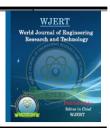


# World Journal of Engineering Research and Technology WJERT

www.wjert.org



# CHANGING PARADIGMS IN THE ROLE OF WOMEN IN SAUDI ECONOMY

<sup>1</sup>\*Suheela Shabir and <sup>2</sup>Zubair Amin

<sup>1</sup>Assistant Professor, College of Business and Administration Princess Noura Bint Abdul Rahman University, Riyadh, Saudi Arabia.

<sup>2</sup>Department of Education, Higher Secondary School, Baramulla, India.

Article Received on 12/10/2019

Article Revised on 02/11/2019

Article Accepted on 23/11/2019

SJIF Impact Factor: 5.924

## \*Corresponding Author Suheela Shabir

Assistant Professor, College of Business and Administration Princess Noura Bint Abdul Rahman University, Riyadh, Saudi Arabia.

#### **ABSTRACT**

Women have always been contributing to enable the economy achieve tremendous progress. The contribution of women is omnipresent and all pervasive in every sphere of life as Saudi Arabia seeks to march steadily towards the path of growth. All these become possible only with the active participation of women who are the catalysts of qualitative growth of future generation as well. Vision 2030 envisages that Saudi Arabia's policies and programs are focused on the road to

women's full participation in its labor market. However, women still make up less than 15 percent of the national workforce; this represents an enormous source of untapped potential for the Kingdom, whose labor force currently relies heavily on expatriates. This working research paper seeks to identify the paradigm shift in the labor force in KSA. The study is a qualitative study. This paper points to actions that can help to turn around this inequitable situation. The paper also suggests a broadening of the women in development approach toward a gender in development strategy that takes into account the relative roles and responsibilities of women and men. It has been concluded that despite the challenges faced by the female labor force in Saudi Arabia, Vision 2030 paves a new path to empower women to contribute to the economic growth of the Kingdom. The research has certain limitation with further directions of conducting research in related field to get results that are more accurate.

**KEYWORDS:** Women contribution, Economic development, Labor work force participation, Education, empowerment.

#### INTRODUCTION

Saudi Arabia has an economy which is oil based with strong government control over major economic activities. The Kingdom possesses 18% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum. The country and its labor market are presently undergoing a large-scale transformation that will enhance its economic growth. Throughout the world, gender disparities in labor market experiences are well documented. The Kingdom of Saudi Arabia (KSA), as a developing economy, relies mainly on men rather than women to achieve its development objectives. Saudi women represent a wealth of untapped potential for the economy. Many of them have yet to join the labor force, despite being highly educated and motivated. Of the 13.5 million women in country, 9.1 million are of working age. Yet only 20.2% of them participated in the workforce in 2015, compared with 77.8% of men. Saudi Arabia has the largest gender imbalance in labor force participation among G-20 countries (Saudi Arabia Labor Market Report 2016). Men and women experience vastly different wages and levels of labor force participation and employment, and tend to concentrate in different industries and occupations. Despite recent improvement, female labor force participation in Saudi Arabia remains extremely low. Moreover, increases in participation have exacerbated female unemployment as the availability of jobs has failed to keep pace with higher Female Labor Force Participation. Saudi women who do find employment remain concentrated in a few fields.

Saudi Arabia is on the threshold of an economic transformation that will unlock the full potential of its competitive advantages. With the Vision 2030 plan, the country has a clear roadmap for fulfilling its goals and creating a sustainable future for the Kingdom. The grand vision behind Vision 2030 is to transform the Saudi economy from an oil dependent economy to a post-oil economy, thus to place the Saudi economy on a more solid and economically sustainable footing. The driver behind the reform is that the era of 'plentiful oil incomes' is grinding to a halt for two reasons. The income from oil is significantly challenged in the long run, both from a global overproduction and not least from the challenge by low cost of solar power. Secondly because Saudi Arabia as the country experiences steep increases in the population. The old model, where the government through high oil incomes was able to secure the population high incomes and a comfortable lifestyle simply cannot be sustained

any more. Through reforms, the economy need to be diversified, more sources of income and not least to be brought into balance. A key factor is this reform drive is that larger segments of the population need to work, migrant labor force needs to be reduced and job creation for nationals, i.e. Saudi citizens cannot any longer take place in the public sector. The private sector need to be revitalized, so it can be attractive for Saudis to work there. The Ministry of Labor and Social Development aim to enable women to participate in the workforce at a much higher rate and lower their unemployment rate. They are dedicated to ensure that women and youth have the skills and opportunities they need to participate in the kingdom's economic expansion.

