

FEMALE ENTREPRENEURSHIP IN SAUDI ARABIA: MOTIVATIONS AND BARRIERS

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ABSTRACT

The purpose of this paper was to explore the reasons and motivations of Saudi women to start their own businesses and become entrepreneurs, given the recent policy changes. Using the framework of Embeddedness this allowed consideration of both social and economic factors and personal choice in this decision. The data of this research were gathered using a qualitative approach involving 19 semi-structured in-depth interviews with women who had established their own business at some stage in the last decade. This covers a period when the salaried Saudi labour market was opened up to women making that a more feasible alternative for women seeking work than earlier. Despite this structural change, the findings suggest that women used self-employment partly to solve other problems (sometimes lack of jobs but mostly as it is acceptable within their family group) but mainly as it fits their self-image. There is no evidence that the motivation to self-employment varied between those who set up their business before the recent changes and those who have done so since 2016.

Keywords: Saudi Arabia, entrepreneurship, gender, women's business, motivation, SMEs

INTRODUCTION

Existing research suggests that the motivations to establish and run an entrepreneurial firm can be divided into 'push' factors and 'pull' factors (Blackburn and Kovalainen, 2009; Garud *et al.*, 2007; Shelton, 2006). Push factors are often viewed as negative, such as when an individual enters self-employment because of having been excluded from a wider labour market or when they have a need to find a means of earning an income while, at the same time, balancing work with family responsibilities (Guo and Werner, 2016). Pull factors are described as positive, such as when an individual possesses traits that may dispose them towards running an entrepreneurial business (risk taking and willingness to embrace changes), rather than involving themselves in salaried employment (Lumpkin and Dess, 1996; Unger *et al.*, 2011). However, other researchers (Bianchi *et al.*, 2016; Guerreiro *et al.*, 2016) suggest that this division is not so clear. Many women may well choose to run their own business when they feel barred from accessing salaried employment. This may be due to a combination of lack of suitable jobs, gender (Scottish Commission on Older Women, 2015) or age discrimination (Loretto and Vickerstaff, 2015), lack of formal qualifications or the fact that self-employment provides a better fit for other demands, usually, for example, childcare but also sometimes the need to provide support for older family members (Walker *et al.*, 2008). However, to do so, this still requires the ability to identify a potential market gap, access funding and make the commitment to making the new firm a success (Modarresi *et al.*, 2016). In addition, even if the motivation to set up a business is based on the individual's traits (Tlaiss, 2015), family issues

and the need to balance the demands of running a business with other family and domestic work (Eurofound, 2014; Guo and Werner, 2016) often remain real challenges.

This calls into doubt the extent that factors that push women into self-employment can truly be distinguished from positive reasons for seeking this type of work (Lumpkin and Dess, 1996). This issue becomes more complex when social mores tend to discourage women from taking on roles outside the family unit (Ahmad, 2011; Ahmed, 1992), which means that the issue of female entrepreneurship has been little studied within the context of developing economies (Roomi *et al.*, 2018) or in those dominated by Islamic beliefs (Sadi and Al-Ghazali, 2012). Specifically, Saudi Arabia has recently begun to encourage more women to enter the labour market, and this raises the question as to whether women who opt for self-employment are responding to constraints (social pressure, issues of mixed-gendered work and travel problems) or to their own preferences (Al-Asfour *et al.*, 2017; Maisel, 2017; Welsh *et al.*, 2014). It also allows for consideration of whether self-employment remains attractive even when access to the labour market is relatively easier. The Saudi context is thus unusual in its earlier relative tolerance of female entrepreneurship compared to discouraging women entering salaried labour. This raised a key question as to whether the motivation to setting up their own business varied as salaried alternatives became more available.

A useful framework to take this forward is provided by Embeddedness (Welter and Smallbone, 2010) and in particular how the motivation to entrepreneurial work is partly influenced by social, political and economic contexts but also by the choices (agency) of the individuals (Dodd *et al.*, 2016). This allows a specific focus on the types of networks created by female entrepreneurs (Roos, 2019), whether or not this should be seen as an act of rebellion against the prevailing norms (Tlaiss, 2019) and how they may be a product of the ways that political and social norms vary according to gender. Welter and Smallbone (2010) suggest that female entrepreneurs display both “defying and conforming behaviour” (p. 24) to these contextual norms suggesting a substantial degree of personal agency in their choices. Following this broad approach, this study used a series of in-depth interviews with a small number of female entrepreneurs to explore their motivations and how they could be seen as fitting the ‘push-pull’ model.

