



## Saudi Women Entrepreneurs: Progress and Obstacles


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Saudi Arabia is making remarkable social changes and highlighting its determination to move forward to a more prosperous future by providing opportunities for everyone to contribute to their abilities in the nation's development. Saudi women are a great asset to the nation. Over 50 percent, of the university graduates, are female, and the country is developing their talents, investing in their productive capabilities, and enabling them to strengthen their future and contribute to the growth of the society and economy. Besides this, Saudi Arabia is working hard to increase and support female entrepreneurs, by giving workshops, training programs, and financial assistance so that they can start their projects. Not only this the Saudi government has also launched a major program in collaboration with Sweden to train female entrepreneurs and innovators by creating networks and organizing interactive learning through meetings, study tours, education, and interaction with the top opinion leaders and decision-makers. Women's empowerment is one of the Major keys to the rejuvenation objectives set out in the 2030 vision and national transformation program of the country. Islamic women entrepreneurs attribute success and failure in different terms than their Western counterparts and relate a large set of obstacles and unique strategies to function well. This study pin down the conceptual background of women entrepreneurship and attributes that contribute to the success of female entrepreneurs in Saudi Arabia. The study also work forwards to recognize factors that enable female business owners to realize their entrepreneurial potential. It also suggests ways in which the government can support women in realizing their entrepreneurial potential and makes recommendations to improve the entrepreneurial situation in Saudi Arabia.

**Keywords:** entrepreneurship, women, saudi arabia, policies, innovation

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## 1. Introduction

KSA is the best country to register a business. In terms of "the ease of doing business," According to Vision 2030, Saudi Arabia's design for developing its economy over the next decade and beyond is a determination to strengthen the contribution of women to society and the economy. An exceptional Leap to Gender Equality Saudi Arabia has been championing the cause of equal opportunity between men and women, particularly in the workforce, since the introduction of its Vision 2030 in 2016. The Kingdom has enhanced women's economic insertion through implementing a bold and gender-responsive legislative framework. Between 2017 and 2019, Saudi Arabia enacted a set of novel policy reforms toward equality of opportunity in six out of eight indicators measured by the Women, Business, and the Law Report. According to the latest WBL report in 2020, the reforms adopted helped the Kingdom obtain a total score of 70.6 out of 100, up from 31.9 points in 2017 – a substantial difference of 38.8 points. In that period, the Kingdom displayed remarkable progress, particularly in the Mobility indicator. In retrospect, Saudi Arabia had performed relatively well in the Entrepreneurship indicator before 2017, allowing women equal rights to open a bank account, register a business, and sign contracts. Since 2017, the Council of Ministers amended and ratified several civil and labor laws that protect women's rights and reduce barriers to women's economic participation. Most notably, discriminatory laws against a woman's agency to move freely were lifted. In 2017, Saudi women were permitted the right to drive. Further, in 2019, women were granted the right to obtain a passport and travel abroad, on equal footing with men, allowing women unprecedented mobility. Reforms also enabled women to register as head of the household and to claim their place of domicile, instead of the husband's or legal guardian's home being the default residence.

Additionally, the Kingdom lifted rulings imposed on the wife to forcibly return to her marital home. In 2019, Saudi Arabia put forth legal amendments that enhance women's opportunities in the workplace by eliminating discrimination in hiring, criminalizing sexual harassment, and prohibiting the dismissal of women during pregnancy and after birth. Leadership opportunities for women have grown,

With 49% of new managerial positions in 2020 filled by females, many of whom are Saudi nationals. Labor force, female (% of the total labor force) in Saudi Arabia was reported at 20.33 % in 2023, according to the World Bank collection of development indicators, compiled from officially recognized sources. Saudi Arabia - Labor force, female - actual values, historical data, forecasts, and projections were sourced from the World Bank in January of 2025. The new regulations have also uniformed the retirement age between genders, extending women's working lives, earnings, and contributions. To further promote and encourage female entrepreneurship, Saudi Arabia has forbidden gender-based discrimination in accessing financial services, facilitating women's access to credit. These reforms demonstrate the Kingdom's commitment to strengthening the inclusion of women not only in the business environment but also in the general society.

