

INVESTIGATING CRITICAL OBSTACLES TO ENTREPRENEURSHIP IN EMERGING ECONOMIES: A COMPARATIVE STUDY BETWEEN MALES AND FEMALES IN QATAR

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ABSTRACT

Qatar's Entrepreneurship sector faces major obstacles that impede its growth prospects. While Qatar has started to focus more on improvement of the entrepreneurial environment through semi-governmental agencies and creation of economic free zones, the overall environment is still riddled with numerous problems that hinder the achievement of this goal. Emergence of private sector as a main force behind Qatar's economic growth will depend heavily on country's ability to catalyze positive change in this area. The main objective of this paper is to explore the main obstacles face Entrepreneurship sector in Qatar as an emerging economy and to find out if any differences could be found between males and females in assessing these obstacles. A mixed approach is followed starting with a qualitative study to determine obstacles followed by a quantitative examination of differences between males and females. Interviews with different entrepreneurship stakeholders reveal four main obstacles facing Qatari entrepreneurs. These obstacles include: bureaucratic requirements, limited access to funding, restrictive and biased legal conditions, and social constraints. Statistical results show that there is no difference between males and females in assessing these obstacles and that both genders face nearly the same barriers.

Keywords: Entrepreneurship, Obstacles, GCC Countries, Emerging Economies, Qatar, Gender.

INTRODUCTION

Qatar is one of the Gulf Cooperation Council (GCC) countries' largest entrepreneurship hubs (Wang, 2013). However, authors believe that there are numerous obstacles facing entrepreneurship in peripheral regions such as Qatar (McAdam et al., 2004, Anderson et al., 2001). According to Adair et al. (1995), peripheral regions are characterized by below average living standards due to low innovations in the Small and Medium-sized Enterprises (SME). Small businesses in such regions may experience various diseconomy of scale that lead to an internal extravagant production. Small businesses also find it difficult to distribute its products since they are higher in prices than imported ones (Zhou et al., 2011).

Moreover, small business may experience high levels of competition that worsen the already existing internal challenges of production (Cagliano et al., 2001). Businesses also in this domain may face high start-up costs at its initial stages that require ample time to overcome (Temtime and Solomon, 2002). Furthermore, organization structure could be another challenge facing innovation and entrepreneurs in Qatar where many organizations prefer a traditional hierarchical structure of leadership (Raymond et al., 1998). Such traditional structure would discourage innovation at individual level (Mosey et al., 2002). Hence, the factors which affect entrepreneurship levels, and the difficulties which entrepreneurs face are widely documented and

studied in academia, perhaps due to their relevance to society's development and innovation levels.

According to Pierre and Dominiquini (2006) survey of innovation practices in a number of companies identifies short-term focus, lack of time, poor staff and realistic expectations as major obstacles to entrepreneurship. Other obstacles are unrewarding innovation and lack of systematic innovation process. Entrepreneurs plan effectively on their management but cannot stop considering cost reduction. For an entrepreneur to succeed, leadership and organization, people and skills, culture and values and processes and tools, need to work in coordination.

Additionally, many authors highlighted a number of challenges that would affect entrepreneurial success (Sadi, 2006; Wong and Pang, 2003). Zhou et al. (2011) pointed to corporate governance issues, managerial concerns and inadequate infrastructure as major barriers of entrepreneurial growth especially in services. From a different view, Svensson (2008) argues that bureaucracy is the main obstacle for any entrepreneur. Marlow & Patton (2005) claim that the access of finance, or rather the ease of access to finance is a critical aspect of determining the number of new enterprises, as well as the consequent success of the enterprise. Generally speaking, it is important to highlight challenges and obstacles that face entrepreneurs in order to resolve and overcome. This research aims to explore this concern by identifying these obstacles in the Qatari scheme. That would lead to an adoption of strategies that could help in overcoming these obstacles.

