because the human being is the ultimate goal and of development as well as being its means and its producer (Oman Daily Observer, November 2006, p.3).

Oman is not alone in its shortage of an educated and skilled indigenous workforce and, like other countries, has relied heavily on expatriate workers mainly from the Indian sub-continent. Oman has set about a number of economic reforms and, at the same time, reform to all levels of education including vocational education, which are outlined in Chapter Three. According to Al-Lamki (2000), whereas the importance of human resource management and training has long been recognised by developed countries, their roles in developing countries are or have been overlooked. She suggested that short-sighted managers, too keen on making a quick profit, failed to recognise that 'the only enduring competitive advantage is a well trained, competent and highly motivated human resource' (p.1). It was time, she asserted, that the era of worker neglect ended and that recognition was given to:

> the fact that productivity, innovation, technology and growth depends on a skilled, competent and motivated workforce... assets integral to competitive advantage (that) are not inherited but are, instead, developed and nurtured within the nation (p.1).

The government reviewed the economic development plan including the process of Omanization and amendments were incorporated, such as the abolishment of planned fees for the school academic stream, and the extension of Omanization targets into different sectors such as building construction, telecommunication and tourism (Ministry of National Economy, 2001). Furthermore, the budget for human resource development was increased from 25 percent in 2004 to 38 percent in 2006 of the total budget to support the process of Omanization. As Nayar (2007) explained:

> the objectives of Omanization and diversification of the economy are at the heart of the increased allocations to the education sector. The emphasis on human capital qualitative improvement is seen in the allocation of approximately 1.6 billion US dollars to this sector. The budget thrust on upgrading skills of Omanis is borne out of the contribution human capital can make to growth. Assigning 38 percent of the overall expenditure to education is a significant statement step to investing in the future. The budget is clearly in response to global competition and the quest for efficiency (p.33).

The development of the private sector continues to be a problem. For example, whereas the government encourages young Omanis to be employed in the private sector rather than the public sector, more expatriates are still being employed in Oman to fulfil the skill requirement of private sectors. The recruitment of Omani Nationals is a problematic issue, which was reported by the United Nations in 2001, with the following implications:

- the difficulty of substituting nationals for expatriates;
- labour markets which are made inflexible by the labour law restrictions;
- the high wage expectations of nationals;
- the high social and economic costs of maintaining expatriates;
- concentration of nationals in public sector jobs and increasing number of new entrants to the labour market caused by (i) demographic factors (ii) increases in the educational attainment of nationals (iii) the increasing participation of women in labour force (p.43).

Even with these difficulties the Omanization process was considered to be achieving its goals. For example, His Excellency the Minister of National Economy (January 2006) reported that the Omanization rate in the private sector increased

from 16.4 percent in 2000 to 25 percent in 2005 and in the civil service from 74 percent to 81.8 percent respectively. Thus, an increase in the number of skilled/educated workers potentially reduces bottlenecks in the labour market and lowers the scarcity premium, thereby decreasing income inequality (Ashton et al., 1999, p.11). Oman has progressed and achieved its goals to prepare and educate professionals. According to Al-Lamki (1998) writing a decade ago:

> in Oman, now as never before, the training and development of national (Omani) human resources to a high level of efficiency and competency is a must. This is due to a number of reasons including less dependence on oil resources, less dependence on foreign workers, Omanization, implementation of a successful privatisation programme, diversification, industrialisation, technological innovation and an increasingly competitive global market (p.235).

However, the main problem is the shortfall in the supply of Omanis and non Omanis in the semi-skilled work force (see Table 2.3). This also includes technical skilled workers. If nationals cannot obtain the skills demanded by private sector and if suitable training is not available, then employing expatriates who possess the skills is the only option. (See also Appendix Seven).

As Table 2.3 shows, 580 Omani professionals were unemployed while there were 42,250 expatriates working in the same level. Similarly, there were 42,750 unemployed Omani skilled workers while there were 55,550 expatriates working in the same level. Semi-skilled manpower has been indicated as much in demand, even though there were 343,210 semi-skilled expatriates still working in Oman. In

addition to these problems there are about 500,000 expatriates working and the majority of these workers are semi-skilled. Furthermore, there is still a demand of approximately 35,000 jobs available in the semi-skilled level. Occupational availability and non-availability reported by the Ministry of National Economy is shown in the Table 2.3.

The ESCWA on Omanization, 2001, stated that,

> the case with which skilled, qualified and experienced labour can be imported on demand, compared with the option of costly and time-consuming investment in developing national manpower, makes the recruitment of expatriates highly attractive to employers. While government have emphasized the importance of employing nationals, little action has been taken in the private sector. With the exception of certain managerial and clerical jobs, only a limited number of nationals are employed in the private sector (p.43).

Table 2.3 Oman: Occupational Distribution

Occupation	No. of jobs (demand)	Supply of Omanis	Balance of supply over demand	Expatriates on job until Dec 1999 (private sector)
Professional	23010	23590	580	42250
Technical	11370	10340	(1030)	11870
Skilled	15740	58490	42750	55550
Semi-skilled	105210	2180	(83430)	343210
Unskilled	11930	19500	757	21837
Total	167260	133700	(33560)	474717

Source: Ministry of National Economy, 2000. Note: ( ) indicates negative.

As ESCWA (2001) explained, replacement is based on nationality not skills, reducing effectiveness and efficiency and overall competitiveness of the product or service offered. They suggested that in a globalized economy where mobility and

competitiveness was the key, such measures could prove disadvantageous. Employing an inexperienced worker who requires more training to raise and possess the required skill will cost the organization money and time. Historically there are, a number of reasons why the private sector was reluctant to employ Omanis, such as the wage differentials and training costs of nationals being much higher than that of employing well-trained expatriates (Khaleej Times, Nov. 1998). Moreover, it was difficult to terminate the employment of underemployed nationals, and all too often, young trainees move to other jobs so that the training and investment is wasted (ESCWA, 2001). However, skilled foreign employment has started to be unattractive and expensive because of global economic expansion and competition. Thus, as Al Jabri (2006) stated:

> it is no longer easy to attract skilled labour into the country, more so when countries in South Asia are witnessing a buoyant and vibrant economy. What we need now is the transfer of skilled labour, to the local population. Oman needs to wake up to this fact and work towards achieving it. This is the best way to achieve Omanization, since such skills and expertise take time and effort to be passed on. This way, not only will the objective of Omanization be achieved but also plenty of employment options for the local population will be created, which is the need of the hour (p.7).

Al Jabri is making the point that things have moved on. Another important issue in Oman is the participation of women into the labour market. Gulf daily newspaper (November, 1999) reported that women in Gulf countries were under utilized and if properly integrated into the labour market, would not only reduce dependence on expatriates' labour, but also save the social service cost incurred by expatriate labour.

Indeed, the numbers of young women currently being educated will swell the supply of the female labour force, particularly in occupations like teaching, nursing and public services. The Sultan of Oman has stated repeatedly and promoted the important role of women in economic development. Today, Omani women are found in all walks of life, domestic and professional, such as teachers, nurses, medical doctors, university professors, lawyers, senators, congress women, under secretaries, ambassadors and ministers (Al-Lamki, 2006). An ever-increasing number of Omani females are educated to the intermediate level and beyond, and female rates of participation in the labour force have been increasing substantially (ESCWA, 2001). In addition to the influx of women into the Omani labour market, it is important to note the overall age profile. For example, it is estimated that more than 50 percent of Omanis are under the age of 20 (Country Profile, 2004) with implications for the future supply and demand of appropriate educated and trained labour (See Chapter Three).

2.4 Globalisation

Wehmeier et al. (2005) defined globalisation in terms of the ways that different cultures and economic systems around the world are becoming connected and similar to each other because of the influence of large multinational companies and because of improved communication. Heery and Noon (2001) characterised globalisation as:

> the process of creating links between organisations and individuals that transcend national boundaries and are not subject to political interference. There are four main forms of globalisation: markets, production, finance, and communications. Information technology, and particularly the internet, is considered to an important catalyst in the

> globalisation process. Theorists often talk of the collapse of time and space, meaning that geographical boundaries and distances are no longer as relevant or important as inhibitors of trade and communication. More commonly, the phrases 'the world is getting smaller' or 'the global village' are used to describe the tendency towards globalisation (p.141).

In different ways, globalization has impacted on all countries and the role of Governments. The impact of globalization presents important challenges. Each country generates different skills according to their own requirements that reflect the historical, cultural, social, political and economic conditions in each (Brown et al., 2001). At the same time, the private sector requires commercially oriented institutions where activities are transparent, predictable and protected from policy upheaval. Indeed, the Omani government was influenced by global organisations such as the WTO, World Bank, MIF, UNICEF, and OECD that ensured the above transparencies were implemented accordingly. Globalization has forced people, states, societies, cultures and civilizations that have existed for centuries to conform to a single development model (ESCWA, 2001, p.4). Consequently, an implication is that governments might be less able to set and control its own targets such as controlling the labour market and training. Thus, there are major consequences for the development of education systems which have not been fully assessed (Carnoy, 1999). The development of technology has led the knowledge required globally to be more in common. According to Zimmerman and Oosterlinck (1983), knowledge is the sum of what is known, the body of truth, information and principles acquired by mankind. Knowledge is related to the intellectual capacities, but is also linked to

observation, experience, study and investigation. Knowledge can also be defined in terms of potentially observable behaviour, as the ability of an individual or group of individuals to undertake, or to instruct or otherwise induce other to undertake, procedures resulting in predictable transformations of material objects (Neef, 1998, p.99). (see Bernard, 2004). It is argued that knowledge could also be an important element of economic development and there is evidence that the capacity to produce and use knowledge has much more value in explaining levels of economic welfare or rates of growth than in the past. As Leadbeater (2004) observed:

> one of the most powerful social groups created by the knowledge economy are so-called 'knowledge workers': mobile, skilled, affluent, independent, hard-working, ambitious, environmentally conscious, people who can trade on their skill, expertise and intellectual capital. These knowledge workers will be highly mobile. For the elite there will be a transfer market, akin to the market for sports stars (pp.28-29).

Norton and Marvin (2005) explained that globally, the knowledge revolution is changing the nature of work, shifting toward occupations associated with knowledge and information, enhancing the importance of 'higher order' skills, and increasingly requiring some tertiary education. Romer (1986) developed a growth model of endogenous technological change in which long-run growth is driven primarily by the accumulation of knowledge. The other side of this aspect of economic growth is that innovation and technological changes have become more central to economic performance (Foray and Lundvall, 1996). Therefore, the vast development of

technology has made the acquisition and dissemination of knowledge one of the most important factors in the global economy.

The challenges of globalisation were highlighted in a United Nations report, (2001) which stated that:

> globalization will undermine the ability of countries to maintain existing levels of social provision. A minimal state role in the production sectors, greater reliance on private initiative, increased openness and greater integration into the world economy than is currently envisaged (p.1).

Consequently, manpower planning for Omanization was affected by technology innovation requiring more training and skills to accommodate and match the labour market demands. In addition, the knowledge base can be used as tool to transfer knowledge. In a number of sectors, the main source of knowledge is related to some kind of 'learning-by-doing' effects, where individuals learn through activity (OECD, 2002). For example, an electrician can gain knowledge on different types of wiring by doing the job in different locations. However, knowledge can be increased in various ways such as testing, rotation among departments, trial and error (Becker, 1993). Sharing knowledge could be one of implication of the global economy. The OECD (2002) suggested that the average company is about as bad as the average school system when it comes to knowledge sharing, but the best companies are better than the best school systems. 'There is proportionality more of them, and they are working more diligently on the task' (p.17). If knowledge can be gained through

rotation among different departments, international companies will have an advantage of rotating employees in their different locations world wide. For example, an oil company such as Shell provides opportunities for employees to work in their different locations world-wide to gain and share different knowledge (OPAL, 2005). It is argued that an integration of the world economy will provide advantages for individuals and organizations that possess the knowledge on high technology design in the production of new products or services, which could also result in solving sophisticated problems such as the creation of software packages. For example, more than 100 American firms outsource their software code cutting to sites in India, where the work is completed and returned overnight electronically by high skilled programmers at only a fraction of the labour cost demanded in United State of America (Neef, 1996). The attraction of this is clear given the estimate that the cost of the development of software and hardware for computer technology development in the Gulf countries, including Oman, will rise from 8 billion US dollars in 2002 to 50 billion US dollars in 2008 (Central Bank of Oman, 2006).

Furthermore, globalization creates a demand for better knowledge and efficiency because it forces organizations to find better returns by employing productive forces and knowledge wherever possible. For example, in Oman, currently the government has introduced a ten-year basic education system and two years post-basic education system that includes subjects (see Chapter Three) that will help the development of knowledge for the challenges such as employment, further training and requirements of the modern world technology. Brown (2004) agued that:

> knowledge reaches the parts other forms of capital cannot reach. It can enhance the economic returns of individuals, regions, and nation states; it can grant a healthier life to those fortunate enough to acquire knowledge. Crucially, its elixir transcends the peaks and troughs of the performance of the global economy (p.43).

A variety of terms related to the 'knowledge-based economy' came into circulation in business, government and academic publications during the 1990s. The landscape of economic activities was being transformed by advances in information technologies culminating in the deployment of computer-mediated electronic communications networks. The knowledge revolution is changing the nature of work, shifting towards occupations associated with knowledge and information (Grubb and Lazerson, 2006). This was most noticeable in the Internet's explosive growth. Globalisation forces countries to develop their knowledge base to take advantage of their competitive advantage. For example, the UK no longer specialises in the production of manufactured goods such as clothes or shoes. Instead, it invests in education to develop the knowledge needed to give it a competitive advantage in the global service economy, such as banking, insurance and knowledge creation. UNESCO (1999), explained that the effect of globalization on education depends greatly on how countries adjust the structure of their economies to the new globalized environment and how the public sector role is interpreted in reforming education to meet the needs of that new environment. The impact of globalization on the Oman has agitated the culture of education, and has forced the government to spend more

on education to help in producing the required knowledge to accommodate market requirements.

According to the ESCWA (2001) because of globalisation the quantity and quality of knowledge and skills will be improved and most factors were being exchanged, including technology, skills and financial flows, which have all become increasingly mobile. Foray and Hargreaves (2003) stated that competition not only creates incentives to produce new knowledge but it also forces other agents to increase their own performance through imitation, adoption, absorption of the new knowledge created elsewhere, in order not to be excluded from the market. The effect of globalisation was evident in the impact of many things such as competition in the training and recruitment of Omanis in the private sectors. The major social disadvantage posed by globalization includes widening income inequality where the wealthy few become wealthier but the majorities grow poorer (United Nations, 2001).

Globalisation and the demand of skills

Ashton and Green (1996) have argued that there is a growing perception about the presumed requirements of globalization. These demands are infused with an emphasis on the acquisition of high skills that are considered as 'passports' for entry into 'new horizons' (http://extra.ali.gov.uk/www.ali.gov.uk/). Knowledge, information technology and global networks are increasingly driving the demands on the workplace. Indeed, perhaps the most important reason for an expanding world market and increasing global demand has been the dramatic worldwide improvement

in communication and transportation technologies (Reich, 2006). These significant arguments are commonly dominated by the function and the development of the technology that directly describes the nature of the required knowledge and skill for production and services. However, where knowledge work is more wide-spread it is of paramount importance to create a workforce of individuals with the skills and creativity to rise to the demands of the new economic climate (Brown, 2004). Indeed, technological development in the private sector in Oman demands knowledge and a high skilled workforce signalled by the labour market itself. In this way, future improvements in the knowledge and skill base could be described as 'demand-led'.

Commonly, however, training is considered by established organizations as an expense towards the production of the company. Most business organizations prefer to recruit 'ready-made' trained workers or pay other establishments that possess the desired expertise to undergo the tasks required rather than providing training. A basic reason why firms generally prefer to minimize their outlay for training is that they loose their investment when employees leave (see Lynch, 2000; Brown, 2004). As an incentive, in Oman the Government pays the full cost of training young Omanis while freshly recruited in the private sector to encourage Omanization in that sector.

Neef (1998) suggested methods of minimizing training costs and at the same time promoting employee development through the strategy of just-in-time learning as:

> this means acquiring skill or knowledge at the time and place where it is needed, instead of learning it ahead of time and at a different place. Learning that is embedded in the work

> process inherently entails less opportunity cost than learning off the job; just-in-time learning avoids unnecessary investment and minimizes deterioration of knowledge and skill from non-use (p. 250).

One implication of the knowledge-based global economy is the appropriateness and effectiveness of sharing and gaining knowledge in the global context (Brown et al., 2002). For sometime information and knowledge has been seen as a critical component of economic growth, and according to Rosenberg and Birdzell (1986) the evolution of technology has indeed largely determined the productive capacity of society and standards of living, as well as social forms of organization. They argued that people who do not possess appropriate knowledge would not be able to enter the new labour market to compete for jobs in the future. Additionally, the implication of the global economy, which requires high levels of technological skill, would leave those people without knowledge behind the scenes. We are commonly described as living in a 'learning society; a description that stresses the centrality not only of knowledge but of rapid changes in knowledge, requiring learning as a permanent ongoing process, in the economic life of the future' (Crouch, Finegold and Sako, 1999, p.1). Knowledge and skills are seen as presenting opportunities for individuals and those who acquire advanced levels of education are more likely to secure prosperous futures. At the same time, it presents threats for those people who do not have the chance to interact with advanced technologies. Furthermore, Castells (1996) combined three statements and predictions that ought to be analytically differentiated:

- the source of productivity and growth lies in the generation of knowledge, extended to all realms of economic activity through information processing.

- economic activity would shift from good production to services delivery. The demise of agricultural employment would be followed by the irreversible decline of manufacturing jobs, to the benefit of service jobs which would in time form the overwhelming proportion of employment. The more advanced an economy, the more its employment and its production would be focused on services.
- the new economy would increase the importance of occupations with a high information and knowledge content in their activity. Managerial, professional, and technical occupations would grow faster than any other occupational position and would constitute the core of the new social structure (p.203).

Consequently, the implications of a knowledge–based global economy are an international issue which cannot be ignored by developing countries. Therefore, education and training by any method will have an impact on a country's development of skills and knowledge in the short and long term. Unlike some other countries where economies are becoming specialised, the Oman has adopted a 'multi-pronged' approach with interests such as oil and gas, light manufacture and its industrial base. Restructuring the economy, however, will take time (Country Profile, 2005). Oman is not a specialist producer or service economy. Indeed, it has to meet a verity of goals such as globalisation demands, diversification from dependence on oil production and to create jobs opportunities for Omanization purposes.

In 2002, the Omani Ministry of Education in cooperation with UNESCO organized an international conference on secondary education where most participants stressed the need for equipping young people with more life skills and knowledge that would enable them to manage their lives in better ways and to meet the needs of the modern

job market requirement (Oman Daily Observer, 12 December 2002). This shows that the Omani government has been aware of the global knowledge and skill requirements. However, innovation and technological change have become more central to economic performance. Knowledge and skill have an 'insatiable demand in the world of fast technology development'. With rising demand comes compensation; whether in the form of fees for services, salaries or shares in final profits, the economic results is much the same (Reich, 2006, p.314).

2.5 Skill Formation

Skill formation can be identified as the development of the societal capacity for learning, innovation and productivity (Brown, 1999). However, governments have an important role to implement skill formation systems through learning, starting from the basic education system to higher education. Ashton and Green (1996) stated that 'it is hard to erect a system of skill formation without a solid educational base, and only the state can provide that' (p.100). Thus, school and college graduates should be equipped with appropriate competences for better transition into further and higher education or appropriate skill in the world of work. Moreover, if a society is to develop its productive forces to undertake high-value-added innovative forms of production, either in the form of the Japanese system of flexible specialisation or the German system of diversified quality production, then the majority of those in the labour force require core intermediate level academic skills (Prais et al., 1989).

According to Brown (1999) there are a number of studies on different features of skill formation such as on vocational education and training, labour market, economic development, state formation and welfare regimes. Factors that could affect the development of skill formation include a rapid development of information technology that in turn, creates demands for different skills from basic to high skills. It is argued that a skill formation approach is based on a recognition and understanding of the importance of the embeddedness of existing social, cultural, economic and political conditions. That is, the current ways in which the supply and demand for labour are shaped and influenced with historical practice and tradition, but are open to change over time.

Ashton and Green (1996) distinguished between skill needs and skill demands. Whereas skill needs were defined in terms of the 'skills that are required by humans to make the best self-enhancing use of the available technology', skill demands are those which 'employers demand of their workforces and in the market-place of modern technology and modern economies is a misleading concept' (p.82). 'Skill formation has been a major objective of education for governments both in the developing world and in advanced nations' (Green, 2006, p.194). However, Metcalf (1995) argued that, as new technologies are introduced this often has the effect of reducing the employment opportunities of those with traditional skills, since the same output can be produced by fewer people. During the development of computerization people all over the world feared losing jobs because it was believed that traditional

skills would hardly be needed. Therefore, intellectual skills have become more in demand as technology advanced (Koike and Inoki, 1987).

The importance of raising levels of skill which is commonly part of a skill formation approach has been acknowledged by educationalists, economists, sociologists, political scientists and even politicians (Ashton and Green, 1996: Brown et al., 2001). A skill formation approach focuses on the relationship between supply and demand of the workforce and can be related to the Oman labour market in the ways that jobs in the market are structured. Ashton, Maguire and Spilsbury (1990) argued that 'pressures of supply and demand do influence the purchase and sale of labour and the conditions under which labour is utilised' (p.13). For example, the government plans the manpower required by the labour market using sectorial committees such as the industrial and trading committees. Thus, there has been a significant use of foreign labour and not only is foreign labour paid less but of significance is the negative attitude of Omanis towards working in the private sector especially un-skilled to semi-skilled labour.

For the last three decades in Oman the employers' demand for qualifications has dramatically risen. Levin, et al. (1997) suggested that 'workers do need to meet a minimum threshold of achievement in order to perform adequately on the job and there is no precise agreement on what this threshold is' (p.243). It was argued that qualifications are important in that employers often consider them as a tool for screening an individual's ability when selecting the best employees (Whitehead,

1981). As more people gain access to academic credentials, employers have extended their criteria for selection to include social skills (Brown et al., 2003). However, Ashton and Green argued that qualifications or the attained education and training levels held by the society are 'possible measures of skills supply, a measure of skill demand is the level of qualifications required by employers for recruitment to jobs' (p.84). It was evident that the general view among policy makers, educationalists and employers in Oman, confirm that the role of education and training can have an impact in raising the performance of the economy (World Bank, 1989). It was also recognised that government commitment is essential to provide a solid educational system that leads to the institution of skill formation and investment in human capital. The skill formation approach focuses on employers' demand for skills in different national contexts, and examines evidence of 'a mismatch' within the supply of qualified labour market entrants. Thus, the relationship between supply and demand is important in Oman because the majority of jobs that are supposed to be replaced by nationals from foreign workers are semi-skilled or un-skilled.

Therefore, the Oman government has been preparing Five-Year economic development plans since 1975 to-date to guide the country's economy to meet internal and external requirements. For example, in the fifth five-year economic development plan 1996-2000, the Ministry of Development, claimed that,

> one dimension for the strategy of achieving economic balance and sustainable growth is the development of human resources, upgrading the potentialities and skills of the Omanis to cope efficiently with technological progress and manage the changes that take place within it (p.167).

There was a great emphasis by the government in the 'Vision 2020' and the five year development plan 1996-2000 for the development of resources to meet the estimated skill level required by the labour market. As Koike and Inoki (1987) claimed, skill becomes even more important in maintaining the level of employment and, accordingly, the standard of living. However, the Oman government did not have any vocational institutions before 1970. There were only three schools for teaching Islamic studies such as how to read, write and recite or memorise the Quran (see consolidation period 1970-1980 in this chapter), with a total of 909 pupils and not more than thirty teachers (Ministry of Information, 1980). The only training centre belonged to the Petroleum Development of Oman Company (PDO). With the change in Government in 1970, the Ministry of Education took control of the Oman Technical Institute (OTI) from the PDO (Ministry of Information, 1975).

Since this time, Oman has been trying to establish institutions and mechanisms to produce the required skills of the labour market, drawing from different models and different experiences from other countries, like the neighbouring United Arab Emirates, Qatar, Bahrain, and Western Countries, such as Britain. However, the government has depended on foreign educational opportunities for both high school and university levels of education, by providing government scholarships and also obtaining foreign assistance in this endeavour (Allen and Rigsbee, 1996).

It is argued that the expansion of the private sector in Oman increased the demand for skilled workers and created the pressure on policy makers and nationals' job seekers that might affect the Omanization process. However, skill formation might help in identifying the skills and jobs demanded in conjunction with the supply side. While the government has collected data on job opportunities in the labour market, how to increase the demand for skilled manpower is still a major issue. Oman is not alone, for example in Singapore (see below), 'education, training and employment opportunities have been tightly coordinated by the state allocating education and training places to meet the perceived needs of employers in each of the major industrial clusters that form part of the countries competitive strategy' (Brown and Lauder, 2003, p.21). Moreover, the employers in the private sector have not been able to identify their demands accurately. This has made it very difficult to coordinate the supply and demand for skilled workers that are required to develop a rational approach to Omanization.

2.6 Human Capital

Human capital may be defined as the knowledge, skills, competence and other attributes embodied in individuals that are relevant to economic activity (OECD, 1998). The human capital approach is based on the assumption that individuals can affect their value in the labour market by choosing whether or not to take advantage of educational opportunities and training. If they do so, it is thought that they increase their human capital and consequently will increase their value to employers (Heery and Noon, 2001). Ashton and Green (1996) explained that in the past two decades the

world's most successful economies have given a high priority to education, skills and training as vital factors in their economic success. They stated that:

> economists, educationalist, sociologists and political scientists have all, in recent times, recognized the importance of different countries education and training systems. In some cases, this link is conceived in quite simple terms; received wisdom has emerged, wherein better education or training is assumed to lead automatically to improved economic performance (p.11).

In many countries the importance attached to investment in human capital has set the framework of educational policies since the early 60s that started from the work of Schultz and his colleagues, Becker and Mincer (Marginson 1994). However, Alfred Marshall had discussed the basic concepts of human capital in detail in the late nineteenth century and in different ways by Adam Smith even as early as 1776 (Hoffman, 1986). Becker (1993) stated that education and training are the most important investment in human capital. Investment in human capital is a key element for human resource development in relation to education and training and contributes considerably to other forms of capital. Becker (2006) further explained that while all forms of capital are important, including machinery, factories, and financial capital; 'human capital is the most significant' (p.292).

The concept of human capital is perhaps the most influential underpinning of economic policy in western education since the 1960s, and according to its proponents had demonstrated a link between education, training and the world of work (Monkge, 2001). Currently, scholars, academics and policy makers of many

countries believe that investment in human capital has a positive affects on economic development and society. It is now increasingly recognized that the level of the human capital stock in an economy can have a positive effect on economic growth rate (Ashton et al., 1999). It is widely argued that the link between educational development and economic growth is an investment for both the individuals who invest in it and the country or society that they belong to. Therefore, a human capital approach suggests that employees should be treated as individuals with specific sets of skills and abilities. In addition, individuals pursuing their private advantage through investing in education and training will also contribute to national economic development. Thus, a human capital approach claims to show the improvement for individual development in terms of generating income, future improvement such as career prospects that can be achieved by investment in education at different levels, in particular, further and higher education such as diplomas, degrees and post graduate qualifications.

Schultz (1971) argued that the level of investment in human capital determined the rate of economic growth. It can also be added that all social investments in education and training can be related to national economic growth. However, a human capital approach portrays the link between training and the economy in a simplistic and misleading manner (Ashton and Green, 1999, p.17). The human capital approach measures the capabilities and abilities that are analytically distinct, and it emphasizes the importance of education and training including work experience, as the key to developing human capabilities. An individual who, primarily through education and

training invests in their own capital may expect to more easily gain access to employment and widen the range of choices available to them (Mincer, 1994). Hence, traditional workers such as carpenters or craftsman would increase their wages if they have different and higher skills. Stated by the previous US President Bill Clinton, 'workers must get as much schooling as possible, demand broader duties on the job, and take on more responsibility for the company's success' (cited in Ashton and Green, 1996, p.12). Education is one of the important factors of training and economic development, and the human capital approach regards education and training as a long-term investment as stated by Smith:

> when any expensive machine is erected, the extraordinary work to be performed by it will replace the capital laid out upon it, with at least the ordinary profits. A man educated at the expense of much labour and time to any of those employments which require extraordinary dexterity and skills may be compared to one of those expensive machines. The work which he learns to perform, it must be expected, over and above the usual wages of common labour, will replace to him the whole expense of his education, with least the ordinary profits of an equality valuable capital. The difference between the wages of skilled labour and those of common labour, is founded upon this principle (Smith 1888, p.46 in Ashton and Green, 1996, p.14).

More educated workers are said to be more trainable because one of the skills they are supposed to have is the ability to learn efficiently (Ashton and Green, 1996). A majority of people in Oman have skills in particular fields such as the halwa (traditional Oman sweet maker), pottery makers, crafting khanjar (traditional knife worn by a man) to name a few. These people have never been to school to learn these skills, but they have 'inherited' them from their parents. There are no schools or

vocational training institutes available to learn these skills but the government has created some associations. If these people with their inherited skills and experience are encouraged to undergo education and training, it might be expected that a better quality of product will be accomplished that will have an impact on the individual and society. Hoffman found that more educated workers obtained higher earnings than those less well educated (Hoffman 1986, p.158). For not only can education deliver a high value-added economy but it can also solve the problem of unemployment (Ahier and Esland, 1999).

Access to education and training and accreditation of knowledge and skills is one very important factor in the labour market, because it demonstrates the development of a required achievement of competence. According to Hager (1995), this enables individuals to demonstrate social and technical competences in carrying out occupational tasks. A human capital approach can be used to plan the expenditure for training and long-term investment for the organization. Education and training providers are able to maintain the development of more employable people. Human capital models thus relate an individual's productivity with the amount they spend on self-development towards searching for better education and training (Carnoy, 1977). Some people such as Philips (2000), and Collins (1997), dispute that education and training are the major factors of the development of the labour market, even though investment in education and training increases the value of the people socially and economically. Human capital theory assumes that schooling raises earnings and productivity mainly by providing knowledge, work and transferable skills (Becker,

1993). Becker (1993), suggested that, 'far more would be learned about their work-related abilities and other characteristics after six years of work-experience than after six additional years of schooling' (p.20). Becker (1993) argued that the total investment in on-the-job training may be almost as large as the investment in education. It was argued by Ashton and Green (1996) that education shows no clear contribution to individuals' productivity, because it is often irrelevant to job requirements. Furthermore, education alone is not a warranty of employment (Collins 1979; Philips, 2000 in Ibrahim, 1998), because other criteria such as past experience and the individual's social characteristics are sometimes more important (Erridge and Perry, 1994). High school and college education has spread extensively in modern economies because the additional knowledge and information acquired in school is so important in technologically advanced economies. However, in Oman the chance of keeping a fast pace in terms of technology will not be the same as the western world. If the worker cooperates in a planned way with others, 'he strips off the fetters of his individuality, and develops the capabilities of his species' (Brown, 1999, p.235). According to Brown (1999),

> in sum the focus on the social capacity for learning, innovation and productivity reflects our contention that skill acquisition and utilization are social acts which represent more than the sum total of individual action, but are predicated on relations of trust (high or low), which are themselves embedded (or disembedded) in an historical context (p.237).

As Parsons (1959) stated, there is a long tradition of sociological theory that has interpreted achievement as a social duty given a normative commitment to society. Indeed, this accords with the teaching of the Quran which states:

> 'To all are degrees (or ranks) according to their deeds'.
> 'To men is allotted what they earn, and to women what they earn'
> 'That man can have nothing but what he strives for' (The Holy Quran).

In addition, Prophet Mahammed (Peace Be Upon Him) said 'no doubt, you had better gather a bundle of wood and carry it on your back and earn your living thereby, rather than ask somebody who may give you or not'.

Mincer (1993), suggested that the optimal investment in human capital of any family member requires attention not only to the human financial capacities or social affects in the family, but also to the prospective utilization of the capital which is being accumulated. Alsayyad and Castells (2002) have argued that despite the preoccupation with globalisation, the history of the world demonstrates a movement towards cultural differentiation, and not homogenisation, a condition in which an individual claims allegiance to more than one culture and involves different identities at different times and in different places. Indeed, there are signs of a number of Omani families who have been investing in the education of their children whether at the primary, secondary, college or university level.

Furthermore, it can be suggested that Oman cannot invest in skill formation without the consideration of the demand side to determine the skills required for local

nationals (Omanization). The idea that those who are no longer dependent on a national labour market for their economic livelihood will inevitably abandon the society in which they live is an example of where political dialogue is unable to get beyond the bounds of economic reason (Brown and Lauder, 2000, p.281).

Human capital theory is often associated with the idea that western societies have been transformed from industrial to post industrial societies, characterised by an increasing demand for a highly educated workforce. This view assumes that the process of industrialisation has transformed western economies to the point where 'human capital' becomes more important than land, machines, or physical labour (Drucker 1993; Becker, 2006; Lauder et al., 2006). Lauder et al. (2006) further explained that the central assumption of the human capital view is that the state can achieve national efficiency and social justice through investing in the education and training of citizens. Therefore, it rejects the idea of class or other forms of economic conflict as inevitable within capitalist economies. Rather, the increasing demand for high skilled, high waged workers extends opportunities previously restricted to a minority to all those who have the ability and make the effort to invest in the development of their marketable skills.

2.7 The World Bank

The World Bank is the prime international organization responsible for advising and subsidising education and training schemes in developing countries (Ashton et al., 1999) and their view is largely driven by the neo-classical approach which stress much in common with the human capital approach. However, it is important to

discuss different approaches so that we can understand the wider international context of Oman's approach to skill formation.

The neo-classical approach for education and training sees the market as the most efficient basic framework for education and training where the market decides on what type of education and training is required to be developed to raise human capital (Ashton et al., 1999). Therefore, the reflection of human capital in relation to skilled workers is directly proportional to the good or service selected by the consumers. Lucas (1988) argued that the Solow (1956) neo-classical model was not a useful theory which could contribute to the development of the economy for two reasons. First, the inability to account for the considerable real world diversity in growth experiences is apparent. Secondly, the strong counterfactual prediction that international trade should include rapid movement toward equality in capital labour ratios and factor prices. It was also suggested that the average level of human capital affects a worker's productivity in addition to the effect of the person's own human capital (Godfrey, 1997). If the value of human capital were high, individual agents would have a high incentive to undergo and fund their own education or training (Ashton et al., 1999).

The World Bank sees education and training as an important investment. It concluded that governments should provide schools free to all at primary and secondary levels. This is obvious, as investing in primary and secondary education stimulates the demand for higher education. For example, East Asia countries have invested heavily

in primary and secondary education, which have had important pay-offs for economic efficiency and equity. Stoky (1991), has developed a model based on human capital accumulation and a continuum of product indexed by quality, that she claims is consistent with the East Asia experience of rapid education and training growth that has an impact in rapid growth in per-capita income. Similarly, in Oman the government has been investing heavily in skill formation by developing a new basic education and post basic education systems (UNICEF, 2001). The World Bank approach has been very positive about taking the advantage of gaining benefit from training. Indeed, this is not unique to Oman. In Britain, for example, 'blue collar' or 'dirty' work has a second class image and many people of lower class origins aspire to better themselves. The literature suggests that wages will rise in line with the academic profile of the workforce (Brown and Lauder, 2006) (see Acker, 1990; Ahuja, 1997; Barro, 2001). In turn, the lower class image of vocational work translates into a lower class image for vocational education and training. Again, Britain is a good example, where more vocational work is not preferred by the nationals and created opportunities for more Eastern European employees to do 'lower class' jobs. Furthermore, the high and low status division between 'vocational' and 'professional' is underpinned in the qualification system, for example, high status 'academic' subjects and low status 'vocational' subjects, where more vocational courses were aimed to provide the needs of less academic pupils, which created labour market segregation. In Britain, politicians have recognised the existence of and problems associated with these divisions. For example, the emphasis on the importance of the 'supply side' transforms the means of generating a

competitive skilled labour (Ahier and Esland, 1999). There have been world-wide developments in vocational education that 'will open to all young people and it should, in the long run, create more jobs' (Weis, 1994). In Arab countries, Al Heeti and Brock (1997) reported on lack of suitable institutional direction both in the educational systems and between education and work. In the Oman there is the need to create a curriculum that enhances the skills required by society such as personal skills related with the labour market. Clearly, there are conflicting views about where it is best to invest in education and training. For example, the World Bank argued that investment in primary and secondary education would produce higher individual and societal returns than tertiary education levels. Birdsall and Sabot (1995) claimed from their empirical findings that primary and secondary enrolments had substantial effects on economic growth in the early 1980s. The empirical evidence suggested that specialised training centres for training and skills were more cost effective than vocational schooling (Ashton et al., 1999).

The efficiency of training and performance of the labour market can be maintained and improved by manpower planning through monitoring the operation of labour markets, providing information on labour trends to individuals, the private sector and managers of training institutions (World Bank, 1993). Furthermore, it was argued that the role of the government should be minimized because the most efficient provider for the required training is the labour market in coordination with the government. Campos and Root (1996) claimed that government intervention should not be ignored

because primary education has the greatest impact on economic growth with higher social rates of returns than the private return

2.8 Skill Formation in Singapore: a lesson for Oman?

To analyse Oman's approach it is useful to explore the methods of educational development in other countries such as the four Asian 'tigers', in particular, the Singaporean approach to skill formation. This contrast is proposed because in most western countries, particularly Britain and the United States of America, their education systems were developed to meet the needs of various status and community groups and professions (Green, 1990). In the USA local community groups controlled education, whereas in Britain the government controlled the development of the education system as a whole. These countries could be considered as market driven economies, because the market determines the direction of economic development.

In the case of the four Asian tigers the model is different from the western model. According to Castells (1998), the economic success of the Asian 'tigers' has been used to support the ideological dialogue of some free market economists and politicians who found, in their reconstructed version of Asian development, the market paradise of neo-liberalization (p.245). In the model of Asian tigers the governments play an important role in driving the economy in general. Ashton et al. (1999, p.126) identified and analysed the model for the Singaporean approach with the following distinctive features:

> First, the government plays an important part in influencing the market in which companies compete and the overall direction in which the economy moves through time including the influence on skills demand.
> Second, there are clear mechanisms which ensure that the human resource requirements of existing industries, and those the government wishes companies to move into, are used to guide the development of the education and training system.
> Third, government has strong central control over the education and training systems which ensures a fast response to changes in the skill demands of industries.
> Fourth, and largely as the consequence of the above, changes in the education and training system are closely linked to changes in the economy, although such linkages are always problematic.

Singapore has shifted from manufacturing services to advanced services. It has moved from low-skill assembly manufacturing to advanced manufacturing products and processes. The government was largely responsible for this upgrading by creating the technological and educational infrastructure (Castells, 1996). Overall, Singapore can be considered to have a powerful government state which plans and develops the education system and skill formation. It is suggested that the distinctive features of the Singaporean model for skill formation are similar to the Omani approach. However, the Omani government has depended on foreign expertise, borrowing policies from Arab and western countries, where these policies were adopted according to local requirements (Allen and Rigsbee, 1996).

Perhaps the Oman approach is more liberal compared to the Singaporean approach (see later in this chapter) where the government tries to improve the quality of

education and to incorporate the required human resource capabilities in the labour market by creating a linkage between education, training and the workplace. However, the irrelevance of much of what was transmitted through the education system for the needs of industry in Singapore meant that companies and organizations were left to develop their own types of training (Ashton et al., 1999). Similarly, in Oman during the early years of development, public and private sectors were devising their own training to suit their own needs because the private sector was very limited. Although, Oman adopted the British technical education system, more recently the government made comparisons with other countries' education systems and selected an appropriate technical education and training system to fit the Omani labour market. This has led the Omani government to restructure the education system, in terms of organization, educational curriculum and assessment methods. The aim here is to adopt a close link between education, the economy and labour market requirements. The government has recognised a need to encourage vocational and technical training and improve language skills according to 'Vision 2020' (Ministry of Development, 1995) (see, Ministry of National economy and UNICEF, 1999; Ministry of National Economy, 2002) Therefore, an empirical investigation is required into whether the skill formation system prevailing in Oman is transferable and appropriate for the country's labour market requirements. However, to understand this issue two divergent dimensions such as 'supply' and 'demand' are discussed in relation to the impact on individual and social disparities in the national education system.

This approach is very similar to the four Asian tigers, in particular, Singapore where almost all the main features of economic development are controlled by the government such as, labour market regulations, direct foreign investment, state owned enterprises, macro-economic stability and international financial services development (Huff, 1995). Oman has taken a more liberal approach than Singapore, where the private sector is less regulated. This could range from small, medium to large companies, and until recently government owned companies such as the Oman telecommunication which have been privatised (MOE, 1998). In addition, the Omani government introduced a programme called 'Sanad' which means support. The aim of this programme was to support young Omani nationals to establish their own businesses, and included full training on how to run a business. This also included encouragement of the private sector to recruit and train Omani nationals according to the Omanization plan set by the government. For example, in January 2002, the government introduced the Omanization plan for accountants, light vehicle drivers, quick car services labour, mechanics, electricians, technicians, grocery shopkeepers and fuel station attendants (Times of Oman, 2003a). In addition, in 2003, the Omani government took further steps towards the Omanization plan. It was announced by the Sanad committee that the Omanization percentages were to be increased in several sectors such as automobile, travel and tourism, contracting, electricity and water, oil and gas, and engineering consultancy (Oman Daily Observer, 2003). The target was to encourage and increase Omani entrepreneurship and further reduce foreign worker dependency. However, some commentators are driven by the philosophy that, while individuals are normally best left to their own devices in the

market place, the state has an important role to play in ensuring that the market works and that there is equal opportunity for all people to participate in the market and hence that there is an efficient and productive education and training system. At the same time, it is commonly argued that economic development is a foundation for raising standards of living in any country, and, in a situation of an increasing population, economic development is required just to maintain existing levels of prosperity (Wieringen and Attwell, 1999).

