

# Saudi Arabia's Post-Oil Economic Prospects: Economic Diversification, Entrepreneurship and Women's Empowerment

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## Abstract

This study aimed to provide a development model in Saudi Arabia that contributes to getting out of the current oil crisis, the current study provides a model that depends on exploiting Saudi Arabia's capabilities through four basic pillars: The trend towards economic diversification, entrepreneurship, and women's economic empowerment are all these changes in light of public sector reform and governance. The proposed study model was theoretically tested through a comprehensive review of the relevant economic and social literature, and then the study applied this model in Saudi Arabia, using a time series that extends since (2001-2020) and constitutes a total of (20) years. Based on econometric methods in collecting and analyzing data and ensuring its validity, and building representative models of the relationship between the study model with its four pillars and economic growth: The study found a number of results indicating a positive impact of economic diversification, entrepreneurship, and public corporate governance on the economic growth of Saudi Arabia, with mixed results on the impact of women's empowerment on economic growth, and based on those results, a set of recommendations were built related to getting out of the oil crisis, encouraging economic diversification and entrepreneurship, and women's economic empowerment.

## Keywords

Oil Crisis, Economic Diversification, Entrepreneurship, Women's Empowerment, Saudi Arabia

## 1. Introduction

Oil prices fell by less than half from mid-2014 to the beginning of 2015, for sev-

eral reasons, including: Supply and demand factors, future expectations, and other geopolitical factors. Demand for oil has been increasing since 2002 due to the rise of China, India and other East Asian countries. This increased demand was accompanied by a shortage of supply at the time due to the political turmoil in Iraq and the blockade of Libya. Therefore, the delay in the supply response to demand at that time led to higher prices.

The picture changed as oil demand began to decline due to economic stagnation in Europe, slowing growth in China and India, and improved implementation of fuel efficiency standards in developed countries. At the same time, supply was still high, and oil was also extracted from reservoirs that were previously difficult to extract, such as shale oil in the United States, oil sands in Canada, and the resumption of Iraqi oil production, all of which led to a significant increase in supply, and a decrease in demand, which led to a deterioration in oil prices. The collapse in oil prices put OPEC between two options; the first is to maintain prices by reducing production to maintain the previous price level, and the second is to retain quotas, meaning sacrificing prices in exchange for OPEC members to retain the quotas allocated to them, and OPEC has chosen the second option to continue the decline in oil prices.

We cannot argue about the negative effects of low oil prices on the economies of exporting countries, which vary according to the proportion of oil's contribution to GDP. These negative effects are represented by declining government incomes, budget deficits, and financial stability, all of which are risks that oil-dependent rentier states face in financing their budgets.

In any case, this scientific paper does not seek to examine the causes and repercussions of the collapse of oil prices on Saudi Arabia, but rather seeks to come up with a development model based on four pillars, and aims to develop a vision to get out of the curse of rentier resources, and contribute to building an economy based on diversification in its inputs. The study model is based on four pillars in its vision to get out of the crisis of the collapse of oil prices and dependence on the rentier economy, these pillars are: Economic diversification, activating the role of entrepreneurship, and economic empowerment of Gulf women, all in light of reforming the public sector through the application of the foundations of public corporate governance.

In order to achieve its objectives, the study was organized in six parts, the first part of which deals with the general framework of the study, as it shows the problem of the study, its importance, its basic objectives, and the conceptual study model. The second part deals with the theoretical framework, in which it identifies the basic features of the pillars of the proposed study model, previous studies carried out in different countries that can guide the current study, and the construction of study hypotheses. The third part is devoted to explaining the methodology on which the study was based, in terms of the research methodologies used to test the validity of the model from the theoretical side and the standard side, and this part determines the study sample, the sources of data collec-

tion, methods of measuring variables, and the standard models in which these measurements will be used to test hypotheses. Part IV aims to conduct a descriptive study, followed by Part V to test standard models of study leading to hypothesis testing. As for the last part of this study, the researcher highlighted the analysis of the results, drawing conclusions, and making various recommendations, with an indication of the most important determinants of the study, and proposing more future studies.

### 1.1. Problem of the Study and Its Basic Issues

GCC countries, including Saudi Arabia, rely mainly on oil export revenues for their national income; any substantial changes in the price of oil would affect the value of their total exports, and thus their current account balances. Thanks to the oil boom, the Gulf states have made remarkable progress in the field of economic and human development, as these countries have become distinguished in the levels of per capita income and human development (Abbas, 2012). The proportion of the non-oil sector in GDP has increased significantly in the past few years, but it still relies heavily on oil in its development model, accounting for 69% of its exports, 84% of its budget incomes, and 33% of GDP (Tamimi, 2015). The recent drop in oil prices has cast a shadow on the GCC countries, and decision-makers are called upon to conduct a comprehensive review of economic policies, with the need to adopt an unconventional development model that contributes to improving economic diversification and removing it from the current model based on rentier resources in financing the process of economic and social development.

Economic diversification is seen as one of the most important economic policies used by developing countries with abundant natural resources to get out of the so-called “resource curse” (Gelb & Sina, 2010). A number of developing countries are characterized by abundant and depleted natural resources, which makes them a major challenge to optimizing the use of these resources for sustainable development. Economists have explained that the “resource curse” is that a state’s dependence on depleted resources will create a distortion in the economy by increasing dependence on this resource as a source of income, while reducing dependence on manufacturing, and thus weakening economic growth (Sachs & Andrew, 1995). It is worth noting that the proposed solutions to get rid of the “resource curse” have been summarized by economists in six main axes, as follows (Rosser, 2007; Humphreys et al., 2007; Davis, 2001):

- Achieving transparency in all aspects of the economy, and making it a basic requirement in assessing and treating economic problems.
- Work to ration and stabilize spending.
- Reinvesting the returns resulting from depleted resources in order to achieve the continuity of those returns.
- Establishment of special economic zones.
- Distributing revenues directly to the population.

- Privatization of economic sectors in a manner that achieves efficiency and effectiveness in their management.

Hence, this study poses the problem of development in the Kingdom of Saudi Arabia, in light of the challenges around the future of oil and alternative energy, given the decline in the Gulf Arab countries in income levels compared to a group of fast-growing Asian countries, the Gulf countries in general and Saudi Arabia in particular had to reconsider their development model based mainly on the use of oil revenues, and move more towards diversifying their sources of income to achieve sustainable development for generations to come. The real importance of this study stems from being a serious attempt to evaluate the development experience of Saudi Arabia, analyze its development model, propose an alternative model based on diversifying sources of income, encouraging and improving productivity, and others with social dimensions such as attention to human capital and women's empowerment, ending with the application of this model in the Kingdom of Saudi Arabia to test its validity and propose solutions to activate it.

## **1.2. Importance of the Study and Its Objectives**

The prevailing model in Saudi Arabia has relied on oil revenues that are redistributed in the economy through the mechanism of government spending. Part of this consumer spending is related to citizens' wages and salaries in the public sector, and part to capital spending in development projects, infrastructure, and social services. This type of expenditure constitutes private sector contracts and profits. Four decades after oil exports, the sector's activity is still concentrated in three main areas: Contracting, services, import trade and promotion of foreign products through the commercial agency system, taking advantage of two main factors, namely the huge government spending in times of oil booms and the cheapness and intensity of factors of production, such as capital, cheap energy inputs, and low-skilled foreign labor whose income constitutes a leakage of national capital abroad. The private sector seeks quick profits by exploiting oil booms and the accompanying public spending spikes. This is reinforced by the employment of low-skilled and low-paid foreign labor, while most citizens are low-efficiency and productive public sector employees, who receive salaries and spend most of it on consumer demand from private sector outputs (Khater, 2017). Therefore, the sharp drop in oil prices will threaten this development model based on rentier returns in public sector financing, with substantial effects on the private sector.

The importance of the current study is that it presents a development model for Saudi Arabia consistent with its economic and social nature, and tests its validity to be a guide and guide for economic policymakers. Development is based on three basic components: Human capital, innovation, and technological development. While the current development model is based on two main factors: The strength of government spending and the availability of factors of produc-

tion represented by foreign labor. It is concentrated in the internationally non-traded goods sector, to make quick profits from oil booms and government spending, rather than risking entry and competition in global markets, which requires high technical and management skills and hard work to survive and compete (Hertog, 2013). Based on the problem of the study and its importance, the study seeks to achieve the following objectives:

- Identify the role of oil in the current development model of the Kingdom of Saudi Arabia, the most important reasons for the collapse in oil prices, and propose solutions to get out of the oil crisis.
- Proposing a development model based on economic diversification, entrepreneurship, public corporate governance, and women's economic empowerment.
- Recommend economic policymakers to adopt a model based on export diversification, leading an export-oriented manufacturing sector based on national human capital accumulation, and technological development through nascent industries support and protection programs and entrepreneurship.

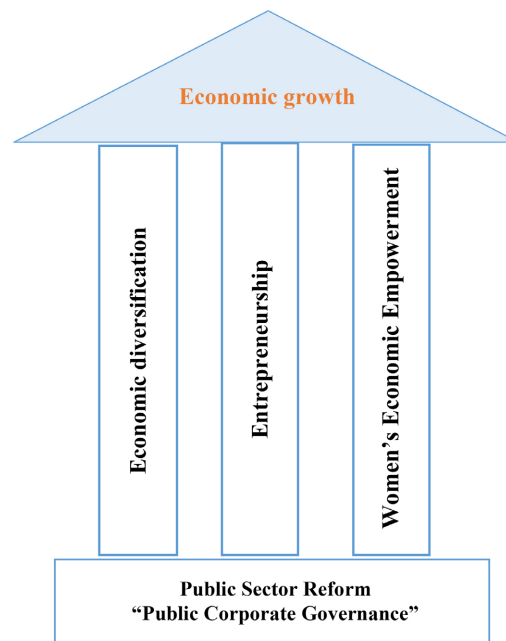
### 1.3. Conceptual Study Model

Based on the literature on economic growth, through which many international experiences of an economic nature similar to Saudi Arabia have been reviewed, taking into account its social, economic and political conditions, the following conceptual model has been developed, which is presented as a development alternative that takes advantage of the basic components and works to develop them and focus on their strengths in order to propose best practices that can guide economic policymakers.

