How to Encourage Entrepreneurship and New Business in the Kingdom of Saudi Arabia: Research on Regulations, Policies and Obstacles

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Abstract—Entrepreneurship is a crucial aspect of national development, so promoting entrepreneurship is a key principle measure for accelerating social and economic development. To encourage entrepreneurship in the Kingdom of Saudi Arabia we must understand the obstacles that hinder entrepreneurship so that we can foster measures and policies to create new business. These barriers are not the same for all people in society. Although some barriers are common to all people, others, such as young people, women, the physically disabled and the unemployed encounter unique barriers. This paper provides information on how to encourage entrepreneurship and the creation of new business in the Kingdom of Saudi Arabia, addressing regulations, policies and obstacles. It also highlights the barriers to creating new business and strategies for overcoming barriers in the Kingdom of Saudi Arabia. Identifying the obstacles to entrepreneurship could help remove barriers and make entrepreneurship accessible to all people living in the country.

Index Term—

I. INTRODUCTION

Oft. is the primary economic activity of the KSA with the petroleum industry contributing approximately 90% of export income and 80% of national budget revenues. Economic changes caused by the low price of oil have resulted in significant pressure on Saudi Arabia’s economy. The negative impact on production, unemployment and government spending rates have led to a search for ways to diversify the Saudi economy so as not to rely so dramatically on oil. In this situation, the government should turn to the productive economy, support entrepreneurship and encourage people to learn the obstacles that hinder their success. Such moves are aimed at creating employment opportunities for the ever-growing Saudi Arabian population while reducing the country’s overdependence on petroleum markets. Most graduates face career challenges in the labor market, and Saudi entrepreneurs face more challenges due to government policies in particular. Conversely, private industry contributes significantly to the national GDP. Therefore, many government policies must seek to encourage the growth of private industry. A number of people interested in developmental affairs believe that developing small enterprises of the main sectors of economic and social development in countries, and the process in general, is the key starting point for increasing production capacity and addressing the scarcity of jobs. This leads to the concept of entrepreneurship for all people, especially young people living in Saudi Arabia.

A. Objectives

This paper will answer one question aimed at understanding how to encourage entrepreneurship and the creation of new business in the Kingdom of Saudi Arabia. Our aim is to identify the most important challenges faced by Saudi entrepreneurs and the methods that should be used to overcome them.

B. Importance of the paper

1. The growing importance of this paper is its compatibility with one of the strategic objectives of the vision of Saudi Arabia 2030, which is to achieve an increase in the contribution of small- and medium-sized companies in the national economy from 20% to 35%, lowering the unemployment rate from 11.6% to 7%.

2. This is the perfect time to determine how to encourage entrepreneurship in the Kingdom of Saudi Arabia, and depending on the oil market, the lack of jobs for graduates, as well as government policy in the current situation.

3. Highlighting the barriers and strategies to overcome these barriers can serve as a guide for future entrepreneurs in Saudi Arabia, as they will be able to avoid these barriers.

4. Papers about entrepreneurship in Saudi Arabia are useful and important for Saudi young people who are seeking financial independence and social freedom.

II. METHODOLOGY

This paper will employ a qualitative and quantitative case study approach to gather information.

The characteristics of participants for this paper are Saudi entrepreneurs who specifically meet the following criteria:

1. The chosen entrepreneur is the founder and a decision maker of the business.

2. The chosen entrepreneur must have been in business for at least two years.

3. The chosen entrepreneur must represent one of the various regions in the Kingdom of Saudi Arabia.

The sample will include people from different cities in Saudi Arabia – from Riyadh, Jeddah and Dammam.
A. Scope

This paper will focus on regulations, policies, and obstacles that Saudi entrepreneurs face.

The questionnaire will be distributed among a sample of entrepreneurs in local small businesses.

This paper will focus on entrepreneurs in Saudi Arabia from Jeddah, Riyadh and Dammam.

This paper offers information regarding the business experiences of only a handful of entrepreneurs.