One of the major points that made the Oman develop rapidly is the ruler and the government. In His Majesty's speech, we can see what has happened during the last five years. He stated that in the past, other matters captured our attention whereas today the economy is our main concern (Royal Speeches, 1970-1995). Here His Majesty has 'hit the nail-on-the head'. In previous years Oman had been enjoying the wealth from oil, which had been the main source of income. Today matters are different and the private sector represents the country's economic fortune. Through its competitive and versatile nature, the private sector has potential to enhance the solid base for the government and citizens alike. As the Sultan warned, in some countries, where citizens depend on the state for satisfying their needs, they become inflicted with disintegration, poverty, and political, as well as economic instability (Royal Speeches, 1975-1995). Instead it is argued that Oman has accomplished achievements in a short period of time compared to many other countries (Birks and Sinclair, 1980). However, Oman continues to be faced by a great challenge in order

to achieve and to continue development towards the 'light of clear vision' for Oman's economy. It was stated in the 'Vision 2020' (1995) that:

> in order to achieve the appropriate economic standard we need to support current resources (mainly oil) with other resources like industrialization. His Majesty is concerned with the necessity of conducting any studies required. For a comprehensive economic assessment of the production and services sectors, the identification of a number of leading sectors that can contribute to the expansion and development of the economic and productive base of the Oman, thereby replacing oil revenues in the future. (Vision 2020, Oman's economy, p.3).

2.9 Conclusion

It has been argued that in nearly all societies, unemployment is highest among those with low levels of education (Crough et al., 2001). However, the possibility of skill mismatch can raise unemployment, widen income inequality, increase poverty and social polarization. According to Castells (1996), while the Oman occupational/ employment structure was upgraded in terms of the educational content of the skills required for informational jobs, the labour force was not up to the new tasks. This was either because of the low quality of the educational system or, because of the inadequacy of this system to provide the new skills needed in the emerging occupational structure. In an attempt to meet labour market needs, the Ministry of Civil-Service normally lists the students who have graduated from local or international Universities, and finds appointments that suit their qualifications and the needs of government departments where possible. It also finds work for technical institute and secondary school graduates (Ministry of Information,

2002/2003, p.42). However, demand for jobs is continually increasing due to the growing numbers of graduates from secondary schools, vocational training and technical colleges. Every year about 20,000 job seekers are registered with the Ministry of Manpower (Ministry of Information, 2001).

The United Nations (2001), stated that,

> in order to optimise global employment, two factors are of the uttermost importance: Skills and flexibility. Skills are a vital resource in the new information age while labour flexibility means mobility (p.5).

Unregulated provision leads to mismatches between providers and the needs of a changing labour market. For example, the Economic and Social Commission for Western Asia, reported that:

> Omani graduates are facing rising unemployment and there is an increase in unproductive titular posts in both the private and public sectors. Higher education has created expectations and hopes that the labour market has not fulfilled. In universities, more emphasis must be placed on the basic sciences and less on social studies. Such a bias towards arts is not in line with market demands. The education system must emphasize creative thinking, teamwork and the acquisition of modern skills (ESCWA, 2001, p.47).

It is evident that science and information technology are the main requirement for future development of many countries. As the government of Oman was emphasizing the need for the participation of the private sector for economic diversification, a negative impact was encountered in that the skills that those who

work in the private sector were required to acquire fell short. The negative impact was based on the Omanization policy that the government imposed on the private sector. For example, the policy and procedures for termination of Omani employees' contracts is complicated, a legacy could be costly. It is argued that, although Oman has introduced internationalisation of the economy by lifting the controls on foreign investment such as taxation and expanded contacts with international organisations such as the World Trade Organisation, Omanization is still an issue (Allen and Regsbee, 1996). For example, in 1996 the overall level of taxation for companies was reduced from 35 percent to 25 percent, including Omani registered companies with up to 90 percent foreign ownership taxed at the same rate. In joint stock companies, where Omani participation is at least 51 percent and where 40 percent of the share capital is offered for public subscription, the maximum tax rate is 7.5 percent. Now it is possible to have 100 percent foreign investment depending on the merits of the manufacturing project with 35 percent Omani employees (Ministry of Information, 1999).

The literature generated in this chapter was discussed in relation to various aspects related to, skill formation, human capital and globalisation and Omanization. On the one hand, the Oman is trying to shape up to the wider forces at work in a global economy, where a premium is placed on high-skilled knowledge workers. On the other hand, Oman is trying to come to terms with its own cultural and economic limitations whose reform has been set in the wider context of Omanization. Thus, an issue is between the role of government in economic and educational

development, the dispositions of individual Omanis and the potential of the development of a private sector with its own demands for trained and skilled labour. This literature review has led to the more specific setting of the research questions of the study. These are to investigate and illustrate specifically, it asks on:

a. How and in what ways does the implementation of 'Vision 2020' relate to economic development and skill formation?
b. How and in what ways do the interests and dispositions of policy makers, college managers and private sector employers articulate with each other and with the Omani VET system and its outcomes?
c. Are the policies and procedures for training and employment of young Omanis appropriate to the country's needs?
d. To what extent does VET provide for a range of job opportunities that will improve employability and support the national economy?
e. What are the skills requirements of the Omani labour market, and how can labour market needs be supported?.

CHAPTER THREE

The Economy and Education in Oman

CHAPTER THREE

The Economy and Education in Oman

3.1 Introduction

This chapter reviews the early stages of economic development achieved by Oman. For the past thirty six years Oman has changed from an undeveloped country into a country with a high economic growth rate. Probably one factor more than any other has catapulted Oman into the twenty first century, which is the discovery and exploitation of oil (Allen and Rigsbee, 2000). Thus, Oman remains dependent on oil revenues to ensure a relatively high standard of living but now recognizes the need to diversify the economic base (Ministry of Information, 1999). In part, this diversification will be brought about by an expansion of the private sector, especially in non-oil related goods and services. The economic constraints of recent years, and increasing globalization of trade and investment flows has caused a profound shift toward greater reliance on private sectors. This diversification and expansion will require an adequately trained workforce, especially of skilled and semi-skilled labour such as fitters, welders, technicians, teachers, engineers, nurse and doctors. Moreover, given the goal of Omanization of the workforce there is, therefore, an added goal as discussed in Chapter Two. Thus, as Azzam asked, will the private sector change the role of the state from that of 'player', a direct actor in the economy, toward that of 'referee' in competitive private markets'? (Azzam, 1999). In our theoretical and conceptual framework we have suggested that the planned economic transformation of the Omani economy is, to an extent, dependent on the transformation of or at least major adjustments to, the system of Vocational

Training and Education (VET). Indeed, this idea is fundamental to achieving the 'Vision 2020'. Thus, a detailed examination of existing structures and issues is discussed in this chapter. However, bringing about changes to the economy and to the system of VET is not likely to be without its problems. In undertaking this analysis I am aware of and wish to make explicit the interrelated nature of the economy and education and identify potential barriers to change. For example, it is likely to be the case that there will be economic, political and cultural rigidities, such as social injustices where rich families continue to be relatively richer and poor families continue to be relatively poorer, giving rice to different educational opportunities, careers and economic futures. In this chapter I shall look at the relation to the development of the economy and the reform of education and training specifically the development of VET using the Omani government Five-Years economic development plan from 1970 to 2005.

3.2 The Government

'It is far more difficult to transform a society with ancient traditions and an established spiritual authority' (Plekhanov, 2004, p.235). His Majesty Sultan Qaboos overthrew his father to establish a modern government and he said:

> I have watched with growing dismay and increasing anger the inability of my father to use the new found wealth of this country for the needs of its people. That is why I have taken control. Now my family and my armed forces have sworn their allegiance to me. The old Sultan has left the country and I promise that the first thing I shall dedicate myself to will be the speedy establishment of a modern government (Rabi, 2006, p.214).

During the first decade of his rule, His Majesty the Sultan succeeded in turning the country around and, today, Oman is a prosperous nation Plekhanov (2004). Oman has positioned itself as a peaceful country particularly when His Majesty the Sultan received the International Peace Award in 1998 from several leading American institutions as an expression of the high regard for his contribution to modern politics and his peacemaking role in the most volatile region of the world (Plekhanov, 2004). The Sultanate of Oman is a Royal State under the rule of Sultan Qaboos bin Said Al Said who is the eighth Sultan descending directly from Imam Ahmed bin Said founder of the Al Said dynasty (Ministry of Information, 2001). The country has been ruled by the Al Said branch of the Al Busaidi Royal Family, which has ruled the country since 1744 (Calvin and Allen, 1987). The government administration system of the Oman under His Majesty consists of the Diwan of the Royal Court and the Ministry of Royal Office, the cabinet of Ministers and Secretariat of the cabinet, the specialized councils, Govern-orate of Muscat, Consultative Council (Majlis a' Shura) members are elected by Omani citizens every three years, State Council (Majlis al Dawla) members are appointed by the Sultan, Council of Oman (Majlis Oman) comprises the Consultative Council and the State Council (Minister of Information, 2002-3, pp.33-37). The cabinet of Ministers is the highest executive authority, deriving its power from His Majesty to whom it is collectively responsible. His Majesty the Sultan authorizes laws and decrees. He appoints and dismisses deputy prime ministers, ministers, under-secretaries and senior judges. International treaties, agreements and charters approved or signed by His Majesty the Sultan become law from the date of their publication in the official gazette (Sultanate of Oman, Undated) (see Townsend, 1977; Al Ghorfa, 2007). There are a number of government councils, organizations and bodies such as the Council of Ministries, the Scientific

Research Council, the Economic Coordination Council, the Higher Education Council, the Accreditation Council and the Businessmen's Council to name a few (Ministry of Information, 2003).

3.3 The Socio – Economy

The geographical effect

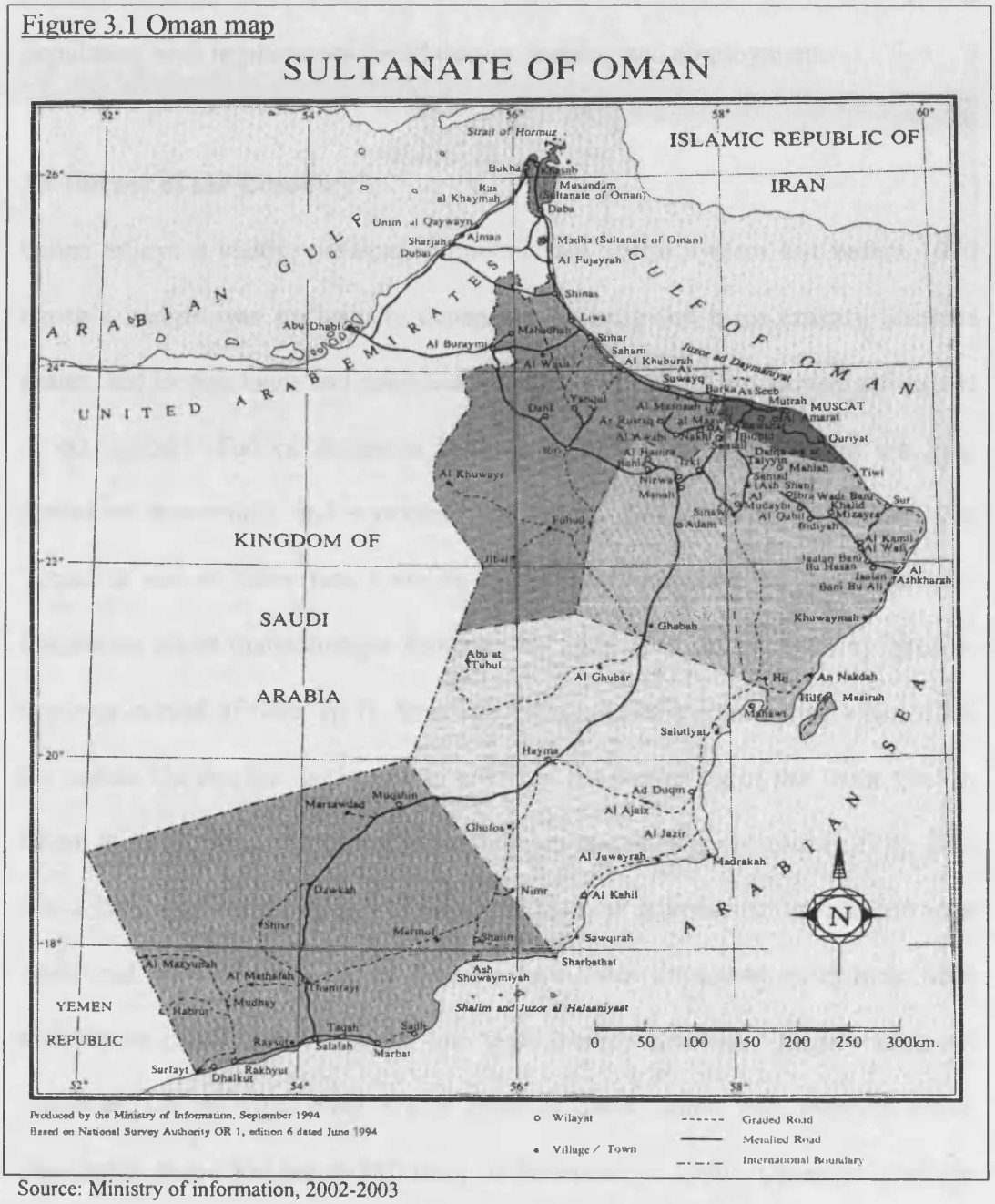
Oman occupies the South-eastern corner of the Arabian Peninsular, and is located on the map Figure 3.1 on the next page. The Sultanate of Oman shares the borders with Saudi Arabia and the United Arab Emirates in the West, and in the south the Republic of Yemen and the Strait of Harmouz in the north, and the Arabian Sea in the east. The total land area is approximately 309,500 square kilometres and is the third largest country in the Arabian Peninsula. The topography varies between the regions, mainly consisting of plains, wadis (similar to rivers but where water flow depends on rain) and mountains. Three percent of the total land area is plain and the mountain ranges about 15 percent. The remaining area of 83 percent of the country is sand and gravel desert (Ministry of Information, 2003).

The population

In 1993 the Omani government took a major step towards development with the implementation of the first general census of population, housing and establishments. Consequently, the results were to form the basis for the entire future planning of the economy. The second general census took place in 2003 and at the end of 2003, the total population of Oman was 2,331,391 of which 1,779,318 were Omanis (76.3 percent) and 552,073 were expatriates. The majority of the expatriate population is located in the capital area Muscat, with 45 percent of the total expatriate population. The government has introduced a birth control plan to reduce the number of births to less than three percent by the year

2020 to avoid the negative impact of substantial population increases on the natural and financial resources of the country (Ministry of Development, 1996-2000).

Figure 3.1 Oman map



Source: Ministry of information, 2002-2003

However, the population growth rate in 2003 was 1.84 percent compared to 3.1 percent in the first census. The statistical year book (2005) revealed that 52 percent of the population is aged 24 or under, while those over the age of 64 represent only three percent of the population and the total estimated current population is 2.5 million (Oman 2006-2007, 2006). Thus, Oman has a young population with implications for education, training and employment.

3.4 Review of the Economy

Oman enjoys a stable, political, economic and social system but before 1970 Oman's budget was exclusively dependent on religious taxes (zakat), customs duties, and British loans and subsidies until the commercial production and export of oil in 1967 (Federal Research Division). 1970 marked the end of the long period of remoteness and economic stagnation. Plekhanov (2004) stated that 'Oman is one of those rare societies to have accomplished modernization and innovation while maintaining a firm grip on traditional values, built up over an immense period of time' (p.7). Similarly, Scholz (1980) argued that, when H.M. the Sultan Qaboos bin Said came to power at the beginning of the 'New Era' in Oman in 1970, the development of the country had to begin at zero (p.178). This was a challenge for the Sultan Qaboos and his new government to transform the traditional economy, which, on the one hand, was importing everything from matches to milk, into a modern one with income generated largely from oil resources. On the other hand, Oman exported dates, limes, fish, tobacco, fruits, vegetables, hides and henna (Ministry of Information, 1999). Oman is often the exception to the rule among the Gulf rentier states. Unlike Kuwait, Bahrain, Qatar, and the United Arab Emirates, Oman is a relatively large state with a diverse economy, with settled agriculture, fisheries and a long maritime

commercial tradition (ESCWA, 2001). The Oman government established a long-term development plan that consisted of a series of five years beginning in 1976. The implementation of these plans has led Oman to make remarkable social and economic progress. In 1998 the government faced a new challenge when the oil price fell dramatically to less than 15 dollars a barrel (ESCWA, 2001). From this time the Oman government emphasized the need for the diversification of the country's economic base and for it to be led by the private sector. On the occasion of the tenth National day His Majesty the Sultan said that:

> it has long been our intention that our economy should be so diversified that our dependence on the resource-oil- is reduced. To do this, we must exploit our country's other natural resources and our industrial potential to full (Royal Speeches, 1995, p.68).

The national economic development plans have given priority to reducing dependency on oil exports and encouraging and supporting income-generating projects in non-oil sectors (diversification). Since the development of the country's infrastructure in the 1970s, private sector investments have been promoted to effect a wider geographical distribution of investments to correct regional imbalances (Federal Research Division). Oman has continued to grow and has encouraged inward foreign investment. According to the World Investment Report (2006) full foreign ownership in privatization was allowed as of July 2004, which established a new privatization framework, targeting power, water and telecommunications. Similarly, foreign companies such as Elf, Japex and Occidental have been allowed to invest in oil production.

In 1997 and 1998 the oil price fell dramatically to 13.5 dollars per barrel, the lowest oil price ever experienced by the country. Since then the oil prices had

settled at an average price of 18 dollars per barrel. Net oil revenues for the government between 1980 and 1995 averaged approximately 2.6 billion dollars per annum. Until today there is still a lot of oil research and discovery going on in Oman. For example, currently a number of new oil wells have been used to extract oil. Thus, some of these new wells are not used but reserved for the future (Ministry of Information, 2001).

Gas fields were discovered between 1989 and 1991 and the government was optimistic that larger quantities of gas remain to be discovered. This will not be used only for Liquefied Natural Gas but for polyolefin and aluminium projects in the region of Sohar, for fertilizer projects and as a source of energy for domestic power generation and other small industries (Al Ghorfa, November, 1999). This no doubt will be another source of income for Oman in the future. The Oman Liquefied Natural Gas (LNG) project forms an integral part of the Oman strategic and economic vision of the future (Ministry of Information, 1999). The Oman Liquefied Natural Gas Company is a joint venture between the Government of Oman, Shell, Total, Partex, Mitsubishi, Mitsui and Itochu. The company has been established to build and operate natural gas liquefaction and to sell the Liquefied Natural Gas (LNG) in export markets (Al-Nahda, 1995).

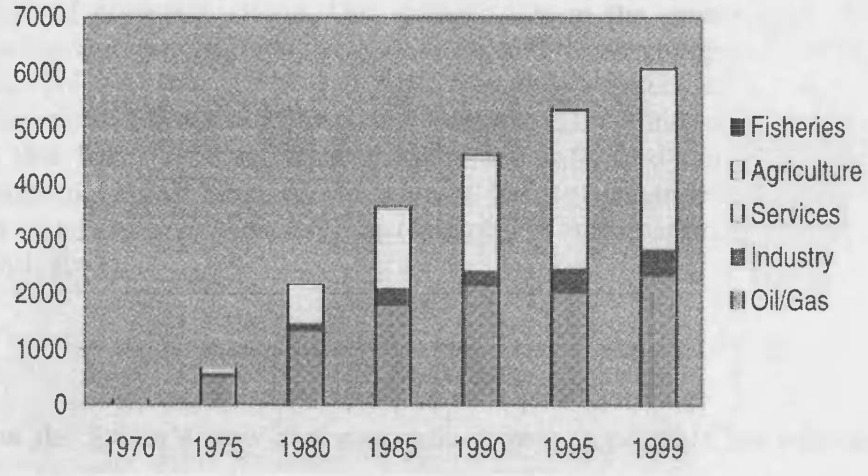
This company is expected to produce 6.6 million tonnes per year of Liquefied Natural Gas. The first exported shipment of LNG to South Korea was achieved in April 2000. South Korea is one the biggest buyers of Oman LNG, with a firm plan to buy 4.1 million tonnes of the 6.6 millions tonnes that the plant will produce annually (Oman Observer, 2000, April, 5). Most large projects like liquefaction of natural gas (LNG) and petrochemicals, which have recently been established

provide greater opportunities for recruitment and training for Omani Nationals (Oman 2002-2003, 2002).

The government has set up policies so that all companies carrying out the above projects must comply with programmes for training and qualifying Omani nationals to participate in all areas of these projects (Ministry of Information, 2004). During the periods of execution and operation of this project LNG has provided more than eight thousand job opportunities while the Petrochemicals project will provide five thousand job opportunities (Times of Oman, 2003b). Although oil and gas remains the main resources for the Oman economic, the government continued to support and encourage other sources such as agriculture and fisheries as indicated in Figure 3.2.

Figure 3.2

Growth in GDP
Oil and Gas Compared with other resources (industry, agriculture and services)



Source: Ministry of Development, 1997

Government policy has been to create a national economy based on private enterprise in a competitive environment devoid of monopolistic practices, where

special emphasis was placed on the private sector in 1998-1999, having been designated as 'the years of the private sector' (Ministry of Information, 1999).

Oman has established seven industrial estates consisting of 379 factories at Rusayl, Nizwa, Sohar Raysut, Sur, Buraimi, and Al Mazunah that provide a number of products such as chemical, electrical, paints, aluminium products, poly products, to name a few (www.peie.com). These estates are purposely built for manufacturing factories in different regions so that there is a balance in the distribution of employment opportunities and population nationally. According to the industrial survey undertaken in 1996, there were 1,355 industrial establishments in Oman in 1995 (Ministry of Information, 1999). The main goal has been to develop other resources than oil to support the economy as the target of diversification but at the same time to protect the heritage and culture of Oman. According to His Majesty's speech on the occasion of the tenth National Day:

> we must bear in mind that our strength does not lie in material prosperity alone. Our strength lies in the great traditions of our glorious Omani culture, and the teachings and laws of our Holy Religion. We must never let obsession with material things and alien thoughts blind us to this fact. We must equally foster and safeguard our traditional industries so that our cultural heritage is handed on intact to generations to come (Ministry of Information, 2001, p.69).

It is clear from the Sultan's view that economic growth is possible but without forgetting embeddedness of culture and religions. The country's economic development continued to grow particularly in the private sector. For example, the manufacturing sectors contributed only 4 percent to the Gross Domestic Product in 1997, and it was planned to increase this to 6.5 percent by the end of the year

2000. However, the Oman home market has always been small and most manufacturing companies currently depend on the exportation of their products. Currently, Oman's main income is still from oil and gas. This can be seen in Figure 3.2 the growth in Gross Domestic Product for Oil and Gas compared with other resources such as fisheries, agriculture, services and industry. It is expected that domestic and foreign private sector investment will grow to 46 percent of the overall investments projected in the seventh Five-Year economic development plan 2006-2010 (Ministry of National Economy, 2007).

'Vision 2020' Strategy

Human resource, economy and private sector developments are the main strategies outlined to assist achieving the vision of Oman's economy 'Vision 2020'. In addition, the main strategies were explored by His Majesty the Sultan Qaboos (2005) as four fundamental principles which are:

- the development of human resources
- the development of natural resources
- the building of the infrastructure
- the establishment of the State's institutions

Figure 3.3 indicates the plan to formulate the vision for Oman's economy so that a clear plan for development is guaranteed (Ministry of Development, 1995-2000). According to the economic vision 2020 plan it is expected that the economy will no longer rely on oil production (37 percent of GDP), and be diversified with higher levels of savings and investment and that other sources of national income from the non-oil sector will assume a primary role (Ministry of National Economy, 2005). It is argued that the most important part of the continuity of the

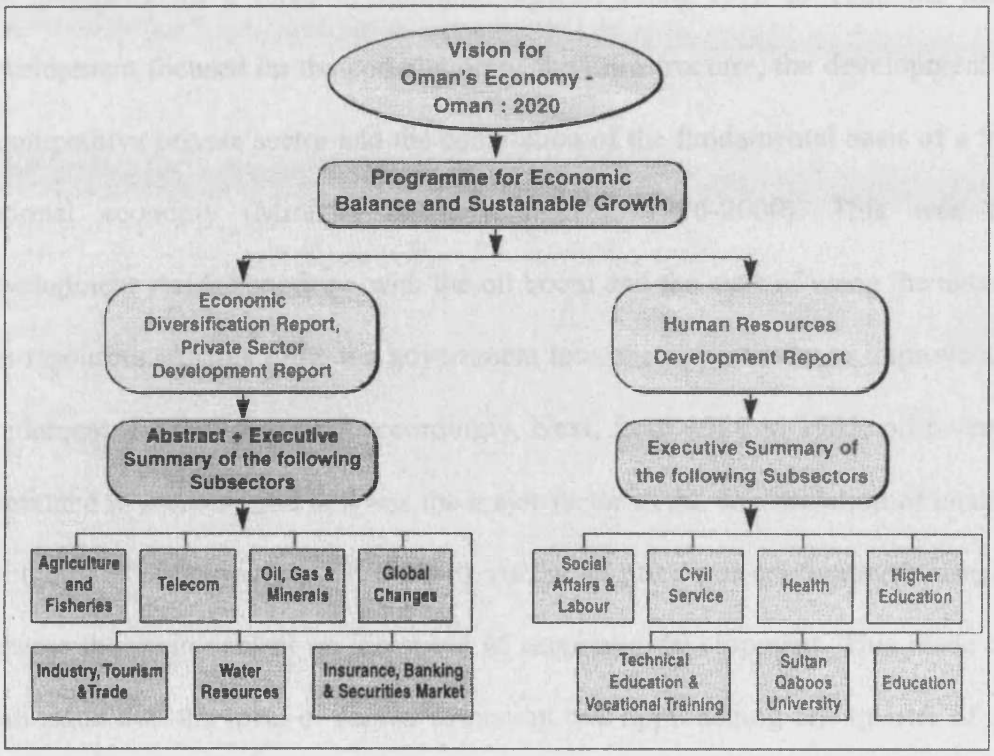
country's development is clear planning with a future vision that includes objectives to be accomplished and implemented within a given time scale. The Ministry of Developments (1997) explained that the aim of the vision was to identify several leading sectors to contribute to the broadening of the country's economic base, and their revenues may substitute for those of oil in the future. The vision for Oman's economy includes policies based on a general framework of the future development of the country (see Figure 3.3). Every year the government carries out an evaluation with independent organizations, for example the World Bank and the International Monetary Fund (IMF) (Ministry of Information, 2004).

Overall, the strengths of the Omani economy are mainly from oil revenue, although the government intention was to expand tourism as rapidly as possible, and make it a major factor in the economy of the country, but the progress has been slow, because of the reluctance of the government to expose traditional Omanis to Western tourists. Furthermore, transportation and accommodation in Oman remains relatively expensive, making the development of large-scale packages-holiday industry difficult (Country Report, Oman, 2001).

However, the creation of the Ministry of Tourism in 2004 presented a significant role in promoting tourism. For example, during the years of the sixth Five-Year economic plan (2001-2005) tourism expanded at annual rate of 9 percent compared to the projected figure of 6.1 percent and is expected to contribute 3 percent to Oman's GDP by 2020 according to 'Vision 2020' strategy development plan 1996-2020 (Ministry of Information, 2004).

Figure 3.3

The Preparation Process of the Sectoral and Main Reports in order to Formulate the Vision for Oman's Economy



Source: Ministry of National Economy, Vision 2020, 1995

Perhaps its single weakness is the over reliance on oil revenue. However, through the 'Vision 2020', the Omani government has seen the opportunity to diversify the economy and expand the private sector. The Omani government continues to emphasize economic diversification and it plans that more jobs should be created for young Omanis as highlighted in Chapter Two.

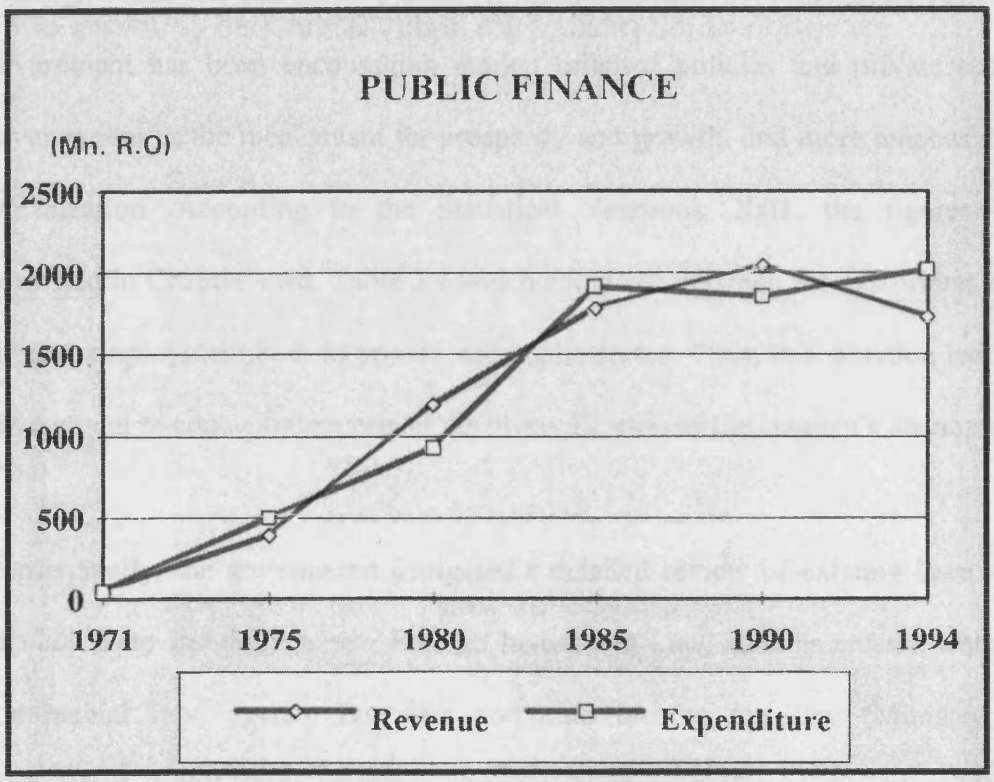
The economy development period 1970-1990

In the period 1970 to 1975 efforts were concentrated on the identification of areas with most urgent need for the provision of an infrastructure necessary for

economic growth (Ministry of Development, 1996-2000). This was the first stage of development where most of daily basic human requirements were needed, such as hospitals, schools, electricity, water, roads, houses, etc. were built, providing the foundation of a modern economic society. From 1976 to 1980 the main development focused on the completion of the infrastructure, the development of a competitive private sector and the completion of the fundamental basis of a free national economy (Ministry of Development, 1996-2000). This was the development stage, benefiting with the oil boom and the start of using the natural gas resources. At this time, the government took the opportunity to improve and implement the five-year plan accordingly. Next, from 1981 to 1985, oil revenue continued to increase and this was the major factor in the consolidation of income (Ministry of Development, 1996-2000). As the oil price was continuing to rise, oil became the main control on the speed of economic development. This made the realization that the level of capital formation was approaching one quarter of the Gross Domestic Product. The private sector was also encouraged to participate in socio-economic activities by a set of direct and indirect policies and procedures. At this time the revenue was less than the expenditure on public finance (see Figure 3.4), and despite the rise of oil prices, the reason being the continuation of the implementation of the planned projects, including the beginning of the development of a water resources plan. 1986 to 1990 was a period of testing the resistance of the economy and reviewing the plan. The beginning of this period coincided with a sharp fall in the oil price, and a continuation of the decreasing trend of these prices since the beginning of the 1980's. However, this remained at a higher level throughout the period of the second five-year plan. During 1986-1990 the state faced the burden of increasing current expenditure and the difficulty of increasing revenues from other sources during the economic

recession that accompanied the collapse in oil prices where all Ministries suffered budgetary cuts apart from the Ministry of Education and Ministry of Health maintained their full budget allocation (UNICEF and Sultanate of Oman, 2001).

Figure 3.4



Source: Vision 2020 Ministry of Development 1995

The economy transition period 1991 - 1995

It was hoped in this period to address negative aspects, which had appeared in previous years, and to sustain economic growth. Consequently, the fourth five-year plan concentrated primarily on directing investment into production projects that would expand and diversify the production base, such as manufacturing, production and services (Al Ghorfa, 1998). In addition to this, private sector

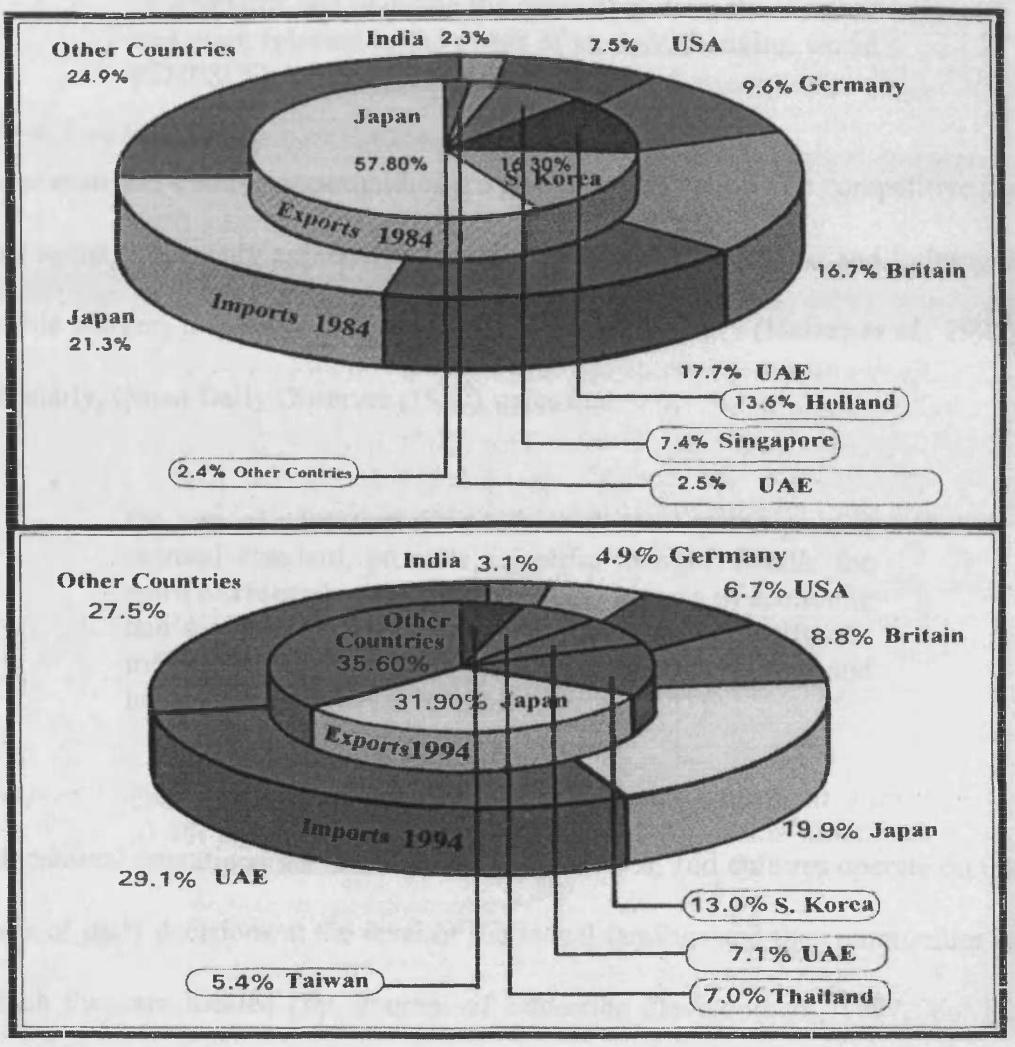
development was encouraged. Special attention was paid to regional development with 60 percent of funds allocated to projects outside the (Muscat) area, compared with 34 percent in the previous plan (Ministry of Development, 1995).

The economy consolidation period 1996-20005

The Oman economy is progressing well. Oman has been enjoying a stable political, economic and social system (Khaleej Times, 2000, November, 18). The government has been encouraging market oriented policies and private sector development as the mechanism for prosperity and growth, and more emphasis on Omanization. According to the Statistical Yearbook 2001, the figures are presented in Chapter Two, Table 2.2 which compares between the expatriates and citizens employment both in private and public sector. Thus, this situation led the government to concentrate more on the diversification of the country's economy.

Consequently, the government instigated a detailed review of existing laws and regulations to introduce a new Foreign Investment Law, such as amendments in commercial law, agency law and corporate income tax law (Ministry of Information, 1999).These changes gave encouragement to foreign investors active domestic contribution. The total revenues in 1999 were estimated at 3,950 million US dollars compared with 2,012 million projected in 1998 budget. However, this was an experience for the government to reduce the expenditure and increase non-oil revenues so that the budget deficit was reduced accordingly. Figure 3.5 indicates foreign trading between 1984 and 1994. The majority of the imports and exports were mainly from Japan during 1984. By 1994, the majority of imports were from United Arab Emirates overtaking Japan by almost 10 percent, but Japan remained the highest in exportation (Ministry of National Economy, 2000).

Figure 3.5 Import and Export in Oman 1984-1994



Source: Ministry of Economy Vision 2020, 1995.

3.5 The Development of the Education System

The education system in Oman has expanded substantially over the past three decades, from three schools in the whole country to over 1,000 government schools in 2003 (Country Report, 2004). On the occasion of the second National Day in 1972 His Majesty Sultan Qaboos said that 'the important thing is that there should be education, even under the shadow of trees' (Ministry of Information, 2001, p.18). He added that:

> we devote great care and attention to the development and reform of education in Oman. Our aims include the raising of standards and updating the curriculum to make it richer and more relevant to the needs of an ever changing world (UNESCO, 1999, October, 4).

Education and training opportunities are pivotal to this vision of a competitive and just society. The only approach forward is to invest in education and training to enable workers to become fully employable in their country (Halsey *et al.,* 1997). Similarly, Oman Daily Observer (1990) states that:

> the aim of education is to raise and develop the general cultural standard, promote scientific thought, handle the spirit of research, respond to the requirements of economic and social plans, build a generation that is physically and morally strong, that takes pride in its nation, country and heritage and preserves its achievements (p.57).

Educational operations are mediated through cultures, and cultures operate on the basis of daily decisions at the level of individual families and the communities in which they are located (Int. Journal of Education Development, 1997, Vol.17, p.374). Three key educational strategies were identified by the government of Oman as being; universal education, diversification education and the introduction of female education which did not exist before 1970 (UNICEF and Oman National Commission, 2001, p.1). Article 13 of the Status which was issued by the Royal Decree in November 1996 relating to education, stated that:

> - education is a cornerstone for the progress of society which the state fosters and endeavours to spread and make accessible to all.
> - education aims to raise and develop the general culture standard, promote scientific thought, kindle the spirit of research, respond to the requirements of economic and social plans, build a generation that is physically

morally strong and takes pride in its nation and heritage and preserves its achievements.

- the state provides public education, works to combat illiteracy and encourages the establishment of private schools and institutes under its supervision and according to the provisions of the Law (National Report, 2004, p.9).

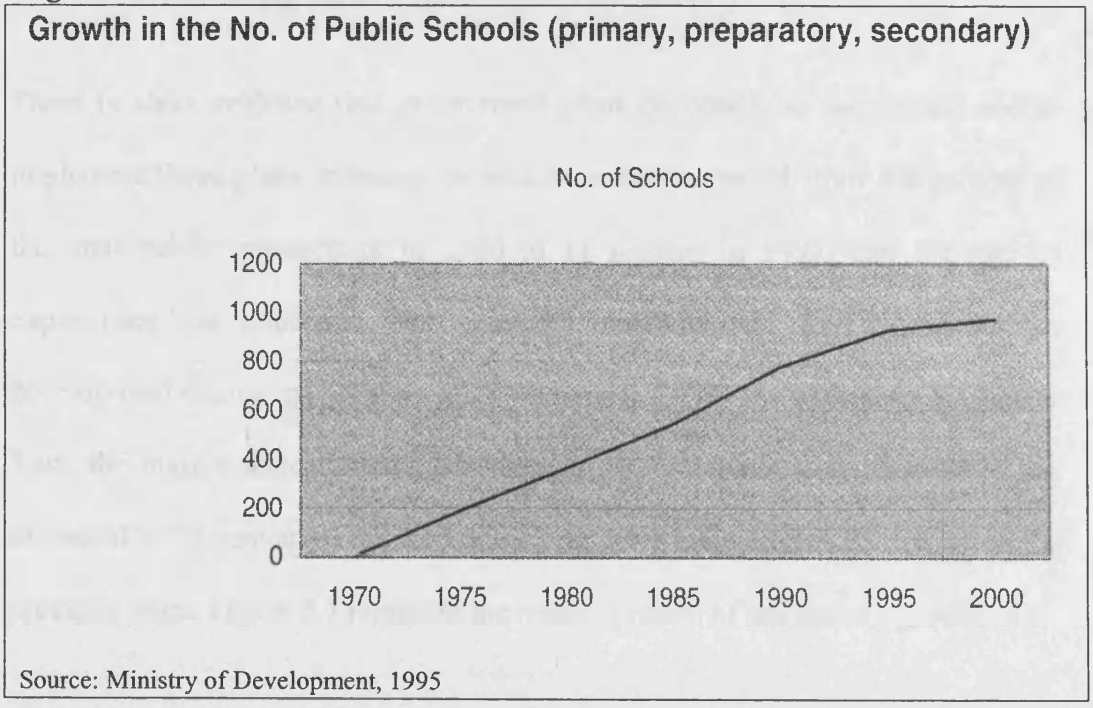
In 1979 technical and commercial secondary schools were established to fulfil the technical commercial requirements for the country. This was under the Ministry of Labour Affairs. There were two pathways in the secondary schools, one for commercial studies and another for technical studies (Ministry of Education, 1979). The aim was to create an easy transition to work. The commercial secondary schools were to provide students with a good foundation towards the work oriented attitude, to cope with trade and commerce and to have an awareness of the economic system of the State, and the roles and responsibilities of commercial institutions in the public and private sectors, both locally and internationally. To achieve the secondary certificate students had to spend three years in the school of commerce or technical. Consequently, the graduates of these schools were not allowed to progress to further or higher studies in Oman. To their advantage, graduates were highly trained but, at the same time, they were inflexible (ESCWA, 2001).