This approach allows exploration of several themes. First the relative importance of push and pull factors, second whether these can be readily separated and finally if change in wider social or political norms has a bearing on the decision to engage in entrepreneurial work. The Saudi experience is interesting as many other studies (Dodd *et al.*, 2016; Welter and Smallbone, 2010) have looked at what happens when access to salaried work is lost (or not available) while this paper studies the motivation to entrepreneurship even when salaried employment becomes available. This reverses the focus of some earlier studies in that the wider transitional change is not towards allowing entrepreneurial work, as such, but instead introducing the opportunity to take on salaried employment as an alternative.

LITERATURE REVIEW

Self-Employment, Entrepreneurship and Family Run Businesses

One issue is to distinguish between these descriptions, as they all can be applied to women running their own businesses. Some are clearly defined for international comparisons, such as being self-employed as opposed to being in paid employment (Bivand, 2019) or how to define SME firms (European Commission, 2012). Even so, self-employment can encompass a range

of economic activities, from working on a contract basis to being a sole trader to running a business of variable size with employees.

However, what is less clear is what is meant by entrepreneurship or an entrepreneurial firm (Langlois, 2007; Witt, 2007). Some definitions of the latter tend to stress innovation, product

development and a particular growth and expansion pattern (Hine and Kapeleris, 2006) led by a founder with a particular set of skills and attitudes (Alvarez and Barney, 2007; Guerreiro *et al.*, 2016; Loasby, 2007). On the contrary, in practice, most new firms are innovative in the sense that they provide something that is missing from the market, and they perhaps look to either niche products or closely defined geographical districts. In this sense, the goal may be less about long-term growth and more about generating adequate income for the owner and/or their immediate family members (Roomi *et al.*, 2018; Seshie-Nasser and Oduro, 2018). Entrepreneurship may also be a response either when existing provision is withdrawn or people lose their place in a more conventional wage labour employment (Welter and Smallbone, 2010).

This, in turn, raises the issue of whether such firms are best described as family firms (Burkart *et al.*, 2003; Church, 1993). At one level, any firm with a single owner that may draw some support from family members (investment, skills or simply helping out with other domestic work) and that is used to generate an income for a family can be described in these terms. Equally, such firms are often SMEs and are frequently captured within wider literature on entrepreneurial businesses (Kraiczy, 2013; Sharma, 2004; Shelton, 2006). As an ownership model, the family firm is probably dominant but this can include firms that simply exist to provide an income for a single generation or are run by a single family member (Nordqvist *et al.*, 2013). Of relevance is whether an entrepreneurial firm in a family context helps in reconciling the demands of earning an income with work within the family (Ho *et al.*, 2013; von Schlippe and Frank, 2013) and the relationships between family members (Al-Dajani *et al.*, 2014) and the extent that other family members help with specific tasks or the provision of capital (Ho *et al.*, 2013; Welsh *et al.*, 2014).

Women and Self-Employment

As noted in the Introduction section, research suggests (Bianchi *et al.*, 2016; Guerreiro *et al.*, 2016) that women establish businesses for a mixture of reasons. Some are described as push factors and are related to exclusion from a wider labour market or a desire to find a means of earning an income that can be balanced with domestic work. Others are identified as pull factors and are related to motivation, characteristics and expectations that might make someone choose self-employment over salaried work. Female-run enterprises have become increasingly common and are now a major source of economic growth in a number of developing economies (Bianchi *et al.*, 2016; Brush and Cooper, 2012; Yousuf Danish and Lawton Smith, 2012).

