

## PalArch's Journal of Archaeology of Egypt / Egyptology

### SOCIAL ENTERPRISES IN SAUDI ARABIA: PERSPECTIVES FOR WOMEN EMPOWERMENT

*Amani A. Alghamdi<sup>1</sup>, Nabil Tarifi<sup>2</sup>*

<sup>1</sup>College of Business, Effat University, Qasr Khuzam St., Kilo. 2, Old Mecca Road P.O.BOX  
34689, Jeddah 21478, Saudi Arabia

Email: [1amalghamdi@effatuniversity.edu.sa](mailto:amalghamdi@effatuniversity.edu.sa), [2ntarifi@effatuniversity.edu.sa](mailto:ntarifi@effatuniversity.edu.sa)

**Amani A. Alghamdi, Nabil Tarifi. Social Enterprises in Saudi Arabia: Perspectives for Women Empowerment-- Palarch's Journal Of Archaeology Of Egypt/Egyptology 18(16), 591-601. ISSN 1567-214x**

**Keywords: Entrepreneurs; women; social enterprises; business**

#### **ABSTRACT**

The proliferation of social enterprises occupied an important place on the contemporary business, political and social agendas. This study had explored the potential of women empowerment for founded and managed social business in Kingdom of Saudi Arabia. The study used a pragmatic research methodology, combined with a comprehensive research study with extensive literature review. The primary quantitative solution of this study was survey. The quantitative findings are obtained from articles, specialized journal articles, websites and blog posts. The interviews with women who were socially active and business owner were conducted in this study. The study found strong social prejudices toward women empowerment toward economic participation still exist in the country. If the government temporarily suspends most restrictive provisions of Sharia, the situation is ameliorated. Furthermore, the study also discovered that proportion of women willing to start social enterprises was small but progressively increase. Besides, the study also confirmed the assumption that change of cultural framework was concurrently increased.

#### **INTRODUCTION**

Entrepreneurship is important tool to decrease poverty and promote economic growth in developing countries [1]. The entrepreneurs have influenced a community economic growth, politics, transform established organizations and develop solutions which bring advantages to society at large [2]. The entrepreneurship concepts is identified as the process of seeking and seizing different opportunities with the objective of transforming it into feasible and effective innovations which have definite financial [3,4]. In additions, socially oriented enterprises are regarded as the forces of "creative destruction" [5]. These forces develop and cultivate new methods of business, thus making

conventional business practices obsolete. Entrepreneurship is the process of seeking change, adapting this change and exploiting as marketable and profitable opportunity [6].

The practice demonstrates that who involved in the business activities might grouped into socially and profit-focused categories [7]. In most cases, the objectives of socially oriented enterprises are cultural, environmental and societal [8]. These businesses are commonly associated with non-profit sectors of the economy. Although, socially oriented enterprises pursue financial objectives, as a rule, the profit is used for important societal causes, not for financial gratification of the company founders or stakeholders [4].

Social enterprise which tried to use methods inherent to business organizations for tackling the society problem. Many notable scholars argue that though the sector of social entrepreneurship is still in its embryonic stage, it started to attract much attention from public and private segments in developing and developed countries [7]. This concept became frequently circulating in many national and international media editions which often referenced by the politicians and academicians as well as became an essential aspect of many academic curriculums [8].

Women's empowerment is very important issue of the contemporary world [9]. Women empowerment is referred to increase the spiritual, political, social, educational, gender or individual economic strength and women communities [10]. Women empowerment also defined as process through individual attain "the ability to make choices" under conditions in which choice was previously denied [11]. Winther et al. (2018) defined women's empowerment as the process towards gender equality [12]. Several key factors that determine or impact empowerment include age, gender, marital status, nationality, social role, economic activity, intra-household distribution and health [13].

Women entrepreneurship meant an act of business ownership, creation and controlling which empowers women economically increases the economic strength as well as society position [14]. In Brazil, women entrepreneurs faced challenges such as difficulties concerning acceptance, lack of affective and social support, difficulty operating on the international market, financial difficulty and lack of women entrepreneur role models [15]. Meanwhile, women have been isolated from development process and social factors include health, basic need, education, information, access to power and authority and decision-making [9]. In Indonesia, 86% of men participate in the labour market and only 53% of women participate in the labour market [16].