In a country where women have basically played a restricted public role, relatively little attention was paid to these inspiring aspirations when Vision 2030 was first published. But that is now rapidly changing. In September 2017, the Government announced that, from July 2018, women will be allowed to drive in Saudi Arabia. A month later, the government announced that women would also be permitted to watch live sports at the three main national stadiums in Riyadh, Jeddah, and Dammam. The ambition reflected in these two decisions to embrace the potential of Saudi Arabia's women has been seen as a powerful indication that the country's commitment to strengthening the economic involvement and contribution of women is much more than just warm words. Saudi women account for 39% of the total number of entrepreneurs in the kingdom, up 35% over the past 10 years, according to a report published by Al-Eqtisadiyah (Arab News, 28 November 2017).

According to the official statistics presented for World Entrepreneurship Day, the number of Saudi women entrepreneurs grew significantly from 2007 to 2017, from 4% to 39%, the government and private support is the reason behind this drastic change .Dr.Nabil Kushak, the dean of MBSC, said that supporting and encouraging women entrepreneurs contributes to the development of the economic cycle and provides an attractive and sustainable business environment.

"The role of women in the business and financial environment is an integral part of what we aspire to through our vision, which is an important direction in our responsibility towards the country".

Women-run businesses are becoming common nowadays and are playing a significant role in uplifting the economic growth of the overall society. Many entrepreneurial development support processes have been initiated to uplift the entrepreneurial zeal among women in KSA. These support initiatives are creating and providing paths to economic independence and work opportunities for women. Micro, Small, and Medium Enterprises (MSMEs) are providing a sound base for economic development and growth in the country. They are supporting the contribution of huge businesses worldwide. As far as KSA is concerned, the economic development and progress of the country have been significantly flourishing due to these MSMEs. The presence and contribution of women as entrepreneurs in the field of business will change the demographic prospects of a business.

## **2. Methodology**

### **Research Methods and Objectives:**

The research method used for this study is descriptive supported by a brief analysis of the theoretical findings. The data sources used for this study are secondary collected and compiled by making the use of various sources related to the subject of study like academic research journals, scientific journals, online web articles, newspapers, etc.

### **Objectives of the Study:**

- A.** To study the conceptual background of women entrepreneurship in KSA.
- B.** To examine the growing and current scenario of women entrepreneurship in KSA.
- C.** To analyze the issues and challenges faced by the women entrepreneurs in KSA.

## **3. Prior Approach**

### **Literature Review:**

Based on the interpretation of Islamic laws, the Saudi Arabian government has traditionally placed many restrictions on women's rights and job opportunities have been limited accordingly ("How Women Entrepreneurs Are Driving Business," 2010;

Koyama-Marsh,2017). Considering the Saudi government, investment in educating women (Al-Asfour et al., 2017), the massive unemployment and underemployment of women represent a large-scale waste of human capital. On a personal level, it reflects the tragedy of unfulfilled potential.

The Saudi government recognizes that owning a business can be a way for women to contribute to the country's economy while still working within societal restrictions (Cole, 2011; Sabri, 2001). Therefore, increasing the number of Saudi female entrepreneurs has become a priority of the government (Fallatah, 2012). For example, the government established the King Abdulaziz Women's Charity Association's Al-Barakah Loan Center (Saudi Gazette, 2010). This center helps women finance initial expenses for their business (Al Masah Capital Limited, 2010). The government generated the Centennial Fund, which offers financial support to young Saudi female and male entrepreneurs (Al Masah Capital Limited, 2010).

However, few women have taken advantage of such programs to date (Alturki and Braswell, 2010).In 2016, the Saudi government announced the Saudi Arabia National Transformation Program 2030, which drives economic diversification and societal modernization, and more Saudi women are entering the workforce.

The program also supports small businesses, thus creating more job opportunities while enabling small businesses to become larger contributors to the country's gross domestic product. These rapid changes have left conservative factions grappling with shifting gender roles. "It is not just about having a job: it is about having a voice," said Fatima, a Saudi millennial who recently joined a tech startup in Riyadh.