The proposed study model is based on four pillars to support sustainable economic growth in Saudi Arabia, as good governance and corporate governance is a basis that must be started in order to ensure economic growth, then the study proposes three basic pillars of growth: The first is to support economic diversification and attention to non-rentier productive sectors, with a focus on diversifying exports and tourism, the second is to activate the role of the private sector by supporting entrepreneurship at the institutional and individual levels, and the third is to pay attention to and develop national human capital, through the empowerment of women as an integral part of human capital, in which the government has invested for years through education and training, but it has not yet borne fruit.

## 2. Literature Review, Previous Studies and Hypotheses of the Study

This part of the study links, logically sequentially, the main pillars of the proposed study model According to **Figure 1**, which includes: Economic diversification and entrepreneurship with their logical framing within the framework of the general institutional governance of the state, and the economic empowerment of women. With a discussion of the most important previous studies on



**Figure 1.** Conceptual model of the study.

which the study bases its hypotheses. In each section, the theoretical framework of the study was mixed with the most important previous studies that were exposed to it, to conclude at the end to frame the hypotheses of the study in light of previous studies.

## **2.1. Sustainable Development and Economic Diversification**

### **2.1.1. Sustainable Development**

Sustainable development expresses development that is characterized by stability, and has the factors of continuity and communication, and it is not one of those development patterns that scientists and experts used to highlight, such as: Economic, social or cultural development, but includes all these patterns; it is development that promotes the land and its resources, promotes and performs human resources, and it is a development that takes into account the temporal dimension and the right of future generations to enjoy natural resources (Hiti, 2009). The idea of sustainable development is based on maintaining a balanced relationship between generations, so that development can respond to the needs of current generations, without sacrificing the right of new generations to the wealth and resources of their countries (Abdullah, 2013). Commonwealth experts have identified six principles of sustainable development, as follows: Preserving threatened environmental resources, increasing dependence on renewable resources, and the consumption of environmental resources must be calculated within the national accounts of the state, and it is necessary to rationalize the consumption of depleted environmental resources and replace them with renewable resources in the long term, and it is necessary to take into account community development and its relationship with the environment as an integrated part of sustainable development, and finally distribute resources, wealth,

technologies and knowledge equally among countries, while giving poor and developing countries their Right to those resources in order to achieve development. This was followed by the World Bank's identification of seven key policies through which governments can implement sustainable development, as follows: Include environmental processes in decision-making processes, reduce population growth, adhere to the slogan "Think globally and act locally", the need for planned and balanced action within the economic, social and biological spheres, make short-term and long-term plans, focus on development research, and adhere to the old slogan: "Prevention is cheaper than cure" (Aref, 2007). The study of Mohammed and Chibi (2013) aimed to research justice, sustainable development and the institutional environment in oil-rich countries, and Algeria took as a model for this, as the study tried to shed light on the reality of social justice and sustainable economic development in Algeria, and then analyse the impact of the institutional environment on sustainable development. Algeria has recently witnessed a significant improvement in a number of development indicators, but the researchers pointed out that the Algerian government is required to do more in this regard, as the deterioration of the indicators of the institutional environment in Algeria remains the biggest obstacle to achieving development goals. In general, the results of the study showed that the abundance of resources has a negative impact on actual net saving, and thus development, which confirms the fulfillment of the hypothesis of "resource curse" or "curse of grace". As for the impact of indicators of the quality of the institutional environment, the results showed that improving indicators of political stability, monitoring corruption, and the rule of law will lead to an increase in development indicators.

### **2.1.2. Economic Diversification**

The concept of economic diversification has become increasingly important in the recent period, especially in resource-rich developing countries seeking to achieve sustainable development; economic diversification is historically linked to a number of conditions that provided it with the appropriate climate for emergence and growth, and it is mainly based on two bases: The first rule is the availability of surpluses through which the economy can be diversified, and the second rule of diversification is the availability of material, human and technical resources through which a level of effective and real diversification can be achieved (Marzouk, 2013). By examining these pillars, we find that oil surpluses are still available in the GCC countries, but the second pillar of diversification, which is the availability of human and technical resources, is still difficult for the GCC countries to work hard to develop. The development of national human resources capable of managing economic diversification and building industries that are a real tributary to the Gulf economy is an urgent requirement for policymakers in the GCC countries.

## **2.2. Previous Studies on Economic Diversification and Lessons Learned from Them**

There have been many efforts aimed at monitoring, measuring and analyzing the

effects of economic diversification in many countries, as many studies have contributed to monitoring the phenomenon of economic diversification in several societies, and provided useful information to economic decision makers and in this area.

In Saudi Arabia, [Albassam \(2015\)](#) studies based on the hypothesis of the role of economic diversification in sustainable development in the Kingdom, and warned that dependence on natural resources to finance the development process may pose a real threat to it due to instability in these incomes. The study found that economic diversification contributes positively to job creation, anti-corruption, and improved institutional quality. The study concluded that after forty years of successive development plans aimed at achieving economic diversification in Saudi Arabia, oil remains the main driver driving the economy. Previously, the study of [McNalty \(1984\)](#) discussed the efforts of the Kingdom of Saudi Arabia in diversifying its sources of income, it showed that the Kingdom in its development plans tended from the beginning to economic diversification, as it deliberately developed the Kingdom's infrastructure that contributes to achieving development, while in the second development plan, the Kingdom decided to move towards diversification, but this period (1980-1985) was characterized by an increase in the Kingdom's import of consumer goods at the expense of capital goods, which caused a decline in the efforts towards Industrialization and diversification of sources of income, and the study showed that non-oil exports have witnessed remarkable growth during the period (1973-1981), which indicates the direction of the Kingdom's economy towards diversification. Recently, a study by [Thompson, et al. \(2012\)](#) indicated that 75% of Saudi Arabia's revenues are from oil and gas that are expected to dry up over the next 20 years. Forty years ago, development plans set goals to diversify sources of income in the Kingdom through the availability of new productive sectors, including: Communications, health, housing, human resource management, and other sources, but these productive sectors have mostly relied on "privileges" from international companies, and although this solution may seem like a quick solution to reach a productive economy that contributes to diversity and development, this may not achieve sustainability in development. Therefore, the study called for starting with real leadership within the Kingdom to create companies based on innovation. [Ulrichsen's \(2017\)](#) study discussed the geopolitical conditions experienced by the GCC countries in relation to rent-based development, and discussed the repercussions of the collapse in oil prices on growth in the six GCC countries, and showed how these countries are still highly dependent on oil to finance their budgets, and that they are required to take economic and political measures in order to continue supporting their development model to achieve social, political and economic stability. [Martin \(2013\)](#) examined economic diversification efforts and future directions in the GCC. The results of the study indicated the modest economic diversification efforts followed in the GCC countries, and the study of the current plans of the GCC countries indicated that there is consensus among these countries in the importance of achieving eco-



economic diversification in order to achieve income sustainability in the future, but these plans have not been implemented due to the presence of many obstacles, including: The existence of a structural defect in the internal economic policies of the GCC countries, and the obstacles to economic integration between them, all of these factors led to the obstruction of economic diversification efforts in the GCC countries, but what is taken on this study is its lack of a standard model. Several previous studies have contradicted these results, as they showed the success of some GCC countries in the policy of economic diversification, including: A study (Khatib, 2011), which presented important results on economic diversification in the Kingdom of Saudi Arabia, and its relationship to economic growth in the non-oil sector during the period (1970-2008), as the study indicated a decrease in the contribution of extractive products, including oil and gas, to the GDP by an annual decrease of (1.2%), as well as the contribution of the oil sector to the GDP, which decreased from (64%) in (1970) to (29.9%) in (2008). These results were supported by the continued decline in the Hirvendahl-Hirschmann plant, which clearly demonstrated the growing and successful economic diversification policy in Saudi Arabia. The standard results of the study also showed that the high degree of diversification in the Saudi economy was accompanied by high growth rates in the non-oil sector, and despite this, the researcher saw that the Saudi economy is still dependent on oil in its basic structure and composition, as oil revenues are still high compared to the total government revenues, which indicates the state's continued dependence on oil to finance its expenditures. Based on previous results, the study (Marzouk, 2013) was exposed to the dialectic of the relationship between economic diversification and development in the countries of the Cooperation Council for the Arab States of the Gulf, and it pointed to many economic, social and political constraints that limit the achievement of economic diversification in them, and then the study developed a number of recommendations through which economic diversification and development can be achieved, including: The second recommendation was the establishment of a diversification fund, through which part of the rentier revenues would be allocated to carry out economic diversification in sectors that qualify to take a role in national income in the future. Finally, the development of financing plans aimed at diversification in the short, medium and long term, by taking advantage of the central source of government funding, and the enactment of legislation that contributes to the liberalization of investment and the encouragement of foreign investment. The study of Al-Kuwari (2013) indicated that the GCC economy remains heavily dependent on oil revenues, resulting in the dominance of the public sector in economic life, with a clear absence of the private sector in leading the economy, which still plays a limited role in economic development.