In 1997 the government introduced a new concept of a basic education programme for schools to replace the three level General Education system (primary, preparatory and secondary) (Ministry of Education, 2004). The programme started in 1998 by introducing the system in phases such as cycle one with six grades and then cycle two with four grades which makes a total of ten grades. From 17 Basic Education schools started in academic year 1998-1999, to

352 in academic year 2003-2004, the students will complete the 10-year Basic Education programme at the end of the academic year 2006-2007. The next plan will be the introduction of the Post Basic Education in the academic year 2007-2008, where the budget of 455 million US dollars is allocated for the purpose of the development (Al Macki, 2007). Therefore, students should start the new Post Basic Education programme for two years to benefit from a new and more relevant curriculum and assessment systems (Ministry of Education, 2004). In addition, the number of schools continued to increase because of educational development and population growth. Figure 3.6 presents the number of schools between 1970 and 2000.

Also, there is great encouragement by the government to expand the private education programme and increase student enrolments needed by the Omani economy and expanding private sector.

Figure 3.6



Source: Ministry of Development, 1995

The differences between the general education system and the new basic education system are explained in Table 3.1. As it can be seen, the new system offers more elements of a general education, IT skills, transferable skills acquired in different ways but primarily through practical work and offers at least some social studies. Taken together, the subjects offered in this curriculum have the potential to develop the sort of dynamic nationals.

Economic development in Oman has impacted society and caused political change such as the development of education and training. According to Ashton and Green (1996):

> in considering the links between the Education, Training and Economic systems, the alternative to estimating the demands for training and education services is to attempt to estimate directly the key parameters expressing the impact of training and education. In effect to examine the ex-post returns to education training rather than the impact of the ex- ante return on the demand for education training. This evidence comes at several levels, that of the individual, the firm, industry and the nation (p.54).

There is clear evidence that government plans on education are crucial and to implement these plans spending on education has increased from 4.8 percent of the total public expenditure in 1980 to 11 percent in 1992, and the rate of expenditure on education has exceeded medium and the higher human development countries (Ministry of Development, 1995). As explained in Chapter Two, the budget allocation for education in the academic year 2006-2007 has increased to 38 percent of the total budget for 2007 compared to 25 percent in the previous years. Figure 3.7 represent the overall growth of students in government

Table 3.1: Comparison between General and Basic Education System.

	General Education	Basic Education
Subjects	English from grade 4, Arabic, Islamic, Maths, Science, PE, Social studies.	English from grade 1, IT, Environmental Skills, Arabic, Islamic, Maths, Science, More PE, Social studies, Music, Art.
Periods per Week	30	40
Class size	45 students	30 students
Class time	35 min/lesson	40 min/lesson
Hours per day	3.5 hours per day	6 hours per day
School year	160 days	180 days
Progression	Primary 6 years Preparatory 3 years Secondary 3 Years	10 years Basic education 2 years Post Basic or Secondary
Number of shifts	Two shifts	One shift only
Extra curricular	No	Scientific and practical experiments

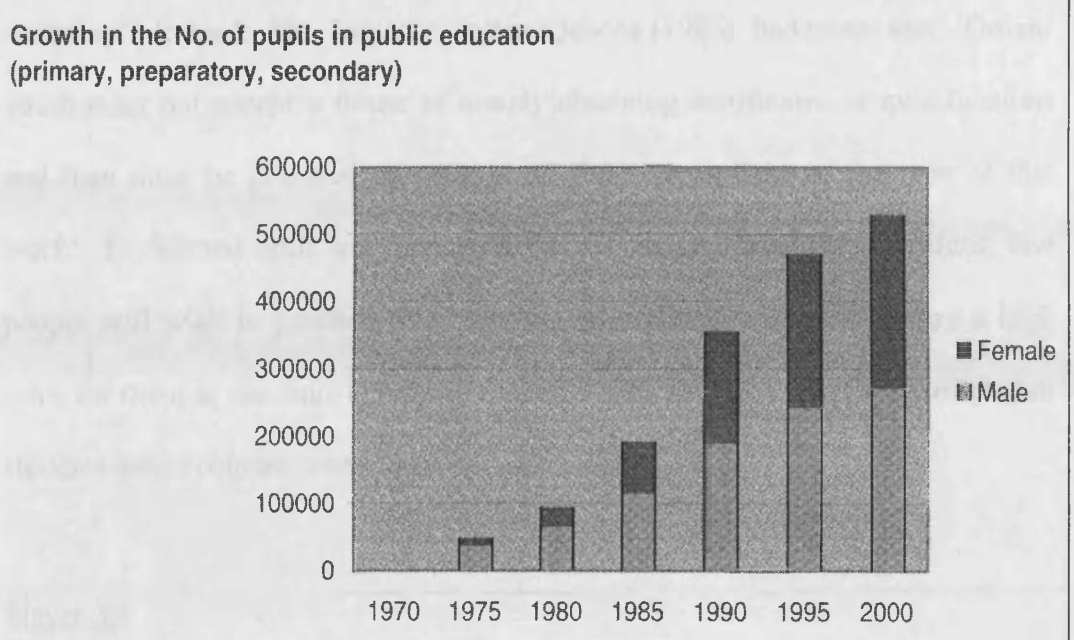
Source: Oman 30 Glorious Years (Only figures not the table).

schools for both males and females in the primary and secondary levels, and the comparison is shown between 1970 and 2000. The problem here is not on the quantity of the students' enrolment into the schools, but the educational attainment within the school levels. So as Ashton and Green (1996) stated:

> education attainments at primary and secondary levels have a much less clear cut effect on growth...it is only among undeveloped countries that primary and secondary enrolments are found to be more important. Among advanced industrialized countries any differences in primary and secondary schooling have no significant effect on economic growth (p.16).

The number of female students has increased particularly at the age less than 15 years old. For example, 89.1 percent of girls age 13-15 and 81.8 percent of girls age 16-18, where boys 91.2 percent age 13-15 and 82.7 percent age 16-18 (Census, 2003).

Figure 3.7



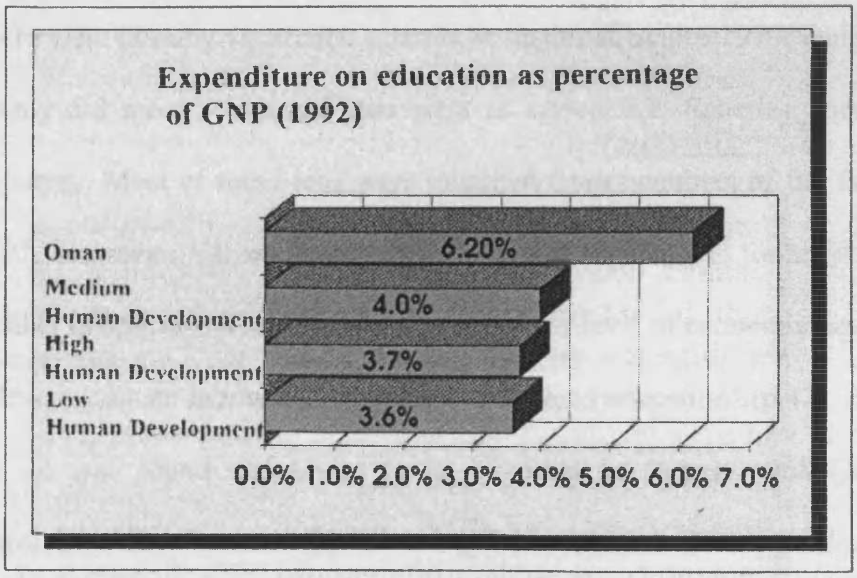
Source: Ministry of Economy 1995-2000

Ultimately, any link between investment in education and future economic performance depends on the enrolment of young people especially in the secondary school level (ESCWA, 1999). Therefore, there is a drive first, to raise overall levels of attainments (in core skills) and then to offer appropriate vocational training and education. Then to overcome the drop-out between the primary and secondary levels and to encourage more young people into vocational education, 'Vision 2020' proposed that fees should be charged at the secondary level for Art and Science but not for those who enter the new vocational schools.

However, this proposal was not favoured by many educationalist, politicians, and society; thus, it was abolished and excluded in the Sixth Five-Year (2001-2005) economic development plan. Brown et al. (2001, p.242) argued that 'education systems of the twenty first century need to prepare students to be "active citizens"

in a democracy to provide them with the appropriate skills to contribute to the economy'. Indeed, His Majesty Sultan Qaboos (1986) had stated that, 'Omani youth must not accept a future of merely obtaining certificates or qualifications and they must be prepared to work in all fields, regardless of the type of that work'. Traditional craft workers are expensive to maintain and, therefore, few people will wish to practice than, and the government will have to pay a high price for them to continue (Times of Oman, 1998). Hence, the majority of Omani students select courses where they can earn high wages.

Figure 3.8



Source: Ministry of Development, The fourth year development plan,1990-1995

It is argued that Oman has higher education expenditure than the medium or high developing countries, in 1992 the government claimed that the expenditure on education was 6.2 percent of GNP which is higher than high human resource development countries, as presented in Figure 3.8. Card and Krueger (1992) in Ashton and Green argued that 'states which spend more on educating children

produce adult workers with higher earning power not only in the advanced industrial world, but also within third world countries' (p.57).

3.6 The Development of VET

For most of the Arab-world vocational and technical terms are related to the jobs of lower class people. Al Heeti and Brock (1997), claimed that:

> Arab society, with various adverse consequences, and today, they contribute to negative attitudes towards technical and vocational education. ... the Arab peoples, since their pagan and nomadic past, have looked down upon manual work, e.g. agricultural, iron-smithing, and all handcraft work as beneath the dignity of an Arab (pp.373-374).

There were not any vocational schools or institutes before 1970. Omani nationals mainly did most vocational jobs such as agriculture, fisheries, metalwork and carpentry. Most of these jobs were inherited from members of the family (Arab, 2000). However, Vaizey (1962) explained that 'any demand for an increase in the number of specialists required for any particular level of economic development is a demand for an increase in a specific branch of education' (p.42). Indeed, after the oil was found and began to be exported in August 1968 (Arab, 2000), Petroleum Development of Oman (PDO) established a vocational training institute 'Oman Technical Institute' (OTI) and started to train low-level technical and clerical staff so that they would be able to cope with company requirements. However, in 1970 the Ministry of Education took control of OTI from PDO and in 1978, with the formation of an education and vocational training council, administration of OTI passed to the Ministry of Social Affairs and Labour (Allen and Rigsbee, 2000). His Majesty Sultan Qaboos said that 'considerable attention has been made to education and vocational training, thus substantially fitting our

sons to take part in building and developing their country' (www.manpower.gov.om/en/hmajsty.asp).

Vocational training and education (VET) has been developed and adopted almost all over the world in the past two decades with the aim of establishing technical knowledge to suite appropriate technical jobs without achieving university qualifications. As the OECD (1985) stated that:

> vocational education can be defined as education that is oriented towards employment, or that makes people more employable in one group of occupations than another (p.92).

From the above it can be said that both vocational and technical education has become an important issue concerning economic development in all industrial countries. This can be described as the gain of theoretical and practical knowledge that can be used to develop and produce skilled manpower. The importance of vocational and technical education was noted in many parts of the world since the day 'man' was created. For example, all hand work such as metalwork, woodwork, tailoring and many others were developed and practised by humans. The 'iron law' was indeed inescapable as long as manual labour was the really productive labour (Drucker, 1961, p.16). Vocational training and education are one of the main parts of the economic development of any advanced industrial, manufacturing or oil-based country. Well-structured programmes in vocational and technical education underpinned the development of new technology in developed countries (Dyankov, 1996). The importance of this type of education was noted by Oman in order to create pathways towards the modern development

of the country (Oman'99). This approach has led the Omani government to establish a mechanism in order to deliver qualified and skilled people to cater for the required workforce for the development plans.

VET 1970 to 1975

During 1970, the PDO established the first training centre with 42 students. The number of students was increased annually. In 1973 the centre was under the supervision of the Ministry of Social Affairs, Labour and Vocational Training and was the first official vocational centre run by the government of Oman (MSALVT, 1975). Since 1970 Oman has been heavily dependent on skilled and semi-skilled expatriate labour for all aspects of its development (Owen 1970, p.124). The demand of the local manpower led the government to develop vocational training and education in all regions to fulfil the requirements. Also in 1973, the Directorate for Vocational Training was established within the Ministry of Social Affairs and Labour (Ministry of Information, 1975). VET became an important issue within the development of the country. Therefore, the Sultan's Royal Decree of 1975 established the Council for Vocational Training in 1975. There were a total of 17 members including the Minister of Social Affairs and Labour as chairman and eleven from the private sector. The Royal Decree explains the aim as follow:

- The needs of the country for the trained labour force in all specialties.
- Planning the vocational training programmes to meet the demands of the country for the trained labour force.
- Suggesting ways and resources for financing vocational training programmes.

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- Setting the standards needed by the training programmes. (Sultanate of Oman, 1977, in Al Shanfari, 1990, translated)

At this point in time, Omani citizens living outside of Oman were requested to come back and participate in the development of the country. Indeed, as previously highlighted in Chapter Two, the Omanis who came back from all over the world such as Saudi Arabia, Bahrain, Kuwait, France, UK, Belgium and East Africa, contributed significantly, because a majority of these people were already well educated with experience and professionalism in different fields and specializations, such as technicians, teachers, and administrator. Despite the contribution of the above professionals, the provision of vocational training and education was not fully accomplished due to the low number of Omanis (Brown, 1979, August, 11).

VET 1976 to 1980

In this period, the first five-year development plan was established. This included the development of vocational training. The plan was to give special attention to vocational training so that it could supply the country with skilled manpower (Development Council, 1976). However, the government became more serious about the commitment and the involvement of VET regarding the requirement of the skilled manpower needed for the country to participate in the development of the country. At this stage, dependency on foreign expertise was essential and inevitable, particularly skilled labour.

Scholz (1980) stated that,

> Oman was dependent not only on foreign firms but on foreign workers in all areas. If it wanted to make its

> development programmes a reality. The initial policy of drawing only on Omani workers soon had to be given up. At the beginning the reason for this was the lack of properly trained workers (p.190).

However, it was crucial for the government to speed up the development of the VET in order to accomplish the targets for the country's development, thus the Council of Education and Vocational Training was established, with policy formulation for education and vocational training as its major function (Al-Dhahab, 1997). The government's main task was to develop and implement VET to provide a technical cadre to close the gap in the shortage of manpower (Ministry of information, 1980).

Consequently, it was realized that the government had to put more effort and consideration to promote VET and ensure the coverage of all the regions. Furthermore, two more vocational centres were established in different regions at Al Seeb, and the eastern region in Sur, so that vocational training was more balanced across the country (Ministry of Social Affairs and Labour, 1982). In 1980 direction from the highest level in the country was announced in the Royal Decree No. 63 that stated the importance of technical education and vocational training. The council of vocational training and education was established with the chairman being His Majesty Sultan Qaboos bin Said and the other with members mainly Ministers (Sultanate of Oman, 1980). The aim was to concentrate on the further development of VET.

VET 1981 to 1990

During this period the government emphasis on the importance of vocational training and education continued. In the second Five Year Development Plan (1981-1985) the greatest concern was the shortage of technical manpower to meet the labour market requirement. According to the Development Council (1981) the aims were:

- to orient the education and the vocational training system to meet the country's economic needs in terms of human resources.
- to adjust the educational and the vocational curriculum in accordance with the needs of local communities so as to match their regional production activities.
- to stress the importance of the vocational training by giving necessary incentives. Priority is to be given to training workers in the field of construction, electricity, mechanical works, clerical jobs, agriculture, mining and fisheries.
- to stress the importance of secondary technical education and teacher's training institutes (p.105).

It was assumed that the period of the Second Five- Year plan was to be the most important and successful in the development of vocational training and education in Oman. Thus the first technical college in Oman (Oman Technical Industrial College) was opened and operated in academic year 1984-1985 (Ministry of Information, 1985). Two new vocational centres were opened in two different regions. One of these was in south region in Salalah and another in the Al Dhahira region in Ibri (Ministry of Social Affairs and Labour, 1982). Before the end of the third Five-Year development Plan (1986-1990) there were nine vocational training centres in the whole country, under the supervision of the Ministry of Social Affairs, Labour and Vocational Training. These centres followed the same

methods, principles, regulations and curriculum (Al Shanfari, 1991). However, the graduates of these centres were not allowed to progress to further education. This made a high demand on further education and some of these centres they later became Technical Colleges, to boost the level of study and the skills.

It was noted that the number of students enrolling at the vocational training institutes increased gradually every year and it reached almost 3000 students in 1990 (Ministry of Social Affairs, Labour and Vocational Training, 1990). Towards the end of 1985, the Government had established five Technical Colleges and four Vocational Secondary Schools (Development Council, 1987). It has been witnessed that during the eighties the development of VET has made remarkable progress. The justification could be the development of the infrastructure from an early stage, the production of oil and the start of industrial development that required more manpower in the skilled and semi-skilled areas. Although a reduction in the price of oil affected the Omani economy, VET continued to progress well and led the Government to concentrate on its Omanization plan. The Third Five-Year Development Plan (1986-1990) emphasised and established targets and policies for Vocational Training, Technical Education and manpower. The targets were as follows:

- To continue the development of education and vocational training centres to meet the country's economic need of human resources.
- To stress the importance of secondary technical education and teacher training institutes.
- To emphasise and raise the standard of vocational training.

- To improve the productivity of all manpower working in different sectors (Development Council, 1987, p.98).

Explicitly, there was now evidence that VET in Oman had become a political issue. Al Heeti and Brock (1997) claimed that,

> the overall education policy is set by politicians, who have decided that all students who do not reach a specific level of general attainment must enter vocational education This leads to inferior student intake and lack of motivation (pp.376-377).

Education remains one of the few areas of social policy over which national governments are to exert a decisive influence. In other words, exaggerated claims about education also reflect political ideology (Halsey et al., 1997).

VET 1991-2000

This period can be regarded as the years of fluctuation and transition for VET in Oman. The development plans for the period of 1991-1995 clearly indicated the government's firm commitment towards the achievement of human resource development in Oman. According to 'Vision 2020', the development strategy for 1996-2000, stated that:

> providing a system for technical education and vocational training that is capable of preparing labour to adapt to the needs of various specializations and skills in the labour market, and the achievement of an income that conforms with performance and productivity (Ministry of Development, 1997, p.192).

Thus, during this period a number of other important issues were achieved. For example, the formation of a Supreme Committee for Vocational Training and

labour (SCVLT), the establishment of the Vocational Training Authority (VTA), in addition to the Oman Technical Industrial College (the name was changed to Muscat Industrial Technical College), four vocational centres were transferred to become technical industrial colleges in four different regions, Nizwa, Ibra, Salalah and Al Musanah and the operation of these colleges started in the academic year 1993-1994 (Oman Observer, 1996). General National Vocational Qualifications (GNVQ) were piloted in academic year 1994-1995 at the Muscat Industrial Technical College and the other four industrial technical colleges at the start of the academic year 1995-1996 (Ministry of Information, 1990: 1995). In 1996 the British National Vocational Qualification (NVQ) system was introduced in the private training institutes in collaboration with the government. British Council, (2000) claimed that:

> Oman is the only country in the world, other than UK, to have wholly adopted the national vocational qualification (NVQ) as its national system for vocational training (undated).

Wilkins (2002) stated that 'NVQ has been successful in Oman, although local culture and context have not been adequately considered and catered for' (p.144). A method of subsidizing education for Omani students was introduced in June 1996 for the British NVQ programmes in the private training institutes. The government paid the full amount required by the institutes to train any Omanis in the different fields and specializations (Vocational Training Authority, 1999).

An Oman Vocational Qualification (OVQ) system was developed in conjunction the with British NVQ system to be used only in four government vocational

training centres, and was in operation by 1999 (Vocational Training Authority, 1999).

As Green and Ainley (1995) had observed about the British experience:

> young people's expectations of education may alter as a result of changing experiences and aspirations, as these are shaped by parental and social attitudes. They may also change in response to new perceptions of what is on offer in education (p.11).

Although, most Omai parents preferred their children to progress to further and higher education, to become academic, with better status, privilege, and wealth the number of enrolments into technical colleges gradually increased. The number of enrolled secondary graduate students into the technical colleges, after the academic year 1993-1994 increased dramatically, from 482 in year 1992 to 1,586 in academic year 1993 and 3,532 in year 1994 (Ministry of Development, 1995).

Despite the lack of success of the GNVQ system and the local and international criticisms of both the GNVQ and the NVQ, the government did not seem to respond immediately. Similarly problems were found in Britain. As Flude and Sieminski (1999) argued that:

> the 1990s have seen a different approach to vocational qualifications in the form of NVQs and GNVQs, but this too has attracted a good deal of critical comments. Although the new qualifications have been perceived as offering wider opportunities for access to training than anything that had previously existed, they have also been criticized for concentrating on the accreditation of low level skills and for their reliance on competence based form of assessment which in the view of some commentators has locked a sufficiently robust knowledge base to meet even current, let alone future, occupational requirements (p.5).

Consequently, in 2000 the government decided to phase out the GNVQ. However, the Oman National Diploma (OND) system based on the British BTEC system was developed to replace the GNVQ system. The OND is taught only in public colleges. The Oman Vocational Qualification (OVQ) was also developed and used in parallel with NVQ and not as a replacement (Vocational Training Authority, 2000, p.18). The development of OVQ was based on limited programmes for different specializations using short courses such as; car mechanics, electricians, carpenters, building construction and maintenance (Vocational Training Authority, 1999). The advantage of the OVQ is that it allows students from the age of 14 to 18 to register for their desired specialised course. It is flexible in terms of time, it based on the job training and there are no specific entrance requirements (Vocational Training Authority, 2001). However, the disadvantage of this system is that it encourages young students to leave education especially at preparatory levels and during the secondary school and register into OVQ courses. According to the Ministry of Social Affairs, Labour and Vocational Training (1999), the majority of these students have been registered on different courses and specializations in four vocational training centres as follow; 26 percent from the secondary stage, 49 percent from the preparatory stage, and 25 percent from the primary stage. Students who joined these training centres were mainly from the middle group (14 to 16 years old). According to the government pay scale, students who obtained the OVQ will have lower status and lower wages than the students who achieve an OND (Ministry of Civil Service, 1999) and have less opportunity if not at all to join further or higher education. The only real opportunity available is to find a job in the private sector for example, as a fitter for air conditioning, a welder, plumber or carpenter (ESCWA, 2001). The drawback is basically with the person who works with the trainee and knowing

that his or her job might soon be Omanized. Of course all the training for OVQ was achieved in cooperation and coordination of the Ministry of Manpower, the vocational training centres and the company where the student was on job training.

VET 2001-2005

The development of human resource is one of the basic dimensions of the 'Vision 2020'. It is argued that Oman has exceeded several countries with a high human development record such as vocational training and education. However, there are still some challenges facing human resource development and the achievement of an envisaged future such as the weakness and inadequacy of basic education to cope with rapidly changing scientific and technological development and increasing demand for vocational training and education (Ministry of National Economy, 2003). This period witnessed a number of developments in VET such as the creation of the Ministry of Manpower which is responsible for VET in the public and private sectors, the development of the curriculum for the technical colleges as an outcome of close collaboration and cooperation that took place with a number of international bodies such as the British Institute of Engineering, the Japanese International Cooperation Agency, the Australian Training Organisation, the Deutsche Gesellschaft fur Technische Zusammenarbeit (DGTZ) to name a few (National Report, 2004; Ministry of Information, 2004). The curriculum is based on the British BTEC system but not accredited by BTEC. Other measures took place, such as the appointment of an undersecretary responsible for vocational training and education, the opening of the sixth technical college situated in Al Batina region (Shinas Technical College), the development and introduction of new framework for technical colleges which included the period of the five year

programme starting from Foundation to Bachelors Degree (See Chapter Six). The number of student enrolment has increased in all six technical and vocational training centres (see Appendix Seven). For example, in the academic year 2005-2006 the total numbers of 11,829 students were enrolled in all six technical colleges and in vocational training centres the intake reached 1,933 trainees (Ministry of Information, 2006). In addition to four public vocational training centres, there are now 132 private sector training facilities of which 17 are owned and operated by large companies to meet their specialised programmes, such as Bahwan Auto motives and Petroleum Development of Oman. A number of fishermen's vocational institutes are due to be established in Al Khaboura and Salalah (Ministry of Information, 2006). Another important milestone was in the development of an enrolment system for further and higher education with the establishment of the Higher Education Admissions Centre (HEAC) (similar to UCAS in the UK) for private and public sectors in academic year 2005-2006 and launched its internet website (www.heac.gov.om) in April 2006 (Ministry of Higher Education, 2002). It is the first centre of its kind in the region (Ministry of information, 2006, p.139)

3.7 Conclusion

This chapter has reviewed the economic development of Oman in relation to the development of education and training systems in general. The main revenue continues to be oil and the effect of the oil price changes had consequences to the Omani economy in the 80s and early 90s. The impact of falling prices of oil in 1988 had a major draw back in government projects. However, Oman has been vigilant on the impact of globalization towards economic development and, in particular, the development of human resources. 'Vision 2020' prepared the Oman

economy to be integrated into the world economy. The targets set up by the 'Vision 2020', such as economic diversification and less dependence on oil were also discussed. Implications on foreign investments, such as tax payment were reduced by 10 percent in 1998. The 'Vision 2020' plan on introduction of the new basic education system was also implemented.

Over this period the government has recognised a need to intervene within the context and provision of VET. It is the care, however, that much of VET provision is located in the private sector. Through its intervention, the government has tried to overcome resistance to vocational education and is part of the wider project to transform Omani society.

CHAPTER FOUR

Research Methods

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Research Methods

4.1 Introduction

This chapter describes and develops the research methodology and design used in this study. Underpinning any successful research is the design of the research tools and the generation of data. The aim of this study is to explore the current issues and problems relating to the Omanisation process and the development of an appropriate skill level required by the labour market.

Silverman (2005), identified 'methodology' as a 'general approach to studying research topics' (p.109). Therefore, there is an obligation to consider the appropriateness of tools used to collect information, the advantages and disadvantages of selected tools and how the information was analysed and presented. Qualitative research has been considered as the research methodology for collecting empirical data in this study.

4.2 Qualitative Research

Qualitative research involves inquiry and interpretation of phenomena. Qualitative methods developed by anthropologists and ethnologists have been adapted for social sciences, including educational research (Powney and Watts, 1987; Salisbury and Delamont, 1995; Gall and Borg, 1996). According to Denzin and Lincoln (2000):

> qualitative research involves the collection of a variety of empirical materials, case study, personal experience,

> introspection, life story, interview, artefacts, cultural texts and visual texts that describe routine and problematic moments and meanings in individuals' lives (p.3).

Accordingly, in this study the collection and analysis of information required a methodology that did not measure the phenomenon precisely, but explored the understanding of the process with consideration of social, cultural, economic and political issues. As Holliday suggested, qualitative research requires getting into social, cultural, political complexities (Holliday, 2002). He further explained that 'qualitative research integrates deeply with everyday life' and more and more people are doing qualitative research in connection with their daily life, work situations or the social issues with which they are concerned (Holliday, 2006, p.23). Thus, the word 'qualitative' implies an emphasis on the qualities of entities and on processes and meanings that are not experimentally examined or measured in terms of quantity, amount, intensity, or frequency (Denzin and Lincoln, 2000, p.8). The study sought to generate information where the researcher explored complex processes, focusing on informal and unstructured linkages and processes in the public and private sectors. Rossman and Rallis (1998) offered four characteristics for qualitative research and for qualitative researchers, these characteristics were further explained by Marshall and Rossman (1999) as:

> it is naturalistic, draws on multiple methods that respect the humanity of participants in the study, is emergent and involving, and is interpretative. Where qualitative researchers, view social worlds as holistic or seamless, engage in systematic reflection on their own roles in their research are sensitive to their personal biographies and how these shape the study and rely on complex reasoning that moves directly between deduction and induction (p.2).

Mason (2002), characterized the qualitative research process as exploratory, fluid and flexible, data-driven and context sensitive. 'Qualitative research takes place in the natural world, often uses multiple methods that are interactive and humanistic, emergent rather than tightly prefigured and fundamentally interpretative' (Rossman and Rallis, 1998, p.9).

Blaxter et al. (2001), explained that qualitative research:

> is concerned with collecting and analysing information in as many forms, chiefly non-numeric, as possible. It tends to focus on exploring, in as much detail as possible, smaller numbers of instances or examples which are seen as being interesting or illuminating, and aims to achieve 'depth' rather than 'breadth' (p.64).

There are different types of qualitative data collection including interviews, observations and documents (Patton, 2002). Patton further explored that doing qualitative research means going into the field, into the real world of programmes, organisations, neighbourhoods, street corners and getting close enough to the people and circumstances to capture what is happening (p.48). As McNeill (1990) suggested, the information will then be presented in the form of words rather than numbers. Therefore, qualitative research provided an approach to this study where different types of methods of inquiries were used to accumulate appropriate information. In our study two types of qualitative data collection were used to capture what was happening in different organisations, these being interviews and documentary analysis.

4.3 Conceptual Framework

The argument for the use of qualitative research in this study was identified from the results of a series of discussions with my supervisors and was made based on knowledge and understanding from the reviewed literature. We argued that, the nature of this study was to investigate and explore the process, development and the implementation of VET taking into account the 'Vision 2020' and the impact of globalization on the Omani economy in general. Chapter Two reviewed literature on globalisation, the development of human capital and skill formation and generated some empirical questions. In Chapter Three, the historical review discussed the development and implementation of VET and Omanization according to 'Vision 2020'. Selection and definition of a problem is a very important component of the research process and entails much time and thought (Gay, 1987). In the beginning it was not easy to state or specify the problem in detail. A much broader and wider scope was initially thought of as the problem to be investigated. After several discussions between me and my supervisors, it resulted in a more focused investigation that developed into my study.

The problem at the centre of this study was based on my area of expertise and particular interest as an electronics engineer and work, now as an Assistant Principal of Royal Guard of Oman Technical College (RGOTC). These factors were helpful in understanding the problem facing the development of economic strategy in relation to VET in Oman. So, as Atkinson, Coffey and Delamont (2003), suggested:

> researchers' or authors' own experiences render them more able to achieve authentic understandings. This argument derives from the assumption that shared experience confers

> the capacity to secure more authentic insider interpretations (p.42).

However, even though, I have not been directly involved in the development process and implementation of 'Vision 2020' it was still necessary to be distanced from the problem during the investigation. Although I had frequently distanced myself by travelling to the United Kingdom and was not involved directly in government development plans and procedures, it was not easy to be completely isolated. As Holstein and Gubrium (1995) argued, 'the interviewer must shake off self-consciousness, suppress personal opinion, and avoid stereotyping the informant' (p.11). Atkinson, Coffey and Delamont (2003) emphasized how the concepts of 'strangeness' and familiarity' have become increasingly problematic and complex. They further stated that:

> while we do not make facile assumptions about the difference between ourselves and those we research, and while we may also make of ourselves an object of reflective inquiry, we should not forget the underlying message of the methodological classics. It remains of fundamental importance to make phenomena strange or familiar, near or distant, rather than basing our analyses on easy assumptions about our own identity or our stance towards other cultures (p.47).

Indeed, it was not always easy to act as a stranger in my studies and to be unfamiliar with the information generated and trying, as suggested by my supervisor, 'to be naive' during the collection of empirical evidence. Holliday (2006) argued that qualitative researchers must never forget to approach their own actions as 'strangers', holding up everything for scrutiny accounting for every action and seeing how they speak and write what they have done as integral to the whole (p.20). Eisner and

Peshkin (1990) suggested talking less and listening a lot! Thus, empirical questions were generated which needed empirical elucidation and clarification. Kumar (1999) suggested secondary and primary approaches for collecting information about a situation, person, problem or phenomenon (see Floyd and Fowler, 2004; Gibs, 2007). Secondary research was generated from books, journals, internet, magazines, newspapers, thesis, reports and conferences, and was used to explain and discuss contextual and theoretical issues such as the development of VET. Empirical research generated information by using research tools such as documentary information and interviews and this will be explained and justified later in this chapter. Issues were identified by linking the theoretical matters to the specific research questions, for example, to understand the process of training in the Oman, Omanization, the impact of skill formation and human capital theory, on individuals and groups to illuminate the development, implementation and the effect of the policies.

As stated at the end of Chapter Two, the aim of the study is to investigate and illustrate the processes and impacts of skill formation and human capital approaches in relation to the VET system as evidenced by the views of policy makers, college managers and private sector employers.

Specifically, it focuses on:

a. the implementation process of 'Vision 2020' related to economic development and skill formation.
b. the interests and dispositions of policy makers, college managers and private sector employers articulation with the Omani VET system and its outcomes.

c. the appropriateness and the needs of policy and procedures for training and employment of young Omanis.
d. the extent to which VET provides for a range of job opportunities that will improve employment and support the national economy.
e. the support for skills requirements of the Omani labour market needs.

4.4 Research Strategy

We now need to explain and justify the choice of methods and techniques for collecting and analysing the information for this study. Blaxter et al. (2001) defined research as a systematic investigation to find answers to a problem. It was also defined by Kumar (1999) that research is a process for collecting, analysing and interpreting information to answer questions. According to Silverman, (2005), 'there are no right or wrong methods'. He further explained that there are only methods that are appropriate to the research topic and the model with which you are working (p.112), or in other words, methods should be fit-for-purpose.

There are different ways to research a problem. According to Rosier (1988) research in education involves the collection of information from members of a group of students, teachers, or other persons associated with the educational process. Marshall and Rossman (1999) suggested that survey research is an appropriate mode of inquiry for making inferences about a large group of people from data drawn on a relatively small number of individuals from that group. Such methods can identify important issues relating to economic development strategies such as the suitability of the VET system to deliver the requirements of the 'Vision 2020' in the public and private

sectors. The focus is on the current process of the development and implementation of VET and the impact on the economy. Our approach was not to conduct a large-scale (postal) information survey but to adopt a more qualitative approach. Three groups were identified in order to reveal the complexities of policy making and implementation. The first one, broadly referred to as 'policy makers', includes officials in the Ministry of Manpower and Ministry of Higher Education. The second are senior managers and programme managers mainly in one college of FE and, the third, senior managers of companies in the emerging private sector, henceforth referred to as 'employers'. As stated earlier, drawing on and comparing these three groups, was to give an insight into the information such as the linkages between them, to identify the perceived opportunities and gaps within and between them, as well as opportunities and gaps within VET. Thus, our interviewees were referred to as informants asked to reflect on their personal insights and experience (see, Moss et al., 1996; Miller and Glassner, 2004).

4.5 Sampling and 'representativeness'

As previously mentioned, there were three main sources or groups for collecting the empirical information. In cases where it is not possible to interview the total population of each group a selection has to be made and a sub-group selected who represent and 'speak' for the larger group. An issue then is how many to select and by what process to choose those to interview. The sampling used in our study was purposive sampling, that is, sampling that allowed us to choose a case because it illustrated some feature or process in which we are interested (Silverman, 2005). The selected population in our sampling was based on the area where the larger portion of

people, colleges, and all policy makers are situated. The capital area (Muscat) with 27% of the total population is one of the largest regions among the other eight regions in all aspects (Ministry of National Economy, 2005). For example, all other Omani regions have one public college and one or two private colleges whereas in the capital area there are more colleges with larger intakes.

Private sector employers were identified using a database CD ROM provided by the Ministry of Commerce and Industry and the Chamber of Commerce. For example, the name, the size, the location, contact address, telephone. This generated long lists from which a sub-group was selected by the use of stratified random sample for the selection of employers. As a first step, an information survey (see Appendix One) was piloted and distributed to all private sector employers in the Muscat area that is, those on the long list. This was to gather information about the nature of their activity, their size and so on. This provided the information needed for the second step, the purposive random sampling. Employers were selected by stratified random sample from the long list and those who met the criteria for (i) size (ii) type of activity (iii) location, to produce a final list, then from the second list, a random selection of forty employers made. All forty employers were contacted and requested to provide information for purposive sampling that would lead to an interview such as (i) the employment of VET graduates (ii) Omanisation (iii) training systems. Fifteen employers were then selected for interview and thirteen were actually interviewed. Policy makers were selected based on their direct involvement on the subjects related to our study. The Ministry of Manpower is fully responsible and the regulator for the labour market and vocational training and technical education in Oman. Thus, a total

of ten policy makers were selected based on their responsibilities that were related to my study and I managed to interview six of them including one policy maker from the Ministry of Higher Education responsible for higher education in public and private sector. Having selected a college, the largest of its type in Oman and situated in the same area as the employers, a total of eight managers, that is, those having responsibility of managing the college were selected from the list of managers provided by the college who represented different departments of the college. In addition, two deans of other colleges were selected for interview. The colleges were chosen because they are located near the industrial area and delivering similar programmes to present different views.

4.6 The Interview

Interviews can be a useful technique for collecting information that would probably not be accessible using techniques such as observation (Blaxter et al., 2002). It begins with choosing informants who are knowledgeable about the research problem, listening carefully to what they tell us, and asking additional questions about their answers until we really understand them (Rubin and Rubin, 2005). In an interview conversation, the researcher listens to what people themselves tell about their lived world, hears them express their views and opinions in their own words (Kvale, 1996). Furthermore, as explained by Rubin and Rubin (1995), during the process of our interviewing, we listen to each answer and determine or refine the next question based on what was said. Thus, the questions set out in the interview schedule together with possible probes acts as an aide memoir (see McCracken, 1998; Marshall and Rossman, 2006).

Overall, the intention of this inquiry was to discover the ways that the informants have organized their world, including their experiences and perceptions. 'The task was to provide a framework within which people could respond in a way that represents accurately and thoroughly their points of view about the world, or that part of the world about which there are talking' (Patton, 1990, p.24).

Interviews have been variously described as naturalistic, autobiographical, in-depth, narrative or non-directive (Blaxter, et. al. 2001). There seems to be a temptation to think of interviews rather like 'thermometers' (Powneys and Watts, 1987, p.VII) which would measure the informant's feelings subject to the experience throughout his or her life. Qualitative interviewing is flexible, but it is not random or happenchance, rather, it adapts as circumstances change (Rubin and Rubin, 2005). The main aim of interviewing people was to collect information about how they adapted, reacted, and how they viewed what happened to them and around them and what they were doing in terms that are meaningful and that offer rich insight (Flick, 2002). Furthermore, interviewing provides a way of generating empirical data about the social world by asking people to talk about their lives. In this respect interviews are special forms of conversation (Silverman, 1997). An 'interview transforms the subjects behind the informant from a repository of information and opinion or wellspring of emotions into a productive source of knowledge' (Holstein and Gubrium, 1995, p.32). The most common form of interviewing involves individual, face-to-face, verbal interchange. It can be structured, semi-structured, or unstructured (Denzin and Lincoln, 2000) and, 'interviewing is one of the most common and powerful ways we use to try and understand our fellow human beings' (Fontanna and

Frey, 1998, p.47). Any technique used for data collection will have advantages and disadvantages. Interviews like many other tools have pros and cons. They could be expensive, time consuming and require skills such as communication skills. On the other hand, as Rubin and Rubin (2005) explained, interviews can be flexible and provide tangible and personal feeling responses by our informants. In addition, Gay (1987) argued that the interview may also result in more open responses since the interviewer can explain and clarify both the purpose of the research and individual questions, the interviewer can follow up on incomplete or unclear responses asking additional probing questions. Thus, probing was one of the tools used in our interviews which directed and generated more revealing discussion and information than otherwise.

The reason for interviewing people was to find out from them things that are not directly visible from secondary research. Interviews are particularly good at eliciting the information needed to describe social and political processes, that is, how and why things change (Rubin and Rubin, 2005). Masson (1996) further explained that a legitimate way to generate information is to interact with people, to talk to them, to listen to them and to gain personal opinion. Rubin and Rubin (1995) argued that the qualitative interview is a 'great adventure', every step of an interview generates new information and opens windows into the experience of the people you meet, and is a way of finding out what others feel and think about their worlds. Thus, interviews could be defined as a type of conversation which has a number of procedures to follow such as, 'ice breaking' at the beginning of an interview. It is worth mentioning that in the Omani hospitality tradition any discussion such as an interview will not

take place before coffee or tea has been offered, thus the problem of breaking the ice during the interview was minimized.

Silverman (1997), argued that,

> interviewing provides a way of generating empirical data about the social world by asking people to talk about their lives. In this respect, interviews are special forms of conversation. While these conversations may vary from highly structured, standardized, quantitatively oriented survey interviews, to semi-formal guided conversations and free-flowing informational exchanges, all interviews are interactional (p.113).

According to the above quotation, our interviews were very much interactional where as the interviewer, I followed the flow of the informants' conversation, but with the caution not to stray too far from content of the study and lose control. An advantage of using semi-structured interviews was like Patton (1996) that I decided how best to use the limited time available in an interview situation.

Interview conversation is a pipeline for transmitting knowledge (Holstein and Gubrium, 1995). It is important that both the interviewer and the informant converse about the topic that is of interest for both. Kvale (1996) argued that the interview situation may, for both parties, be characterized by positive feelings of a common intellectual curiosity and a reciprocal respect. It can be noted that during our daily life routines interviews can take place, for example, formal, informal, private, public, in a group, or any kind of interactional conversations between people. Semi-structured interviews were used in this study to draw out people's attitudes in a broader scope. According to Denzin and Lincoln (2000):

> asking questions and getting answers is a much harder task than it may seem at first. The spoken or written word has always a residue of ambiguity no matter how we word the questions and how carefully we report or code the answers (p.645).

Holstein and Gubrium (1995) noted that learning the interviewer roles, involve controlling the interview situation to smooth the progress of the expression of opinions and sentiments. Semi-structured interviews were used and I made decisions spontaneously about the content and the sequence while the interview was in progresses. As Rubin and Rubin, (2005), explained:

> qualitative interviews are conversations in which a researcher gently guides a conversational partner in an extended discussion. The researcher elicits depth and detail about the research topic by following up on answers given by the informant during the discussion (p.4).

Indeed, following up on answers generated more discussion in the same direction of the interview. Mason (1996), suggested the following consideration during a qualitative interview was essential:

> - make sense to, or be meaningful to, the informant(s),
> - be related to your informant's circumstances, experiences and so on, based on what you already know about them,
> - help the flow of the interview interaction – the 'conversation with a purpose' – rather than impede it,
> - ensure an appropriate focus on issues and topics relevant to your research questions (p.45).