Some earlier research has suggested that women establish businesses less for the long-term growth potential and more as a means of providing income (Lumpkin and Dess, 1996; Seshie-Nasser and Oduro, 2018), perhaps in a manner that fits more easily with their domestic demands or external social relations (Modarresi *et al.*, 2016; Roomi *et al.*, 2018). This suggests that the motivations are a combination of a desire to earn an income; personal characteristics; and attitudes, traits and motivations and that they view self-employment as both flexible and more fulfilling (Tlaiss, 2015; Venugopal, 2016). However, there is often a gender aspect to this issue, with factors more often associated with women (Guerreiro *et al.*, 2016), such as the

ability to provide childcare, but also more often that they started a business because of lack of alternatives. In this respect (Bianchi *et al.*, 2016), the constraints that might force them towards entrepreneurship and the motivations to do so are more closely linked. For example, more women than men in low-income countries are entrepreneurs (Seshie-Nasser and Oduro, 2018), but their businesses are smaller, more likely to be informal, act as substitutes for exclusion from the labour force and focus on providing a family income. A common theme is using the creation of their own business as a means of escaping social restrictions on female employment (Sultana *et al.*, 2009). In Iran, one issue is that although working from home is acceptable within the wider legal framework, there is lack of encouragement or financial support (Modarresi *et al.*, 2016), which means that women often establish such businesses essentially for 'push' reasons as a means to earn money when they are excluded from other options.

Evidence that women are expected to bear a greater volume of domestic work, childcare and looking after elderly relatives than men is overwhelming (Al-Dajani *et al.*, 2014; Gatrell, 2004; Ho *et al.*, 2013; TUC, 2013). In this respect, self-employment may sometimes be an attempt to manage this tension, perhaps through working from home (Modarresi *et al.*, 2016). However, these constraints may tend to encourage the creation of businesses that are relatively low in capital and close to what might be viewed as traditional 'female' work (Roomi *et al.*, 2018). Equally, problems accessing external capital might be equally self-fulfilling (Al-Dajani *et al.*, 2014; Venugopal, 2016) in that such businesses appear less attractive to banks and other formal sources of funds, so they tend to stay small as a result.

In addition, some evidence shows that women entrepreneurs feel less confident and more concerned than men (Molino M *et al.*, 2018) and receive less support from their families. There remain social constraints on how visible women can be and how they respond to non-kin males (Weidhaas, 2018), and they remain expected to balance earning an income with domestic work (Shelton, 2006) and often do not succeed in finding a compromise that is acceptable. In general, the existing literature might suggest that women often set up businesses for essentially pragmatic reasons (the wish or need to earn an income in a manner that can be more readily combined with other family expectations).

The Saudi Context

Traditionally, the Saudi economy has been dominated by large corporations, the petrochemical sector and a large public sector (Al-Dosary *et al.*, 2006). From the 1950s it became very reliant on foreign labour, with less representation of Saudi nationals, especially in the private sector. Over the last decade, there has been a sustained effort to force firms to employ Saudis (Sadi, 2013) and to rebalance the economy (Khorsheed, 2015) as oil revenues have rapidly declined (Kemp, 2016). This has led to a focus on the SME sector as having the potential to both change the economy and provide employment (Vision 2030, 2016) as well as a focus on opening up the labour market (Ahmed, 1992) to the increasing number of well-educated Saudi women (Al-Asfour *et al.*, 2017).

The status of women in Saudi Arabia has traditionally been limited by the legal framework and local customs and expectations (Achoui, 2006; AlMunajjed, 1997; UNICEF, 2009). This has limited female employment mainly to sectors that are viewed as acceptable for women (such as education and healthcare) and rarely in mixed-gendered settings (Mostafa, 2005). The Saudi state has steadily removed the legal barriers, (Saudi Ministry of Labor and Social Development, 2011; Saudi Ministry of Labor and Social Development, 2012) and has even begun to reserve

jobs in the retail sector purely for women (Paul, 2017). This has resulted in a steady increase in the number of Saudi women in employment, but ongoing career opportunities have remained limited, and most new jobs are in relatively few sectors of the Saudi economy (Al-Asfour *et al.*, 2017).

