Theoretical Perspective of Social Entrepreneurship: A Study of Determinants of Social Entrepreneurship in the Context of Saudi Arabia

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The present paper discusses the different theories on entrepreneurship in general and social entrepreneurship in particular to investigate the different determinants of social entrepreneurship in the context of Saudi Arabia. The present research is a conceptual study. The data were collected to analyze the entrepreneurship theories in Saudi Arabia’s context. The data related to entrepreneurship spirit, perception of society towards entrepreneurship, and other macroeconomic indicators are collected from different research journals, websites of different corporate houses, and government sources to analyze the social entrepreneurship theories, such as failure thesis, interdependence theories, welfare state theory, supply-side theory, entrepreneurship education, etc. The theoretical hypothesis of interdependence theory, entrepreneurship spirit, and general education and the theoretical analysis of this paper in light of Saudi Arabia are in line with the theory. But the hypothesis generated out of failure thesis theory, welfare state theory, entrepreneurship education, and individualistic and collective society culture is not in line with these theories.

Keywords: global entrepreneurship monitor (GEM), corporation social responsibility (CSR), Hofstede’s Index, Legatum Prosperity Index, gross domestic product (GDP)

Introduction

Petroleum revenues have finite life, and Saudi leaders and technocrats are aware that the economic future of the country lies in diversification of its economy except oil revenues. In line with this thinking, many projects have already been initiated by the Saudi government. It is also expected that this initiative will help transfer the nation from global oil power to global economic leader over a period of time and create jobs for its growing younger and an increasingly educated population. The global entrepreneurship monitor (GEM) report classified Saudi economy as the factor-driven economy. In factor-driven economies, economic development is primarily driven by basic requirements: development of institutions, infrastructure, macroeconomic stability and health, and primary education. Saudi government puts a lot of efforts for national economic growth through job creation and technical innovation and makes the economy an innovation-driven one.

On the other hand, the population of Saudi Arabia increased from 9.32 million in 1980 to 26.11 million in
2011 and expected to be around 29.02 million in 2015. The population is growing at the rate of 2.9%. The composition of Saudi population is very much promising, meaning that half of the population is between the age group of 15 years to 24 years. However, around 24% are unemployed (Almobaireek & Manolova, 2011).

The present economic growth has a lot of scopes for improvement in terms of employment generation. Along with unemployment, there are many social and environment problems which need to be addressed. The solution to these problems is to understand the drivers of developing the social entrepreneurship to effectively build a system of addressing these social problems by using entrepreneurial principles.

**Literature Review**

To understand the meaning of social entrepreneurship, we need to understand the word “entrepreneur” defined as “one who undertakes an enterprise, especially a contractor, acting as intermediately between capital and labor”.

Entrepreneurship is the act of being an entrepreneur. A social entrepreneur recognizes a social problem and uses entrepreneurial principles to organize, create, and manage a social venture to achieve social and environmental goals. While a business entrepreneur typically measures performance in profit and return, a social entrepreneur focuses on social goals. Social goals refer to the enhancement of social wealth creation as opposed to private wealth creation and the desire to benefit society in some way.

Social entrepreneurship is increasingly recognized as an element of the economic, social, and environmental contributions to society (Ferri & Urbano, 2010).

It must be noted that the social entrepreneurship cannot be confused with charity. While charity reflects the benefactor’s compassion for humankind and is measured in terms of the generosity of donations to the less fortunate, social entrepreneurship reflects more than the good intentions of its practitioners who are not merely driven by compassion, but are also compelled by a desire for social change.

The purpose of charity is to donate funds to buy food to ease the poor’s hunger, but it is a temporary solution, social entrepreneurship uses its funds to make a lasting social impact.

According to Ashoka.org (2012):

*Just as entrepreneurs change the face of business, social entrepreneurs act as the change agents for society, seizing opportunities others miss and improving systems, inventing new approaches, and creating solutions to change society for the better*. While a business entrepreneur might create entirely new industries, a social entrepreneur comes up with new solutions to social problems and then implements them on a large scale.

Besides, according to Hartog and Hoogendoorn (2010), “Social wealth creation is the contribution of the individual’s entrepreneurial efforts to the broader society, such as provision of clean water and education to the deprived communities, empowerment of women, and providing jobs for disabled people” (p. 9).

In the research paper of Almahdi and Dickson (2010), they revealed that the impact of entrepreneurial activity was driven by the engine of economy growth, intense interests from the policy makers and academicians towards entrepreneurship, and entrepreneurship education.

