

Institutionalisation of Female Entrepreneurship and Consumption in Sex-segregated Riyadh

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The attention towards women has increased in the current era of ‘reform’ and social and economic ‘development’ in Saudi Arabia. The remarkable ongoing top-down reforms have made some people reconsider the image that women are legally and judicially mistreated, denied political, economic, and social participation, and deprived of the freedom of movement. Indeed, Saudi Arabia was, and remains, a strongly patriarchal society. However, it is important to investigate the nuances of this patriarchy rather than merely criticise it based on the surface. This chapter aims to disclose the intricacies of patriarchy where, on the one hand, women suffer from a lack of employment opportunities, which leads to a persistent male breadwinner model, and on the other hand, women have become more visible as consumers. Although they typically are not responsible for their family’s livelihood, women have become more influential in spending for the family and themselves. This shift within households has also created opportunities for women to launch businesses that cater to women. The institutionalisation of female entrepreneurship and women-led consumption signal the possibility of changing gender relationships within the society.

I. Limitations of the Rentier State Theory

The rentier state theory (RST), since its introduction by Beblawi and Luciani [1987], has been a popular theory to understand the political economy of oil-producing countries in the Arabian Peninsula. It has been considered by many scholars as a powerful explanatory concept of the relationship between state and society in Arab oil states. RST, however, faced criticism for being deterministic. The same critique is applicable to the RST theorists’ view regarding the status of women. Michael Ross, an RST theorist, investigated the problems of oil-rich countries, including authoritarianism and the impact of economic instability. He extends this argument to women’s status in oil-rich countries and contends that ‘(t)he persistence of patriarchy in the Middle East has ... much to do with the region’s oil-based economy’ [Ross 2008: 120]. According to its claim, girls’ education and women’s economic and political

participation are limited in rentier states. Saudi women have faced multiple disadvantages in terms of education, as well as labour and political participation. Girls' education began in 1960, and women's labour participation remained in single digit percentages at least until the 2000s, based on the available data: 4.16 percent in 1979-1980 [Alyamani 1985], and 14.15 percent in 1990 [The World Bank]. However, it should be noted that the gender order itself is fluid, and thus always open to change, as is suggested by Michel Foucault [1980]. For example, the fluidity of women's economic activities has been visible in Saudi Arabia's history since the state's formation in 1932. Al-Baadi's [1982] extensive work on women's history in Saudi Arabia indicates that women in the Arabian Peninsula during the pre-oil era engaged in societal and/or economic activities, which ranged from taking care of livestock and growing agricultural crops to selling handicrafts at the market. However, their participation in mainstream economic activities receded after Saudi Arabia started exporting oil. These women moved to cities in the process of modernisation and lost these roles as a result. This could be attributed to the fact that the economy did not require an expensive national labour force, as foreign labourers, who were willing to work even under appalling circumstances, could be hired instead [Babar 2017; Kamrava and Babar 2012; Kapiszewski 2006; Randeree 2012].¹ However, this does not imply that all women stopped participating in economic activities. Some wealthy women, primarily the female members of the royal family, continued to invest in businesses. Sharaf Sabri [2001] elaborates on the business and investment activities that men and women from royal and non-royal families engaged in. According to his study, women invested in real estate and businesses rather than directly manage wholesale or retail businesses like their male counterparts.

A limitation of the RST is that it presupposes a status quo. It has not adapted to explain the changes in the political economies of the Gulf, including social changes [Gray 2011]. This critique is also applicable to Ross's work, which overlooks the socio-economic changes of the Gulf in general and women's status in particular. In fact, Ross's arguments were immediately criticised by several scholars in an issue of *Gender and Politics* (Issue of Volume 5, Number 4, 2009). Subsequently, scepticism arose among scholars of gender studies in the Middle East, as some resource-abundant economies in the Arab Gulf states displayed higher labour participation of women than other countries in the Middle East [Buttorff and Welborne 2015]. The evolving change is more significant in the field of girls' education. Natasha Ridge's [2014] research discloses the rapid advancement of female education that progressed to outnumber male counterparts in tertiary education in the Gulf states. However, it is still true that patriarchy persistently pervades the Arab Gulf societies (like many other societies in the world). Yet the changes noted indicate social changes where women have functioned as the agents of change.

This chapter, by examining the dynamisms of social changes through women's consumption and business, aims to: 1) explore the relationship among female entrepreneurs, women's influence in spending and consumption, and socio-economic changes since the 2000s; 2) identify female entrepreneurs' strategies and tactics, from empirical data, to establish and continue businesses; and 3) answer unsettled questions of how increased female entrepreneurship in Saudi Arabia destabilises the

gender order in the public and private spheres. By analysing this phenomenon, the study attempts to understand the gender order and institutionalised entrepreneurship-consumption relationship by referring to Deniz Kandiyoti's [1988] claims of patriarchal bargaining. Kandiyoti's patriarchal bargaining implies that women strategically take the optimal decisions within modern patriarchy, which indicates that they consciously avoided working outside when the cash economy was established. However, this study takes into consideration a highly consumerised society, where the cash economy is considered as a basic premise. The strategies and tactics that Saudi women (both entrepreneurs and consumers) use will be illustrated and compared with Kandiyoti's argument.