Many studies confirmed the idea that women empowerment and encouraging their participation in the national economic life is required not only from the human resources viewpoint but also essential for elevating the women status in the society [6]. The long-term objectives of developing and implementing programs to increase women social and economic foothold in the community, so that women are fully integrated into the mainstream of the national and international financial process. The government need to focus on encouraging

women participation in the political, social and cultural processes of the country [17].

Furthermore, strong societal prejudices create insurmountable boundaries towards business ideas, while existing systematic obstacles confine in launching micro business ventures, most operating in the penumbras of formal economy [10]. This study aimed to explore the potential of women empowerment for founded and managed social business in Kingdom of Saudi Arabia.

## **METHODOLOGY**

This study had explored multifaceted social phenomena which involved different variables, and a combinative theoretical approach had been utilized. Meanwhile, data collection and interpretation of study design involved both qualitative and quantitative methods of academic discovery. This study approach also known as a “pragmatic” method which are best suited to the problem at hand.

The qualitative research usage helped in understanding common trends, perceptions and major assumptions of the study. In this study, the analysis priorities which are important for the women engagement in social enterprise activities in Saudi Arabia and the problems faced and recommendation which implemented to improve current situation. This approach was utilized with objective of making the data more accurate and enriched. In typical scenario, the variables which were obtained by quantitative surveys were insufficient and qualitative research methods is used to fill that gaps left by the quantitative research solutions. The pragmatic approach which involved quantitative and qualitative elements that helpful in the hypothesis’s generation process.

Triangulation aspect was an effective solution for verify, analyse and confirm or reject results of the quantitative elements. This advantage of the pragmatic research design was especially important for the needs of this study since it enabled to develop an unbiased, critical and most importantly objective conclusion of the present study.

The study hypothesis assumed that the largest portion of economically active women in Saudi Arabia is sufficiently knowledgeable on the social enterprise concept and its social and economic benefits toward women and community in supporting the idea of social business initiatives development in the Kingdom of Saudi Arabia. In addition, largest portion of economically active women in Saudi Arabia considered that existing cultural and legal norms of Saudi Arabia were completely justified and potential social enterprise initiative frameworks is harmonized with women.

The primary quantitative solution of this study was survey. In survey questions preparation, population sample selection is done. survey distribution and data interpretation methods. Besides, this study was objective in its nature mean that the study did not align with any side of the problem and did not argue for

the social enterprise's development in the Kingdom Saudi Arabia as well as did not argue against popularization of this business form.

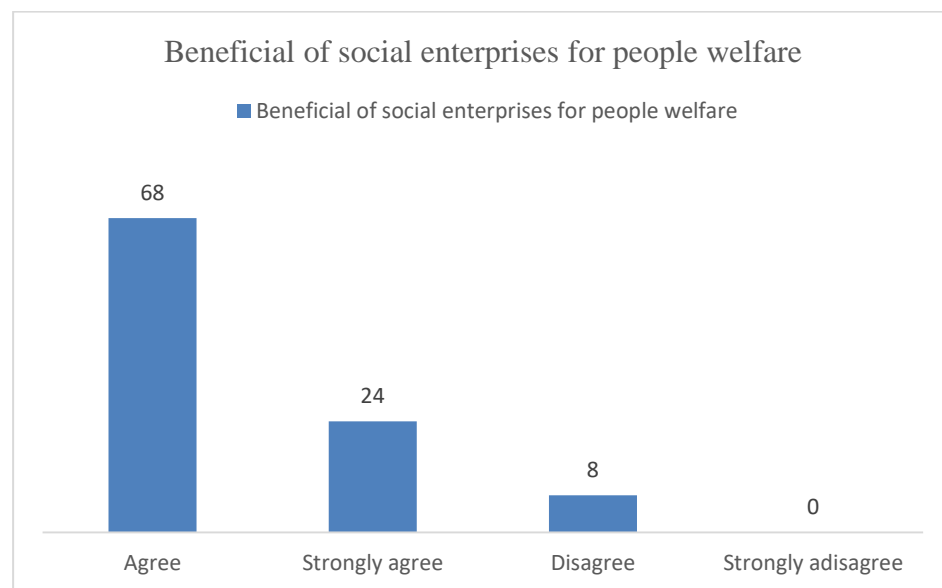
The quantitative part of this study involved completed the questionnaire and distributed among female student of the leading educational establishment of the Kingdom Saudi Arabia, women who were actively involved in business life and women who worked for non-profit organization or start-up companies in Saudi Arabia. In total, 100 questionnaires had been prepared and distributed online is survey monkey program.