However, although women entering employment has traditionally been contentious, women have always been allowed to own and run their own businesses (Welsh *et al.*, 2014). This has often resulted in women creating businesses using their own capital, as they sometimes possess substantial personal wealth (Sadi and Al-Ghazali, 2012), and using such enterprises to employ other women (Welsh *et al.*, 2014). The result has been a growth in female entrepreneurship, even before the recent employment reforms commenced (Danish and Smith, 2012). This

relatively liberal approach means that Saudi women have used self-employment as a means to enter the labour market on their own terms, and, before the current reforms in 2012, women owned around 4%–12% of all registered businesses (AlMunajjed, 2010). It is likely that this underestimated the number of female-run enterprises because of the poor quality of data and not counting many home-based businesses and sole trader enterprises. Most female-run businesses were in fashion, jewellery and interior design (AlMunajjed, 2010), reflecting both low capital costs to set up such an enterprise and, perhaps, an overlap with what can be viewed as traditional domestic roles and hobbies.

However, most available literature is now relatively limited and predates the expansion of female salaried employment since 2015. Thus, one purpose of this research is to understand whether push factors (in other words, labour market exclusion) or pull factors (in other words, personal interest in running their own businesses) dominate now that entering salaried employment is relatively easier.

Embeddedness and Agency

Embeddedness draws on aspects of Institutional Theory (Oliver, 1991), in particular noting the economic, political and social contexts in which actions take place (Welter and Smallbone, 2010). The related concept of mixed embeddedness acknowledges the importance of personal agency and choice and may help explain how people respond in periods of change in particular where this creates new gender based opportunities (Yousafzai *et al.*, 2019).

Thus, as noted, Saudi is undertaking a series of labour market reforms and one key plank is to allow more women to enter salaried employment. However, while the state is now relatively keen for women to enter the workplace, there remain social and familial constraints as well as an ongoing concern about mixed-gendered workplaces. This creates an interesting contrast to the earlier work of Welter and Smallbone (2010). They studied the growth of entrepreneurship among women in post-Soviet states. Here, previously, female employment was notionally encouraged but business ownership had only become part of the economic system in the last few years before the USSR collapsed in 1991 (Kotkin, 2001) Given this relative reversal of dynamics, this paper explores how the take up of female entrepreneurship in Saudi at the moment contrasts to their study of post-Soviet transitions.

Women's roles in the late Soviet period were often important in the informal economy to obtain consumer goods but, while they were also expected to take part in the labour force, this was usually at a relatively low level and in addition to family demands (Welter and Smallbone, 2010). The transition from the Soviet economic structure created the space for women to own

their own businesses (perhaps expanding on these informal networks) (Roos, 2019), added additional economic imperative to secure extra family income but did little to reduce the social or familial constraints and expectations. However, this was mixed in that family members also provided capital and labour for the business as well as taking on more domestic work if the new business became the main source of domestic income.

This suggests that the emerging pattern of female entrepreneurship in a transitional period is very path dependent (Dodd et al., 2016; Tlaiss, 2019). In the post-Soviet context, the transition created the opportunity for entrepreneurial activity but the loss of Soviet norms that encouraged wider female employment meant a re-emergence of family pressure to remain outside the labour market. In this respect, social embeddedness (Yousafzai et al., 2019) is important as it reflects both family expectations and how wider social mores might influence female entrepreneurialism especially in conditions of systemic labour market change.

RESEARCH METHODOLOGY

Methodology

This research focuses on the motivations of women in Saudi Arabia to enter self-employment, for which a qualitative research design was employed, as this type of research design allows an assessment of how people perceive certain things and why individuals make certain choices (Denzin and Lincoln, 2000). Qualitative designs are especially useful when the emphasis is on dealing with social systems undergoing rapid change—as was the case in this study (Lincoln and Guba, 2000).

According to Symon and Cassell (2012), qualitative researchers usually adopt a constructivist approach when doing research. Constructivists are concerned with understanding why individuals make certain decisions and how they perceive the varying positive and negative factors at play in their choices (Symon and Cassell, 2012). As the current study sought to explore the reasons and motivations for women in Saudi Arabia to begin their own businesses, a constructivist approach was adopted.

Sample and Data Collection

The participants were 19 female entrepreneurs who run their own businesses. Particularly, the focus was on female entrepreneurs who employed at least one other person; therefore, none of the participants were sole traders. The sample was controlled for age with roughly half the participants being below the age of 30 years and half over the age of 30 years. Almost, half the participants were married, and the others were not. The majority of the businesses were young, with the youngest established in 2018 and the oldest established in 2012. All businesses were in the service sector but were quite different from each other, ranging from Restaurants and cafes, online and offline retail (fashion and accessories) to running kindergartens and training agencies.