This working research paper seeks to identify the challenges and issues of the female labor force in Saudi Arabia. The role of Vision 2030, which seeks to empower and overcome these issues and challenges, has also been researched. Investing in women is central to sustainable development. The need for women's empowerment arises from the subordinate position they have been accorded for a long time. Empowerment of women needs to begin with her participation in different spheres of life.

Words

**Abstract** 

Introduction

Statement Problem

Problem Statement: The problem statement was to analyze the role of women in the development of Saudi economy. Women contribution in the economic development of Saudi Arabia faces lot of hindrances such as lack of education and limited access to empowerment. The challenges faced by the women in contributing may become severe when cultural factors are additional deterrents. There are limited studies that were conducted to analyze the contributions of Saudi women, this paper aim to determine the contribution of Saudi women towards the development of economy. Gender development and the role it plays in overall progress of the nation is significant. Every nation handles things differently and clearly cultural context is of paramount importance, which is very relevant in the case of Saudi Arabia.

#### B. OBJECTIVE OF THE RESEARCH

#### **Research Objectives**

- To identify the role and importance of women on overall development of Saudi Arabia.
- To identify how vision 2030 will empower female to overcome challenges and issues in female labor force participation.

**Research Methodology:** After making a careful review of available literature on the subject, as well as using statistical data collected from the website of World Bank, the present study is based on qualitative as well as quantitative methods of research; relevant secondary data was collected from the World Bank for the year 2008-2018. The secondary data collection system based on already collected information from different sources.

Research Limitation and Directions for Further Research: This research has certain limitations that restrict more accurate results to be developed. Time constraint serves as the major hindrance in conducting the study. There can be many variables that could be considered to measure the economic development such as poverty, inflation, GNP etc. Similarly, women contribution was also limited to labor work force participation and education in this study. Further research is necessary in this study to get results that are more accurate. In addition, the data should be compared will other countries to analyze the actual economic position of the country.

**Review of Literature:** For comprehensive view of the study, academic and current literature was reviewed.

Almujahid (2009) analysis identifies the major achievements made by the Saudi government in the field of public education for girls. It also probes the issues, which are hampering the development of girls' education and women's active involvement in the labor market. Finally, it presents a number of policy reforms and recommendations that, if implemented, would lead to the institution of high-quality education for women, along with a more advanced and knowledge based society, the participation of Saudi women in society, and the reshaping of the sociocultural perception of women in Saudi society.

Female Labor Force Participation has been one of the main sources of the Saudi labor market in developing the economy over the last 50 years (**Asmari, 2008. p. 18**). For evaluating the current status of the woman at the labor market, the researcher explore certain general feature

that include specifying the number of females at the labor market, knowing the expected development rate by using available data and estimation of unavailable data. It is conspicuous that there is a sluggish increase in the labor market in the numbers of females in comparison to the successive increase in those of males. This underlines the decline at the development rate of females when compared with those of males. For instance, the rate of women contributions reached approximately 7% in 2010, while was found to be around 3.5% in 2012; and that these situations are expected to continue till 2018 unless clear policies are adopted and conducive climate for women's effective absorption and involvement made available.

According to **Kishor** (1997) there is a positive relationship between gender inequality and low per capita income.

(Gupta, 1987) aimed to assess the socioeconomic conditions of 200 rural women respondents from the villages of Makanpur (100 women) and Varsaitpur (100 women). In terms of general household activities, women were found to contribute 73% of the labor in Makanpur and 70% in Varsaitpur. Women's contributions were greater in the Scheduled Castes and among Muslims. In terms of agricultural activities, women contributed 40% in Makanpur (66% of agricultural labor) and 40% in Varsaitpur (59% of agricultural labor). Taken together, women's contribution to economic activities was 52% in Makanpur--the less prosperous village--and 49% in Varsaitpur--the village more influenced by technology. The problems most often cited by survey respondents included health, malnutrition, repeated childbearing, and education. If women's participation in economic development is to be enhanced, women must receive the following services: training in income generating activities, easy access to low-interest loans, and family planning services to limit childbearing.

McKinsey & Company 2018 studied that Women's economic equality is good for business researched that Companies greatly benefit from increasing employment and leadership opportunities for women, which is shown to increase organizational effectiveness and growth. It is estimated that companies with three or more women in senior management functions score higher in all dimensions of organizational performance.

**IMF** (2018) conducted a study that When more women work, economies grow. Women's economic empowerment boosts productivity, increases economic diversification and income equality in addition to other positive development outcomes.

UN Secretary General's High Level Panel on Women's Economic Empowerment, highlighted that empowering women in the economy and closing gender gaps in the world of work are key to achieving the 2030 agenda for sustainable development and achieving the sustainable development goals,

#### **DISCUSSION**

Saudi Arabia has taken many positive steps aimed at promoting women's advancement in the labor market at both National and international levels.