There were two primary methods of data collection used in this study. The quantitative findings is obtained from articles, specialized journal articles, websites and blog posts. Besides, the interviews with women who were socially active and business owner were conducted to verify findings of quantitative research as well as to interpret its results.

## RESULT AND DISCUSSION

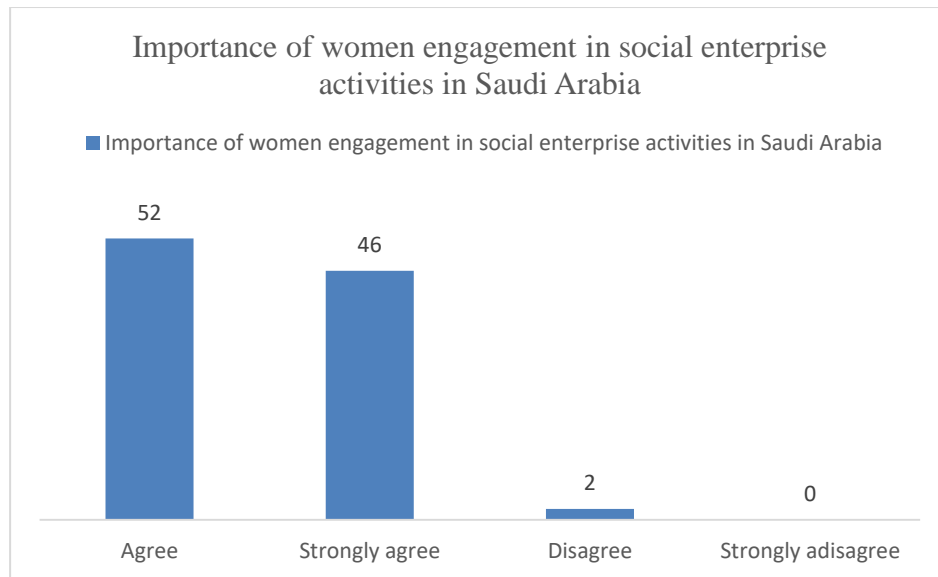
### *Result*

In Figure 1, 68% respondents agreed, 24% respondents strongly agreed and only 8% respondents disagreed on beneficial of social enterprises beneficial for people welfare.



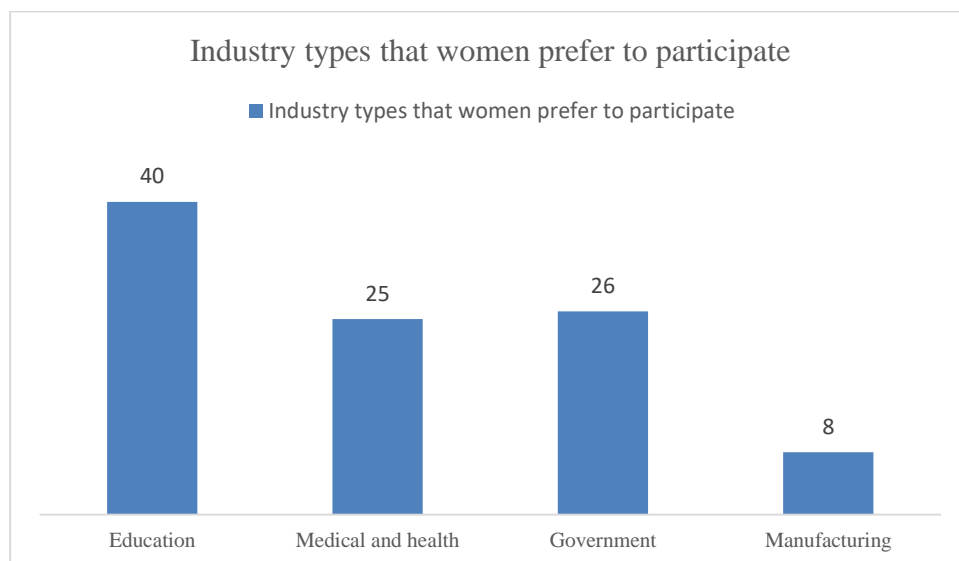
**Figure 1.** The beneficial of social enterprises for people welfare.

