



Accessible Finance for Social Entrepreneurship: The Saudi Context

Naif Mansour Mathkur

Department of Finance and Banking, College of Business Administration, Jazan University, Jazan, Saudi Arabia



LINK	RECEIVED	ACCEPTED	PUBLISHED ONLINE	ASSIGNED TO AN ISSUE
https://doi.org/10.37575/h/mng/230009	13/03/2023	07/06/2023	07/06/2023	01/09/2023
NO. OF WORDS	NO. OF PAGES	YEAR	VOLUME	ISSUE
5919	6	2023	24	2

ABSTRACT

This research paper investigates the significance of financial accessibility for social entrepreneurship (SE) in fostering sustainable development in the Kingdom of Saudi Arabia (KSA). It commences with an exploration of the importance of SE, followed by a discussion on the obstacles social entrepreneurs encounter in securing financial resources. This paper delves into various financing avenues: government initiatives, venture capital, angel investment, crowdfunding, investor collaborations, and corporate social responsibility. Data were gathered from 300 respondents representing social entrepreneurs across diverse regions in the KSA to prioritize the factors and challenges that impede financial access for social entrepreneurs. The findings, utilizing descriptive data analysis, reveal that the primary constraint is insufficient financial infrastructure, with 25% of respondents identifying this as a significant factor. In contrast, a mere 5% of respondents cited the lack of a regulatory framework, and only 12% pointed to the dearth of field expertise as a contributing factor. In addition, 19% of respondents reported that limited awareness of opportunities is another significant obstacle. This study evaluates the critical factors affecting Saudi social entrepreneurs and provides recommendations to enhance financial accessibility, drawing on examples from leading countries in the SE domain.

KEYWORDS

Access to finance, investors, entrepreneurs, recommendations, initiatives, sustainable development

CITATION

Mathkur, N.M. (2023). Accessible finance for social entrepreneurship: The Saudi context. *The Scientific Journal of King Faisal University: Humanities and Management Sciences*, 24(2), 93–8. DOI: 10.37575/h/mng/230009

1. Introduction

Social entrepreneurship (SE) is a term that has gained prominence in recent decades. It is often used to describe businesses striving to create social or environmental impacts while generating profits (Portales, 2019). Although the concept has existed for centuries, increased public awareness and demand for solutions to pressing issues such as climate change, poverty, and inequality have brought it to the forefront in recent years.

The global SE landscape is extensive and diverse. According to the Global Entrepreneurship Monitor (GEM), the number of social entrepreneurs worldwide has increased from 13 million in 2017 to 25 million in 2022 (GEM, 2023). This significant growth indicates a rising interest in SE activities. Furthermore, research from the GEM reveals that social entrepreneurs tend to be women, younger, and from lower-income backgrounds compared to traditional entrepreneurs (GEM, 2023), suggesting an increasingly diverse SE landscape.

Different countries shape the SE landscape through frameworks and policies. For instance, the United Kingdom has established dedicated social investment funds to assist social entrepreneurs in acquiring financing to launch and grow their businesses (Phillips *et al.*, 2015). The United States has implemented tax incentives for social enterprises (Erpf *et al.*, 2019). In addition, many countries have founded networks and organizations to support social entrepreneurs, such as the Global SE Network and Social Enterprise Alliance (Farinha *et al.*, 2020). These frameworks and policies contribute to an environment conducive to SE.

Despite the growth and diversity of the global SE landscape, numerous challenges remain, including limited public understanding of SE (Canestrino *et al.*, 2020), restricted access to finance (Diaz Gonzalez and Dentchev, 2021) and mentorship (Guerrero *et al.*, 2020), and a lack of other resources necessary to launch and scale a successful social enterprise. Moreover, existing frameworks and policies often prove inadequate or poorly suited to the needs of social

entrepreneurs (Dionisio, 2018).

Collaboration among governments, businesses, and other stakeholders is essential to overcoming these obstacles and cultivating a supportive environment for SE. This may involve creating dedicated funding and support mechanisms and developing policies that facilitate access to resources for social entrepreneurs (Dionisio, 2018). Additional research is also required to understand social entrepreneurs' needs and challenges better and devise more effective support strategies.