Mason's suggestion was taken into account by devising a semi-structured interview schedule that was developed into three main parts in an attempt to be more

meaningful to the informants. The role of the interview schedule was described by Floyd and Fowler (2004) as the protocol aid to provide interviewers to ask and record answers in a consistent way across all informants and to assist the process of getting through the interview smoothly and efficiently. A list of the 'big' research questions was used followed by probing and mini questions to ensure that the current flow of the conversation was as smooth as possible. Each part had an introduction to provide a clear picture. A total of up to fifteen questions were established and divided into three sections for the three targeted populations, the employers, policy makers and college managers. The interview schedules are contained in Appendices Four, Five and Six.

4.7 Validity, Reliability (and avoidance of bias) in Qualitative Research

Kirk and Miller (1986) define reliability as 'the degree to which the finding is independent of accidental circumstances of the research' (p.20) (see Silverman, 1993: Hammersley and Atkinson, 1993: Stenbacka, 2001: Davies and Dodd, 2002). Marshall and Rossman, (1999) argued 'the strength of a qualitative study that aims to explore a problem or describe a setting, a process, a social group, or a pattern of interaction will rest with its validity' (p.192). Similarly, Marshall and Rossman , (1999):

> within the parameters of that setting, population, and theoretical framework, the research will be valid. A qualitative researcher must therefore adequately state those parameters (p.145).

Thus, the interaction between the theoretical and conceptual framework, the empirical findings, and documentary analysis were at the heart of this study. It is important to ensure the information generated and transformed are valid, reliable and not biased. Gibbs (2007) explained that 'qualitative researchers have developed a collection of approaches and techniques that are designed to ensure that their results are, as far as possible, valid and reliable' (p.91). Marshall and Rossman, further explained that 'an in-depth description showing the complexities of process and interactions will be so embedded with data derived from the setting that it cannot help but be valid' (p.193) (see, Hipps, 1993: Golafshani, 2003). Cano (2003) further explained that 'in the broadest sense reliability and validity address issues about the quality of the data and appropriateness of the methods used in carrying research' (p.1). The concept of bridging more than one source of information to achieve one single point has been applied to social science (see Denzin, 1978: Jick, 1979: Rossman and Wilson, 1985). Hence, three stakeholders, policy makers, college managers and employers in the private sector were interviewed to generate empirical information according to the theory and parameters that were developed in this study. The convergences and divergences between informants are discussed in Chapter Eight.

All the transcriptions of the interviews were double checked to ensure that no information was missed. Indeed, this method helped me to get closer and more familiar with the data. Moreover, using colour coding and memos for each transcribed interview helped to remind me about the thinking of the idea initially developed. As part of validation, the entire interview schedule was presented and discussed with the researcher's supervisors where both appraised and advised me to

add a broader introduction on the first part of the interview schedule in order to generate further information from the informants. Advice was given that after asking the last question, to turn the tape recorder off so that the informant would have a freedom of saying something that was not said. This information was written or recorded immediately after I left the interview place. A pilot study was conducted and analysed to confirm the reliability of the research tool as explained by Trochim, (2006) 'the major outcome of the pilot will be the assessment of the reliability of the data collection tool and the opportunity to practice using it, refinement can then be made that will allow the main study to progress as efficiently as possible (p.8). Further validation of the information that was collected using almost identical interview schedules from the three sets of stakeholders and their prospective to capture what is actually happening. As anticipated the information provided, was robust and fit for purpose. Thus, it was reliable to generate and transform information that was collected from the three groups. Hence, the use of a similar semi-structured interview schedule minimised the bias of collecting empirical information.

The interview schedule was piloted as explained elsewhere in this chapter. However, part of the challenge in this study was to refer to the original theoretical framework. This was developed to show how information was collected and analysed and was guided by concepts and models of theory such as human capital and skill formation, related to the empirical case studies of the three stakeholders in the next three chapters. The use of multiple informants generated and produced qualitative information. Using semi-structured interviews, similar interview schedules and

identical themes for our informants has shaped and strengthened this study and developed an in-depth understanding of the three stakeholders.

4.8 Ethics Issues and Access Considerations

The use of qualitative interviews as a data generation method raises a number of general ethical issues. Indeed, there will be specific ethical concerns connected to any one particular project (Mason, 1996). Silverman, (2005), further explained that:

> in many other kinds of social science research, ethical issues are much more to the fore. For instance, both qualitative and quantitative researchers studying human subjects ponder over the dilemma of wanting to give full information to subjects but not 'contaminating' their research by informing subjects too specifically about the research question to be studied (p.257).

Although a code of ethical practice does not yet exist in the Oman, our intention was to consider such issues because they are common in many countries. For example, all our informants were sent a brief of the interview prior to confirmation of the interview. In addition some informants requested a summary of the study during the interview. However, our personal professional experience, personal gain for the achievement of higher degree and for moral purposes, within the Oman and in particular the place of our work could result in ethical issues that might not make our research straightforward.

Blaxter et al. (2001) argued that all social research gives rise to a range of ethical issues around, privacy, informed consent, anonymity, secrecy, being truthful and

desirability of the research. Gibbs (2007) explained that qualitative data tends to be rich and detailed, and the confidentiality and privacy of those involved in the research will be hard to maintain (p.101). Thus, all informants were informed that information would be used for the study prior the interview and at the end of the interview. It was our aim to follow the British Educational Research Association guidelines on ethical issues. Thus, all informants were fully informed the purpose and the nature of this study, and the protection of their identity and confidentiality of information given to me. In addition, informants were also informed that they would have the liberty of stopping the interview if they wished at any instance. Furthermore, they were informed that the interview would be recorded and transcribed and could be available to them on their request. None of our participants withdrew or stopped the interviews but some of informants requested to pause the tape by pointing with their finger to the tape and once the non-recordable comment was made he/she asked the researcher to put the recorder on again.

4.9 Documentary Analysis

Documentary analysis research seems itself, perhaps somewhat paradoxically, to be under-documented. In this study documentation and collection of information and documentary analysis was a challenge because of the size, time required and sometimes complexity of the social science terminologies used in such documents. May (1993) recognised the ignorance of documentary analysis in the research methods and he attested that, 'this is one of the least explained research methods' (p.133). However, key contributions to this field of enquiry include (Burgess, 1984; Lincoln and Guba, 1985; Derrida, 1991; Finnegan, 1996; Prior, 1997; Seale, 1999).

Prior (2004) explained:

> few studies are concerned directly, rather than merely tangentially, with the use of documentation in contemporary life and even fewer texts are devoted to the problem of research on forms of documentation. For analyses of speech, on the other hand, the range of materials is expansive (p.375).

Prior further added that 'without documents there are no traces and things remain invisible and events remain unrecorded'. Despite the documentary analysis in this a challenges all information collected and generated related to our investigation and enquiry were documented, analysed and later related to the information generated from the interviews and literature documents (see, Silverman, 2005; Plummer, 2001; Mason, 2002). However, documents can be presented in many forms of products depending on the application for such objects such as 'architectural drawings, books, paintings, gravestones, inscriptions, film, World Wide Web pages, bus tickets, shopping list and tapestries' (Prior, 2004, p.376). Moreover, researchers need to understand that studying information produce document and on the other hand they produce their own interpretation.

Bryman and Burgess (1999) identified some key issues on evidence and proof on documentary research such as how to establish the authenticity of a document, whether the relevant documents are available and problems of sampling (p.208). Similarly Patton (2002), identified special challenges in analysing documents such as 'getting access to documents, understanding how and why documents were produced, determining the accuracy of the documents and linking documents with other sources

such interviews' (p.499). Prior (2004), identified eight key points to explain documentation:

- documents form a 'field' for research in their own right, and should not be considered as mere props to human action.
- documents need to be considered as situated products, rather than as fixed and stable 'things in the world.
- documents contain text, but text and documentation are not co-extensive.
- writing is as significant as speech in social action and the medium through which writing is carried should always be attended to. In everyday life, the form, the list and the letter are, for example, as important as the verbal question, the verbal answer and the command.
- documents are produced in social settings and are always to be regarded as collective (social) products.
- determining how documents are consumed and used in organised settings that is, how they function should form an important part of any social scientific research project.
- content is not the most important feature of a document.
- in approaching documents as a field for research we should forever in keep mind the dynamic involved in the relationships between production, consumption, and content (p.26).

Thus, in this study, documentation, of the empirical findings and the literature were separated as suggested by Prior to form research that stands on it own rights. However, documentary analyses have advantages and disadvantages despite the size of documents that are required to be analysed. For example, nowadays the majority of document are accessible using different resources such as the internet but the problem is the reliability and validity of such documents which are discussed elsewhere in this chapter. On the other hand, sometimes the information required to be analysed could be excessive, requiring more time, is confusing and can be exhausting.

Prior further argued 'naturally, the production of documents is a complex business, and, in practice, it is often bound up with processes of consumption' (p.10). Sarantakos (2005) identified many limitations such as the fact that documents are not necessarily representative, some are not easily accessible such as private letters, confidential reports, diaries, some are not up to date or complete, the consistency is sometimes problematic, judgment between documents are not always possible and might be biased because they correspond to the views of the creators. In this study, most documented information was accessed and generated from different libraries (in Oman and Britain), internet, and ministerial ministries departments and book stores. Other documents were not easy to get hold of, such as unpublished or official and unofficial documents from the Omani government authority, such as policy and procedures for the enrolment of students to the technical college and the tracking of students who graduated from the technical colleges. Similarly, the latest reports on Oman that have been specially commissioned by the government of Oman from different international organisations such as the World Trade Organisation (WTO), International Momentary Fund (IMF) and Gulf Cooperation Council (GCC) to name a few.

The purpose of using the available information was to generate themes that related to our study. Thus, the information was explored and organised in line with the interview schedule and used to generate the primary empirical evidence set out in Chapters Five, Six and Seven and further consolidated and discussed in Chapter Eight and concluded in Chapter Nine. It is worth mentioning that it was not the intention to use the documents to validate or support other information that was collected such as

interviews but to use such information as information in their own right as suggested by Prior. Atkinson and Coffey (1997) indicated in its studies on analysing documentary realities that 'it is important to recognise through our analysis that we are not as are many of the social actors we observe trying to use the documents to support or validate other data' (p.47). They further urged that documentary material should be regarded as data in their own right. Relative documents were identified and collected based on the interest of our study and according to availability, accessibility and reliability and in some cases documents were generalised statistically to understand and to help the explanation. Thus, many types of documents that could not be borrowed from their premises such as government organisations in Oman were photocopied or summarised and later analysed. Despite the challenges, the documents yielded useful information, in effect another 'lens' was used.

4.10 Piloting Strategy

The purpose of the pilot study was to try out the research methods and techniques to feel how they work and determine if fit for purpose in a practical situation, and if necessary amend and modify as appropriate. The piloting study resulted critically in examining the interview schedule. Bell (1993) stated that, however pressed for time you are, to do your best to give a trial run. She also stated the purpose of a piloting study was to ensure the final questions were clear and useful. She suggested that:

> all data gathering instruments should be piloted to test how long it takes recipients to complete them, to check that all questions and instructions are clear and enable you to remove any items which do not yield usable data (p.65).

Similarly Denzin and Lincoln (1998) suggested that 'before devoting oneself to the arduous and significant time commitment of a qualitative study, it is a good idea to do a pilot study' (p.42). Therefore, ten employers were involved, as informants for the information survey and five out of the same batch of employers were interviewed using semi-structured interviews: two vehicle garages' owners, two manufacturing companies in the industrial estate and one building construction. The informants were not informed that the information survey was for the piloting purpose. However, the feedback from the piloting comments and suggestions received from the informants were minor. Therefore, amendments were made to the information survey, such as school graduates should be distinguished from VET graduates to stop the confusion to the informants. For college managers, one senior manager and two heads of department from the Royal Guard of Oman Technical College (RGOTC) were interviewed using semi-structured techniques. Identical conditions and procedures for accessing the informants and the consideration of ethical issues were applied accordingly. Given the expected difficulties of arranging interviews with policy makers and because they were a small group, the pilot interviewing process for policy makers was done with a colleague who was a senior manager and knew the subject, and was able to provide feedback appropriately. All the pilot interviews were recorded, transcribed, reviewed and amended. This pilot stage not only led to alterations to interview schedules but also provided an opportunity for me to practise interview skills.

4.11 Planning and Conducting the Interviews

Planning the interviews was the result of a number of considerations and discussions that took place between the researcher and his supervisors. Table 4.1, indicates the

plan that was used for collecting and generating information. Table 4.2 presents the plan for interviewing policy makers and Table 4.3 presents the plan for interviewing employers in private sector. All possible public and religious' holidays were considered during the establishment of the plans. The interviews were done separately but a few took place on the same day and same place, such as the main college where seven managers and the college dean were interviewed, thus, two interviews were done on one day where the time and the cost of travelling was minimised. Similarly, the interviews with employers at industrial estate, where two interviews occasionally took place in the same area and on the same day. It is worth reminding ourselves that the informants listed in following table were all high status, such as general managers, assistant general managers and human resource managers. Chapters Five, Six and Seven present characteristics and details of the informants from policy makers, college managers and employers.

Table 4.1: Piloting Survey Information and Interview Schedule

1	**Information survey Piloted**	**December 2003**
2	**Information survey reviewed and amended**	**January 2004**
3	**Information survey distributed and collected**	**April 2004**
4	**Review and amend the interview schedule**	**May 2004**
5	**Interviews piloted and amended**	**July 2004**

Table 4.2: Policy Makers Interview Plan

1	**Informant**	**A**	**April 2005**
2	**Informant**	**B**	**April 2005**
3	**Informant**	**C**	**May 2005**
4	**Informant**	**D**	**October 2005**
5	**Informant**	**E**	**February 2006**
6	**Informant**	**F**	**June 2006**

Table 4.3: Employers Interview Plan

1	**Informant**	**A**	**September 2004**
2	**Informant**	**B**	**September 2004**
3	**Informant**	**C**	**September 2004**
4	**Informant**	**D**	**September 2004**
5	**Informant**	**E**	**September 2004**
6	**Informant**	**F**	**October 2004**
7	**Informant**	**G**	**November 2004**
8	**Informant**	**H**	**November 2004**
9	**Informant**	**I**	**November 2004**
10	**Informant**	**J**	**November 2004**
11	**Informant**	**K**	**November 2004**
12	**Informant**	**L**	**November 2004**
13	**Informant**	**M**	**December 2004**

Table 4.4: Colleges' Managers Interview Plan

1	**Informant**	**A**	**December 2004**
2	**Informant**	**B**	**January 2005**
3	**Informant**	**C**	**January 2005**
4	**Informant**	**D**	**April 2005**
5	**Informant**	**E**	**March 2005**
6	**Informant**	**F**	**March 2005**
7	**Informant**	**G**	**March 2005**
8	**Informant**	**H**	**March 2005**
9	**Informant**	**I**	**March 2005**
10	**Informant**	**J**	**March 2005**

A qualitative research approach was considered to be the appropriate methodology for this study as previously mentioned. However, the implementation of the information survey and qualitative interviews will not be managed appropriately without the consideration of other aspects. For example, to name a few, the environmental effect (working hours, attitudes), the distance between the location of the researcher and the informants, the role of the researcher, the circumstances at the place of work for the researcher, the implication of protocols between the researcher and the informants. So, it is not just doing the interview that takes time, but also establishing links, making appointments (see Appendix Two), and travelling from place to place. All the informants had a choice of two languages, Arabic and English. However, a professional translator was used for the translation of the questions from

English to Arabic. Thus, all informants had freedom of choice in both languages. At this point in time the piloted interviews were reviewed and amended accordingly.

All the informants were briefed over the telephone followed by a letter delivered to individuals. After written confirmation on the acceptance for participating in the research, each letter was coded and securely filed for future correspondence. It was decided to start to collect information from employers first for a number of reasons. First, it was during the holy month of Ramadan (fasting period for Muslims) where those in the private sector work longer hours than those in the public sector. Also, the location of the industrial estates is close to my place of work which made the managing of the process simpler. For example, the information survey was distributed to the employers in the capital area (Muscat) and picked up as appropriate. In between, a telephone follow up call was made to ask if the information survey was completed and ready for collection. Despite that, not all informants completed the information survey appropriately. The information survey resulted in identifying those employers who recruited VET graduates or dealt with them such as through work experience during their studies or recruitment. From this list employers were randomly selected and requested to participate in interviews as indicated in section 4.5. The action that was engaged during the interviews ranged from listening to the informants, trying to interpret what they were saying, probing, reflecting on what they said at the beginning of the interview, thinking to refine the next question to follow up the conversation, and some cross references were used where possible. In turn, interviews were conducted with policy makers and college managers.

After each interview field notes of the non-recorded discussion were summarised in the car and then the transcription was done immediately and securely stored with creation of a backup computer CD and external hard disk. At the end of each interview the tape was coded and recorded for backup where it was kept in a safe box in the researchers' primacy. When the whole process was completed a letter of thanks was sent to all the informants (see Appendix Three). Subsequently, translation was not required because all interviews were conducted in English the working language used in Oman. From a personal perspective interviewing was an interesting and enjoyable part of this study because the informants were very interested in the study and willing to contribute using their time and ideas. In addition, some informants even offered me a job opportunity in their organisation! Moreover, some informants in the private sector indicated that no such interviews had taken place since their existence. For example one informant said that:

> I have been working for more than twenty years in this firm and I have participated in many conferences and committees such as the Omanisation committee but I have never been requested for such interview whether by a scholar or policy maker.

A number of informants requested to read the study once it is completed. They were promised that once the study is successfully completed it will be available in public libraries.

4.12 Analysing Data

Gibbs' (2007) idea of analysis implies some kind of transformation. He suggested starting with some collection of qualitative information and then to be processed

through logical procedures, into a clear, understandable, insight, reliable and even original analysis. There are a number of methods that can be used to transform qualitative information into data. Flick (2002) explained that:

> there are different approaches to analysing data in qualitative research, some of them more general, others more specific for certain types of data. They all have in common that they are based on textual analysis, so that any sort of material in qualitative research has to be prepared for being analysed as text (for example as narrative) is more information for the analysis than in other cases (as in semi-structured interviews) (p.xv).

Marshall and Rossman (1999) described the process of analysing data: 'it brings order, structure, and interpretation to the mass of collected data. It is a messy, ambiguous, time-consuming, creative, and fascinating process' (p.150). Coffey and Atkinson (1996) explained that 'there is no single right way to analyze qualitative data; equally, it is essential to find ways of using the data to think with' (p.2). Moreover, data analysis consists of examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study (Yin, 1994, p.102). Every measure has been considered during the process of data collection and prior to the analysis to ensure smooth analysis of collected data, such as regularly updating of the diary, coding themes related to each semi-structured question, transcribing, articulating between the groups and organizing and data manipulation. Thus, analysing data has not been simple in this research and can be described as energy and time consuming. As Huberman and Miles (1994) stated, 'the time and energy costs for adequate methodological documentation and or auditing are not small' (p.202).

Data analysis involved three major groups of samples, namely, policy makers, training providers (college managers) and employers in the private sector. The analyses of the three groups were carried out separately and presented as findings in three individual chapters (see Chapters Five, Six and Seven). Qualitative analysis transforms data into findings and no formula exists for that transformation (Patton, 2002, p.432). Therefore, interpretation and transformation are part of the research process and as Coffey and Atkinson (1996) explained, 'the process of analysis should not be seen as a distinct stage of research; rather, it is a reflective activity that should inform data collection, writing and further data collection' (p.6). In this study five steps were used to analyse the data for every individual interview from the three groups while the process of research continues; (a) Scanning the tape and summarising (b) transcribing data (c) editing data (d) reducing data (e) coding. These five steps are explained as follows:

(a) After every individual interview, I sat in the car and scanned the tape to ensure that recording was good and clear. The outcome of each section of the interview schedule was summarised and notes taken during the interview were reviewed and incorporated in it. The reason of scanning the unrefined data is 'to wonder through the record, jotting notes and observations as the reading progresses' which was an important part of data handling (LeCompte and Preissle, 1993). (b) Transcribing was done within one to three days and reviewed and placed in each section of the research question that has been set out. 'If data have been recorded using technical media, their transcription is a necessary step on the way to their interpretation' (Flick, 2002, p.171). (c) Kumar (1996) explained that 'editing consists of scrutinising the

completed research instruments to identify and minimise, as far as possible, errors, incompleteness, misclassification and gaps in the information obtained from the informants' (p.200). The transcribed data were checked and words in Arabic language translated and inserted according to the themes. (d) Data were reduced by eliminating extra information and removing redundant information such as personal information that informants revealed, such as problems encountered during his/her holiday, and if any further clarification was required the informant was contacted. Seidman (1998) argued that:

> in reducing the material interviewers have begun to analyze, interpret, and make meaning of it. The interviewer-researcher can later check with the participants to see if what they marked as being of interest and important seem that way to the participants (p.101).

(e) 'Classifying', and what others call 'coding' (Coffey and Atiknson, 1996: Marshall and Rossman, 1999: Silverman, 2005) began with using a word processor. Data were coded by different colours that indicated our themes and printed out, and then using scissors to cut and arrange them according to the colour of each theme and then pinned on a large notice board. The process of allocation into their different colour and groups is like 'fixing the jig saw puzzle', thus, any information that did not fit into the jig saw puzzle was left out. However, this method was helpful in indicating the similarity of outcome from different informants. In addition, manual colour coding using coloured highlighters was also used to ensure consistency so that data were placed in the 'jig saw'. Flick (2002) explained that 'coding is understood as representing the operations by which data are broken down, conceptualized, and put back together in new ways'(p.177). Flick further describes three types of coding:

> 'open coding' aims at expressing data and phenomena in the form of concepts that could code line by line, sentence by sentence or paragraph by paragraph, or a code could link to whole text... 'Axial coding' is the next step to refine and differentiate the categories resulting from open coding... 'Selective coding' continues the axial coding at a higher level of abstraction. The aim of this step is to elaborate the core category around which the other developed categories can be grouped and by which they integrated (p.178).

However, every method has advantages and disadvantages. For example, the advantage of using colour coding helped to identify the themes in all three groups and reduced the bulk of unwanted information such as personal information from our scope of the this study. Silverman (2005) identified two disadvantages of coding: the first, and more obvious, problem is that every way of seeing is also a way of not seeing. The second, less obvious problem is that, coding is not the preserve of research scientists. All of us code what we hear and see in the world around us (p.182). So, initially the coding process was completed according to the themes such as 'economy, Omanisation, education and training, employment and globalisation' for each group such as the policy makers, training providers and employers. Next, to assume that I did not 'see' what I was looking for I also compiled a table of conclusions arising out of what each group said. Thus, the conclusions from Chapters Five, Six and Seven were brought together as another 'lens' through which to view the data.

4.13 Presenting Data

Holstein and Gubrium (1995) described that 'writing and presenting findings from interview data is itself an analytically active enterprise. Rather than simply letting the data speak for themselves, the active analyst empirically documents the meaning-making process' (p.80).

In this study data are presented as case studies. However, as Coffey and Atkinson (1996) stated, 'qualitative research has never been monolithic' and argued that:

> writing and representing is a vital way of thinking about one's data. Writing makes us think about data in new and different ways. Thinking how to present our data also forces us to think about the meanings and understandings, voices, and experiences present in the data as such, writing actually deepens our level of analytical endeavour. Analytical ideas are developed and tried out in the process of writing and presenting (p.109).

Chapters Five, Six and Seven are drawn based on empirical evidence that was transformed from analysed data of three groups; the policy makers, college managers and employers and are presented in three case studies. Linking documents with other sources such as semi-structured interviews was not straightforward and presenting such information was found to be complex particularly when relating to the literature. The case study method is described by Kumar, (1999) as:

> an approach to studying a social phenomenon through a thorough analysis of an individual case. The case may be a person, group, episode, process, community, society or any other unit of social life. All data relevant to the case are gathered and organised in terms of the case. It provides an opportunity for the intensive analysis of many specific details

> often overlooked by other methods. This approach rest on the assumption that the case being studied is typical of cases of a certain type so that, through intensive analysis, generalisation may be made that will be applicable to other cases of the same type (p.99).

Holliday (2006) argued that 'a case study can open up a world, but the reader must be aware of the very particular world being exposed' (p.46). On other hand Robson (1993) argued that case studies, define a conceptual framework as covering 'the main features' of the research design and their 'presumed relationships, and says that it 'forces you to be explicit about what you think you are doing' (p.150). However, the three case studies presented, generated multiple sources of evidence which is the ' most important advantage' and provided a broader range of empirical opinions and expanded converging lines of inquiry which is 'more likely to be much more convincing and accurate' (Yin, 1994). Therefore, this multiple source provided a process of triangulation. The disadvantages of using case study, particularly data collected from different sources, can be considered to be expensive, more work load and required experience in collecting and mastering multiple data (Yin, 1993).

In addition, Chapter Eight brings together and discusses the conclusions from the three case studies and the theoretical literature that was generated from other chapters. Chapter Nine presents the overall conclusions and limited recommendations.

4.14 Conclusion

This chapter has presented and justified the methodological approaches, techniques or tools and design aspects of the research of this study. It is important to explicitly explain how the investigation and the collection of information was obtained, predominantly the implementation of the sampling strategy and the explanation on how the targeted populations were selected. The advantages and disadvantages of research techniques or tools were explained to direct the selection of appropriate methods. Although software such as the researchers' computer database was used to store and help transform the information it was decided that software packages such as NUD*IST would not be used to manage the information because of my lack of familiarity. Once made and enacted on, the choice of methods results in advantages and disadvantages and also limitations. There will be further discussion in relation to findings conclusions, and limitations in Chapter Nine.

CHAPTER FIVE

Case Study 1: What Policy Makers tell us

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5.1 Introduction

The next three chapters present three case studies drawing on empirical findings of three targeted groups: policy makers, college managers and employers. Taken together, they provide a '360 degree' analysis of Omanization, presented in Chapter Eight.

This chapter presents and discusses the policy makers' views on social and economic development, VET, the demand for un-skilled, semi-skilled and skilled manpower required by the Oman labour market, particularly the private sector. In addition, it focuses on views concerning 'Vision 2020' on human development with respect to the manpower planning for the Omani labour market. Finally, it demonstrates challenges that policy makers face in relation to policy and procedures for training, employment and Omanization processes in the private sector.

5.2 The approach

This chapter presents a case study of senior members, decision makers and advisors at the Ministry of Manpower and those at the Ministry of Higher Education who have a direct interact in the delivery of policy and procedures for employment, training and Omanization for the Omani labour market. The purpose of this chapter is to present the views of the informants that were gathered from in-depth semi-structured interviews (see Appendix Four). Six policy makers were

interviewed; five from the Ministry of Manpower who had direct links with and responsibility for VET in the public and private sectors. Another policy maker, from the Ministry of Higher Education, was also interviewed because the Ministry of Higher Education is responsible for all private Universities and Colleges in Oman. This informant had direct involvement and responsibility for the private colleges for further and higher education.

Gaining access to the policy makers was not easy. Informants were approached independently according to their status and responsibility in their Ministry and sometimes through the recommendations of the informants during the interviews. The communications between the researcher and the informants can be described as a one way contact; almost all the informants had to be reminded of the request for an interview, and the interviewee's first agreed appointment was never fulfilled due to the their other commitments. It took a long time to negotiate access and, 'at the end of the day', I was only too pleased to meet them on their own terms. A majority of the interviews took place in the government's premises, and one informant in his/her home during the weekend. A summary of the interview schedule was sent before the interview took place. Similar questions were asked in all six interviews to reflect themes, such as skill formation, human capital theory, and the knowledge-based-economy. This case study is supported by documentary analysis of local newspaper, magazines, government documents, booklets, reports, yearly statistic reports, leaflets, as well as the government five year development plan, produced by the Ministry of Manpower, Ministry of Information and Ministry of National Economy.

5.3 Some characteristics of the informants

The interviewees were all Omanis qualified and experienced in their different fields. All informants possessed higher qualifications such as PhDs, MSc, MBA, or equivalent. Some of the younger informants possessed higher qualifications than some of the older ones. All the informants were employees of the government such as the Ministry of Manpower or the Ministry of Higher Education. The majority of informants were also members of different committees that provide links between government and private sector colleges. All informants currently held positions such as director generals, deputy director general or manager.

To protect the informants' anonymity alphabetical letters are used as codes to present their views. Table 5.1 below presents a profile of the six informants who were interviewed from the Ministry of Manpower and Ministry of Higher Education. The gender of informants is not given to further protect anonymity.

Table 5.1: Profile of Interviewed Policy Makers

Informant	Nationality	Ministry	Position	Experience / Qualifications
A	Omani	Manpower	Director General	More than 15 years, PhD
B	Omani	Manpower	Director General	More than 15 years, PhD
C	Omani	Manpower	Deputy Director General	More than 15 years, MSc
D	Omani	Manpower	Manager	More than 20 years, PhD
E	Omani	Manpower	Director General	More than 20 years, MBA
F	Omani	Higher Education	Deputy Director General	More than 15 years, PhD

We should remind ourselves that the Ministries indicated above both operate separately and the person interviewed is manager / director general. What is conspicuous from this small sample is that four of the six informants are younger and highly qualified with less experience and have more authority. This is typical of the broader picture in the Oman where young employees in government with high qualifications tend hold higher positions.

5.4 Background

More than 60,000 students graduate yearly and more than 5,000 students drop out of schools for various reasons such as supporting their family, unable to cope with studies and so on. According to the Times of Oman, less than 50 percent of school graduates progress into further or higher education and less than 20 percent enter the labour market. If this continues Oman will face a number of challenges, for example an accumulated number of graduates not entering the labour market or attending any type of training. The growth of an economy determines the opportunities and demand for jobs. In 2005 Oman witnessed robust acceleration in economic growth, accompanied by a significant increase in employment opportunities for Omanis (Central Bank of Oman, 2005).

The Ministry of Manpower was formed in January 2002 by Royal decree number 5/2002. The Ministry of Manpower is responsible for regulating and implementing Oman labour law issued in accordance with the Royal Decree number 35/2003 that was established by His Majesty Sultan Qaboos, and to prepare and provide young Omanis with the appropriate skills to replace expatriates in the private sector. The Ministry of Manpower is also responsible for six government technical colleges with 10,000 students, four vocational institutes

with 2,000 students and all private institutes which offer short courses in Oman (Ministry of Manpower, 2005 unpublished).

The Ministry of Higher Education is exclusively responsible for further and higher education in the private sector. There are six government training colleges with 8,000 students, one college of Sharia (Islamic) law with 714 students, three private universities and twenty colleges with a total of 14,000 students all under the umbrella of the Ministry of Higher Education (Ministry of National Economy, Statistics Year Book, 2005).

Despite that both Ministries function independently, only recently a link was established between the Ministry of Manpower and Ministry of Higher Education to discuss issues pertaining to the quality of education in further and higher education and the process of moving forward towards Omanization in the private sector. For example, the establishment of a Unified Admission Centre was an example of collaboration between the different Ministries that have a link with education.

5.5 Labour Issues

The Ministry of Manpower is fully responsible for regulating labour law in Oman. However, the government played a leading role in inspiring industrial growth and creating structures for training young Omanis to meet the challenges of the growth in private sectors.

The Economic Intelligence Unit (2005) reported that:

> local and foreign private sector investment will be robust during 2005, driven largely by spending on gas-based

> industrial projects as well as on infrastructure expansion, as part of Oman's effort to maximise income and employment opportunities, for example the Blue City development is expected to create about 7,000 direct job opportunities and an additional 25,000 indirect job opportunities in its first phase (pp.10-29).

The Blue City project is anticipated to start in 2007, providing more job opportunities for Omanis who will be employed predominantly in the construction sector, whereas the employment of expatriates as builders has been considered as problematic among policy makers. In Oman, foreign workers are advantaged in terms of their general attitudes towards work, often working longer hours and accepting low wages. They are considered to be more motivated, reliable and committed (ESCWA, 2001). However, Oman is not alone in facing such problems. For example, in Britain migrant labour is more likely to demonstrate lower turnover and absenteeism, is prepared to work longer and flexible hours, are satisfied with their duties and work harder in terms of productivity and speed (Home Office, Online report, 03/06). This also brings problems. For example, informant A said that 'foreign workers are treated like animals not only in Oman but in the entire region'. There were reports of employers physically and sexually abusing foreign domestic servants and employers were not always held accountable (Bureau of Democracy, Human Rights and Labour, 2003, p.9). According to Country Reports on human rights practices, workers have no right to join unions, provision under the labour law permitted workers for a representational committee that could take care of their interests, represent them in local and international conferences, and defend their rights under the law (World Bank, 1994).

Informant D said that:

> some employers do not treat their workers appropriately, they delay a monthly payment of wages or not paying at all, employees work seven days a week and more than 70 hours per week without getting extra money.

The Omani government has continued to develop policy and procedures to ensure all employees are treated according to Omani and international labour law. For example in 2005, the Ministry of Manpower established the Oman Labour Main Representative Committee (OLMRC) as a body to represent workers in the private sector whose rights are not considered or violated by employers. This body acts as an intermediary between the government and employers (Times of Oman, 2006, July 02).

Informant D commented that unskilled expatriate employees such as house workers normally tolerate the behaviour of their employers because they do not know their rights. Clearly, the government cannot interfere in the private sector if problems are not reported. However, the government regularly inspects private sector locations to ensure that working conditions meet the standard of labour law such as health and safety, employees' accommodation and pollution (Oman Economic Review, 2003).

Informant C explained that the Ministry of Manpower is very good in inspecting for illegal employees, but lacking in inspecting for suitable skills on jobs possessed by expatriates.

Informant A said:

> the time has come for us to introduce new policies such as tests for all skills required by private sector, all new employees will have to be tested practically on their skills before joining their companies.

There are implications for Omanis and expatriates. For example, according to the above quote a new policy will be introduced to evaluate skills for the private sector and a licence for individual skills will be awarded for Omani and expatriate employees as stated in Sixth-Year economic development plan 2001 - 2005. However, policy is almost always a compromise and can be read in a number of ways; the encoding process is a contested one, as is the decoding process. Policy is reinterpreted and changed as it is put into effect (Birks and Sinclair, 1987; Trowler, 1998) and implementation of new policy can be seen as a threat to some employers and managers of colleges. Thus, as informant E stated:

> in 1999 the Omani government introduced a green card for companies that employed more Omanis as a reward system to encourage Omanization. However, private sector registered unskilled Omanis such as drivers, office helpers, and labourers on paper instead of employing them so that the target is achieved to employ expatriates because the policy was not clear.

Oman is not alone in facing problems with expatriate workers. For example, in all neighbouring countries such as the United Arab Emirates, Qatar and Kuwait all have a lower indigenous population but employ more expatriates than Oman.

The potential issues were identified by the Economic and Social Commission for Western Asia (ESCWA), (2001) who stated that:

> because of a large number of expatriates in the Gulf region and the heavy dependency on them to perform a wide

> variety of jobs which nationals are reluctant to undertake, labour markets in GCC states suffer from a number of structural inflexibilities that vary in intensity from one country to another. Such problems include: the difficulty of substituting nationals for expatriates; labour markets which are made inflexible by labour law restrictions; the higher wage expectations of nationals; the high social and economic costs of maintaining expatriates and concentration of nationals in public sector jobs and the increasing number of new entrants to the labour market (p.43).

Thus, the training and up-dating needs of expatriates are often ignored. However, informant A argued that Oman is different from other Gulf Cooperation Council (GCC) states suggesting that 'Oman is leading the GCC in human resource development and almost all jobs in the public sector are occupied by Omani nationals'. As more foreign companies are established in Oman, more job opportunities will be available for Omanis and expatriates, and reflecting buoyant economic performance, employment generation for Omanis received a significant boost in 2005, both in the private and the public sectors (Central Bank of Oman, 2005).

However, those expatriates that are employed in Oman at all levels have different skills and qualifications (see Figure 5.1). Informants variously identified what they saw as issues to do with employing expatriates. For example, informant C argued that high skilled expatriate employees in Oman are not paid well and, therefore, many of them use Oman as a transition to neighbouring countries such as Dubai where more opportunities are available to expand their knowledge and skills for higher wages. Informant B explained that the current private sector labour market is dominated mostly by expatriates and their main interest is to

protect their positions, stating that it is 'human nature' never to stop criticizing policy makers. Informant A identified expatriates as 'mafias' who do their best to destroy anything that is not in their benefit. Informant D began to think about the future, stating that, 'assuming that we run out of oil, the alternative will be fishing, agriculture, developing and producing our own skilled labour that can be exported to Arabian countries instead of hiring expatriates from sub-continental countries'. Indeed, Oman has been 'exporting' labour to neighbouring countries for years before the new era but only unskilled or semi-skilled labour such as merchandisers, farmers and fisherman (Ministry of Information, 1990).

Table 5.2 Distribution of Expatriate Workers with Valid Labour Cards in Private Sector by Educational Level.

Educational Level	**Percent**	**2004**	**Percent**	**2003**
Pre Primary	43.6	185,195	43.5	177,310
Primary	15.2	64,370	17.6	71,601
Preparatory	19.1	81,038	17.4	70,729
Secondary	9.8	41,662	10.5	42,807
Diploma	3.9	16,687	3.4	13,960
University	7.6	32,356	7.0	28,349
Post graduate	0.7	3,011	0.6	2,430
Gross Labour Force	100	424,319	100	407,186

Source: Ministry of National Economy 2005

5.6 Skill Issues

In 2003 the population of job seekers was gradually increasing; the total Omani labour supply exceeded total demand by 18 percent, and there was an excess of 20,000 Omanis. Although the overall supply exceeded demand, there was a deficit in the skilled and semi-skilled work force (Ministry of National Economy, 2003). However, two years later the employment of Omanis in the private and public sector increased.

As the Central Bank of Oman annual report (2005) explained:

> the number of Omanis employed in the private sector as per figure on registration with Public Authority for Social Insurance (PASI) showed a high growth of 13.2 percent from 87,064 in 2004 to 98,537 in 2005. In 2004 also the employment growth in the private sector for Omanis was high at about 16.4 percent. The public sector continue to be the prime source of job provider in general for Omanis, and in 2005 the total number of Omanis working in the public sector increased by about 5.0 percent from 104,223 in 2004 to 109,424 in 2005. Employment of expatriate workers, in turn, exhibited negligible growth of 0.4 percent in the public sector and 0.1 percent in the private sector, indicating the progress on Omanization (pp.7-8)

If we look at employees currently employed in Oman's private sector, the difference ranges from financial institutions such as banks at one end of the spectrum, where the majority of employees are skilled or high skilled to industrial estates at the other, where the majority of employees are unskilled and semi-skilled (see Figure 5.2). It has to be said that the relationships between such classifications of skills is problematic (Penn, 2000), and the boundaries of classification are not very clear. Whereas the differences between low skill and high skill is clearer in the middle it is blurred because most people are using more technology in all ranges of skills. Informant F indicated that most skills that are currently required are in the booming economic Sohar region, ranging from semi-skilled to high skill jobs. Sohar is now the main focus of the government's industrialisation drive, where for example a new refinery, fertiliser production and polypropylene facilities have been built (Ministry of National Economy, 2005). However, as informant A suggested, filling this expanding skills gaps is not straightforward:

> since 1970 until now Oman economy could be characterised as a rentier economy it is not a productive economy. Rentier economy has a specific characteristic that creates particular mentality of people. Almost everything in Oman today is bought from outside of the Oman, such as food, cars and labour which influence the way people think, type of job people want and has an impact into national economy.

Table 5.3: Distribution of Expatriate Workers with Valid labour Cards in Private Sector by Occupational Group.

Occupational groups	percent	2003	percent	2004
Administration, Director and managers	3.9	15,940	3.9	16,391
Scientific, Technical & Human Matters Specialists	7.5	30,570	7.5	31,937
Scientific, Technical & Human Subjects Technicians	6.9	28,054	7.4	31,261
Clerical Occupations	0.5	2,175	0.5	1,935
Sales Occupations	8.6	34,904	6.8	29,018
Service Occupations	20.3	82,465	21	89,057
Agriculture, Stock Breeding, Agriculture & Hunting	11.0	44,695	10.9	46,215
Industrial, Chemical & Food Industries Occupations	6.7	27,432	6.5	27,710
Principal & Auxiliary Engineering Occupations	34.6	140,951	35.5	150,795
Gross Labour Force	100	407,186	100	424,319

Source: Ministry of National Economy 2005

Thus, the development of skills required by the Omani labour market in general has to start from educational perspectives such as the development of vocational institutes and technical colleges. According to informant E, the objectives of vocational training centres are to provide the labour market with a semi-skilled and skilled workforce and to enhance the link between the private sector and government institutions. He/she added that the GCC job classification has four levels, starting from unskilled to high skilled, with the majority of labour occupied at lower levels such as drivers, welders, mechanics and technicians. Government

encouragement on foreign investment and subsequent establishment of multinational companies in Oman will help the development of skills by integrating the Omani employees and high skilled employees of foreign firms (Unpublished Document, Ministry of Manpower, 2005). Informant B said that the 'Omani labour market will become a free employment market', meaning that job seekers and employees must be more competitive.

5.7 Omanization Issues

The term 'Omanization' refers in part to the process by which the government is attempting to secure increased and higher-level participation by Omanis in the economic life and development of the country (World Bank, 1994). The Omanization process was introduced to provide job opportunities and the replacement of expatriate workers after training and achieving appropriate required skills to fit the job. In 1990 His Majesty Sultan Qaboos declared it the 'Year of Industry' promoting more job opportunities are available to Omanis.

In his speech to the members of the Oman Chamber of Commerce and Industry (1990) His Majesty Sultan Qaboos said that:

> during the early stages of the development process it was necessary to depend on expatriate labour to accomplish numerous projects. But now, with growing numbers of qualified Omanis graduating every year, it is necessary to provide a job opportunity for each of them. Omanization is a fundamental and vital prerequisite without which we cannot secure the cherished honourable standard of living for the coming generations. The more we succeed in broadening the base of Omanization the more shall we reap the fruits of the development process (p.132).

Seven months after the above speech, the first batch of students graduated from Sultan Qaboos University . It is evident that the Omanization process has been more successful in the public sector than in the private sector. However, after more than a decade of very rapid expansion, the growth of public sector employment in Oman has slowed. More opportunities for Omanization are available in the private sector, where the capacity for expansion and employment continues to rise (ESCWA, 2001). Informant A argued that the Omanization policy was not clearly understood by many employers. However, the government has continued to find different methods to speed up the Omanization process such as the introduction of the Sanad (support entrepreneurs) programme and yearly symposiums during the regional Royal Tour. The Ministry of Manpower established committees for different sectors such as telecommunication, construction, oil and gas to help the government identify labour market requirements and set Omanization targets for each sector (Unpublished Document, Ministry of Manpower, 2005). Informant A argued that:

> all targets for Omanization in the private sector are proposed by individual committee for each sector such as telecommunications or oil and gas, the involvement and the role of government members in each committee is to provide guidance, support and information required by committee. Government does not set Omanization target for any sector.

