

# Free first point literature review example

[Sociology](#), [Women](#)



## 1. How Saudi Women Deal with the Challenges

In their enthusiasm to succeed as entrepreneurs, Saudi women are resisting the challenges and cultural barriers strategically. Since socializing between men and women after business hours is not permitted in Saudi Arabia, some women are taking a strategic approach to overcome the barrier. For example, Lamia Boutaleb who is a cofounder of Capital Trust, an investment bank based in Casablanca, tried to schedule appointments with her male business counterparts during working hours so that she can exchange information as information is instrumental to success in investment banking and can establish networks without offending the cultural stalwarts (WUP, 2010).

It is also difficult for the women entrepreneurs to get the capital for making investments in their businesses. But Sadi and Al-Ghazali (2010) has opined that Saudi Arabian women have a lot of unexploited wealth in their personal accounts and this money can be channelled for supporting their business endeavours. Restrictive economic environment also need to change to better suit or favour the female entrepreneurs (McElwee and Al-Riyami, 2003).

Since obtainment of loans from banks is often a challenging process for Saudi women to start a business, they either cash in on their personal savings or family funding or borrow from close friends to start their business ventures. 8 out of 10 women fund their businesses with personal savings and 14. 5% women take loans and financial help from either family or close friends. 8. 6% women get loans or grants from government funds or philanthropic organizations while only 7. 6% women take personal loans from external sources (Troemel and Strait, 2013). Most of the women business

entrepreneurs either involve husbands or uncles as their business partners or advisors so that they can easily get the legal paper works and licensing done without much hassle. There have been some changes in the economic front as well to promote Saudi Arabian businesses run by women. One such initiative is the Prince Sultan bin Abdul Aziz Fund, which was initiated for the purpose of supporting and encouraging Saudi women into becoming enterprising entrepreneurs (McElwee and Al-Riyami, 2003).

Male guardianship is needed to start and run businesses by Saudi women, which appears to be a challenge in running businesses. That is, the woman entrepreneur's husband or father or any other designated male would be the chosen owner of the businesses. So in the case of death of the guardian in business the guardianship need to be transferred to another male, which might create problems in women's businesses (McElwee and Al-Riyami, 2003). Proper legal structures need to be in place for safeguarding the investments of Saudi businesswomen. Positive and supportive responses from the government and other authorities could help them in overcoming some of the barriers that exist in the society. Despite the social restrictions, Saudi women have entered in to small scale businesses and studies indicate that about 20, 000 business endeavours are possessed by Saudi women (Doumato, 2010) or " 12% of all Saudi companies, including 16% of the large manufacturing firms" (AlMunajjed, 2010, p. 346). The legal support taken by the women entrepreneurs for capitalizing on the initiatives taken by Prince Abdulla aimed at promoting female run businesses (Metcalf, 2008) is a positive step in overcoming restrictions associated with guardianship.

Like any other developing country, in Saudi Arabia also, the primary role of

the women is considered to be that of a wife and a mother. Such traditional or conservative attitudes or belief systems that are prevalent in the Saudi Arabian society acts as a major barrier for women entrepreneurs to start businesses, expand and diversify their businesses (Dechant and Al Lamky, 2005). Absence of adequate facilities for childcare also could create problems for women entrepreneurs. So it becomes difficult for the women entrepreneurs to put enough time and resource into their businesses. Metcalfe (2008) opined that some of the Saudi entrepreneurs overcame this barrier through establishing additional support, cooperation and involvement of family and friends. Societal level empowerments were found to be useful in overcoming this barrier.

Gender inequality and other gender based discriminations form a challenge to the female entrepreneurs of Saudi Arabia. It is difficult for female run businesses to register greater growth levels in a male dominated business environment. Despite commendable changes in the attitude of the males towards women and their participation in businesses, the Saudi Arabian males are still reluctant in working under a female boss. Such cultural and attitudinal discriminations also act as a major impediment in the path of women entrepreneurs. Social, cultural, economic and political barriers and restrictions affect Saudi Arabian woman entrepreneurs. So they need to have a strong will and able support to overcome these barriers. In order to overcome this barrier, Saudi women got engaged in small scale businesses in areas where the male dominance were minimal (Alturki and Braswell, 2010). Initiatives in the " Saudization policy" gives " women assurance of business participation and success" (Sadi and Al-Ghazali, 2010, p. 1). Taking

the lead from Saudization policy women entrepreneurs need to extract more support and encouragement at government, societal and familial levels, so as to ensure better growth and development in their businesses.

Lack of proper expertise and experience in running businesses has been pointed out by Sivakumar and Sarkar (2012) as a serious issue that might impede the progress and development of women owned businesses. But the interest shown by Saudi women in higher education and other professional education is noteworthy and could be considered as a right step in empowering the female population of Saudi Arabia. Saudi women understand the importance of education for self-aggrandizement; especially women that are aspiring to be entrepreneurs take initiatives to learn the technical, financial and communication skills to successfully run their businesses. Many Saudi businesswomen pursue courses that are helpful to aid their learning in specific business skills. As per the 2006 statistics of Ministry of Education in Saudi Arabia, 28.2% of women focus on learning business disciplines in comparison with 2.9% men (Troemel and Strait, 2013).