Almobaireek and Manolova (2011), in their paper entitled *Who Wants to be an Entrepreneur? Entrepreneurial Intention Among Saudi University Students*, applied the planned behavior theory and social learning theory to explore the effects of perceived desirability, social support, and behavioral control on the

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entrepreneurial intensions of Saudi university youth and the gender differences in these effects.

The research paper entitled *Environmental Factors and Social Entrepreneurship* of Ferri and Urbano (2010) suggested that societal attitudes increased the rate of social entrepreneurship, and public spending had a negative relationship with this phenomenon.

The research paper of Hartog and Hoogendoorn (2010) also discussed the various theories of social entrepreneurship and generated various hypotheses.


The various social projects undertaken by Abdul Latif Jameel (2010) for solving the social and environment problems and its impact on society have been studied for the present research work.

The “Saudi Responsible Competitiveness Index Report” by Saudi Responsible Competitiveness Index (2011) reveals that responsible practice like commitment to employ renewable resources improves the well-being of workers, communities, and ecosystems and enhances business performance.

**Purpose of Study**

The employment generation and addressing the social and environmental issues need a strong system of generating social entrepreneurs. In this context, it is necessary to know the determinants of social entrepreneurship in the context of Saudi Arabia.

The determinants of social entrepreneurship can be understood with the help of different theories on social entrepreneurship.

The purpose of the present study is to understand the determinants of social entrepreneurship in the context of Saudi Arabia which are not yet explored. The present study attempts to study the various theories on social entrepreneurship and generates the hypothesis out of these theories to find out the determinants of social entrepreneurship at the conceptual level with the help of secondary data of Saudi Arabia.

**Theories of Social Entrepreneurship**

There are mainly four theoretical perspectives on social entrepreneurship: failure thesis, interdependence theory, welfare state theory, and supply-side theory. In addition to these theories, the education system of Saudi Arabia is discussed in general and entrepreneurship education in particular to understand the link between entrepreneurship and social entrepreneurship in Saudi Arabia.

**Failure Thesis**

As per this theory, the level of non-profit activities is influenced by the extent to which the market and state are performing their basic functions. The state performs a variety of functions, produces public goods, and acts as a market party. Government failure exists, when the abovementioned functions are not met and market imperfections become socially desirable. The non-profit organizations act as a filler for this gap. Therefore, the numbers of social enterprises are inversely related to government spending on welfare activities.

Thus, the authors put forward the first hypothesis as follows:

H1: The numbers of social enterprises are inversely related to government spending on welfare activities.

In light of “failure thesis” theory, the determinants of social entrepreneurs in Saudi Arabia can be inferred from the discussion on:
Social entrepreneurship in Saudi Arabia. Social entrepreneurs are individuals with innovative solutions to society’s most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale changes.

To know the presence of social entrepreneurs or social projects in present study, the authors have identified the social entrepreneurship into two categories, namely:

1. Prominent social enterprise/non-governmental organizations (NGOs) in Saudi Arabia;
2. CSR projects undertaken by the Saudi companies.

There are many social enterprises that are practicing the social activities, and the cases in point are:

- **King Khalid foundation.** King Khalid foundation, the royal foundation focusing on building development momentum in Saudi Arabia by enabling grassroots, non-profit organizations to contribute to the Kingdom’s socioeconomic growth, has launched its search for Saudi “social entrepreneurs” in partnership with Acumen Fund.

- **US-Saudi women’s forum on social entrepreneurship.** The US-Saudi women’s forum on social entrepreneurship aims to enrich the lives of women and their communities through the application of business and leadership skills to social needs, while generating societal and economic value.

- **Naqa’s enterprise.** The Naqa’s enterprise provides four main services: waste and resource management, indoor air quality management, energy efficiency management, and water conservation.

- **Abdul latif Jameel Community Initiatives (ALJCI).** ALJCI supports the community development and economic progress through devising developmental solution that responds to community needs. Creating job opportunities and designing programs to alleviate unemployment, education and training, healthcare, and poverty alleviation were priorities for the group (Abdul Latif Jameel, 2010).

**CSR by the Saudi companies.** According to Mitra and Borza (2010), “Corporate social responsibility and social entrepreneurship have distinct conceptual approach, but both have an indubitable effect by valorizing social opportunities” (p. 112).

The difference between the CSR and social entrepreneurship is very much subtle, and the difference can be found in “shared value” creation. The definition that Michael Porter uses for shared value creation is: “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the social conditions in the community in which it operates”.

