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## Refugee Entrepreneurship: A Case Study from the Sultanate of Oman

Ramo Palalić, Léo-Paul Dana, and Veland Ramadani

### 14.1 Project Construction Company—An Iraqi Refugee Business in Salalah, Oman

An unequalled number of migrants entered neighboring countries in the Middle East as refugees when serious turbulence and wars broke out there. Millions of people settled in Turkey, Jordan, Lebanon and Iraq,

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R. Palalić (✉)

International University of Sarajevo, Sarajevo, Bosnia and Herzegovina

College of Commerce and Business Administration, Dhofar University, Salalah, Oman

e-mail: [rpalalic@ius.edu.ba](mailto:rpalalic@ius.edu.ba)

L.-P. Dana

Montpellier Business School, Montpellier Research in Management, Montpellier Cedex 2, France

e-mail: [lp.dana@montpellier-BS.com](mailto:lp.dana@montpellier-BS.com)

V. Ramadani

South-East European University, Tetovo, Republic of Macedonia

e-mail: [v.ramadani@seeu.edu.mk](mailto:v.ramadani@seeu.edu.mk)

and the waves of migrants kept coming for a long time. Most European countries supported the decision to allow refugees to cross their borders and settle in their communities (Bizri 2017), though not without reservations. Focused on the socioeconomic aspect (Aiyar et al. 2016), the debate on the pros and cons of refugee settlement in neighboring countries and in Europe reasonably addressed issues of unpredicted increases in unemployment, government expenditure and inflation, as well as increased crime rates in their societies (Bizri 2017; Carpio and Wagner 2015).

Migration of people has always been subject to various sources of business (Heilbrunn et al. 2016). Generally speaking, moving from one place to another is difficult for migrants. Some of them are at the edge of survival; some of them, however, see migration as an opportunity to start a new life that could secure the future for them and their families. Refugees often have post-traumatic stress that is reflected in their ways of thinking and their actions. Such trauma is usually an obstacle to moving forward. Conversely, some of them, in spite of their trauma, are motivated to continue towards a brighter future.

Some theories based on refugee issues are derived from this context. Kunz (1973) developed a model which was based on “tradition”, where people who migrate are very similar to those in host countries in terms of cultural values, and the development of both countries is quite similar. On the other side, a new theory finds that people who immigrate are extremely different in terms of culture, and their socioeconomic development is significantly less than the host country.

Paludan (1974) explains that the refugee theory is twofold. First, it can be “acute”, in which people are forced to leave their homes without any previous notice. This is the case when people are unwillingly forced from their homeland. They bring nothing but themselves and they do not have any resources to start a new life in a new place. The second aspect of this theory is the notion of “anticipatory” flight. This is opposite to acute flight. People somehow foresee the development of a crisis, and they migrate before the disaster happens. They even bring some resources with them on which they can rely for their futures.

Following Paludan’s theory (1974), a new theoretical view on refugees was introduced by Kunz (1981). This theory was developed as a result of new trends in a globalized world. This new theory is split into three types.

The first type is known as the “majority-identified”, which is an outcome of sociopolitical disputes in a person’s home country. The second one is “event-related”, in which people are forced to leave their homelands due to “discriminating” policies of their country. They belong to a group (ethnic, cultural, social, etc.) whose values are unwelcomed, and, as a result, the only alternative is immigration. The third type is the so called “self-alienated” type. This theory argues that due to diversity, different “personal” reasons might provoke people to leave their home countries. Here, the reason to leave does not resemble any of the previous ones; it is just the desire to change their place of residence without any external enforcement.

The recent war in the Middle East led to widespread migration, whose repercussions are felt in almost every part of the world. Some of these people are still fighting for survival, whereas others decided to build a new life in countries in which they settled. Among the European countries, Germany has hosted the largest number of immigrant refugees from this part of the world. Some of the refugees settled in neighboring countries, and some of them made a home in the Gulf countries, such as Oman.

This story is about a businessman who had a very successful and a very positive experience of refugee life. The following section describes some of the aspects of the aforementioned theories (Kunz 1973, 1981; Paludan 1974). After discussion, we will draw a parallel with these theories, backed with some new insights in the field of refugee entrepreneurship.