Despite the strategic initiatives adopted by the women entrepreneurs, there is no denying the fact there are many hurdles that cannot be overcome strategically. For example, driving being banned for women in the country, Saudi businesswomen are to hire a driver for moving around which often adds to the expense. Unless and until women are allowed similar footing and freedom like men and Saudi government makes and enforces favorable policies for women, the cultural and legal challenges are hard to be fully overcome.

## **Second point:**

### 2. Availability of Governmental Support for Saudi Women

On the word of Welsh, Memili and Al-Sadoon (2012) the government has taken positive initiatives to support women in the workforce. There are three conventions that have been confirmed by the Saudi government to remove gender discrimination in the labor market. These three conventions include firstly, The United Nations Equal Remuneration Convention which demands payment of equal wage to people, irrespective of gender, of equal merit. Secondly, “ the United Nations Convention on Elimination of All Forms of Discrimination against Women (CEDAW)” (Welsh et al 2012) which prohibits women discrimination in employment and occupation. Finally, “ the International Labor Organization’s Discrimination (Employment and Occupation) Convention” (Welsh et al 2012) which confirms a nondiscriminatory nation labor policy. Efforts taken by the Saudi Arabian government to support equality of the sexes as well as for eliminating any form of discrimination against women could benefit female entrepreneurs of the region (Islam, 2014).

Initiatives taken by King Abdullah to mitigate or abolish the restrictions imposed by guardianship on women entrepreneurs appear to be a welcome change. Though not much progress has been made into abolishing the issue of guardianship, there is hope for changes in the future (Metcalfe, 2008). Such involvements from the top leadership or ruling authorities are expected to bring about attitudinal changes even at societal levels. Alterations or modifications in the guardianship issue offer huge opportunities for female entrepreneurs of Saudi Arabia to run businesses regionally and even

globally. According to research carried out by Al Masah Capital 'AMCL' (2010) Al Barakah Loans Center of King Abdulaziz in Buraidah, Al Qassim, has funded over 800 projects for widowed, divorced and low-income women. The Centennial Fund offers loans to give financial assistance to young entrepreneurs in rural cities and also provides mentoring services to them for three years. 26% of the funds donated by the Centennial Fund have helped women in starting businesses in the areas of restaurants and food supply, arts and design, beauty salons and clothing lines (Welsh, Memili and Al-Sadoon, 2012). Prince Sultan Fund is another significant effort made by the Saudi government. This fund is meant to support women entrepreneurship and initiatives. Recognizing the need of practical training, this fund provides financial as well as technical support through various vocational training programs and capacity building initiatives. The 'Work Plan Project for Women Employment at Home' initiated by Prince Sultan Fund provides support to women to start working from home.

Recommendations put forward by academicians, heads of non-profit organizations and business entities for improving the amenities or options for child care, for rationalizing leave and providing different transport options can be considered as positive initiatives. These recommendations that consider the diverse needs of the women employees and entrepreneurs, if implemented could enhance the opportunities. Such initiatives or policy level changes are expected to eliminate the barriers that prevent Saudi Arabian women from entering into businesses (Troemel and Strait, 2013). For the Saudi women, accessibility to professional, technical and higher education have improved drastically over the years. Troemel and Strait

(2013, p. 348) has opined that “ Saudi businesswomen also tend to pursue degrees that provide them with specific skills that can be applied to entrepreneurship”. This could increase the opportunities available to the Saudi women in employment as well as in starting businesses. Saudi government have improved the higher education facilities and options available to Saudi women (Islam, 2014). If this facility is properly utilized by the Saudi women they could gain the needed expertise and could transform into expert entrepreneurs of the future. Alturki and Braswell, (2010) opined that there has been phenomenal increase in the number of enrolments of Saudi women in technical and higher education segment. Studies of the Ministry of Education indicate that about “ 58% of Saudi businesswomen are university graduates compared to only 21. 3% of the national workforce” (Troemel and Strait, 2013, p. 348). Such opportunities could help in broadening the knowledge base of the Saudi women and could result in cultural level changes in the society.

Efforts taken by the Ministry of Economy and Planning in Saudi Arabia to prioritise e-commerce provides greater access to latest technology (Al-Mowalad and Putit, 2012). These governmental initiatives enable Saudi women to explore wider range of technology based applications and associated employment or entrepreneurial opportunities available to them. Knowledge on Information Technology (IT) tools and applications widen their scope to get involved in electronic commerce (e-commerce) and other associated activities (Gamble, 2011). Saudi women could also make use of the networking and knowledge sharing opportunities of the internet for the purpose of starting, expanding and diversifying their businesses into



unexploited areas. Estimates indicate that “ IT literacy in the Arab world was estimated to be 29. 7%, which is higher than the global average of 19%” (Troemel and Strait, 2013, p. 348).