Meanwhile, 53% respondents strongly agreed, 46% respondents agreed and 2% respondents disagreed on importance of women engagement in social enterprises activities in Saudi Arabia as shown in Figure 2. Most respondent strongly agreed that it was important for women to engage in all social enterprise's activities in Saudi Arabia.



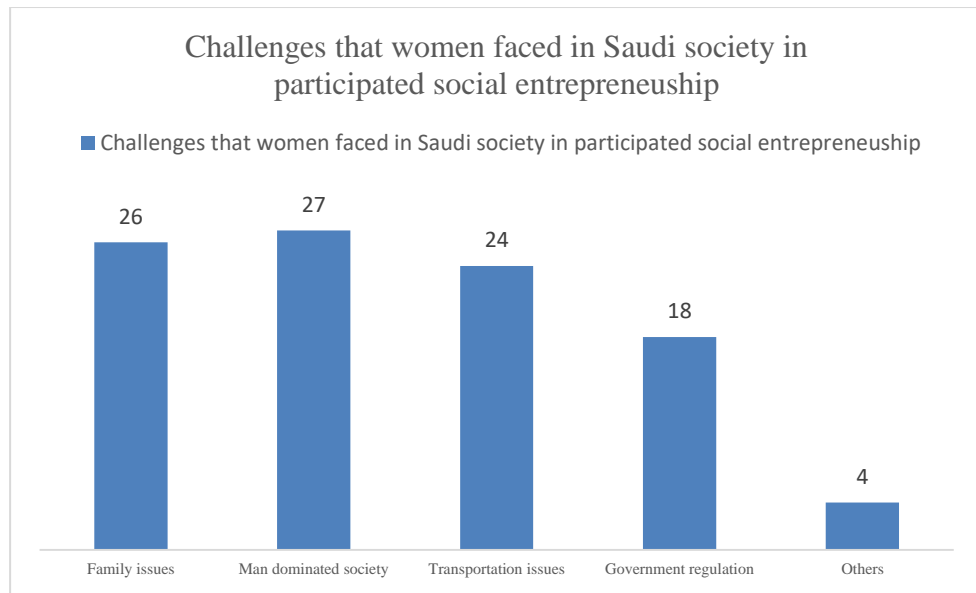
**Figure 2.** Importance of women engagement in social enterprises activities in Saudi Arabia.

In Figure 3, 40% respondents involved in education, 25% respondents were in medical and health, 26% respondents were in civil servant and 8% respondents were in manufacturing. This result explained that suitable job for women to participate was education sector.



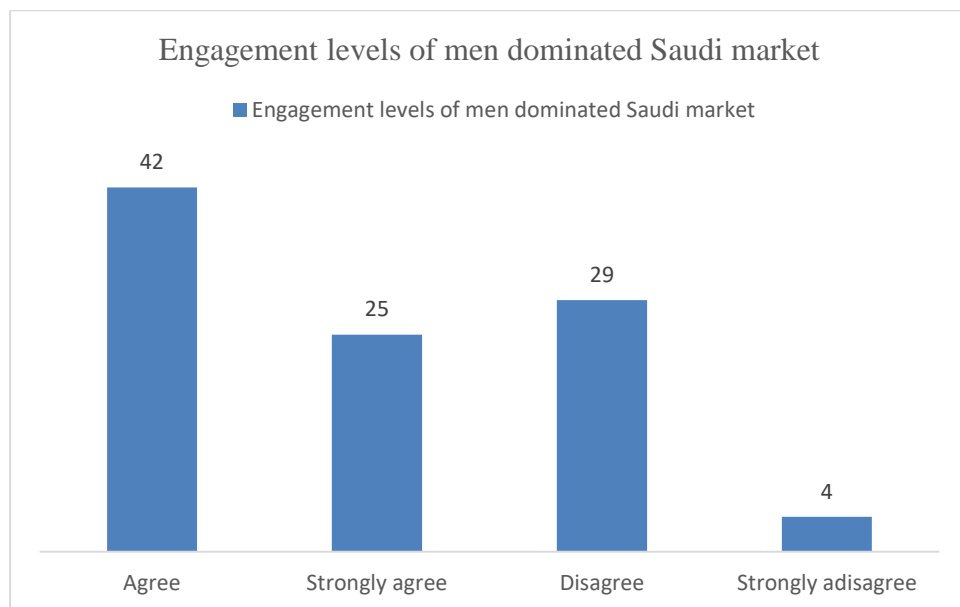
**Figure 3.** Industry types that women prefer to participate.