In the Kingdom of Saudi Arabia (KSA), SE is a relatively nascent concept but is quickly gaining momentum. The government has actively encouraged initiatives to bolster the country's social infrastructure, fostering a supportive environment for social entrepreneurs (Aloulou and Algarni, 2022). Various entities have been established to focus on entrepreneurship and SE, including the Small and Medium Enterprises General Authority (Monsha'at), the Saudi Venture Capital Company (SVC), the Center for Entrepreneurial Leadership (BGCEL) at Prince Muhammad bin Salman College of Business and Entrepreneurship (MBSC), and the recently formed National Center for the Development of the Non-Profit Sector (NCNP). These institutions provide funding and training to social entrepreneurs, demonstrating the government's commitment to offering both financial and non-financial support for social enterprises.

Despite this, the KSA lags far behind other developed countries in terms of SE. Compared to nations such as the United States, Canada, and France, which boast well-established SE cultures, the KSA remains in its nascent stages. A recent report from Strategy&, a strategy consulting business unit of PricewaterhouseCoopers (PwC), in collaboration with Monsha'at, revealed that there is only one not-for-profit social organization per 10,000 people in the KSA, compared to approximately 50 per 10,000 people in Canada and the United States and 200 per 10,000 in France (PricewaterhouseCoopers, 2019).

Nonetheless, this situation is beginning to change. The Saudi

government has started to recognize the potential of SE and has initiated measures to promote it. This paper illuminates the current state of SE in the KSA, particularly in terms of access to finance. It scrutinizes the SE framework within the country and the challenges and opportunities available to Saudi social entrepreneurs. It explores how financial resources can be accessed and allocated to support these endeavors. The paper emphasizes the significance of establishing a supportive policy environment and how this could contribute to the further development of SE in the KSA. This research paper offers valuable insights into the present state of SE in the country and the potential for continued growth.

2. Methodology

This paper aims to comprehensively understand the challenges and opportunities related to access to finance for SE in the KSA through extensive bibliographic research and a thorough review of international reports from pertinent institutions.

This study identified relevant sources from various international databases, including Google Scholar, ScienceDirect, Wiley Online Library, and Emerald Insight. Keywords such as "SE in the KSA," "access to finance for social entrepreneurs in the KSA," "social enterprise in the KSA," and "social innovation in the KSA" were employed in the search. Subsequently, the study refined the search to include only sources published within the last five years.

This paper incorporated international reports and data from reputable institutions, such as the World Bank, the International Labor Organization, and the Organization for Economic Co-operation and Development, to gather information on SE's economic and social context in the KSA.

The research process was executed in three phases. A literature review was conducted in the first phase, and key findings were identified. The second phase involved reviewing international reports and data to gather supplementary information. Lastly, the third phase conducted an online survey designed to collect data from 300 participants from various regions in the KSA (including Jeddah, Riyadh, Dammam, Makkah, Madinah, Al Khobar, and Jazan) to prioritize the identified factors and challenges affecting access to finance for SE. The web-based survey was administered to potential participants via email. The survey assessed access to SE in the KSA and included multiple-choice questions, open-ended questions, and rating scales. Participants were asked about their familiarity with SE in the KSA, their experiences with access, and their opinions on potential improvements to access.

The survey data were analyzed using both descriptive and inferential statistics. Descriptive statistics examined the demographic data and participants' responses to the multiple-choice and rating scale questions. Conversely, inferential statistics were utilized to analyze the responses to the open-ended questions. The data and findings were integrated to develop a comprehensive understanding of the current state of financial access for SE and social enterprises in the KSA.

3. The Saudi SE Landscape

The KSA has made significant strides in promoting economic growth and development, transitioning from traditional economic activities to a more diversified and modernized economy with an increasing focus on SE (Ahmad and Bajwa, 2021; Aljuwaiber, 2020). This shift has been primarily driven by recognizing SE's importance in economic development and the necessity to create innovative and sustainable solutions to address social and economic challenges (Alwakid *et al.*, 2021). In this context, access to finance has emerged

as a critical element in empowering social entrepreneurs to contribute to sustainable development in the KSA.

Insufficient funding prevents social entrepreneurs from developing their projects and offering innovative solutions. Consequently, access to finance is crucial for social entrepreneurs to make meaningful contributions to sustainable development in the KSA.

Understanding the concept of SE is essential. SE is defined as "the use of business principles to create social value by addressing social, cultural, and environmental problems" (Kusumasari, 2016). It involves developing businesses that solve social issues and effect positive societal change. Social entrepreneurs focus on creating sustainable solutions that address immediate needs while fostering long-term, systemic change.