Her words capture the growing movement of females breaking into traditionally male-dominated fields, contributing to economic growth while facing societal pushback as well as the difficulties of balancing traditional expectations with a professional career. The Kingdom's women workforce is expanding in unprecedented ways. According to the Ministry of Finance, female labor participation has reached 35%—well above the original Vision 2030 target of 30%. This marks a stark economic shift.

## 4. Our Approach

### Women Entrepreneurs in Saudi Arabia:

One of the most controversial subjects that has been attracting very much attention in recent years in Saudi Arabia is Women's Empowerment (Alghamdi, 2018). In 2014, The Saudi Ministry of Education surprised the world with statistical facts revealing that half of university graduates are female students, which approves the opposite of the popular belief that The Kingdom of Saudi Arabia is permitting women in many aspects including education nationally and internationally (Rather, 2016). In addition to that, the Saudi Arabian Monetary Agency (SAMA) 12 has published statistical facts as well indicating that women working in the private sector have multiplied four times from 2010 reaching 216,000 Saudi working women (DT News, 2018).

It may take months or years, but the one who walks on the correct path will reach the goal. Every business demands effort, efficiency, and, physical and financial preparation. KSA women as an entrepreneurs are bringing new ideas and colors to the enterprises and economy of the country. Averse to the planning to execute, beautiful, timely, and effective execution of work takes place under her control. A woman as an entrepreneur has the efficiency to calculate the risk and, visualize the potential risk to strategize the work and endeavors. She can take a genuine and realistic form of risk, facing the uncertainties strongly to express herself as a successful entrepreneur. She can strive to develop a sound organization, by coordinating, organizing, and managing resources to their best utilities. All women entrepreneurs need to have self-confidence and faith in their abilities and potential with the courage to accept, learn, and improve themselves with their mistakes.

In general, every woman knew how to balance her personal and business lives. They knew they could be supple enough to accommodate family demands and had identified ways to function without giving up their Saudi norms or religious beliefs. The most appreciable feature of a woman entrepreneur is her zeal to work hard, show her potential, and handle multiple tasks simultaneously very easily. Generally, women work for accomplishment, achievement, challenge, and service to others, keeping money as a secondary mode of motivation.

The combination of positivity, intelligence, creativity, analytical thinking, and zeal to prove them helps her to succeed in business.

### Growth:

A woman entrepreneur has numerous opportunities in Saudi Arabia. They were motivated by the desire to help their families financially, to make their parents proud, or to turn lifelong hobbies into marketable skills. The new population of Saudis regardless of men or women has grown up with increased access to the internet. A new generation of Saudi women has grown up in an era of socio-economic reforms where the contribution of women is being increasingly acknowledged (Parker, 2007). Unlike other countries, the economic resources of KSA are extensive and rapidly growing.

Saudi female entrepreneurs have recently started to establish their ventures and businesses, with an overall rate of 39 percent of total entrepreneurs in Saudi Arabia in the year 2017, besides to the total number of commercially registered businesses owned by Saudi women was 98,853 in 2018 (AlMunajjed, 2019). They discern self-efficacy, desirability, feasibility, and propensity to act, and determine their ability to start a successful business venture. Knowledge gained by successful businesspersons can be applied to make recommendations for public policy, business assistance, and higher education programming to help women realize their entrepreneurial potential.

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Knowledge gained by successful businesspersons can be applied to make recommendations for public policy, business assistance, and higher education programming to help women realize their entrepreneurial potential. A brief explanation of Saudi women's participation in the labor market is explained in the table below:

Year	Reforms	Explanation
2016	Freedom in public spaces	New law reduces restrictions on women's movement, granting more freedom in public spaces and aiding their independence in the labor market.
2017	Right to drive	Women gain the right to drive, increasing workforce participation by expanding their mobility and access to work places.
2018	Anti-Harassment Law	Legal reforms prohibit discrimination and provide protections that encourage women's entry into various industries.
2018-2020	Economic Rights Reforms	Reforms to civil and labor laws expand women's economic rights, reducing barriers to workplace participation and promoting independence.
2022	Guardianship Reforms	New personal status law allows women above 21 to travel, register births, and head households independently.