The participants were selected using a purposive sampling technique, which is a non-probability sampling technique for which the researcher deliberately chooses to recruit individuals with specific qualities (Etikan *et al.*, 2016). As this study was focussed on female entrepreneurs who employed at least one other person, purposeful sampling was selected as the appropriate technique. The qualitative data for this study were gathered from face-to-face, in-

depth interviews that were audio recorded. The interviews were conducted in Arabic and lasted for approximately 50 minutes each. The interview protocol was semi-structured to consider similar themes in each interview while giving the participants the opportunity to reveal their own experiences and reasons and to capture any unexpected insights (Symon and Cassell, 2012). After each interview, the researcher wrote down key ideas and possible themes, and after 19 interviews, the researcher decided that further interviews would not yield additional insights as theoretical saturation had been reached (Strauss and Corbin, 1998).

Data Analysis

The researcher deployed a thematic analysis approach to analyse the data from the 19 individual in-depth interviews, which were transcribed and translated into English. In the first step, the researcher read and re-read the transcripts to identify preliminary codes. These codes were developed on the basis of first impressions and existing literature on the topic. The initial coding process continued to a point where no new codes or concepts could be identified. In the subsequent step, the researcher re-examined the concepts and organised them into sub-themes, which were then combined and clustered into four higher-order themes, namely, family relations, financial support, inspiration to entrepreneurship and constraints.

FINDINGS

The thematic analysis of the interviews with female entrepreneurs resulted in the development of four themes: family relations, financial support, inspiration to entrepreneurship and constraints. In this section, themes are thoroughly explored and supported with direct participant quotes. It is important to note that the quotes in this paper were translated from Arabic to English and have been slightly amended so that they would make sense when read by an English-speaking person (Santos *et al.*, 2015).

Family Relations

One important source of support was encouragement from within the family. In some cases, this was linked to a perception that they no longer had active childcare requirements. In this respect, one participant reported being encouraged by her husband:

He encouraged me to set up the business and offered full support. He believes that since our children have all become adults and less dependent, I should establish something for myself to keep my time utilised and busy [12].

Although the absence of childcare requirements seemed to play an important role in spousal support, some participants said that they were supported by their husband for other reasons:

My husband not as other husbands in my society. He has shown support constantly for my business initiatives and has never asked me to stay at home and give up my business dreams [3].

Others suggested that although initially being supported by their husbands, running their own business had caused problems, as their success was viewed as a threat to their husband's status:

My husband has a lot of respect for me. He admires what I have achieved but can't cope with what I have become. He thinks the business has changed me [19].

Some also noted that they had problems juggling childcare and work demands. In some cases, lack of domestic support was noted, but others were able to afford help with housework.

Financial Support

Saudi laws and customs have always accepted that women can be financially independent and own their own businesses. In this respect, several women stressed that they had used their own savings to establish their business and that they deliberately avoided taking on debts:

I never asked anyone for money. I've never taken a loan out. During my working years, I saved money to fund my business ... I don't want to put myself into debt with the banks, and because of this, I didn't approach any banks or financial institutions to fund the business [5].

Others suggested that their family had either funded the start up or had remained long-term investors:

Three years ago, I had a call with my dad when I was studying. I shared with him the idea of my new product. He transferred the money to me to produce 100 copies of my notebook... Since then, I funded my own production. My parents always have had a positive attitude towards women independency and involvement in commerce [10].

Besides the previously cited women, some reported that their husbands had not only been financially supportive and continued to contribute to the business, but also provided emotional support:

My husband always showed assistance and encouragement from the early days of my business. He helped me with the funds I needed and managed suppliers' relations. Not only this, when his parents objected to what I'm doing, he tried to convince them that what I'm doing is essential for the well-being and stability of our family [19].

