

## Chapter 4

# Enhancing Women's Economic Empowerment Through Entrepreneurship in Saudi Arabia

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### ABSTRACT

*This chapter aims, first, to explore the state of the art of women's economic empowerment as a challenging research inquiry that needs a real investigation and to explore the different mechanisms of entrepreneurship development for women. It presents, then, the evidence of how Saudi women are economically empowered and how their potential is unleashed and sparked through entrepreneurship mechanisms. This chapter is based on a literature review on women's economic empowerment and entrepreneurship and a desk research involving the collection and analysis of already available information in the country. It introduces a needed ecosystem for Saudi women's economic empowerment and highlights some main empirical evidence from selected initiatives. Moreover, the recommendation that this chapter advances would be helpful to the practitioners, researchers, planners, and policymakers who are involved in the concerned area. Further, it tries to contribute to the literature of economic empowering of women through entrepreneurship in an emerging economy.*

### INTRODUCTION

The topic of “*Empowerment*” is buzzword and the term<sup>1</sup> is widely used in different fields as an ubiquitous buzzword (Mosedale, 2005), interesting different human kinds (men, women, youth, student, citizen, employees) and including different dimensions (economic, socio-cultural, familial/interpersonal, legal, political, and psychological).

The “*Women Empowerment*” is becoming a burning issue all over the world and in Arab countries, and especially in Saudi Arabia as a Muslim country. Empowering women is one of the most crucial

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concerns of the Millennium Development Goals of the United Nations (United Nations, n.d.). Here, we consider empowerment as research priority and more than just a buzzword. A research agenda on such topic will be required. Some authors attempt to define it as referring to the creation of an environment for women where they can make decisions of their own for their personal benefits as well as for the society. This environment helps them to increase their own self-reliance and control (Varghese, 2011; Torri & Martinez, 2014).

Globally, women empowerment has recently gained considerable importance as an area for policy and policy makers in most countries. They have recognized the benefits of empowerment, which can be realized through an effective participation of women in society in general (Adema et al., 2014). The rise of women becomes a necessary for the realization of human development (UNDP, 2006) and the need for more women in the workplace become essential and crucial despite the problems of gender inequality in the workforce, business and entrepreneurship (Al-Dajani & Carter, 2010; Al-Munajjed, 2010; McKinsey & Company, 2015a). Recently, a study concluded that women should obtain their economic empowerment in order not to miss their potential and spark it to contribute to the economic development by boosting business and employment opportunities. And if one country provides more jobs for women (as employees, entrepreneurs, self-employers, freelancers...), this will raise its GDP by approximately 5% annually (Aguirre, Hoteit, Rupp, & Sabbagh, 2012). In addition, the “*Power of Parity*” report found that advancing women economic parity could add USD 12 trillion to global economy by 2025 (McKinsey & Company, 2015b).

After defining and reviewing the concept of women's empowerment, we are focusing, in this chapter, on the economic empowerment of women through entrepreneurship development in Saudi Arabia. Such topic is emerging as a core focus of both economic development and gender equality programs internationally (Aguirre et al., 2012). Therefore, entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, innovation and employment, and is widely accepted as a key aspect of economic dynamism (European Commission, 2013). Moreover, entrepreneurial activities and entrepreneurship development mechanisms empower women economically and facilitate their contribution to the overall development of a country and reaching the Millennium Development Goals through entrepreneurship development.

The chapter is inquiring on the importance of entrepreneurial empowerment of Saudi women in front of challenging issues: education, employment, underutilization of potentials, women entrepreneurship and women in business (Al-Dajani, 2010; Chamlou, Klapper, & Muzi, 2008; Danish & Smith, 2012; Fatany, 2007; Nieva, 2016; Qureshi, 2014; Zamberi, 2011).

The importance of female education and the achievement of Saudi women in the field of education have been explored and emphasized as a social right and development imperative in the Middle East and North Africa (Roudi-Fahimi & Moghadam, 2003; Hamden, 2005) and their literacy is recognized globally as a key to empowering women's participation in decision making in society and to improving families' well-being (UN, 1996).

Saudi Arabia has made significant efforts in creating jobs for nationals and promoting female participation in employment (AlMunajjed, 2010; UNCT, 2015). But it continues to have one of the lowest female participation rates in employment and entrepreneurship in the region.

There is a greater economic opportunities for women that can contribute to stronger, better and fairer growth by raising the overall level of human capital and labor productivity and mobilizing hitherto underutilized labor supply. Achieving greater gender equality remains a big challenge in education,

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