II. Research Method

The research method for this study involves a combination of primary and secondary data. The primary data includes the author's interviews of Saudi women with emphasis on those who engage in business. The author began fieldwork in March 2000, while employed at the Embassy of Japan in Riyadh. The fieldwork primarily focused on garnering the experiences of Saudi women. Interview is semi-structured to tease out the details needed for a more sophisticated understanding of both female motivations and experiences as consumers and entrepreneurs.

III. Expansion of Commercial Infrastructure and Involvement of Royal Families

Shopping opportunities remained fairly limited within the Kingdom throughout the twentieth century. Motoko Katakura's [1977] fieldwork in the 1970s at Wadi Fatima, a western town in Saudi Arabia, demonstrated people's simple daily lives away from consumerism. Helen Lackner [1999] conducted fieldwork in the 1970s and pointed out the emergence of consumerism, but it could not compete with other prosperous big cities in the world. This continued till the early 2000s. In early 2000, when the author arrived in Saudi Arabia, there were only a few malls in central Riyadh, including the Al-Aqariyah Mall and Sahara Mall. The 'modern' scenery of Riyadh was beyond what the author had expected based on accounts that had primarily created a distorted image of desert, oil, and religious fanaticism. Instead, Riyadh came across as a modern but modest city and as the capital of an oil-rich country. Furthermore, there were a few brand shops such as Tiffany and Gucci on Olaya Street, the main street of Riyadh. Faisaliyah Mall and Al-Mamlakah Shopping Centre, both which later became key buildings of central Riyadh, were under construction at that time.

On one hand, sexual harassment at shops was a frequent occurrence as female clothes and lingerie shops were staffed by male foreign workers. On the other hand, the fear from frequent patrols by the Committee for the Promotion of Virtue and Prevention of Vice (often known as '*hai'a*', which means 'committee' in Arabic) in the malls and supermarkets often discouraged people, both Saudis

and expatriates, to shop in these places, and therefore they instead sought out shopping, cultural, and entertainment opportunities while travelling abroad. Manama, the capital and commercial centre of Bahrain, was frequently visited by Saudis and Saudi-based expatriates, as it offered a wide range of entertainment opportunities, including alcohol and sex-related entertainment that primarily attracted men. Products and services catered to women were often offered from home to home so that female clients were not hampered by patrols or sexual harassment. The restaurants and cafés in Riyadh were segregated into a singles section, often the main part of the restaurant/café, while a separate family section was located in a far corner of the same establishment so that it was not easily visible. It was implicitly communicated that the family section of the restaurant catered only to 'families', thus for a woman to dine out alone was difficult and a rare occurrence.

However, a change was observed in Riyadh in the early the 2000s. The opening of two large luxury shopping malls, Al-Faisaliyah Mall and Al-Mamlakah Shopping Centre at Al-Olaya Street, Riyadh's main street, triggered a construction rush of shopping malls and other commercial complexes in the city. The change was presumably triggered by multiple socio-economic factors. First, the Seventh Development Plan, 2000–2004, introduced privatisation and diversification of the economy as priorities, along with other economic reforms in preparation for accession to the WTO [Niblock 2008]. It is important to note the strong involvement of the royal family in the privatisation of the economy, not only in Saudi Arabia but in the Arab Gulf region more widely. The Saudi royal family has been engaged in private businesses since they were granted permission to do so in the 1960s [Sabri 2001]. In the early 2000s, groups of business elites within the royal family pioneered the development of urban spaces (as will be discussed later). Matthew Gray [2018] called the Gulf-specific model of 'entrepreneurial state capitalism', in which 'rent provides the funds that create and underwrite state-owned firms' [Gray 2018: 41]. Under entrepreneurial state capitalism, the ruling elites and its clients and supporters are enabled to 'manage the economy, allocate and share wealth' [Gray 2018: 40]. Construction of the new urban spaces also represented state capitalism, as not a few of them are owned and operated by the royal family. Therefore, an odd combination of economic liberalisation and state control were at play in the region. Second, Dubai, the Saudi's neighbouring emirate, dramatically achieved service-based economic development, which established an example for the Kingdom and other Gulf states [Hvidt 2009]. Third, the early 2000s were a critical turning point for the Kingdom, as it suffered harsh criticism from abroad as a breeding ground for terrorism after the 9/11 terrorist attacks in the United States. The Saudi government hurried to implement socio-political reforms to address the problem of Islamic extremists [Cordesman 2003]. Socio-political liberalisation was multifaceted and consisted of reforms in education, judiciary, and political procedures, as is exemplified by the introduction of local elections. Among them, the demystification of women was a key targeted transformation [Al-Rasheed 2013]. Women began to be represented as symbols of the nation, contrary to the previous era when they are hid in the private sphere. Lastly, the early-mid 2000s was a period when international oil prices were historically high and this helped to increase the Saudi nationals' purchasing power, which resulted in developing the habit of

conspicuous consumption. During the process of transformation into a consumer-based society, Saudi women came to be deemed as an influential group that displayed consumption [Assad 2008].