Many studies have focused on researching the impact of geographical, demographic, economic, and recently institutional, factors on economic diversification; Redding and Venables (2004) showed that one of the most important obstacles to industrialization in African countries may be due to the negative im-

impact of their geographical location. While other studies have linked export diversification to economic growth, [Herzer and Nowak-Lehmann \(2006\)](#) have suggested that the ability to diversify the economy through export diversification improves economic growth in Chile, and they reached this conclusion through a set of benchmark tests for the period (1962-2001). As for the relationship between industrial structure and economic growth, the study of [Cimoli and Rovira, \(2008\)](#) conducted on Latin American countries indicated that industrial structure is a major variable in affecting economic growth; industrial structure based on rentier production has a negative impact on opportunities for structural change and economic diversification, and thus economic growth. In the UAE, [Hamdan's study \(2017\)](#) found that during the period 1975-2004, the UAE was able to gradually move from full dependence on oil revenues to diversifying its economic base.

But why have some resource-rich developing countries succeeded in diversifying their economies, while other developing countries have not? [Ahmadov, \(2012\)](#) hypothesized several factors that would enable or hinder economic diversification, including: Political, institutional, economic and geographic factors in resource-rich developing countries (1962-2010). The study found that ethnic diversity, with or without conflict, has a strong negative impact on economic diversity, and the study also indicated that the ability to economic diversification varies according to the quality of resources, and full dependence on oil is one of the strongest obstacles to economic diversification, and that the availability of one of the resources in abundance does not affect the ability to diversify the economy, while relying on one of them significantly can affect economic diversification, and the oil reserve, expressed in the time range, has no effect Real on economic diversification.

As a result, the study found that demographic and geographic factors may not have as much impact on economic diversification as domestic political and economic factors. [Koren and Tenreyro, \(2007\)](#) questioned why GDP fluctuates more in developing countries than in developed countries. One of the reasons for the study was that developing countries are concentrated in limited and more volatile productive sectors, which contributed to GDP volatility, and in contrast, economic diversification will lead to stability in GDP as well as growth rates.

Hypotheses of the first study:

Based on a set of previous theories and studies explaining the role of economic diversification in economic growth, the study builds the first hypothesis in its nihilistic character about the relationship of economic diversification to growth in the Kingdom of Saudi Arabia: "There is no statistically significant impact of economic diversification on Saudi Arabia's economic growth"

### **2.3. Tourism and Economic Diversification in the UAE and the Gulf**

There are many sectors that must be taken into account when searching for diversification of the economic resources of the state, and in the countries of the

Cooperation Council for the Arab States of the Gulf, many of these sectors have been taken into account, industrial, service, and financial, but a vital sector that has attracted the attention of decision-makers and researchers in the recent period, is the tourism sector. In the Kingdom of Bahrain, which aimed to diversify its economy as part of its 2030 plan, the sector contributes 9.9% of GDP (\$384.1 million in 2016) and is expected to continue contributing 5% annually until 2024 (Oxford Business Group, 2017). There are many benefits of tourism, such as the increase in foreign exchange, income, employment and taxes, so tourism calls the attention of governments in different countries of the world (Sahli & Nowak, 2007), but at the research level, the subject of the relationship of tourism to economic growth has been a matter of disagreement among researchers, and they have reached conflicting results at times despite their choice of the same time series and measurement techniques (Chou, 2013). In any case, we do not need to review all the differences in the previous literature on the relationship of tourism to economic growth, but it can be concluded that some of them (Ongan & Demiröz, 2005; Kim et al., 2006) have found that economic growth is the cause of tourism, while other studies conducted in Turkey and elsewhere (Gunduz & Hatemi, 2005) have found that tourism activity is a cause of economic growth. This sample of previous studies, although it indicates a contradiction in the results, indicates that we can conclude that the relationship between tourism and economic growth is reciprocal, meaning that the revitalization of tourism needs a strong economy that can invest in tourism activity to bear fruit afterwards.

The tourism sector is a promising sector for Gulf countries seeking to diversify their economic base, and they are called upon to increase investment in tourism activity because of its great economic and social returns that are not comparable to the level of investment in it. **Table 1** shows that some GCC countries have achieved advanced ranks compared to the countries of the Middle East in their tourism rankings, according to data from the World Travel and Tourism Council.

It is noted from **Table 1** that the Kingdom of Saudi Arabia has the highest ranking among the Gulf countries in terms of its global ranking, which amounted to (17). Perhaps this status comes from religious tourism, which contributes a large percentage of tourism revenues in Saudi Arabia, but in terms of the contribution of tourism to the economy, Saudi Arabia ranks 84th globally, and in terms of forecasting growth in 2017, Saudi Arabia ranks 40th and 78th in terms of forecasting tourism growth between 2017-2027. These indications require attention that the tourism sector in Saudi Arabia may witness a decline, which affects the level of economic diversification and the state budget, as the vital sector, which is a tributary to the economy and contributes to 10.2% of GDP, by \$28.6 billion, and employs more than one million people, as shown in **Table 2**, is expected to witness a decline, which requires those concerned to take the necessary measures to maintain its continuity and superiority.

**Table 1.** International ranking of the UAE and some GCC countries in tourism indicators.

Country	GCC Tourism Ranking Indicators			
	General Classification*	In terms of contribution to the economy**	In terms of growth in 2017	In terms of growth projection from 2017-2027
U.A.E	26	70	134	68
Bahrain	97	91	147	47
Saudi Arabia	17	84	40	78
Kuwait	71	158	101	79
Oman	86	128	9	29

The international classification is out of 185. \* The Middle East overall ranking is 17.5. Source: Designed by the researcher based on data from the World Travel and Tourism Council.

**Table 2.** Volume of investment in tourism and its returns in Saudi Arabia compared to some Gulf countries.

Country	Indicators					
	Investment in the tourism sector*	Returns	Contribution as a percentage of GDP**	Contribution to employment		Visitor Exports
				Number of Positions	Proportion of the work	
U.A.E	7.1 billion	43.3 billion	12.1	617,500	10.4	29,904 million
Bahrain	384.1 million	3163.0 million	9.9	54,000	9.6	1748 million
Saudi Arabia	28.6 billion	65.2 billion	10.2	1,141,500	9.7	11.5 billion
Kuwait	374.3 million	6748.3 million	5.4	137,000	5.0	1028 million
Oman	2310.4 million	5019.3 million	7.3	157,500	7.2	2310 million

\* Amounts are in US dollars. \*\* The average contribution of tourism to the Middle East economy is 6.3%. Source: Designed by the researcher based on data from the World Travel and Tourism Council.

### 2.3.1. The Feasibility of Investing in the Tourism Sector in Saudi Arabia and Some Gulf Countries

In a quick extrapolation of the conditions of the tourism sector in the GCC countries, this part of the study explores the economic feasibility of investing in the tourism sector, the sustainability of this sector and its contribution to the economic growth of the GCC countries. The revenues of the tourism sector in the Gulf constitute 6.65 times the costs of investment in this sector, as well as a source of foreign currency, contributing to employment and the creation of more than 2 million jobs, as well as contributing to exports of goods through visitor exports. All of these indicators clearly indicate the economic feasibility achieved from investing in the tourism sector, and the importance of that sector for the economic diversification of the GCC countries.

### 2.3.2. Trilogy of Entrepreneurship, Entrepreneurship and Economic Growth

One of the primary objectives of entrepreneurial activity in any economy is its ability to contribute to economic growth, and this ability is in line with the country's long-term strategy to diversify the economy and strengthen the private sector through innovative new knowledge-based projects. Entrepreneurship is a factor of production and has recently been recognized as one of the factors influencing growth in contemporary economies, especially in the form of small and medium-sized enterprises, and has been considered a source of economic growth through the creation of new jobs and the expansion of new markets (Sabella, et al., 2014).

### 2.3.3. The Role of Entrepreneurship in Economic Growth under the Governance of Public Institutions

Reforming the work of the public sector and achieving transparency and accountability in it is imperative for economic and even social development plans, and corporate governance contributes to supporting both economic activity in general and achieving growth directly, and indirectly by supporting entrepreneurship that achieves economic growth. Analyzing the impact of entrepreneurship on economic growth is complex and controversial in many studies; unlike other factors, establishing a direct relationship between entrepreneurship and economic growth involves many other factors that are difficult to measure. Previous studies have framed two trends in analyzing the relationship between entrepreneurship and economic growth; the first trend is based on the fact that entrepreneurship has a direct impact on economic growth, through increasing job opportunities and increasing production. The second trend advocates that entrepreneurship has no impact on economic growth, and each trend has its own evidence and justifications to justify its hypotheses. These views are reviewed below. In general, previous studies have indicated a positive relationship between entrepreneurship and economic growth, the more entrepreneurial activity the more positive this reflects on economic growth (Schumpeter, 1911; Kirzner, 1973; Carree & Thurik, 2003; Martinez, 2005). Schumpeter's (1911) idea of the relationship between entrepreneurship and economic growth revolves around the role of entrepreneurship in transforming new ideas into new products or services that will contribute to the creation of new jobs, generate profits for innovative companies, and thus contribute to economic growth. Acs and Armington (2006) follows suit, which sees entrepreneurs as agents to transform new ideas into new products that effectively contribute to job creation and improve the economy (Sabella, et al., 2014). In a study of thirteen European countries surveying the impact of entrepreneurship on economic growth, Carree and Thurik (1998) found a positive correlation between entrepreneurial activity and economic growth. The economic growth associated with entrepreneurship comes from the new jobs that entrepreneurship creates, while facilitating borrowing for new projects, increasing competition in markets, and creating new high-quality

products are all factors that positively affect economic growth (Naude, 2008), and Carree and Thurik, (2002) argue that entrepreneurship stimulates the economy by expanding production capacity and creating creative ways of sales and distribution outlets. Minniti and Levesque (2010) argue that entrepreneurship stems from the fact that it is a source of innovation that seeks to exploit untapped resources and harness them for the economic growth of the country. Wong, Ho, and Autio (2005) reviewed the literature and theories suggesting a relationship between entrepreneurship and economic growth, as well as providing empirical evidence for this relationship. This review concluded that entrepreneurs may contribute to economic growth by improving the level of economic diversification, innovation in the provision of goods and services and opening new markets, and improving competitiveness in providing the best goods and services. In this type of entrepreneurship related to economic growth, which some researchers put forward, a distinction is made between the supply and demand of entrepreneurship; the demand side of entrepreneurship refers to the opportunities available to start a business, while the supply side of entrepreneurship refers to the set of skills required in entrepreneurs as well as the capabilities and resources available to them (Audretsch et al. 2002).