## 14.2 Country-Specific Information and Data

Oman is a coastal country, known for its frankincense trees. It is located in the southeast Arabian Peninsula, with Muscat as its capital city. It borders Saudi Arabia in the north, the United Arab Emirates in the northeast, the People’s Democratic Republic of Yemen in the southwest and Pakistan on the Gulf shore. The population of Oman in September 2017 was estimated at above 4.4 million (World Bank 2017). Although there are no specific numbers in recent years about the number of Iraqis settled here,

this number has increased. In the period from 2000 to 2011, the number of Iraqi refugees was around 600 (source: interviewee).

### **14.2.1 Interviewee's View of the Country**

Generally speaking, refugees in the Sultanate of Oman were welcomed. Refugees did not have any problems with settling temporarily in this country. Moreover, local people accepted them, were kind and helpful, and the refugees did not face any kind of settling problems with their hosts. The Sultanate of Oman has an administrative procedure for receiving a visa, as does each country in the Gulf Cooperation Council (GCC) region. However, this process is not lengthy, and people were able to get their visa and local identification documents within a reasonable time and with no restrictions.

## **14.3 Personal History of the Reasons for Leaving One's Home Country**

As Iraq was in crisis in the new millennium, the people of Iraq faced an exodus from their homes. Some of them stayed in their homelands until the last possible moments, while others left earlier. In the case of the interviewee, he and his family left their homeland before the war erupted. Although he says that he could have stayed longer, he tells us that they had decided to leave, together with his immediate and extended family. He says that he had anticipated the situation and intentionally left in order to save his and his family's lives and resources. According to Paludan (1974), some people leave their homeland at the last possible moment (without prior negotiation or announcement—"acute"), while others do this in an "anticipatory" manner, as is the case with this interviewee.

His plan, when leaving his homeland, was not to reach the Sultanate of Oman, but rather, Syria. He thought that his would be a suitable temporary station where he would protect himself and his family until the war ended. They spent three years in Syria. The moment he stepped into

Syria, he considered how to do something that would provide him with the chance to feed his family. His entrepreneurial mindset was already engaged, and he started a small business there.

## **14.4 Personal Reasons for and Circumstances of Traveling to the Specific Host Country**

The interviewee stated that:

When it comes to settlement in the GCC countries, the Sultanate of Oman was not my first target. Moreover, I did not know anything about this country before. I wanted to stay a few months and go back to my home country. I had an opportunity to go to United States, but I refused. I was given a very decent offer, but I was not into it. My first destination when leaving home was Syria. I settled there and even built up my own small business that could provide the sustainability of my family members. Due to the later happenings in Syria, I went to Oman. I was quite successful, and Syrians used to appreciate that fact, because it is rarely a case when a foreigner in Syria has success in business. So, I was kind of an appreciated person in my area.

## **14.5 Business Data and History of Setting Up Business**

“The business I currently run in Oman is based on projects initiated by the Government. The company name is Project Construction Company (Government Project Contracting). When the Government announces a tender, we submit our qualitative applications and try our best to get the job. My partner is always with me and helps me get and run a project. The company exists for eight years now and it counts 46 employees.

“The business is based on partnership, divided equally 50%–50%. Omani legislation does not allow foreigners to own their business. In our case, the business is under the Omani. The business is run on “trust”, which is for some people unbelievable, but true”.

“When it comes to the involvement of my family, I can say that I am the only one to be fully engaged. However, my son will graduate soon and in the future, he will inherit my part of ownership. It is something very usual and normal when the family business is inherited, regardless of the competence of the successor” (Interviewee).

“We do not have many clients; in fact we have only one—the Omani Government. Regarding the suppliers, they are usually private companies with whom we sign contracts. There are no business partners involved in our business. Instead, we have subcontractors; some of them are official, and some of them informal. They are used for backup services like painting, cleaning and similar stuff.”

“Regarding the evaluation of the business, I can say that we have been doing a great job for years now. There are no complaints neither from the clients, nor from the subcontractors. Since its inception, the growth of the business was gradual and quite stable. However, last year, the Government cancelled many projects in which we were supposed to engage. This happened due to the decrease in oil prices at global markets. Hopefully, it will get much better!” (Interviewee).