For example the Oil and Gas Committee set the Omanization target to be 70 percent in 25,000 jobs by 2007 (Times of Oman, 2003).

On the other hand, the Omanization process is seen by some in the private sector as a rarefied political issue rather than a day-to-day issue. Informant D said that

'some employers in private sector pretend that they only have to achieve the Omanization target set for their sector on paper'. However, as the Undersecretary for Vocational and Technical Education in Ministry of Manpower revealed:

> I would like to stress that the Omanization targets were not imposed by the government; rather it was a decision, which was arrived at by the employers themselves at the Ibra seminar. We are helping them achieve the target in this new era of Omanization, which features a joint government-cum-private sector approach (Times of Oman, July 29, 2003).

Informant D said that 'it is human nature to resist change'. Informant E suggested that, 'our nation can be trained to a standard required by the labour market but it is impossible without involvement of the private sector in training young Omanis'. In 2003, the Ministry of Manpower, announced that:

> eight key employment areas in the private sector will be Omanised by 961 Omanis. Ten pacts worth more than 10 million USA dollars were signed between the Ministry of Manpower and 10 training institutes to train and employ 961 Omanis in eight areas in the private sector such as information technology, retail sales, heavy vehicle, hotel and tourism (Oman Economic Review, 2003, p.3).

The Omani government considers Omanization practices as a nationwide preference, and its aim is to decrease the total number of foreign workers to a minimum in the entire country. Informant B suggested that young Omanis have to change their attitude towards work, because they have to learn and gain skills from the hands of expatriates. It is part of Muslim religion to respect work. Prophet Mohammed (Peace be upon him) said 'to men is allotted what they earn, and to women what they earn'. Informant F suggested that parents, schools and

colleges have to introduce more positive work ethics to children. This means all social communities such as media, family, and mosques to name a few should promote and cultivate positive values and attitude towards work. There is a need to infuse confidence in young Omanis' ability to pursue work successfully and to introduce a sense of duty and responsibility among those in society to serve their country to the best of their knowledge and ability (Al-Lamki S, 1998). Informant C suggested that 'the Omanization process would be faster if awareness was provided to the parents who have an effect on to their children'.

Keeping track of Omanization is dependent on accurate record keeping so that, in turn, more accurate planning decisions can be made. As some informants reported, there are problems in this respect. For example, it is evident that the public sector will continue to employ Omanis to replace retired employees where a minimum retirement age for the private and public sector is 60 years of age (Ministry of Manpower, 2006). However, as informant C explained, the numbers of Omani employees registered in Public Authority for Social Insurance (PASI) are not necessarily working. For example, if an Omani employee resigns from a firm without informing PASI then it shows that he/she is still working. Informant F said that 'we need a proper and accurate data base to have a true picture so that we can plan appropriately'. Furthermore, informant A described that:

> employers do not report on Omanis who leave their firm so that record can show higher Omanization target, that is why we have policy that any Omani who resign from any firm should stay six months before joining another firm, this policy will force them to gain experience and skills, however, some small and medium firms employ Omanis without registering in PASI.

However, the new labour law introduced by the Ministry of Manpower in May 2005 does not include a minimum period for Omanis before joining another job as explained by Informant A above. In addition, the government has established a new law on Omanization percentages that is required by each sector to accomplish. Labour Law, article 114 states that:

> any employer who does not comply with the prescribed percentage of Omanization shall be punished with a fine equal to 50 percent of the average of the total salaries of the non-Omani employees, who represent the difference between the percentage of Omanization which will be observed by the employer, and the percentage which the employer actually achieves (Ministry of Manpower, 2005, p.24).

Despite that the government continued to emphasise Omanization, some reports show a limited impact in the reduction of dependency on foreign workers. For example, the Central Bank of Oman (2005) reported that:

> the overall stagnation in the employment levels of expatriate workforce in the face of buoyant economy suggest that selective and careful reduction in dependence on expatriate workforce may not necessarily affect the economic performance, while it can correspondingly improve the employment prospects for Omanis. Remittance figures for 2005 also indicate that of acquiring foreign workforce may be rising for Oman in the recent years (p.8).

Informant B stated that the Omanization process will bring a better economy for Oman, with approximately 1.5 billion US dollars transferred last year outside of Oman by expatriates. Informant D said that 'new targeted jobs will create job opportunities in capital areas for young Omanis such as shopkeepers, barbers and operators for heavy equipment to name a few'. Informant B commented that:

> after the last two conferences held between Ministry of Manpower and private sector in Ibri and Shinas, a number of new jobs will be available such as agriculture, including taking care of car parks in public areas, there are 22,000 expatriates working on those jobs therefore it is not a problem for Omanis to get a job but there are no Omanis willing to accept available jobs.

The reluctance of accepting certain lower status jobs is not unique in Oman. For example all five GCC countries face similar problems. Because the national labour force grew up within a rentier state, citizens feel a sense of entitlement to social welfare with which they have hitherto been provided, including general remuneration irrespective of productivity (ESCWA, 2001). Thirty years ago Britain experienced similar problems when 'best trained students had no desire to join industry, but prefer to stay in academic life or find their way into the Civil service' (Corson, 1991 p.33). Despite that the Oman is not as an industrialised country as Britain, more Omani nationals have gradually started to accept jobs in different fields. Informant E said 'look at most popular places such as petrol filling stations you will find Omanis are working who have been trained in government vocational centres'.

Informant C said that 'up to now vocational graduates have been considered to be a failure in the society because they do not have any opportunity to progress into further education due to the current system of education'. However, as stated in Chapter Three students are not accepted in any further or higher education if they have not completed secondary education successfully.

Informant E explained that:

> in the seventies vocational education was accepted by society, during the eighties vocational education was considered lower class, today this has changed, more students are willing to join vocational training centres and technical colleges. Therefore Oman needs high quality standard and well resourced vocational training centres that will accommodate dropout of the students from schools and colleges instead of increasing number of students and create shifts system with long working hours.

5.8 Training Issues

Informant D described training as a fulfilment and responsibility of everyone who contributes to economic development: 'Training is a tool that can be used to open or close gaps in the labour market'. Informant F explained that one of the challenges that government will continue to face for sometime is enrolment of students into further and higher education. Informant B said 'drop out students from schools have two choices, whether to join the labour market or government vocational centre'. Currently vocational centres deliver courses for two years in different fields such as air conditioning and refrigeration, automotive, building construction, fabrication and carpentry to name a few. According to Informant A, the current vocational training period will change from two years to three years. The Ministry of Manpower has been developing a new curriculum for vocational training centres which will include common subjects such as English language, general mathematics, science, information technology, communication and work ethics (Unpublished document, 2005).

There are three ways for students to enter further or higher education institutions;

- if a student achieves appropriate grades they will be entitled for scholarship abroad or free education in government colleges or university,

- if a student achieves grades below the standard he/she will be eligible for government sponsorship for specialised courses in private institutes if selected by an employer that will employ such candidates after completing training successfully.
- a student can join a private college or university through their parent's sponsorship.

Just to remind our selves that there are a number of government establishments responsible for further and higher education in Oman. A list below presents government establishments and their educational responsibilities:

1. Ministry of Manpower

a) Finance and manage six technical colleges and four vocational training centres.

b) Responsible for regulating all private vocational institutes.

2. Ministry of Higher Education

a) Finance and manage six colleges of education and college of Shari'a and Law (Islamic Law)

b) responsible for regulating private further education colleges.

3. Sultan Qaboos University

a) Finance and manage the only government university.

4. Ministry of Endowments and Religious Affairs.

a) Finance and manage the institute of Shari'a (Islamic law) science.

5. Ministry of Health

a) Finance and manage health training institutes

b) Responsible for regulating private medicine college

6. Ministry of Tourism

a) Finance and manage Omani Academy for Tourism and Hospitality

7. Central Bank of Oman

a) Finance and manage the college of banking and finance studies of the Central Bank of Oman

Source: Ministry of Manpower (2006), Ministry of Higher Education (2003).

Consequently, a the number of government bodies (as listed above) are responsible for further and higher education in different areas and underlines the complexity of policy implementation and the conditions that might create confusion and resentment between each other.

Higher education is considered to be in a development period. Until 1986 all higher education was achieved by sponsoring students oversees as detailed in Chapter Three. Therefore, it was an attempt to consolidate further and higher education by establishing a Higher Education Council to supervise, regulate policy and procedures. According to the Ministry of Higher Education (2003):

> the Higher Education Council was established by Royal decree number 59/98, to supervise and regulate educational policies, coordinate implementation processes in a harmonious and cooperative manner between various higher education units and institutes, this move consolidated with the establishment of the academic accreditation board to govern the academic quality assurance and acts as a parameter scientific audit and assessment parameter (Ministry of Higher Education, 2003, p.6).

Informant E commented that we have too many government bodies that regulate policies for further and higher education, whereas he/she thought we should have

one for all further education and another for all higher education, but recognised this was a 'political issue'.

Informant B pointed out the growing importance of private institutes:

> there are more private institutes that will be able to take more students for different specialisations, he/she added that 5010 candidates were trained by private institutes supported by government.

Informant E emphasised that the success of Omanization depends on training that will provide skills required by the private sector such as machine operators, electricians, welders and technicians to name a few. He suggested that:

> policy makers' mentality have to change from being isolated' and private sector should not be blinded from curriculum development instead it should be "industry driven" in future we shall be asking private sector to join us so that we can benefit from their experience.

Informant C argued that if the number of technical colleges and vocational training centres are increased without involving the private sector in its curriculum development and training process, it would not produce the calibre and skill level of students required by labour market.

Informant F said that 'school graduates who completed grade 12 successfully should have an opportunity of progressing to further or higher education'. Consequently, as described by Informant C the enrolment system has to be reconsidered and government will have to spend more money to train approximately 50,000 students per year.

Informant B explained that:

> shortly Omani government is going to have a Centre for Occupational Standards and Testing Skills that will

> develop an education framework for vocational and technical education which will fit into the general framework that is developed by the Ministry of Higher Education.

From the above, it is evident that government will continue to help the private sector by providing workers with appropriate skills. During the Higher Education Institutions Exhibition (May 1993), the Ministry of Higher Education announced that approximately 12,500 partial or full scholarships for school general certificate graduates will be offered. 1,500 scholarships have been allocated for the social security families and 630 partial scholarships for limited income families (Times of Oman, 2006). It was confirmed that students may apply through the Unified Admission Centre and compete in 20 choices.

5.9 Conclusion

This Chapter has drawn on documentary sources together with the views of policy makers to indicate the scope of the challenges that the government is facing, particularly in the Omanization process. As indicated in the Research Methods Chapter, we should remember that documents and interview narratives are a mixture of statements about the past and how the future is envisioned. Only time will tell if those visions are realised. Policy makers accounts have to be read in terms of what they are, that is, an expression of a mixture of official and personal views. The importance of such views must not be underestimated since they reveal the basis on which these people work to influence policy.

Taken together, this Chapter points to a number of important messages. In summary, these are:

- Omanization has seen an acceleration in economic growth and an increase in employment opportunities for Omanis. However, the private sector labour market is dominated by expatriates.
- On the whole, expatriate workers have a different work ethic from Omanis, which leaves them open to abuse by employers but also favoured by them in certain occupational areas. In effect expatriates have some advantages over Omanis in the labour market.
- Efforts to improve conditions and skills levels of expatriates might be met with them moving to neighbouring countries. Thus, there might be reluctance to invest in the education and training of expatriates who, regardless of Omanization, compose a substantial part of Oman manpower.
- In Oman there is an increasing demand for semi and high skilled workers, especially in the private sector, but filling this skills gap is dependent on appropriate response from vocational institutes and technical colleges.
- For policy makers to be more effective, there is a need to improve training and labour market records in order to improve planning and decision making.
- The private sector has to play a bigger role in the training of young Omanis and to match the legal requirements set for Omanization. However, there is a reluctance on the part of some employers to contribute to training and the suggestion that some pay 'lip service' to Omanization targets.
- Routes from school to state provided vocational education need to be improved, especially for those Omanis who are unsuccessful in secondary education.

- Many jobs in the expanding private sector are regarded by Omanis as of 'low status', as is vocational training. These who do not have choice and not make the grade for university are regarded as rejects.
- There are poor linkages between government establishments and training organisations. Moreover, there are a large number of government establishments involved in education and training in different ways and the linkages between them is not clear.
- The roles of and linkage between trainees / training, and the private sector and policy makers need to be isolated and more industry-driven (demand-led).

CHAPTER SIX

Case Study 2: What the college managers tell us.

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6.1 Introduction

Across the globe much is expected of education as a means to solve social, economic and political problems. However, the link between education and employment is explained by Niemi (2005):

> the important message, as shown by many indicators, is that there is a link between education, employment and professional success. Those who are well-educated are able to find jobs that provide them with more training, while the uneducated are locked out of opportunities to improve their skills (p.5).

Of course, alternatively, the responsibility is passed down to individual institutes and in Oman these responsibilities are represented in its policies of Omanization. In Oman there are currently six government technical colleges spread in the different regions. The government provides partial grants and a monthly allowance of 50 RO (130$ US) to students on limited income in all six colleges. One of these colleges, which happened to be the only college of higher technology in the capital of Oman, is our main focus in this chapter. The college has gone through changes since being established in 1984, for example, building expansion, curriculum development, an increasing number of students registered yearly from 500 to 1200 students and the number of staff from 40 to 150.

In particular, in this study we are interested in the articulation between college provision and the labour market. Hence this chapter presents a case study of the first and largest state technical college in Oman. It is situated in the capital area Governorate of Muscat. According to the 2003 census, the governorate of Muscat is one of the most populated with 709 thousand Omanis and expatriates. It consists of six Wilayat or towns and is situated between three main regions, Al Dakhliya region to the south, Al Shariqiya region to the east and Al Batina region to the west. Because of its strategic geographical position, Muscat has historically been an important trading port in the Gulf and Indian Ocean, and has in modern times become the state's capital and main political, economic and administrative centre (Ministry of Information, 2003-2004).

Muscat is one of the older cities in the Middle East and has been known since the second century AD. Vasco da Gama was the first foreigner to enter Muscat on his way to India, in year 1507 when the Portuguese captured Muscat. In 1649, the Imam (Ruler of Oman) Sultan bin Saif defeated the Portuguese and drove them east to Goa, India (Ministry of Heritage, 1989). In Muscat there are many major trading companies, many partners with foreign companies such as Suahil and Saud Bahwan group partnered with Japanese companies such as, Lexus, Toyota, Subaru, Daihatsu, Toshiba to name a few.

The Governorate of Muscat continues to develop and grow towards a more advanced modernized city internally and internationally. It provides for the majority of services required by Oman, such as the Seeb international airport, Sultan Qaboos port (normal

port) and Mina Al Fahal port (oil refinery), the majority of the commercial services sectors, industrial estates and manufacturing companies and the main government services including 13 percent of public schools, 65 percent of private schools, 80 percent of the private colleges and training institutes and the only public University, the Sultan Qaboos University.

According to the Ministry of Information (2004):

> Muscat is now one of the world's best planned and advanced capital cities, exhibiting a harmonious blend of past, present and future. In 2003 the Governorate of Muscat won a UN Public Service Award in the Improvement of Public Service Category Results (p.10)

6.2 The approach

The rationale behind the choice of research tools for this study was justified and explained in the research methodology chapter. This chapter presents a case study of the higher college of technology drawing on in-depth semi-structured interviews with eight senior managers (A-H), four Omanis and four expatriates. In addition, interviews were conducted with two managers from other colleges (I and J), and their views are incorporated into the conclusion. It is worth mentioning that all informants were very open during our discussions. However, naturally some of the informants were more talkative than others, tending therefore to create the possibility of an imbalanced view. Each informant was asked similar questions that correspond to our themes, such as about skill formation, human capital theory and the global-knowledge-based economy (see Appendix Five). In addition, the case study drew on documentary evidence such as evaluation reports, minutes of college meetings,

consultative reports, annual reports, conference documents, the college prospectus, the local daily news paper, yearly statistical reports, unpublished reports and five year economic development plans.

6.3 Some characteristics of the informants

Informants possessed different qualifications, experiences, status and nationality. The following alphabetical letters were used as codes to explain the characteristics of individuals, so that their identities were not revealed.

Table 6.1: Profile of Interviewed College Managers

Informant	Nationality	College Region	Experience	Qualifications
A	Expatriate	Muscat	More than 20 years	PhD
B	Omani	Muscat	More than 20 years	PhD
C	Omani	Muscat	More than 15 years	PhD
D	Omani	Muscat	More than 20 years.	PhD
E	Expatriate	Muscat	More than 20 years	PhD
F	Expatriate	Muscat	More than 20 years	PhD
G	Expatriate	Muscat	More than 20 years	PhD
H	Omani	Muscat	More than 15 years	MSc
I	Expatriate	Others	More than 20 years	PhD
J	Omani	Others	More than 15 years	PhD

6.4 Background

Technical education is a government priority, to meet market demand for trained manpower. Until the early 1990s almost all college leavers were employed in the public sector, such as telecommunication, petroleum and the Royal Air Force. The number of Higher Technical Industrial Colleges increased from just one in Muscat in 1984, to five around the country by 1993, when the government converted vocational training institutes in Nizwa, al Musana'ah, Ibra and Salalah into technical colleges. Also, in September 2005 the sixth technical college (Al Shinas College of technology) was established and registered students for 2005 / 2006. Currently, the total number of the students in all six colleges is 14800 (MCHT, 2005).

The second five year national economic plan 1980-1985 included the establishment of the first technical college in the Sultanate of Oman. The College has functioned since the academic year 1984—1985 and was officially opened in 1984 by the personal representative of His Majesty the Sultan Qaboos, His Highness Sayeed Thuwani bin Shihab Al Said. The selected location was based on the assumption that students would be able to participate in the large and expanding commercial and industrial sectors (www.manpower.gov.om).

According to Al Dhahab, (1997, p.5):

> between 1986 and 1996, the technical college supplied the Oman labour market with 2,971 technicians in various fields of specializations. Technical specializations included: electronics, electricity, civil engineering, surveying, architectural engineering, mechanical engineering (production, automotive, and air conditioning), science

> laboratories (chemistry, biology and physics) and medical laboratories. Commerce and administration specialisations included: computing, accounting, marketing, business administration, office management, insurance and executive secretariat.

700 students graduated in 2002, representing a 9 percent increase from the previous year, although drop out was approximately 15 percent of the total intake. However, the intake of students has increased to 1316 in 2005/2006 making a total of 4850. According to the college plan the intake is expected to increase to 2000 students per year by 2009.

There are five main faculties in the Higher College of Technology: English language, Information Technology, Engineering, Applied Science and Business where each faculty has different specialist programmes. For example, the Engineering faculty which is the largest faculty has three departments, electrical and electronic engineering, mechanical and industrial engineering and civil and architectural engineering. All three departments offer courses at Diploma level, Higher Diploma and a Bachelor degree of technology as indicated in the college prospectus (2005).

The Applied Science department is the second largest faculty in the college. It has three main specialisation programmes, applied chemistry which includes food, industrial chemicals, metal and alloys, petroleum and petrochemical industries, health and environment monitoring, environmental chemistry, scientific officer, soap and detergents, pharmaceuticals, plastics, solvents and paints, government research laboratories, school laboratories, perfumes, research and university laboratories.

Applied biology includes, biological and medical laboratories, food industry, fisheries, animal breeding, wild-life management, research and university laboratories, and pharmacology. Environmental Science includes environmental consultants in private enterprise, chemical and biological industries, research agencies e.g. natural environment, environment agencies, managers and research in government departments, environment and rehabilitation officers in rural and mining or petroleum industries (MCHT, 2004).

The Business faculty has two departments, Business Administration and Accounting. The Business Administration department offers marketing and retailing, executive assistants, human resource management and electronic business. The Department of Accounting offers a certified accounting technician (CAT) diploma and accounting diploma. Informant F said that, recently, a number of students have chosen to join this department. However, the overall placement of the students in different specialisations is determined by the college management based on the results achieved by students in the school (general secondary certificate) and in the foundation year in the college. For example, in 2004/2005, the intake in the commercial studies was 235, compared to 232 students in 2003/2004, but in engineering 380 students were registered compared to 327 in the 2003/2004.

6.5 Curriculum Issues

Until 1994 the college curriculum was based on the British system called the Business and Technology Education Council (BTEC) Ordinary National Diploma (OND) and was delivered over three years. In the academic year 1994-1995 the

college introduced the General National Vocational Qualification (GNVQ) as a new system which was also developed in Britain as an educational system parallel to that of Vocational and Academic Education Systems (Al Dhahab, 1997). The college name was changed to Muscat Industrial College (MIC) to make it distinctive from other colleges in different regions. GNVQs were introduced as a pilot project in the academic year 1994—1995. This was followed by its application in the other four technical colleges at the beginning of the academic year 1995—1996 (Ministry of Information, 2003).

After a long debate in the Majlis Al Shura (Consultative Council) regarding the quality of the GNVQ system, as explained in Chapter Three, the policy makers decided to abolish the GNVQ and introduce the Oman National Diploma which was a combination of both the GNVQ and the BTEC National Diploma (Ministry of Manpower, 2004)

Oman's technical colleges launched the Omani National Diploma (OND) programme in 1999, a programme that offers intensive theoretical and practical training, to provide scientific and technical skills. The OND programme trains young Omanis as technicians, and graduates who can obtain higher certificates (Al Dhahab, 1997). The main subjects offered under the OND programme are mechanical engineering, electrical engineering, business studies and information technology, architecture and science. The OND programme is taught in English. During 2001-2, the total number of 2,204 male and female students joined the five Technical Industrial Colleges. The name of the college was changed again to become a Higher College of Technology.

In the year 2002 another new programme was introduced to abolish all previous programmes. This time the programme included different levels of studies that were more flexible (see Figure 6.1) based on American, Canadian and British styles, and reflecting private sector requirements. It is argued that private sector and other organisations were involved in the development of the curriculum. Informant G stated:

> we have fully involved the private sector in the development of the curriculum we are following. We have developed our own curriculum and we had one week workshop which we had representatives from private industries, public sectors, from Sultan Qaboos University (different departments), more than 30 representatives, all were given college's curriculum; the workshops lasted for a week full time from 8 to 3 o'clock. The participant's views and constructive comments were incorporated in the curriculum and the participants were requested to give further information even after the workshop was over.

In response to this consultation, students who join the college now have an opportunity to achieve an exit qualification at five levels: Foundation, Certificate, Diploma, Higher Diploma (HD) and Bachelor degree in Technology (Btech). Each level consists of 6 to 12 weeks enhancement or practical training in the industrial or commercial sectors. For students to go up this ladder they have to achieve the required GPA (Grade Point Average) standard (College documents, 2001 unpublished). According to the majority of informants, very few students will join the Bachelor degree in Technology because it will not be easy to progress through all the practical training due to lack of cooperation with the private sector. For example, some employers in the private sector are not willing to accept students to do their enhancement and practical training which is part of their course. Therefore, only

those students who complete their required period of training in the private sector would complete their studies.

6.6 Admission Issues

In May 2005, the government set up an exhibition for all public and private further and higher education institutions, so that parents and the students were aware of the opportunities available to continue their education after completing twelve years of schooling (Oman Observer, November, 18). This exhibition provided awareness and encouragement to the parents about the insights of technical education and vocational training especially the participation of female students. As UNESCO (1996), argued:

> some countries have attempted to change the attitude of the parents and society as a whole towards technical and vocational education through a variety of strategies like open houses, special promotional events, print and non-print media, open for a, aiming to keep parents informed about various occupational opportunities for girls in technical and vocational education (p.19).

A majority of informants identified enrolment policy and selection procedure as a very sensitive issue. Informant C said that it is a 'political matter'. Informant D and H made a similar point, but informant H also drew attention to the apparently inevitable fact that better qualified students go to university, not to a technical college:

> the enrolment procedures of course are always a concern and usually is the policy makers decision, but depends on different factors, such as the number of students, percentage of the success rate in that year. But the required percentage marks are almost the same every year in all technical colleges...the college does not get the best students who

> scored higher marks because they will enter the Sultan Qaboos University.

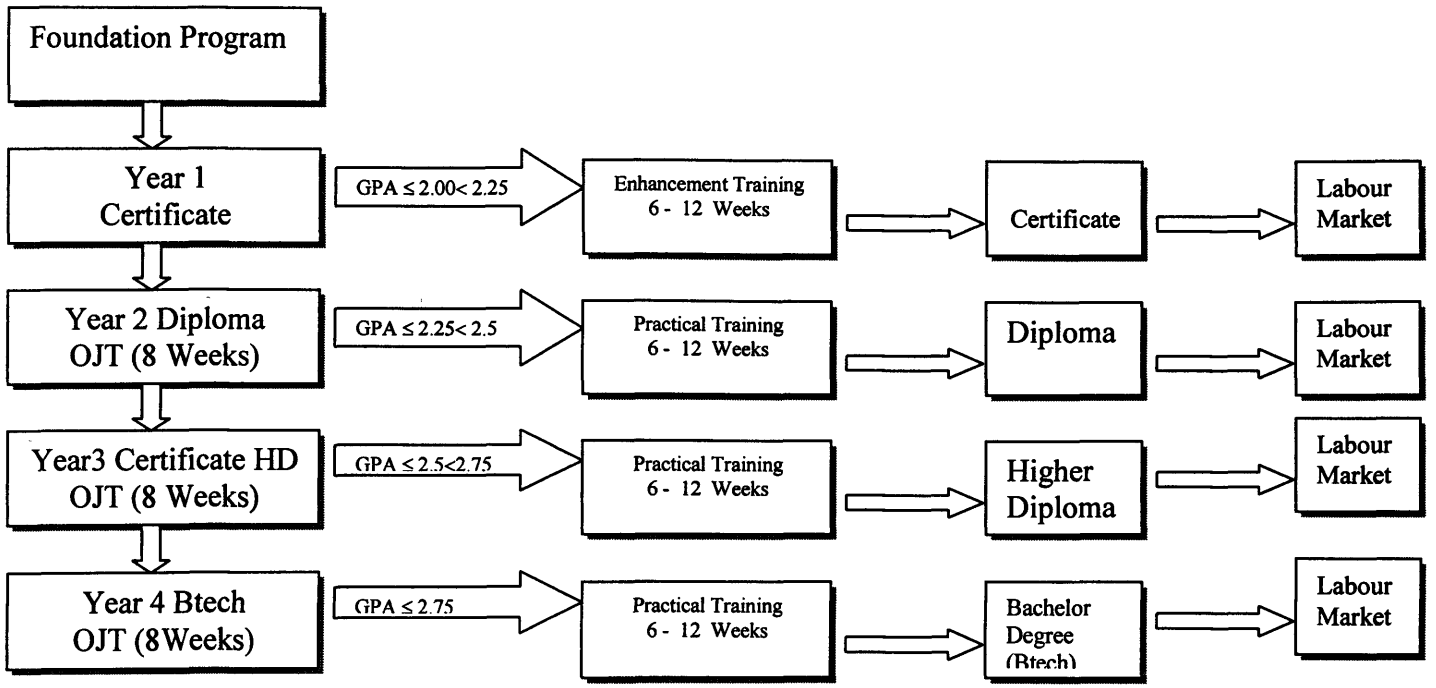
Some informants argued that more male students were enrolled as it was part of the culture, but some informants considered this matter as a gender issue. Informant D identified a cultural gender inequality and said:

> we take more boys than girls as a percentage I think 60 percent to 40 percent more, to give more chance for boys to enter the college and it is nothing to do with specialization at the initial stage. But culturally, the girls are not encouraged to specialize in the oil and gas, electrical power and mechanical engineering because they might be required to go and work in the desert such as Petroleum Development of Oman in Fahud, which as far as we know it is still not acceptable. However, in other specializations females and males are treated equally.

Students who graduate from the secondary school after completing twelve years with an average mark of 70 percent or above, are allowed to register with the Higher Colleges of Technology or any other colleges in their region. However, the criteria for enrolment and selection of the students for all government technical colleges and vocational institutes according to informants A, C, G and H were generally produced by the policy makers in the Ministry of Manpower. Informant G commented that:

> the quality of the students varies every year, and depends on the admission procedure and the distribution of the students into the college's departments according to the selection of both the students and the admission's department within the policy makers.

Figure 6.1 New Program Model
Source: Muscat College of Higher Technology (2004) College Prospectus.



The selection criteria and procedures are normally published in the local Arabic news papers prior to the enrolment dates. Generally, students are requested to submit their original grades report to any further or higher education institution and any government organizations for recruitment before enrolment. The disadvantage is that students can only apply for one place at a time. Consequently, in the academic year 2005-2006 a full programme timetable for enrolment in further and higher education, including some government organizations, such as the Royal Air Force College, was published for the first time to smooth the admission process. All informants made similar point that the policy makers determined the criteria such as the number of males and females for each individual programme, noting that priority is normally given to male students because female students normally achieve higher marks than male students. Informant C explained that the required male students' average mark is normally approximately 10 percent less than that required of the female students for application to be accepted. For example, if male students are required to achieve 75 percent as a minimum average mark, female students will be required to achieve 85 percent as a minimum average mark for the application to be accepted for the college admission. Informant F said 'there is a social implication here, because in most Arab countries, males are generally responsible for creating family, therefore priority is often given to male' (see Sultanate of Oman, 1995; Riphenburg, 1998; ILO, 2003). This was considered by informant C as discrimination against female students. All other informants suggested that males and females should be treated equally but their concern was that the colleges will end up with more female students than male students, thus producing more female graduates than the labour market can absorb in

these occupational areas. Informant B explained the period of enrolment that takes place during the year:

> the enrolment of the students into all technical colleges is now done twice a year, once at the beginning of the academic year and the second one in the second semester in January.

Informants D and F similarly thought that the current policy and procedure for selecting students to join the colleges of technology compared to previous years has been improved despite non involvement of the college management in the selection process. Establishment of an enrolment committee has brought this improvement and by introducing a system similar to Sultan Qaboos University where enrolment of students are treated equally. Informant C commented on the decision of the number of students enrolled in the college:

> the number of students and students' selection was a decision of the policy makers in the Ministry of Manpower, mainly the Chairman of the Board for Enrolment will decide how many students and which students are eligible for enrolment into the colleges.

It is important to note that those students not accepted in the government's further or higher institutions in the same year of graduation from the schools, will not be considered for enrolment in any of the following years. Alternatively, students can be enrolled in private institutions where they have to pay course fees. Informants A, E and F similarly thought that the private institutes accept any students because it is a business oriented sector. As stated in Chapter Five, the government provides

scholarships for students from poor family backgrounds to join private institutions, thus subsiding the private education sector.

6.7 Management Issues

I have chosen Deans and Assistant Deans as informants in this study so that management issues can be presented in a broader context and their anonymity were fully protected. Although, all informants were asked about their perceptions of their roles and what problems inhibited them from executing their leadership to function successfully, the Deans and their assistants reacted differently than the rest of informants according to the subject of discussion during the interviews. For example, informant C emphasized that the vision of the college was not clear, and stated that there was no person or committee that could be depended on to solve the college's daily academic problems. Moreover, he/she suggested that each department was running different things differently, which could affect the quality in general. As we all know, any organization has it own culture and issues. In Oman every college will have different advantages and disadvantages depending on the location, number of students, and number of staff and the environment of the region. On the other hand, Informant F said that 'we have a good senior manager (policy maker) who likes to discuss and overcome difficult problems'. Similarly, responded E provided an example of their relationship with their superior:

> we did not have a communication programme in our college which we thought it was very important in the technical studies and was required by the labour market, after the discussion with the senior management and our superior (policy maker) the unit was set up.

The joint UNESCO and ILO report (2002) explained that administrators should keep up to date with new administrative techniques and trends, such as the change of college programmes, facilities, policy and procedures. Informants A and F both stated that the college does not possess the proper policy and procedure for staff and students. For example responded F said: 'recently one of the students had a complaint and went directly to the Minister of the Ministry of Manpower without going through the proper channels. The matter was taken seriously by the Minister.' Informant A asked, 'if the policy makers wanted to handle the students' problems why do they not come and sit here or create a section in the Ministry to solve students' problems "you tell them" he/she said. Informant B explained that:

> the general feeling is that students have been allowed to have more power, for example if a number of students dislike a member of non-Omani staff for any reason despite his/her performance he/she could lose the job easily.

The general feeling of all managers was that their staff were under pressure in terms of daily teaching and other commitments with the development of a number of changes such as the establishment of a new college in the Al Shinas district. The process of getting the physical resources for the college was considered by all the informants not to be a big issue apart from the delays on delivery. Although informants A, C, H and F similarly thought that they do not have control over the budget apart from petty cash only, but according to informant C the Ministry of Manpower has a plan in the future to give the full responsibility for the budget to the colleges. It was noted that those who were in support of the new policy for new

programme had a good understanding of the new system due to a link and more assistance provided directly from the policy makers who were responsible for the colleges. For example, informant D was given the responsibility of designing the new college in the different region. Similarly, informant B has been a member of very important committees such as the Omanization Committee, and the National Curriculum Development Committee. It was noted that management staff who were not involved by the policy makers in the different committees were not happy with management practices, were predominantly those with more experience, higher positions and being longer in their same job.

Some suggested that the staff with less experience should be gaining their experience on their specializations. Informant A clearly indicated that this was a waste of resources because the teachers who were just starting to settle in were given different responsibilities, out of their scope of work. He/she suggested that their actual job would not be given 100 percent effort, and consequently the quality of teaching and the output of the college would be not as expected. In other words, a case was being made for new teachers to be primarily concerned with teaching and not be given management or leadership responsibilities. This indicated the maintenance of a hierarchical management structure and not towards more distributed styles.

6.8 Staff Issues

The joint report UNESCO and ILO (2002) stated that:

> to ensure a high quality of technical and vocational education, priority should be given to the recruitment and initial preparation of adequate numbers of well-qualified teachers,

> instructors / trainers, and administrators, and to the provision of continuous professional upgrading throughout their career, and other facilities to enable them to function effectively' (p.41).

The Higher College of Technology has a mix of different staff, technicians, teaching staff and administrators. Since the college was opened in 1984 it has gone through management changes with a total number of six deans recruited over 21 years, five of whom were Omani nationals and one expatriate. The Omani deans have all progressed further on the ladder and became policy makers for technical education and vocational training in the Ministry of Manpower.

All informants suggested that there is a shortage of Omani teaching staff although Informants A and C similarly explained that there was a plan to recruit university graduates to be sent for Master degrees and PhDs, but this needs time. Informant A also commented that a problem with Omani staff who have completed their PhDs is that they do not have any industrial experience which is one of the important objectives of the college for delivery of quality teaching. Informant F also said that their expectations of the Omani PhD staff were too high suggesting that 'they want to run before they crawl'.

Oman is not a unique country with the problems of staff shortages.

UNESCO (1991, p.50) stated that:

> in developing countries, there is a general shortage both of suitably qualified teaching staff and of teachers with relevant industrial or commercial experience.

For example, in Yemen a neighbouring country sharing part of the border has similar problems as mentioned by Al Shami (2000), where teachers of technical and vocational subjects are not subjected to a special preparation process appropriate to the nature of technical and vocational teaching. Moreover specialised institutes for training technical teachers do not exist. Many Arab countries employ large numbers of technical teachers and trainers who do not have practical experience and lack learning and training skills (Al Naib, 1997). Informants A and G similarly argued that the Omani staff, particularly the technicians were excellent, but the teaching staff were lacking in experience. Although their ability was excellent and they were very hard working people and that is why they have been given responsibilities such as head of departments or higher positions in the college. Informant G said that one of the Omani female staff in her department who recently achieved a Masters degree was excellent and had some practical experience.

UNESCO (1991) explained that the quality of education in general and the outcome of learning in particular cannot be improved without teachers of good quality. All informants pointed a shortage of manpower, such as lecturers and technicians but a sufficient supply of material and equipment apart from the library, which is small with limited resources. A majority of the informants had general concerns about the recruitment procedure of college staff. This included the involvement of selecting the staff. Informant E stated that:

> we are no longer involved in the selection of our required staff, the policy makers select, and interview and recruit the staff. We only get the name of the staff to be included on the list for administration purposes.

Informant A described the method of recruitment used for the last four years as a 'disaster', it is a 'disaster' he/she repeated and added, and 'we do not have any input in the selection of staff recruitment'. This policy and practice of centralised recruitment and allocation of staff is, like the selection and allocation of students, another example of where individual colleges do not have freedom over what they do. This further limits the ability of college managers in meeting the particular need of the college and achieving its vision.

6.9 Omanization Issues

His Majesty Sultan Qaboos bin Said stated that:

> your country calls upon you to perform your duty with faith and discipline, to sharpen your skills, to increase your resources and experience and tirelessly develop them. We are a society that is used to hard work and it is not our style to be lazy or negligent, but to responsibly and honestly carry out our obligations. This is the only way we can achieve progress and utilise the modern technology available to us (The Royal speeches of H.M. Sultan Qaboos, 1970-2000, p.155).

The heart of the Ministry of Manpower agenda is Omanization across the country. The colleges that were under the umbrella of the Ministry of Manpower were considered to be examples of the government's success in implementing the Omanization process. According to college prospectus (2004), based on the evaluation, these colleges have been striving since their inception in 1984 to deliver the required knowledge and skills of students, required by the Omani public and private sectors. The documentation provided shows that semi-skilled and skilled

levels were Omanised by 90 percent. The rate of Omanization on the teaching staff was less than 40 percent. Informants A explained that:

> the Ministry of Manpower will send abroad for further training in MSc and PhDs approximately 30 Omanis this year. This means it could take up to five years for those selected to join the colleges.

In addition, the government will ensure a better quality of those selected by providing work-experience before joining the colleges (MCHT, 2003). Consequently, the Omanization process was felt to be slow. A Majority of the informants were prepared to protect their staff due to familiarization of the new programme that was implemented. Apart from the dean of the college, it was evident that there were no expatriate staff in the administration of the college. However, Informant A confirmed that there are expatriate academics and technicians with better qualifications, experience and are more committed to work. The comparison between the expatriates and the Omani workers is not fair according to informant A. In addition he/she said that:

> Omani workers in this college are advantaged, if you look at the Omani technicians they are committed, they are disciplined, but the academics have the problem of being a teacher because it is a new experience. In addition, after the teachers have obtained the PhD they think this was the end, and they do not want the teaching post, and this is the mentality of Omanis, and this is the fact.

After all, a certificate is just a piece of paper which neither nourishes nor satisfies, 'some people in today's world have many certificates which they just use so that they can show off' (The Royal speeches of H.M. Sultan Qaboos, 1970-2000, p.217).

Omanization is the main issue here. Since the establishment of this college there were no plans of Omanization and it is evident that there are members of expatriate staff that have been in the same post for more than twenty years. Informant B argued that:

> there is a problem of attitude here, one must address, one must be frank and honest about it, one example took place in our college, as the Ministry of Manpower decided that all services and maintenance personnel must be Omanis such as carpenters, electricians, plumbers. Although some of these Omani workers were trained in the training institutions and under the supervision of the Ministry of manpower, they lack not only the experience but also commitment to work.

Overall, informants' accounts show mixed views and mixed experience, regarding the employment of Omani and expatriates, and mixed attitudes towards the need for Omanization in the college, for example, some with industrial experiences and some without. The fact is that there is an overall shortage of teaching staff and Oman is not unique in this nor for its need for expatriates.

6.10 Labour Issues

The government conference on Oman 'Vision 2020' emphasised the need to develop human resources to sustain the growth of the economy and to create an appropriate atmosphere for the enlargement of a competent competitive private sector. The Omani government view the private sector as the vehicle of growth and development where the larger employment creation and absorption of Omani population in gainful employment is more likely to occur (Ghailani, 2002).

According to an unpublished college document, (2002), the government has been calling on the private sector to join the colleges to develop an appropriate programme to meet Omani labour market requirements. In addition, a survey of the labour market was carried out to pinpoint the specializations required so that they would be introduced in the study programme of the colleges (College Prospectus, 2005). The survey highlighted the need for skilled technicians in technical fields such as telecommunications, information technology, computer network, mechanical engineering to name a few. The college invited employers to participate in the development of the curriculum according to their requirements and to help the college understand the standard and the quality of technical education required by the labour market. The employers emphasised the need for industrial experience to be incorporated in the curriculum. Informant E stated that:

> we have a very good relationship with the private sector, there is a board in college that consists of members from different specialisations in the private sector, such as oil and gas industry, mechanical specialists who advise the college on the skills required and on-job-training.

All informants confirmed that the current programme delivered in the technical colleges have been generated in consultation with the employers around the region of Muscat.

Informant H added that:

> generally we receive good feedback from the employers and their suggestions for improvement are normally discussed in the College Board, but if major changes were required it will be dealt at the ministerial (Ministry of Manpower) level.

A college document shows that a number of committees were established in 2001, which included members from the private and public sectors. The aim of these committees was to produce the jobs available for Omanis with skills required appropriately. For example, the telecommunication committee produced the requirement of the semi-skilled and skilled technicians.

According to informant G, during the first ten years of the college operation it was easier to find job placements for students because a majority of the graduate students were easily recruited. Currently, training providers face the challenge to find placements in the private sector, because almost all government's further and higher institutes, including private colleges compete to place their students for work experience in the government and private sectors (Dooley, 1997). Informants D said that:

> we do have concern with the implementation of the new programme in relation to the enhancement practical training and on-job-training with the employers especially in the private sector, it is a challenge to the college management and the policy makers.

Informant G presented the plan, the number of private sectors with respect to the number of students) which has been undertaken by the college that has shown a significant shortfall of placements for the year 2005-2006 students. Perhaps rather hopefully, informant D was confident that the policy makers will deal with this problem when the time comes. In the meantime, a special section in the college will be created so that students could do their practical training as part of their programme. Also, an industrial committee was established (see Chapter Five) to

ensure the link between the college and the private sector was good enough to maintain the requirements of both interests (College document, 2003). Informant A and C similarly thought that the students in this college compared to the other four colleges in other regions was far better. Informant A added that the environment and the location of the college provide an opportunity to the students to be exposed to the surroundings of the private sector. It is evident that the college has taken steps to make links with employers to ensure a good fit between the training of students and the needs of the local labour market. A growing issue, however, is in the area of the placement of students for on-the-job training and failure to secure this might mean that future employees are disadvantaged. Unfortunately, the college does not record data to illustrate the extent of the success of students at the college in securing relevant employment.