Hypotheses of the second and third study:

Based on the previous discussion of the role of entrepreneurship in economic growth, the study developed the following second hypothesis in its nihilistic form: “There is no statistically significant effect of entrepreneurship on economic growth in Saudi Arabia.”

On the impact of public corporate governance, the study has developed the following hypothesis: “There is no statistically significant impact of public corporate governance on economic growth in the Kingdom of Saudi Arabia.”

## **2.4. Introduction to Women’s Empowerment and Its Role in Economic Growth**

Voices are growing day after day on the need to empower Gulf women in general and Saudi Arabia in particular, and with it the gap between the real empowerment of women and the empowerment of customs and traditions widens, as the rates of education of Saudi women rise year after year with the growing calls to increase their participation in economic and political life.

### **2.4.1. Educational Empowerment of Emirati Women**

Saudi women have experienced great intellectual and qualitative transformations in education, due to official political interventions that have taken positive measures in support of women’s empowerment at the educational level, and this shift has had positive effects personally and family. The 2015 Millennium Development Goals report revealed that Saudi Arabia and the Gulf states are serious about achieving the desired goals in the past 20 years. The report showed that the Gulf countries, including Saudi Arabia, recorded the highest levels in the gender parity index in enrollment in education, recording a rate of 0.99 in pri-

mary education, a rate of 0.97 in secondary education, and higher education of 1.58 compared to other Arab countries. The Unified Arab Report states that “only the countries of the Cooperation Council for the Arab States of the Gulf have achieved full parity” (Yahya, 2016). The Arab Millennium Development Goals report issued by the League of Arab States and the United Nations in 2013 indicates high rates of girls’ enrolment in education at all levels of primary, preparatory and secondary, as well as higher education outcomes.

#### **2.4.2. Economic Empowerment of Saudi Women**

Economic growth is a normative goal of government policies in most developed and other developed countries; previously governments pursued this goal through traditional means such as privatization and a focus on opening markets, and governments have now shifted their attention to initiatives to support gender equality and their role in economic growth (Moorhouse, 2017), as there is a broad consensus among experts that gender equality and women’s economic empowerment can contribute to improved economic outcomes (World Bank, 2011). Overall, empirical studies have shown that gender inequality in education and economics leads to negative effects on the economy (Dollar & Gatti, 1999; Hill & King, 1993, 1995; Klasen, 1999, 2002; Klasen & Lamanna, 2009; Knowles, Lorgelly, & Owen, 2002). Although there are studies that argue that wage inequality may have positive consequences for the economy (Seguino, 2000), these findings have been refuted in more than one study (Schober & Winter-Ebmer, 2011). Gender inequality in the labour market will negatively affect countries economic performance (Klasen, 1999; Klasen & Lamanna, 2009). According to the “human capital” theory, women are most feasible to invest in human capital because they expect to reap the benefits of this investment in time and education (Charles & Bradley, 2009). Jaumotte, (2003) argues that gender inequality in the labor market in terms of wages and promotions will negatively affect labor market performance and reduce the available workforce of women. However, the positive effects of women’s entry into the labor market are most evident in societies that take action to protect women’s economic rights, such as equal pay and the right to work (Moorhouse, 2017). In the Arab Gulf countries, many studies concerned with empowering Gulf women in the labor market and the economy agree on the contradiction between the high indicators of higher education and the low professional participation of Gulf women, as the transformations witnessed in the Gulf region, which attracted large and accelerated numbers of expatriate workers, so that the Gulf countries that disrupt their human energies of women are the same ones that open their arms to expatriate human energies to inject money outside them (Yahya, 2016). Al-Waqfi and Al-Faki (2015) have pointed out that gender inequality in the labor market is compounded in the UAE, and this gender disparity is lower in the case of foreign workers compared to UAE nationals, a common pattern of gender inequality in the labor market not only in the Gulf countries but in all Middle Eastern countries (Metcalfe, 2007). The 2013 report of the Economic Forum indicates the low economic em-

powerment of Arab women, as Arab countries rank lowest in economic participation and opportunities in the world, but at the level of the Gulf Cooperation Council, the UAE ranks first as a result of the political empowerment of the participation of women parliamentarians, while the UAE declined due to the low wage fairness for the same job, and the Kingdom of Bahrain comes second, Qatar third, Kuwait and the Sultanate of Oman rank eighth at the level of Arab countries, while Saudi Arabia ranks The last in the Gulf and the fifteenth in the Arab world (World Economic Forum, 2013).

#### 2.4.3. Percentage of Women in the Labor Force in Saudi Arabia Compared to Some Gulf Countries

**Table 3** shows the percentage of women working in the UAE compared to some Gulf countries, divided into citizens and expatriates, noting that Kuwait is the highest in the Gulf in terms of the percentage of women represented in the labor market at 27%, and women constitute 46% of the local workforce, which is an encouraging percentage. In Bahrain, women make up 20 percent of the total workforce and 33 percent of the local workforce are also good indicators, while the expatriate workforce makes up only 17 percent, indicating that Kuwait and Bahrain are exploiting local women. The same is true of Oman, which exploits its local female workforce. In the UAE, 14.3% of the workforce is women. In Saudi Arabia, women make up only 15 percent of the total workforce, and women make up almost the same proportion of the local and expatriate workforce. Overall, despite the low levels of women's participation in the Gulf workforce, the proportion of women in the local workforce is good, especially in Kuwait and Bahrain, which indicates that women's employment opportunities in those countries are given priority to nationals, which in turn indicates better utilization of national resources. The gender gap in economic life is an ongoing global phenomenon that no country has been able to completely eliminate (Hausmann et al., 2011). Surprisingly, two-thirds of women working in manufacturing industries are employed as workers, operators and production workers; Bridging

**Table 3.** Women in the labor market in Saudi Arabia comparison of some gulf countries.

Country	Total Labour Force	Percentage of women	Local workforce			Expatriate workforce		
			Ratio	Total	Percentage of women	Ratio	Total	Percentage of women
U.A.E	6,330,541	14.3	15	949,581	22	85	5,380,960	13
Bahrain	771,535	20	23.3	179,768	33	76.7	591,767	17
Saudi Arabia	12,612,910	15	49.4	6,230,778	16	50.6	6,382,132	14
Kuwait	2,157,242	27	16.8	362,417	46	83.2	1,794,825	23
Oman	2,416,668	19	25.4	613,834	20	74.6	1,802,834	9.8
Total	26,111,577			8,440,269			17,671,308	

Source: Researcher's work based on World Bank data.



the gender gap in the labor market and all economic fields can improve a country's economic performance by 1.3 percentage points, concluded [Mitra et al., \(2015\)](#), which was conducted in 101 countries and used economic and political dimensions of women's empowerment and its relationship to economic growth.

In Saudi Arabia and the GCC countries, statistics issued by international bodies and organizations show us many facts, as Bahrain is considered one of the highest developed countries globally in the index of economic participation and opportunities, and Bahrain ranks second in the Arab world in the index of bridging the qualitative gap. Saudi Arabia achieved the second best Arab performance in terms of education outcomes, but it lagged behind in equality and women's empowerment. The expansion that has occurred in the Gulf labor market since the seventies until now has not contributed more to benefiting from the women's reserves, but on the contrary, this expansion has perpetuated the emergence of new consumption and value patterns, and more marginalization of women in these societies, within these data women in the Arab Gulf countries are no longer the reserve balance of the labor market ([Najjar, 2000](#)).

Hypotheses of the fourth study:

The following hypothesis indicates the relationship of women's empowerment to economic growth in Saudi Arabia: "There is no statistically significant impact of women's empowerment on the economic growth of Saudi Arabia."

### **3. Methodology**

#### **3.1. Study Sample and Standard Model**

This study aims to provide a supportive model for economic growth in Saudi Arabia that contributes to emerging from the current oil price crisis, and offers alternatives that can contribute to the post-oil economy. In order to test the conceptual study model, the practical study will be applied and tested based on a time series that extends over a period of (20) twenty years from (2001-2020). As for the sources of data collection, they are the secondary data published about the variables of the study in Saudi Arabia, including: National Statistics, World Bank Database, International Monetary Fund Database, Global Institute for Entrepreneurship and Development Database, and Human Rights Data Project Database on Women's Empowerment. The standard study model aims to represent the relationships proposed in the study between economic growth in the UAE on the one hand, and economic diversification, entrepreneurship, governance and public institutionalization, and women's empowerment on the other.

#### **3.2. Building the Standard Model**

This study aims to assess the activities of economic diversification, entrepreneurship, public corporate governance, and women's economic empowerment

in Saudi Arabia during the period (2001-2020) as its initial goal, and then seeks to test those variables in economic growth during this period. In order to achieve the second goal, it relies on an expanded “neoclassical” production function for growth based on the following total production function:

$$EconGrowth_{it} = \alpha + \beta_1 Labor_{it} + \beta_2 Capital_{it} + \ell_{it} \quad (1)$$

whereas:

*EconGrowth*: it is the economic growth of the country (*i*) during the year (*t*).  
*Labor<sub>it</sub>*: It is the labor force of the state (*i*) during the year (*t*).  
*Capital<sub>it</sub>*: It is the capital stock of the state (*i*) during the year (*t*).