#### Present Scenario of women's education in Saudi Arabia

Women's status in education in Saudi Arabia has been changing, and the Ministry of Higher Education has considered sending talented women abroad to finish their studies in high-demand subjects. Moreover, recently the government supported the election of a Saudi woman, Thoraya Obaid, as an executive of the United Nations. Obaid, the first Saudi Arabian Executive Director of the United Nations' Population Fund (UNFPA), enjoys a reputation as a fighter and a pioneer for the education of women (Qantara.de, 2003). Saudi women' achievements in education are considerable. Newspapers published in both Arabic and English have a great number of female writers. Indeed, the names of Saudi women are increasingly connected to appeals for more participation in public arenas and more respect for women in general. Furthermore, Talal Ibn AbdulAziz, the King's brother, continues efforts to change the status quo and to support women's participation at all levels of Saudi society.

Development of education system in Saudi Arabia grew with the development of economy. Earlier girls were restricted to stay at their homes because of the traditional norms and gender segregation (AlMunajjed, 2009, 8). On the contrary, today investment in female education has become crucial for the development of the economy. Many Saudi women were restricted to work in certain fields, such as medicine, nursing, and teaching. And in the past, there were limited training opportunities for women in fields such as information technology and management (booz&co, 2010). The lack of these skills hindered women's ability to obtain competitive employment (booz&co, 2010). However, over recent years, more programmes in post-secondary institutions have been established, such as computer science, architecture, and law, leading them to gain the opportunities to work in different fields. Education of women is related to various measures of development such as reducing population growth, improvement in health and nutrition and literacy rate is increased (AlMunajjed, 2009, pp. 9).

Investment by Saudi government for the development of education system and developing its economy by increasing foreign investment, increasing the contribution of women through labor force participation can lead the global economy to its height (Royal Embassy of Saudi Arabia, 2012, pp. 2). Together these developments have opened the Saudi economy to extraordinary opportunities. The best source for the growth of Saudi Arabia is to increase its GDP.

Several studies find that Female Labor Force Participation in Saudi Arabia grew with increasing investments in women's education (Koyame-Marsh, 2017; AlMunajjed, 2009; AlMunajjed, 2010). Saudi Arabia puts a large emphasis on female education: 53.6 per cent of Saudi schools are exclusively for women (SAMA, 2015) and increasingly more women enrol and graduate from university programs according to the Ministry of Higher Education (MoHE) (2013). The positive effects of women's education on FLFP become apparent when looking at education levels of women in the labour force: The large majority of employed women are highly educated, as Chart 1 (adapted from GASTAT, 2017) shows.

Chart 1: Economic Participation Rate for Saudi Population Aged 15+ by Sex and Education Level.

<b>Education Level</b>	Male	Female	Total
Illiterate	15.7	1.0	4.0
Literate	32	2	9.6
Primary	41.3	3	19.7
Intermediate	36.4	2.4	19.2
Secondary	63.6	6.6	39.5
Under-university	86.6	61.6	80.2
Bachelor's degree	88.2	60.6	74.5
High	86.1	69.6	81.5
PhDs degree	84.1	84.7	84.2
Total	62.6	17.8	40.7

Source: Source: GASTAT, Labor Market Q3 2017, p.53, Table 36

The rising number of female graduates and women entering the labour market seems to suggest that when women decide to invest into their own education, they get rewarded by getting employed (Becker, 1993). Furthermore, while in the past, most study programs open to women belonged to fields regarded "fitting" for women such as education and caretaking careers, more and more programs have become available to women in recent years. With this relaxation of rules, new fields, such as retail, marketing, and industry, are opening to women (Yusuf et al., 2015). The fact that women still fall behind men in all work fields except for

educational occupations (Koyame-Marsh, 2017) seems to support those scholars who believe that low FLFP is mainly a product of women's own preferences. Hakim (1998), for instance, claims that women's behaviour in the labour market is determined by their "natural" preferences to choose certain occupations over others.

#### Status of Women in Saudi Labor market

Today's labor market Saudi Arabia is undergoing a major economic transformation, creating prosperity and the increased demand for labor that comes with it. A survey of the Saudi labor market reveals enormous potential as well as significant challenges. The Kingdom's bold move to diversify away from a purely petroleum-based economy will require the skills, participation, and energy of its most valuable resource: its citizens.