Others cited financial support from their business partners or inheritances. The recently created Saudi 'centennial fund' was mentioned by some as a valuable source of interest-free finance. However, banks were not seen as a reliable source of support:

I have approached the banks several times before starting the business. They have rejected my loan application. They gave me the impression that I'm not qualified enough or don't have the business sense or my business idea is not feasible. I stopped pursuing the loan, and my husband funded my business from our family savings [2].

Inspiration to Entrepreneurship

Many of those who entered self-employment or entrepreneurship cited the example set by their family:

I was influenced by my father. He set up his own business. I wanted to make my father proud. I felt I let him down with my high school results and walking out of my degree course [9].

My mother was a businesswoman. After doing secretarial work for many years, she gave up and started her own business to sell sweets and cake ... Now very established and is renowned for quality [17].

I worked only in my father's business before starting up my own first business in a different industrial sector at the age of 22. Since I was working alongside him all the time, I learned a lot of trade and managerial skills. My father had always been in a business and really persuaded me to start my own [1].

There's a tradition in my family of self-employment, and I got enormous encouragement and support from my father [13].

Others suggested that their main motivation was either to convert an existing hobby into a viable business or to be inspired by reports of other women who were successfully running their businesses:

Following some of the successful women in the social media has added to my knowledge and no doubt inspired me to set up my own coffee shop [1].

Others reported their view of running their own business as a means of finding work. Thus, women were increasingly expected to find work for financial reasons as well as to make use of their education, but they found it difficult to enter salaried employment. In this respect, establishing and running their own business was an alternative route to creating employment:

Since we have limited employment opportunities in the marketplace, only limited sectors can absorb female job seekers. Business ownership is becoming a viable option for us [3].

Because there were very few acceptable jobs for women in our society, having your own businesses is becoming more and more of an attractive option for women in our culture [15].

In addition, many participants stressed how much they valued the independence and responsibility that came from running their own business:

To be your own boss, not to be told what to do, and the profits are not going to someone else. You have the feeling of satisfaction when knowing that you have the full choice in life not being forced to work for someone else for large corporation [17].

As noted above, many of the respondents saw running their own business as a means of earning an income. Some were encouraged towards this by their families, and others saw variants of working from home as a means of offsetting family concerns and combining working with childcare. In some cases, this was connected to earning a second income to help with the cost of living:

The living cost for a family is rising compared to the past. New couples start to think seriously about more sources for income to cope with rising cost of living, and no doubt, building a business can help with that. I currently have a business for two purposes: one, to contribute to the family income and two, to have balanced duties between home and work [6].

Others saw running their own business as a means of returning to work, as they felt they had lost the skills to be employed after a period of looking after their children:

It is too late for me to go back to work now. The last eight years I was looking after my children. Now, when they leave school, I feel bored and lonely. Therefore, I have decided not to keep my hands tight so started my accessories shop [6].

Constrains

Although most participants noted that their families had been supportive, this was not always the case:

My family did everything in their power to discourage me from going into business, from a protective point of view. They had done it, and they hadn't always succeeded, so they didn't want to see me fail either. It wasn't that they tried to stop me in any nasty way. They just were too protective [14].

Many husbands do not accept to see their wives leading a business and becoming independent. Similarly, many businessmen don't support their daughters to build a business and take their own decisions. I see this embedded in the culture ... [13].

Some participants further indicated that they faced criticism from their wider family, even when they had been forced to work due to personal struggles, such as a divorce:

However, instead of giving me any encouragement, my relatives kept criticising me for becoming independent. They didn't like the fact that I'm dealing with suppliers and customers alone with my team. Some of my relatives even say that this was just to have an excuse to work in a mixed-gendered environment. If this is the belief as to why women own a business in our society, how can women have their own business? [18]

Others saw self-employment as a means of side-stepping familial pressure not to enter work:

My husband always rejected me having a business because he sees women's primary duty as being there for the children and their husbands. We decided to have a beauty salon business near our home to have such balance ... [7].

In other instances, working from home was a means of continuing to work and provide childcare:

It was very difficult for me to see my children being brought up by an untrained housemaid. Therefore, I quit my job and decided to establish my business working from home so that I could raise my child by myself [16].

To conclude, working from home was also seen as a way to avoid traditional constraints on women in the public sphere:

Business involves a lot of time and financial investment, which is why most families find it unsuitable for women. Home-based businesses are acceptable for women

because they involve lower investment, lower risk and do not contradict with women's overall traditional roles [14].