In Figure 4, 26% respondents claimed challenges was from family issues and 27% respondents mentioned men dominated society. Meanwhile, 24% respondents claimed on transportation issues, 18% respondents mentioned government regulations and 4% respondents claimed on all issues which were family, men dominated, transportation and government included the culture too.



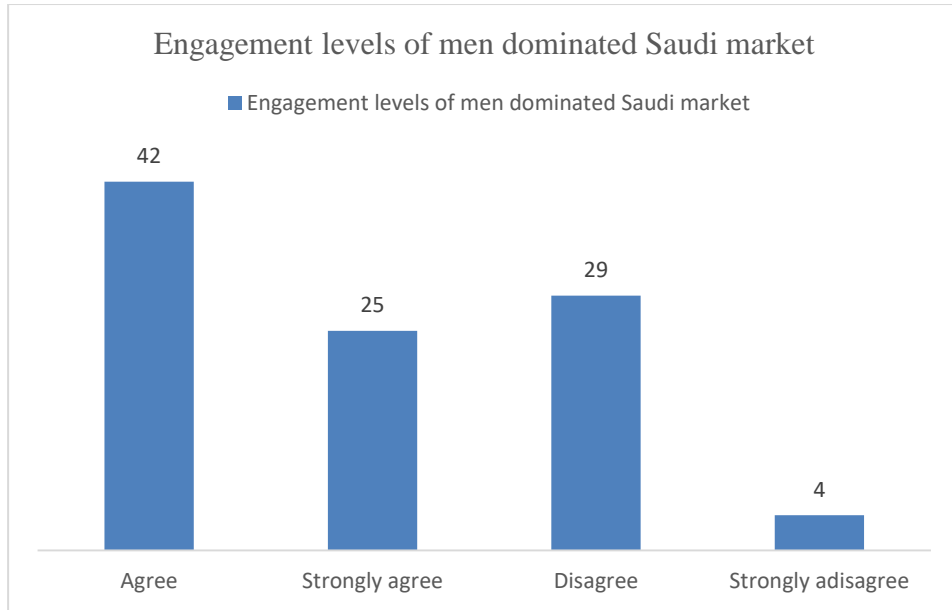
**Figure 4.** The challenges that women faced in Saudi society in participated social entrepreneurship.

In Figure 5, 42% respondents agreed, 25% respondents strongly agreed on engagement levels of men dominated Saudi market. Besides, 29% respondents disagreed and only 4% respondents strongly disagreed on engagement levels of men dominated Saudi market. Thus, the result showed that lot of women agreed on engagement level of men dominated Saudi market.



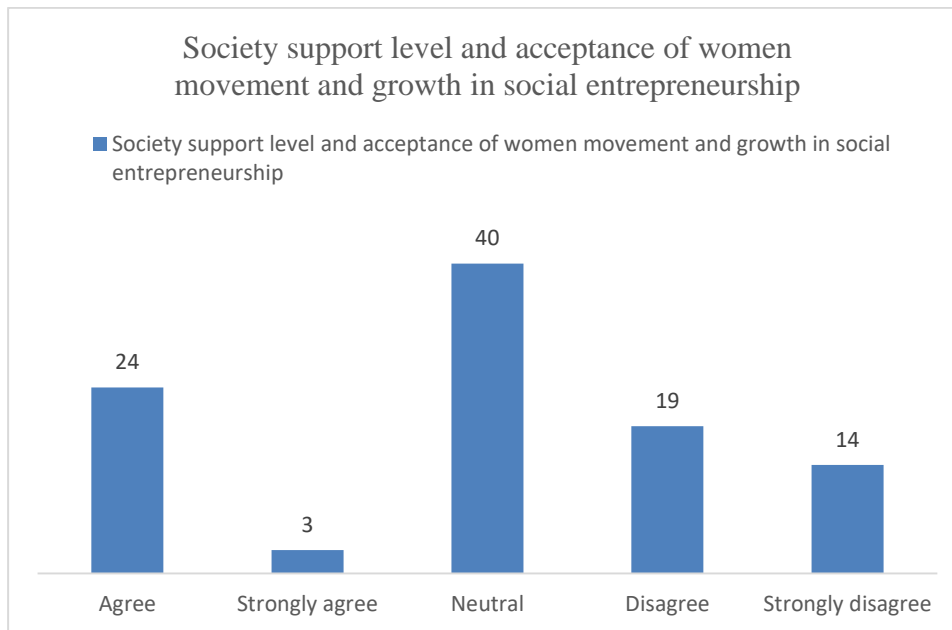
**Figure 5.** Engagement levels of men dominated Saudi market.