The word to look for in this sentence seems to be simultaneous. So to actually be a social entrepreneur, an entrepreneur should not only improve the environment in which it operates, but he/she should also generate a profit and remain competitive (Katier, 2011).

According to Masli and Begawan (2012):

CSR is short term, but social entrepreneurs will look at it and say, “How can we use the funds and re-create (it) into a business that will have both (a) business angle and a social angle?” However, despite the distinction between the two, CSR funds have been used as a source of projects for the social entrepreneurs. (p. 1)

The present scenario of CSR in Saudi Arabia can be observed through the Saudi Responsible Competitiveness Index (2011). As per this report, the corporate sectors in Saudi Arabia are actively involved in undertaking various social projects for the development of community. One hundred and fifteen major corporate houses are running different types of social projects or practicing CSR for the development of
From the above discussion, the authors can safely deduce that there is a fair amount of presence and practices or environment of social entrepreneurship in Saudi Arabia.

The second variable as per the failure thesis theory on social entrepreneurship is gross domestic product (GDP) and per-capita income, both of which will be discussed in subsequent sections.

**Spending on welfare by the government of Saudi Arabia.** The government of Saudi Arabia has released its national budget for the 2011 fiscal year, with total allocated funds increasing 7.4% from 2010 to $154.67 billion (Saudi riyal (SR) 580 billion). The budget dedicates 46% of total spending to education and training, health and social development, and infrastructure, with 25.9% of the entire budget designated for education and training alone. The 2011 budget, the largest state expenditure to date, indicates that the Saudi government will continue to financially support the economic diversification of the Kingdom (US Saudi Arabian Business Council, 2012).

The 2012 spending plan of the finance ministry of Saudi Arabia showed that authorities would continue to spend heavily on welfare. It included funds to build 742 schools and 137 hospitals, a 13% increase in education spending to 168 billion riyals, and 1.1 billion riyals were earmarked for technical and vocational training to help move more of the country’s unemployed into jobs.

In light of the above discussion, the authors can infer that the presence and practice of social entrepreneurship and Saudi government spending on welfare are substantially high. Therefore, the authors do not have sufficient evidences to accept that the government spending on welfare activities is inversely related to the growth of social entrepreneurship in the context of Saudi Arabia.

**Interdependence Theory**

The interdependence theory on social entrepreneurship is the antithesis of the failure thesis theory. The interdependence theory assumes that non-profit organizations are more flexible and pro-active in responding to social needs. The interdependence theory based on the premise of the relationship between the government and the non-profit sector is one of the partnerships, and non-profit organizations deliver collectively financed social services on behalf of the government (Hartog & Hoogendoorn, 2010). Based on the “interdependence theory”, the authors put forward the second hypothesis as follows:

H2: The prevalence rate of social entrepreneurship is positively related to government spending on welfare.

As the authors have discussed on Saudi government’ spending on welfare and presence of social entrepreneurship in Saudi Arabia, they do not have sufficient evidences to reject H2.

**Welfare State Theory**

As per the welfare state theory, the strong economies produce strong welfare state. The traditional welfare state theory expects that the greater level of economic development, the more extensive the state provision of social welfare services, and the more extensive the state provision of social welfare services, the smaller the non-profit sector (Salamon & Anheier, 1996).

It means that the economic development is associated with an increase in the size of the welfare state and hence, in line with the failure thesis, higher levels of income or wealth decrease the demand for non-profits or social entrepreneurship (Hartog & Hoogendoorn, 2010).

Hence, the following hypothesis is formulated:
H3: The prevalence rate of social entrepreneurship is negatively related to GDP per capita.

In light of the above discussion, the authors need to know the GDP and per-capita income of Saudi Arabia and the presence of social entrepreneurship to verify whether the prevalence rate of social entrepreneurship in Saudi Arabia is negatively related to GDP per capita.

GDP indicates the market value of all final goods and services from a nation in a given year. The GDP of Saudi Arabia is 560.3 billion—(nominal value) the 21st rank worldwide (Central Intelligence Agency (CIA)—World Fact Book 2000-2011). The present GDP growth rate of Saudi Arabia is 6.5%.

GDP at purchasing power parity per capita has been calculated by finding the value of all final goods and services produced within a country in a given year divided by the average (or mid-year) population for the same year. GDP per-capita income of Saudi Arabia is $24,000 as purchase power parity and ranked 38th worldwide.