LITERATURE REVIEW

Entrepreneurship is becoming a worldwide phenomenon (Clarysse and Moray, 2004). While it is not a panacea for all of the economic challenges facing countries and regions, it has become an essential component for economic growth, job creation and competitiveness (Jodyanne, 2009). A landmark report by the United Nations Development Program in 2004, *Unleashing Entrepreneurship*, demonstrated conclusively the critical role entrepreneurship can play in any economy, especially in emerging economies. In addition, the 2002 Executive Report: *Global Entrepreneurship Monitor* assessed levels of entrepreneurship in over 30 countries. The latent report showed that entrepreneurial activity varied significantly by geographic region, types of business, and entrepreneurial motivation. It was found that "*Evidence continues to accumulate that the national level of entrepreneurial activity has a statistically significant association with subsequent levels of economic growth.*" In other words, promoting entrepreneurial activity and encouraging new business startup and growth promotes the long-term economic development of any country (Cooke et al., 1997).

An entrepreneur is a person who begins a business based on a passion (Casson, 2005). Entrepreneurs do not think of it as work (Watkins-Mathys and Foster, 2006). They find it more fun, creative and invigorating (Kristensen, 2004). By start doing the business, entrepreneurs accept all the risks and responsibilities of any new business and may face challenges and obstacles that he/she should overcome in order to create a successful business (Wright et al., 2008). Entrepreneurs usually are described as distinct group of individuals that possess certain traits, one of which research has shown to be the preference for uncertainty and risky business activity which could result in ultimate success or failure (Schmitt, 2004). Therefore, an entrepreneurship is not simply a startup business, but rather the interaction of enterprising individuals with lucrative opportunities (Segal et al., 2005).

Hock (1999) as an entrepreneur states: “*Heaven is purpose, principle, and people. Purgatory is paper and procedure. Hell is rules and regulations*”. It is an important guiding principle not only for entrepreneurs and the way they run their ventures, but also are regulators that are trying to develop entrepreneurial sector. Ardagna & Lusardi (2008) studied sets of entrepreneurial characteristics to develop a theory regarding the determinants on the levels of entrepreneurial activity across 37 developed and developing countries. The results of this research showed that the presence risk inclined individuals in addition to favorable regulatory conditions.

In defining entrepreneurship, there is significant debate amongst scholars. A person who starts up a new business on their own is usually defined as an entrepreneur, but this definition does not make a note of the climate in which these businesses were set up. Venkataraman (1997) emphasizes that there are two main factors needed in the creation of an entrepreneurship, namely the presence of lucrative opportunities and enterprising individuals. This shed the light to the notion of challenges that entrepreneurs may face.

Hence, entrepreneurship does not simply happen as a result of historical or economic competitive advantage. Authors highlighted many challenges and obstacles entrepreneurs face in their search for an opportunity.

Obstacles to Entrepreneurship

Entrepreneurs then may face many obstacles during the process of creating and or applying their business creative ideas (Zhou et al., 2011). Ardagna and Lusardi (2008) state that leadership, creativity and innovation should be integrated for improved theory and practice. Despite this vitality of creativity in marketing, not much that have been done to make current generations promote entrepreneurship by perhaps inculcating techniques that aid in enhancing creative culture in organizations and to alleviate barriers that bar individuals from being creative. Theoretically, Amabile (1997) assumed that all humans that are normal should produce at least some creative work in a given domain and that the social setting affects its efficiency. This theory is based on the following major components; domain skills, creativity thinking skills, intrinsic task motivation, organizational creativity and innovation, resources, creative techniques and managerial practices. Creativity is, however, accompanied by multiple varied challenges. They can be classified in accordance to one’s personality, social setting, or work environment (Demirbas et al., 2011). According to them, time pressure, evaluation, inadequate resources and status quo contributed to these barriers. Other barriers include self-confidence, risk-taking, for conformity, task achievement among others.

According to Loewe and Dominiquini (2006) survey of innovation practices in a number of companies identifies short-term focus, lack of time, poor staff and realistic expectations as major obstacles to entrepreneurship. Other obstacles are unrewarding innovation and lack of systematic innovation process. Entrepreneurs plan effectively on their management but cannot stop considering cost reduction (Sadi, 2006). For an entrepreneur to succeed, leadership and organization, people and skills, culture and values and processes and tools, need to work in coordination (Athreye & Hobday, 2010).

