

## Chapter 12

# The Advent of Social Entrepreneurship in Saudi Arabia: Empirical Evidence from Selected Social Initiatives

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### ABSTRACT

*Social entrepreneurship is attracting growing interest of several actors in the society. It is not only seen as response to numerous constraints, but also to a pressing social demand. Thus, it offers a development model in which social mission, social value creation, social responsibility and sustainability are the key words. In this chapter, the author introduces the emerging field of social entrepreneurship and the new social business models and strategies needed to meet differently social needs and ensure a growing social sector in the global economy. The author chooses to study a specific context: the Saudi context; then, presents the context of social entrepreneurship, the existing Saudi ecosystem and selected social entrepreneurial initiatives undertaken by several stakeholders. These initiatives are reviewed and some inclusive business models are discovered. Finally, the author discusses the empirical findings and opens up research perspectives aiming to understand more the phenomenon in such context with political, practical and educational issues.*

### INTRODUCTION

Social entrepreneurship is attracting growing interest of several actors in society. This challenging field of enquiry is seen as a response not only to numerous issues, but also to a pressing social demand. Thus, it offers a developmental model in which social mission, social value creation, social responsibility and sustainability are the key terms (Steyaert & Hjorth, 2006).

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The development of social entrepreneurship is seen as an opportunity for both researchers and practitioners respectively for the rehabilitation of entrepreneurship as a research field and for the introduction of innovative and inclusive social business models in practice (Dees, 1998; Weerawardena & Sullivan Mort, 2006; Alsudairi & Tatapudi, 2014; Mair & Schoen, 2007; Seelos & Mair, 2005; Yunus, Moingeon, & Lehmann-Ortega, 2010; Nicholls, 2006; Sommerrock, 2010).

For developing countries, especially Arab and Muslim ones, social entrepreneurship could be considered as a real developmental tool to solve many social problems such as youth unemployment, illiteracy, lack of women's integration and empowerment, maldistribution of wealth, corruption, healthcare and housing issues and social injustice; all are the main challenges which these societies face. Several sources of macro-data reveal social entrepreneurship as being, unfortunately, marginalized in the Arab countries such as Saudi Arabia (Justo, Lepoutre, & Terjesen, 2009; Abdou, Fahmy, Greenwald, & Nelson, 2010). However, the existing conditions in this country (number of charity and philanthropic associations and foundations, availability of funds and Islamic levers such as Waqf and Zakat) seem to favor the advent of social entrepreneurship. Therefore, the existing context of charity and philanthropy in Saudi Arabia, if managed differently, will be favorable, to the emergence of a contextualized social entrepreneurship phenomenon.

In this chapter, the author introduces the field of social entrepreneurship, new social business models needed to meet different social needs and ensure a growing social sector in the global economy.

After clarifying social entrepreneurship from a selected literature review, the chapter introduces the key dimensions of the concept. It, then, advances a new conceptualization of the phenomenon taking into account several contextual dimensions and salient features from the perspective of developing countries. This conceptualization is based on critical elements such as corporate social responsibility, sustainability and women empowerment. The chapter argues that this contextualized conception is necessary to solve the aforementioned issues. It focuses on a specific context: the Saudi context.

As such, it presents the Saudi social entrepreneurship ecosystem and identifies the existing stakeholders in the country. In fact, social entrepreneurship is rising due to the contribution of international (for example, Ashoka, Acumen, Schwab, Skoll) and national (for example, King Khalid Foundation) foundations, corporations (such as Abdul Latif Jameel Group), some higher educational institutions (for example, Effat University, Dar Al-Hekma), charity foundations (housing, women empowerment) and personal initiatives of Saudi entrepreneurs.

Therefore, the chapter seeks to provide some understanding of this phenomenon in context through selected social entrepreneurial initiatives. It will therefore review the existing initiatives of Saudi Arabia identified for social entrepreneurship growth. Being conducted in different domains, these initiatives have targeted different categories of Saudi people (youth, women, and individuals with underutilized skills). From this review, the chapter aims to identify the emerging new inclusive business models adopted by several Saudi social entrepreneurs, social enterprises and socially-oriented corporations.

## **BACKGROUND**

### **Social Entrepreneurship: Looking Back, Making Progress**

The literature on social entrepreneurship has significantly increased during the past two decades, but it remains dispersed and fragmented (Dees, 1998; Sullivan Mort, Weerawardena, & Carnegie, 2003; Mair

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