## 14.6 Individual Enablers and Constraints

When it comes to my personal drive and motivation, I can say the following:

My personal confidence derives from the technical skills I possess. In addition, my Omani partner is a trustworthy and energetic person who deals with all the necessary things towards the Government policies. He serves as a member of the Omani Tender Board. Also, my partner deals with the bank guarantee issues, like letters of credit (LC). Although the LC is a tool of getting things done, though, it can be also destructive for the business, because it keeps money blocked and we cannot use it. (Interviewee)

Regarding my existing skills, I can say the following:

I am a professional contractor for a long time (27 years), which means my competences are these like *Project Management*: a huge experience put me through different situations and outcomes in leading projects; *Negotiation skills*: in an international environment: I have no barriers to deal with contracts at international and local level. My negotiation skills are backed with a valuable working experience in this area; *Analytical skills*: every project manager has these; however, having an experience in multinational cultures is an advantage, because different cultures bring different contract constraints; *Leadership skills*: my leadership style is very flexible and I am able to adjust to different positions and situations in which my business goes through. I am always trying to be fair and just towards my peers, so that they can count on me, and vice-versa.

When it comes to motivation to seek new skills, well, I am very self-confident. I think that, at this stage of my life, I do not need any new skills. The confidence that I have enable me to go in any part of the world and do business (Interviewee).

In business, there is always a risk. In that sense, I can tell you that risk follows me since I left my country. This risk is reflected in my business, too. I am confident in certain actions. I am a risk taker!

A business requires financing, and I do have access to financial capital. However, I did not use it because I did not need it.

In terms of communication process with others, I do not have any problems to communicate with locals, as well as internationals, because I speak Arabic, English and French.

It should be noted that the community where I operate has a variety of local languages which cannot be understood even by an Arabic native speaker. These languages evolved since ancient time and are still used nowadays.

My social networks or ties are all my friends who are businessmen. Majority of them are Iraqi, but there are of other nations as well.

Every business has a risk which we have talked about, and there is always a probability of losing the whole business. I myself lost it twice! First, it was a cafeteria business, and in the second time it was about the contracting business that we are talking now. The reason in both cases was the same—no experience in dealing with people.

Although I had a hard time in my life, which was not easy at all, I can say that I did not have any trauma. Otherwise, I would not have been able to take care of myself and my family, too. I see that life goes on, we should not come back to think about what happened. Instead, I must look at the future.

Officially, there are no problems when it comes to some precarious and temporary legal statuses. But, when it comes to official papers to be signed, they must be signed by me. However, as a property, it is under the name of my Omani partner. This is the Law! Business benefits are shared equally. I must also mention this—I never ever took any kind of “commission” which would bring benefit only to me. And, I am very proud of this! Other benefits which were in favour of our company, yes, I did. I think that exploiting the society for your own benefits is not good at all!

## 14.7 Community Enablers and Constraints

Considering the local market access, it used to be very easy, but nowadays it is very difficult. Many foreigners and refugees who came here try to be professional contractors.

Regarding the communal support from others, yes, there is support! People in this community are supportive, in general. It may be due to our Arab roots.

Community-led initiatives are not at the right level right now. I can see that some people have good skills, but they will not take any initiative. They try to make an easy business. The Government wants to develop these initiatives across the whole country. Those who take initiatives are very strong and competitive in the market.

Personally speaking, I am encouraged by partner in what I do. I am guided by myself and him, too.

Regarding the local or national insecurity, I can say that this environment is secure! I never felt such things, nor thought about these. I never felt discrimination or xenophobia at any time here. Among the three countries I lived in; I find this place the best place to live in so far.



## 14.8 Institutional Enablers and Constraints

I have not thought about the aid from international and local agencies, but hopefully we will have it in the future. Regarding the physical security provided by the state, yes! The state provided it immediately and it lasts for the past 10 years that I am here.

The right to work for refugees is implemented. They can work. However, when it comes to register a business, no! The law allows only locals to own or register a business under their names.

Any access to public and private services is available. For instance, I have access! No problems! Access to finances and banking is even possible. I have not experienced any discrimination from the authorities. I recall a case when there was a deportation, but it was the fault of the refugee.