In Figure 6, 43% respondents agreed on government support level, 14% respondents strongly agreed and 26% respondents disagreed on government support level.



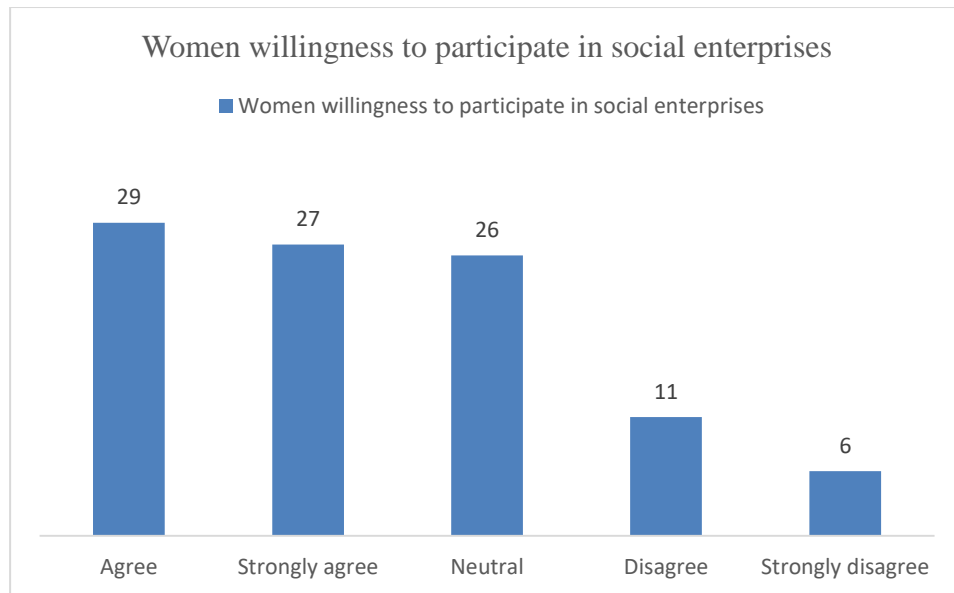
**Figure 6.** Government support level for women social entrepreneurship.

In Figure 7, 40% respondents were neutral and 24% respondents agreed on society support level and women movement acceptance and growth in social entrepreneurship.



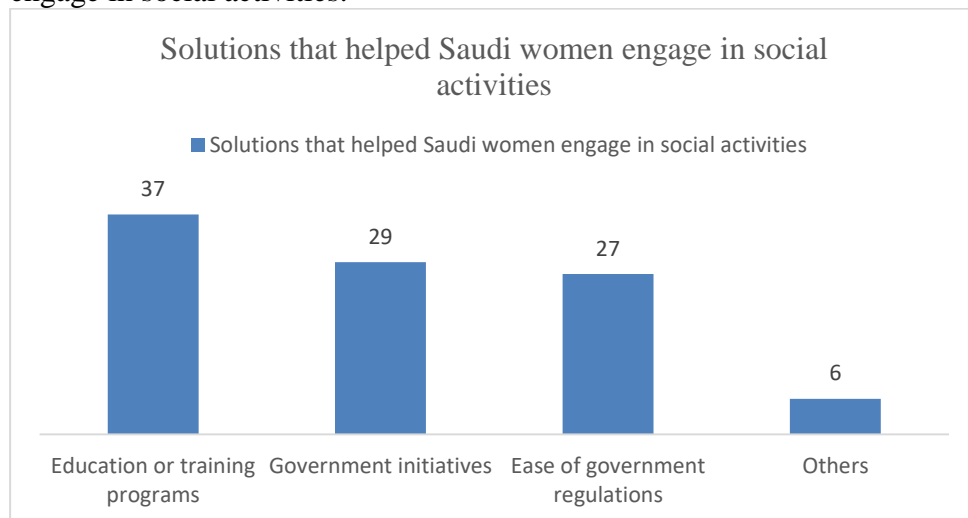
**Figure 7.** Society support level and acceptance of women movement and growth in social entrepreneurship.

