

Entrepreneurship for Women in GCC

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Abstract: This paper discusses strategies and policies which could help to create an enabling environment for women entrepreneurs in the Kingdom of Saudi Arabia in GCC. The women have started taking an active role in a primarily male dominated Saudi society. In the recently concluded municipal elections women candidates sprung a surprise by winning decent number of seats. The authors aim to provide a set of practical recommendations to promote sustainable growth of entrepreneurial activities and enterprises owned by women. Empowering women has become one of the major focuses for development of the Kingdom. When a woman moves forward, she helps in advancing the family, the community and the nation. Therefore, improving the economic empowerment of women is highly called for.

This paper focuses and provides an insight into the meaning, qualities required for a women entrepreneur, opportunities and challenges faced by them. The study concludes with recommendations to promote a supporting environment for women in the Kingdom of Saudi Arabia.

Key words: Gulf Cooperation Council (GCC), Opportunities, Entrepreneurship, Economic Development, Innovation.

INTRODUCTION

According to the OECD Conference held in Turkey in 2004, women entrepreneurship needs to be studied for two main reasons.

First, that women's entrepreneurship has been recognized as an important untapped source of economic growth. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. Secondly, the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. Not only women have lower participation rates in entrepreneurship than men but they also generally choose to start and manage firms in different industries than men tend to do. The industries (primarily retail, education and other service industries) chosen by women are often perceived as being less important to economic development and growth than high technology and manufacturing. Furthermore, mainstream research, policies and programs tend to be "men

streamed" and too often do not take into account the specific needs of women entrepreneurs and would-be women entrepreneurs. As a consequence, equal opportunity between men and women from the perspective of entrepreneurship is still not a reality

WOMEN IN ARAB SOCIETY

As mentioned, that the topic of female entrepreneurship has been relatively neglected both in society and the social sciences, despite the fact that generations of women from across the world have contributed to their environment, demonstrating encouraging signs of entrepreneurial spirit (Global Entrepreneurship Monitor, 2004; Hattab) for Saudi Arabia too. It may be adequate to mention that academic discourses featuring women are at best controversial and inconclusive. In the Arab societies, women's participation in the labor force is influenced by culture which in turn is shaped by Islamic principles. There is a dearth of studies based on different social contexts especially in Islamic societies, where social and familial control over women, their economic dependence on men and restrictions on their mobility determine the differential access that males and females experience concerning education and other key supporting services. Women are not often permitted to move around freely in some families; from early childhood, they are not allowed to go out of their houses or to mix with males independently. A number of plausible explanations may exist in current women's entrepreneurship literatures, and it has been a subject of intense debate among scholars. Such knowledge is of increasing importance, since indigenous women in these developing countries are assuming a greater role in enterprise creation and economic development as a result of economic and societal changes worldwide (Lerner et al., 1997; Ahmed, 2011)

The practices of the Muslim religion are likely to vary between the KSA and other MENA (Middle East and Africa) countries. For instance, women in the KSA are not allowed to drive, sail a boat or fly a plane, and must have a male representative to deal directly with government agencies (Yamami, 1996; Ahmed, 2011). Women are not allowed to board public transportation in order to travel between different parts of the country or abroad without written permission from their closest male relative. In addition, one of the unique customs in the KSA is women being covered

from head to toe in a black robe and veil to impose seclusion. In the KSA, such seclusion and the wearing of the veil are proof of the acceptance and practice of Islamic norms and values. Women are also required to obtain permission from male guardians to conduct their most basic affairs, like travelling or receiving medical care. These gender issues are structural in nature and area embedded in culture.

Female literacy rates have risen from 16.6 per cent in 1970 to about 71 per cent in 2008 (CIA, 2008). The female population is highly educated with 58 per cent of university students being women (Minkus- McKenna, 2009). Women form the majority of the university population, however, this educational performance does not translate into the labour market; women remain a largely untapped resource in the region, making up only 32 per cent of the labour force (The World Bank, 2008). The vast majority of working women are employed in the public sector, and of these, 84.1 per cent work in education (Saudi News Agency, 2007). A Saudi woman's freedom to choose her profession is limited more by social than by legal norms.

BARRIERS FACED BY WOMEN ENTREPRENEURS

While businesses need more women in order to fully benefit from the diverse thinking involved in problem solving, decision making and strategic management, some significant barriers remain for women establishing and growing businesses (Welter, 2004;McManus, 2001; Ashwin, 2000; Haynes and Helms, 2000; Carter, 1997; Aldrich, 1989). These barriers, which include gender biases, family responsibilities, political instability, poor infrastructure, high-production costs, poor access to market information, limited access to technology and finances, poor linkages with support services and a generally unfavorable business environment, shape women's entrepreneurial development in the MENA region. In addition, entrepreneurs are perceived by the public as possessing stereotypical "masculine" traits, which presents yet another factor working against women's credibility as business owners (Carter et al., 2001; Baron et al., 2001; Ahmed, 2011).

