

Bridging Barriers: Women's Entrepreneurship in the MENA Region Amid Socioeconomic, Institutional, and Technological Challenges

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Abstract: This article explores the institutional, social, and technological factors influencing women's entrepreneurship in Morocco and Saudi Arabia, drawing on 40 in-depth interviews with female entrepreneurs. Despite policy reforms under frameworks such as Saudi Arabia's Vision 2030 and Morocco's National Initiative for Human Development, women face structural impediments, including limited access to finance, restricted networks, and entrenched cultural norms. Guided by six theoretical frameworks—including Social Capital Theory and Gendered Entrepreneurship Theory—this study uncovers how artificial intelligence (AI) and digital technologies offer emerging avenues for empowerment. Findings suggest that AI, coupled with gender-sensitive policies, can mitigate some barriers, though regional disparities remain pronounced. The article concludes with actionable recommendations for policy makers, financial institutions, and development organizations to create a more inclusive entrepreneurial ecosystem across the MENA region.

Keywords: Women Entrepreneurship, MENA, Institutional Barriers, Artificial Intelligence, Morocco, Saudi Arabia, Gender Policy, Digital Inclusion.

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I. INTRODUCTION

Women's entrepreneurship has emerged as a key driver of inclusive economic growth across developing regions. Yet in the MENA region, female entrepreneurs confront systemic challenges that limit their participation in high-growth sectors. This study investigates the socio-political, economic, and digital factors that shape women's entrepreneurial trajectories in Morocco and Saudi Arabia. While both countries have introduced reforms, enduring institutional and cultural constraints continue to hinder equitable access to funding, networks, and registration systems. This article explores how AI and digital transformation intersect with policy efforts to enable women's economic participation.

II. LITERATURE REVIEW

➤ Women's Entrepreneurship Globally

Globally, women-led businesses are expanding yet remain underfunded—receiving less than 7% of private equity capital (OECD, 2023). Digital innovations, such as AI-driven credit scoring and crowdfunding, are providing new pathways for financing, but algorithmic biases persist (UNCTAD, 2021).

➤ Entrepreneurship in MENA: Institutional and Social Constraints

Women in MENA face mobility constraints, gendered legal systems, and limited digital infrastructure. Morocco and Saudi Arabia exemplify both progress and persistent challenges, making them ideal comparative cases.

➤ AI and Digital Inclusion

Emerging technologies offer transformative potential. AI platforms like Tala and Kiva provide access to microcredit based on digital footprints. However, unequal access to digital tools and literacy hinders adoption, particularly in rural areas (World Bank, 2023; Beninger, 2021).

III. RESEARCH QUESTIONS AND THEORETICAL FRAMEWORK

➤ This Study Addresses:

- How do socio-political structures in Saudi Arabia and Morocco influence gendered entrepreneurship?
- How do systemic barriers in finance, networking, and registration affect business outcomes?

- How can AI and digital innovation help overcome these challenges?

➤ *The Analysis is Grounded in:*

- Social Capital Theory
- Institutional Theory
- Gendered Entrepreneurship Theory
- Resource-Based View
- Intersectionality Theory
- Gender Lens Investing

IV. METHODOLOGY

➤ *Design*

A qualitative, multiple-case study approach was used. The study included:

- 40 women entrepreneurs from Morocco and Saudi Arabia
- Industries: Retail, tech, fashion, logistics, education, etc.

➤ *Data Collection*

- 40 semi-structured interviews
- Conducted via in-person, Zoom, and WhatsApp
- Interview themes: financing, networking, legal registration, AI usage

➤ *Data Analysis*

Thematic analysis was applied using NVivo, identifying patterns across the interviews. Findings were triangulated with secondary reports (e.g., GEM, OECD, World Bank).

V. RESULTS

➤ *Key Barriers*

- Finance: Women entrepreneurs reported rejection rates of 48% in Saudi Arabia vs. 28% for men. In Morocco, venture capital for women was below 2%.
- Networking: 65% of rural Moroccan women rely solely on informal networks; digital platforms are underutilized.
- Registration: Complex legal processes, low digital literacy, and cultural resistance limit business formalization.

➤ *Role of AI*

AI-based platforms helped mitigate financial exclusion (e.g., alternative credit scoring). However, algorithmic bias and lack of training persist. Saudi Arabia has more structured digital support via Vision 2030; Morocco lags behind.

VI. DISCUSSION

AI and digital tools have potential, but without systemic reform—including gender-inclusive policies, venture capital realignment, and expanded digital infrastructure—women's full entrepreneurial potential remains unrealized. Institutional inertia and traditional gender roles continue to shape entrepreneurial outcomes, especially in rural areas.

VII. CONCLUSION AND POLICY IMPLICATIONS

➤ *Key Contributions:*

- Provides comparative evidence of entrepreneurial barriers in MENA.
- Illustrates the dual role of AI as both opportunity and risk.
- Recommends gender-sensitive financial policies and legal reforms.

RECOMMENDATIONS

- Expand AI literacy programs for women in rural areas.
- Mandate gender quotas in VC and mentorship programs.
- Streamline business registration processes via digital platforms.

REFERENCES

➤ *A Selection of Key Academic and Institutional Sources*

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