Moving on from prerequisites, namely education, to the actual process of finding employment, the discrepancy in previous studies can be described as revolving around the "Who chooses whom?". Some scholars opine the gendered occupational distribution as a reflection of "natural preferences" (Hakim, 1998). AlMunajjed (2010, p. 4), for instance, claims, "Saudi nationals are selective in their choice of jobs, often refusing unskilled, manual, or low-paying work." One must also consider in this regard, however, that women are to an extent influenced by persisting cultural norms in their choice of career. Several studies show that women prefer to work for the government and in the education sector because of the fully ensured sex segregation at the workplace to comply with Islamic values and cultural norms (Al-Asfour & Khan, 2014; Jiffry, 2014). The strong quest to conform with Islamic values becomes apparent when looking at public opinion surveys: In a government survey of women in 2006, results showed that 86 per cent of women believed they should not be employed in environments with mixed genders (Al-bakr et al., 2017). In a survey conducted by Al-bakr and her co-authors (2017) 43 per cent of male respondents stated that allowing women to work undermines Islamic practice.

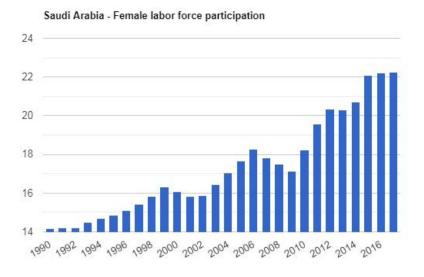
Women in the Saudi labor force had an unemployment rate of 26.9 percent—nearly four times that of men (see Exhibit 1). As the Kingdom promotes its Saudization policy, which seeks to increase the proportion of Saudi nationals in new competitive jobs, women clearly must be supported and encouraged to contribute to their nation's economy. There are signs that this support has already begun. Since 1992, women's participation rate in the Saudi labor force has nearly tripled, from 5.4 percent4 to 14.4 percent.

As part of the Saudization process, the Ministry of Labor has recently identified a number of opportunities tailored to women: receptionist, tailor, banquet-hall employee, nutritionist, governess, photographer, beautician, caterer, and hospitality or recreation industry worker. Aside from the positions already mentioned, some Saudi women manage their own business investments and enterprises, 97 percent of which are in wholesale and retail trade, finance and business services, and construction. Saudi women also own 12 percent of the firms in the country, including 16 percent of the large manufacturing firms. However, the permission of a wakil, or male guardian, is obligatory to proceed or enter into business transactions. Although the need for a wakil was officially overturned, implementation of this change is still lagging.

The Ministry of Labor and Social Development aims at empowering women to recognize their potential and contribute to the country's economic growth. Women currently make up 22 percent of the Saudi labor force, and goal is to raise that participation to 28 percent by 2020. During that same time period, the objective is to reduce the unemployment rate for Saudi nationals from the current 11.5 percent to 9 percent.

#### The Current Status of the Saudi Woman in Labor Market

Female labor force participation has been one of the main sources of the Saudi labor market in developing the economy over the last fifty years (Asmari, 2008, pp.18). For evaluating the current status of the woman at the labor market, the researcher explore certain general feature that include specifying the number of females at the labor market, knowing the expected development rate by using available data and estimation of unavailable data. It is conspicuous that there is a sluggish increase in the labor market in the numbers of females in comparison to the successive increase in those of males. This underlines the decline at the development rate of females when compared with those of males. For instance, the rate of women contributions reached approximately 7% in 2010, while was found to be around 3.5% in 2012; and that these climate for women's effective absorption and involvement made available situations are expected to continue till 2019 unless clear policies are adopted and conducive.



Source: The Global Economy.com, The World Bank

**Exhibit 1: Female Labour force Participation.** 

Source: the World Bank 2016.

#### 3. RESEARCH METHODOLOGY

#### **Current Initiatives to Promote Saudi Women in the Labor Market**

At the international level, the Kingdom has ratified three conventions that promote gender equality in the workforce. The United Nations Equal Remuneration Convention calls for equal pay for work of equal value, regardless of gender. Similarly, the United Nations Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) bans discrimination in employment and occupation. The International Labour Organization's Discrimination (Employment and Occupation) Convention requires ratifying states to pursue a nondiscriminatory national labor policy. By signing these conventions, Saudi Arabia has committed itself to their implementation—a decision that is binding under international law.

At the national level, the government has taken a number of promising legislative steps. The Saudi labor code grants every citizen—regardless of gender—the right to work, and stipulates that firms must provide all workers opportunities for training. In 2004, the Council of Ministers approved Regulation No. (120) (12/4/1425H), a measure aimed at enhancing women's role in the economy. In addition to establishing special women's sections within the government and employment and training initiatives, the regulation called for the establishment of crosssector coordination mechanisms, as well as a groundbreaking decision to eliminate the need for a woman to have a male guardian. In 2006, the Saudi labor code was

revised to include new gains for working women in regard to maternity and medical care leave, nursery provisions, vacation time, and pensions.