6.11 Quality Issues

Theoretically, the quality assurance mechanisms in the college have been created by the policy makers in the Ministry of Manpower to ensure that the system was standardised across all the departments in the college and also across all other colleges so that students in different regions receive and achieve the same technical education. Informant D said that 'all colleges have an internal quality control system that was implemented in each department'. According to the minutes of one of the departments of the college, the quality of teaching in any educational organization must be based on the resources both human and physical; the integrity of individual practitioners in the college was one of the measures of quality control. Each

department has an internal verification system that was common to all other departments.

Also informant H placed students into one of three categories; first, the student who possesses a good level of English language can gain knowledge and technical skills easier and faster; second, those students who are weak in English and who could not learn the technical skills; third the student who was not geared to technical education despite the level of the English language and who does not have an ability to learn. There was a general complaint on the standard of the students' English language by informant E and G. According to informant E, the English department in the college has been created to provide a high standard in the English language but some students do not find learning in a second language easy.

Informant H argued that:

> the mission is to prepare our students to achieve English proficiency that will enable them to meet the requirement of the specialist department and the labour market. This is reflected in the course we offer. In the post foundation level, we offer courses like business communication, technical writing, public speaking, all these are enhancing the skills of the students in the specialization and after they join the labour market.

Informant H further explored that the English standard in the college was divided into three levels, elementary, intermediate and advanced, where some students may achieve the standard required to start the technical studies during the first term. Few students are usually dismissed due to their level of English language. For example, as stated by informant C, 125 students out of 750 were dismissed for different reasons and only 35 students among those dismissed were not competent in the English

language. The use of English language is inevitable because it is the language of science and engineering and in the private sector in Oman it is used as the main language. However, the quality of the technical education provided can be determined by the external sources as the indicators for the evaluation. Scheerens and Hendrinks (2001), presented the following examples of different sets of indicators for interpretations of quality and outputs in education:

a. quality in terms of participation and graduation rates
b. quality in terms of levels of attainment in key subject-matter area and competencies
c. quality in terms of distribution of education 'goods' that is equitable over sub-groups of the population
d. quality in terms of levels of financing education
e. quality in terms of human and physical resources and instructional technology that meet more or less explicit standards of educational "good practice" or which may be seen as having the potential to foster educational success (pp.105-106).

Apart from the policy makers who are the superiors for all colleges, there is no other external body to oversee the implementation of the policy and procedures created by the Ministry of Manpower.

Until then, feedback from employers is the main source of quality measures that was depended on by the policy makers. As indicated in the employers' issues section, the involvement of the employers to develop the curriculum according to their requirements should help the college to understand the type of standard and the quality required by the labour market, although informant A thought that the involvement of the employers was a political issue more than educational. However,

the government was keen to improve the technical education and vocational training at as high a standard as possible to achieve the goal of 'Vision 2020' and the development of human resources. Finally, according to informant B, progress has been made by the government under the Ministry of Higher Education towards the development of common quality controls for all further and higher educational institutions in Oman and it will be under the accreditation body established by His Majesty the Sultan Qaboos in 2003.

6.12 College and Policy Maker's relationships

The Ministry of Manpower is responsible of all government technical colleges and vocational training institutes including all the private institutes as previously mentioned in Chapter Three. All the college policy provided by the Ministry of Manpower must be implemented in technical colleges. Recently the 'By Laws' were introduced in the technical colleges, that states, all policy and procedures, articles of association, job description, formation of different committees with the members concerned. All informants were fairly content with the relationship with the Ministry of Manpower except informants A and E who had some reservations, suggesting that the policy makers were too young with less experience compared to those in other countries. Informant J was concerned that the changes for better can only be achieved with time and if any system has to be changed it must be piloted. Informant I added that the new system has been implemented throughout and we are facing a number of problems. For example, recruitment of the staff, relationship with the private sector for students placement. According to informant D:

> the current policy makers are far better compared to the previous, for example the Minister personally provides a lot of support to these colleges, he visits the college quite often and watches us doing our normal work and this of course is a good relationship.

Informant H had a different view and said:

> we do not have direct communication with the policy maker, our direct communications are with the dean of the college and college comes under the Directorate General of the Technological education, and this directorate is part of the Ministry.

This was also suggested by informant F who saw the chain of command through the college dean, but he/she said that sometime he/she has been asked by the policy makers to do some tasks. However, informants E similarly explained that any new system by default will have some 'glitches' but these could be resolved as the programme was developing in 'on going basis'. Some informants felt that the new system should be appropriate after the complete cycle was achieved. The main issue of concern from all the informants in the new system was the enhancement, practical training, on-job-training and staffing. Informant E mentioned that:

> this matter was raised by all colleges and the policy makers were aware and we hope that action will be taken as the time approaches.

As in any country the policy makers such as the Ministry of Manpower are always under pressure from the public, politicians, employers and other government organizations in relation to the development of human capital and fulfilment of the requirements of the labour market. However, it seems the new programme as shown in Figure 6.1, should benefit the students and community. Furthermore, it was pointed

out by informant I that the current arrangement of the programme was considered premature for comment on success until the students complete the full cycle of the programme. In addition, it was not clear to all the informants if the students will be allowed to go back to the college to continue their study once they have joined the labour market. Informant C commented that in the previous system nothing like this was accepted. The only government institution that has this system embedded in their policy was the Sultan Qaboos university. The policy of re-taking the students back after they have been employed was considered by majority of informants as a forward step with the greatest potential to successful transformation of the productive and skilled Omani nationals. Informant G explained that:

> this policy should help those who failed to be employed should be able to create their own employment or open their own business as entrepreneurs such as building maintenances which includes plumbing, electricians, brick work etc.

Although all informants agreed that the policy makers produce all the policies and procedures, the interpretation and implementation of these polices and procedures depended on the college conditions such as the management of the college and the support provided by the policy makers. It can be noted that although policies were available, the procedures were not always implemented accordingly. As Informant A explained:

> most of the policies are recorded on paper but when you come to reality anything can be bent, for example, assessment procedures are not followed by all the departments as it should be, even the recruitment and promotion of staff sometimes can have question mark.

6.13 Conclusions

Before drawing specific conclusions, the data provided by informants I and J, that is managers from other colleges, are drawn on. This provides a useful way of assessing the extent to which the issues and powers identified at the case study college are wider spread. For example, the discussion on quality control, Informant J argued that:

> there is a discussion or proposal about getting accreditation from the international bodies such as News-eland and Canada. In addition, we have been using the quality control procedures followed by these countries to prepare for the full implementation after the accreditation.

Informant I also suggested that:

> to improve the quality of students, a description of the job in each outcome of the programme, required to be specified so that skills and type of knowledge for the programme was clearly identified.

It is self evident that VET colleges continue to have a vital and central role in the achievement of Omanization policies and especially, in meeting the needs of the Oman labour market, including the growing private sector. Much might depend, therefore, on the knowledge and dispositions of those who occupy positions in VET colleges and especially those in key leadership roles. So, the extent to which college managers understand and are sympathetic to the policies and processes of Omanization, is likely to have an impact on the curriculum design and the range and nature of the student experience. In effect, college managers act as 'gatekeepers' who in different ways can accept and reject new policies or, more likely, mediate them in ways which they feel disposed towards.

Colleges and those who work in them continue to witness changes in VET provision. Although it continues to be modelled on other countries, including Britain and America, there is growing recognition for a more bespoke system to fit the changing needs of the Oman. So for example, the GNVQ modelled on the British system was replaced with the Omani National Diploma. In 2002 a five level qualification, supposedly taking into account the interest of private sector employees was introduced. Thus, a further demand on college managers is to respond to an ongoing changing agenda in which the needs of private sector have been brought to the fore. From the account of the college managers it is suggested that:

- The selection procedures for Universities and Colleges inevitably mean that students with lower academics achievements are directed towards a vocational education, thus underlying its second class image. Moreover, even though females normally achieve higher marks than males, priority is given to males in what is seen as a gendered labour market.

- Some informants thought that these was a lack of a clear vision on the part of the college and also a lack of clear policies and procedures. Furthermore, as yet, colleges are not in full control of their budget.

- There is a shortage of Omani teaching staff and, for all, a lack of recent and relevant industrial experience. Moreover, as yet, there is no specialised initial

or in-service programme to facilitate the transition form practitioner to teacher in VET colleges.

- Selection and recruitment of staff is made by the Ministry of Manpower, not by the college, nor with any input from the college, thus limiting to ability of managers to achieve college goals.

- There have been improvements with respect to involving the private sector, such as sharing ideas about quality and standards. Employers continue to emphasise the need for industrial experience to be incorporated into the curriculum, but there are difficulties in securing sufficient placements.

- The college has no data on students' transitions into the labour market, such as the numbers entering employment, the type of employment entered into or any information about whether former students or their employers think that the training provided has been relevant or useful.

- The majority of those interviewed thought that there were good relationships with the Ministry of Manpower and some gave examples of recent improvements which were at too early a stage to evaluate.

- Omanization is only one of the problems faced by college managers. Not least, they are tied up with the day-to-day running of the college and teaching students.

Chapter Seven

Case study 3: What employers want

CHAPTER SEVEN

Case study 3: What employers want

7.1 Introduction

Outside the Oman there is an extensive literature which identifies the sorts of skills and abilities that employers look for in college graduates. Much of this points to gaps between on the one hand, knowledge gained from providers operating in a qualifications driven market and, on the other hand, the supposed needs and expectations of employers who operate in a labour market where there is a demand for more generic knowledge and skills (Jephcote and Salisbury, 1996). (see Ashton et al., 1999; Regini, 1995). This is, of course, congruent with the wider debates about globalisation, previously discussed in Chapter Two. Skill is not simply a question of technical competences acquired through formal education and training, it also includes an ability to 'learn how to learn' as a lifelong activity, so for example, in the UK employers now attach importance to teamwork, creativity, and self-management skills (Brown et al., 2001).

In the Oman there has been little research into the needs of the labour market. Rather, the rhetoric of Omanization makes self evident the claim that young Omanis must prepare themselves for work in the private sector. Quoting His Majesty Sultan Qaboos bin Said (1992), the Ministry of Information continue to assert that:

> the private sector will be the main beneficiaries of the Omanization that can thus be implemented. The private sector must energetically fully participate with Government in preparing Omanis for their role as a productive force in the national interest. The Omani youth

> must demonstrate a serious desire to work, to make use of any opportunities which are open to them in the private sector, and not waste their time waiting for vacancies in Government employment different from those in which they have been trained. The country is in serious need of their efforts in innumerable fields. Their skills and energies are wasted if they do not apply them-selves to this demand (Royal Speeches, 2000, p.155).

Against this background this chapter discusses private sector employers' perceptions of students who have graduated from Technical Colleges, Vocational Centres and Training Institutions. It focuses on the arguments concerning the relationship between the supply and demand of Omani labour in the private sector. It also highlights the problems of the Omanization process encountered by employers; (see Miller, 1997; Majlis A'Shura, 2004; Peterson, 2004) for example the quality of Omani nationals in relation to their vocational and technical education standards, skills, performance and attitude towards work. Overall, this points to the challenges that the private sector face and are further discussed in Chapter Eight.

7.2 The approach

This chapter presents a case study drawing on ten interviews conducted with employers from the Rusayl Industries Estate, chosen because of its location and because of its significance in 'spearheading' the Government's drive for Omanization and private sector provision. In addition, three interviews were from the financial services sector, also in the Governorate of Muscat. On one occasion two people attended the interview and in another three people attended whereas in all others cases one person attended. These additional people played a minimal role in the discussion, and contributed very little. Consequently, the data derived

from the interviews is taken from what might be regarded as the principal informants. A brief of the semi-structured interview schedule was sent to all informants prior to the interviews. The timings and the locations of the interviews were negotiated between the informants and the interviewer. A majority of the interviews took place in the companies' premises, one informant in his/her home during the weekend and another one in a restaurant. Employers were busy people. It took a long time to negotiate access and, 'at the end of the day', I was only too pleased to meet them on their own terms. At the end of interviews, some informants recommended names of other informants from different companies to be interviewed, and provided some published and unpublished documents such as company's booklets, leaflets, portions of news papers, magazines and reports. Similar questions were asked in all 13 interviews that reflected our hypothesis and themes, such as skill formation, human capital theory, and globalization (See Appendix Six). The case study is supported from the companies' documents, booklets, reports, yearly statistical reports, leaflets, government five-year development plans, daily local news papers, magazines produced by the Ministry of Commerce and Industry, Chamber of Commerce and Industry, Ministry of Information and Ministry of National Economy.

7.3 Some characteristics of the informants

All informants are well qualified and experienced in their field with different status and of mixed nationalities. The process of their selection was detailed in Chapter Four. So, as informant F stated that:

> all the fingers are not the same, some are longer and thinner than others, some are shorter and fatter than others, and therefore, all people are not the same.

For example, three Omani informants, a managing director, general manager and human resource manager were the only Omani nationals by default in this case study. To protect the informants' anonymity alphabetical letters are used as codes to present their views. Table 7.1 present the profile of 13 informants who were interviewed from the industrial and financial sectors.

Table: 7.1 Profile of Interviewed Employers

Informant	Nationality	Sector	Position	Experience / Qualifications
A	Omani	Industrial (Construction)	Director General	More than 25 years, MSc
B	Omani	Financial (Accountant)	Managing Director	More than 20 years, (CAA) Charted Accountant
C	Indian	Industrial (Metal Manufacture)	General Manager	More than 25 years, Degree
D	Indian	Industrial (Chemical)	General Manager	More than 25 years, Degree
E	Indian	Industrial (Electrical)	General Manager	More than 25 years, Degree
F	Indian	Industrial (Automotive components)	General Manager	More than 20 years, Degree
G	Indian	Industrial (Chemical)	General Manager	More than 25 years, Degree
H	Indian	Industrial (Fabrication)	General Manager	More than 15 years, Degree
I	Indian	Industrial (House hold goods)	General Manager	More than 20 years, Degree
J	Indian	Financial (Bank)	Manager	More than 15 years, MBA
K	Indian	Industrial (White goods)	Ass. General Manager	More than 15 years, MBA
L	Indian	Industrial (Heating and plumbing)	Ass. General Manager	More than 10 years, Degree
M	Indian	Financial (Bank)	Manager	More than 15 years, MBA

We should remind ourselves that the companies indicated above are all public limited companies and the persons interviewed were holding managerial positions. What is striking from this small stratified random sample is that eleven of the 13 managers are Indians. This is typical of the broader picture in the Oman in that 80 percent of managers in private sector are non Omani (Ministry of Economy, Yearly Statistics, 2005).

7.4 Background

In working towards Omanization and economic diversification the Government began by setting up some light industries such as food, paper packaging and then moved on to the medium and heavy industry such as electrical, chemicals, aluminium products, poly products and cement. That has already happened. Next they moved on to more advanced industries and have established several sites (Ministry of Information, 2000). These developments started a long time back. As explained by informant A:

> Oman's economic development started a long time ago, before the oil was discovered. But, if you look at the post-oil economy, especially with the new leadership of His Majesty, the economy has got very specific characteristics such as a complete oil based economy and in late 1980s, the diversification of economy started.

The emphasis and the encouragement of the government for economic diversification from oil dependence is demonstrated by the growth in the private sector. For example, in 1970, the share of private sector in Gross Domestic Product (GDP) was 31 percent and in 2004 increased to 35.6 percent (Ministry of National Economy, Statistical Book, 2005). According to the seventh five-year

development plan, the Minister of National Economy in the Economist Intelligence Unit, September 2005, stated:

> the government will boost private-sector investment and increase its non-oil source of income. Sectors that have been targeted for development in the new plan include fisheries, manufacturing and tourism (p.15).

In relation to the development of manufacturing, which is the main process in the industrial estates, the government set up the Oman Chamber of Commerce and Industry (OCCI) in 1973, to promote and encourage the industrial and commercial private sector and to protect the economic development interests of the country (Ministry of information, 2003-2004). The Chamber of Commerce and Industry has a number of offices locally and internationally, such as offices in the different regions Nizwa, Ibra and offices in Johannesburg and Taipei to name a few. In addition, the government established industrial estates in the different governorates and regions of Oman, such as the Governorate of Muscat (Rusayl) and Salala (Reysut), and the regions of Al Batina (Sohar) and Al Dakhiliya (Nizwa), to support the diversification of the economy. Informant D explained that:

> the government encouraged the private sector especially in the manufacturing sectors by providing some facilities that will speed up the growth of non-oil revenue, such as low price of possessing the industrial plot, soft loans with much lower interest and lower Omanization's rates than required by the government.

In 1983, Rusayl industrial estate was the first industrial area to be built by the government in Oman and was operational in 1985. It has a prime location in the

capital area Muscat, is close to Seeb international airport and approximately 45 km from the centre of the capital area and the port Mina Sultan Qaboos. Rusayl industrial estate has a total number of 107 firms in operation and five more under construction, with over 40 projects being evaluated (Al Ghorfa, 1985).

The importance of these developments is asserted by the Ministry of Information, who in 2002, stated:

> the factories in operation are producing chemicals, electrical and building materials, paints, textiles and garments, computer stationery, aluminium products, car batteries, steel assemblies and poly products. Amongst the many other services provided, an important feature is the nearby housing complex for over 1000 workers, complete with shops, supermarket, cinema, mosque, leisure centre and football (Ministry of Information 2002, p.120).

Furthermore, in 1993 the government also established the Public Establishment for Industrial Estates (PEIE) by Royal Decree No.4/93 (Oman Observer, 3rd January 1993, p.1). According to the AlGhorfa (1985), the PEIE has been responsible for developing and managing prime industrial land in all industrial estates. It operates under the directorship of the Chairman of the Board of the Minister of the Ministry of Commerce and Industry.

> the PEIE's role is to work closely with the Ministry of Commerce and Industry, the Oman Chamber of Commerce, Omani Centre for Investment Promotion and Export Development (OCIPED), permitting and regulating utility providers and others to develop partnerships that assure business success. Moreover, it assists companies in assessing infrastructure needs, reviewing incentives available for projects as well as helping firms market and promote their products (Ministry of Information 2000, p.108).

According to the Ministry of Information (2003-2004) OCIPED is a quasi-public sector organization whose objective is to promote investments in the Sultanate of Oman and to promote non-oil Omani origin exports (p.120). Consequently, the development of the private sector has continued to grow tremendously, including the encouragement of foreign investment into the Oman economy. Informant A explained that:

> there has been effort in the industries, there is effort in the tourism, in the services, there has been tremendous effort in the commercial and the services sectors, there is efforts in the simplification of procedures, there has been efforts in allowing or encouraging foreign investment, there have been efforts in setting up a legislature, which is very, very important.

7.5 Labour Issues

The Ministry of Manpower is the main regulatory body that determines employment policy and training for the private sector. For example, Oman Labour Law issued in accordance with the Sultan's Decree no. 35/2003 article 114 states that:

> any employer who fully allows any of his / her employees to work with another employer will be punished by imprisonment for a period not exceeding one month and fine not exceeding R0200 (equivalent to 777 US Dollars), for each employee or by one of these two punishments and the punishment will be multiplied by the number of the employees in respect of whom the breach has been committed. Such employer may not be allowed to bring into Oman any non-Omani employee for a period not exceeding one year (http://directory-oman.com/labourlaw.htm).
>
> .

The above law on salary applies to Omani employees and the rest of the law is for foreign employees. The aim was to encourage the private sector to employ

Omanis because the number of 'job seekers' continued to increase. Informant A explained that the problems started to 'pop-out' in 1990 during the oil price crisis which was a 'wake up call' for the government on several critical issues, such as the increased number of graduate students.

The development of the economy towards the achievement of the 'Vision 2020' has given an opportunity for growth in the private sector which has created more employment for Oman. For example, between 1993 and 2003 the number of Omanis working in private sector rose from 27 percent to 37 percent, while in 2004 there were some 44,930 job opportunities, including 8,002 through the Sanad programme that was established after the first National and Manpower Employment Symposium for entrepreneurs held by order of his Majesty Sultan Qaboos in October 2001. By the end of 2005 a total of 98,537 male and female Omanis were employed in the private sector (Ministry of National Economy, 2006).

However, every year students graduate from different institutions such as schools, vocational colleges and universities. For example, the number of students who graduated from secondary schools in 1995 were 30,000 compared to 56,000 in 2006. Sultan Qaboos University announced to enrol approximately 3000 students and six government technical colleges will enrol about 5000 students. It has been estimated that if the private Universities and Colleges can provide an additional 3000 places, approximately 20 percent of matriculating students will be able to follow further or higher education studies. In addition, 4000 training places will be available through Ministry of Manpower programmes such as operation of heavy equipment, hotel and tourism and retail sales. Similarly, 8000 opportunities

will be available for students who wish to join the Sanad programme to train young Omanis to become confident entrepreneurs (see IFC, 2005; Dechant and Al-Lamky, 2005.

It is evident that there are not enough training places for everyone, although the Ministry of Manpower is certainly a driving force. There remain an untold number of young people who drop out from different institutions without acquiring qualifications. The problem is worse for young women given that the proportion of women in the private sector workforce is approximately 18 percent, and that women may not get the opportunities that young men do (Oman Economic Review, 2003).

The rest of students will have to join the labour market. Subsequently, unskilled and semi-skilled jobs are available, but are not preferred by many young Omanis. His Majesty Sultan Qaboos stated:

> we call upon Omani youth to take advantage of every opportunity in order to be able to place up to any tasks assigned to them, since work is both an honour and an obligation, and more over, enjoined upon us by Almighty God (Ministry of Information 2001, p. 143).

Here, support came from the highest authority to encourage Omani nationals to accept any opportunities available to gain experience through on the job training. Of course this was accepted by a majority of young Omani men and women. According to Times of Oman:

> the labour market has witnessed a marked increase in participation of men and women in economic activities.

> Also, the process of globalization has forced governments worldwide to strengthen the private sector for the generation of employment (Tuesday, 2005, Dec 13th).

Skills can be gained through work experience or on-job training, and as the economy expanded more jobs were created in the private sector. Thus, the government has continued to plan for more training to produce skilled people to furnish the labour market demands. In 2000 the Ministry of Manpower stated:

> the conception of more jobs was planned to achieve the expansion of the economic activities, such as the establishment of the new companies and new projects in the different region so that the employment is distributed across Oman. This approach has shaped different employees' skills to be required by the private sector at different levels. For example, the current establishment of polypropylene plant in Sohar will require different skill levels of employment (Times of Oman, 2005, Dec, p.3)

Meanwhile, the expansion of economic activities and higher growth rates led to a concomitant rise in the number of firms, which, in turn, boosted the demand for workers (Ministry of Manpower, 2005). At the same time, however, the Iraq war has increased oil prices in the region and production of Oman oil was decreased from almost one million barrels per day to an average of 800 thousand barrels per day so that the rise of the oil price rewarded the oil income (Economist Intelligence Unit, 2005).

Similarly, informants B, suggested that:

> the number of projects such as the development of more private sector companies have been established which required more employees with the different skill levels.

> Despite, the oil production, continues to be the main source of income for Oman.

As stated in Chapter Three, the government has continued to encourage and implement the diversification of the economy such as tourism and privatization of the government companies such as the Oman Telecommunication Company. In 2001, the International Monetary Fund (IMF), stated:

> the sharp increase in oil revenue in recent years has not deterred the authorities to develop and expand more resolutely on economy reforms, particularly privatization (p.5).

The establishment of new industries in different regions has produced a large gap of employment and created a demand for new skills at different levels required by the labour market in Oman. For example, there is a shortage of workers skilled at manufacturing and production. Consequently, employment mobility has increased and, as witnessed in other countries, the tendency to recruit those with skills needed by 'poaching' them from other employers. For example informant B said that 'employment mobility is not a problem as long as we all become competitive, we pinch employees from somebody else'. He/she added that:

> Petroleum Development of Oman had a rule that within oil industry they should not pinch from each other. However, when this happened, the government said no, it will be a free labour market; if you want to retain your employees you become competitive and pay them well.

However, staff turnover in financial services such as the banks is much less compared to other private sectors such as oil companies and industrial estates.

Informant J (an employee in the financial sector) explained that, 'fortunately, we have a very low staff turnover rate, it is 1 percent, the majority of the employees leave the job because of religious reasons, both Omanis and expatriates'. Banks are considered by informants J and M to pay the highest salaries and provide continuous training so that they can retain their staff.

In some occupational areas such as clerks, administrators, computer operators, primary school teachers there is a surplus of Omanis labour so that the government is now encouraging Omanis to work in the neighbouring countries such as Qatar. It is argued that there are number of jobs for Omanis that have been advertised by the Ministry of Manpower on the local news paper such as teaching, engineering and technicians.

7.6 Skills Issues

The private sector employers in this case study stated that they required employees with attitudes and skills towards work such as appropriate behaviour, personality, commitment and an ability to learn, as well as, technical skills needed to perform given tasks such as health and safety and basic shop floor skills. Employers in the industrial sector reported that they needed workers with some practical skills that could be obtained during their education such as assembling, dissembling and welding. Employers in the financial institutions stated their concern that new employees such as the college graduates do not have the skill to communicate effectively with customers.

It is a mis-conception to think that all expatriates are highly skilled or operate at high management levels. Expatriates, who are considered to be migrants into the

labour market of Oman, are mainly between 18 to 35 years old. Most expatriates originate from rural agriculture communities such as India, Bangladesh, Pakistan and a majority are semi-literate or illiterate, unskilled or semiskilled and most are male. But housemaids, nannies, nurses, and secretaries are mostly females (Country Profile, 1997). There are major notable individual features between the expatriate and the Omani skill distributions. From 1985 to 2000 Omanis dominated the upper level of skills such as leadership and managerial positions especially in government organisations and financial services in the private sector while expatriate mainly Asians from the Indian sub-continent dominated services, agriculture and production related jobs, where Europeans were employed in technical, scientific and managerial occupations.

PricewaterhouseCoopers, 2004 described that:

> a large number of Asians are employed in either menial jobs that are not in demand by nationals such as household services, sales and factory workers, or in jobs that are difficult to be done by nationals due to their lack of experience in certain fields, e.g. machine operators, maintenance and repair of electric and electronics machinery (PricewaterhouseCoopers, 2004, p.135).

Skills of employees in Oman can be separated into five categories: high skilled, skilled, semi-skilled and unskilled; and five echelon; managers, technicians, operators and ancillary. The purpose of expatriates' availability is to close the gap of skills required by the labour market. Article 18 of Oman Labour Law states that employees must possess the professional qualifications or technical skills or the qualifications required by the country. However, a majority of informants are concerned about expatriates who are semi-skilled and unskilled.

Informant A explained that:

> a lot of expatriates come here without any skill, therefore they start to learn because they have willingness to develop themselves. Once they become skilled it is natural to acquire more skills and retaining their jobs because they are learning more and more skills. But we have Omanis who are willing to learn the same skills but they are sitting waiting for government jobs.

Informants J, in the financial services, similarly stated that Omani employees have various levels of jobs in financial services and have proved to be very successful. In addition, it was noted by both informants J and M that Omani employees were excellent at managerial positions and good at other levels such as accountants, cashiers, and administration and information technology. Furthermore, they commented that the employment turnover rate is very low in the banks and financial establishments.

However, the industrial employers had different views and opinions on Omani employers compared to the financial services. A majority of informants, mainly industrialists, classified Omani employees according to the nature of their jobs such as drivers, office helpers and public relations officers. Some informants such as informants C, E, F and G, classified Omani workers as 'frogs in the well' which means that the Omani employees, especially unskilled and semi-skilled workers, do not have a vision for their future. Informants B, C, D, G and J, similarly thought that unskilled and semi-skilled Omani employees are lacking in seriousness of commitment, proper work values and are not willing to gain skills. On other hand, all informants in both sectors complemented the work ethics for the Omanis who are high skilled. Informant A, similarly stated:

> the quality of some Omani workers depends on their purpose of selecting the job and nature of the work in the factories, but higher skilled Omani employees such as engineers and high level technicians have a good quality of work ethics.

It is clear that the different type of skills required by the labour market differs from one sector, to another. For example in the financial sector, particularly the banks, there are a number of expatriates and Omanis who are in high skill and skilled labour categories. However, in other sectors such as the manufacturing and services the skills varies from unskilled to high skilled labour where most of skilled labour are expatriates. Retail and service provider employers prefer expatriates because they are considered to be ready made with the skills, cheap and almost trouble free.

Informant B claimed that:

> because we have luxury of readymade accountants from nearby countries such as India, Pakistan and Jordan who are qualified, experienced, cheap and can work in shifts, so why should I employ unskilled college graduate who will require more salary and time to learn.

Most graduates from further and higher institutions are recruited in the civil service sector. Currently a large number of Omanis are employed in the public sector.

As the Economic Intelligence Unit stated:

> Omani nationals make up over 75 percent of the government labour force, but a much smaller proportion of the private sector labour force. Expatriates, particularly from Asia and the Indian subcontinent, fill most unskilled, low paid jobs, as well as a substantial number of middle-management positions (https://store.eiu.com).

As the economy in the Oman continues to grow the labour market demand for skilled workers and semi-skilled also grows. Some informants suggested that expatriates will always be required to work in Oman according to the change of the work skill in the different sectors especially the growth of telecommunications and other advanced technologies. The Oman economy continues to grow but not proportional to the growth of population, thus, expatriate manpower will be required to close the gap. A recent report by the International Labour Organization (2003) stated that:

> the rate of increase of the population of Oman is higher than the rate of increase of its economy. This means that there will be less to share out between everybody in the future, unless each member of society has the means to become economically productive. It also means shedding expatriate employees who share the use of scarce land and water resources with the indigenous population, often paying less than the real cost of such resources. Most of Oman's expatriates are employed in low income, low productivity occupations (https://store.eiu.com).

Of course, given the number of expatriates employed at all levels and more to the growing possibilities for expatriates we should not be surprised at the findings of a World Bank report. This report on sustainable growth and economic diversification for Oman, stated that private sector expatriate employers revealed a tendency for linguistics or cultural reasons to favour their own nationals over Omanis when hiring new workers (Oman Review Economic, 2003).

7.7 Omanization Issues

Despite the criticisms by the majority of employers about the Omani workers, there was clear evidence that the government continues to emphasise the Omanization process by imposing the plan provided by the sectors' Omanization

committees established by the government, such as the Telecommunication and the Administrative Committees. The number of Omani employees in the private sector is increasing. For example at the end of 2003, 131,936 Omanis were registered with the Public Authority for Social Insurance and at the end of 2004, a total of 151,640 Omanis were registered making an increase of 13 percent.

Informant A added that:

> Oman had the benefit, the nature of this history before 1970 merits the benefit of human resources. The people who were educated and gained experiences in other countries before the new era have contributed to economy development such as running different ministries, businesses and many other institutions.

Invariably, there is always a sector of society, which remains unqualified and unemployed, and consequently poor. Informant L said that 'recently the government forced all jobs for supermarkets, shops and drivers to be Omanized which forced expatriates to sell their shops and vehicles'. Consequently, non-experienced Omanis utilized the opportunity and took over the small business. Currently, the Omanized jobs were considered to be successful according to the social indicators and government reports.

It was found from the majority of the informants that the Omanis working in the private sectors were considered to be 'government job hunters', in other words, in a transition period until a job was found in the public sector. Informants D, E, G and J agreed with informant F who said that:

> majority of Omani employees, semi-skilled or unskilled will leave the private sector if an opportunity was available to work in the government even if the salary is lower than the private sector.

The preferred reasons for working in the public sector were similarly identified by the informants C, D, F and G, such as working period, number of hours, long weekends, and longer public holidays compared to the private sector. In the public sector, employees may not be required to actually work more than nine hours a day and for a maximum of forty eight hours a week which shall not include the period specified for taking food and rest (Oman labour law, Article 68, 2003).

All informants agreed that the different working conditions between the public and the private sectors created willingness for unskilled and semiskilled Omanis in particular to choose not to work in the private sector. Informant, H, I and M similarly explained that because the working hours and official holidays are less in the private sector most employees such as drivers take more holidays especially during the Eid. Informant L said that government has to do something so at least the number of days for holidays should be similar to the public sector, which will encourage Omanis to work in the private sector.

In an attempt to keep the Omanization policies on target the Ministry of Manpower decreed that:

> any employer who does not comply with the prescribed percentage of Omanization shall be punished with fines equal to 50 percent of the average of the total salaries of the non- Omani employees, who represent the difference between the percentage of Omanization which will be observed by the employer, and the percentage which the employer actually achieves (Oman labour law Article 114, 2003).

The government has set Omanization targets for each sector within the private sector. The majority of informants gave an example in the manufacturing sector

where companies must employ 35 percent Omanis as the minimum requirement, whereas in telecommunications it is 55 percent. However, the banks have the highest percentage of Omani employees in Oman where the rate in some banks has reached more than 90 percent. The majority of informants thought that the manufacturing rate for Omanization should be higher so that employers were more serious towards national employment. In addition, according to informant C the rate was set up as a general policy and did not specify whether skilled, semi-skilled or un-skilled. Some informants explained that the Omanization percentage set by the government was abused by some employers in the private sector. Informant B similarly stated that:

> the government's Omanization percentage rates was abused by employing un-skilled Omani employees to cover the rate by paying less salary such as cleaners, drivers, helpers, operators, receptionists, and the policy makers closed their eyes and ears from it.

It is evident that any policy that is not clearly detailed can be mistreated without realising the consequences such as the overall increase of the Omanization rate in the lower or unskilled jobs. A majority of informants felt that the Omanization process could be achieved faster by putting more emphasis on Omanising high skilled labour such as managerial positions who in turn can then speed up the process of Omanization at all levels.

As informant D commented:

> the government should do more to make the Omanization process grow faster. I have been working in Oman as an expatriate for 19 years, do you think there are no Omanis to replace me? Of course there are; but without proper education and training, expatriates will continue to hold strategic positions in the private sectors.

Ten informants similarly thought that expatriate workers mainly from sub-continental countries such as India, Pakistan, Sri-lanka and Bangladesh are preferred to Omani workers. They suggested a range of factors such as lower salaries, longer working hours, working in shifts, working during the public holidays if required, better attitudes towards work ethics, more commitment, eagerness to learn to become multi-skilled, ready made with skills required, more productive, less cost on development training, easier to terminate their contract, reliable, and follow health and safety procedures.

Informant B stated that there was a clear lack of work commitment and seriousness among the young Omani generation which has created an 'unemployment vacuum', where newly graduated Omanis at different levels of skills and qualifications have difficulty in finding appropriate jobs in the private sector. In addition, young Omanis in general are considered to be choosy for their jobs with respect to the location and type of work. A majority of Omanis are recruited without any skills, but if they wish to gain more skills and pay they can work extra hours. However, Informant L stated that Omanis are not willing to work overtime where they could gain more experience and money. Informant H explained that industry is doing its part: 'you set up the norms, recruit and train to suit the particular field. Those who are committed move into particular areas and those are not normally drop out'.

Informant C explained that:

> the government commitment is there, the Omani's commitment is not there. That commitment will have to be built up through other ways, I think. There should be incentives, so that we can encourage them to feel this is

> their company and ultimately they are going to contribute to the economy.

The five year plan 2001-2005 on Omanization that was discussed during the three days second symposium on partnership in training and employment (in October 2001). It seeks to support and motivate young Omanis to take all obtainable opportunities to contribute to the nation building process and appeal to the private sector to participate an increased role in providing the citizen with employment opportunities (Ministry of Manpower, 2004). It is worthwhile mentioning that the first symposium held by the government in October 2001 helped find employment for Omani youth and created a new partnership between the public and private sectors.

Consequently, His Majesty the Sultan donated the establishment of Sanad programme to support the Omani youth to become entrepreneurs where the government provides funds for each individual up to approximately 14,000 US Dollars. In the second symposium the Ministry of Manpower announced the Omanization plan that would be implemented by the Sanad programme in sale of foodstuffs, vegetables and fruits, fish, meat and poultry (Times of Oman, 2003, February, Tuesday 4th). However informant F said that skilled people are not available: 'they don't want to be here for whatever reason, jobs are available, but the right types of Omanis are not available to fit those jobs'. Informant G also thought that 'the discipline of Omanis with the top level jobs is generally committed but the lower jobs are really the problem, but we are trying slowly to change their work culture'.

7.8 Training Issues

Training, or a rather a lack of appropriate training opportunities, are often seen by employers as a major problem. As in some other countries, such as in the UK, some Omani employers did not tend to think that the provision of training was their responsibility. Rather informant H stressed that the education system should include more practical approaches where students can learn different skills required by industry, for example, they can be carpenters, welders, fitters, electricians and plumbers and therefore training should focus on a practical approach.

It was suggested by informant D that students should be doing work-experience in industry at least 'to have a feeling of what it is like when wearing overalls'. On the job training has not been easy in Oman. On other hand, informant B said, 'it is nonsense for staff to have these young Omanis coming in and trying to learn because they slow down their daily work and we ask them to train and guide them at the end of the day they are threatened to loose their job'.

Informant B explained that the private sector is already contributing to training, for example, every company is charged by the government an equivalent of 260 US Dollars to recruit an expatriate employee per year. Given approximately 500 thousand expatriates, 130 Million US Dollars per year is collected through this system, so why, he asked 'should the private sector do more for training?'

However, a majority of informants were keen to train young Omanis if they are committed and have the right attitude to help the process of Omanization. Informant I said 'training is essential for the young Omanis' and they should be

trained so that they can become operators, mechanics, plumbers or electricians because these jobs are much in demand. Of course, young Omanis will not consider undertaking any of the jobs listed above because the work culture has to change. A few young Omanis might attend training to become mechanics or electricians but after training they will be looking for different jobs. Although, it is evident that government has been successful in training young Omanis who achieved Omani NVQ to work the petrol pumps. By 2000, 12,213 men and 4,748 women were enrolled on OVQ courses at private institutes in different courses such as carpentry, sales, and tailoring (Ministry of Information, 2003-2004). In addition, the Sanad programme has also continued to train more young Omanis so that they can run their own business or become entrepreneurs. Some employers expressed their views on the training quality and procedures that was undertaken by the young Omanis. Informant C argued that the students who were graduates from the vocational training institute were far better than school graduates on attitude, commitment and understanding of the practical work. Informant D praised the VET graduates on their skills based on their specialisations such as welders, fitters, electricians and carpenters. Moreover, the majority of employers were happy with the technical colleges graduates compared to school graduates but they were concerned on the lack of interpersonal skills such as team work and communication skills. Informant E commented that:

> technical college graduates possessed better English language, better behaviour and willingness to learn but they do not have work experience or attended any industrial experience during their studies in their college and they do not prefer to work in the private sector for longer period, thus they continue hunting for the government jobs.

He/she added that, 'they do not stay in one company for long they continue searching for better jobs elsewhere which makes it difficult for us to train and prepare them to take over the jobs from their foreigner counterpart'. Informant H said that:

> we want graduates who have their skills on their hands and be able to integrate in the industrial communities so that more experience can be gained such as team work, commitment, communication and understanding of other nation's working culture.

Informant L commented on the quality of the Omanis who do not have practical ability but are interested to learn can be counted by the fingers. He/she added that no Omanis want to do plumbing jobs but they do not know how much money can be made out of it and he/she said 'so far I do not know any Omani who is a plumber'. Furthermore, in the banking sector all informants were happy with the quality of the college graduates including their interpersonal skills but they were not happy with the NVQ graduates such as those who attended the accountant and administrative courses. Informant M argued that NVQ was a failure in Oman because it did not fit into the Omani training culture. Some informants argued that the graduates from the private training institute that was allocated at the industrial estate were better skilled than the graduates from the government vocational institutes because they had a close link with the industry. Informant B expressed that:

> the college graduates were now far better than previous years especially those who were graduated from Muscat higher college of technology.

The majority of informants thought that since the technical colleges programme included industrial experience, it was argued that before attending such training students should be prepared and equipped with appropriate knowledge that will help integrate their college skills into their industrial training. For example, awareness on health and safety policy and procedures, team working especially working with foreigners. A majority of employers expected young Omanis to have a fair amount of knowledge and skills such as communication, information technology, team work, health and safety and commitment towards their work and respect their foreigner colleagues so that they can benefit training from them.

7.9 Conclusions

This Chapter has drawn on documentary sources together with the views of employers in the private sector to specify the challenges that the private sector is facing, particularly the Omanization process which is on the top of the policy makers' agenda. The development of the Oman economy towards the achievement of the 'Vision 2020' has given an opportunity for growth in the private sector which has created more employment opportunities for Oman and Omanis. Thus, employers in the private sector present their views on what they are, that is, an expression of general consensus and individual views. The importance of such views must not be ignored since they reveal the basis on which these people are at the heart of implementing the government policies such as Omanization.

However, employers in the private sector understand that Omanization is the key factor in implementing policy that is the government's top priority. Thus, much might depend on the willingness and disposition of those holding high status in

the private sector particularly those with full authority. For example, in the financial organisations more than 90 percent of the jobs are occupied by Omanis. Furthermore, the private sector has continued to witness changes in policies which sometimes could be ambiguous. It is evident that any policy that is not clearly detailed can be abused, such as employing young Omanis for lower or un-skilled jobs to satisfy the Omanization percentage. Moreover, the private sector demands ready made skilled Omanis to be employed to replace the expatriates.

Together employers indicated a number of important points. In short these are:

- The expansion of the private sector is seen as pivotal in the process of Omanization and central to this is the need for more employment of young Omanis in the private sector.

- Employers in the private sector demand skilled manpower for Omanization, although the majority of expatriates working in the private sector are un-skilled or semi-skilled and their age range between 18 to 35 years.

- Although the government urged employers to participate with government in preparing Omanis to join the work-force in the private sector, there is serious lack of articulation between employers, government organisations and colleges to consolidate and fulfil the Omanization goals.

- The government has set general Omanization targets for different business sectors which is open to abuse. Thus, employment of unskilled Omanis

could only be used to satisfy the requirement of Omanization target. Despite that Omanis are expected to prepare themselves to enter the labour market in the private sector. On the other hand, government is expected by the private sector to contribute financially and physically train and raise the skills of Omanis.

- The majority of employers generalised the characteristic of the young Omani employees towards working in the private sector. For example, they demand that Omanis must be equipped with the attitudes and skills towards work such as appropriate behaviour, personality, commitment and an ability to learn, as well as, technical skills needed to perform given tasks such as health and safety and basic shop floor skills.

