



UNIVERSITY  
OF WOLLONGONG  
AUSTRALIA

University of Wollongong  
Research Online

---

University of Wollongong in Dubai - Papers

University of Wollongong in Dubai

---

2016

# Restless n' youthful: Study into barriers young entrepreneurs face in Dubai

Zeenath Reza Khan

*University of Wollongong in Dubai, zeenath@uow.edu.au*

Mohaimeen Zahir

*University of Wollongong in Dubai, mzahir94@gmail.com*

---

## Publication Details

Khan, Z. Reza. & Zahir, M. 2016, 'Restless n' youthful: Study into barriers young entrepreneurs face in Dubai', in A. N. Wahid, C. R. Amaro & W. Murad (eds), *Proceedings of the Australia-Middle East Conference on Business and Social Sciences 2016*, Dubai, Australian Academy of Business and Social Sciences, Melbourne, Australia, pp. 614-615.

Research Online is the open access institutional repository for the University of Wollongong. For further information contact the UOW Library:  
[research-pubs@uow.edu.au](mailto:research-pubs@uow.edu.au)

# RESTLESS N' YOUTHFUL: STUDY INTO BARRIERS YOUNG ENTREPRENEURS FACE IN DUBAI

*Zeenath Reza Khan*

University of Wollongong in Dubai, United Arab Emirates

*Mohameen Zahir*

University of Wollongong in Dubai, United Arab Emirates

## ABSTRACT

### 1. Statement of Problem

Small and Medium Enterprises (SMEs) are independently owned and operated companies that are finite in size. A small business generally has a small number of employees and less revenue flow. SMEs are the backbone of Dubai's economy, representing 95% of all establishments in the emirate (Dubai SME, 2013). In particular, owners of SMEs are young, dynamic and often students when they begin. The economy of Dubai depends greatly on these small businesses. These SME businesses account for 42% of the workforce and contribute around 40% to the total value generated in Dubai's economy (Dubai SME, 2013). However, are all SMEs successful? Is the process of setting up and running an SME in Dubai easy? What are the major barriers that young and aspiring SME owners face when setting up and running SMEs in Dubai?

### 2. Significance and relevance of work

This pilot study is carried out on five SMEs owned and run by young students either just completing their undergraduate studies or post graduate studies. The Dubai government recognizes the importance of SMEs to the economy of Dubai and encourages the growth of SMEs in the city (Stanley, 2013). The government even set up a Dubai SME division under Department of Economic Development (DED) in 2002 to help support SMEs in Dubai.

Existing research has studied the success of women entrepreneurs in the city and factors that help them to set up and sustain SMEs. Research led by Haan (2004) surveyed 30 women entrepreneurs to highlights some of the problems women usually faced when starting their own.

However, it is interesting to note here that students and youngsters are also coming up and contributing to the Dubai's economy by becoming small scale business owners and entrepreneurs. This is primarily because it doesn't take up much of their time in a daily basis, these small scale businesses can be run as a part-time activity, and as students on student-visa cannot acquire a work-permit, so this is often a good alternative. It is therefore, very crucial to understand the factors that make such a business model successful. Hence, it is believed that this study is very timely as it is believed the findings of this study will help

- Students – future entrepreneurs
- Current student SME owners
- Government bodies
- Schools and Universities

### 3. Description of research method

As this is the first phase of the pilot study, a mixed-method approach has been used in order to fulfil the objective of the study. First the existing literature has been reviewed and analysed to understanding the barriers that generally hinder success of SME set up and running. Then a qualitative exploratory case study design has been designed through a series of interviews and focus groups on five SME owners and their business models in Dubai. This has been followed by a quantitative analysis through a survey questionnaire on a 5-point Likert scale to identify the barriers faced by the existing owners in Dubai.

#### **4. Results**

This paper reports the findings of the phase one of the pilot study in Dubai on SMEs particularly owned by and run by students/young entrepreneurs. The report highlights that although there has been tremendous support in the recent years from the government to support such initiatives through conferences, funding made available, and banks that showed great initiative by suspending legal actions against SMEs struggling to repay debt (Trenwith, 2016), there still exists a need for more support and guidance aimed at student entrepreneurs. More specifically, the report highlights the difficulty faced by students in terms understanding legalities, process, visa process and so on. With a focus on five SMEs in Dubai, the fastest growing emirate in the UAE, the report provides an initial insight into the barriers faced by the students in setting up business that often has a ripple effect on the running of the business.

#### **5. Conclusion**

This paper identifies barriers of different existing SMEs in Dubai. It also analyses the mistakes business owners tend to make at initial stages and enlists them to give a better understanding to the students and young, small-scale owners which will ultimately help them become more sustainable. The report provides crucial recommendations based on further review of literature towards building a possible checklist for student entrepreneurs to be of vital importance to the future growth of SMEs and young entrepreneurs in the emirate.

#### **References:**

1. Dubai SME (2013). The state of small and medium SMEs in Dubai. Department of Economic Development. [Online] Available URL: [http://www.sme.ae/StudiesAndResearchDocument/SME\\_Report\\_English.pdf](http://www.sme.ae/StudiesAndResearchDocument/SME_Report_English.pdf)
2. Haan, H. C. (2004). Small Enterprises: women entrepreneurs in the UAE. Centre for Labour Market Research and Information. Tanmia. Dubai. UAE. [Online] Available URL: [www.zu.ac.ae/infoasis/modules/mod8/business/documents/smallenterprisereport.pdf](http://www.zu.ac.ae/infoasis/modules/mod8/business/documents/smallenterprisereport.pdf)
3. Stanley, I. (2013). UAE SMEs for backbone of nation's economy. Gulf News. March 27, 2013.
4. Trenwith, C (2016) What SMEs really need in the UAE. Arabian Business. [Online] Available URL: <http://www.arabianbusiness.com/what-smes-really-need-in-uae-626911.html> Accessed March 29, 2016

**JEL Classifications:** O4, G30

**Keywords:** SME, Dubai, Entrepreneurs,

**Corresponding Author's Email Address:** mzahir94@gmail.com