Another recurring constraint for women seeking to engage in entrepreneurship is the perceived lack of or competing demands on time. Because women are responsible for many different domestic chores and the raising of children, they do not have sufficient time to develop their entrepreneurial knowledge or skills to start a new business, nor do they have time to develop an existing one. Furthermore, this lack of free time limits women's availability to travel to certain institutions, such as banks and other financial organisations for advice and information on credit, to attend training programmes to acquire skills, or to seek out better customers or suppliers. Lack of free time has also been observed in a number of studies across different countries, for example Bangladesh, Côte d'Ivoire, Ethiopia, Mali, Morocco, Senegal and Zimbabwe (De Groot, 2001; Karim, 2000;Ahmed,2011). Evidence suggests that lack of time is a barrier for most women, in most

economies, independent of the level of development. Thus, family support in general, and a husband's support in particular, influence the success of women entrepreneurs.

A qualitative study by Ahmed (2011) clearly demonstrated that, women-owned and operated businesses are rooted in both the family and social relations to a greater extent than extant literature on women's entrepreneurship till date. Similar to female entrepreneurs in other countries, Saudi women choose to engage in service sector businesses with little startup capital. The motivation for a start up in Saudi women is fuelled by flexible work times, contribution to society and provision of jobs, independence and market opportunity. While these women are well educated, what they have limited knowledge of business environment, limited experience in business and shortage of basic management skills required in operating a business. Furthermore, the traditional Saudi culture does not recognize a woman as influential and powerful business leader. This can be because of their perceived lower status as compared to their male counterparts; this in turn confines the growth and potential of a woman's business. The Saudi women entrepreneurs work in an environment which is gender biased and carries strong socio-cultural norms and conservative Muslim culture. Such beliefs hinder a woman's ability to interact with people outside of home and restrict mobility, thereby barring a woman's achievement and progress.

Women in Arab societies, especially the Saudi culture are expected to be obedient and docile, supporting their males instead of taking on leading roles. The traditional Arab society does not appreciate a woman's participation in activities outside the home. Nevertheless, the women entrepreneurs of Saudi Arabia with strong personality traits as, determination, confidence and enthusiasm combined with the need for achievement, hard work, education and dedication, have proved their mettle and posed competition for the males. This indicates the fact that women entrepreneurs in KSA are taking their economic future in their hands and are no longer dependent on the customary male support. The policy makers therefore, need to take notice and reexamine women's role in the society to enable them to contribute in the country's development.

Unlike developed countries, women-owned and operated businesses in KSA were able to achieve success with limited resources. The Saudi women depend heavily on family connections, other female business associates and women-business associations. The source of funding for these businesses typically remains the fathers, husbands or other family members, who provide sufficient capital for a small scale venture.

Despite several barriers and business challenges such as bureaucratic red tape, limited access to and use of formal capital, gender discrimination, lack of support services and limited business networking, the Saudi women entrepreneurs have successfully created business opportunities among their community. However, unlike research undertaken in developed as well as developing countries, women entrepreneurs in KSA seem to have a serious problem with the social norms market network,

mobility constraints and competition throughout the region. In addition, given that Saudi women tend to choose businesses compatible with their knowledge, training, educational background and skills with relatively small capital investment, they might receive less competition from men. Hence, although competition and a market network might not be an issue, culture, religion, practices and social norms dictated that even when they were permitted to become involved in business, their activities had to take place close to their home and family. It seems that, while gender stereotyping does not discourage Saudi women entrepreneurs seeking to grow their businesses potential, society's lower expectations of women may negatively affect their achievement aspirations.

ANALYSIS OF STRATEGIES AND ACTIONS FOR PROMOTING WOMEN ENTREPRENEURSHIP IN KSA

Steps taken by the government

Several proactive steps are taken by the government off late to promote the culture of innovation and entrepreneurship in KSA. Campaigns are organized throughout the kingdom to promote the role women empowerment in jobs and in private sector. Government funded training institutes are formed to develop skills among the young women entrepreneurs.

Building Women Entrepreneurial Capacity and Skills

A main aim is to facilitate economic development and job creation through capacity building and train-the-trainer initiatives for young women, so that they could leverage institutional know-how. This action-oriented activity has enabled them to build capacity and to operate more efficiently.

Dedicated Women Universities

The overhaul of women's education over the past decade has been significant. Previously, women's colleges were overseen by the Department of Religious Guidance, putting female students under the direct power of clerics. In 2002, they were put under the Education Ministry, which oversees male education. Five years later, the first full women's university was created, the Princess Nora University in Riyadh.

Capacity building Initiatives to promote Entrepreneurship

Capacity building was recognized as a crucial ingredient for the effective development of women's entrepreneurship in Saudi Arab. It can be productively undertaken for all key stakeholders relevant to the women entrepreneurial environment, including women entrepreneurs and their associations, as well as policy makers, researchers and

bankers. Several workshops and training programs are organized by Government agencies to promote the avenues of entrepreneurship for women in KSA.

CONCLUSION

While the traditional Saudi culture has been an obstacle for women entrepreneurs in KSA, the changing times and increased globalization are paving way for a more liberal and accepting society. Majority of it is contributed to the increased governmental support and encouragement, however part of it can also be attributed to the influx of expats from other countries, increased focus on education including the facility to be educated in western universities. Intermingling with the people from other cultures had made the Saudi society more open to ideas. The governmental spending in the vocational & educational sector, with emphasis on skill development has proved to be a silver lining to ambitious women in the country.

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