In Figure 8, 29% respondents agreed and 27% respondents strongly agreed on women willingness to participate in social enterprises. Meanwhile, 11% respondents disagreed and 6% respondents strongly disagreed to participate in social enterprises.



**Figure 8.** Women willingness to participate in social enterprises.

In Figure 9, 37% respondents thought a good solution that helped Saudi women to engage in social activities was to provide education and training programs, 29% respondents claimed government initiatives, 27% respondents claimed good if the government introduced regulation easier to help women engage in social activities.



**Figure 9.** Solutions that helped Saudi women engage in social activities.

**DISCUSSION**

In this study, most women were familiarized with concept of social enterprise as well as comprehend the fundamental difference between social enterprise and conventional business venture. Social enterprise is considered suitable for women to align their interest with the roles that contributed to them culturally which correlated to care, altruism and protection [18]. Thus, Saudi women who understood social enterprise, support the idea of social enterprise development and growth in the Kingdom. Besides, women business practitioners acknowledged that social enterprise idea required in Kingdom of



Saudi Arabia. Social entrepreneurship plays important role in generating social inclusion benefits, community strength and positive influence in Saudi Arabia [19]. Moreover, there was firm conviction that this type of enterprise helped the country to resolve many acute social problems included increased unemployment among young Saudi people as well as strong dependence of international oil exports company.

The respondents had balanced opinions regarding possibilities of developed social enterprises in the country. These women actively advocated the position that the women had empowered and allowed to participate in economic activities included social entrepreneurship on condition that existed legal and social were maintained and respected.

The study also indicated that most women in Saudi Arabia as well as the interviewee who had positive attitude towards development and establishment of social enterprises believed that the idea of an opened social enterprise was an economically viable prospect for which ready to commit time and resources. The respondent also admitted that most important priorities of both men and women in Saudi Arabia was importance of financial well-being of the family included respect in the inner circles of the community. Any form of engagement with social enterprises hardly be considered as “respectable” included financial sustainable form of business activity.

This study also confirmed the assumption that active women in Saudi Arabia fully and unreservedly support the existing social and legal system of the country was strongly observed and therefore, only way for social enterprises to develop was to harmonize with the legal and social.

The study also analysed the problems which were commonly encountered or which might be encountered in founding a social enterprise. Women considered existing legal system of Saudi Arabia have problems since these women who support the idea of creating a favourable social enterprise development infrastructure in the country. In particular, the women always accompanied by a man to validate their business deed has created number of serious disadvantages to the women. Some studies revealed that women strongly depend on support from their partners, husbands and relatives to successfully start and grow their business [20]. Moreover, in many cases the legal guardians of these women unreasonably withhold their permission for most basic business necessities visited at any government institutions.

A respondent claimed the biggest difficulty in establishing a favourable social enterprise climate in the country was not sufficient perception of such initiatives by the community. The community belief that the women’s role is believed to maintaining the family structure and community [21]. Al-Ahmadi (2010) suggested Saudi women in leadership positions are faced different reality from their male counterparts due to personal, organizational and cultural challenges that decreased their effectiveness as leaders [22]. The support from the family, community and government will help these women entrepreneurs be part of national economy mainstream and contribute to economic progress in globalization era [20].

## CONCLUSION

In conclusions, there was evidence that most women in Saudi Arabia were prepared to launch and managed social enterprises. Moreover, women also believed that social enterprises is good platform for tested and developed women business skills. Besides, there was increment of women number in Saudi Arabia who considered launching social enterprises as an attractive economic option. The women believed that existing legal and social limitation imposed on the women by the sharia law substantially inhibit potential development of these institutions in the country.

