

Saudi Women's Development Research: A Perspective on Economic Structure

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Abstract: Women's development is a widely recognized issue in developing countries, and ensuring women's rights is a crucial element in achieving sustainable national development. This paper focuses on the development of Saudi women, analyzing the interactive relationship between women's development and economic structure. The study finds that economic structure plays a pivotal role in the process of Saudi women's development, and different types of economic structures directly impact the extent of women's development. With the ongoing implementation of the national transformation plan, Saudi women are poised for rapid development in the future, further securing their rights.

Keywords: Saudi women's development; Economic structure; National transformation plan

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In modern times, with the advancement of globalization and the clarification of societal division of labor, women's issues have gradually become one of the core societal concerns. Economic structure generally refers to the interrelationships among factors such as industries, regions, labor structures, and economic components within a national economy, reflecting the fundamental characteristics and development status of a country or region's economy. This paper, from the perspective of economic structure, analyzes the connection between Saudi women's development and the transformation of economic structure, exploring the interactive relationship between the two. This exploration holds significant guiding implications for understanding Saudi national policies and grasping the future development direction for women.

1. Women's Development in Pre-Oil Saudi Economy

Before the oil-based economy in Saudi Arabia, women's development was shaped by the country's societal and economic structure. Prior to the founding of Saudi Arabia, the Arabian Peninsula relied primarily on a nomadic economy. Ibn Saud aimed to establish a centralized state, transforming fragmented tribal rule and the downsides of nomadic society. He encouraged nomads to settle in agricultural areas, transitioning them from desert living to cultivating land, thereby ensuring material support for the nation's functioning. During this period, societal roles were distinctly gendered: men were predominantly involved in warfare, protecting tribal territories, and visiting cities for essential goods, while women took charge of domestic chores such as cooking, cleaning, laundry, ironing, gathering firewood, fetching water, grinding seeds, and importantly, raising children. There was some overlap in tasks within households, including activities like herding, farming, and harvesting.

In the early days of Saudi Arabia's establishment, the economy was underdeveloped, relying heavily on a nomadic structure. Approximately 55% of the population remained nomadic, with settled and semi-settled populations accounting for about 35%, and only 10% residing in major cities.^[1] Saudi Arabia functioned under a traditional agricultural and pastoral economy, with a significant portion of the population dispersed in tribal formations across different regions. Given the extreme scarcity of resources, women shouldered a portion of societal production responsibilities to meet household needs. Within this economic structure, societal activities

were limited, with minimal inter-regional movement, often within familiar networks of relatives and tribal members, thus reducing constraints on women's activities. Women in urban settings faced more restrictions imposed by their families, often confined to their homes and required to wear veils when outside. In rural areas, only married women were permitted to work outside their homes, while unmarried women could visit relatives during festive occasions, otherwise remaining at home. In nomadic regions, both married and unmarried women participated in herding activities.^[2]

2. Women's Development in the Saudi Oil Era

During the Oil Era in Saudi Arabia, pivotal changes occurred in the country's economic landscape, significantly influencing the development trajectory for women. In 1933, Saudi Arabia signed an oil concession agreement with the American company Standard Oil of California, granting it exploration rights, marking the beginning of oil revenues as a primary income source for the country. It wasn't until the 1970s that Saudi Arabia achieved the nationalization of Aramco through a "buyout" process. The flourishing oil industry expedited urbanization in Saudi Arabia. By 1970, the urbanization rate surpassed 50%, continually accelerating until reaching close to 90% by 2015. The booming oil economy propelled the growth of related industries, gradually transitioning the traditional socioeconomic structure towards an open oil-based economy. This structural shift in the economy significantly impacted the lifestyles of Saudi women. While the oil economy became the core driver of Saudi social development, the mismatch between economic growth pace and social transformation posed several issues.

The economy became relatively singular, with the oil industry offering limited employment opportunities. Following the nationalization of Aramco through a "buyout," oil revenues became a crucial financial source ensuring stability for the royal regime and supporting national development. Its contribution to government fiscal income surged from 70.8% in the 1980s to 92.5% in 2011. As the country entered the 21st century, Saudi Arabia's public finances almost entirely relied on oil revenues. Despite efforts by King Faisal and King Abdullah to boost non-oil industry income, establishing a diversified economic structure for national income, the dominance of the oil industry in the economic structure remained unshaken. Due to the squeeze from the oil economy and the monopolization by family enterprises, the capacity of private enterprises to absorb employment significantly diminished.^[3]

The welfare benefits of economic development were enjoyed by a minority. Despite substantial investments in education, the purpose of education aimed to uphold traditional beliefs and ideologies. In Saudi's traditional society, the "public space" equated to the "male space," reserved for political, economic, and religious activities. Women were relegated to the private sphere, and safeguarding this private space was the responsibility of all males. In this society founded on such traditional norms, a strong patriarchal system was established. Women, to some extent, were regarded as the "property" of males, existing as dependents of the male members in their families, with a direct connection between women's behavior and the honor of the male household members.