III. LITERATURE REVIEW

This topic has drawn considerable interest from various scholars given the current availability of materials on the issue. However, this section will focus on several studies that are most relevant, interesting and important.

The modern understanding of an entrepreneur could be described as a person who destroys the existing economic order by introducing new products and services, by introducing a new method of production, by creating new forms of organizations, or by exploiting new raw materials [1].

To Joseph Schumpeter, entrepreneurship occurs when there is innovation in the introduction of a new product, organization or process; hence, his understanding of an entrepreneur was a conceptual abstraction characterized by the creation of new combinations [2].

In 1999, Wennekers and Thurik [3] presented a wide picture of entrepreneurship, noting that it is the manifest ability and willingness of individuals, on their own terms, within and outside existing organizations, to perceive and create new economic opportunities, new products, new production methods, and new market combinations.

The problem of defining the word "entrepreneur" and establishing the boundaries of the field of entrepreneurship has not been solved [4].

The definition developed by Acs and Audretsch embraces all businesses that are new and dynamic, regardless of size or line of business, while excluding businesses that are neither new nor dynamic, as well as all nonbusiness organizations [5].

Entrepreneurship has an instrumental value that it is accorded in economics; as a process, it accords attention given in management studies on the start-up, growth and exit of firms. As a state of being it recognizes that entrepreneurship is not limited to being instrumental; it is often valued in itself.

Entrepreneurship is the willingness and capacity to organize and manage a business venture alongside all the risks involved in making a profit. The main example is the starting of a new business, which is characterized by risk-taking and innovation as essential aspects of a nation’s ability to succeed in a competitive global marketplace. While many definitions of entrepreneurship focus on launching, planning, and running successful businesses with high risk being involved, a significant number of them close due to lack of funding, economic crisis, and poor management decisions.

An entrepreneur runs a small business rather than working as an employee and assumes all the rewards and risks of a given venture. Entrepreneurs are commonly seen as leaders as well as innovators of business processes and new ideas. They are normally good at perceiving new opportunities while exhibiting positive biases in their discernment of new possibilities and unmet market needs [6]. Their driving force it to identify and fulfill market needs by exploitation of an eminent business opportunity.

Moreover, entrepreneurship involves control of a commercial undertaking and directing of the factors of production, such as financing, human resources, and material resources that are necessary and relevant in exploiting a business opportunity.

Exploitation of entrepreneurial opportunities involves activities such as the development of a business plan, acquisition of material and financial resources, hiring of human resources, providing leadership, and being personally responsible for the venture’s success or failure. It is important to acknowledge the fact that the entrepreneurial spirit is characterized by risk-taking and innovation. Entrepreneurship is normally associated with start-ups and small businesses. However, entrepreneurial behavior can be seen in medium- and large-sized firms, established companies, non-profit and charitable organizations, as well as in government institutions. The bottom-line about entrepreneurship is the identification of opportunities and development of excellent innovative ideas to exploit them while offering leadership and business direction.

Entrepreneurship thrives in an environment that often includes government programs that promote it and support start-ups. Similarly, it requires non-governmental organizations, such as advocacy groups, small business associations, and consultants, to lobby the government to increase their support for entrepreneurship programs in terms of creating business-friendly laws and regulations. In addition, the government can offer resources and facilities, such as seed accelerators and business incubators, entrepreneurship education and training programs, venture capital financing, and private foundation grants [6].

The greatest entrepreneurship hubs in terms of offering strong ecosystems for business include Silicon Valley, Singapore, Berlin, Boston, and New York City. These areas consist of high technology firms, research companies, and leading venture capitalists who act as thought leaders in the business world.

A. Characteristics of Entrepreneurship

- Economic and Dynamic Activity

  It is an economic activity because it involves running an enterprise with a view to creating value and wealth by ensuring optimum utilization of scarce resources. Because value and wealth creation is achieved under an uncertain business environment, entrepreneurship is, therefore, considered a dynamic force. It requires dynamic restructuring and improvement of business ideas to adjust to changing needs of consumers and to cope with growing market competition.