Full documentation of our business is available. We do it properly, smoothly and timely. We do not lack any necessary document.

There was no official community from Iraq at the time when I arrived, but we always contacted each-other informally. After my arrival here, this continued (Interviewee).

## 14.9 Final Words of an Interviewee

(Eufurat Ahmedd Abdul Kereem Al Hashimi, May 2017)

Lastly that I would like to say, as my life story in Oman and overall in few sentences is the following:

Based on my experience in Oman, after 9 years working in this country and working in my company (Sabaa International Co.), I can say that this is a great period of my life. After all sacrifices and hard time, people should count positively and on life-release. Which means, after all troubles and difficulties there must come a great time. Just we need to be patient. It is for any kind of business and for the life in general.

I think, I succeeded in my work and it was the right decision to stay and work here.” Sometimes, it is very difficult in this globalized world, especially for migrants and refugees, to determine what the best place for

settlement is? Besides our wishes, we must work hard and appreciate that opportunity regardless in which environment or region we work and live.

“A great part of success is finding a right partner, and the trust between us is another key of success”.

A trustworthy man is always a winner! In business the trust is the most important pillar in development and growth of a business. Partnership based on trust will be successful for sure. A business partnership is like marriage, based on trust, respect and dignity where each partner contributes to its success.

## 14.10 Methodological Considerations

This chapter is based on a qualitative research method. It uses the interview as a tool to obtain necessary insights into the research question. This method is appropriate if a researcher needs facts from real life and facts about the phenomena under study (Creswell 1998). Moreover, qualitative inspection of the study brings insights that could be treated as a new concept in this field (Sanders 1982). Sometimes, it is necessary to undertake interviews to check for “hidden meanings” about research phenomena (Palalić 2017). On the other hand, we needed the flexibility in terms of flow and procedures that the qualitative methods offer (Coyne 1997).

We started a search for a refugee in Oman in early May 2017. The first week was spent in communication with local businessmen to find the appropriate person for this study. One week later, we secured the contact details of a businessman who migrated from Iraq to Oman. In the middle of May, we contacted the businessman to introduce our study as well as our research team. After the first conversation via telephone, we agreed on a date to meet face to face. At the end of May 2017, we met this gentleman, who runs a service business in Oman. At first, we just wanted to meet him and talk in detail about his research. However, he convinced us that it would be fine with him to start the interview, regardless of how long it might take. This businessman, a gentleman with a lot of savvy, offered us local coffee before we started our core discussion. With the nice introductory words and the delicious smell of the coffee, we started

the interview, which lasted two and a half hours. The following text is about the core topics about which the businessman spoke.

## 14.11 Final Thoughts

Immigrant entrepreneurship has been discussed at length in the literature (Dana and Morris 2007). Migration itself brings pros and cons to a host country, in both the short and long term. The cons are usually seen in the disruption of socioeconomic flow, and this typically happens soon after the migration period. In the longer term, once migrants adapt to the new cultural environment, society starts to benefit from them. From this point of view, a fresh social capital is being created, which is one of the important benefits of migrants in a host country. Development of such social capital can depend on different types of “country specific factors” (Palalic et al. 2017). This is reflected in the entrepreneurial mindset of migrants. Their existing entrepreneurial mindset is modified by the host country’s circumstances. Such environmental circumstances are based on “culturally based behaviour and compensatory response behaviour”, as discussed earlier by Dana (1997). Some immigrants can face financial or procedural restrictions when starting or financing a business. These restrictions can be ethnic- or nation-based (Ramadani et al. 2014).

However, in the case discussed, migrants from Iraq are welcomed in this part of the world, which is justified because of the similarities in religion and the common cultural values that are present in both countries.

This case study offers insights into a good example of entrepreneurial leadership and positive motivation, and our interviewee has shown that no constraints of time and place can demotivate such entrepreneurs. A business vision backed up by hard work produces success. Positive communication and networking in the host society develops a business reputation in the long term. Trust and mutual respect in a business are additional pillars upon which a successful business is built. A government should see migration as an opportunity for social and economic development, as migrants see this as an opportunity to start a business and be successful. Entrepreneurs should bear in mind that business failure is just a step forward to success.

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