The Saudization policy has identified positions particularly suitable for women. In addition, the government's Eighth Five-Year Development Plan (2005–2009) emphasized the need for more employment and advancement opportunities for women, stressing the importance of their participation in the economy. Among other things, the plan called for a study investigating women's needs in the labor market; awareness campaigns promoting women's employment; the increased presence of women in the government and the private sector; and the provision of support services such as day-care centers. Indeed, for the first time, the government is licensing day-care centers to help working mothers.

Building on this momentum, Crown Prince Sultan bin Abdul Aziz Al Saud announced plans in 2007 to allocate one-third of government jobs to Saudi women and to create additional job opportunities for them. The Council of Ministers recently issued a number of measures aimed at accomplishing this, in areas such as computers, librarianship, and vocational work in welfare centers and prisons.

Several government initiatives have been created to focus specifically on job creation and training. For example, the Human Resource Development Fund (HADAF) aims to increase job opportunities for Saudi women through telecommuting arrangements with private-sector enterprises.24 The fund has already created employment for more than 4,120 Saudi women.

The government also announced plans to set up 17 technical colleges for women in different parts of the country. More than 300 technical and vocational institutes will be built to train young Saudi men and women and provide them with new skills to enter the labor market.

The government has also opened the tourism industry to women's employment, along with training support at institutions abroad. In the city of Al Khobar, more than 30 Saudi women now work in five-star hotels, in areas such as reservations and marketing. In the region of Tabuk, with its growing influx of tourists, a number of Saudi women are working as guides.<sup>[26]</sup>

In addition to the public sector's efforts—many of which seem to have been directed toward the urban, young, and educated—a number of committed, idealistic NGOs dedicated to

women's welfare have led efforts to create economic opportunity for poor and uneducated women in both urban and rural areas through vocational training and small business loans.

The Al-Nahda Philanthropic Society for Women in Riyadh's Training and Employment Center aims to improve human resources for Saudi females and provides free training programs, along with a website (www.tawdeef. Com) for women's recruitment and employment.27 To date, the center has provided job opportunities for 2,015 Saudi women in factories, banks, and social, educational, and health associations and institutes.

Additionally, King Abdul Aziz Women's Charity Association's Al Barakah Loans Center in Buraidah, Al Qassim, finances projects for low-income divorced and widowed women. More than 800 Saudi women have already benefited from the initiative through projects including the sale of clothing, livestock, and furniture, as well as coffee and keleja or waffle stands.28 In 2005, the nonprofit Centennial Fund was established as part of the country's economic initiative to assist small businesses and young entrepreneurs outside the Kingdom's largest cities. In addition to loans, the fund provides mentoring services to entrepreneurs for up to three years. Thus far, 26 percent of the fund's projects have benefited Saudi women's interests in areas such as art and design, administrative services, restaurants and food supply, beauty salons and clothing shops, sporting facilities, and day-care centers.

#### Major Constraints and challenges in joining labor force

The Saudi government is making major efforts to improve the status of women in terms of employment. However, a number of social, legal, educational, and occupational factors continue to hinder Saudi women's full participation in the labor market, preventing the Kingdom from reaching its full economic potential.

**Social Constraints:** Cultural traditions and local cus- toms play a major role in a nation's economic development, creating a unique set of opportunities and challenges that both inform and constrain labor policy.

In Saudi Arabia, there is a growing debate over the role of women in society. As a nation, that deeply values family and tradition, the Kingdom has been hesitant to fully embrace any development that appears to threaten the traditional family unit. Because women's role in Saudi society has traditionally been the domestic one of wife and mother, the move toward greater female participation in the labor force has been met with skepticism, debate, and even

hostility. Although many Saudi men welcome the opportunity for women to contribute economically, others fear change. There is a growing awareness that women have an important role to play in the labor market, but pervasive social customs continue to limit the scope and extent of that participation.

In addition to the stigma associated with females working in a mixed gender environment, Saudi women face a question that occupies women across the globe: "How do I balance work and family?" Achieving a comfortable work—life balance is not determined just at the personal, family, or workplace level; it is also very much a function of having appropriate national policy in place. In Saudi Arabia, as elsewhere, social norms continue to play a role in shaping that policy.

**Legal Constraints:** Although official Saudi employment laws and regulations do not explicitly discriminate against women, major regulations regarding discrimination against women in the labor market are limited. Of the Saudi labor regulations' 245 articles, only 12 relate to women's concerns such as child care, breastfeeding, and sick leave.

In addition, full implementation lags on existing legislation at both the international and national levels: Rights exist in theory, but they have been largely unenforced. For example, Saudi business women are still widely required to have an authorized male representative to manage their businesses and represent them in government agencies—a practice that has led to many cases of fraud and financial loss. Although both the Council of Ministers and the Ministry of Commerce and Industry have issued laws eliminating the wakil requirement, they have largely been ignored—a state of affairs that undermines government authority while constraining the growth and flexibility of the labor market.