**Source:** News agencies • Collated by: Amwaj.media

In the year 2016, Saudi government reduces the restrictions on the movement of women, granted them more freedom in the public spaces and sustaining them independence in the labor market.

Between 2017 to 2022, the Kingdom made significant strides in advancing women's economic rights as part of Vision 2030. In particular, the 2017 decision to allow females to drive not only put Saudi women behind the wheel for the first time but also opened up new employment opportunities. Greater mobility meant they no longer had to rely on a male guardian to travel to work. The 2018 Anti-Harassment Law also marked another major milestone for female empowerment, imposing strict penalties—including hefty fines and prison sentences—for workplace harassment. This not only aimed to deter misconduct but also encouraged women to report incidents, which altogether broke down a huge barrier to their economic participation. Building on this momentum, amendments to civil and labor laws soon followed, including standardized retirement ages and protections against dismissals during pregnancy—enhancing job security for women. These reforms have led to a noticeable increase in female participation in both the public and private sectors.

The 2022 Personal Status Law marked a groundbreaking reform by dismantling much of the long-standing guardianship system that treated women as legal minors. While male guardianship is a requirement for marriage in most cases, and initiating divorce remains difficult for women, the law curbs traditional guardian roles and affirms women's autonomy in marriage decisions. For the first time, Saudi women over 21 can obtain passports and travel without the permission of a male guardian, register their children's births, and secure custody rights—significant moves toward gender equality under Islamic law.

Women with educational and skilled qualifications can take initiative and manage the business in large and medium sectors. A woman entrepreneur, who has basic managerial training and educational qualifications are selling products like fashion items and technology by using online websites and social media platforms. Saudi women due to their qualifications and different opportunities that are available to them are in a very superior position and have a competitive edge over others to set up and manage the units. Some of them proceeded into engineering, electronics, chemicals, and pharmaceuticals whereas others make surgical instruments, furniture, and pottery.

Those who do not have education or any formal training in management, can run small-scale sectors with their developed skills. They can also start their business in which they are familiar like garments, weaving, pickles, dolls, and handicrafts. They can also contribute to the Saudi workforce by participating in bazaars where traditionally homemade foods and crafts can be sold in the form of a micro business.

Besides the above-discussed women can also help the poor and needy people who belong to the economically backward sections. To help the people she needs Government support in promoting as well as obtaining finances at a concessional rate for their product. A preferential purchasing policy of government helps such institutions to manufacture and sell different products to the government.

**Issues and Challenges:**

In Islamic countries where religion, cultural factors and lack of an entrepreneurial environment are, additional deterrents Challenges for women entrepreneurs may be more severe.

The major issues facing by business women's in Saudi Arabia is the lack of support from men. Short fall of market research, as the majority of women do not work outside the home, they lack business experience and exposure of vital skills that would contribute to establishing their own business. Where on one side women are striving hard and accomplishing educational heights but on the other hand, they are not able to produce high production outputs in business due to lack of amalgamated experience of education, skills, and work expertise.

Despite their rigorous efforts, this is the most challenging part of a woman's life to create a balance between work and family commitments. They are expected to keep domestic responsibilities and family commitments on priority above other personal ventures of business women are considered to be primarily responsible for child-rearing, home and family commitments, hence very few are able to come out of this and devote maximum to their entrepreneurial endeavors. Family and personal obligations generally work as a barrier for succeeding in the business career of women entrepreneurship. Few women are capable of managing both home and business efficiently, giving ample time to perform all their responsibilities in priority. Sometimes women are not treated equally to men. Individuals in rural areas usually having a bias that woman are capable just for household work.

Women entrepreneurs usually face the challenge of obtaining financial or capital help from banks which show reluctance to women entrepreneurs if they are not backed by the support of any male, particularly in lower-income families due to lack of legal information on these matters. For some documentation, they are even asked to present the countersignature of their male counterparts. Women particularly staying in rural areas are surrounded with heavy responsibilities of many children along with rigorous house chores, ending up with very little free time for themselves, Hence, much sacrifice their zeal for these tied up constraints. Besides having multiple constraints, women look for inspirational role models who could mark up their confidence and trust in themselves to gear up their energies.