- Employers in the industrial sector reported that they needed workers with some practical skills that could be obtained during their education such assembling, dissembling and welding, which points toward implications for VET.
- Employers commented that colleges do not provide appropriate skill because they do not understand the requirement of employers in private sector.

- It is evident that there are not enough training places for everyone. The number of Omani job-seekers, 'the rejects', increases yearly, and there remain an untold number of young people who drop out from different institutions without acquiring qualifications. The problem is worse for young women because they may not get the opportunities that young men

do. Therefore, un-skilled and semi-skilled jobs are available, but are not preferred by many young Omanis.

- The expatriate workers mainly from sub-continental countries such as India, Pakistan, Sri-lanka and Bangladesh were favoured compared to Omani workers by the majority of employers despite their skill level and experience because of a range of factors such as lower salaries, longer working hours, better attitudes towards work ethics, eagerness to learn to become multi-skilled, reliable and easier to terminate their contract. Few employers claimed that they only recruit expatriate workers to cover the skill gaps.

- Employers from the financial organisations found that the Omanis who are holding high skill positions have appropriate work ethics compared to the un-skilled and semi-skilled employees such as drivers, clerks and helpers.

- Employers had no formal links with the colleges or vocational institutes, although, such links were seen by some informants as unnecessary, some thinking that the provision of training was not their responsibility, rather a lack of appropriate training opportunities are often seen by employers as a major issue.

- Some employers suggested that the education system should include more practical approaches where students can learn different skills and perhaps

attend work-experience in industry at least 'to have a feeling of what is like when wearing overalls'.

- An attempt to change the current working culture requires a long term solution and perhaps support through direct action, perhaps even through the legal process.

- Some Omanis who are employed in the private sector are considered to be 'government job hunters' waiting for the job opportunities available in the government. A majority of young Omanis are thought by employers to prefer to work in the government because of better wages, status, less working hours and job security (job for life).

- Staff turnover varies in private sector, for example in the financial services such as the banks is much less compared to other areas of the private sector.

CHAPTER EIGHT

Discussion

CHAPTER EIGHT

Discussion

8.1 Introduction

This chapter discusses the relationship between policy makers, training providers and employers. Specifically, it draws on their perspectives to further explore what we have learnt, substantively and empirically. The human capital approach is contrasted with 'skill formation' as a way of exploring and explaining the differing perspectives of those who make up these three groups. Briefly, on the one hand, the human capital approach points to an explanation of engagement in education and training as an individualistic pursuit, giving rise primarily (but not only) to the individual in terms of better careers and economic and societal futures. On the other hand, skill formation links investment in education and training more to a consensual or collective view, where the outcomes are of benefit to the wider society and economy. Brown (2001) explained that the 'human capital approach reduces individual workers to a bundle of technical skills that are fed into the economy' (p.13).

In this chapter we explore the similarities and differences between those representing the three groups in relation to education and training. For example, we want to know whether and to what extent the differences within and between the three groups facilitate or limit the development of education and training, and the processes of . In particular, we are interested in the articulation within and between them and in the policies, practices and outcomes these produce. Also, as part of this, we are interested

to see to what extent the policies and outcomes are more or less working towards a human capital approach or skill formation conceptualisation of Oman society. That is, the extents to which policies lead to practices and outcomes which are, in the longer term for the benefit of the individual or the benefit of the wider society.

8.2 Skill formation issues in Oman

The government of Oman has invested heavily in education and training. Chapter Three detailed the development of the education system in Oman from three schools in 1970 to 1046 schools in 2006 with a total number of 580,000 students. In addition, the number of vocational training centres and technical colleges has increased from 2 in 1984 to 10 in 2006 with a total number of 6500 students.

The development of human resources has been an important issue since the decline in crude oil prices in 1998 when the government of Oman felt that it was necessary to reduce the dependence on foreign workers by developing local human resources to meet the needs of employers (Budhawar et al., 2002) (see Al-Maskery,1992; Al-Ansi, 1994; Aryee, 1994). In the public sector high level managerial jobs are occupied by Omanis, more so than in the private sector. However, in the banking sector almost all types of skills are possessed by Omanis, whereas in the other private sectors such as the service and industrial sector a majority of high skilled, semi-skilled and unskilled jobs are occupied by expatriates. In the banking sector the rate is more than 90% (Central Bank of Oman, 2006). In addition, the Omani government supported the development of private universities which has increased the competition for professional and managerial occupations.

The education system in Oman has been going through changes in schools, further education and higher education. For example, as Chapter Three explained, the full cycle of the ten years basic education system that started in 1997 will be completed by 2007. The government has acknowledged that the system was more successful because the previous system does not allow students to fail or repeat the year. Moreover, the introduction of a post basic education system (two years above the ten years basic education system), started in academic year 2007-2008, will be completed in 2009. However, despite the education system in Oman being considered by policy makers to be successful, there is still an excess of trainees relative to the demands of the labour market, and a short fall in the level of skills acquired by them and that needed by the labour market. The lack of skills and competency for private sector jobs has been reported as a major impediment to local "national" recruitment (Rowe, 1992; Al Lamki, 2000).

Chapter Seven set out employers' views of the education system. However, the education system in Oman was considered by a majority of employers to have limited impact in raising skills levels to those required by the private sector. It was suggested that working behaviour, such as the commitment towards work was not acceptable by most of the employers participating in this study. In addition, transferable skills such as communication skills were assumed by all employers to be more problematic for school graduates. For example, the level of English was found to be poor. Employers felt that the attitude towards work was better among graduates of further and higher education. The majority of informants in each group agreed that the education system in Oman should be geared towards job specific skills. Currently, most informants see

that school based education does not help to improve job performance or create positive attitudes towards some kinds of work, such as semi-skilled and skilled labour. In addition, the general consensus of the employer informants in the private sector about the VET system was that they considered it to be reasonably good compared to the private and government schools which, they suggested, needed to be better directed towards the needs of the labour market.

Informants from the private sector confirmed that some form of training is already provided in-house for unskilled and semi-skilled employees such as basic operators, workshop assistants and painters. Informal training was judged to be inadequate by most of the employers in this study. But where training was more specialised and relevant it was believed to provide trainees with a better opportunity to enter the labour market. However, all employers preferred to recruit 'ready made' employees so that time and money is not 'wasted' on training. In turn, the recruitment of foreign labour is seen to have more advantages, such as lower wage costs and a willingness for long working hours compared to Omani workers. Although employers preferred to recruit foreign labour, most policy makers and some employers complained about the skills of all workers including foreign labour. They also expressed their concerns about the lack of training and 'seriousness' of Omani employees, such as attending work on time, and not following the instructions of their superiors. Some policy makers argued that some private sector employers, such those in the electrical repair sector, needed Omanis with practical skills. However, most policy makers felt that the training and the skills of Omani employees was average to good, while in the

private sector some employers described the Omani employees as a 'frog in the well', lacking vision and personal ambition.

Most of policy makers described newly recruited first-time expatriate workers as possessing poor or average skills but tending to learn faster compared to Omani workers. For example, they suggested that a plumber recruited from India would have experience of the Indian system which might be different than that available in Oman. In addition, the use of proper tools and the implementation of health and safety procedures are considered by most policy makers not to be essential by the majority of foreign workers. Therefore, after one year or so, the same foreign plumber might become an electrician, painter or brick layer by gaining their skills from their counterparts (on-the-job).

The Omani workers were described by some of the policy makers as 'tools without manuals'. At unskilled and semi-skilled levels, Omanis were considered not to have appropriate skills or the determination to learn, but skilled Omanis, such as the graduates from vocational training centres, technical colleges and universities were less problematic.

The majority of policy makers described the education system as poor at the school level and average or above average at post secondary. Also, the policy makers explained that education standards in the private colleges and universities were below average, because they are still going through development. The majority of college managers were concerned about the low standard of English, the lack of interest in

following VET courses and an inability to think 'outside the box' after a diet of rote learning in schools. Some college mangers thought that the 'rejects' of Sultan Qaboos University were the ones who joined VET courses to please their parents rather than to study to gain the knowledge and skills that would help them to enter the labour market. A majority of college mangers suggested introducing the acquisition of transferable skills in the schools to help the students when they join further education.

8.3 Evaluation and implications of human capital approach

Evaluation of human capital approach

The empirical information generated in Chapters Five, Six and Seven is discussed in this section in relation to human capital. The human capital approach was discussed in Chapter Two and was used to provide insights on policy makers', employers' and training providers' views on the education training of candidates for employment in the labour market. Here, informants' views are used to evaluate how the human capital approach can be used as a tool for the development of skills in Oman. Human capital was previously defined as the knowledge, skills, competence and other attributes embodied in individuals that are relevant to economic activity (OECD, 1998). It assumed that people who are more educated are more productive and are rewarded based on their educational achievement and productivity. Therefore, the economic success of individuals, and also of whole economies, depends on how extensively and effectively people invest in themselves (Becker, 2006). (See also, Roman, 1994; Fitzsimons and Peters, 1994; Fitzsimons, 1997).

Implications of human capital approach

Chapter Two explained that in the global economy there is a greatly increased emphasis on the importance of human capital for national success. However, the concept of human capital refers to the fact that people invest in themselves, by means of education, training, or other activities that raises their future income by increasing their lifetime earnings (Esland, 1991).

In light of the above, the Oman is no exception to this approach. Many in Omani society have taken full advantage of the educational and training facilities offered by the government in order to improve their social wellbeing and career prospects. However, the number of young Omanis who enter the labour market in the private sector after completing general school education has declined for reasons such as the expansion of further education in the public colleges and higher education in the private sector (see, International Conference on the University, 2001; Ministry of Higher Education, 2002). This decline might also be exacerbated by the establishment of further and higher education which has created an opportunity for Oman nationals to invest in themselves (human capital). Since the government has allowed the establishment of private educational institutions such as colleges and universities, the enrolment demand has been enormous. This is because less qualified workers from the middle classes have decided to invest in themselves in education to enhance their job prospects and social status. Equally, while some may agree, in principle, that educational success should be determined by talent, most parents will seek to maximize the benefits of education for their children (Lauder et al., 2006). However, we have shown that there are limited opportunities for students from

different social backgrounds to climb the occupational hierarchy. Our main discussion on the appropriateness of the human capital approach in Oman is discussed below.

Employers

A key element of 'Vision 2020' is the planned transformation and re-focussing of the national economy to encourage, support and develop the role of the private sector as the main driving force of the national economy (Al Lamki, 2002). It is argued that a human capital approach will benefit most employers and society, because individuals will have to prepare themselves for the world of work through education and training. This will be cost effective for employers in terms of training.

Indeed there are significant differences in the level of education and skills required by individual employers in different sectors, and the issue here is not to match what employers want, but to inculcate appropriate attitudes so that Omanis will accept jobs in the private sector that will lead to training and gradually raise the skills required to become productive.

Al-Jabri (2006) estimated that approximately 40,000 young people leave education at different levels and enter the labour market each year and there are more than 500,000 foreign workers. Therefore, it is a great challenge for the Oman economy to absorb such numbers into the labour market because they still require training to be skilled. However, the human capital approach suggests that if individuals are more educated they are paid according to their educational achievement and productivity.

Therefore, by investing in themselves through education and training individuals are able to increase their lifetime earnings (Brown et al., 2001). However, in Oman the reality is that employment depends not just on individual skills, knowledge, and experience possessed by the individual. As some informants in private sector companies noted, the most important determinant for a managerial or executive position is 'who you are' and 'who you know'.

Brown et al. (2001) suggested that it is individual 'employability' that determines the value of one's human capital. Despite the availability of an educated national workforce comprising graduates from general education, vocational training, technical colleges and universities, the trend in the private sector continues to favour foreign workers (Al Lamki, 2002). Moreover, most employers explained that the majority of graduates lack work-experience and skills required in private sector companies and, often, graduates from colleges and university preferred white collar jobs. Lack of coordination between the private sector and the training providers could be the main reason of contradictory expectations between private sector companies and young Omanis entering the job market.

Policy makers

The policy makers' response to unemployed Omani youth reflected social, economic and political concerns. However, the political dilemma of unemployed nationals was translated into an education crisis. One of the goals of Oman 'Vision 2020' is the development of human resources to improve the quality of human life including health care, education, labour, housing to name a few (Al Ghorfa, 2002). The 'Vision

2020' also stipulated the need for the further diversification of the national economy into areas such as tourism, manufacturing, agriculture, fisheries and financial services, and this diversification has created more employment opportunities both for nationals and expatriates. However, the different opportunities available in the labour market have reinforced social stratification and segregation where some are advantaged and other disadvantaged economically and socially. Chapter Two presented the ideas of Lauder et al., 2006 on how conflict approaches to education were developed to explain why educational institutes had fallen so far short of the meritocratic ideal by examining how the conflict between social groups can advantage the 'winners' and disadvantage the 'losers'. However, one of the implications that the policy makers face is the lengthening transition from education to work because of an unwillingness of youth to accept certain jobs and the opportunity to join further and higher education.

Most informants urged close links between the government, employers and training providers as to solve social and political problems in terms of education and training. Given the criticism of the more general philosophy of manpower planning to prepare and supply to match the demand of the labour market, (Psacharoupoulos, 1985), a more appropriate approach might be to develop the competences of young people through general education, which to an extent, permits them to move quite flexibly into opportunities which later may occur (Ahier and Esland, 1999). It is evident that the government has not been successful in meeting the stated needs of employers previously discussed in Chapter Seven and because some skilled and highly qualified young people may move away from their original job for which they were initially

selected. Most employers suggested that education should be linked with the world of work including generic skills such as communication, team work and information technology. Furthermore, some employers suggested that the VET curriculum should include on-the-job training. Leitch (2006) explained that on-job training in the workplace is a vital source of skills development and career progression, but some policy makers argued that qualifications are the main factor of measuring skills prior to recruitment.

Education and training providers

Education and training providers such as general schools, vocational training centres, training institutes, colleges and university are all directly or indirectly responsible for developing human capital. Chapter Five indicated a number of government organisations that are responsible for education or training such as the Central Bank of Oman for the college of banking, the Ministry of Health for nursing colleges and so on. However, having so many government organisations for similar purposes is not cost affective and might confuse the public, the return investment on human capital in general will be reduced. Furthermore, there is no formal link between these organisations which works to create and reinforce a form of competition between them, and reinforces specific rather than generic skills.

Despite government technical colleges having a link to one another through the same programme of study that has been developed under supervision of the Ministry of Manpower which is directly responsible for all VET, standards vary from one college to another. Some informants from the training providers explained that the difference

in facilities such as the number of laboratories, workshops and staff are the main reasons for such differences in standards. Perhaps another reason is the difference in regions where industrial areas and other private sector businessman are much less developed compared to those in the capital area.

Also, it was evident from empirical evidence that there is a lack of communication between the vocational training centres and technical colleges, whether government or private owned. This also includes lack of formal and informal dialogue between the general education, training providers and the private sector, which undermined the students and the trainees' awareness of the world of work through the development of work-experience prior to entering the labour market. In addition, staff relations were also found to be segregated based on the nationalities of the staff. For example, the expatriates from India and Asia communicate, mixed more among themselves. This could affect the performance and quality of education and training delivered by them. Indeed, it is surprising that this is quite common, particularly in the private sector. It might be considered as a threat to the expatriates if they socialise with others because they might reveal their future plans which might be jeopardised by the other participants. In fact, however, staff retention was found to be good because some expatriates have been working in the same college for more than 20 years. The government has put a great effort into skill formation in Oman through education and training and encouraged investment human capital in society. The government argued that trained youth should be able to do well in their job if an employment opportunity was obtained (Ministry of Manpower, 2005).

There are however, no tools for monitoring employees after they have obtained certain types of education or attended training in Oman. One of main reason for not using any mechanism to measure the return on human capital investment is that the government continue to be the main education and training provider and have no such procedures in place.

8.4 The development and problems facing VET in Oman

The development of VET

Since 1967 the Oman government has expanded vocational training in the oil production field. However, Chapter Three explained how vocational and technical education was introduced and developed based on the British vocational education system. There are four vocational centres and six technical colleges situated in the different regions of Oman. It is evident that the government of Oman has spent more money and effort to resource the education system at all levels. In Oman the VET system has gone through a number of changes. For example, in 1994-1995 GNVQ (General National Vocational Qualification) was introduced in the technical colleges and in 1996 NVQ (National Vocational Qualification) was also introduced but only in the private institutes. Oman was the only country in the world other than the UK, to introduce NVQ as the national system for vocational training (British Council, 2000).

The government funded NVQ programmes at levels one and two for students who completed the general secondary school certificate. NVQ is a competency based training that is assessed in the workplace with work related activities, and in Oman as

elsewhere there has been some doubt about whether colleges could or should offer them through simulated settings (CBI, 1994; Smithers and Robinson, 2000).

The government is fully responsible for providing education to all Omani nationals. It was noted in Chapter Three that the government coordinates and pays for competence based training and on-the-job training. The development and implementation of VET is the responsibility of the government. In Oman NVQs are delivered in private training institutes. Moreover, private institutes wishing to receive funding from government for vocational training had no choice but to offer the NVQ (Wilkins, 2002). In 2002 GNVQs were withdrawn for a number of reasons such as the nature of external examinations that included terminologies that could not be understood by the Omani students (fizzy drink instead of cold or soft drink) and students had to take some examinations during the weekend (Thursday and Friday) in Oman where in Britain was a working day. The curriculum which contained British legislation such as value added tax (VAT) was not applicable to Oman, and the external moderation system that was applied identically to British requirements such as number of visits to Oman was not cost effective. In deed, GNVQ's were and replaced with their forerunner, the BTEC Diplomas which was named Oman National Diploma (OND).

Problems facing VET

The introduction and development of VET in Oman has helped policy makers, training providers and employers understanding the dilemmas of VET and the demands of economic development such as, economic diversification from an oil based economy to a more industrialised economy.

According to some of policy makers the objectives have been achieved but with a number of serious on going problems, such as not fully meeting the demands of the labour market. In fact, as the employers also claimed, the education system has not been fully successful in meeting the demands of the labour market because the system was not planned with the employers to meet the labour market needs (Oman Economy Review, 2006).

Moreover, as the Omani government continues to diversify the economy from dependence on oil and develops other means of income, the result will be the creation of more job opportunities that will require the further development of human resources. However, the development and implementation of the VET system is still considered to be problematic and not keeping pace. Therefore, this section addresses the reasons behind such problems.

The empirical evidence shows that the purpose of VET is to prepare existing and future employees to meet the demands of the enormous economic development that is currently happening in Oman and more than ever in the private sector. One of the problems in VET is the sensitivity of the nationals themselves, whether they are policy makers, employers, employees, trainees or training providers. For example, the majority of employers acknowledged the need for more and better VET and they expressed a view that different work ethics and transferable skill have to be introduced into the curricula to help young Omanis to adapt into the world of work. Even though Muslim principles consider work to be part of 'worship' they are sometimes ignored.

VET is expected by a majority of employers to provide candidates with relevant qualifications, and to provide more job oriented training that will ensure an easy transition from a formal education system to the world of work. Thus, it should help the process to be achieved at appropriate standards and speed in the private sector. However, acceptance of vocational training among Omanis is still problematic because some are still not prepared to accept certain low paying jobs that expatriates are willing to do (Times of Oman, 2005) or jobs of lower status.

Most of the training providers felt that although the government has constantly emphasised the importance of VET, Oman society still considers it to be less prestigious than general education. Moreover, it is viewed by many in Oman society to be of a low-grade type of educational significance (Wilkins, 2002), while other forms of education such as, general education in the normal schools are thought to provide better opportunities in society and better chances for progression to further and higher education, to better wages and to a better status among friends and family. In fact, these are cultural and social pressures in Oman that lead parents to discourage their children from joining the vocational education system. Subsequently, family resources, practices and structures are the factors that strongly influence educational inequalities (Bourdieu, 2006). Even though the government drive the goals set to capture the thoughts and desires of many young Omanis, the majority of parents and their children prefer to join further and higher education such as Sultan Qaboos University to gain higher degrees. Indeed, Oman is not unique, for example, in Britain, vocational qualifications have not been valued as much as perhaps they should, compared to the other European neighbouring counties (Smithers and

Robinson, 2000). Furthermore, education is considered to be the pillar for success into personal life and lead to a more prosperous society. Collins (1979) explained that:

> education prepares students in the skills necessary for work, and skills are the main determinant of occupational success. That is, the hierarchy of educational attainment is assumed to be a hierarchy of skills, and the hierarchy of jobs is assumed to be another such skill hierarchy. Hence education determines success, and all the more so as the modern economy allegedly shifts towards an increasing predominance of highly skilled positions (p.7)

It seems that, in vocational education the two incentives of high social status and high wages are missing. In addition, most employers felt that VET programmes in Oman were inadequate to meet the needs of the private sector. Some of the college managers criticised the teaching staff of VET colleges stating that they lacked recent and relevant work experience in their field of teaching. As a result, the outputs were considered to be below the standard required.

Similarly, some informants from the private sector were critical of the lack of experienced teachers in their own field of work. If teachers or instructors are not well prepared to deliver the programme and relate to the real world of work in their relevant subject, using similar tools and equipment that are available in the industries, the quality of the students will be below the required standard and perhaps out of date, especially in a world of rapidly changing technologies. The gap between the needs of the private sector and the abilities of training providers is compounded by lack of development in the VET system in general. This means that the curricula were

not properly developed. On the other hand, the government has begun to involve the private sector in sharing ideas about quality and standards, working towards development of the new curricula for VET programmes.

Although the system in technical colleges is found to be flexible by having different exit levels based on the results obtained by the students, it is considered by the majority of informants from training providers as an easy option for those students who are only in the college to please their parents. In addition, students who opt out at an early stage of the ladder in the system are currently not allowed to go back to the college and complete their next level (Ministry of Manpower, 2004). Unlike the UK, the Omani system does not offer a 'second chance' to these young people and, in so doing, does not recognise the problem they might have faced.

Consequently, more cooperation and communication between vocational training centres, technical colleges and employers is necessary in order to provide the missing link between all sides. For example, the development of the curricula and the enhancement of on-the-job training could be better achieved through a closer dialogue between employers and college managers. The establishment of a formal forum for discussion and exchange of ideas between employers and colleges could be an important step forward, but might only come about if required by government (policy makers) after their intervention.

It is worth reminding ourselves that candidates who join the vocational education system are less academic because they opt out of the general education system. For

example, in year 2005-2006 there were a total of 2000 students in all four vocational training centres and less than 500 hundred candidates joined every year. Moreover, students who joined the technical colleges are the ones that scored lower grades, rejected from scholarships and entrance to the Sultan Qaboos University. It assumed that, the task of education was to 'filter out' those with the best brains and raw talent in order for them to remain and progress into higher education while others with less potential could be ejected from the education system into the lower levels of the labour market. Consequently, as previously mentioned, this issue raises segregation problems in a society where the majority of the candidates who follow the vocational route had lower academic performance in general education and are mainly from poorer families. So, it seems to be the care that in the Oman, as in other countries, that, vocational centres are known as places where 'youthful troublemakers' are sent to remove them from the regular education system (Collin, 1979) or to remove them from unemployment statistics. This partially accounts for the reason why the outputs of the training centres are low and are not performing according to employers' expectations. Furthermore, females are not allowed to join vocational training centres. Therefore, some gender segregation is an impediment to reform in education. Gender issues for employment and positions in society still exists (Al Ghorfa, 2003).

However, some policy makers claimed that a new system is planned which should allow vocational candidates to proceed to further and higher education, but will require more time to complete than those who follow the general education route. It was further explained that more academic subjects such as mathematics, physics and chemistry will have to be included for those candidates who wish to progress into

further and higher education. There are, however, limited opportunities for graduates of technical colleges to proceed to the Sultan Qaboos University. Therefore, the only route from technical colleges is to join the private universities where parents have to pay fees for their children, and this can not be afforded by the students from poor family backgrounds. Collins and Young. (2000) suggested that children from different backgrounds achieve different outcomes from school because they do not, in fact, receive the same schooling. However, in an attempt to compensate, there are approximately 2000 scholarships every year for the students whose families are on social security benefits. Those who do not, continue to fall through the net, but this applies only to those students who completed secondary education.

The government plan is to encourage school graduates and vocational candidates to continue their further studies so that a higher number of enrolments are achieved which might reduce the direct entrance to the labour market (Ministry of National Economy, 2000). Indeed, in the technical colleges the situation is better where the enrolment has increased from 2,500 students registered in academic year 2005-2006 to 4,500 students registered in academic year 2006-2007 (Ministry of National Economy, 2006).

8.5 Employment, training, labour market and process

Employment and training

Employment and training requires financial support. Since, the Iraq war started the oil price has been at its highest ever in the history of oil prices (Khaleej Times, 25 June 2006). Oman has an advantage by maintaining political and economic stability.

Although Oman is not as rich in oil resources as its neighbours such as Saudi Arabia and United Arab Emirates, the Omani economy is buoyant as a result of recent modernisation programmes (Owen, 1993; Budhwar et al., 2002). As a result, the Omani government has created economic diversification such as, an extensive privatisation programme for private sector development. For example, the privatisation of telecommunications and electricity and by introducing different sectors such as liquefied natural gas (LNG).

One of the main aims of diversification and the expansion of the private sector is to create employment opportunities that will also require more training for young Omanis. The general education system in schools in Oman is different from that of western countries. The students who graduate from schools are not prepared for immediate entry into the labour market due to a lack of practical experience. If we compare Oman to the United States of America, where vocational education courses or programmes are offered in 93 percent of the Nations' high schools at grade 9 to 12 (Lynch, 2000). The curriculum included subjects that have practical or life skills in relation to the labour market requirement, such as an introduction to computers, marketing, technical and communication, trade and industrial, consumer science to name a few (Levesque et al., 2000). However, in Oman the preparation for employment starts in post secondary education such as technical colleges. According to the Ministry of National Economy (2003), further and higher education students' enrolment should increase to reduce labour market entrance directly from schools. This has transformed the requirement of employers to credentialise employment. It is argued that some employers in the private sector such as financial establishments

demand certificates and diplomas for their recruits to satisfy requirements of the Central Bank of Oman regulations for jobs such as accountants and internal auditors. Private sector companies such as the oil industry have been coordinating training for the Omanis to provide appropriate skills for the oil industry. For example, Oman society for Petroleum Services (OPAL), an industry-wide alliance of oil and gas companies, has planned to train 5,000 young Omanis over five years and the Ministry of Manpower should find employment for those who complete the training (Oman Economic Review, 2003).

Human capital theorists regard education and training as a long-term investment. One of the aims of the 'Vision 2020' programme is on human resource development and upgrading the skills of the Omani workforce through all sectors including education and training (Ministry of Information, 1999). Therefore, from the discussion in Chapter Two, it is clear that, theoretically, there are several possible reasons that undermine the process of training, employment and investment in training. For example, lack of direct employers' financial support in the private sector to fund training for the acquisition of appropriate specific skills and knowledge which students will be able to apply in a direct way after entering employment.

Link between VET and the private sector

In Oman there are different types of companies. For example, government shared companies such as Petroleum Development of Oman (PDO) and Liquefied Natural Gas (LNG). Whereas large private companies are fully owned by public shares and

are listed on the stock market, such as Bank Muscat, Oman International Bank, Oman Cement, United Finance, Oman Filters, Oman cables to name a few.

These large companies have fewer problems in accepting the students or trainees for enhancement and on-the-job training because they have more employees than smaller companies. These companies also have a budget allocated for human resource development both for on-job training and off-job training. However, in this study it was found that the link between VET and small and medium firms is problematic. For example, no training budget is allocated for their employees and if is quite difficult for VET students to be accepted for work-experience training. Moreover, college managers were more positive to send their students for work-experience into the larger companies in the private sector such as the financial private sector rather than smaller private companies.

A number of suggestions were raised to encourage the private sector to provide training for VET trainees. For example, some employers suggested that trainee supervisors could be rewarded by appreciating what he/she provides and this could be linked to the performance management review cycle. Further problems were revealed by the training providers such as new skills which could not be applied appropriately in the real world of work in some of the companies in the private sector because of out dated machinery and technology. The private sector has also been criticised by some college managers for not taking advantage of the students or trainees particularly from the technical colleges and university. Moreover, some also raised another issue that candidates who are funded by the government in the private

institutions and allocated for such companies were not always monitored by their employers.

Because of better links between larger government companies such as oil companies (PDO), telecommunication (Omantel) and banks, they have fewer problems in providing training because most of these companies possess training centres on their premises. Moreover, coordination between such companies and VET is considered by some college mangers to have no major issues compared to the smaller private companies. The view of the college managers was that there were a lack of coordination between the government and employers, on the one hand, and between vocational training centres, technical colleges and the private sector on the other. However, the employers in the private sector have been left without updated information on training and according to the majority of informants from the private sector, most of the time they expect surprises such as to accept training of students or employing someone 'out of the blue'.

The government is under pressure to train and employ young Omanis. For example, if the government found that an Omani employee rejects a job, another replacement will be provided immediately and occasionally without informing firms. Some employers from the private sector believed that policy maker were spoiling young Omanis by providing job opportunities without suitable skills and that could affect the production and profile of the company. Lauder et al. (2006) presented the views that those who prove to be 'unfit'...should receive a minimum level of support, because

state leads to a 'culture of dependency' among economically disadvantaged groups that weakens their incentives to be self-sufficient (p.26).

Links and communication between employers in the private sector

Surprisingly, there are no such things like independent formal employer confederations in Oman. This might be due to the fact that industrial relations are not well established compared to Western or Asian countries (Budhawar et al., 2002). Instead, the link between employers is through personal relationship, although the government has set up a number of organisations that are under government supervision to bring employers together politically such as Chamber of Commerce, Committees and Public Establishment for Industrial Estates (PEIE) to name a few.

There is limited information on training or human resource development in the private sector, apart from the financial companies such as the banks which are under the directorship of the Central Bank of Oman, which requires them to provide information about training budgets and recruitment activities. In general some policy makers state that they believe the banking sector is more organised and well planned for their employees in terms of employment and skill formation for Omani nationals. In the banking sector, staff are motivated by attending seminars, conferences, short and long courses such as accounting diplomas and study for a masters in business and administration (MBA). Employment of nationals in the banking sector is the highest in the private sector, 91% in the local banks and 88% in the foreign banks (Ministry of National Economy, 2006). Given that the Central Bank of Oman is part of the government body, it was suggested by one of the employers from the private sector

that since the government is the main client for the private sector, it could easily adopt the central bank approach to coordinate the skill formation of their employees. This is happening in the oil industry under OPAL (Oman Society for Petroleum Services) but not exactly in the same manner as the banking sector.

Recruitment, training and retention

The Oman government has spent a considerable amount of money and effort to train and raise the skills of employees in the civil service as well as the private sector. The public sector remains the country's largest employer, thus, the drive to privatise and digitalise government services will almost certainly coincide with an end to any future large-scale state employment projects (Oman Economic Review, December 2006). It is argued that, Oman has started to experience employment retention such as skilled employees in the civil service seeking jobs in the private sector because of their higher salaries. Some informants from the private sector indicated that this trend might become more common in the near future because of many reasons such as increasing wages, improving facilities, personal challenges, mobility and continuous updates on the latest technology to name a few. Despite the recent 15% increase on the salaries in the government organisations, it was anticipated by some employers that the difficulties to compete with the private sector such as the oil industry, airline industry and international companies to keep high skilled labour such as engineers, practitioner and pilots, could only be overcome if they pay them enough and give them interesting work. However, the prestige of working in the government is likely to remain for some time among society because of the negative images associated with unskilled and semi-skilled labour, and because of greater security and prestige.

It was evident from empirical findings that the private sector has no access to government training centres or colleges while the policy makers accused the employers in the private sector of expecting the government to fund all the training including their employees. However, some in the private sector claim that they contributed to the cost of training by paying fees for recruitment of foreign workers (Times of Oman, 2003), but it was also claimed that the money allocated was not all used for the purpose of training. Furthermore, poaching among private sector companies was considered to be normal and staff turnover of the expatriates has increased compared to nationals because employees can transfer from one firm to another without conditions such as to obtain a 'no objection' letter from his/her previous employer (Ministry of Manpower, 2005). This is a natural consequence of free labour market competition. One informant stated that, 'it is painful to loose an employee who you have trained and raise the skill pretending that he/she will work here forever'. Overall, therefore, this creates a reluctance for employers to invest in their workers' training.

Parents' contribution to training

The future of the Oman economy continues to depend mainly on oil revenue. Arguably, Oman is a 'rentier economy' as stated in Chapter One. Thus, the development of the private sector will continue to be supported by the government as the main client, and the Omani government will endeavour to continue to provide training for the all nationals to fulfil labour market requirements (Ministry of Information, 2005).

According to the bank informants, parents' awareness in Oman on education has improved because more parents are borrowing money to enter the savings plan for their children's education. This is a clear indication and recognition of the importance of investing in human capital. Moreover, the government has been providing partial scholarships locally or internationally for the students who obtained lower attainment in the general education system. This might have an impact for those parents who cannot afford to pay for their children's education expenses.

Communication between employers and employees

In the public sector such as the Ministry of Civil Service, communication between government organisations has been successfully established in terms of training and further staff development. The government sector has established a complete system of human resource development including a recruitment strategy which is clearly identified and continuously advertised through the available media (Ministry of Civil Service, 1999). This was less common in the private sector. The most widely used method of communication between employers and employees in terms of training and further development was through an immediate or direct supervisor, followed by direct document, regular staff meetings, then by informal methods that may require personal relationships, mentoring, personal consultation and informal sub-groups at the workplace (Budhawar et al., 2002). Subsequently, training in the public sector continued to be a government priority to invest in skill formation so that the return is appropriate for the economic activity. However, in the private sector the scenario is different. For example, off the job training is considered to be a higher human capital investment where some larger companies such as the banks are prepared to train more

Omanis at different levels expecting that all other banks will do the same so that employment mobility can have less effect, while in manufacturing and industrial estates training is considered to be expensive because foreign skilled labour can be employed at a cheaper rate than training Omanis. However, as previously mentioned by some informants from the private sector, on-the-job training is more likely to happen in the private sector than off the job training unless the individual employees invest in their own further or higher education.

Labour market

We have seen in Chapter Three that the Oman economy is growing and the number of workers required by private sector companies is also increasing. Moreover, the direction of government privatisation has also made an impact on labour market competition, although, the government claimed that an adequate supply of labour force would depend on the growth rate in economic activity (Times of Oman, 2003a). This includes job opportunities for expatriate semi-skilled and skilled labour which is expected to increase. As discussed in Chapter Seven unskilled jobs will be filled by nationals only if such jobs are more widely accepted by Omani society. Similarly, fifty years ago, in the United State of America, young people with high school education did not want to work using their hands (Halsey et al., 1961). Much, therefore, will depend on whether or not the government can fulfil the demands for skills in the growing labour market.

The impact of globalisation on the private sector has created a challenge for the VET system with respect to the skills required by Oman's labour market. For example, organisations such as World Bank and WTO influence the development of skilled

labour and the introduction of a free labour market within the country. However, lack of a semi-skilled and high-skilled labour force in Oman influenced the introduction of foreign workers allowed to work in foreign international firms without infringing the policy. Arguably, Oman's initiative towards skilled and high-skill labour is to expand further and higher education to help the process. His Majesty Sultan Qaboos stated that:

> we are pleased, dear citizens, to express our satisfaction on the achievements over what has been achieved in the field of spreading higher education to different regions through the establishment of private universities that included colleges offering diverse sciences and art programmes that are needed in the country and which meet the requirement of the labour market, which is the ultimate melting pot that absorbs the output of educational institutions (Oman Tribune, 15 November 2006, p.8).

In addition, the Deputy Prime Minister for the Council of Ministers welcomed the speech above and said that, 'in Oman, like any part of the world, we have our challenges and we are doing our best to face them by taking all member of society in confidence and supporting the role played by them we are trying to find the best possible ways to solve the challenges' (Oman Tribune, 15 November 2006). Despite that some job seekers are unskilled and not willing to accept jobs, His Majesty Sultan Qaboos emphasised that expertise and skills can only be gained by remaining in jobs and he further said that, 'we salute all those who work diligently with persistence and dedication in any field of work that will benefit the individual and society' (Oman Observer, 15 November 2006).

Culture

Cultural identity, whether religious, racial, or regional can serve as an antidote to the complexity and harshness of the global market as the judge of a person's worth (Carnoy, 1999). Oman society is not unique in the way culture impacts on the choice of education, training and employment. For example, in the Kingdom of Saudi Arabia, administrative and managerial positions, medical doctors, and university teachers have the highest regard in the society (Al-Omair, 2003). In Chapter Six we found evidence that Omani students avoided vocational education and manual work because it is considered to be low status in society. However, this 'culture' is more widely considered to be the main obstacle to the development of manpower in the Arab world (ESCWA, 2001). It is evident from the empirical information that one of the reasons for avoiding vocational and technical education is the low status of manual work, (as described in Chapter Six). Vocational candidates have less opportunity to progress into further and higher education in the current educational framework. Therefore, VET candidates have a better chance of employment in the private sector than school graduates. To this end, there are no shortages of solutions to such problems because social habits and beliefs are difficult to change (Al-Omair, 2003).

However, the Omani government should broaden awareness of the challenges of the globalisation to the individuals and employers in the private sector to minimise the above problems. Some policy makers indicated that few programmes are available to encourage individuals to participate in the development of the economy, such as the

entrepreneurship through the Sanad (government support) programme which is promoted through the media, conferences and exhibitions.

Some informants from technical colleges explained that, although the government has made a great effort to increase the enrolment of students into vocational training and technical colleges, it remains nevertheless culturally unpopular. It is suggested by college mangers to increase awareness of parents, students and employers of the importance of vocational training and technical education.

Foreign labour issue

The private sector labour market in Oman is dominated by foreign workers from unskilled to high skilled. The issue of foreign workers has an influence in the development of the Omani economy. For example, one policy maker explained that the income and the wages paid to the foreign workers are transferred to their home countries which affect the economy of Oman. Therefore, labour competition in the private sector can be considered to be intense.

We have seen in Chapter Seven that foreign workers are cheaper to employ, often better skilled and have more positive attitudes towards work than Omanis especially low-skill and semi-skill employees. It was also found that some Omani employers preferred to recruit foreign workers. The government has been successful in imposing the regulation of localisation in a number of jobs such as supermarkets, retail sales, and transport which tend to be low skilled, and untrained. Furthermore, larger firms in the private sector recruit only skilled foreign workers to fulfil the government

policy in recruiting expatriates. However, policy and regulations can be twisted to suit the purpose. One solution suggested by policy makers is to make foreign workers more expensive by increasing the current labour levy. However, if the above expense is imposed, smaller private companies and society will be the ones to suffer. Thus, it is not an economic issue but it is to a certain extent a political one.

The development of the private sector has continued to grow and create different jobs opportunities at different levels. Most employers from the private sector companies noted the need for a flexible and adaptable workforce to suit the labour market requirement, focused on the development of transferable skills which are considered applicable in more than one context, such as core skills, core competences, personal skills and personal competence (Kemp and Seagraves, 1995). In this respect, employers advocate a need for generic rather than specific skills demands in line with employers in other countries. Specific skills however, tend to be less transferable between occupations. Most occupations use a mix of different types of skills.

A majority of employers in the private sector view as a way of promoting and sustaining economic development. However, on the other hand, some policy makers viewed is as a threat to the majority of key foreign workers who have held higher positions in the private sector for more than twenty years because they claim that there are no skilled nationals who can take their jobs. Some of the informants from the private sector, however, blame the policy makers for not preparing as indigenous Omanis cadre to replace such positions. This might be seen as a cooperative responsibility, therefore all private sector employers should include in their corporate

mission and strategy and this should be done professionally without the effect of the standards and quality of work, performance and productivity (Al Lamki, 2002). Some policy makers emphasised that where possible human resource managers should be among the first posts to be Omanized to support the recruitment of the Omanis in the private sector.

Some informants from the private sector however, described that young people in the Gulf countries lack discipline, do not respect their superiors, do not want to do dirty jobs, are neither semi-skilled nor skilled, cannot make changes and they do not understand and lack responsibility to work. One informant from the technical colleges explained that employers will have to accept these young Omanis as we accept our own children despite their behaviour or ability to listen and follow their parents instructions, suggesting that we should teach the young people to 'learn how to ride' a camel but not 'to ride without learning'.

8.6 Omanization

All neighbouring countries talk about localisation, for example the United Arab Emirates 'Emiratisation', Saudi Arabia 'Saudiasation', Kuwait 'Kuwaitasation', Qatar 'Qatarisation' and Bahrain 'Bahrainasation'. Since they are all Gulf countries and share similar problems it has become 'Gulfisation'. The challenge boils down to this: Is it merely a process of replacing foreign workers with locals or is it an exercise in manipulating numbers and statistics (Al Lamki, 2002). To some extent both are possible. For example, some private sectors employ unskilled Omanis to fulfil the target rate. Some informants from private sector companies explained that the employment of Omanis sometimes can be used to fulfil legal requirements. For

example one informant said 'I employ nationals and pay them monthly without attending the job so that I don't get any distractions on my production'.

Culture

One private sector informant described how most of jobs, including manual work, agriculture, fisheries, and food retail were filled by Omanis until the late eighties, when a new generation started to reject the inheritance of their father's work. One policy maker stated that private sector companies are predominately managed by expatriates who have developed an expatriate's oriented culture and ethos. Therefore, it is important to 'acculturate' and prepare Omanis mentally, intellectually and socially for private sector employment (Al Lamki, 2000).

Some informants from the private sector explained that some Omanis from rural areas such as Bedouins experience a culture shock on entering a work environment where they are asked to wear overalls, safety boots and safety helmets. Most college mangers also claimed that English language is the main method of communication in the private sector in Oman, which is considered to be one of the barriers for unskilled and semi-skilled workers. While policy makers argued that expatriates' philosophy has become part of the working culture in private sector companies in Oman, they also have negative attitude towards young Omanis that could effect the employment of Omani nationals. Another policy maker described expatriate workers in the private sector as 'mafia'.

Globalisation

Globalisation is an economic phenomenon, the effects of which spread from Western countries and now affected the world. (see Stiglitz, 2002; PricewaterhouseCoopers, 2004; Rizvi and Lingard, 2006; Olssen, 2006). In a period of powerful competition due to economic liberalisation and globalisation, countries that want to survive and succeed need to think more carefully and logically about managing and training their human resource (Al Lamki, 2002). It is argued that globalisation was viewed as a combination of opportunities and indigestible. However, the majority of the informants thought that the impact of globalisation can not be ignored in Oman, particularly in the expansion of the economy world wide. It is argued that Oman has a strategic location in the Gulf countries and it should take advantage to position its self in the global world.