Along with this ideological transformation within the ruling elites, remarkable changes were also seen in the urban space. The Al-Mamlakah shopping centre was equipped with a women-only floor known as the 'Ladies Kingdom'. This ensured that female customers could shop comfortably without any intervention by the *hai'a* or sexual harassment by male sales staff. It was also a new development for the malls in Saudi Arabia to have fitting rooms on the women-only floors. Al-Faisaliyah, which was only equipped with a small female-only space, designated a certain period as 'family only time', which was intended for families to enjoy shopping without being bothered by male youths, many of whom supposedly came to malls to pick up girls. By the mid-2010s, numerous malls were built in Riyadh. Some were family oriented (e.g., Gornata), while others cater to the rich, career-oriented women (e.g., Centria). In any country, malls primarily identify women as the more important group of customers, as evidenced by the fact that a majority of the shoppers are women [Haiyan and Jasper 2004]. However, this was a new development for Saudi Arabia as women so far had been deprived of visiting public spaces.

In this feminisation of commercial infrastructure and the subsequent creation of women's public sphere, members of the House of Saud played pivotal roles. The Al-Faisaliyah Mall and the complex are owned by the Al-Faisaliyah Group, a family conglomerate formed by the sons of King Faisal. Al-Mamlakah shopping centre is a property of Prince Waleed bin Talal, who is grandson of the first Saudi Arabian king and is known as 'Warren Buffett of Arabia' for his business and investment activities.

In the context of Saudi Arabia, the involvement of the royal family members in the economy was essential for the success of economic liberalisation and diversification to convince and conciliate the conservative or religious group of people. It is presumably due to this involvement it was not possible for the *hai'a* members to enter the new women-only floors of the Al-Mamlakah shopping centre. It became particularly rare after *hai'a* was banned from questioning, detaining anyone suspected of a crime in 2016.²

What is implicit here is that these business elites, including the royal family members, sparked the growth of the feminisation of commercial infrastructure. Malls were the stimulus for development of urban space. With the development of shopping malls in the city, main streets such as Al-Tahriya also grew as stylish café or restaurant streets as they provided space for men and women to meet their friends.

IV. Feminisation of Commercial Infrastructure

Feminisation of commercial infrastructure took place in terms of time and space in shopping malls, as well as, cafes and restaurants. When Al-Faisaliyah Mall first opened, an attempt was made to segregate the time by allocating specific slots for single, a man or a group of men, and families. This was because they did not have a special floor for women like the 'Ladies Kingdom' at the Al-Mamlakah shopping centre, and 'Panorama for Women' at the Panorama Mall. Single males or male-only groups were banned

from entering the mall during the time designated for families.

As women grew as consumers, commercial infrastructure diversified and feminised both within and outside the shopping malls. Development of commercial infrastructure, in general, offered more quasi 'public space' [Le Renard 2014], for both genders. Some shopping malls, including the Al-Faisaliyah, stopped the practice of allotting different times and removed the partition wall between the single and family section in the food court by the early 2010s. The same was observed at the Al-Mamlakah shopping centre. The food court was open for everyone while the women-only floor was maintained at the top of the building. Segregation and comingling took place simultaneously within the shopping malls, so that they could cater to both groups of people, that is, those who prefer segregation and comingling. Additionally, the gradual transformation of restaurants and cafés was also seen. A large number of restaurants and cafés opened in shopping malls and these catered to groups of women rather than families. The top floor restaurants of Centria Mall, one of the high-end malls in the city, usually full of working women in the evening, has been featured on National Geographic [Gorney 2016]. This demonstrates a visible difference from the past, wherein the family section of restaurant or café supposedly catered to families consisting of men, women, and children.³ On the stylish streets of Riyadh, a similar change could be observed. A large number of restaurants and cafés opened there and they primarily catered to female groups rather than to male-only groups or families. They did not have mandated partition walls or booths for each family, and offered simple partition boards for privacy, when requested by the customers. Interestingly, many of the restaurants popular with high-end customers did not have a section for single people and therefore the family section became the main part of the restaurant or café in the urban space. Many cafés and restaurants practically stopped the partition by the time the rule for the mandatory gender-based segregation was officially lifted in late 2019.