Authors also cite the lack of adequate sources of finance as a major barrier to innovation and entrepreneurship (Sarri et al., 2005; Stam, 2010). In some instances, managers have blamed lack of skill as a major barrier to entrepreneurship (Sadi and Dubaisi, 2008). Globalization of markets, economic dynamism, decreasing product life cycle, changing technology, increased competition, and varying consumer tastes and preferences are also major challenges that business

creators need to address. Managers must solve these challenges at all levels of business activities including production, finance, planning, human resource management and marketing. Managers, therefore, must ensure that entrepreneurship would be a continuous process.

The underground economy can also present undesired competition that challenges the existence of entrepreneurs' small business enterprises. Owners of small business enterprises suffer losses because of the underserved completion from illegal businesses. Owners of small business cite lack of government support as a major barrier to entrepreneurship (Demirbas et al., 2011). Governments usually formalize the business sector and this kind of formalization should solve the undesired consequences of thriving underground economy.

Entrepreneurs employ economic resources in such a way that they earn profits for their businesses. Resources are either internal or external. Small business enterprises may have a comparative lower level of internal resources than their large enterprises (Cagliano et al., 2010) which constitute a kind of challenge to these small business owners. Low levels of internal resources inhibit entrepreneurial development. Resources available are not enough to initiate innovation. Innovations that are lucky to start fail to successfully end-up because of low internal resources. Insufficient level of internal resources and managerial skills inhibit a firm's initiation and its growth.

These small firms may even experience challenges of acquiring external capital (Gunasekaran et al., 1996). Managers may lack enough skills to manage external resources such as loans. Others embezzle the external resources resulting to huge losses for the business. They similarly lack technical support that is crucial to counter the fast response to market changes taking place in the highly competitive and ever-changing global environments. Research shows that managers do not have enough resources and time to source for external resources, information and technical support. Such resources are important in making swift response and strategies to market changes.

The external environment can also influence and limits the entrepreneurial work (Tesluk et al., 1997). Small firms face hard competition from their large counterparts companies. Socio-economic, political and cultural factors influence innovation. Legal considerations, ease of imitation from competitors, job layoff period, government support and domestic market affect entrepreneurship. High costs of innovation, unavailability of working capital, high rates of taxation, social insurance, job security, and low skills are major external hurdles that influence growth of small firms. Governments may contribute to such a great extent to these challenges adopting certain economic policies (Naser et al., 2009). Governmental policy may not allow managers to access or use relevant technological information, institutional finance and skilled personnel (Sadi and Dubaisi, 2008).

Generally, government contributes a great deal towards entrepreneurship (Amzad et al., 2009). The government should facilitate research towards the development of science and technology. Research, however, shows that most developing countries' governments do little towards promoting entrepreneurship. According to Demirbas et al. (2011) the governments in developing countries rarely support research nor enact policies that promote entrepreneurship. Such governments do not control underground economy.

Challenges in Qatari Economy

After experiencing the highest growth rate in the World in the period between 2008 and 2012 with a growth rate of 12%, Qatar's growth retracted to single digit growth in 2013. 2008-2012 growth was primarily driven by Qatar's ever increasing natural gas industry and the

world's number one exporter of Liquid Natural Gas (LNG) for the past eight years. This reflected heavily on the nation's wealth as the country reached highest GDP in the World, with 12% Real GDP growth in the period 2008-2012, ahead of China's 9% Real GDP growth over the same time period. The private sector's role in Qatar's growth was and remains to be marginal despite the ever-increasing government investment aimed at supporting it (Economic Insights Report, 2014).

QNB's Economic Insights Report (2014) notes that while private sector accounts for 74% of all jobs, only 16% of Qatari nationals take part in it. The main reason is perhaps that Qataris prefer public sector positions due to higher salary packages and benefits as well as inherent job security that come with public sector employment. This can constitute a challenge as entrepreneurship usually takes place in the private sector. As Qatar strives to achieve its goals set by the 2030 National Vision and switch from economy based on carbon-exports to a knowledge economy, private sector and especially entrepreneurs are expected to take the leading role in this process.

Qatar Foundation is supporting the development of a major science and technology park, one purpose of which is to promote and support the development of new technology ventures and provide training for technology-based entrepreneurs. Education City has brought in Carnegie Mellon University to initiate an undergraduate curriculum with a focus on entrepreneurship.