The GDP and per-capita income of Saudi Arabia are relatively high as compared with other factor-driven economies, and the presence of social entrepreneurship does not show any sign of negative growth. Therefore, the authors cannot accept the hypothesis that the prevalence rate of social entrepreneurship is negatively related to GDP per capita. Thus, H3 is rejected.

Supply-Side Theory

As per the supply-side theory, the presence and spread of social entrepreneurship mainly depend upon the availability and capability of individuals who are ready to undertake the entrepreneurial activities. The rate of entrepreneurship depends upon demand- and supply-side factors. The supply side can be explored with two cultural factors, namely, entrepreneurial spirits and individualistic and collective values. From the supply-side theoretical perspective, the authors can design the following hypotheses:

H4: The prevalence rate of social entrepreneurship is positively related to a society’s entrepreneurial spirit.

H5: The prevalence rate of social entrepreneurship is higher in individualistic society.

The entrepreneurial spirits and type of society (individualistic and collective) of Saudi Arabia can be understood with the help of Greet Hofstede’s Index (see Figure 1), and the entrepreneurial spirit can be deduced from the study conducted by the GEM and Legatum Prosperity Index 2011.

Entrepreneurship spirit. As per the GEM report, the score with respect to different parameters on entrepreneurship spirits the Saudi Arabia score is higher than the average and is performed fairly better as compared with other factor-driven economies. Table 1 gives the comparative analysis of entrepreneurship spirits in Saudi Arabia with other factor-driven economies.

<table>
<thead>
<tr>
<th>Country</th>
<th>Perceived opportunities</th>
<th>Perceived capabilities</th>
<th>Fear of failure</th>
<th>Entrepreneurial intentions</th>
<th>Entrepreneurship as a good career choice</th>
<th>High status to successful entrepreneurs</th>
<th>Media attention for entrepreneurship</th>
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<tr>
<td>Algeria</td>
<td>48</td>
<td>52</td>
<td>31</td>
<td>22</td>
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<td>58</td>
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<td>24</td>
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<td>Lebanon</td>
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<td>Saudi Arabia</td>
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<td>Syria</td>
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<td>Kingdom of Tonga</td>
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<td>91</td>
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Theoretical Perspective of Social Entrepreneurship

(Table 1 continued)

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<tr>
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<th>Perceived capabilities</th>
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<tr>
<td>Uganda</td>
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<td>Venezuela</td>
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<td>West Bank and Gaza Strip</td>
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<td>36</td>
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<td>88</td>
<td>78</td>
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<td>Yemen</td>
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<tr>
<td>Average (unweighted)</td>
<td>51</td>
<td>66</td>
<td>35</td>
<td>28</td>
<td>81</td>
<td>77</td>
<td>66</td>
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Notes. (1) X indicates more than average score of Saudi Arabia within the Middle East and North Africa (MENA) region; (2) No score available for Saudi Arabia on this dimension; and (3) Source: GEM 2009 global report.

The Legatum Prosperity Index assessed the Saudi Arabia on the parameter of “entrepreneurship and opportunity” and found that potential entrepreneurs in Saudi Arabia face average business start-up costs of 7% of gross national income (GNI) per capita, but perceptions are slightly more optimistic. An above average 73% Saudis believe that their local areas are good places to start a business. Access to high-tech infrastructure is relatively good. Eighty-six percent of people believe that working hard brings success. The performance on this parameter is above the average as compared with other MENA regions.

From the two reports, i.e., GEM report and Legatum Prosperity Index, the authors can safely infer that there exists a strong culture of entrepreneurship in Saudi Arabia. With respect to the second variable, the type of Saudi Arabia society (i.e., individualistic or collective), it can be deduced or observed from the Greet Hosfede’s Index and Legatum Prosperity Index 2011 (see Figure 1).

![Greet Hofstede's Index: Saudi Arabia](http://www.geert-hofstede.com/saudi-arabia.html)


The culture of Saudi Arabia can be explored through the lens of a five-dimension model, namely, power distance index (PDI), individualism (IDV), masculinity (MAS), uncertainty avoidance (UA), and long-term orientation (LTO). These five dimensions give a good overview of the deep drivers of its culture relative to other world cultures.
In the present study, the authors concentrate only on the IDV to understand whether Saudi Arabia is an individualist culture or collectivist culture? IDV score reflects the individualistic culture. Less score of IDV means that the society is collectivistic.

**IDV.** IDV reflects the degree of interdependence that a society maintains among its members. It has to do with whether people’s self-image is defined in terms of “I” or “We”. In Individualist societies, people are supposed to look after themselves and their direct families only. In collectivist society, people belong to “in groups” that take care of themselves in exchange for loyalty.