- Risk Bearing

  The entire essence of undertaking entrepreneurship is the willingness to take risk arising out of the implementation of new
ideas [7]. The latter are uncertain in the sense that their results may not be instantaneous and positive. An entrepreneur must be patient to recognize small and gradual outcomes of efforts. Such people are supposed to assume risk, especially during the time between the conception of the idea and its implementation, as well as the results.

- **Profit Potentiality**
  The likely level of return for any entrepreneurial activity is profit. The risk undertaken is compensated by the profit potential of the venture. Without it, the efforts of entrepreneurs would remain theoretical activities. The potentiality of the profit being expected is the driving force for any entrepreneurial effort.

- **Innovation**
  Entrepreneurship involves a constant and continuous search for new ideas in business. It compels individuals to evaluate existing modes of business operations and to develop more effective systems. Therefore, it can be said that entrepreneurship is a continuous effort for optimizing performance in organizations.

  The impact of entrepreneurship on economic performance has generated a significant number of studies. The role of entrepreneurship in economic growth began with the ideas of Smith [8] whose overriding goal was to understand the wealth-creation process, with the division of labor being limited by the extent of the market.

  As the market grew, entrepreneurship would lead to innovation, which would lead to an increasing division of labor and increased productivity. However, entrepreneurship has not played a central role in economic theory.

  Traditionally, a country’s economic output is seen as a function of capital and labor inputs, combined with technological change, [9].

  A number of empirical studies reveal the positive effect of entrepreneurship activity on economic growth. Entrepreneurship as a driver of economic development and some authors include entrepreneurship as a fourth production factor in the macroeconomic production function.

  Economic development is the aspect of enhancing the factors of productive capacity, such as the land, capital, labor, and technology of a state, nation, or a local economy. Economic development occurs when the real per capita income for a country increases over a certain period of time.

  The critical role that has been played by entrepreneurs in Western countries has reinvigorated consciousness among the underdeveloped countries regarding the significance of entrepreneurship in economic development. Entrepreneurs are key players in a country’s economic welfare because they take the leading role in introducing innovations [10]. They perceive opportunities, search for change, and gather resources such as financing, human resources, and capital to fully respond to an imminent opportunity.

  Through the innovation and introduction of new business ideas, new businesses are created. Such start-ups create employment for people whose services are needed in business operations. Many small businesses are created through entrepreneurship, and they tend to create employment progressively as they grow. Eventually, they become big businesses with networks countrywide and regionally, and some become international in terms of their products and service delivery. With large numbers of people gaining access to employment opportunities, their incomes contribute to the Gross Domestic Product (GDP) of their respective country. Tax receipts are increased, and the government receives more money to support its programs such as infrastructural development, health-related courses, education and training, and strengthening of financial institutions.

  Government projects lead to increases in money circulation, which enhances economic activity. The latter attracts investment into the economy with more businesses establishing production and service delivery firms in the country; an entire cycle of economic development emerges.

  Small businesses are a source of income for the majority of a country’s workforce, and they create a foundation for increasing business activities. This improves the standards of living for low-income earners and at the same time increases their economic prospects of transiting to the next level of the income gap. Economic development is measured by the number of people who can afford basic living expenses, such as decent housing, food, and education.

**B. Entrepreneurship and Small Business in Saudi Arabia**

  Saudi Arabia is the world’s largest oil producer, possessing approximately 25% of global petroleum reserves. The Saudi government has been encouraging the growth of private sector to increase employment opportunities for its citizens and to reduce the country’s dependence on oil. There are major opportunities for investors in other sectors despite the fact that the country’s economy is driven by oil revenue. In addition, the Saudi government has offered various incentives for entrepreneurs and small business investors to invest in their country.

**C. Obstacles, Regulations, and Policies faced by Entrepreneurs and Small Businesses in Saudi Arabia**

  Many incubators of entrepreneurship in Saudi Arabia are affiliated with the government, which means that the private sector is not vibrant enough to support the growth and development of entrepreneurs. Therefore, it is imperative to note that the absence of a vibrant private sector poses considerable challenges for the growth of entrepreneurship.