This relationship will be expanded by adding the parameter variable to the model, which is: *Oil<sub>it</sub>* The price of a barrel of oil, so that the equation becomes as follows:

$$EconGrowth_{it} = \alpha + \beta_1 Labor_{it} + \beta_2 Capital_{it} + \beta_3 Oil_{it} + \ell_{it} \quad (2)$$

After that, the independent variables were added in the model, namely: *Diver<sub>it</sub>*, which expresses economic diversification, the *Enter<sub>it</sub>* variable to express entrepreneurship, the *PGIndex<sub>it</sub>* variable that refers to the level of public corporate governance, and the *WEconR<sub>it</sub>* variable and *EmpowerR<sub>it</sub>* variable to express women’s empowerment, so that the final model of the study is as follows:

$$\begin{aligned} EconGrowth_{it} = & \alpha + \beta_1 Labor_{it} + \beta_2 Capital_{it} + \beta_3 Oil_{it} + \beta_4 Diver_{it} \\ & + \beta_5 Enter_{it} + \beta_6 PGIndex_{it} + \beta_7 WEconR_{it} \\ & + \beta_8 EmpowerR_{it} + \beta_9 Country_{it} + \ell_{it} \end{aligned} \quad (3)$$

where:  $\alpha$  is the value of the constant in the form.  $\beta_{1,\dots,9}$  The slope value in the model for the eight variables.  $e_{it}$  random error.

Since independent and controlling variables in the model are expected to have a subsequent impact on economic growth; for example, economic diversification, oil prices or entrepreneurship need time to have a real impact on economic growth. Therefore, the time factor will be taken into account in the model by taking one slowdown interval (Lag1) when estimating the model.

### 3.3. Methods of Measuring Study Variables

**Table 4** shows the methods for measuring variables.

### 3.4. Comparative Descriptive Study in Saudi Arabia and Some Gulf Countries

Statistics issued by international organizations show us many readings of the reality of economic diversification, entrepreneurship, governance and public institutionalization, and the extent of women’s empowerment in the Gulf countries.

#### 3.4.1. Economic Growth and Export Diversification

**Table 5** shows the descriptive statistics of GDP growth and the GCC export diversification index during the period (2001-2020). It is noted that the Gulf countries

**Table 4.** Definition and measurement of study variables.

Variables	Data Source	Icon	Definition and method of measurement
<b>Independent variables:</b>			
Economic diversification	International Monetary Fund (IMF)	Diver	This variable was measured using the Export Diversification Index.
Entrepreneurship	World Bank	Enter	This variable was measured by the index of incorporation of limited liability companies.
<b>General Corporate Governance:</b>			
Rule of law	World Bank	PG4	This variable reflects the extent to which society rules are adhered to, especially the quality of contract enforcement, property rights, and courts.
Anti-Corruption	World Bank	PG1	This variable embodies the extent of combating corruption in the state, preventing the exploitation of public office for private gain, and the state's control over stakeholders and influential people.
Effectiveness of government performance	World Bank	PG2	This index captures the quality of public services, the quality of civil services and their independence from political pressures, and the quality of public policy formulation and implementation.
Systems Quality	World Bank	PG5	This variable reflects the government's ability to formulate and implement sound policies and regulations that will encourage private sector activity.
Public Governance Index	Researcher		This variable was measured by the average of the previous four indicators of general corporate governance.
Women's Empowerment	Human Rights Project		This variable was measured using the Empowerment Index and the Women's Economic Empowerment Index.
<b>Key variables in the economic growth model:</b>			
Work	National statistics	Labor	The labor force in the Gulf during the study period.
Capital accumulation	National statistics	Capital	Capital stock in the Gulf during the study period.
Oil Barrel Price	World Bank	Oil	The price of a barrel of oil "Texas" "West texas" was used.
Country	Researcher	Country	The number (1) is given to the data of a specific country from the six Gulf countries, the rest is given (0), and so on to the rest of the countries.
<b>Dependent variable:</b>			
Economic growth	World Bank	EconGrowth	The GDP growth rate in the Gulf countries was used during the study period.

**Table 5.** Economic growth and export diversification index of the GCC countries during the period 2001-2020.

Country	Economic growth				Export Diversification Index			
	Arithmetic mean	Standard deviation	Largest value	Lowest value	Arithmetic mean	Standard deviation	Largest value	Lowest value
U.A.E	4.603	3.814	10.853	-5.243	4.067	0.426	4.981	3.554
Bahrain	4.685	1.721	8.292	1.984	3.178	0.165	3.540	2.977
Saudi Arabia	3.449	3.982	11.242	-3.763	5.197	0.259	5.497	4.504
Kuwait	3.892	5.453	17.320	-7.076	5.320	0.333	5.814	4.731
Oman	3.561	3.135	9.332	-2.669	5.050	0.393	5.763	4.378
Qatar	10.992	7.510	26.170	3.551	4.765	0.138	5.043	4.494
GCC countries combined	4.945	4.985	26.170	-7.076	4.596	0.814	5.814	2.977
Variance Analysis Test								
Fisher test	F-Test	6.589			16.169			
Fisher Test Probability	<i>p</i> -value	0.000			0.000			

Source: From the work of the researcher.

collectively achieved an average growth in GDP during the past twenty years, which amounted to an average of 4.945%, which is a good percentage compared to other developed countries. The largest growth was achieved in Qatar in 2006, while Kuwait in 2009 achieved the least growth among the GCC countries during the period, with a decline in growth by 7.076%. In the UAE, the average growth during the study period was 4.603%, while it achieved its highest growth in 2000.

As for Bahrain, it achieved an average GDP growth of 4.685%, which is the largest among the GCC countries after Qatar, and Bahrain is distinguished by the fact that the growth in GDP was stable during the study period and achieved the lowest standard deviation among the Gulf countries. Saudi Arabia achieved the lowest GDP growth during the study period, averaging 3.449%, followed by Oman and Kuwait. Overall, the Fisher test shows that there is a statistically significant variation in GDP growth among the GCC countries.

The decline in the export diversification index indicates greater economic diversification. Industry, financial services, and tourism are all sectors in which Bahrain has invested as an alternative to the decline in oil revenues, which started earlier than the rest of the Gulf countries. The low diversification index in Bahrain as well as the low standard deviation of this index indicate the lack of significant volatility in economic diversification, which in turn indicates a clear policy in this diversification. The UAE is second only to Bahrain in terms of diversification, while Kuwait and Saudi Arabia are cited as the least diversified in the GCC.

### 3.4.2. The Reality of Entrepreneurship Activity in the Gulf

Data from the Global Institute for Entrepreneurship and Development shows that there are twelve indicators on entrepreneurship activity in the GCC countries, which are summarized in **Table 6**. Which indicates that all GCC countries have achieved advanced ranks in the classification of countries according to entrepreneurship activity at the international level and at the regional level, as the UAE ranked nineteenth globally and second in the Arab world in this index, followed by Qatar, then Saudi Arabia, then Bahrain, which ranked thirty-fourth globally and fifth in the Arab world, while Kuwait achieved the lowest ranking in the GCC countries. This survey begins with the realization of the opportunities available to entrepreneurs to carry out projects, and then investigates the circumstances surrounding this activity, such as the readiness of the entrepreneur, the suitability of the surrounding environment, the availability of factors that contribute to his success, and others. Qatar and Bahrain are the highest in the Gulf in terms of entrepreneurs' awareness of the opportunities available to them to carry out their pioneering projects, with Qatar recording 78.4% and Bahrain 70.9%.

Bahrain was also the second Gulf after Saudi Arabia in terms of skills to start an economic project. The survey illustrates the role of business networks in the

**Table 6.** Economic growth and export diversification index of the GCC countries during the period 1996-2015.

	Country	U.A.E	Bahrain	Saudi Arabia	Kuwait	Oman	Qatar
Order	International	19	34	30	39	37	21
	Regional	2	5	4	7	6	3
Entrepreneurship Indicators	Recognizing opportunities	0.504	0.709	0.549	0.476	0.632	0.784
	Project Started Skills	0.330	0.488	0.865	0.246	0.239	0.253
	Risk appetite	0.353	0.304	0.481	0.661	0.661	0.466
	Network	0.687	0.654	0.784	0.542	0.501	0.797
	Cultural support and environment	0.791	0.576	0.693	0.540	0.470	0.986
	Start taking advantage of the opportunity	0.790	0.593	0.742	0.566	0.589	0.668
	Technology Support	0.324	0.230	0.205	0.209	0.211	0.244
	Human Capital	1.000	0.879	0.576	0.605	0.712	0.857
	Competition	0.570	0.514	0.314	0.250	0.270	0.833
	Product Innovation	0.829	0.422	0.446	0.342	0.351	0.767
	Global	0.582	0.501	0.372	0.491	0.418	0.459
	The role of venture capital	1.000	0.906	0.774	0.692	0.930	0.972
Leadership Level	Institutions	0.74	0.59	0.63	0.49	0.52	0.72
	Individuals	0.74	0.79	0.75	0.79	0.79	0.79

Source: From the researcher's work based on data from the Global Institute for Entrepreneurship and Development (GEDI).

success of entrepreneurial experiences, as it turns out that Qatar and Saudi Arabia are the best in terms of entrepreneurship networks, perhaps from government support for business incubators that nurture entrepreneurial opportunities among young people. These surveys also illustrate the role of the surrounding environment and cultural support in the success of entrepreneurial activity, with Qatar achieving a large percentage in this regard, followed by the UAE and Saudi Arabia. It is noted from **Table 6** that entrepreneurs in the UAE and Saudi Arabia are the best in terms of exploiting entrepreneurial opportunities and turning them into an economic project, while Bahrain achieved an average percentage of 59.3%.