Saudi Arabia, with a score of 25, is considered as a collectivistic society. This is manifested in a close long-term commitment to the member “group”, be that a family, extended family, or extended relationships.

The above fact is further verified with the legatum Prosperity Index 2011. The survey revealed that strong family bonding and inculcating religious values and ethics in life created a strong family and community network. The survey found that Saudi Arabia ranked:

15th in the world with respect to the proportion of citizens who expressed trust in others. An above average, i.e., 36% of respondents to a 2010 survey had donated money to a charity in the previous month, and 51% of people had helped a stranger over the same period, ranking the country 39th and 42nd respectively, on these variables. Community and family networks in the country appear strong. More than 80% people turn to a friend or relative in a time of need. Saudi Arabia places 21st in the Index for its high 63% of people who are married, suggesting access to strong familial networks. Rates of attendance at places of religious worship place the country 21st, globally, on this variable, which suggests access to religious networks is also high².

In light of the above analysis and discussion, the authors can verify the hypothesis, i.e., “The prevalence rate of social entrepreneurship in Saudi Arabia is above the average and is positively related to a society’s entrepreneurial spirit”. As per the supply-side theoretical hypothesis, the prevalence rate of social entrepreneurship is higher in individualistic society. However, from the Greet Hosfdext Index and Legatum Prosperity Index 2011, the authors can easily infer that the Saudi Arabia society is a collectivistic country/society (not an individualistic country), and there is no sign of weak presence or spread of social entrepreneurship. Therefore, in light of this information, the authors do not have enough evidences to accept H5 that the prevalence rate of social entrepreneurship is higher in individualistic society.

Entrepreneurship Education and Social Entrepreneurship

On the basis of vibrant culture of entrepreneurship in country, the people level up their efforts to do something more meaningful for the society. Therefore, the entrepreneurship education is considered to be the path that leads to developing social entrepreneurship.

Providing entrepreneurship education in early stages of life is a seed of economic development. According to Mair (2010, p. 12), “A promising avenue lies in integrating social entrepreneurship into high school education and undergraduate program”.

Entrepreneurship education and training may take different forms, and the entrepreneurship education and training can be obtained at any stage of life. For example, all primary school pupils in Scotland receive “enterprise education”, which is not specifically about training in starting a business, but about being enterprising and entrepreneurial in a more general sense (Global Entrepreneurship Monitor, 2010).

As per the GEM special report 2010, it reveals that the entrepreneurship education or training impacts

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one’s entrepreneurial orientation. Many studies have indicated a link between entrepreneurship and both need for achievement and a belief in one’s ability to control one’s destiny. The report further reveals that the university graduates who have taken entrepreneurship courses are more likely to select careers in entrepreneurship, work in small businesses, and develop patented inventions or innovative processes, services, or products.

Many countries are recognizing the importance of entrepreneurship to national economic growth.

However, there exists a differing school of thought with respect to entrepreneurship education and economic growth. The study conducted by Solomon et al. (as cited in Almahdi & Dickson, 2010) suggests a dramatic increase in entrepreneurship education throughout the developed countries.

Almahdi and Dickson (2010) examined the impact of acquired variables such as experience and education on career outcomes and also built upon the assumption that education gives the dual benefits, i.e., it serves as a determinant of decision choice and provides benefits to specific venture.

According to Ferri and Urbano (2010; as cited in Sharir & Lerner, 2006) and others, it is expected that the citizens with higher levels of education are more likely to become social entrepreneurs.

Entrepreneurship education and training can create positive perceptions and desires among individuals to start businesses. Therefore, educators and policy makers may need to consider how to broaden access and increase the scale and scope of entrepreneurship training, beyond university locations and other on-site programs (Global Entrepreneurship Monitor, 2010).

Literature highlights a considerable range of studies of quality surveyed and it is clear from these studies that the empirical research on education for entrepreneurship is still at the exploratory stage. Although the links between entrepreneurial education and entrepreneurial activity are not at this time definitive, there are studies suggesting such a linkage.

In light of the above discussions, the authors can hypothesize that there exists a link between entrepreneurship education and social entrepreneurship.

To verify the above hypotheses, the authors need to understand the education system of Saudi Arabia in general and entrepreneurship education in particular.

**Education system in Saudi Arabia.** Until the late 19th century, education in all parts of Saudi Arabia was traditional and restricted to reading, writing, and Islamic studies. In 1975, the Ministry of Higher Education was established. The development plans of the 1970s and 1980s improved the education system considerably.