For example, some policy makers suggested that Oman should be leading the production of skilled manpower in the Gulf region such as, Omanis school teachers and administrative workers were encouraged by the Ministry of Manpower to work in neighbouring countries such as Qatar to support Gulfisation. However, the majority of employers in the private sector argued that the impact of globalisation will slow the process of Omanization because of the expansion of the private sector in the Oman, which requires more skilled but without the wage divide offered elsewhere. Some college managers argued that globalisation has created opportunities for some Omanis, who have taken an advantage to utilise the resources available such as the communication and telecommunication facilities and invested in their education by studying higher education without a need of travelling, which is more cost effective.

Some policy makers suggested that Oman should become a free labour market where Omanis and expatriates have to become competitive to get the jobs. A majority of employers in the private sector suggested that the Oman government should understand the problems of young Omanis accepting jobs in the private sector without pressurising the employers not to employ foreigner workers, if so the private sector might be less productive especially in the manufacturing companies. However, it is argued that, in oil companies there is greater market competition where employees have more chance of mobility between firms. For example, high wages and incentives in the oil field companies has encouraged Omanis to seek employment in international oil companies such as Occidental, Schulenburg and Halliburton to name a few.

There is no question that Oman is part of the global economy and cannot escape its consequences. Globalisation does not necessarily lead to increased wage inequality between the more and less educated (Carnoy, 1999, p.35). The impact of human capital approach is one of the globalisation affect that Oman can not escape, because the individual Omani employees have been using every opportunity of investing in themselves through education and training (see Hamdan, 2001). It is argued that as a result, many will be employed by international firms such as airlines, oil and gas companies available in Oman and neighbouring countries. The majority of informants argued that, unless the other private sector companies in Oman become like the banking sector, where employees are better paid, motivated, rewarded and well equipped with adequate skills, the employment of skilled Omanis in the private sector companies will remain problematic.

Policy and procedure

The process was declared by His Majesty Sultan Qaboos in 1999 during his yearly tour 'meeting people' as a 'national challenge'. He also urged the youth to devote themselves to the training and qualifying programmes which are organised by the government and private sector for the purpose of honing the skills they possess and acquiring new skills that will enhance their performance (Sultanate of Oman, 1995, p.208).

The first laws were passed in October 1994 by the Ministry of Labour and Social Affairs which has now become the Ministry of Manpower, it announced the rate to be implemented in transport, storage and communication 60%, in finance, insurance and real estate 45%, industry 35%, hotels and restaurants 30%, in wholesale and retail 20% (Winckler, 2000). (see Appendix Seven)

Oman 'Vision 2020' set out the national development plan from 1995 to 2020, and specified that 95% of the rate should be achieved in the public sector by year 2020 compared to 68% in 1995. Moreover, the main challenge was in the private sector where rate was set to grow from 7% in 1995 to 75% in 2020 (Ministry of Development, 1995).

A majority of policy makers view as a legitimate goal to be achieved in the long term according to the 'Vision 2020'. However, some policy makers suggested that the future labour market in Oman should be competitive and free for both foreign and Omani workers. The targets that were recently set for each sector were claimed by

most policy makers not to be imposed by the government, rather it was a decision which was arrived at by the employers themselves at a conference conducted by the government during a country tour of His Majesty the Sultan in Ibra (Times of Oman, 2003a).

Most policy makers feel that the success depends on the partnership between the government and the private sector. The Undersecretary of Ministry of Manpower said that 'when we began the partnership, there was some apprehension, even a feeling that the employers would be left in the cold and everything would be imposed by the government and the private sector thought there would be a catch somewhere, but was none' (Oman Economic Review, 2003). This is an indication that private sector employer are not confident about policy implementation. The government approach to , which started with unskilled and semi-skilled jobs, assumed it would be easy to replace expatriates with Omanis.

It was suggested by a majority of college managers that the government needs to establish a mechanism to pursue and promote the coordination between all education organisations and training institutions such as general education, vocational and technical education and higher education to ensure quality programmes and curricular that will suit the development of a flexible and skilled workforce. The conclusions and recommendations are presented in Chapter Nine.

CHAPTER NINE

Summary, Conclusions and Recommendations

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9.1 Introduction

This chapter presents a summary of the study and makes some brief but pertinent conclusions and recommendations.

The overall purpose of the study was, in the ongoing context of Omanization, to consider the issue of skill formation and the development of human capital, also with consideration of wider contextual matters such as globalization. Specifically, the focus was on the current and emerging system of vocational education and training (VET) and the extent to which it could contribute to Omanization goals. To this end three 'stakeholder' groups were identified and through a qualitative approach their experiences and views were sought. These stakeholders comprised, policy makers responsible for the overall maintenance and planning of VET, college managers who interpret and implement national policy at the local level and employers in the expanding private sector who have the task of 'absorbing' young Omanis into the workforce.

To my knowledge the importance of skill formation has not been addressed by any studies in Oman although some have discussed associated some topics, such as, general education, Omanization, employment, and vocational education and training (see: Eickelman, 1988: Al-Markazi, 1997a and 1997b: Al Lamki, 2000: Al Bulushi, 2005). To my knowledge no previous attempt has been made to study the link

between the three stake holders in relation to skill formation in Oman using qualitative research methods. Therefore, to explore such problems this study has assessed economic development and skill formation in relation to the Omanization process and the development of VET in Oman, to identify the main obstacles and opportunities for young Omanis to enter further education and the Omani labour market.

To meet the intentions of this study, a substantive review of the literature was consolidated in Chapter Two to shed some light on the theoretical features of human capital and skill formation and experiences from other countries. In Chapter Three, important information on the history, society and educational and economic background of Oman was drawn together. In Chapter Four, research methods were outlined followed by the empirical findings from policy makers, college managers and employers in private sector, presented as case studies in Chapter Five, Chapter Six and Chapter Seven respectively. Chapter Eight was devoted to consolidate discussions of theoretical approaches and empirical findings.

9.2 Conclusions

The Omani government is the main regulatory and the driving force for policy and procedures for VET. Regardless of the policy makers' stress on the significance of Omanization through education and training, Oman still has a serious shortage of skilled manpower required by the private sector. The policy and procedures that are regulated by the policy makers for the training and employment of young Omanis result in tensions. On one hand it supports and provides opportunities for young

Omanis to be trained, employed and replace foreign workers in the private sector. On the other hand, it is considered to be a 'stumbling block' for employers in the private sector who do not wish to accept and train young Omanis because of their perceived lack of commitment and poor attitudes towards work, and a reported lack of the transferable skills. However, we must remember that the current programme being delivered by the colleges of technology have not completed its full cycle. A problem currently facing colleges is the difficulties in finding sufficient and appropriate work-experience placements in the private sector. All stakeholders pointed to a major problem of the school education system in Oman in that it does not adequately relate to the real world of work. Thus, there is gap between preparation and transition of young Omanis into the labour market. Indeed, it is too early to judge the success or otherwise of the new education system and the new programmes that have been introduced until the full cycle is completed.

The VET system is under two umbrellas; the Ministry of Manpower that manages the VET in the public sector and supervises VET in private sector and the Ministry of Higher Education that manages higher education in the public sector (except Sultan Qaboos University) such as teachers' colleges, and supervises further and higher education in the private sector. The development of VET in Oman has gone on a long journey from importing a curriculum from different countries such as Britain and Egypt to establishment of it own curriculum broadly based on the BTEC system.

This study points to a complex set of relationships within and between policy makers, college managers and private sector employers. As the case studies in the previous

chapters revealed, the views expressed by those within each group display some similarities and differences. Perhaps unsurprisingly, therefore, when the data from the three case studies is brought together an ever more complex picture begins to emerge. Policy makers, college and private sector representatives express similar views and concerns about the lack of on the job training needed to raise skills, and the reluctance of young Omanis to accept un-skilled and semi-skilled jobs in the private sector. However, there are significant differences in relation to education and training along with the policies, processes and practices towards Omanization and employment of foreign workers. The key findings from the case studies are highlighted below (taken from the conclusions of the stakeholders):

Policy Makers:

- Omanization has seen an acceleration in economic growth and an increase in employment opportunities for Omanis. However, the private sector labour market is dominated by expatriates.

- On the whole, expatriate workers have a different work ethic from Omanis, which leaves them open to abuse by employers but also favoured by them in certain occupational areas. In effect expatriates have some advantages over Omanis in the labour market.

- Efforts to improve conditions and skills levels of expatriates might be met with them moving to neighbouring countries. Thus, there might be reluctance

to invest in the education and training of expatriates who, regardless of Omanization, compose a substantial part of Oman manpower.

- In Oman there is an increasing demand for semi and high skilled workers, especially in the private sector, but filling this skills gap is dependent on appropriate response from vocational institutes and technical colleges.

- For policy makers to be more effective, there is a need to improve training and labour market records in order to improve planning and decision making.

- The private sector has to play a bigger role in the training of young Omanis and to match the legal requirements set for Omanization. However, there is a reluctance on the part of some employers to contribute to training and the suggestion that some pay 'lip service' to Omanization targets.

- Routes from school to state provided vocational education need to be improved, especially for those Omanis who are unsuccessful in secondary education.

- Many jobs in the expanding private sector are regarded by Omanis as of 'low status', as is vocational training. These who do not have choice and not make the grade for university are regarded as rejects.

- There are poor linkages between government establishments and training organisations. Moreover, there are a large number of government establishments involved in education and training in different ways and the linkages between them is not clear.

- The roles of and linkage between trainees / training, and the private sector and policy makers need to be isolated and more industry-driven (demand-led).

College Managers:

- The selection procedures for Universities and Colleges inevitably mean that students with lower academics achievements are directed towards a vocational education, thus underlying its second class image. Moreover, even though females normally achieve higher marks than males, priority is given to males in what is seen as a gendered labour market.

- Some informants thought that these was a lack of a clear vision on the part of the college and also a lack of clear policies and procedures. Furthermore, as yet, colleges are not in full control of their budget.

- There is a shortage of Omani teaching staff and, for all, a lack of recent and relevant industrial experience. Moreover, as yet, there is no specialised initial or in-service programme to facilitate the transition form practitioner to teacher in VET colleges.

- Selection and recruitment of staff is made by the Ministry of Manpower, not by the college, nor with any input from the college, thus limiting to ability of managers to achieve college goals.

- There have been improvements with respect to involving the private sector, such as sharing ideas about quality and standards. Employers continue to emphasise the need for industrial experience to be incorporated into the curriculum, but there are difficulties in securing sufficient placements.

- The college has no data on students' transitions into the labour market, such as the numbers entering employment, the type of employment entered into or any information about whether former students or their employers think that the training provided has been relevant or useful.

- The majority of those interviewed thought that there were good relationships with the Ministry of Manpower and some gave examples of recent improvements which were at too early a stage to evaluate.

- Omanization is only one of the problems faced by college managers. Not least, they are tied up with the day-to-day running of the college and teaching students.

Employers:

- The expansion of the private sector is seen as pivotal in the process of Omanization and central to this is the need for more employment of young Omanis in the private sector.

- Employers in the private sector demand skilled manpower for Omanization, although the majority of expatriates working in the private sector are un-skilled or semi-skilled and their age range between 18 to 35 years.

- Although the government urged employers to participate with government in preparing Omanis to join the work-force in the private sector, there is serious lack of articulation between employers, government organisations and colleges to consolidate and fulfil the Omanization goals.

- The government has set general Omanization targets for different business sectors which is open to abuse. Thus, employment of unskilled Omanis could only be used to satisfy the requirement of Omanization target. Despite that Omanis are expected to prepare themselves to enter the labour market in the private sector. On the other hand, government is expected by the private sector to contribute financially and physically train and raise the skills of Omanis.

- The majority of employers generalised the characteristic of the young Omani employees towards working in the private sector. For example, they demand

that Omanis must be equipped with the attitudes and skills towards work such as appropriate behaviour, personality, commitment and an ability to learn, as well as, technical skills needed to perform given tasks such as health and safety and basic shop floor skills.

- Employers in the industrial sector reported that they needed workers with some practical skills that could be obtained during their education such assembling, dissembling and welding, which points toward implications for VET.

- Employers commented that colleges do not provide appropriate skill because they do not understand the requirement of employers in private sector.

- It is evident that there are not enough training places for everyone. The number of Omani job-seekers, 'the rejects', increases yearly, and there remain an untold number of young people who drop out from different institutions without acquiring qualifications. The problem is worse for young women because they may not get the opportunities that young men do. Therefore, un-skilled and semi-skilled jobs are available, but are not preferred by many young Omanis.

- The expatriate workers mainly from sub-continental countries such as India, Pakistan, Sri-lanka and Bangladesh were favoured compared to Omani workers by the majority of employers despite their skill level and experience

because of a range of factors such as lower salaries, longer working hours, better attitudes towards work ethics, eagerness to learn to become multi-skilled, reliable and easier to terminate their contract. Few employers claimed that they only recruit expatriate workers to cover the skill gaps.

- Employers from the financial organisations found that the Omanis who are holding high skill positions have appropriate work ethics compared to the un-skilled and semi-skilled employees such as drivers, clerks and helpers.

- Employers had no formal links with the colleges or vocational institutes, although, such links were seen by some informants as unnecessary, some thinking that the provision of training was not their responsibility, rather a lack of appropriate training opportunities are often seen by employers as a major issue.

- Some employers suggested that the education system should include more practical approaches where students can learn different skills and perhaps attend work-experience in industry at least 'to have a feeling of what is like when wearing overalls'.

- An attempt to change the current working culture requires a long term solution and perhaps support through direct action, perhaps even through the legal process.

- Some Omanis who are employed in the private sector are considered to be 'government job hunters' waiting for the job opportunities available in the government. A majority of young Omanis are thought by employers to prefer to work in the government because of better wages, status, less working hours and job security (job for life).

- Staff turnover varies in private sector, for example in the financial services such as the banks is much less compared to other areas of the private sector.

To a degree, these differences are easy to understand. For example, it is not surprising that policy makers have an over-riding and macro-level concern with the policies and processes of Omanization. In their accounts they attached importance to quantitative indicators without reflecting on the quality of job opportunities for Omani nationals. Those working in colleges were concerned with the authority on budget control, staff employment, enrolment policy and procedures and inconsistencies in delivering the curriculum across other regions and the language (English) used to deliver the curriculum, and this reflected the constraints under which they work. Private sector employers recognised the needs for Omanization, thus, the introduction of policies on target setting for Omanization and on the job training to develop skill of young Omanis were acknowledged and occasionally implemented. At the same time, they also had to think about the immediate concerns of running a business today, not just looking to the future.

In terms of skill formation and human capital approaches the tension is between the need for the government to invest in education and training and to provide through a planning approach for the required skill formation, and the free will of individuals to determine their own futures. Omanization tends to represent opportunities for individuals to invest in further and higher education to compete for prestige positions in their society. It is argued that the number of existing government organisations that are responsible for education such as further and higher education for such small country like Oman creates confusion on implementation of standards and articulation between them.

The combined impact of external and internal pressures from different routes such as the influence of globalisation, international organisations (WTO, World Bank, IMF etc.), local developments, the expansion of the private sector, the participation of the foreign investors, have led to a process of continuous change which together have slowed the process of Omanization. In particular, there is a need to change the perceptions of employers and their attitudes towards Omanization. In turn, Omanization might only be successful if there is demand-led change, so that changes in VET are related to the needs of employers. Furthermore, Oman lacks close articulation between the stake holders; the government, training providers and employers in the private sector. Moreover, it also lacks the quantity and quality of the semi-skilled and skilled that exists in many developed countries. Hence, the existence and preference of foreign labour in Oman will continue for long time. This begins to point towards a need for more formal structures and arrangements to

generate mutual understanding between the major stakeholders in Oman's skill formation system.

9.3 Limitations of the study and personal reflections

Personal Reflections

Undertaking this study has itself been something of a journey. This study was a long enjoyable journey for me that provided an opportunity to acquire wider knowledge, and expand my personal experience. This journey was a challenge from the beginning of the research until at the time of writing this conclusion. On the one hand, being an electronics engineering lecture responsible for educating young Omanis to enter the developing private sector. On other hand, managing, developing and guiding their career in the right direction. This study has provided an opportunity to develop my skills to understand and deal with qualitative methods from reading, reviewing and analysing literature through documentary analysis and interviewing which was a challenge. However, since my research was related to my daily work it was sometimes difficult to completely isolate myself from being a member of a community required to implement policy and procedures and a researcher at the same time looking at different approach.

At the beginning of this study I was too ambitious to solve educational problems in Oman in a wider context than what I anticipated. Therefore, I started research with too many themes that to explore would require a group of researchers. Thus, I was guided by my supervisors to focus more on the research to understand what was happening in Oman and to focus on aspects such as the development of education,

economy and the impact of globalisation. As the journey continued I started gaining knowledge and understanding the research process. The field work generated some surprises such as the problem of getting access to the three stakeholders, ranging from easy to difficult. Although interviewing was enjoyable and a good experience for me, at the same time it was time consuming and exhausting. Moreover, consolidation of the field work, from transcribing, coding, documenting, analysing and storing the information that was generated was challenging.

Since this journey started I have transferred some of the knowledge gained into real life by introducing a number of practices into my college, such as the development a data base of the students, to monitor the graduates of our college yearly, the introduction of a longer period of work-experience in the private sector for our senior students and the introduction of a module delivered in Arabic for senior students to prepare them for the real world of work. Furthermore, I introduced a research skills module which introduced basic skills of research, exploring different types of research methods to prepare students for the higher studies. This doctoral study will be considered seriously by many people such as researchers, policy makers, college mangers, and employers in private sector. Several policy makers, college mangers and employers in the public and private sector have requested me to provide a copy of this study to them once completed. Thus, the end of this study also marks the beginning of the wider dissemination of its findings and recommendations.

Limitations of the study

Doing research is demanding in terms of the time and skills needs. Above all, research tools were chosen and interview schedules designed with the purpose of providing the information needed to address the stated research questions. So, as stated in Chapter Four, they were 'fit-for purpose'. At the same time, both the limitations of the approaches taken and the possibility of alternative means of generating data was recognised. So, whereas Al Lamki (2000) chose to undertake a quantitative study of different stakeholders, the choice was made in this study to focus on employers rather than employees and to seek in-depth and insightful data. Whereas quantitative approaches are efficient at sampling a large population and provide a better basis for generalisability, it is recognised that the approach taken in this study was to select a smaller sample of informants in order to reveal the lived realities and complexities of the Omanization process and development of VET. In this approach, caution needs to be exercised in relation to generalisabilty, but at the same time, it can be taken to be complementary to a small but growing body of research about Omanization and the system of VET.

With more time and resources the study could have been expanded to include all regions of Oman, to include all colleges and other staff groups, and perhaps even students and employees in the private sector. The reality is that decisions about what to do have to be made with such limitations in mind but without compromising the research intentions. There is, therefore a need for additional and ongoing research. This might include seeking the views of students although more might be revealed by following a group of college graduates through their experiences of VET and their

entry into the private sector labour market. Moreover, as the systems of general education and VET continue to be developed there is a need for ongoing and thorough monitoring and evaluation of their impacts.

9.4 Recommendations

Finally, out of the many recommendations that could be made I would like to draw attention to the following:

- The need for more formal structures to generate better mutual understanding of the key stakeholder groups, thus not just ensuring a better articulation between them but contributing the process of policy making and implementation.

- The need to restructure the current arrangements for policy making and management of education, and particularly VET, including reducing the number of government departments involved. This would reduce bureaucracy, and increase efficiency with respect to policy making and implementation.

- The need to improve college-based training, to include real rather than simulated work experience, to better reflect the skills needed by the private sector, in turn requiring updating of college equipment and lecturer's own knowledge and experience of the private sector and the possibility of those in the private sector shaping or even contributing to delivery in the colleges.

- The government needs to ensure a more level 'playing field' so that incentives to take up work in the private sector are as good if not better than in the public sector. This might need to be more than the current specialised training grant offered to new entrants.

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APPENDIX ONE

SURVEY INFORMATION FORM

Introduction

This study indicates the technical skills required for Omani technical students before seeking employment in the labour market. The result of this study can be used as a recommendation for future development of skill formation for Omani nationals to help the for the Omanization process.

Furthermore, to understand the requirement of the companies' employment policy and procedures in relation to training and skills before employment, so that training institutes and technical colleges can prepare Omani graduates for the labour market.

Therefore, the information is designed in this survey to consolidate information that will be used for my study.

I would appreciate if you could kindly spare your time to complete the attached survey information. I hope to collect the information in the next day.

Please be assured that your responses will be treated in strict confidential and used only for the purpose of this study.

Your anonymity will be preserved.

INSTRUCTIONS

There are two parts in this information survey, please complete all information required.

Most questions required you to circle relevant numbers and to comment briefly

Section A. Background Information

1. Company ownership:

Family owned	1
Shared	2
Privately owned	3
Other (please specify)	4

---

2. Where is the company allocated?

Capital area	1

Outside capital area 2

3. What is the company main business/services?

---

4. What is the total number of employees?

5. What is the total percentage of Omani employees in your company?

6. What is the total number of Omanis and expatriates employees working in the following categories?

	Omanis	Expatriates
Manager(s)	---------	----------
Supervisor(s)	---------	----------
Technician(s)	---------	----------
Operator(s)	---------	----------
Driver(s)	---------	----------
Manual worker(s)	---------	----------
Others (please specify)	---------	----------
----------	---------	----------
----------	----------	----------

7. What is your plan about future employment in your company after the following years?

	3 years	5 years	7 years
Omanis	--------	---------	---------
Expatriates	--------	---------	---------

8.From the profit of the company, what is the percentage used for in-house training?

None	1
1-5 %	2
6-10 %	3
11-15 %	4
16-20 %	5
Others	6

Section B Training and Employment

9.Which graduates from the following colleges or institutions do you most prefer to employ?

Vocational training institute	1
Government technical colleges	2
Private technical colleges	3
Private colleges	4
Other (please specify)	5

---

10. How often has the government provided information on the following training establishments?

Vocational training institutes	1
Technical colleges	2
Muscat college of higher technology	3

Training centres 4

Others 5

11.How often have you been informed by the following establishments about opportunities of employing Omani graduates in your company or current industrial developments?

Vocational training institutes 1

Technical colleges 2

Muscat college of higher technology 3

Training centres 4

Other government organizations (please specify) 5

---

12. Which graduates do you prefer to employ from the following training establishments? (select one only)

Vocational training institutes 1

Technical colleges 2

Muscat college of higher technology 3

Training centres 4

Other (please specify) 5

---

13. What method do you use to recruit new employees? (select one only)

Visit vocational training institutes 1

Contact the Ministry of Manpower 2

Advertisement 3

Head hunting 4

Other (please specify) 5

---

14. If an opportunity is provided to send your employees for upgrading skills, which of the following institutes would prefer?

Vocational training institutes	1
Technical colleges	2
Muscat college of higher technology	3
Training centres	4
Other (please specify)	5

---

16. According to your experience, how do you rate the suitability of graduates from the following establishments? Poor to Excellent

Public schools

Private school

Vocational training institutes

Public Technical colleges

Private colleges

Training centres

Thank you for your time, which took you to complete the information. If you would like to know the analysis of the information please use my e-mail <alkindit@omantel.net.om>

APPENDIX TWO

LETTER FOR REQUESTING INTERVIEW

Mr. 18th October 2004

General Manager

Fax: 604562

Dear

I would kindly like to have an interview with you as we have discussed over the phone this morning. Please feel free to arrange a convenient time and place and I will be sending you a summary of my interview once you have made a confirmation.

Once again I would like to thank you for initially accepting our interview. Please be assured that the information that you will be providing will strictly be confident.

Best regards

Tahir Al Kindi
GSM 99329118
alkindit@omantel.net.om

APPENDIX THREE

LETTERS OF THANKS

Mr. 21st September 2004
Managing Director

Fax:

Dear

Thank you very much for offering the opportunity to interview you so that valuable information is collected to fit the purpose.

It would be appropriate for me to inform you that our interview is divided into three sections.

First section; the employment strategy of your organization and economic development in Oman.

Second section; the education and training, the overall quality of your workers and particular the needs of your business

Third section; in this section I would like to focus on the labour market in Oman, the process of Omanization and look towards the challenges of globalization.

The information provided will be strictly confidential.

Your secretary has confirmed that our meeting will be on Wednesday 22nd September 2004 at 1200 pm in your office.

Thank you

Tahir Al Kindi

Mr.
General Manager

26th October 2004

GSM
Fax:

Dear Mr.,

Thank you for your confirmation about our meeting on Tuesday 2nd November 2004 at 2.30 pm to about 4.00 pm in your office.

I am looking forward meeting you.

Your sincerely

Tahir Al Kindi
Gsm 9329118
Fax 556550

APPENDIX FOUR

INTERVIEW SCHEDULE
POLICY MAKERS

INTERVIEW SCHEDULE

Policy Maker

Section 1

About employment strategy

Just by way of giving me some background information, perhaps you could tell me something about economic development and challenges which faces Oman currently and the next five years with reference to your experience.

1. How do you think Oman should prepare itself against the challenges of globalisation and economic competition?
2. Tell me about the employment in Oman – with specific reference to your own experience, how do Omani workers compare with expatriates workers in employment strategy? (Probe, education and skills, discipline, self management, interpersonal skills, do they adapt to the team work)
3. Can you describe the current government policy and procedures in recruiting Omanis and expatriate workers? (Probing will be required, for example, skills, qualification, etc).

Section 2

Education and Training

In the next set of questions, I want us to talk specifically about education and training issues, such as the supply of trained workers, the overall quality of workers and the particular needs of private sectors.

1. What are the current priorities for education and training in Oman? (Probe, How important do you think investing in VTTE particular the intermediate level?
2. What are the current challenges facing the government in raising the skills of Omani workers? (Probe, education, skill gaps, shortage of skills. Who is responsible for training i.e. Omani themselves, employers, the government to provide subsidy, education and vocational system for example curricula should be related to the world of work).
3. What is the impact of the Omani culture on vocational training and technical education? (Probe, how has it change over the years?).

4. What is your perception about the role of the education and training institutions in recruitment problems? Is it all providers? Are private sector trainers better than public sector ones?
5. Can you describe the type of jobs for vocational and technical graduates that are demanded and appropriate for the private sector? (Probe about the entry qualification, skills, curriculum why, what was the trend over the previous years?)

Section3

The labour market, Omanization and Economy

In this final section, I would like us to focus on the labour market in Oman the process of Omanization and look towards the challenges of globalisation.

1. What are the problems facing the labour market in Oman? What should be done to help resolve the labour recruitment problem of Omani national? (Probe, Omani employees i.e. to train themselves and work hard, employers i.e. should be provide training, the government i.e. should provide subsidy for training, the education, vocation and technical system i.e. curricula should be related to the work).
2. What do you think of the current situation on the skills of the Omani workforce in general? What should be done to help resolve the labour recruitment problem of Omani national?
   (Probe, Omani employees i.e. to train themselves and work hard, employers i.e. should be provide training, the government i.e. should provide subsidy for training, the education, vocation and technical system i.e. curricula should be related to the work).

   Do you think Oman can take East Asia tigers (such as Singapore and South Korea) as a model to increase the skills of the Omani population? (Probe Why? How?).
3. Finally, anything did I miss would you like to add? Can you tell me what kind of assistance do you think should be given to the schools, colleges, private sectors, to help resolve the labour market problems in Oman.

APPENDIX FIVE

INTERVIEW SCHEDULE
COLLEGE MANAGERS

Confidential

INTERVIEW SCHEDULE

College's Senior Members

Opening questions

College/Institution: _____

Type of training: _____

Number of employees: _____

Omanis employees: _____

Location: _____

Section 1

About your Role

Just by way of giving me some background information, perhaps you could tell me something about your role in preparing the students for the outside world and tell me about your experience on the changes of the training since you have become the senior member of this college.

1. Tell me about the main objectives of the colleges?
2. How do you prepare and develop the technical / vocational curricular to suite the students and the Oman labour market? What are the best things and the most challenging things about working in the college?
3. In your role what kind of problems inhibit you from executing your leadership function successfully? What is the nature of theses problems? How does these problems affect student learning?

Section 2

Students and Skills requirement

In the next set of questions, I want us to talk specifically about students' enrolment, skills and the overall standard and quality of students in vocational and technical education, such as the enrolment of female students.

1. Tell me about the enrolment policy and procedures for your institution / college? (How would you compare to previous years? better, worse, why)? (Probe to find out if both sexes is treated equally).

2. Can you explain to me the relationship between your institution and the Ministry of Manpower? Do you get any guidance or help? How? When?
3. In your opinion, what are the necessary conditions for increasing the skills of Omani workforce (Probe, who is responsible for training i.e. Omani themselves, employers, the government to provide subsidy, education and vocational system for example curricula should be related to the world of work).
4. Can you describe any formal links that your institution / college may have established over the last years with any private sector who trained or employed your graduates? What are their comments about the standard of the students?
5. What are the main obstacles in raising the skills of Omani students? (Probe, ability, language, interest)
6. What is the impact of the Omani culture on vocational training and technical education? (Probe, how has it changed over the years?).
7. Can you describe the type of jobs that you considers appropriate for vocational and technical graduates?

Section3

Preparation for the labour market

In this final section, I would like us to focus on how students are prepared for the labour market in Oman and the process of Omanization and look towards the challenges of globalisation.

1. Tell me about the preparation of the students to meet the labour market in Oman – with specific reference to your own experience?
2. What do you think should be done to help resolve the labour recruitment problem of Omani national?
   (Probe, Omani employees i.e. to train themselves and work hard, employers i.e. should be provide training, the government i.e. should provide subsidy for training, the education, vocation and technical system i.e. curricula should be related to the work).
3. What do you think is missing in your institution that could help the students become highly demanded in the Omani labour market? (Probe, carrier programme)

4. How do you think Oman should prepare itself against the challenges of globalisation and economic competition? Probe, the type of skills such as communication skills, transferable skill, IT skills,
5. Finally, can you tell me what kind of assistance do you think should be given to the schools, colleges, students, parents, to help resolve the labour market problems?

APPENDIX SIX

INTERVIEW SCHEDULE
EMPLOYERS IN PRIVATE SECTOR

Confidential

INTERVIEW SCHEDULE

Employers

Opening questions

Company: _____

Type of business: _____

Number of employees: _____

Omanis employees: _____

Location: _____

Section 1

About employment strategy

Just by way of giving me some background information. There is much talk about the globalization and economy development; do you think the current and the future Oman economy development would meet the challenges and competitiveness according to your own experience?

1. Tell me about the employment in Oman – with specific reference to your own experience, how do Omani workers compare with expatriates workers in employment strategy? (Probe, education and skills, discipline, self management, interpersonal skills, do they adapt to the team work)
2. Can you describe the current government policy and procedures in recruiting Omanis and expatriate workers? (Probing will be required, for example, skills, qualification, etc).

Section 2

Education and training

In the next set of questions, I want us to talk specifically about training and recruitment issues, such as the supply of trained workers, the overall quality of workers and the particular needs of your business.

1. What are the current priorities for education and training in Oman? (Probe, How important do you think investing in VTTE particular the intermediate level?

2. What are the current challengies facing Oman in raising the skills of Omani workers? (Probe, education, skill gaps, shortage of skills. Who is responsible for training i.e. Omani themselves, employers, the government to provide subsidy, education and vocational system for example curricula should be related to the world of work).
3. What is the impact of the Omani culture on vocational training and technical education? (Probe, how has it changed over the years?).
4. What is your perception about the role of the education and training institutions in recruitment problems? Is it all providers? Are private sector trainers better than public sector ones?
5. Can you describe the type of jobs for vocational and technical graduates that are demanded and appropriate for the private sector? (Probe about the entry qualification, skills, curriculum why, what was the trend over the previous years?)
6. To what extent would you contribute in-house (on-the-job) training for your workers?
   (Probe, what about off-the-job training? Out of the company profit, what is the percentage spent on training?)

Section3

The labour market, Omanization and Economy

In this final section, I would like us to focus on the labour market in Oman the process of Omanization and look towards the challenges of globalisation.

1. What are the problems facing the labour market in Oman? What should be done to help resolve the labour recruitment problem of Omani national?
   (Probe, Omani employees i.e. to train themselves and work hard, employers i.e. should be provide training, the government i.e. should provide subsidy for training, the education, vocation and technical system i.e. curricula should be related to the work).
2. What do you think of the current situation on the skills of the Omani workforce in general? What should be done to help resolve the labour recruitment problem of Omani national?
   (Probe, Omani employees i.e. to train themselves and work hard, employers i.e. should be provide training, the government i.e. should provide subsidy for

training, the education, vocation and technical system i.e. curricula should be related to the work).

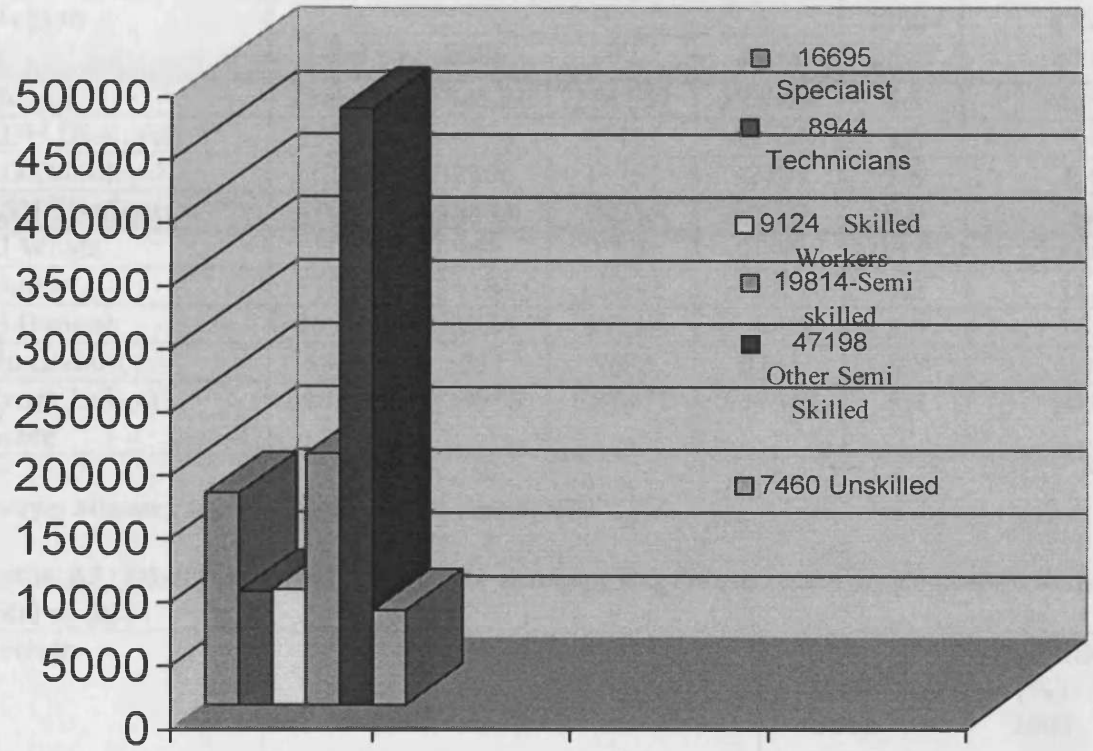
3. How do you think Oman should prepare itself against the challenges of globalisation and economic competition?
   For example, can Oman benefit East Asia tigers (such as Singapore and South Korea) as a model to increase the skills of the Omani population? (Probe Why? How?).
4. What are the main challenges for the next five years? What were the challenges for the past five years?
5. Finally, anything did I miss would you like to add? Can you tell me what kind of assistance do you think should be given to the schools, colleges, private sectors, to help resolve the labour market problems in Oman.

APPENDIX

SEVEN

Expatriates Workers in Private Sector and Manpower Supply, Demand and Employment Opportunities, Omanization targets

Figure: A1 New Employment Opportunities in Oman



Source: Ministry of National Economy, Sixth Five Year Development Plan 2001-2005,

Table A1: Foreign workers in private sector by nationality in 2000-2003

Nationality	Expatriate Break-up				% Change 2000-2003	Distribution (%) in 2003
	2000	2001	2002	2003		
Indian	273650	295773	312055	332015	6.7	57.3
Bangladeshi	111216	113797	114881	116402	1.5	20.1
Pakistani	63615	68662	65930	71304	3.9	12.3
Srilankan	16237	15412	13800	13121	(6.9)	2.3
Philipino	7362	7925	6846	6225	(5.4)	7.0
Other Nationalities	22619	21527	33965	40576	21.5	7.0
Total	494699	529998	547477	579643	5.4	100.0

Source: Ministry of Main Power annual report.2003

Table A2: Foreign workers (Expatriate) in private sector by governorate/region in 2000 - 2003

Governorate /Region	Yearly Change				(%) 2000-2003	Distribution (%) 2003
	2000	2001	2002	2003		
Muscat	238022	254126	261139	276328	5.1	47.7
ADH Dhahirah	39392	41784	42432	43767	3.6	7.6
AD Dakhliyah	30147	32876	33753	32707	2.8	5.6
ASH Shariqah	43032	46834	48955	55792	9.0	9.6
Al Wusta	703	961	1230	2096	43.9	0.4
Dhofar	51697	56161	60852	66077	4.2	11.4
Al Batinah	86590	92025	93733	97085	3.9	16.7
Musandam	5116	5231	5383	5791	8.5	1.0
Gross Labour Force	**494699**	**529998**	**547477**	**579643**	**5.4**	**100.0**

Source: Ministry of Main Power annual report, 2003

Table A3: Distribution of expatriate workers in private sector by economic activity 2000 to 2003

Activity	Yearly Change				% 2000-2003	Distribution (%) 2003
	2000	2001	2002	2003		
Agriculture and fishing	58647	63430	66031	69023	5,6	11,9
Mining, Oil and Gas	4793	5425	5975	7395	16,0	1,3
Manufacturing	68256	70787	70654	72731	2,1	12,5
Electricity, and Wate Connections	1236	1452	1428	1625	9,6	0,3
Construction	116711	129388	134179	148120	8,3	25,6
Wholesale, Retail Trade	120107	122336	122410	119700	(0,1)	20,7
Hotels and Restaurants	17522	20227	22710	26062	14,1	4,5
Transport and Communication	3905	4464	4660	4873	7,7	0,8
Financial Intermediaries, Real Estate, Insurance and	6097	6383	6283	6852	2,6	1,1
Services	96636	105208	112355	122634	8,3	21,2
International Organization and Embassies	843	898	898	897	2,1	0,1
Total	494699	529998	547477	579643	5,4	100,0

Source: Ministry of Manpower annual report, 2003 () indicates negative

Table A4: Manpower Supply vs Demand in sixth Five-year plan (2001-2005)

Occupational Group	Additional Requirement	Omani Supply	Balance (Supply-Demand)	Expatriate workers in the Private sector
Specialist	16695	24225	7530	44028
Technician	8944	9780	836	12368
Semi-skilled workers	19814	3590	(16224)	118233
Other semi-skilled	47198	18706	(28492)	239434
Unskilled workers	7460	17585	10125	22756
TOTAL	**109235**	**129400**	**20165**	**494699**

Source: Ministry of National Economy 2002. () indicates negative

Omanization Targets by Sectors From 2003-2007

Table: A5			
Information Technology			
Year and Omanization percent			
Profession	2003	2005	2008
Higher Administration	0	15	25
Sales and Marketing	7	15	25
Technical Support	9	15	25
Applications and Services	9	15	25

Table: A6					
Communication Sector					
Year and Omanization percent					
Profession	2003	2004	2005	2006	2007
Engineers	20	25	30	40	50
Technicians	25	35	45	55	65
Skilled Workers	25	35	45	60	80
Total for each company	25	30	35	45	55

Table: A7					
Travel and Tourism Sector					
Year and Omanization percent					
Activity	2003	2004	2005	2006	2007
Air Companies	76	78	80	82	83
Tourist restaurants	35	50	70	85	100
Travel and Tourism	42	50	60	70	80
Hotels 3, 4 and 5 stars	40	50	60	70	75
Car rentals	52	62	75	85	97

Table: A8					
Oil and Gas Sector					
Year and Omanization percent					
Company category	2003	2004	2005	2006	2007
Producing and Operating	82	85	87	89	90
Major contractors	86	75	80	85	90
Assistants	20	30	40	50	60
Internal contractors	15	30	40	50	60
Local community	15	25	30	40	50

Table: A9					
Contracting Sector					
Year and Omanization percent					
Item	2003	2004	2005	2006	2007
Second Category Companies and above	20	22.5	25	27.5	30
Continuous Projects	40	50	60	70	80

Table: A10			
Electricity and Water			
Year and Omanization percent			
Profession	2003	2004	2005
Engineers	64	75	78
Assistant Engineers	80	100	100
Technicians	66	74	76
Skilled Workers	100	100	100

Table: A11					
Retailing Professions in supermarkets					
Year and Omanization percent					
Category	2003	2004	2005	2006	2007
A	100	100	100	100	100
B	40	55	65	80	90
C	20	30	35	50	60
D	10	15	20	30	40
E	10	15	20	20	30

Key for big companies

A. Cashier, driver, security officer
B. Promoter, maintenance, technician, carpenter
C. Butcher, baker, food sales, accounts
D. Supervisor, food administrator, sales analyst, chief accountant
E. Director, financial controller, training director

Table: A12						
Consultancies Offices Sector						
Omanization percent						
Year	Engineers	Draughtsman	Supervisors	Land surveyors	Accountants	Administrators
2003	5	30	25	40	20	50
2004	10	40	30	50	30	60
2005	15	50	35	60	40	70
2006	20	60	40	70	50	80
2007	25	70	45	80	60	90

Table: A13					
Sales and Distribution in large companies					
Year and Omanization percent					
Category	2003	2004	2005	2006	2007
A	90	95	100	100	100
B	40	45	50	60	75
C	15	20	25	30	35
D	15	20	25	35	45
E	0	0	5	5	10

Key for big companies

A. Driver, receptionist, office boy
B. Storekeeper, promoter, debt collector
C. Warehouse, director, supervisors
D. Assistant sales director, sales executive, information technology executive
E. Sales director, financial controller

Source: Oman Daily Observer, 2004, April, 15