  Many entrepreneurs with start-ups end up with unfulfilled experience because they do not gain access to funding from banks to run their businesses.

  A number of young professionals prefer working for the public sector, so it is difficult to find talent for start-up businesses. To overcome this challenge, entrepreneurs must hire fresh graduates and offer them opportunities that would not ordinarily be offered. The main challenge is that start-ups are not financially stable to offer employees huge incentives due to the fact that they are at a take-off stage where resources are scarce.
Legislation managing the entrepreneurship and emergence of small companies is missing, although some positive efforts have appeared with the creation of an authority for SMEs laying out the specifications for the management of the sector going forward.

This year marks the introduction of a new decade of entrepreneurship and innovation in the KSA, which plans to be among the most competitive countries in the world. Romero-Martinez and Montoro-Sánchez [11] argue that a vibrant economy is driven by a new generation of forward-looking and creative entrepreneurs.

Recently, King Salman bin Abdul Aziz launched the Vision 2030 [12]. The Vision of Saudi Arabia in 2030 contains messaging directed at entrepreneurs as the next economic power and exploits their energies used to lead their businesses in support of small- and medium-sized enterprises.

Small- and medium-sized enterprises are some of the most important engines of economic growth. Their contribution to gross national product is low in the Saudi economy compared to developed economies.

The strategic objective of Vision 2030 is to achieve an increase in the contribution of small and medium enterprises in the total national economy from 20% to 35%, lowering the unemployment rate from 11.6% to 7%.

Additionally, King Abdullah bin Abdul Aziz launched the Saudi Fast Growth 100, a national program aimed at promoting innovation and entrepreneurship. It works by ranking the fastest growing enterprises in the country based on revenue.

The Saudi government has been extremely active in its labor market via its job nationalization program (Nitaqat). The Nitaqat program is an initiative launched by the Ministry of Labor with the aim of integrating local labor and reducing foreign labor. A particular issue in Saudi Arabia is the unusual share of expatriate labor in the labor force.

Saudi Arabia’s labor market and mobility are distorted and marked as rigid because of Nitaqat plans. It is challenging that start-ups bear the cost of the current Nitaqat targets when they must replace more skilled and less expensive foreign labor with the often less committed Saudi national labor.

In the Kingdom, the educational system has not been motivating creativity and innovation but has instead promoted imitation and memorization. Furthermore, Romero-Martinez and Montoro-Sanchez [11] reveal a lack of a clear strategy for promoting creative teaching methods in schools.

Today, the school curriculum lacks business-related knowledge, only focusing on math and science courses for secondary school.

Alain [13] reveals that cultural variables are still a cause for concern in the business field. Such factors continue to close the door to new ventures in the country. Saudi culture is characterized as highly dependent and risk averse. Unlike being a successful businessperson, holding a high military rank or government post is perceived as positive by society.

The factors motivating entrepreneurship in the Kingdom mean that psychological force drives people to take business actions. These motivational factors can be categorized as economic, personal and social motivations.

Previous studies have examined the factors that encourage Saudi Arabians to be entrepreneurs. Hatala [14] explains that the most factors that encourage people to participate in business are due to transcendental or intrinsic factors such as a desire for internal control, independence, interest in accepting challenges, the opportunity to determine one’s own destiny and the opportunity to develop skills. On the other hand, extrinsic motivation is due to unemployment.

In looking at the impact of education and the significance of degree curriculum on entrepreneurship, a variety of crucial concerns regarding development issues come to the fore. Kayed and Hassan [10] argue that properly constructed and implemented degree programs can significantly reduce the negative effect of these concerns in Saudi Arabia.

According to Kayed and Hassan [10], unemployment is a major social issue in the KSA. They suggest that self-employment in small enterprises has emerged as a partial solution. Entrepreneurship education plays a critical role in changing attitudes and providing skills for young people, which will enable them to start and run small enterprises.