The exploitation of technology in the success of entrepreneurial projects is also important in light of the rapid developments in the digital world, in terms of marketing, reaching consumers, innovations and new ideas. However, all GCC countries have achieved low scores on this metric, which in turn indicates the need to take serious steps to activate technology in the details of entrepreneurial work in the Gulf. The availability of a trained human element capable of capturing ideas and turning them into a pioneering project, not only that, but also the availability of human resources capable of operating and sustaining it. Looking at the statistics of **Table 6**, it is noted that the UAE has achieved this condition by a full percentage, followed by Bahrain with 87.9%, which is advanced percentages that indicate the official interest in entrepreneurship activity and its inputs such as quality education, training and business incubators. Competition plays an important role in entrepreneurial activity and is seen from two perspectives: The first is positive in terms of motivating entrepreneurs to innovate new types of goods and services, or enter new markets, and the second is negative in terms of the scarcity of available investment opportunities. Qatar was characterized by a high percentage of competition in entrepreneurship activity, while Kuwait is considered a less competitive market, so Kuwait was also the lowest in the percentage of innovation of new products among the GCC countries, with the UAE accounting for a high rate of 82.9%, and Bahrain achieved a rate of 42.2%.

International relations have an important role in the success of entrepreneurship activity, by benefiting from foreign expertise and opening new markets for local products and services, and all GCC countries have achieved low rates in this aspect, depending on the degree of economic openness witnessed by the national economy, so we find that the UAE and Bahrain are the best in the Gulf in this indicator, while Saudi Arabia achieved the lowest percentage according to the level of economic openness it is witnessing. Finally, the results show that the Gulf countries collectively achieved high percentages in the index of the availability of venture capital to carry out entrepreneurial projects, which comes from government support and the availability of resources for individuals, and the role of financial institutions in this. Entrepreneurship is divided into two parts, the first is entrepreneurship at the level of individuals, the second at the level of institutions, and the second type refers to entrepreneurial initiatives carried out

by companies and institutions in order to innovate and develop new products and services, or enter new markets, and both types are important in the economic growth of countries. It is noted from **Table 6** that the Gulf countries are close in terms of the entrepreneurship index in institutions, while they differ in terms of the entrepreneurship index at the level of individuals, the largest of which is in the UAE and the lowest in Kuwait.

### 3.4.3. General Governance and Institutional in the Gulf States

Weak enterprises exert a direct impact on economic life by reducing investment efficiency, running out of property rights, and high transaction costs resulting from bureaucracy, all of which are direct factors that contribute to discouraging economic activity in the country (Fabro & Aixala, 2009). Therefore, countries seeking to improve their economic model must begin by improving the functioning of their institutions. **Table 7** shows some indicators of governance and public institutions in the GCC countries.

Rule of Law: The rule of law index refers to the extent of compliance with the rules and laws of society, the quality of contract enforcement, and property rights, which are among the factors affecting the economic life in the country. The Gulf countries collectively achieved 58.676%, with Qatar, the UAE and Oman among the best Gulf countries, while Bahrain and Saudi Arabia achieved low percentages in this index. Regulating economic life and preserving rights and property through the development of supportive laws can contribute to stimulating the local economy and encouraging foreign investments, which in turn is reflected in economic growth.

**Table 7.** Indicators of General Corporate Governance in the GCC countries during the Period 1996-2015.

Country	Average General Governance and Institutional Indicators					
	Rule of law	Anti-Corruption	Effectiveness of government performance	Systems Quality	Public Corporate Governance Index	
U.A.E	67.990	76.462	79.223	73.118	74.198	
Bahrain	21.865	66.705	70.092	73.089	57.938	
Saudi Arabia	58.629	49.142	49.777	52.531	52.520	
Kuwait	65.658	71.391	56.583	54.611	62.061	
Oman	67.329	68.320	65.699	64.051	66.350	
Qatar	70.586	78.151	72.488	62.634	70.965	
GCC countries combined	58.676	68.362	65.644	63.339	64.005	
Variance Analysis Test						
Fisher test	F-Test	30.905	25.536	10.236	34.028	47.513
Fisher Test Probability	p-value	0.000	0.000	0.000	0.000	0.000

Source: From the work of the researcher.

**Anti-Corruption:** Applied studies indicate a negative relationship between the level of corruption in public institutions and the magnitude of economic growth (Mauro 1995). This variable reflects the extent to which corruption is fought in the state, preventing the exploitation of public office for private gain, and the state's control over stakeholders and influential people and limiting their influence. The Anti-Corruption Index is one of the most achieved public governance indicators in the GCC, with Qatar and the UAE being the highest in this index, followed by Bahrain. The GCC countries must pay increasing attention to this indicator, as the fight against corruption works on equal opportunities, facilitating government transactions, and combating bribery and nepotism, all of which are good outputs that contribute to driving economic growth in the country.

**Effectiveness of government performance:** This indicator aims to measure the quality of public services, the quality of civil services, and the quality of public policy formulation and implementation. The GCC countries achieved a good percentage of 65.644% on this index, with the UAE, Qatar and Bahrain respectively having the best government performance in the Gulf, with Saudi Arabia and Kuwait achieving the lowest results in this index.

**Systems Quality:** The quality of the Systems Index measures the government's ability to formulate and implement sound policies and regulations that will encourage private sector activity. It is considered one of the most important indicators of public institutionalization that supports economic activity in the country. Table 7 shows that the GCC countries have achieved mixed results on this indicator, with the UAE and Bahrain ranking first with more than 73%, while Saudi Arabia and Kuwait achieved the lowest indicators, and the rest of the GCC countries, namely Oman and Qatar, ranked middle.

#### 3.4.4. Economic Empowerment of Gulf Women

There is a clear trend in the economic literature about the empowerment of women in the economic growth of the country. In the GCC countries, there is a real gap between women's education indicators and their economic empowerment indicators, as Gulf women, thanks to government and community support, have achieved the best ranks in education, but this has not been matched by another empowerment that contributes to benefiting from the results of education in the conduct of economic life. Table 8 shows the average general empowerment index and the women's economic empowerment index in the Gulf, and Table 8 makes comparisons between the best countries in these indicators with the rest of the Gulf countries.

The general empowerment scale aims to measure the extent to which the state pays attention to gender equality in education, freedom of movement, political freedom, freedom of work, and equal wages, and the value of the indicator ranges between (14 - 0). It is noted from Table 8 that Bahrain is considered the best Gulf country in this index, achieving 4.750, which is 3.600 points ahead of



the UAE, and this difference between it and the UAE was statistically significant at less than 1% according to the Post Hoc test. The difference between Bahrain and other Gulf states was also statistically significant. Kuwait ranks second after Bahrain in the General Empowerment Index, while Saudi Arabia ranks sixth in the Gulf in terms of the Empowerment Index. Overall, the Gulf countries combined achieved 2717 points in the index, which are very modest results and the Gulf countries need to put more effort into empowering women.

As for the economic empowerment index, it ranges between (3 - 0) and the ranks of this indicator indicate the following: The number (zero) indicates that there are no economic rights for women under the law. While part one indicates that there are some economic rights for women under the law, the government ignores the actual implementation of the law. The second part indicates that there are economic rights for women under the law but that the government tolerates low levels of economic discrimination against women. The third part indicates that all women's economic rights are enshrined in the law, and the government does not tolerate any discrimination against these rights.

**Table 8.** Indicators of women's empowerment in the GCC.

Average indicators of Gulf women's empowerment during the period 1996-2015. To identify the extent to which there is a statistically significant difference between the GCC countries in the indicators of women's empowerment, the One Way ANOVA parametric analysis test was used. To identify the detailed difference between the largest Gulf countries in achieving indicators and other countries, the Post Hoc Tests were used. Symbols indicate that differences between countries in enabling indicators are statistically significant at less than \*\*\* 1%, \*\* 5%, and \* 10%.

Average Women's Empowerment in the GCC							
Country	Empowerment Index	Comparing the best country in the index with other countries		Women's Economic Empowerment	Comparing the best country in the index with other countries		
		Variation by mean	Statistical significance		Variation by mean	Statistical significance	
U.A.E	1.150	3.600	0.000	1.400			
Bahrain	4.750			0.950	0.450	0.001	
Saudi Arabia	0.250	4.500	0.000	0.100	1.300	0.000	
Kuwait	4.050	0.700	0.050	0.550	0.850	0.000	
Oman	2.450	2.300	0.000	1.300	0.100	0.464	
Qatar	3.650	1.100	0.002	1.000	0.400	0.005	
GCC countries combined	2.717			0.881			
Variance Analysis Test							
Fisher test	F-Test	49.259			25.580		
Fisher Test Probability	<i>p</i> -value	0.000			0.000		

Source: From the work of the researcher.

From **Table 8**, it is noted that not all Gulf countries achieved acceptable percentages in the Women's Economic Empowerment Index, as the UAE was the best in this indicator and achieved only 1400 points, followed by Oman, which achieved 1300 points. The level of indicators shows that there are some economic rights provided for in the laws but they are not fully operational. Despite the scientific excellence achieved by Gulf women, the difficulty of bridging the gap between scientific excellence and professional participation of Gulf women remains an existing obstacle recognized in national reports, which obliges the political administration to adopt certain measures to do justice to women, by amending many social, political and economic laws from the perspective of citizenship rights. In general, the economic empowerment of Gulf women did not correspond to the results of educational empowerment, in which the Gulf countries made huge efforts and budgets, and the Gulf countries are supposed to reap the returns on their investment in women through employment and productivity quality (Yahya, 2016).