Another legal constraint impeding women's ability to contribute to the economy is the fact that women are not permitted to drive. This situation makes it difficult for them to commute to work without a male driver or family member. When half of a country's population cannot freely access the labor market, the economy simply cannot reach its full potential.

**Educational Constraints:** The lack of high-quality basic education for females lies at the heart of the Saudi labor market segmentation. Girls' public-sector education has not met the demands of the labor market, and there are major gaps between what employers require and what graduates can offer. In addition, there are not enough university seats for women outside

education colleges. Indeed, a previous Saudi minister of education has declared that about 90 percent of the Kingdom's educational output is not linked to the needs of the labor market.

The Saudi educational system simply is not providing girls with the skills and background they need to successfully compete in the labor market. The current educational system relies on rote learning and does not sufficiently promote analysis, skills development, problem solving, communication, and creativity. In addition, there is a shortage of appropriate education in areas vital to the development of the new knowledge based economy, such as math, science, technology, and computer literacy. As a result, Saudi women are not sufficiently empowered to participate in digital society.

The technical education system has not been revised for more than 20 years. Moreover, there are insufficient training opportunities for women in areas such as information technology and management, and existing programs have not been formulated according to the needs of the labor market. The lack of these skills hampers women's ability to obtain competitive employment, interact in business settings, and move up the career ladder. It also represents an enormous obstacle on the road to the Kingdom's full participation in the global economy.

**Occupational Constraints:** Occupational segregation is strongly evident in the Saudi labor market, with women largely restricted to traditionally female-oriented fields in the public sector. Men continue to have greater opportunities than women to obtain productive work.

There is a marked lack of opportunities for women in decision-making and management positions; Saudi women hold less than 1 percent of decision-making posts. Instead, women are placed in what are considered to be nonstrategic jobs. A number of Saudi women have complained about the difficulties and feelings of failure they experience when working in a patriarchal milieu.

Also problematic is the lack of organized infrastructural support for working women at both government and institutional levels. Family friendly policies including flexible working hours, parental leave, childcare facilities, and transport are not in place in the workforce.

As trade unions are not permitted in Saudi Arabia, women do not have a mechanism to protect their rights, and their weak organizational and negotiating capacities are a serious impediment to effective programs that could lead to women's empowerment. The lack of a highly specialized unit at the Ministry of Labor that is responsible for regulating women's

work, along with the dearth of women being appointed to positions within the Saudi legal system, only compounds the problem.

In addition, the Saudi labor market lacks up-to-date, gender-specific statistical data on the role of Saudi women in the economy. Statistical techniques, indicators, definitions, methodologies, processes, and concepts in the area of women and work need to be much more developed. The absence of complete and updated sociodemographic and employment data on women hinders socioeconomic planning and future labor market policies.

#### Policy Recommendations to Enhance Women's Employment

The Saudi government must use the same energy and skill that it has employed in developing its natural resources to make the most of a resource that may be less tangible, but no less valuable: its human capital. Saudi Arabia's women represent an untapped and important source of power for the economy. Although incorporating women fully into the labor market may not be achieved overnight, it can—and must—be achieved if the Kingdom is to transition to a knowledge-based economy. Decision makers at every level of government can no longer avoid the implementation of sweeping reforms in education and labor policies to ensure that women have the opportunity and skills to participate—and succeed—in the economy. Women's employment should be a crucial element in a larger macroeconomic policy designed to foster equitable social and economic development.

First and foremost, the Saudi government will have to ratify, implement, and enforce legislation that promotes equal participation in the labor market. The government should implement policies that create employment opportunities for women and create institutional mechanisms that promote women's well-being and success in the workforce. This could include a quota system for women similar to Saudization, as well as other incentives such as family friendly workplace practices. These policies must be linked to a clear monitoring strategy that ensures their effectiveness, and a modern system of data collection and statistical analysis must be put in place. Cross-sector partnerships, in addition to cooperative regional initiatives dedicated to creating a female labor network, should be established in order to leverage existing resources.

At all levels, the government should seek to create a supportive cultural environment for women and commit to overcoming the existing customs and social barriers that hamper women's success. In addition, it must revamp both the educational and the vocational training

systems to better prepare women for the labor force— emphasizing sciences, mathematics, foreign languages, and information technology—and reduce the influence of harmful gender stereotypes. It should establish a "lifelong learning" system of training and guidance and promote entrepreneurship and selfemployment, and Saudi workers must have access to professional development in the areas that will matter most in a knowledge-based economy.

