

THE RISING SAUDI ENTREPRENEUR GENERATION: THE UNIQUE ROLE OF MARRIAGE DOWRIES IN GENDER SPECIFIC SMALL BUSINESS TRAJECTORIES

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Abstract

This paper presents findings from a 2016 national survey of college-educated, young adults in Saudi Arabia. It is based on a comprehensive questionnaire completed by over 2200 respondents from throughout the Kingdom: Males (N=750) and Females (N=1450). This benchmark study is the first to empirically examine the role of marriage dowries in shaping the future entrepreneurial activities of young Saudi adults. Based on the operationalization of a unique multi-dimensional measure, “Propensity for Entrepreneurship,” the paper explores the empirical effects of other social as well as cultural variables including expected age of marriage, employment expectations, sources of financing, family background, and business industrial sector. The study also examines Job Scarcity/Labor Market Discrimination explanations of entrepreneurial propensities.

The empirical results are instructive. A much higher than expected proportion of young, college educated Saudis (52% Males, 39% Females) report their expectation to establish small businesses over the next five years. This rising rate of entrepreneurship among young cohorts of highly educated Saudis is partially due to the positive impacts of the Saudi Marriage Dowry system as well as changing social norms that support delayed household formation by young Saudi adults. More intriguingly, the attitudinal structures as well as types of small businesses differ sharply between men and women. Males are motivated by wealth creation with an emphasis on manufacturing and construction ventures while Females are oriented toward self-empowerment and providing high quality consumer goods/services. Only about one-fourth of the respondents prefer wage/salaried employment over pursuing entrepreneurial ventures; Females provide the most support for the Employment Scarcity/Discrimination model. The empirical models include Principal Factor Analysis and Multiple Regression Analysis.

In regard to diversification of the Saudi economy, the data suggest that Females will play a much more prominent role than previously anticipated due to their rising levels of entrepreneurship and preference to provide consumer services. Lastly, a three-stage “Aspirational-Attitudinal Optimization” model estimates the proportion and specific characteristics of individual entrepreneurial aspirants that are the “best fit” for future small business success. These empirical models that are estimated separately for Males and Females.

Keywords: Entrepreneur: Marriage Dowries: Saudi Arabia.