## 4. Results and Discussion

### 4.1. Applied Study

After confirming the validity of the study data and the reliability for the purposes of testing the study model and its basic hypotheses, the fixed effects model was used, where the probability of "Hausmann" "Kay squared" for the study model appeared in **Table 9** statistically significant, which means that the estimates of the fixed effects model (FE) are the best to represent the relationship.

From the results shown in **Table 9**, it is noted that the value of the constant as well as the "F-Statistic" test was statistically important at less than 1%, which means that the study model is good and we can rely on its results in testing hypotheses. The value of the coefficient of determination was 60.3%, which means that 60% of the change in growth in Saudi Arabia's GDP comes from factors included in the study model.

### 4.2. Testing the Impact of Economic Diversification on Economic Growth

The hypothesis of the first study discussed the impact of economic diversification on economic growth in Saudi Arabia. Since a lower export diversification index indicates greater diversification in the economy, then the expected relationship between the export diversification index and GDP growth will be inverse, in the sense that a lower export diversification index means greater economic diversification and leads to greater GDP growth. The results of the multiple regression analysis in **Table 9** show that the slope ( $\beta$ ) of the economic diversification variable was negative, which means a positive relationship between economic diversification and economic growth, and the impact of this variable on economic growth was statistically significant at less than 5%, where the calculated t-statistic was greater than its scheduled value, and its probability ( $p$ -value)

is less than 5%. Therefore, the first nihilistic hypothesis can be rejected and the alternative hypothesis that there is a positive and statistically significant impact of economic diversification on the GDP of the Arab Gulf countries can be accepted. Diversification of exports in Saudi Arabia can be a tributary of economic growth, positive results that indicate that economic growth is not entirely dependent on rentier exports of oil and gas and that other productive sectors can gradually replace rentier resources. This finding is consistent with Khatib, (2011) study, which indicated that the contribution of extractive products, including oil and gas, to Saudi Arabia's GDP declined and that the rise in the level of economic diversification in Saudi Arabia was accompanied by a rise in economic growth.

**Table 9.** Estimation of the study model.

The critical t-value at degrees of freedom (119), 90% confidence interval, 95%, and 99% is: 1.289, 1.658 and 1.980 respectively. The critical value of (F), at degrees of freedom in the denominator ( $n - \beta - 1 = 120 - 1 - 9 = 110$ ), degrees of freedom at numerators ( $\beta = 9$ ), and 90% confidence level 90%, 95%, 99% are: 1.680, 1.960, and 2.560 respectively. Symbols mean that the test is statistically significant at less than: \* 10%, \*\* 5%, and \*\*\* 1%.

Variables	Icon	Expected relationship	Fixed effects model	
			$\beta$	t-Statistic
Hard	Constant		17.951	2.253**
<b>Independent variables:</b>				
Economic diversification	Diver	-	-5.447	-2.091**
Entrepreneurship	Enter	+	11.288	3.388**
General Corporate Governance	PGIndex	+	1.299	6.730***
Empowerment Index	EmpowerR	+	3.853	5.433***
Women's Economic Empowerment	WEconR	+	1.801	1.285
<b>Control variables:</b>				
Work	Labor	+	7.486	0.829
Capital accumulation	Capital	+	4.045	1.196
Oil Barrel Price	Oil	+	0.176	5.377***
Coefficient of determination	R2		0.603	
Fisher test	F-Statistic		15.991***	
Probability of Fisher test	p-value (F)		0.000	
Hausmann test (chi-squared)	Hausman Test (Chi2)		18.198***	
	p-value (Chi2)		0.000	

Source: From the researcher's work based on the outputs of the E-Views program.

### **4.3. Testing the Impact of Entrepreneurship on Economic Growth**

In the second chapter, the study discussed the different theories explaining the role of entrepreneurship in economic growth, and accordingly developed two hypotheses; the first calls for the existence of a positive impact of entrepreneurship on economic growth, and the second denies the existence of the impact of entrepreneurship on economic growth in Saudi Arabia. Based on the results shown in **Table 9**, it is noted that the entrepreneurship variable had a statistically significant effect at less than 5% on economic growth in Saudi Arabia, and based on these results, we can accept the alternative hypothesis of the study and reject the nihilistic hypothesis, as there is a statistically significant effect of entrepreneurship activity in Saudi Arabia on economic growth. These results indicate the success of the policies taken in stimulating and regulating entrepreneurial activity, and the latter has begun to bear fruit in achieving economic diversification and real contribution to economic growth.

### **4.4. Testing the Impact of Public Corporate Governance on Economic Growth**

The results in **Table 9** show that there is a positive and statistically significant impact of the public corporate governance index on economic growth in Saudi Arabia. Therefore, the study rejects the nihilistic hypothesis and accepts the alternative one, as there is a statistically significant direct impact of public corporate governance on economic growth in Saudi Arabia. The results of the present study are consistent with the general framework of studies (Olson, 1982; North, 1990) on the impact of the quality of public institutions on economic growth, as the convergence of informal institutions in society such as: Cultural values, moral principles, and social behavior. With official institutions such as: The quality of government work, the rule of law, the transparency of the judicial system, etc., together contribute to improving the economic activity in the country, which leads to economic growth. North (1990) argues that institutionalism represents human constraints that regulate human interaction, as different institutions are based on stimulating and organizing human exchange, whether social, economic, or political. Grief (2006) understands governance and institutions as social factors, norms, values, and organizations that stimulate the regularity of social behavior.

### **4.5. Testing the Impact of Gulf Women's Empowerment on the Economic Growth of Gulf Countries**

The study used two indicators on the empowerment of Saudi women: The Empowerment Index, a general indicator of women's empowerment and includes empowerment in education, politics and other civil rights. The second indicator, the Women's Economic Empowerment Index, is more specialized. By testing their impact on economic growth, the study obtained mixed results as shown in **Table 9**.

The results showed that the General Women's Empowerment Index has a positive and statistically significant impact on Saudi Arabia's economic growth at less than 1%, while the Saudi Women's Economic Empowerment Index had a positive, but statistically insignificant, impact on economic growth. These results, although they vary on the face of it, but they support the findings of the Gulf women's empowerment literature that Gulf women have received the empowerment that qualifies them to participate in the economic and political life of the Arab Gulf countries, but there is a gap between educational, political and social empowerment and economic empowerment of women in the Gulf, as it is considered a human capital that has been built over whole decades and can contribute to economic growth as a national human capital, and has an impact Positive in economic growth, which was called for by [Yahya \(2016\)](#), but this impact has not yet amounted to being effectively influential in the economic growth of the Gulf countries, and therefore the economic empowerment index appeared with a positive impact that is not statistically significant in the economic growth function of Saudi Arabia. The results of the study on the impact of the Women's Empowerment Index on Economic Growth are consistent with the study of [Mitra et al., \(2015\)](#) which found a positive impact of women's empowerment on economic growth. The positive effects of women's entry into the labor market are most evident in societies that take action that protects women's economic rights, such as equal pay and the right to work ([Moorhouse, 2017](#)). Women's empowerment in general also contributes to improving economic activity in MENA countries ([Torabi & Abbasi-Shavazi, 2015](#)).

[Elamin and Omair \(2010\)](#) argue that although GCC countries differ in customs, laws, and policies, all of them are more likely to have men ahead of women in private and public jobs. The study of [Kemp et al., \(2015\)](#) noted the increasing presence of Gulf women in many jobs in companies and in the public sector, but they are absent from some jobs that require direct interaction with the public, such as marketing. [Kemp and Madsen \(2014\)](#) indicated that Omani women are underrepresented in leadership positions in Omani organizations, especially in the areas of human resources, marketing, public relations, project management, and finance.

Therefore, we cannot reject the fourth nihilistic hypothesis, which states that there is no statistically significant positive impact of women's economic empowerment on economic growth in Saudi Arabia.

#### 4.6. Additional Results

The analysis shown in [Table 9](#) provides us with additional results on the control variables and their relationship to economic growth. It was not surprising that the variable "price per barrel of oil" appeared statistically significant and had a positive impact on the economic growth function in Saudi Arabia, as oil is still the main engine of economic growth in the Arab Gulf countries, and the biggest challenge facing its countries is to exploit financial surpluses to support parallel

productive sectors to support economic diversification to serve sustainable growth in Saudi Arabia. As for the capital accumulation variable, it was not statistically significant in Saudi Arabia's economic growth model, and the Gulf countries are considered rentier countries in which capital accumulation does not contribute significantly to their economic growth model. The labor variable had a positive but statistically insignificant impact on Saudi Arabia's growth model.

## **5. Conclusion**

After completing the descriptive and applied study, and testing the hypotheses of the study, this part of the study aims to extract and discuss the results, and provide recommendations and determinants of the study and future studies.

### **5.1. Drawing Conclusions and Discussing**

The growth and development of societies depend on the proper organization of economic and social life among individuals, through a set of rules and laws that increase transparency and the rule of law, combat corruption and ensure effective government performance. The factor of the availability of resources, despite its importance, was not the important factor in the development and advancement of societies, as much as the importance of the existence of laws guaranteeing justice in the distribution of resources, and the strategic vision to invest these resources in order to achieve the welfare of current generations without prejudice to the capabilities of future generations and their right to live in luxury, as well as providing the means for this growth and development for those generations.

The Arab Gulf countries have not faced the dilemma for their economic progress as they face today after the significant drop in oil prices, and whatever the reasons behind this, this significant decline in revenues for the GCC countries has put great pressure on their budgets, affecting their development plans.