V. Women's Networks and Business Opportunities

In Saudi Arabia, generally, men and women have separate networks. Women build, strengthen, and reshape their networks by frequently visiting each other. Their network comprises of relatives from the natal family, including grandmothers, their mother (sometimes including mother's co-wife or co-wives), aunts, sisters, and cousins. Many of them meet regularly on weekend afternoons and evenings, at one of their houses or at the *istirāḥa*, which is a resting place in the suburbs. Soraya Altorki explains the role of *wafā'* in Saudi society, where the mobility of women is restricted. *Wafā'* denotes the ties that women forge by extending their social network through social visits beyond the limit of their household. Until the 1950s, these social visits were limited to married women, while single girls met only close friends and kinswomen, at least in the western part of Saudi Arabia [Altorki 1986]. However, women in cities today enjoy a high level of mobility compared to the situation in the 1980s when Altorki's work was published. This is largely due to the availability of vehicles and expatriate chauffeurs hired by households. More recently, the ban on women's driving has also been lifted. Even if they do not drive,

an increasing number of women use ride-hailing services such as Uber and Careem. This means that more women, both married and single, are able to build their network inside and outside of their kin, by visiting each other's house or by meeting in restaurants or cafés. This increased and expanded network beyond the kinship is augmented by the transformation of restaurants and cafés that offer family sections rather than single sections, as gatherings among relatives are usually held at home while gatherings with friends are often at restaurants and cafés. Although women's familial network forged through social visits is persistently important in this modernisation process, more and more women seem to be 'empowering personal connections outside the family network' [Doumato 2003: 250] by attending schools, colleges, and universities. Expanded education opportunities for young women has let them create new networks beyond their tribes and kins, and that are often maintained through socializing at restaurants or cafés, of course upon the approval of their parents when unmarried.

Stylish interiors and meticulous service are common traits of popular restaurants and cafés. Such ideas are often provided and realised by female entrepreneurs who better understand the subtleties of the needs of women as compared to the male counterparts. In a segregated society, where masculinity or femininity are highly structured and valued, and thus confusion or deviation is carefully avoided, only women fully understand the needs and desires of other women.

Businesses catering to female consumers expanded beyond restaurant and other highly gender-specific sectors such as apparel and fashion. Luthan Hotel and Spa, a women-only hotel and spa, established in Riyadh in 2008, is a symbolic example. At the hotel, female guests did not have to wear an Abaya or worry about the male gaze as the hotel only allows female guests and only employs female staff. Guests can also enjoy various services including massages, beautification, and sports activities at the spa adjacent to the hotel. According to the author's interview with the female manager, guests and members of the hotel and spa are primarily working women and not wealthy housewives.⁴ These women pursue beauty and health related services with the financial freedom that they gain through their employment. The fact that the facility is frequented by working women has also been mentioned in the TripAdvisor reviews. Reviewers seem to be from a variety of places, including Cairo, Dubai, London, Lyon, and the Eastern Province of Saudi Arabia. Whilst foreigners enjoy the different culture of staying in a women-only hotel during business trips, locals enjoy safety without the requirement of a guardian. This is further evidence, along with that from food establishments, of the bipolarisation, into both segregation and comingling, in the Kingdom's commercial sphere.

VI. Accelerated Female Business

Among the Arab Gulf States, Saudi Arabia has not ardently fostered female business owners or executive members. According to Alrubaishi [2017: 230], who conducted a study on enterprise succession plans, female business owners account for only 12 percent of the entrepreneurs in Saudi Arabia. Global Entrepreneurship Monitor's research reveals that the total entrepreneurial activity (TEA)⁵ in Saudi Arabia

is 14.7% for men and 8.5% for women. As compared to the other Arab Gulf states, the gender gap in TEA is extremely high in Saudi Arabia. The TEA in the United Arab Emirates is 10.9% for men and 10.1% for women, while in Qatar the same are 8.6% and 8.4%, respectively [Elam, Brysh and Greene 2019: 74–75].

From a chronological perspective, the number of female entrepreneurs has been steadily increasing since the 1960s. In 1962, only 400 women are registered with the Chamber of Commerce in Riyadh, in stark contrast with their 44,000 male counterparts the same year [Abd al-Hay 1982: 243]. The number of commercial registrations by women is estimated to have grown to 5,000 in Riyadh and 4,000 in Jidda by 2004 [Hassan 2004]. The local newspaper reported that it further rose by 35% between 2007 and 2017 [Arab News 2017].

This can be partially attributed to the women's high unemployment rate which was 30.9% in 2018 [General Authority for Statistics 2018: 76]. Serious unemployment rate for women indicates insufficient job opportunities that directly or indirectly encourage women to launch business by themselves. The GEM Report's findings also support this argument by reinforcing that Saudi women who started a business out of necessity rose from 5.9% in 2015–2016 to 38.9% in 2018–2019 [Élam Brysh and Greene 2019: 101]. It is arguable that an increasing number of women who engage in business are driven by necessity, trying to earn an income that may not be obtainable through employment.

The Saudi economy was seriously impacted by the oil price crash in late 2014. Per capita gross national income fell from 25,550 USD in 2014 to 19,990 in 2017 [The World Bank]. In addition to the shrinking income on an average, the income gap among the Saudis is also wide. Only 10.5% of the population received a double of the average income (13,630.9 USD) in 2018, while 31.3% received less than half of it [Jawale 2020].