Qatar, one can argue presents a unique opportunity to establish a successful and effective entrepreneurship focus. Several factors make Qatar an important location for the promotion of entrepreneurship:

1. Qatar's 2030 vision includes a focus on promoting an entrepreneurship especially for young talented youth.
2. Qatar combines a stable government with a well-developed and internationally recognized banking and finance industry

Generally, Qatar has undertaken significant economic development projects including Qatar Development Bank, Enterprise Qatar, Selatik, Social Development Center, Injaz Qatar, Entrepreneurship Center (QU) and Qatar Foundation. These projects supported Qatari's economy and promoted to the importance of entrepreneurship, however, many challenges and obstacles can be traced in Qatar and in real need to be studied and highlighted in order to overcome.

METHODOLOGY

Entrepreneurship happen in many countries and regions and Qatar is not an exception. There are several initiatives at organization and state level to promote and support entrepreneurship. However, the main purpose of this paper is to highlight the main challenges and obstacles facing entrepreneurship in Qatar and to explore any differences between males and females in assessing these obstacles. In order to achieve the latent objective, a mixed methodology is adopted to collect data. Mixed methodology can be defined as "*the class of research*" where the researcher mixes or combines quantitative and qualitative research techniques, methods, approaches, concepts or language into a single study' (Johnson & Onwuegbuzie, 2004). Therefore, they state that using a mixed methodology can have advantages that: (1) offer a practical and outcome-oriented method of inquiry that is based on action and leads, iteratively, to further action and elimination of doubt; (2) offer a method for selecting

methodological mixes that help researchers better answer many of their research questions; (3) represent an expansive and creative form of research; and (4) suggest that researchers take an eclectic approach to method selection in a way that offers the best chance to obtain useful answers.

In order to achieve research objectives, two phases were followed; phase one, semi-structured interviews were used to collect primary data from three main stakeholders namely (regulator, training providers and entrepreneurs). Then in phase two, a designated survey questionnaire was distributed to young entrepreneurs; males and females. The objective is to cover the topic from different dimensions and to highlight differences, if found, between males and females in this perspective.

The following steps and procedures have been followed to collect these primary data:

- 1- Identification of the targeted stakeholder for an interview.
- 2- Communication with stakeholder regarding the purpose and the scope of the project.
- 3- Agreement with the stakeholder on the time and date for the interview.
- 4- Conducting the interview at the time and location designated by the stakeholder.
- 5- Verbal permission was obtained to use the interview data for this paper.
- 6- The data collected from the interview was then analyzed and used to support the research main objective.
- 7- Design a questionnaire based on results gained from interviews.
- 8- Use sampling technique to distribute questionnaire.
- 9- Collecting data and analyzing them.

In phase one, the researcher has asked the interviewee to share only non-disclosed information for the use of the paper. Furthermore, the researcher has paid field visits to the outlet of the startup and conducts some observation and learns about the business.

The main questions in these interviews underlined the following enquiries:

- 1- What are the main obstacles of entrepreneurship in Qatar?
- 2- What are the main forms of support available for entrepreneurs?
- 3- Is there a one-stop-shop for entrepreneurs to consult and refer to when they need help?
- 4- Is there an effort to consolidate trainings and services available for entrepreneurs?
- 5- What are the solutions and recommendations you propose to deal with these obstacles?

In phase two, a designed questionnaire was built based on findings from phases one. A sample of 156 young entrepreneurs from both genders was asked to fill in this paper-based survey where 72 females and 51 males presented valid responses in a total of 123 with a response rate of 78%. This sample was determined out of training programs presented for young entrepreneurs in Bedaya Centre which is a semi-governmental center designed to present advice and support to young entrepreneurs.

RESULTS AND DISCUSSION

A total number of 29 interviews have been conducted between the period of February 2014 and June 2014. Interviewees were very helpful and too much interested in the area of research as enhancing entrepreneurial capabilities is one of the Qatari objectives.

Participants during the interviews raised the following issues as obstacles to their work in Qatar:

1. lack of systematic awareness programs.
2. lack of support at operation time.
3. lack of funds, especially in the early stage.
4. lack of adequate regulations/infrastructure.
5. the absence of an exit strategy.