The social welfare system, rooted in oil finances, has been both a boon for Saudi citizens and a significant burden on the national treasury. Saudi Arabia's social welfare structure aimed to ensure every citizen shares in the benefits of the oil economy, eliminating factors causing societal instability. Since 1970, the Saudi government initiated five-year plans, gradually establishing an elaborate social welfare system. Over the years, Saudi Arabia's social security expenditures have consistently accounted for a substantial portion of total fiscal spending. During specific periods, the nation increased welfare subsidies for its citizens. The comprehensive welfare system has brought numerous benefits to the Saudi population but has also reduced their willingness to participate in the workforce. Against the backdrop of a thriving oil economy, women exhibit even less willingness to enter the job market.

Global mobility of human resources has significantly impacted Saudi Arabia's labor market. Foreign laborers have heavily squeezed the domestic employment space, making it challenging for women to engage in the country's nation-building processes. In the 1970s, during the boom of the Saudi oil economy, the nation faced a shortage of domestic workforce with the necessary skills and qualifications for the burgeoning oil industry. There was an urgent need to import a large number of foreign personnel in the oil industry. However, the employment of a substantial foreign workforce led to significant outflows of foreign exchange reserves. Since 2000, remittances sent out from Saudi Arabia have averaged about \$15 billion annually, with billions more carried back by laborers each year. Despite these challenges, the proportion of foreign laborers in Saudi private enterprises has consistently remained between 80% to 90% since the 20th century.

3. Women's Development in the Context of Saudi Economic Transformation

Under the backdrop of Saudi Arabia's economic transformation, especially since King Salman's accession to the throne in 2015, the nation introduced the "Vision 2030" initiative, a central component of its national transformation plan aimed at diversifying the economy and reducing reliance on oil through structural reforms. This shift in Saudi economic policy has brought opportunities

for women to engage in societal development, with a series of social reform policies facilitating greater convenience for female employment.^[4]

Saudi's societal relaxation policies have granted women more freedom of movement. After Salman's ascent, the Saudi government implemented numerous policies to alleviate constraints imposed on women, providing them with increased autonomy and encouraging their participation in societal development. These policy relaxations have reduced the need for male supervision over women's involvement in social activities, significantly lowering the costs associated with female participation in societal building. Gender-based social barriers have gradually diminished, and the business environment has begun evolving towards a more accommodating direction.

The trend towards diversified industries has offered more opportunities for women to integrate into society. One of the core objectives of Saudi's "Vision 2030" is to elevate the non-oil exports' contribution to GDP from 16% to 50%. Given Saudi Arabia's high reliance on oil, achieving a higher proportion of non-oil GDP necessitates the development of other industries, including substantial efforts in tourism, e-commerce, and emerging energies. This shift will unleash women's potential in society, boosting female employment. According to reports from Saudi media outlet Al Arabiya, the employment rate among Saudi women reached 36% by the end of 2022, a significant increase from 19% in 2016.

Employment quotas have provided policy support for women entering the job market. Saudi Arabia has long grappled with a high dependence on foreign labor, posing constraints on sustainable economic development. Consequently, the government has endeavored to reduce the proportion of foreign workers in the Saudi labor force. In 2011, Saudi Arabia introduced the "Nitaqat" program to enhance employment rates among Saudi nationals and decrease the reliance on foreign labor. This policy framework has undeniably provided policy backing for Saudi nationals to enter the job market. Following King Salman's ascension, a series of relaxed social policies, including the gradual abolition of segregation, male guardianship policies, the ban on women driving, and travel restrictions, have reduced barriers for women entering the labor market, enabling them to transition from "specific spheres" to public spaces.

Conclusion

In different economic structures, Saudi Arabia's expectations of women have shown significant variations. Before the discovery of oil, Saudi Arabia predominantly relied on agricultural, pastoral, and pilgrimage economies. Life and production units didn't involve inter-regional activities, allowing women direct involvement in social production activities with more freedom. They were not obligated to wear veils, robes, or adhere to gender segregation. The prosperity of the oil economy and the establishment of an oil-centric economic system reshaped Saudi Arabia's tribal societal structure, leading to the emergence of a "public space" woven by unfamiliar interpersonal relationships, accompanying the process of urbanization. Faced with the impact of modernization, the Saudi government responded defensively, erecting an invisible barrier between genders, segregating men and women. Starting from 2016, in pursuit of economic transformation goals, Saudi Arabia gradually relaxed restrictions on women, unleashing their potential in economic development.

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