The Saudi government has pursued processes of nationalisation of the workforce (known as 'Saudiization') for several decades, and further accelerated by the *nitaqat* (which means 'ranges' in Arabic) program⁶ and *Vision 2030*. However, the scheme faced challenges that accrued from various issues including the mismatch between the education system and the need of the labour market [Alsharbri, Khalfan and Maqsoon 2015]. Furthermore, private firms that had never hired women reported that they had to invest in a high upfront cost to hire women [Domash 2017].⁷ These additional costs would have been a hindrance for private companies to recruit women.

It could be argued that female entrepreneurs emerged due to this economic and labour environment. Hattab [2012] analysed the tendencies and characteristics of female entrepreneurs in the Middle East based on the GEM report, and sheds light on the rise of female entrepreneurs despite a persistent sexual division of labour and the limited job opportunities for women in the region. According to the study, women in non-oil-producing countries, like Egypt and Yemen, lack working opportunities, which encourages women to engage in businesses to contribute towards the family's income. From these cases, we can assume that women in the region establish businesses because of the socio-economic disadvantages specific to their gender. Such motivation could also be applicable for Saudi women as

they also suffered due to a lack of job opportunities along with worsening economic conditions after the sharp fall in oil prices in 2014. Even in the oil boom era prior around 2004-2008, female urban dwellers expressed concern about sharp inflation and the rising cost of living. While some of them indicated an interest in starting a side business to contribute to the household income, others were already involved in business. It is evident that economic circumstances, regardless of boom or slump, encourage people to engage in business, albeit for different reasons.

While Saudi female entrepreneurs have to face challenges and constraints similar to those of other Arab women entrepreneurs, this study suggests that women also have certain advantages. Hattab [2012] states that Arab women's shared disadvantage in networking due to male-dominant informal networks having such importance in Middle Eastern societies. However, this study puts forth that Saudi female entrepreneurs take advantage of the sex-segregation of society in terms of networking, which subsequently contributes to business building. Female entrepreneurs were not able to establish a business independently because, until 2018, they required a male guardian's permission (Gulf Business 2018). However, as discussed, women usually build and maintain their network within the women-only society, thus, they can make the best of sex-segregation if they intend to engage in women-oriented businesses.

The advantages of women establishing businesses targeting women have been demonstrated through several Montijoon Producers Exhibitions organised by the Riyadh Chamber of Commerce and Industry since 2013. The third exhibition held in December 2015, which the author attended, had 622 booths exhibiting and selling a variety of products and services by female entrepreneurs who work from home. The event showcased a wide range of businesses, including food and beverages (including catering), garments, interior accessories, cosmetics, art, and childcare services. In all these fields, it was apparent that the products and services presented in the exhibition primarily catered to women. The entrepreneurs seemed to capitalise on their identity as women who understood the needs of other women.

Widespread female entrepreneurial activities not only stem from the efforts made by women alone, but also because of the support and encouragement by the government. According to the General Authority for Statistics in Saudi Arabia, the female unemployment rate gradually grew from 15.8 percent in 1999 to 30.9 percent in 2018 by contrast to 7.5 percent for male unemployment rate in 2018 [General Authority for Statistics 2018a: 71]. It clearly indicates an increase in female job seekers within a few decades .

Although the government has accelerated attempts to nationalise the workforce since the 1990s, the situation of job creation has worsened rather than improved. For the government, encouraging start-ups, particularly home businesses for women, is a convenient way to enable them to earn money without necessarily endangering their perceived role as a mother and wife or encouraging them to mingle with male strangers.⁸

The government's willingness to support female entrepreneurs is also reflected in the reforms that are in accordance with *Saudi Vision 2030*. The *Monshaat*, General Authority for Small and Medium Enterprises, is a government organisation established in 2016 to support and develop the small and

medium enterprises (SME) sector to meet the agenda of fostering SMEs in Saudi Arabia for 2030. According to the author's interview with the *Monshaat*, gender mainstreaming is a key agenda. This implies that the entity is attempting to fill gender gaps among small and medium-sized entrepreneurs.⁹

Female entrepreneurs are supposedly able to transgress the presupposed disadvantages by venturing into businesses. They are able to not only earn money but also acquire skills and experiences through the business. This should also have an impact on their status within the household, as is discussed later in the case study.

VII. The Growth of Women as Consumers and its Impacts

It is evident that the number of female entrepreneurs could not have increased without the growth of consumers. The Saudi economic liberalisation as of the 2000s underwent multiple stages of development efforts. Female entrepreneurship accelerated in conjunction with the growth of per capita income and living standard of individuals, and there was a subsequent growth of female consumers, following at least partly from the high oil prices over the mid-2000s. Saudis, and particularly Saudi women, were raised as consumers due to the socio-economic changes that included higher female educational achievement and a gradual increase in labour market participation, while maintaining men's place as bread winners.