Furthermore, the rapid pace of industrialization, especially through small-scale business, requires a higher supply of people with entrepreneurial skills. As Saudi Arabia’s economy evolves from an over-reliance on the petroleum economy to a diversified industrial economy, the supply of entrepreneurs involved in technology and manufacturing oriented businesses should increase. Private and public educational institutions are capable of producing potential entrepreneurs by incorporating entrepreneurship education into their degree curricula.

In any country, the government and the private sector are inextricably connected, whereby the actions of one normally impose consequences on the other. As such, the findings of this study recommend that if entrepreneurship is to thrive in the Kingdom of Saudi Arabia, then, changes must occur. The government’s priority is to keep the economy healthy through creating an environment for small and large business ventures.

D. Data Analysis and Results Discussion

In this paper, the calculations and analysis are fully studied and discussed, and the results of the survey and analysis will be presented.

- Questionnaire design and development

An appropriate questionnaire will be designed and developed to cover all aspects of the paper. As the questionnaire is reliable, the resulting paper will reflect the correct status of entrepreneurship and new business in the Kingdom of Saudi Arabia. The questionnaire will be distributed to Saudi entrepreneurs.

- Questionnaire analysis

Based on the questionnaire output, the current status of entrepreneurship and new business in the Kingdom of Saudi Arabia will be determined and the obstacles faced by
entrepreneurs will be defined.

- **Assessment of entrepreneurship and new business in the Kingdom of Saudi Arabia**
  After defining where entrepreneurship and new business in the Kingdom of Saudi Arabia are positioned, we also highlight the barriers to creating a new business and strategies for overcoming them. Identifying the obstacles to entrepreneurship could help in countering the barriers.

**E. Data Collection**

To collect the requirements from the entrepreneurs, the following method was used:

**F. Meetings with Entrepreneurs**

A meeting was held with entrepreneurs to discuss the requirements and to learn about the history, present and future plans, as well as to complete the questionnaire.

In fact, interviews and discussions with entrepreneurs are very useful in determining the current status of entrepreneurship and new business in the Kingdom of Saudi Arabia, as well as in developing solutions to the obstacles faced by entrepreneurs.

To determine the current status of entrepreneurship and new business in the Kingdom of Saudi Arabia, the questionnaire was designed and prepared according to objectives of the paper. The questionnaire consists of 16 questions covering how entrepreneurs address regulations, policies and obstacles. The number of participants was 30 entrepreneurs from Jeddah, Riyadh and Dammam.

The questionnaire was distributed to target audience, and the response rate was 100%. Responses were helpful in determining the current state of entrepreneurship in an accurate and professional manner in Saudi Arabia’s three largest cities.

All the participants received sufficient time to complete the questionnaire; participants had the option of whether to identify themselves, which allowed them to assess the situation without feeling additional stress or special considerations.

**IV. RESULTS DISCUSSION**

The following charts and diagram show some of the results.

**Question 1: What is your educational level?**

- **Educational level (Entrepreneurs)**

  ![Fig. 1. Results for question 1.](image)

  Based on the results, we see that approximately 63% of entrepreneurs hold a bachelor’s degree, and 27% of entrepreneurs hold a master’s degree or higher. Approximately 7% of entrepreneurs hold diplomas. The smallest percentage (3%) holds secondary degrees.

**Question 2: Which income level were you in when you started your own business?**

- **Income Rate**

  ![Fig. 2. Results for question 2.](image)

  We see that approximately 57% of entrepreneurs had an income rate of less than 8,000 riyals, 37% of entrepreneurs had an income rate ranging from 8,000 to 20,000 riyals, and 6% of entrepreneurs had an income of more than 20,000 riyals.

**Question 3: Did any of your friends or relatives influence you in starting your own business?**

- **Effect**

  ![Fig. 3. Results for question 3.](image)

  We see that approximately 53% of entrepreneurs were influenced by their families, and 27% of entrepreneurs were not influenced by anyone; 20% of entrepreneurs were influenced by their friends.