#### Vision 2030 to empower Saudi Female Labor Force

Considering the high level of unemployment among Saudi women, the Government is committed to increasing the employment rate among these women in the near future. Vision 2030, implemented and promoted by the Deputy Crown Prince Mohammed bin Salman, is an initiative to reform and modernize the country. The reform programme aims to diversify the economy away from oil and towards promoting sustainable changes that will enhance the potential to empower Saudi women to pursue their career goals. Saudi economy will provide opportunities for everyone – men and women, young and old – so they may contribute to the best of their abilities.

Vision 2030 will place a renewed emphasis on lifelong training and will seek to make the most of the potential of Saudi workforce by encouraging a culture of high performance. Saudi women are great asset. With over 50% of university graduates being female, Saudi government will continue to develop their talents, invest in their productive capabilities and enable them to strengthen their future and contribute to the development of society and economy. Female students have the opportunity to a larger education base including law and architecture and this has led to Saudi females to work in retail and hospitality sectors and Saudi female lawyers were granted practicing certificates. Government will also enable those of Saudi people with disabilities to receive the education and job opportunities that will ensure their independence and integration as effective members of society. They will be provided with all the facilities and tools required to put them on the path to commercial success. Tremendous reforms have been effected specially in the education sector.

Vision 2030 focuses on the need to collaborate the labor markets demands with the educational system. By identifying imbalances those professions which require skills and trained women personnel, programs and initiatives will be created to boost these areas. For example, according to the Labor Market Report (3<sup>rd</sup> edition, July 2016) in its endeavor to increase the attractiveness of nursing and medical support jobs with Saudi nationals, the country must attract between 48,000 and 100,000 females nursed by 2030. To replace half of

the current female expatriate nurses with Saudis, the government must double the students in nursing programs and the goal of the Ministry of Health is to increase the number from 70 nurses and related medical staff for every 100,000 people to 150 by 2020. Therefore, the government through Vision 2030 will empower skills to the workforce specially women to help them match the professional demands and enhance growth of the private sector.

Vision 2030, seeks to work on several initiatives to ease investments in the private sector to enable better benefits and other measures are being introduced to ensure effective work life balance and facilitate effective transportation measures, maternity benefits so that women will be able to contribute to her family's savings and her presence will increase her involvement in the Saudi woman workforce.

Vision 2030 seeks to expand the small and medium sector industries, which will enable the middle and lower strata of the society in its inclusive strategy and provide for more strategies to empower women in these sectors to improve the employment potential. This is in fact has been identified as one out of the five main challenges the Kingdom has identified.

#### **CONCLUSION**

As Saudi Arabia looks to develop a knowledge-based economy, it needs to invest in the education and training of all its citizens. Women, who currently make up only 14.4 percent of the national workforce, represent a valuable yet untapped source of energy for the new economy. Investing in today's women would lead to brighter economic development tomorrow as quoted rightly by Amartya Sen, the Noble laureate and leading economist, "Empowering women is a key to building a future we want."

Vision 2030 promises a boost to the Saudi Economy specially in empowering the female workforce. To identify the challenges and pave measures to overcome them in the years to come is a big boon to the women of the country. Working together, the Saudi government, the private sector, and NGOs should ensure that legislation promotes women's equal participation in the labor market. Existing legislation must be rigorously implemented, with an eye toward ensuring that women can work autonomously, with appropriate training and fair workplace practices in place. The Saudi public education system must be revamped to prepare women for the digital marketplace, and strong support systems for women must be established. The research was conducted to determine the status and challenges of Saudi women in the economy by Saudi women. The analysis concluded that labor work force

participation plays an important role in increasing the GDP of the country. Equal participation of women in the society can develop the economy The obstacles that are faced by the women are lack of education and awareness programs. Appropriate measures will ensure that the Saudi labor force is robust, capable, and equipped to deal with tomorrow's challenges— and reap its opportunities.