There is a contradiction of having and have not, skills of entrepreneurship in women belonging to economically poor and rich families.

Women belonging to economically rich families have capital support but sometimes they may not have entrepreneurial skills, thus outsourcing the activities. At the alternative side of society, many women from economically poor families have consistent entrepreneurial skills; but do not have any financial support from their families. Therefore, the issues of women entrepreneurship square measure hanging within the trap of this contradiction.

Motivation plays a very significant role in running a business venture. Women because of the above-mentioned reasons sometimes lack the motivation to initiate their venture. Even in the 21st century, many rural women are lagging far late within the field of education. Women in rural areas are educated less or inadequate education than their male equivalent partly because of poorness, early marriage, low socioeconomic status, partly because of their son's higher education.

However, a large gap remains between the number of educated women and the women actually entering the workforce, particularly in the entrepreneurial sector. Over the last several years, there has been an increasing interest of Saudi women in entrepreneurship, leading to an increased demand for knowledge on these issues. Yet, a small amount of information is known about Saudi female entrepreneurs, their business practices including their survival and growth strategies, their lived experiences, and the obstacles they face while developing and maintaining careers in entrepreneurship.

## 5. Suggestions

Here are a few suggestions that could be considered for the development and advancement of women entrepreneurs in Saudi Arabia.

Women particularly those living in rural areas should be exposed to awareness programs related to entrepreneurship. The government should come up with superior schemes for women entrepreneurs, keeping in mind their challenges and constraints.

New training programs should be framed and provided to women. Entrepreneurship could be taught as a mandatory or optional subject at the school level. A separate entrepreneurial guidance cell for women could be set up for all-time assistance to them.

They should be given the provision of credit systems at a micro or enterprise level. Saudi women should be given opportunities to make their own business decisions. They need chances to discover and develop their abilities, to have their projects, to work with and learn from others, and to visit business settings. Women should also be given a chance to become successful role models and should be given opportunities for recognition in society for their accomplishments.

Additionally, Family should give women the freedom to drive, to move about in public spaces, and to travel on their own. Access to a driver's license and the ability to drive in Saudi Arabia is a first step in improving the life quality and self-efficacy for women in Saudi Arabia.

## 6. Conclusion

The prime findings of this study are that Saudi women must have self-efficacy to realize their entrepreneurial potential skills; they should be given independence and achievement so that they can devote all their efforts to achieving their business goals. Women's entrepreneurship should be encouraged by the government as well as by society. Women were able to ascertain their entrepreneurial potential and their intentions regardless of any educational, familial, cultural, or economic obstacles they might have faced.

Lack of education is one of the most important problems for women who wish to start their business. Due to the lack of good education, women entrepreneurs did not adopt the new technology development, new trends of marketing, new ways of manufacturing and different government schemes that inspired them.

However, some of those obstacles would be enough to deter other women who may desire to become entrepreneurs. These findings support the need for the development of public policy, business assistance, and higher education programs. In addition, the government should support them to decrease obstacles and strengthen Saudi women's perceived self-efficacy—thereby encouraging women's participation in the workforce, especially as entrepreneurs. Women are very important for the development of the nation and every state ought to try to utilize their skills to the fullest as mediators of economic growth and development.

Nevertheless, it is seen that the traditional way of thinking of the society and negligence of the state are some important obstacles to women's entrepreneurship development. Apart from this, the absence of a certain agenda in life, and lack of balance between family and career are the obligations of women, the family should give them complete support and care.

Intensively of financial freedom for women, absence of direct ownership of the property, and contradiction of entrepreneurial ability and finance among economically rich and poor women. Deficiencies of awareness of capacities, low ability to bear risks, issues of working with male employees, and negligence by financial institutions are other constraints.

A shortfall of self-confidence, lack of skilled education, and inadequate interaction with successful entrepreneurs are some of the major issues in the development of women entrepreneurship in KSA. Consequently, there is a need for continuous attempts to inspire, encourage, motivate, and co-operate with women entrepreneurs, awareness programs ought to be regulated on a mass scale regarding the diverse areas of business.

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