**Question 4: What is the motivation behind your decision to start your own business?**

- **Motivation**

  ![Fig. 4. Results for question 4.](image)

  We see that 33% of entrepreneurs were motivated by hearing stories of successful entrepreneurs, 20% of entrepreneurs were motivated by providing a successful idea, and 20% by the lack of jobs. Approximately 17% of entrepreneurs were motivated by love of adventure and innovation. The smallest percentage (10%) of entrepreneurs was encouraged by friends and family.
Question 5: What are the obstacles that you encountered when you launched your business?

We see that all entrepreneurs said procedures and government regulations, including policies and regulations of the Ministry of Labor, as well as recruitment and training of workers, are the main obstacles that they encountered when they launched their business. Ten entrepreneurs cited operations management, eight entrepreneurs mentioned the need to secure financing, six entrepreneurs mentioned working with customers, and five entrepreneurs noted sales and marketing.

V. RECOMMENDATIONS AND CONCLUSION

Through this part of the paper, the recommendations will be shown and explained as they relate to each question. In fact, these recommendations are made based on the results and current situation of each regulation, policy and obstacle. We also present strategies of how to overcome these barriers in the Kingdom of Saudi Arabia.

After the results were analyzed, we concluded that there were several key themes:

- Community environment
- Societal and cultural constraints faced by new entrepreneurs
- Low entrepreneurial spirit, entrepreneurial love and the absence of ideas that increase entrepreneurship
- Financing
  Funding is one of the main difficulties faced by entrepreneurs, as funding from traditional banking, such as loans, may not be broadly available for start-ups unless there is a guarantee for the loan.
  Also cited was the difficulty in working with banks due to the large number of procedures and the large amount of collateral required by them. It was noted that it is very difficult to obtain bank financing for projects because of frequent routine procedures and official signatures required to obtain loans. This is in addition to the large personal and in-kind guarantees required by banking institutions as a condition for financing.

Commercial banks believe that the risks of young business projects are very high compared to the large projects that are implemented by the major companies.