Saudi Arabia's girls' education began in 1960, yet it rapidly grew to a level that an 'adverse gender divide' [Ridge 2014] was observed. The number of female graduates from public universities in the year 2017 far exceeds that of male graduates, at 125,435 and 87,546 respectively [General Authority for Statistics 2018b).¹⁰

These dynamics are arguably bolstering women's decision-making power within the household. Yavas, Babakus and Delener [1994] disclosed that, 1) an educated woman tends to jointly make decisions regarding family purchases with her husband and 2) working wives tend to have a stronger influence on family purchase decisions as compared to non-working wives. Research findings clearly indicate the power of educated and working women on household spending. This is also supported by a survey of 160 working women in Jidda conducted by Nora Almosaed [2008], which investigated the nexus of power and money, and subsequent inequality within Saudi households. Almosaed found that livelihood maintenance is still the responsibility of men among a majority of the respondents' households, yet most working women financially contribute to the household. The study reveals that working women tend to cover the cost of their own and children's clothes, recreation, school expenses, and food.¹¹ Similarly, the *Saudi Youth Development Survey Bulletin 2019*, a report based on a survey of over 7,700 Saudi youth from different regions and conducted by the General Authority for Statistics, clarified that the responsibilities of men include covering the costs pertaining to marriage and housing while women help in livelihood provision. The main reason for men to save their income is for the sake of marriage (34.82 percent, vis-à-vis 0.4 percent for women), housing (19.38 percent vis-à-vis 7.27 percent for women), whereas for women buying luxuries (14.33 percent) and investment/ financing private business (12.38

percent) are the main reasons for saving their income [General Authority for Statistics 2019: 50]. This imbalance in responsibilities clearly demonstrates that women save a share of their income in order to consume, compared to men who are responsible for sustenance.

The persistent model where the male member is the breadwinner, and women take minimal responsibility for sustenance, ensures that women have a larger capacity to save for purchase. As Almoased's study suggests, working women are inclined to buy products and services associated with daily necessities. From these studies and reports, it is assumed that consumption patterns have shifted and women have become more influential in family and individual spending. The new consumption patterns also offers opportunities for women to launch women-oriented businesses. Female entrepreneurs identify business possibilities by stimulating the demand of women.

VIII. Examples of Female Entrepreneurship

Huda (anonym) identified a business opportunity based on the emerging purchasing power of women. As a married woman with children, she had been working as an administrator at a college till she set up a confectionary factory in the drawing room of her flat in the late 2000s.¹² Born into a merchant family in Nejd (central Arabian Peninsula) around 1970, she always had entrepreneurial ideas. Her brothers had inherited businesses from their father. However, being a woman, Huda was not considered a successor, although she was the only one amongst her sisters who had a university degree. While her husband was an academic working with a public university, she always felt that the salary that they both earned was not enough. By investing a part of the money inherited by her father, she began hiring some female foreign workers through a maid recruitment company, and began selling *kleija*, which are traditional cookie-like sweets made of wheat, to shops and individuals. Taking advantage of the boom, her business steadily grew over the next few years, and by the mid-2010s, she decided to set up a pastry shop where she could sell both western-style confectionary and traditional Arab sweets like *kunafa*, made of cheese and shredded pastry. She decorated the shop with fancy colours and designs to attract female shoppers. Her pastries were also designed to look fancy and cute for the same reason. As she had expected, the shop drew more female than male customers. Within five years, she had to move to a new location due to the planned metro construction in Riyadh. The area around her shop was barricaded for construction, and it became inconvenient for customers to stop there. For her, this was a good thing as she was considering opening a café or restaurant adjacent to the shop. She began looking for a new place and was able to open a two-storied café and restaurant in early 2016. This new shop, in a stylish area, again drew more female customers than male ones. She hired some dozens of workers including skilled chef and cooks, waiters, shop keepers, and Saudi female PR manager who promoted her shop and restaurant via social networking services. Her business got off on the right foot: she attended food exhibition in Dubai in early 2017, accompanied by the chef, to look for companies that produce suitable ingredients for her pastries. However, after a while, she decided to close the shop, and move to another location due to the

high rent. In an interview in March 2019, Huda stated that she had never gone into the black since she started her business¹³. It is unclear if she ever made a profit from her business. However, it is evident that the business was severely hit like other retail businesses partly because of the introduction of the five percent value added tax at the beginning of 2018. The property she rented for expansion was quite large, and therefore the rent was high. In early 2020, she opened a smaller shop without a café or restaurant. When the COVID-19 pandemic hit Saudi Arabia, she had to abide by the rules, including limiting the opening hours. She frequently posts sale advertisements on the shop's Instagram page.

The second example is not that of a typical entrepreneur as Wafa (anonym) did not start her own business from scratch. Her career started as a school principal and she became the largest shareholder of the international schools. However, her case is discussed here because her business and investments arose from her experience, which led to her current leading role in the women's circle of the Riyadh Chamber of Commerce. Wafa is the biggest shareholder of international schools located in Riyadh, Jidda, and Makka.¹⁴ She married when she was seventeen years old and accompanied her husband to the US as he received government scholarship to study there. While they were in the US for seven years, Wafa also obtained two master's degrees. As a specialist in art and design, she started teaching at a women's university when she returned from the US, but left the job two years to become the principal of an international school. She was the first female principal of the international school in Saudi Arabia. However, for her, undertaking the role of the principal at a school was not very new or odd as her mother had been the first Saudi female principal at a local school. Therefore, she had a role model. While working as the principal, she decided to move to the management side and set up companies to operate international schools where she invested her resources. Apparently, she felt the need to import American and British school curricula to Saudi Arabia from her own experience of staying in the US. Based on Almosaed's findings, working women play an important role in decision-making regarding children's education. This means that households with double income are more likely to show an interest in paid education, which is considered to provide high-quality education to children. In this sense, all of Wafa's ideas, careers, and investments fit the tendency of family spending in which women's voices are considered.