Research limitations & Direction for Further research

### **REFERENCES**

- 1. Saudi Arabia Labor Market Report 2016 3<sup>rd</sup> edition, Kingdom of Saudi Arabia, Ministry of Labor and Social Development, July 2016.
- 2. Almujahid, M., Women's Education in Saudi Arabia: The Way Forward. Dubai, UAE: The Ideation Center, Booz & Company, 2009.
- 3. Asmari, M.G.H., Saudi Labor Force: Challenges and Ambitions. Jeddah, Saudi Arabia: Sociology Department, Faculty of Arts and Humanities, King Abdulaziz University, 2008; P1-41.
- 4. Kishor, S. Empowerment of women in Egypt and Link to the Survival and Health of their infants. Paper presented at the Seminar on Female Empowerment and Demographic Process- 1997; 20-24. April, Lund.
- 5. Gupta 1997: Role of women in economic development. Gupta R, Gupta BK. Yojana. Oct, 1987; 1-15; 31(18): 28-32.
- 6. McKinsey & Company, Women Matter: Time to accelerate. Ten years of insights into gender diversity 2018. Available at: https://www.empowerwomen.org/-/media/files/un%20women/empowerwomen/resources/hlp%20briefs/unhlp%20full%20re port.pdf?la=en
- 7. IMF 2018: FINANCE & DEVELOPMENT A Quarterly Publication of the International Monetary Fund, March, 2019; 56: 1.
- 8. UN Secretary General's High Level Panel on Women's Economic Empowerment: *A call to action for gender equality and women's economic empowerment*. Available at: https://www.empowerwomen.org/-media/files/un%20women/empowerwomen/resources/hlp%20briefs/unhlp%20full%20rep ort.pdf?la=en
- 9. Qantara.de (2003). Thoraya Obaid Working For Women. Qantara.de [Online] http://www.qantara.de/webcom/show\_article.php [11 Oct 2003].

- 10. Almujahid, M. (2009), Women's Education in Saudi Arabia: The Way Forward. Dubai, UAE: The Ideation Center, Booz & Company.
- 11. Booz&co (2010). Women's employment in Saudi Arabia: A major challenge. Accessible:https://ncys.ksu.edu.sa/sites/ncys.ksu.edu.sa/files/Women002\_5.pd f
- 12. Royal Embassy of Saudi Arabia. The Kingdom of Saudi Arabia Political, Social and Economic Initiatives, 2012; 4-8. Data retrieved from http://www.saudiembassy.net/files/PDF/Reports/Development\_Report.pdf
- 13. (Koyame-Marsh,) Koyame-Marsh, R.O. (2017). The Dichotomy Between the Saudi Women's Education and Economic Participation, Journal Of Developing Areas, 2017; 51(1): 431-441. Available through: Lund University Libraries http://lubsearch.lub.lu.se [Accessed 4 May 2018]
- 14. AlMunajjed, 2010: AlMunajjed, M. (2010). Women's Employment in Saudi Arabia: A Major Challenge [pdf] Available at: https://www.arabdevelopmentportal.com/sites/default/files/publication/235.womens\_e mployment\_in\_saudi\_arabia\_a\_major\_challenge.pdf [Accessed 4 May 2018]
- 15. (SAMA, 2015): Saudi Arabian Monetary Agency (SAMA) (2015), Fifty First Annual Report [pdf] Available at: www.sama.gov.sa/enUS/EconomicReports/AnnualReport/5600\_R\_Annual\_En\_51\_APX. pdf [Accessed 4 May 2018].
- 16. (MoHE) (2013): Ministry of Higher Education (MoHE) (2013), The Saudi Woman in Higher Education [pdf]. Available at: https://www.moe.gov.sa/ar/Ministry/Deputy-Ministry-for-PlanningandInformation-affairs/The-General-Administration-of-Planning/Documents/666.pdf [Accessed 4 May 2018]
- 17. GASTAT, 2017: General Authority for Statistics (GASTAT) (2017). Labor Market 2017

  Third Quarter [pdf] Available at:

  https://www.stats.gov.sa/sites/default/files/labor\_market\_q3.pdf [Accessed 5 May 2018]
- 18. Becker, 1993: Becker, G.S. (1993). Human Capital Revised [pdf] Available at: http://www.nber.org/chapters/c11229.pdf [Accessed 4 May 2018]
- Yusuf, N., Al-sharqi, L., & Durrani, F. A Determinant of Healthy Ageing Women Education in Saudi Arabia. International Business & Economics Research Journal, 2015; 14(2): 355-366. doi: 10.19030/iber.v14i2.9168
- 20. Hakim (1998): Hakim, C., Developing a Sociology for the Twenty-first Century: Preference Theory, The British Journal of Sociology, 1998; 49(1): 137-143, Available

- Online: http://www.jstor.org/stable/591267?seq=1#page\_scan\_tab\_contents [Accessed 4 May 2018]
- 21. Al-Asfour, A. & Khan, S. Workforce Localization in the Kingdom of Saudi Arabia: Issues and Challenges, Human Resource Development International, 2014; 17(2): 243-253.
- 22. Al-Bakr, F., Bruce, E.R., Davidson, P.M., Schlaffer, E., & Kropiunigg, U. Empowered but not Equal: Challenging the Traditional Gender Roles as Seen by University Students in Saudi Arabia. FIRE: Forum for International Research in Education, 2017; 4(1). Available Online: http://preserve.lehigh.edu/fire/vol4/iss1/3