- Liquidity problems. Some people mistakenly ask for too much funding, while some resort to borrowing less than what is estimated in the feasibility study, which means that they may have to resort to borrowing more than what is estimated in the feasibility study. If they borrow less than what is estimated in the study, the project may fail, but if the borrower borrows more than the project needs, the owner will be committed to paying more monthly installments and thus affect the liquidity of the project.
- The difficulty in licensing and registration: There is a great difficulty in obtaining licenses for installations, especially in terms of routine procedures and signatures and the absence of a single window that enables people to carry out all the required procedures in one place.
- The large number of regulators. Entrepreneurs face many problems due to the large number of regulatory bodies, conflicting decisions and unclear procedures.
- Poor coordination with the Ministry of Commerce and Ministry of Labor to support the needs of small and medium enterprises in the Kingdom of Saudi Arabia.
- Weaknesses in existing laws and procedures related to the labor market.
- Primary dependence on government funding of the largest possible period to continue.
- Control by some of the giants on the Saudi market that do not give entrepreneurs an opportunity to take part in government tenders.
- Data centers and information
  There is also a lack of interested parties to provide data, statistics and surveys of market entrepreneurship, along with low efforts directed toward helping entrepreneurs with production planning and linking it to market needs.
• Not paying sufficient attention to the development of youth entrepreneurship projects by creating the right environment.
  Poor training
  Lack of sufficient experience and training that gives entrepreneurs qualifications to achieve success and continuity.
• Entrepreneurs in the Kingdom of Saudi Arabia do not lack innovation or talent, but they lack the proper training on the various aspects of their business. Occasionally, wonderful ideas fail to attract funding because of weakness in the presentation of the idea, or start-up companies with a bright future stop due to lack of management efficiency. Training and care are two important components in supporting entrepreneurs. Poor administrative and financial expertise. The procedural obstacles are weak administrative, financial and technical expertise of project owners, in addition to the lack of a proper organizational structure among most young young entrepreneurs, which often create problems such as the inability to achieve separations between ownership and management.
• The lack of full experience and management by these enterprises’ owners, the status and procedures of entering the market and their inability to estimate market share.
• Randomization in the implementation of projects. Some young entrepreneurs sometimes select projects that are unsuitable for their environment. This is in addition to the lack of adequate research since most of these studies are conducted without market research, without a technical study of the costs of the project and without conducting a project feasibility study.
• The lack of demand for vocational and entrepreneurial work by young people because of the social perception of this work, the fear of risk in entrepreneurship and the tendency towards stable government jobs and jobs with fixed income.
• Obstacles faced by entrepreneurs include exposure to the severe pressures of work, especially in the establishment phase.
• Growing financial risks that could lead to bankruptcy.
• Low profit margins at the beginning of pilot projects.
• Some entrepreneurs have stopped activity because of exposure to losses at the beginning of the project.
• Devouring the majority of the profits in wages and other expenses at the beginning of the project.
• The lack of leading business expertise in determining the need for employment.
• Choosing the field of activity is not consistent with the potential and skills of the entrepreneur.
• Weaknesses in rationalizing the consumption of resources available at the beginning of the project.
• The lack of consultative and directive assistance by the government, which leads them to fail.
• Lack of educational curricula supporting leadership in general education schools.
  The lack of educational curricula in public schools addressing leadership, in general, has a significant impact on the failure of some young people in their projects.
  Entrepreneurial leadership is systematic and planned, but is not sufficient in teaching young people when they are 20 or 25; this must be learned at a young age in order to face future challenges.
• The Saudi environment is difficult because it pits young projects against larger projects without strengthening the former to compete successfully.
  They are not just difficulties or obstacles but are challenges that stem from real problems that require radical solutions.
  To overcome these obstacles and challenges, the following must first be addressed:
• Government ministries should work to provide the necessary infrastructure for the work of pilot projects and to create the legal environment and legislation to encourage and protect them.
• Labor and trade laws should be amended and include special paragraphs for young entrepreneurs to facilitate their work, giving them tax exemptions, etc.
• Government performance should be more flexible in accepting new ideas for young people.
• Business incubators should be established for all sectors so that they adopt the ideas of youth to become practical and realistic.
• Business incubators should be developed to cover all regions of the Kingdom of Saudi Arabia.
• Entrepreneurs needed to run and manage projects should be acquired by business incubators.
• The role of banks in project financing should be enhanced.
• Banks and financial policymakers should be encouraged to allocate programs to finance pilot projects for young people through the creation of credit funds, along with access to credit and microfinance.
• International institutions should be attracted to finance projects and facilitate their work procedures within the Kingdom.
• Appropriate means to market pilot projects and avoid potential risks should be determined.
• Awareness programs on the importance of pioneering and professional work in raising the standard of living should be conducted.
• Entrepreneurship and presenting success stories should be encouraged.
• Information on opportunities in the market, training, acquiring professional skills and access to capital should be provided.
• Innovation and individual and collective initiatives should be encouraged.
• The complexity of the procedures necessary to establish the project should be reduced.
• Administrative costs in establishing a project should be reduced.
• Training and qualification programs for existing entrepreneurs or projects under construction should be provided.
• Awareness and community perception of the importance of entrepreneurship and self-employment should be promoted.
• Leadership among young people in the educational stages should be encouraged by instilling leadership in different educational curricula rather than teaching just one subject; teaching should be accomplished through practical applications.
• Subjects at the stage of primary education should be provided to encourage students to pursue entrepreneurship and self-employment.
• Work to develop faculties of business departments at universities in the emerging regions of the Kingdom should be undertaken to help young people by consulting them.
• An inclusion approach means entrepreneurship education in the public schools until young people are aware of the importance of this sector and until income per capita is particularly high, as is the state's income in general.
• The need for awareness of the importance of entrepreneurship programs should be intensified, as should the active role played by the sector in transforming society's knowledge.
• Work should be undertaken on modeling some successful development projects in the emerging economies of knowledge, such as Malaysia and Korea.
• Contests concerning entrepreneurship and its contribution to raising public awareness of the importance of entrepreneurship should be held.

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