Lubna (anonym), the owner of dress shops in Jidda, has more experience in business than the other two businesswomen.¹⁵ Like Huda, she was born into a merchant family in Jidda. Her grandfather was a renowned businessman who engaged in trading primary commodities such as steel, wood, and foodstuffs. He was also known for cooperating with Abdulaziz Al Saud, the founder of Saudi Arabia, during the state formation period. However, when his sons took over the business, it led to power struggles and the business collapsed. The third generation, including Lubna, did not inherit money or business assets, but did inherit some real estate. Lubna, using the profit of this inherited real estate, started selling dresses to women from her home until she opened a boutique in a shopping mall around 1989. Dresses are in high demand in Saudi Arabia as Saudis tend to have big wedding parties and the size of the party can include 1,000 people. The invitees are expected to wear gorgeous dress as well as jewelry. When Lubna

got the opportunity to open a women-only boutique for dresses, she set it up with only UK£1,000, which means she started the business from scratch. However, she was not allowed to open the shop under her own name, as this was not permitted at that time. However, when a *hai'a* member visited her boutique, she suggested that women's lingerie should be sold by female shopkeepers rather than male shopkeepers, to maintain the segregation of the sexes. After this conversation with the *hai'a* member, she was allowed to run the shop under her name. In doing this, she negotiated the boundaries of female businesses in how she operated the dress shop. Her business gradually grew, and she was able to open as many as six boutiques in different cities in Saudi Arabia (three of them were closed at the time of interview due to the recession). She is a pioneer female entrepreneur in Saudi Arabia, who not only understood but also stimulated women's needs by taking advantage of women's networks. The story of convincing *hai'a* members also indicates that convincing conservative men was an additional task that these pioneer women had to take to change their business environment. Indeed, women's lingerie shopkeepers saw male foreign workers replaced with Saudi women in 2011, following a sustained effort by women towards this outcome. Lubna's experience was replicated by her daughter, a garment designer who owns a dress-abaya shop with a restaurant. Like Huda, Lubna and her daughter suffered due to the recession since the mid 2010s, they had to reduce the prices of the dresses, and half of Wafa's boutiques had to be closed. This is one of the shared problems that Saudi female entrepreneurs face as they tend to enter the retail sector, they are immediately hit when the economy stagnates. The introduction of a five-percent value added tax in 2018 which was further raised in July 2020 to fifteen percent, in addition to the effects of the COVID-19 pandemic, has led to severe troubles for these entrepreneurs.

In contrast to the entrepreneurs who took advantage of sex-segregated society, there has emerged in the last couple of decades or so, less-gendered businesses that were also established by female entrepreneurs. Sara, who started her career as schoolteacher, set up her business in the field of outfit production in 2002. Her current core business is producing military clothes, in collaboration with foreign partners, to protect against chemical weapons, for which she receives support from the Saudi government.¹⁶ Additionally, her company manufactures spare parts for aircraft and military vehicles. This case makes us rethink the advantage that female entrepreneurs' have in women-oriented businesses. Sara's economic activity is often featured in Saudi government-run television. These TV programs typically introduce her stressing her uniqueness: for example, one programme introduced her by saying that she is 'the first Saudi female investor in the field of military-related manufacturing' (YouTube 2016). While her business is indeed new and unique among female entrepreneurs, it is not something that is feasible for all female entrepreneurs to do, considering her qualification in a rare field.

These cases of Saudi female entrepreneurs are limited, due to space constraints, however as Sara's case illustrates especially strongly, new types of female entrepreneurs have emerged who are engaged in less gendered businesses, including in areas where men have traditionally had exclusive or overwhelming dominance. The examples also prove that female entrepreneurs are not without agency, and continuously negotiate to expand their business. However, as can be observed from the way Sara is introduced in

the TV programs – as ‘unique and new’ – it is still uncommon for women to launch businesses beyond the circle of women. For the majority of businesswomen, it was more realistic to engage in businesses that can be done within the women’s network. Even then, they have often had to face challenges and constraints that arise simply by virtue of being women.

IX. Conclusion

This chapter explored the feminisation of commercial infrastructure in Riyadh from the 2000s, and the concomitant growth of women as consumers and entrepreneurs in the urban space. Such changes were possible due to the implicit but vital role played by the royal conglomerate involvement and government policies to make women visible. The commercial infrastructure, regardless of being developed in the direction of mingling or more profound sex segregation, provided a quasi-public space for women. High-end cafés and shopping malls primarily attracted educated working women who had excess cash as they are not responsible for sustenance even though they earn. As these women became target groups in the retail and dining industry, the infrastructure altered to fit the customers. In the food and dining sector, for example, in the past a single section of restaurants played the overwhelming role, however today most of the top restaurants and cafés in urban spaces have only family sections that are mostly occupied by professional/career women who can afford to dine there using their own means.