These respondents also highlighted the need for:

1. Training and seminars.
2. Funds (startup Budget).
3. Legal advice.
4. Technical advice.
5. Incubators.

Additionally, participants state that they would recommend the following actions in order to overcome previously indicated challenges:

1. Establishing a systematic awareness programs for different ages and groups.
2. Extend the support to operation and growth stages.
3. Provide funds, especially in the early stage.
4. Develop adequate regulations/infrastructure.

Generally, four main obstacles were found as major obstacles to entrepreneurship in Qatar. These obstacles include: bureaucratic requirements, limited access to funding, restrictive and biased legal conditions, and social and cultural constraints.

It is notable that scholars highlighted some of these constraints. Ciccone & Papaioannou (2006) demonstrates that regulation can act as a hurdle in expanding product varieties and preventing the exploitation of global demand for entrepreneurs, especially in the case of technology ventures. On the other hand, it is noted that regulation which allows investors easier access to credit and credit protection, enhances entry rates (Klapper et al., 2006). Therefore, regulation can act as both an encouragement and deterrent for entrepreneurs and entrepreneurship ventures. Looking at Qatari regulation, every start-up needs to be incorporated in order to make any type of transaction in the market; otherwise it is deemed illegal economic activity. In the Silicon Valley, and many other places around the globe, an individual can legally setup their startup within 24 hours. In Qatar that process is not clearly defined.

The relationship between entrepreneurship and bureaucracy has also received attention from scholars. The general consensus is that higher levels of bureaucracy discourage entrepreneurship. Sorensen (2007) examines this relationship in the case of Denmark. The findings of this study included the notion that in nations where bureaucracy is present in most contexts, the number of entrepreneurs is smaller, as well as the availability of entrepreneurial opportunities. Furthermore, it is noted that a reduction in bureaucracy would surely have a positive effect on a nation's economy, as it would induce economic growth. Nonetheless, bureaucracy should not always be considered a barrier to entry that cannot be changed. Athreye (2010) study on the success of entrepreneurs in the software industry is a great example of how entrepreneurs can indeed change institutional policies and regulation to their benefit, and in turn triggering industry growth.

The underground economy presents undesired competition that challenges the existence of small business enterprises. Owners of small business enterprises suffer losses because of the underserved competition from illegal businesses. Owners of small business cite lack of government support as a major barrier to entrepreneurship (Demirbas et al., 2011) the government should conduct market research and enact development policies that can help promote innovation. The government should formalize the business sector. Formalization should help solve the undesired consequences of thriving underground economy. They incur high costs of operating their businesses. The profit they get is not enough to justify the amount they invested to start such businesses. As a result, they become discouraged to invest resulting to reduced entrepreneurial development. Owners also cite the lack of adequate sources of finance as a major barrier to innovation. In Qatar, managers have blamed lack of skill as a major barrier to entrepreneurship. Globalization of markets, economic dynamism, decreasing product life cycle, changing technology, increased competition, and varying consumer tastes and preferences are also major challenges that business managers need to address. Managers must solve these challenges at all levels of business activities including production, finance, planning, human resource management and marketing. Managers, therefore, must ensure that entrepreneurship is a continuous process.

Entrepreneurs employ economic resources in such a way that they earn profits for the business. Resources are either internal or external. Small business enterprises in Qatar have a comparative lower level of internal resources than their large enterprises. Low levels of internal resources inhibit entrepreneurial development. Resources available are not enough to initiate innovation. Innovations that are lucky to start fail to complete successfully because of low internal resources. Insufficient level of internal resources and managerial skills inhibit a firm's initiation and its growth.

These small firms also experience challenges of acquiring external capital. Managers lack enough skills to manage external resources such as loans. Others embezzle the external resources resulting to huge losses for the business. They similarly lack technical support that is crucial to counter the fast response to market changes taking place in the highly competitive and ever-changing global environments. Research shows that managers do not have enough resources and time to source for external resources, information and technical support. Such resources are important in making swift response and strategies to market changes.