## REFERENCES

- Bhuiyan, M.F. and Ivlevs, A. 2018. Micro-entrepreneurship and subjective well-being: evidence from rural Bangladesh. *Journal of Business Venturing*, 2018.
- Brändle, L., Berger, E. S.C., Golla, S. and Kuckertz, A. 2018. I am what I am-how nascent entrepreneurs' social identity affects their entrepreneurial self-efficacy. *Journal of Business Venturing Insights*, 9, 2018, 17-23.
- Makhlouf, H.H.2011. Social entrepreneurship: generating solutions to global challenges. *International Journal of Management and Information Systems*, 15,1, 1-8.
- Seelos, C. and Mair, J. 2004. Social entrepreneurship: creating new business models to serve the poor. Thesis, Indiana University.
- Ebrashi, R.E. 2013. Social entrepreneurship theory and sustainable social impact. *Social Responsibility Journal*, 9,2,188-209.
- Barringer, B. and Ireland, D. 2011. Entrepreneurship: Successfully launching new ventures. New Jersey: Prentice Hall.
- Bornstein, D. 2004. How to change the world: social entrepreneurs and the power of new ideas. Oxford New York: Oxford University Press.
- Blundel, R. and Lockett, N.2011. Exploring entrepreneurship practices and perspective. New York: Oxford University Press Inc.
- Bushra, A. and Wajiha, N. 2015. Assessing the socio-economic determinants of women empowerment in Pakistan. *Procedia Social and Behavioral Sciences*, 177, 3-8.
- Shettar, R.M. 2015. A study on issues and challenges of women empowerment in India. *IOSR Journal of Business and Management*, 17,4, 13-19.
- Miederma, S.S., Haardorfer, R., Girard, A. W. and Yount, K.M. 2018. Women's empowerment in East Africa: development of a cross-country comparable measure. *World Development*, 110, 453-464.
- Winther, T., Ulsrud, K. and Saini, A. 2018. Solar powered electricity access: implications for women's empowerment in rural Kenya. *Energy Research & Social Science*, 44, 61-74.
- Sell, M. and Minot, N. 2018.What factors explain women's empowerment? decision-making among small-scale farmers in Uganda. *Women's Studies International Forum*, 71, 46-55.
- Sangolagi, K. and Alagawadi, M. 2016. Women entrepreneurs. *International Journal of Advancement in Engineering Technology, Management and Applied Science*, 3,1.

- Nassif, V.M.J., Andreassi, T. and Tonelli, M.J. 2016. Critical incidents among women entrepreneurs: personal and professional issues. *Revista de Administracao*, 51,2, 212-224.
- Samarakoon, S. and Parinduri, R.A. 2014. Does education empower women? evidence from Indonesia. *World Development*, 66, 428-442.
- Hamdan, A. 2005. Women and education in Saudi Arabia: challenges and achievement. *International Education Journal*, 6,1, 42-64.
- Nicolás, C. and Rubio, A. 2016. Social enterprise: gender gap and economic development. *European Journal of Management and Business Economics*, 25,2016, 56-62.
- Nieva, F.O. 2015. Social women entrepreneurship in the Kingdom of Saudi Arabia. *Journal of Global Entrepreneurship Research*, 5,11.
- Damanhour, A.M.S. 2017. Women entrepreneurship behind the veil: strategies and challenges in the Kingdom of Saudi Arabia. *Journal of Research in Business, Economics and Management*, 9,4.
- Saqib, N., Aggarwal, P. and Rashid, S. 2016. Women empowerment and economic growth: empirical evidence from Saudi Arabia. *Advances in Management and Applied Economics*, 6,5, 79-92.
- Al-Ahmadi, H. 2011. Challenges facing women leaders in Saudi Arabia. *Human Resource Development International*, 14,2.

### Columns on Last Page Should Be Made as Close as Possible to Equal Length

#### Authors' background

Your Name	Title*	Research Field	Personal website

**\*This form helps us to understand your paper better, the form itself will not be published.**

**\*Title can be chosen from: master student, Phd candidate, assistant professor, lecture, senior lecture, associate professor, full professor**