DISCUSSION AND CONCLUSIONS

This study offers insights into the motivation for Saudi women to run their own businesses something that was acceptable even when access to salaried employment was limited (Ahmad, 2011; Al-Asfour *et al.*, 2017; Grey, 2010; Welsh *et al.*, 2014). This mixture of attitudes this created a different situation to that in other Islamic countries, where both employment and self-employment were accessible (Tlaiss, 2015) or where establishing their own businesses was more difficult (Modarresi *et al.*, 2016; Roomi *et al.*, 2018). Despite this acceptance of female entrepreneurship, there were constraints, particularly in terms of access to external capital, interaction with non-kin men and the demands of domestic work (AlMunajjed, 2010; Alturki and Braswell, 2010; Grey, 2010). This raises the question as to why more women did not take this option and suggests that the important variables were possession of sufficient capital linked to either a need, or desire, to earn an independent income. Other women who were excluded from the labour market and lacking capital might have wanted to take up self-employment but lacked the financial means to establish a business. In so far as any detailed research exists, it suggests that those with assets, who did set up a business, probably did so out of interest in being an entrepreneur (Sadi and Al-Ghazali, 2012; Yousuf Danish and Lawton Smith, 2012) rather than merely as a source of income.

However, between the earlier research in this field in 2011–2012 and the current situation, several key issues have changed. First, and most importantly, far more Saudi women have the option to work in salaried employment. Additionally, as noted by several respondents, although they, or their wider family, are still an important source of capital for their businesses, the new Saudi 'centennial fund' offers an alternative route to capital, even when traditional banks are unwilling to invest in female-run enterprises.

Differences Between Pre and Post-2016 Female Employment Reforms

This can be tested to a limited extent if we use 2016 as a proxy for the recent reforms. Since that stage, female employment has extended in Saudi Arabia, especially in the retail sector, and there has been a growing acceptance of mixed-gendered working. Four of the participants (1, 2, 3 and 7) fit this criterion. However, there is nothing in their responses to suggest that they considered salaried employment as an alternative. [1] notes how setting up her own business fitted with the wider family ethos and was what she was expected to do. [2] noted that the banks had refused her capital, but she obtained this from her husband. [3] that she set up her own business due to labour market exclusion and [7] that she set up her own business as that was the easiest way to balance family caring demands with employment.

This is not definitive, but it does not suggest that even after the 2016 reforms, women were actively comparing entrepreneurial work against salaried labour. They either wanted to work for themselves, felt this was the best way to balance familial duties or that they had no choice. As such, this is not a different pattern to the answers provided by the rest of the sample. Nonetheless, the Saudi authorities are opening up salaried employment for women so that suggests that pull factors will be more important as those who opt to run their own business increasingly do so for reasons of self-value (Bianchi *et al.*, 2016; Guerreiro *et al.*, 2016; Tlaiss, 2015; Venugopal, 2016), rather than to avoid constraints on entering salaried employment.

Agency

This suggests that the second element in mixed embeddedness (Yousafzai et al., 2019) is particularly important in that starting a business is an active choice. Many of those who started their own business self-identified as entrepreneurs and stated that they had been encouraged, mostly by other members of their family and, in a few cases, by examples of other women on social media. Equally, the positive aspects of business ownership, such as control, responsibility and relative freedom, compared to salaried employment, were attractive. A number of respondents indicated substantial family support for their business, usually in the form of capital but also time and expertise, again suggesting a culture of entrepreneurialism within their family network.

In other instances, there were indications that self-employment or creating own business became an option once other constraints were removed. Therefore, some women identified self-employment or having a business as something they could enter when their children were no longer at home. To others, self-employment remained a solution for the still limited range of jobs open to women in Saudi (Al-Asfour *et al.*, 2017). In this respect, the need to earn a second income was important for the family finances, and the relative scope of self-employment made that the more attractive option. Of interest, relatively few suggested that self-employment, as such, became a source of additional intra-family problems, apart from the two respondents who felt that their husbands now resented their relative success (Weidhaas, 2018).