Similarly, it is evident that women grew as indispensable consumer-reinforced female entrepreneurs and became involved in businesses catering to women. The number of female entrepreneurs has steadily increased. These women tend to start a business to cater to other women, as in a sex segregated society, it is women who best understand the needs and priorities of women consumers. Businesswomen have sought business opportunities among women as they could take advantage of their networks by so doing. However, their tendency in entering the retail sector makes them vulnerable when the economy tumbles into recession, as has been demonstrated by the COVID-19 pandemic that began in early 2020.

This noted, the study also points out that female entrepreneurs are not necessarily constrained to running women-oriented businesses. The cases of these entrepreneurs should also be considered for future research; however, it is also suggestive from the way these entrepreneurs are represented in the media that they are unique and new.

Socio-economic development does not necessarily undo sex-segregation in Saudi Arabia, nor does it subvert the male breadwinner model. Women are not usually responsible for the sustenance of the family, even if they earn their own income. This has created synergy between entrepreneurship and women-led consumption/spending.

In Kandiyoti’s argument, women in modern patriarchy typically choose not to work to avoid the double burden of family and work. For these women, it was not tactically right to earn cash at the price of losing respect from the family. Contrary to the society that Kandiyoti observed, contemporary Saudi society’s premise is consumer based, where women and families are looking for new sources

of income. Moreover, in a consumerised society, having a say in spending implies also having power. Thus, knowledge and education directly correlate with power itself. Women, partly because of fewer working opportunities than their male counterparts, have been the disproportionate beneficiaries of the government's investment in education. Often with more advanced degrees than their male partners, women exercise more power in making decisions regarding family spending than they have in the past, even while they ensure that the male partner maintains the responsibility for overall family sustenance.

Notes

- ¹ Importantly, it was not only national females but also national males who were replaced by foreign labourers [Randeree 2012].
- ² I think that the government did not unilaterally decided to purge *hai à*, but that the residents, both Saudis and expats, exposed the *hai à*'s wrongdoing on SNS promoted the government's decision. It will be discussed elsewhere as it is not essential to this argument.
- ³ On a critical note, while default configuration of family was as such, the staff at restaurants allowed *prima facie* families to enter and dine regardless whether they looked like nuclear family or extended family, however, I was often not allowed to dine alone at the family section of the restaurants. At the same time, I never faced problems when I was accompanied by four or five male colleagues, who were mostly in the same age group as mine, to dine out at the family section.
- ⁴ Author's interview with the manager in December 2015 in Riyadh.
- ⁵ According to the GEM Report, Total Entrepreneurial Activity (TEA) is defined as 'the percentage of the adult working-age population, aged 18–64, who are either in the process of starting a new business but have not paid wages for more than three months (nascent entrepreneurship), or have businesses older than three months but younger than 42 months (early-stage business activity)'.
- ⁶ Nitaqat is a Saudization policy started in 2011. The purpose of the program is to absorb Saudi job seekers. Through classifying the private sector companies within 'ranges', it sets penalties including limiting labor visas on foreign nationals on companies that fail to employ designated ratio of Saudis. It is aimed to create six million jobs by 2030 [Alshabari, Khalfan and Maqsood 2015]
- ⁷ The report claims this high up-front investment resulted in continual female employment (Domash 2015). It should be true for some companies. However, the author of this article does not agree with this argument as a whole as has been demonstrated by the statistics on high unemployment among women in Saudi Arabia.
- ⁸ The government's encouragement of female entrepreneurship is also demonstrated by a booklet published and distributed at the exhibition site by the Former Ministry of Social Affairs (currently Ministry of Labor and Social Development). The booklet is a directory that lists more than five thousand manufacturing home businesses operated by women.
- ⁹ The authors' interview with Monshaat on 8 December, 2019 in Riyadh.
- ¹⁰ Number of graduates here are extracted from the 'University's Total', in Table 4-7 which only counts the number of graduates from public universities and excludes private higher education, technical, and vocational training and specialised colleges like military faculty and industrial faculty.
- ¹¹ The author's preliminary online survey conducted among over two hundred Saudis between December 2015 and February 2016 also reveals that single working women with higher education tend to spend more time and purchase more for their own purposes (instead of for the family and others).
- ¹² Setting a small factory in the drawing room might not sound strange for outsiders, but in the context of Saudi Arabia, it is rare to do so because drawing room is considered to be space for visitors, thus should always be kept

clean to accept unexpected visitors.

¹³ The author's interview with Huda on 25 March, 2019 in Tokyo.

¹⁴ The author's interview with Wafa on 9 December, 2019 in Riyadh.

¹⁵ The author's interview with Lubna on 9 December, 2019 in Jidda.

¹⁶ The author's interview with Sara on 9 December, 2019 in Riyadh.

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