

Women Entrepreneurship in Gulf Region: Challenges and Strategies In GCC

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ABSTRACT

Women are restricted to make any type of business activity, contact outside the family and face other socio-cultural barriers in most of the Gulf countries. Until very recently, the importance of entrepreneurial business, women in business and its contribution to the national economy has been less examined and feels relevant for economic development. This article tries to explore and provide relevant and focused information on the characteristics, contributions and challenges faced by entrepreneurial women in Gulf countries. Several reforms have been done in Gulf countries to bring entrepreneurs into the main stream and affected their upsurge, extension, performance and interest highlighted in this article. Research focuses on empirical evidence to support the analysis highlighting the quantitative measure for the issues of gender differentials in entrepreneurial activities in Middle East countries

KEYWORDS

Challenges, Entrepreneurship, Gulf Countries, Middle-East, Strategies, Women

INTRODUCTION

Economy and entrepreneurship have profound relationship with productivity and development. Entrepreneur can be viewed as the coordinator of production and agent of change (Schumpeter 1961); spot opportunities (Kirzner, 1973); exploit opportunities (Knight, 1921); reallocate resources (Schultz, 1975); adopt production function (Kanbur, 1979); take risks (Newman, 2007); start and continue to expand new businesses (Hart, 2003); pursuit of creative or new solutions (Antoncic and Hisrich 2001). Many authors have put forward the role of the entrepreneur in economic development and growth (Lewis, 1954). Unfortunately, until very recently, the importance of entrepreneurial business and its contribution to the national economy has very less examined and feel relevant in the macro and micro economic development. The economies in the Middle East region especially GCC countries are more likely concentrated on the oil-based industry and revenue providing present boom for economic growth. The GCC countries have very less achieved in developing entrepreneurial policy and bringing entrepreneurial business to contribute to the national economy. Recent recession in developed economies has indicated the importance of entrepreneurial development to the world. GCC countries have also started diversifying from oil-based to non-oil-based industries like tourism, fashion, etc. women entrepreneurship especially in GCC countries has not been published giving clear indication of the issue. Therefore, the relevance of the title is of great importance. Research questions of this paper are to find the challenges and assess the strategic reform undertaken by the authority for developing women entrepreneurship in GCC countries.

During the early times the women in most of the Gulf countries were involved in agriculture farm work, engaged in family welfare, handcraft, and tended livestock (Fallatah, 2012), etc. According to the data from Central Department of Statistics and Information, 2013, 32.1% Saudi women above

DOI: 10.4018/IJABIM.2019010107

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15 years of age are unemployed compared to 6.1% men in Kingdom of Saudi Arabia. This form of high women unemployment rate can also be seen in other GCC countries like United Arab Emirates, Qatar, Oman, Bahrain and Kuwait. Youth unemployment stands at 29.2% in Saudi Arabia, 28.2% in Bahrain, 23% in Oman, 12% in Kuwait and 24% in the UAE whereas it is under 3% in Qatar (GIC Monthly Economic Review, GICMER – special issue Sept. 2012). According to the ILO's Global Employment Trends Middle East report, a total of 28.1% of youths were unemployed last year. Female unemployment was 19.3%, more than twice the rate for men.

However, with the change in the socio-cultural environment the participation of women as workforce has increased tremendously in past decade. As per the data from The World Bank, Al Masah Capital Research, Female labor force in the GCC, 2001–10 approx. 1.5 million women in the GCC joined the labor force during 2001–10. Regionally, when compared 1.8 million in 2001, the total number of working women has increased to 83% (or at a CAGR of 6.9%) to 3.3 million in 2010. Women own enterprises are at increasing rate in all GCC countries getting the support from both international and state agencies providing technical education and trading tools, financial assistance, skill development, and after start services. Few examples of women owned business can be seen in Saudi Arabia with 20,000 commercial enterprises (Doumato, 2010) which can also be referred as 12% of all Saudi companies, including 16% of the large manufacturing firms (Al Munajjed, 2010) which is a good sign of bring women into the main stream of contribution to the national economy. Most of women prefer to adopt small or micro enterprises formally or informally in varied industries but concentrated to limited area like interior design, fashion, (Alturki and Braswell, 2010), handicraft, house hold items etc. Still many areas are untouched and show very little presence of women like construction, manufacturing, transportation, mining, etc.

The firm presence of workforce participation of women in GCC countries can be seen in wholesale, beauty salons, retail supermarkets, banks, hospitals and other service sectors with the policy implementation from the government. But when compared to the other regions like Europe, East Asia, Central Asia, and Latin America the Arab World largely has low rates of female entrepreneurship with 13% women owned firms which is much lower than other regions (Chamlou, 2008). According to the survey report 0.9% of Emirati women were likely to establish as entrepreneurs compared to male with 7% (El-Sokari, Vanhorne, Zeng-Yuhuang, & Alawad, 2013). Qatari female owned businesses constitute only 3.5% of all businesses (Organization for Economic Cooperation and Development, 2009). This clearly suggests that women in GCC have lower rates of entrepreneurship and are less likely to own businesses. According to Kelly (2010) very less percent of female are business owners compared to male across the region and higher management and executive positions are occupied male dominating 90% of the total. Few exceptional examples can be seen where businesswomen operate, employees the workers, maintain cash flow and network, holds corporate stock and named as successful entrepreneur in gulf countries.

The female entrepreneurship has never been inspiring globally (Riebe, 2003). According to the global studies women are less engaged in Middle East region in entrepreneurial activity than men (OECD, 2012). The contribution has significant impact on the government to adopt policies and strategies to bring women into main stream of self-employment. It has been unfortunate that despite the growing number of female entrepreneurs very little is known about the women entrepreneurs' business practices and strategies (Starr and Yudkin, 1996). It is known that the women are likely to engage in that entrepreneurial activity more related to personal services (OECD, 2012). Very less has been known and published about the women entrepreneurship in Gulf countries regarding their entrepreneurial careers, motivation, socio-cultural barriers, survival, growth strategies, attitude toward business, family involvement, business development etc. Many researchers and practitioners are putting much effort on understanding female entrepreneurship in developing countries and under-researched and providing special attention in capacity looking forward for tremendous economic potential (Henry, 2002).

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