The external environment influences and limits the entrepreneurship in Qatar. Small firms face hard competition from their large counterparts companies. Socio-economic, political and cultural factors influence innovation. Legal considerations, ease of imitation from competitors, job layoff period, government support and domestic market affect entrepreneurship. High costs of innovation, unavailability of working capital, high rates of taxation, social insurance, job security, and low skills are major external hurdles that influence growth of small firms. The government contributes to a great extent to these challenges because of its economic policy. The government policy does not allow managers to access or use relevant technological information, institutional finance and skilled personnel. The government of Qatar should enable small business firms to access technologies and infrastructure that can help promote innovation. It should promote innovations by establishing favorable locations and niche for small business enterprises. It can adopt progressive policies that will solve the perceived barriers to innovation. These policies can help deal with socio-economic, cultural and environmental challenges facing small business enterprises in Qatar.

The government contributes a great deal towards entrepreneurship. The government should facilitate research towards the development of science and technology. Research, however, shows that most developing countries' governments do little towards promoting entrepreneurship. According to Demirbas et al. (2011) the governments in developing countries such as Qatar rarely support research nor enact policies that promote entrepreneurship. Such governments do not control underground economy. These underground economies affect entrepreneurship negatively because they create unfair competition for locally produced goods. It is important for the government to protect entrepreneurial products from unfair competition. The government can achieve this policy using Product Market Regulation (PMR) laws, World Bank, (2013).

Efe (2014) states that entrepreneurship training could help to reduce the high rate of unemployment in the world. Through equipping the trainees with the right set of skills and knowledge for setting small business. Entrepreneurship education according to him has the capability of providing jobs for people in factories, service industries and small businesses.

According to Anho (2013), basic, functional, and entrepreneurial training is capable of building strong character thereby addressing personal and social challenges. This idea of personal and social challenges can be taught in an entrepreneurship education. Employers with such training will allow their staff to radiate joy and goodness in their endeavor. Anho (2011) also noted that the greatest success skill we ever develop in lives is the teamwork skills. If we succeed in building this, it will reflect on individuals, organizations and states.

Typically, there are two types of financing models which are available to entrepreneurs, either bank financing or venture capital. Oseifuah (2010) indicated that each type has its own advantages and disadvantages. Large companies such as Microsoft initially started out through venture capital financing, yet the share of this type of financing is small globally in comparison to bank financing. Advantages to VC include the managerial input, yet the same can also be a disadvantage as there is a possibility of moral hazard effects. Bank financing may be a more viable option for entrepreneurs who are outside the technology field, and is usually offered at competitive rates. The main advantage to this type of financing is that ownership is not given away, as is the case with most VC financing, but on the downside, there is no managerial import.

The final obstacle, which is perhaps the hardest to conquer, is culture. As noted by Thomas & Mueller (2000) "*the assertion that there is a greater predisposition or propensity toward entrepreneurship in some societies than in others points to the implicit role culture plays [...] in differences in entrepreneurial activity can be explained by cultural and religious factors.*" Shane (1992) noted that there is a relationship between inventiveness in a society and the levels of individualism of the concerned population. Here we must ensure to make the distinction that individualism only affects levels of entrepreneurship which are considered as innovative. It does not necessarily apply to small business with no aspects of innovation that are also called entrepreneurs. Peterson (1980, cited in Mungai, 2013) indicates that it is of no surprise that a large segment of entrepreneurship takes place in the US, where there is a dominant culture of individualism. Thomas & Mueller (2000) suggests that the three traits which are usually found in entrepreneurs, namely: internal locus of control, risk taking propensity and high levels of energy decrease in frequency as the cultural distance from the US increases.

In phase two and as previously indicated, a designed survey containing the previously determined obstacles; namely, bureaucratic requirements, limited access to funding, restrictive and biased legal conditions, and social and cultural constraints, was distributed to young entrepreneurs from both genders. These young entrepreneurs were asked on a five point Likert

scale to assess the previously determined obstacles where 1 is considered the lowest degree of obstacles and 5 is considered as the highest degree of obstacles. In order to compare results of females than males, an independent t-test was conducted. Table 1 shows results of exploring the latent inquiry.