It was seen that the availability of internal funding options could make small scale businesses attractive to Saudi women. The Saudi Arabian male population seems to support the small scale business options for women as it provides the female enough opportunity to manage work with household duties and child care without any major issues. Small scale businesses require lesser capital investment and offers flexibility in the working hours. So they could get greater support from family and friends (Troemel and Strait, 2013). Internal funding options available to most of the Saudi women form a real encouragement for starting small scale businesses. As it might be difficult for them to make available the external funding options of financial institutions, the availability of personal funds and funds from family and friends could be a great relief for the female entrepreneurs of Saudi Arabia. On the other hand, the assistance provided by the Chamber of Commerce opens up external funding options for the Saudi women entrepreneurs and increases their networking capabilities (Shmailan, 2014). Governmental support for enhancing external funding options could assist female businesses to flourish in a long way, if properly channelized.

## **References**

Al-Mowalad, A. and Putit, L., 2012. Factors that influence Saudi consumers behaviours to make online purchase. International Conference on Management, Behavioral Sciences and Economic Issues, Penang, Malaysia.

AlMunajjed, M., 2010. Women’s employment in Saudi Arabia: A major

challenge. Booz and Company. [Online], Available at [http://www.ideationcenter.com/media/file/Womens\\_Employment\\_in\\_Saudi\\_Arabia\\_FINAL.pdf](http://www.ideationcenter.com/media/file/Womens_Employment_in_Saudi_Arabia_FINAL.pdf) [Accessed 3 April 2014].

com/media/file/Womens\_Employment\_in\_Saudi\_Arabia\_FINAL. pdf [Accessed 3 April 2014].

Alturki, N. and Braswell, R., 2010. Businesswomen in Saudi Arabia: Characteristics, challenges and aspirations in a regional context. Monitor Group. [Online], Available at [http://www.monitor.com/Portals/0/MonitorContent/imported/MonitorUnitedStates/Articles/PDFs/Monitor\\_Businesswomen\\_in\\_Saudi\\_Arabia\\_Dec\\_6\\_2010.pdf](http://www.monitor.com/Portals/0/MonitorContent/imported/MonitorUnitedStates/Articles/PDFs/Monitor_Businesswomen_in_Saudi_Arabia_Dec_6_2010.pdf) [Accessed 3 April 2014].

Dechant, K. and Al Lamky, A., 2005. Toward an understanding of Arab entrepreneurs in Bahrain and Oman. *Journal of Developmental Entrepreneurship*, 10(2): 123-140.

Doumato, E. A. 2010. Saudi Arabia. In. S. Kelly & J. Breslin (Eds.), *Women's rights in the Middle East and North Africa: progress amid resistance* (pp. 1-33). New York, NY: Freedom House.

Gamble, P., 2011. The Saudi economy in 2012. Jadwa investment. [Online], Available at [www.jadwa.com/en/researchsection/research/economic-research](http://www.jadwa.com/en/researchsection/research/economic-research) [Accessed 1 April 2014].

Islam, S. I., 2014. Saudi women: Opportunities and challenges in science and technology. *Education Journal*, 3 (2): 71 - 78. [Online], Available at <http://www.mcser.org/journal/index.php/ajis/article/viewFile/857/888> [Accessed 1 April 2014].

McElwee G. and Al-Riyami R., 2003. " Women entrepreneurs in Oman; Some barriers to success". *Career Dev. Int.*, 8 (7): 339 - 346.

Metcalf, B. D., 2008. Women, management and globalization in the Middle East. *Journal of Business Ethics*, 83 (1): 85 - 100.

Sadi, M. A. and Al-Ghazali, B. M., 2010. Doing business with impudence: A focus on women entrepreneurship in Saudi Arabia. *African Journal of Business Management*, 4 (1): 001 - 011. [Online], Available at [http://www.academicjournals.org/article/article1381762855\\_Sadi%20and%20Al-Ghazali.pdf](http://www.academicjournals.org/article/article1381762855_Sadi%20and%20Al-Ghazali.pdf) [Accessed 30 March 2014].

Shmailan, A. 2014. Female entrepreneurs in Saudi Arabia: A comparison of barriers and motivations: Moving from disenfranchisement to empowerment. *Elite Research Journal of Education and Review*, 2 (2): 6 - 21. [Online], Available at <http://www.eliteresearchjournals.org/erjer/content/2014/march/Abdul%20Shmailan.pdf> [Accessed 31 March 2014].

Sivakumar, A. D. and Sarkar, S., 2012. Women entrepreneurs in small and medium scale businesses in Saudi Arabia. *International Journal of Finance and Policy Analysis*, 4(1): 25 - 32. [Online], Available at <http://web.b.ebscohost.com/ehost/pdfviewer/pdfviewer?sid=b3a68ace-7a34-42c9-964c-af0fc66e2d1e%40sessionmgr198&vid=2&hid=122> [Accessed 31 March 2014].

Troemel, M. H. and Strait, P. B., 2013. Bedouin Rising: How Saudi female entrepreneurs are leading Saudi Arabia into a knowledge-based economy. *Academic Journal of Interdisciplinary Studies*, 2 (9): 346 - 350. [Online], Available at <http://www.mcser.org/journal/index.php/ajis/article/viewFile/857/888> [Accessed 1 April 2014].