According to the World Bank, in 2007, 85.0% of adults (people age 15 years old and above) are literate, 98.1% of youth (people age 15-24 years old) are literate, 89.1% of male adults are literate, and 79.4% of female adults are literate.

According to the survey conducted by the Centre for Strategic and International Studies in 2011, it is mentioned that the overall, equal access to education for boys and girls has become nearly undisputed in Saudi Arabia. The vast majority of survey respondents are “happy that there are more girls attending university these days” (92% of women and 84% of men).

It is clear that the Saudi government has made an outstanding effort to universalize education. Education in Saudi Arabia is not compulsory, but it is free to all, textbooks and health services for students included.

**Entrepreneurship education in Saudi Arabia.** Students in Saudi Arabia are not confident enough to get the job, which can be reflected from the survey conducted by the Centre for Strategic and International Studies in 2011. The survey finding mentioned the nexus of employment and education where the kingdom’s greatest
reform challenges lie. Higher education is no guarantee that young Saudis will have the skills needed to meet the demands of an evolving workforce. The survey data show a remarkable desire among Saudi youth to address this challenge. Majorities of both men and women implicitly reject the traditional approach to learning which favors rote memorization. Sixty-seven percent of women and 61% of men feel that “there is little space for activities other than learning at universities.”

The latest trend is to include social entrepreneurship as a part of curriculum in many business schools, illustrating a new career path and opening the minds of future CEOs to envision for collaboration with social entrepreneurship (Mair, 2010).

Worldwide entrepreneurship education is not satisfactory and it is also very much slow to meet the community interest. Policy makers are still questioning whether entrepreneurship is worthy of investment, whether entrepreneurship training enhances their students’ abilities to compete in today’s job market, and whether their entrepreneurship students make stronger and more successful business leaders (Charney & Libecap, 2000).

The entrepreneurship education is still at the nascent stage in Saudi Arabia. Entrepreneurship education and training are not parts of a curriculum in secondary education and higher education in Saudi Arabia, even though there is presence and spread of social entrepreneurship. There are few universities in Saudi Arabia which offer entrepreneurship education through seminars, conferences, workshops, subjects, business idea contests (activities), or certificate courses.

From the above discussions, the authors can safely infer that the entrepreneurship education and training in Saudi Arabia need to be incorporated to a greater extent in primary and secondary curricula.

In light of the above discussions, the authors do not have enough evidences to accept the hypothesis that entrepreneurship education and training and the growth of social entrepreneurship are positively correlated. However, if the authors compare the general education with the growth of social entrepreneurship, they cannot reject the hypothesis that education and social entrepreneurship are positively correlated.

**Major Findings and Conclusions**

Saudi Arabia is a factor-driven economy, and its ultimate aim is to become an innovation-driven economy. The transition process will be faster and effective, if the determinants of entrepreneurship in general and social entrepreneurship in particular will be understood and incorporated nicely in designing and implementing the various policies to solve social issues. At present, the Saudi economy is not facing a problem of deficit, but the major source of income is coming from oil. In this context, it is necessary to know the key determinants of social entrepreneurship to develop a shared value to design and implement various policy measures to solve the social issues. The various theories on entrepreneurship reveal interesting findings. In the Saudi Arabian context, the interdependence theory fits well, meaning that the government spending on education, healthcare and welfare, the presence and spread of CSR, and entrepreneurship spirit of the country create a positive environment for the development of social entrepreneurship in Saudi Arabia.

As the authors have said, the government spending and rate of social entrepreneurship are not inversely associated in Saudi Arabia. It gives an important insight that the government of Saudi Arabia has been spending a huge amount of money on welfare, which is not counter-productive but shifts the economy to the next level which is innovation-driven. The innovation-driven economy demands the investment or spending in science, research, and technology. Since the economy of Saudi Arabia is in the transition mode,
entrepreneurship-oriented education, investment in research and development, science, technology, etc. may prove fruitful for the economy.

So far as the entrepreneurship education is concerned, the theory does not suggest any link between the entrepreneurship education and growth of social entrepreneurship in Saudi Arabian context, but such a link is there in the developed countries or innovation-driven economies. But if the authors compare the general education with the growth of social entrepreneurship, they cannot reject the hypothesis that education and social entrepreneurship are positively correlated.

These determinants of social entrepreneurship play a significant role in developing the various policies and programs and also work as a catalyst to sensitize the youth to play a positive role in solving the social issues with business acumen.

References