It can be noticed from Table 2 that no statistical significance can be found between the both genders in assessing obstacles to entrepreneurship in Qatar. Both males and females have nearly assigned the same degrees of obstacles. So, it can be argues that there is no difference between males and females in Qatar in assessing obstacles of entrepreneurship and that both genders believe; in the same degree, that these obstacles could be a constraint to entrepreneurship climate within the country.

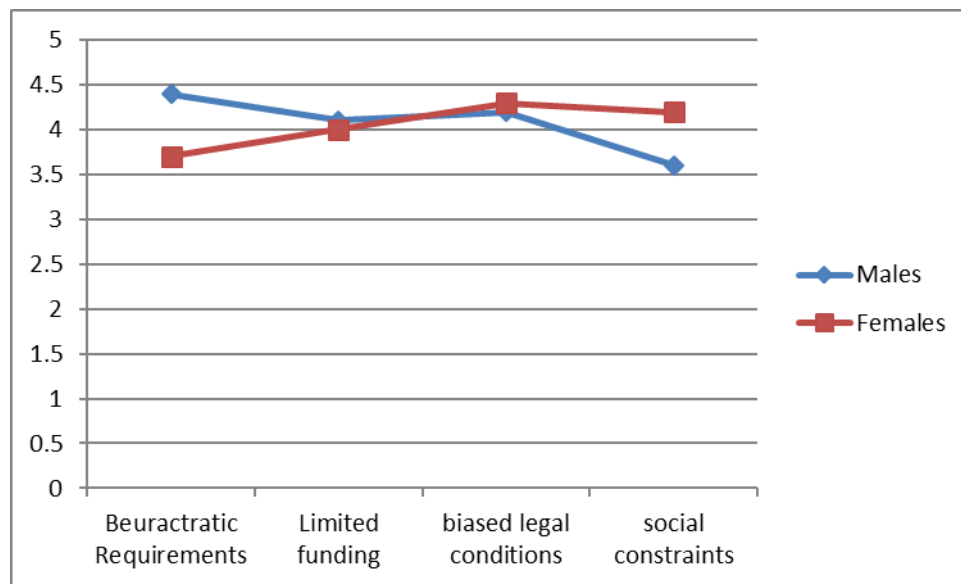
	Group	N	Mean	Std. Deviation	Std. Error Mean
Entrepreneurship obstacles	Females	71	4.0597	.21492	.03860
	Males	52	4.0735	.21058	.01767

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Entrepreneurship obstacles	Equal variances assumed	.132	.717	-.567	171	.571	-.02377	.04190	-.10648	.05893
	Equal variances not assumed			-.560	43.487	.578	-.02377	.04245	-.10936	.06181

However and in order to generalize results, one way ANOVA was computed so that comparing equality of both males and females. Table 3 shows results of this test where results shows non-significance at a confidence degree of 99%. In other words, at least two means are different than one another. This leads to the need for more investigation on which type(s) of obstacle was different between both genders.

	Sum of Squares	Df	Mean Square	F	Sig.
Between groups	114.655	2	57.327	960.359	.000
Within groups	18.624	312	.060		
Total	133.279	314			

In order to investigate which areas of entrepreneurship obstacles are considered different between the both groups, males and females, Figure 1 shows that both males and females believe; in the same degree, that limited funding and biased legal conditions are considered obstacles to young entrepreneurs in Qatar.



**FIGURE 1
COMPARING MALES AND FEMALES ASSESSED DEGREES OF
ENTREPRENEURSHIP OBSTACLES**

However, males believe that bureaucratic requirements does affect this young entrepreneurs more than females’ belief. In the same manner, females believe that social constraints could be an important barrier to entrepreneurship other than males do. This can be explained that and despite the openness Qatar live, females still that there are some constraints on their movements.

SUMMARY AND CONCLUSIONS

The main objective of this research is to explore any barriers to entrepreneurship in emerging economy and more specifically in Qatar. A qualitative methodology was adopted through 29 semi-planned interviews mostly with entrepreneurs. The main result revealed that four main barriers are found in the Qatari domain restricting entrepreneurial businesses to reveal.