Social Constraints

Despite the argument above, in a number of cases, self-employment was seen to be the best way to meet other constraints. Familial concern about working and meeting non-kin men still has the effect of cutting off the option of salaried employment. Equally, in a few cases, working from home was identified as the best solution for the twin demands of childcare and needing to earn an income. However, compared to some other studies in Islamic countries, working from home was not a common business model (Modarresi *et al.*, 2016; Roomi *et al.*, 2018; Welsh *et al.*, 2014).

On balance, this suggests that the motivations for self-employment for women in Saudi Arabia are, perhaps surprisingly, very much in line with what has been found elsewhere (Al-Dajani *et al.*, 2014; Guo and Werner, 2016; Scottish Commission on Older Women, 2015; Tlaiss, 2015). A mixture of reasons have driven the decision, including the existence of role models, seeing it as a means to do work they wish to do (rather than adapt to what is available), to provide a family income, to allow for a balance between domestic and paid work (Walker *et al.*, 2008) and to enable them to take an idea and create a viable business. This may reflect the long-term acceptance in Saudi of women as business owners who use their own wealth for investment (Alturki and Braswell, 2010; Welsh *et al.*, 2014; Yousuf Danish and Lawton Smith, 2012). In this case, recent reforms easing access to capital, allowing more independent travel and creating the basis for mixed-gendered workplaces by removing legal restrictions (Saudi Ministry of Labor and Social Development, 2011; Saudi Ministry of Labor and Social Development, 2012) have combined to leave self-employment as an attractive option, even within the context of an expanding labour market.

CONCLUSIONS

This study provides useful insights into female entrepreneurship in Saudi Arabia in light of recent economic reforms. It suggests that women take up this option for a mixture of reasons, including commitment to and interest in running their own business as well as seeing it as a means of avoiding constraints (lack of jobs, lack of career opportunities and the need to balance work and domestic demands). Since the Saudi authorities see SMEs as an important part of the economy as they rebalance away from dependence on petrochemicals, women-owned businesses offer an important addition and contribution to economic development. Having said this, it is clear that substantial barriers remain. Some are cultural, and some revolve around access to finance. The latter means that some businesses will not be established, and others will remain small-scale enterprises, simply as they rely on either the women's own wealth or that of their family for any expansion. The other limit is that many businesses fall into the service sector and can perhaps be characterised as craft-based. In effect, the scope of expansion may be limited. If so, such firms may remain important sources of family income (Seshie-Nasser and Oduro, 2018) but marginal in terms of wider economic development.

Some earlier studies into mixed embeddedness explored changes in the former Soviet bloc (Welter and Smallbone, 2010) where women found themselves suddenly excluded from salaried employment and turned to entrepreneurialism instead. The Saudi policy context is almost the opposite, entrepreneurialism has always been accepted but salaried work is only recently becoming widely available. What stands out is that this change in Saudi has not really altered the motivation towards entrepreneurial work. Instead that is mostly still driven by agency, in effect an active choice driven either by personal interest or because it offers the best solution to balancing family demands with the desire (or need) to earn an income.

This, however, leads to the main limitation in this study. The sample is not the result of a statistical survey, so while the respondents have provided useful insights into their motivations for self-employment, they (and their types of businesses) may not be typical of female entrepreneurship in Saudi Arabia. However, the findings match those of earlier studies, so this provides re-assurance when drawing out implications. The second issue is that women who might want to establish their own businesses but have not done so were, by definition, not interviewed. This group might have provided more information on barriers to entering self-employment, especially if these are social or financial, and whether they (or their family) could earn sufficient income, which means that they did not need to find some means of setting up their own business. Finally, the interviewees all opted for self-employment against a background of growing female employment in Saudi Arabia. Again, some who might previously have felt they were constrained to self-employment may have entered salaried work. The Saudi labour market is changing substantially as the state emphasises the employment of Saudi nationals, easing the restrictions on women entering the workforce and emphasising SMEs to create an alternative to the petrochemical sector. Thus, research that is over 10 years old becomes very dated, not just in terms of the data but also in terms of the nature of the labour market. However, this study suggests that the motivation towards self-employment has not changed substantially over this period but that, perhaps, the push factors have lessened as more opportunities for women have opened up.

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