This study aimed to provide a strategic vision on an economic model for the countries of the Kingdom of Saudi Arabia based on supporting other economic sectors, reforming the public sector, exploiting human capital and empowering women, which contributes to diversifying the state's sources for the gradual transition from a rentier economy to a more diversified economy in which many sectors and individuals play a role in its development, and in which all national energies are exploited to operate it. To achieve this goal, the study developed the necessary hypotheses to test the proposed model and its relationship to economic growth, and the study relied on secondary sources to collect its data through: National Statistics, World Bank Database, International Monetary Fund Database, Global Institute for Entrepreneurship and Development Database, and Human Rights Data Project Database on Women's Empowerment. The time series of data used in hypothesis testing included twenty years (2001-2020). Before using these data in the details of statistical and standard analysis, the study tested

its safety through a set of tests, which were: Structural interval testing, time series stability test, normal distribution test, linear interference examination between variables, autocorrelation testing, and random error variance, variance verification are all necessary tests to ensure the validity and integrity of the results.

The study reached a number of results that we will list under the descriptive and applied results, as follows:

The study used many descriptive statistical measures and methods, and through these means collectively reached a number of preliminary descriptive results, namely:

- The descriptive study indicated that there has been a continuous decline over the years for the export diversification index, which means increasing economic diversification from year to year in the GCC. Bahrain has enjoyed the highest percentage of economic diversification among the GCC countries, which achieves oil-supporting economic sectors that contribute to economic growth.
- Data from the Global Institute for Entrepreneurship and Development showed that all Gulf countries have achieved advanced ranks in entrepreneurship indicators, as the UAE ranked nineteenth globally and second in the Arab world in this index, followed by Qatar, then Bahrain, which ranked thirty-fourth globally and fifth in the Arab world, while Kuwait achieved the lowest ranking in the GCC countries.
- The “Availability of Human Capital” index is one of the most important indicators in supporting entrepreneurship in the GCC countries, and the GCC countries have achieved the best results in this index, which clearly indicates the availability of human capital, and it is only necessary to exploit it in economic life to achieve the fruit of investment in it.
- However, the Gulf countries have achieved modest results in the Technology Support Index for Entrepreneurship Activity, which necessitates taking the necessary measures to activate the role of this important factor in the success of entrepreneurship in the Gulf.
- The GCC countries achieved a score of 64% on the Public Corporate Governance Index, which is modest and requires attention to reforming public sector institutions and activating its role in economic life. The GCC countries have achieved the highest percentage in the sub-index “Anti-Corruption”, and an advanced percentage in the effectiveness of government performance, and the quality of systems, all of which are good indicators that require work on their development.
- The gap between the empowerment of Gulf women in education and their economic empowerment was clear, as the GCC countries collectively achieved 2.717 points on the women’s empowerment index in general, which includes empowerment through education, and Bahrain achieved the best result among the GCC countries in this index. As for women’s economic empowerment, the Gulf countries scored only 0.811 points in this index. This clearly indicates

that human resources, including women, are not being adequately exploited to support economic growth in the Gulf.

- The results of the advanced descriptive analysis showed that countries and periods that witnessed an increase in indicators of economic diversification, entrepreneurship, public corporate governance, and women's empowerment also witnessed GDP growth, which gives preliminary evidence of a relationship between the study variables and economic growth.

The study theoretically framed its model, which includes four basic variables proposed to get out of the crisis of low oil prices in Saudi Arabia, and in order to build a sustainable economy that gradually dispenses with dependence on oil, and exploits national resources, these proposed variables are: Economic diversification, entrepreneurship, public corporate governance, and women's economic empowerment. After theoretical framing of these variables and conducting descriptive analysis, the last stage was to test the proposed study model to ensure the validity of its variables and the possibility that they have a role in achieving economic growth. The results of the applied study can be summarized as follows:

The results of the applied study showed a positive impact of economic diversification on GDP growth in Saudi Arabia. The entrepreneurial variable had an important positive impact on the study model, indicating the importance of entrepreneurship and its role in achieving economic growth in Saudi Arabia. Reforming public institutions and improving their governance is essential to activate their role in economic life, and the general study model showed a positive and statistically significant impact of the public corporate governance variable on economic growth in Saudi Arabia. The women's empowerment variables test showed mixed results at the level of the index, as general empowerment had a positive and statistically significant impact on the economic growth of Saudi Arabia, but the Saudi women's economic empowerment index showed a positive impact on economic growth, but it was not statistically significant.

## **5.2. Recommendations, Determinants of the Study, and Future Studies**

Based on theoretical review, descriptive and applied results, the study in this section presents a set of recommendations, then addresses its most important determinants and suggests further future studies.

### **5.2.1. Study Recommendations**

The decline in oil prices represents an important historic opportunity for Saudi Arabia, perhaps to address economic imbalances and reform fiscal policies. This opportunity requires the adoption of a development strategy based on emphasizing the importance of human development, addressing educational conditions, motivating citizens to work in the private sector, reducing the import of marginal labor, reviewing the subsidy policy, adopting various housing policies that enhance the role of the private sector, and ensuring appropriate financing



tools for citizens to acquire homes without exaggerating costs. This means adopting a different economic philosophy away from the values of rents and care, and emphasizing the importance of raising the sense of responsibility among citizens. Providing the regulatory and institutional environment is the main incubator for any social and economic progress, and in order to achieve economic growth and sustainable development, the regulatory environment will need a set of strategies that support and ensure economic development.

Based on the theoretical review and applied results, the study provides a set of recommendations:

**In the field of getting out of the oil crisis:**

Although the volatility in oil prices is due to economic and geopolitical reasons that we cannot control, most of which we cannot control, the GCC countries, including Saudi Arabia, can reduce the negative effects of the deterioration in oil prices, and stimulate economic growth if rational fiscal policies are taken based on:

- It is necessary to convert the returns of natural resources into three types of capital: Physical capital by investing in industries and productive sectors, human capital by improving spending on education, training and qualification of national human cadres, and financial capital represented in financial investments.
- We can overcome the problem of volatile government revenues associated with oil price volatility by creating or developing sovereign wealth funds, which save on prosperous days and spend on dry days, as this stabilizes government spending. The UAE is the leader in the field of sovereign funds, and it is the largest in the Gulf, and spending from these funds must be based on feasibility studies for public projects that serve the process of economic diversification and building an industrial base away from the oil sector and its associated industries.
- The reduction of current spending in budget lines in Saudi Arabia must be directed to unproductive budget items, such as spending on fuel subsidies, without affecting productive items, or those aimed at building human capital, such as spending on education, health, or family.

**In the field of economic diversification:**

- The study recommends continuing to work on expanding the economic base in Saudi Arabia by supporting other productive sectors, with a focus on developing the service and financial sectors, and domestic and foreign tourism services.
- In the tourism sector, as one of the possible solutions for economic diversification, it is necessary to adopt a national vision aimed at promoting this sector and ensuring its sustainability, by improving the level of investment in this vital sector because of its tangible economic feasibility, and building the human resources required for this sector, while activating local tourism and inter-GCC tourism, which was evident in the Kingdom's Vision 2030.

- Supporting industrial sectors is important for achieving economic diversification and sustainable development, but it is necessary to focus on national industries away from industries associated with international brands, in which local companies are merely manufacturers and marketers while most of their proceeds go to foreign companies.

**In the field of entrepreneurship and reform of public institutions:**

- The study recommends the adoption of a national strategy to support entrepreneurship education with the aim of encouraging the entrepreneurial way of thinking; through a general framework for integrating entrepreneurship into education and training at all educational levels, improving vocational and specialized training, and developing curricula and teachers.
- Work to continue improving the regulatory and institutional environment in Saudi Arabia aimed at supporting economic activity in general and entrepreneurial activity in particular.
- Activating the role of networks in the success of entrepreneurship, with a focus on raising awareness of the importance of advisory and specialized networks because of their effective role in supporting the success and continuity of projects through an appropriate ecosystem of expertise and providing advice to entrepreneurs in critical stages of projects.
- Building a financial and legal system that contributes to the success and continuity of struggling entrepreneurs, to reduce the cases of failure among entrepreneurs by supporting them with experts and sufficient funding opportunities within a systematic framework for business incubators, targeting distinguished entrepreneurs and supporting their growth ambitions.
- Promoting entrepreneurship by taking advantage of modern means of social communication, activating the role of the media in focusing on spreading awareness of innovation and entrepreneurship, focusing on the success stories of pioneers, and showing pioneers their social status.

**In the field of empowering Gulf women:**

- Adopting policies aimed at empowering women entrepreneurs to allow them to participate effectively in economic growth, through an educational and financial policy that supports women's search for innovative projects that contribute to promoting inclusiveness and supporting economic growth through creative projects. The shift to new modes of flexible production, which is decentralized and unconventional, is based on the elimination of considerations that hinder women's employment, such as activating domestic work, part-time work, and other creative ways of managing projects.
- It is necessary to work to open all economic opportunities for women, and work to remove all forms of economic discrimination against them, such as wage inequality, and empower them in leadership positions, with the need to pay attention to the policy of efficiency in reaching leadership positions and not the policy of quotas, which, as some previous studies have shown, may lead unqualified women to leadership positions, which negatively affects performance.

- Spreading the culture of rational consumption of resources, and promoting it as part of the life behavior of Saudi women.

### 5.2.2. Determinants of Study and Future Studies

This study aimed to build a model and test its role in economic growth in Saudi Arabia, and although the study took sufficient measures to reassure the standard results that came out with it, through a set of tests that measure the integrity of the study data, caution is necessary when circulating the results of this study due to the exposure of the time series to the effects of the global financial and economic crisis, although the study took the necessary measures. Therefore, the study invites researchers to conduct further studies to confirm or correct the results of the current study, for example by applying the research to a longer time series and applying the “event study” method to identify the impact of the financial crisis on this relationship. And conducting in-depth research targeting each of the Gulf countries separately, taking into account new variables that were not included in the study.

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### Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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