First on the list is the 51% ownership rule that states every company must have a Qatari partner that owns at least 51% stake in the company. This automatically alienates a large number

of inventors and business savvy people that do not have access to Qataris that they could trust enough to start a business together. Among the ones who do there is a significant percentage of people who are not willing to give majority right of their idea to someone else simply because the law demands it. This still leaves Qatari entrepreneurs and those willing to take the aforementioned risk; however by decreasing the number of potential entrants it most definitely hurts the competition and sector as a whole.

The second major bureaucracy related problem is a requirement to have an office space lease for one year in order to receive a Commercial Registration (CR). Everyone knows that office space rental fees in Qatar are extremely high; a 4 square meter office with one working station costs at least 4,000 QAR per month. This creates cost that does not produce any value for the entrepreneur and his product. Combined with other minor requirements that also increase costs without creating value, entrepreneur will soon find his/her overhead of 10,000 QR per month; without investing a single riyal in the development of the product. This can deter some entrepreneurs from pursuing their aspirations in Qatar, when the ownership structure in other countries can freely operate a startup from their garage or living room.

Another major obstacle in Qatar might sound counterintuitive when one takes into account the fact that Qatar has world's highest GDP, and that obstacle is limited access to financing. A big part of the Silicon Valley success story is the diverse network of investment sources available to startups. Companies can choose between financing from Angel Investors, Venture Capital Funds, Bank Loans, and many others. Most startups in Qatar are financed through family & friends as the first two of the just mentioned funding sources are almost non-existent and taking on debt as a startup is almost impossible. While market is full of successful Qatari businessmen that could potentially be Angel Investors, lack of access to this circle of people makes it hard for entrepreneurs to reach out to them.

Furthermore, many competent investors don't have the incentive to fully commit their time to any given startup as they can by default get 51% ownership because of the firm, much more than any Angel Investor gets. As for the VC funds, there are currently 0 investments in startups made by a VC Fund in the State of Qatar. This is poised to change as 2014 will see the launch of first two VC funds in Qatar, one created by Enterprise Qatar and another privately owned fund. Finally, banks in Qatar operate under strict government regulations when it comes to commercial lending.

The costs related with the process of loan application are often so expensive and tedious that entrepreneurs simply can't afford money and/or the time to even pursue this option. Shane (1992) suggests that problems associated with financing investments in new technology will be most apparent in the new entrants and startup firms; and that for this reason, many governments already provide some sort of assistance. Sadly, in case of Qatar the government regulation that deals with commercial financing doesn't differentiate between startups and mature firms. This creates even more challenges for startups, and while Shane (1992) refers primarily to technology financing in case of Qatar we are talking about all the startups.

Restrictive and biased legal conditions does not refer to any particular law or legal requirement, we tried to cover specific laws and regulations while discussing bureaucratic and financing obstacles. While this paper states restrictive and biased legal conditions, it perhaps more precise to say it the lack of forms of legal conditions for entrepreneurs that are not Qatari nationals. Basic legal right/condition that allows entrepreneurs to pursue their aspiration is the right to file for bankruptcy. In Qatar only locals have the option to file for bankruptcy, while

expat entrepreneurs can't. This eliminates the most fundamental exit strategy that entrepreneurs count on if everything goes wrong and their venture doesn't succeed.

Without bankruptcy the punishment for not succeeding becomes a choice between two very negative outcomes, life-in-debt or life-in-prison. This makes the risk and punishment prospective so negative that most entrepreneurs, who are in many cases natural risk takers, wouldn't even consider talking about their idea to other people. This is a slight exaggeration as there are ways for expat entrepreneurs to protect themselves through contracts. But the fact that filing for bankruptcy, considered a basic legal right necessary for creation of entrepreneurial environment, is not a default right to all potential entrepreneurs is a serious obstacle.

Like other Middle Eastern countries, Qatar has a society whose religion and culture are closely tied up in a very intricate relationship. It is a culture that is very much based on respect for seniority and it is definitely a collectivist culture. The problem with this is that entrepreneurship cannot accommodate for those two specific traits as it depends on new ideas and products continually challenging old ones and individualistic efforts to change some preexisting factors. According to a recent study, young people in Qatar are amongst the most ambitious youths when it comes to the prospect of becoming an entrepreneur. However, regulatory requirements and the fear of being frowned upon by the society in case of failure are the main reasons why many members of Qatar's youth never take this step.

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