Recognizing the importance of SE, the Saudi government has encouraged its growth through various initiatives. The government prioritizes increasing access to finance for social entrepreneurs. In 2017, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz, the crown prince, prime minister, and chairman of the Council of Economic and Development Affairs, launched the Kingdom's Vision 2030, which included the goal to develop an "SE ecosystem" providing "access to finance, resources, and markets for social entrepreneurs" (Ministry of Economy and Planning, 2023). In 2016, the government established the Mohammed bin Salman Foundation (Misk) for the community. It promotes innovative solutions to social issues, particularly those concerning youth and employment. The government has also created the Saudi Venture Capital Fund, which offers funding and support to social entrepreneurs (Ministry of Economy and Planning, 2023).

In addition to government initiatives, several university programs aim to enhance young social entrepreneurs' access to finance among their students. For instance, the MBSC of Business and Entrepreneurship's Venture Lab is a licensed incubator, accelerator, and coworking space in King Abdullah Economic City (KAEC). The MBSC Venture Lab provides entrepreneurs and start-ups with various services, including mentorship, access to investors, regulatory advice, and networking opportunities. In addition, it offers business workshops, facilitates strategic collaborations, and grants access to funding and incubation programs.

King Abdullah University of Science and Technology (KAUST) has emerged as a vital hub for SE in the country. The university established the KAUST SE program, providing aspiring entrepreneurs with comprehensive support and training. The program provides workshops, courses, and mentorship opportunities to help entrepreneurs refine their ideas and offers seed funding and grant opportunities to assist in launching their initiatives.

King Fahd University of Petroleum and Minerals has established the SE program to offer resources and support to students interested in launching social enterprises. The program assists students in developing their projects by providing mentorship, workshops, and other resources. Moreover, the university grants awards for innovative SE projects. The Saudi universities have emerged as frontrunners in promoting and supporting SE in the country. Through founding centers, programs, and initiatives, universities have furnished resources, mentorships, and funding opportunities for aspiring entrepreneurs, enabling them to develop and launch innovative projects that address social and economic challenges.

In addition to universities' efforts and initiatives, the Saudi government has taken measures to support SE in the country by implementing several government-funded initiatives, such as the Social Development Bank (SDB). In early 2022, during its participation in the Global Entrepreneurship Congress held in Riyadh by Monsha'at in partnership with the Global Entrepreneurship

Network, the SDB announced an allocation of SAR 11 billion to finance entrepreneurs in the KSA over the next three years, aiming to empower Saudi youth and promote comprehensive national development.

Numerous private sector organizations, including Saudi Angel Investors, Riyadh Angel Investors, and Athaal Angel Investors Group, offer resources, networks, and expertise to assist social entrepreneurs in their initial stages.

According to the World Bank, the SE sector in the KSA primarily encompasses the technology and healthcare sectors. Technology-based social enterprises are the most prevalent, with a significant presence in e-commerce, mobile payments, and software development. While less common, healthcare-based social enterprises are growing, including companies concentrating on medical devices, health services, and health education (Alarifi *et al.*, 2019).

The education, agriculture, and renewable energy sectors also host social enterprises. However, these sectors are in their early stages of development and have yet to reach the maturity of the technology and healthcare sectors (Alarifi *et al.*, 2019; Elshaer, 2020).

The SE landscape in the KSA mainly consists of small and medium-sized enterprises (SMEs) and a few large corporations. According to the World Bank, there are currently over 500 social enterprises in the country, with most classified as SMEs (Hakami, 2021).

Table 1 presents a comprehensive list of private, semi-governmental, and governmental Saudi funding entities for social enterprises, detailing each organization's name, type, creation year, and headquarters city. The oldest organization listed is the Saudi Arabian Monetary Agency (SAMA), founded in 1952, and the newest is the Saudi Arabian General Investment Authority (SAGIA), established in 2020. All organizational headquarters are in Riyadh, except for the Saudi Aramco Social Venture Fund and the KAUST Social Venture Fund (K.SVF), based in Dhahran and Thuwal, respectively.

Table 1: List of Saudi Funding Entities for Social Enterprises, Including Private, Semi-Governmental, and Governmental Organizations (sorted by descending year of establishment).

Name	Type	Creation Year	Location (Headquarters' City)
SAGIA	Governmental	2020	Riyadh
Non-profit Organizations Accelerator "Saraf Monsha'at"	Private	2018	Riyadh
Saudi Venture Capital Company (SVC)	Private	2017	Riyadh
BGCCEL—MBSC	Private	2017	Riyadh
Saudi Aramco Social Venture Fund	Private	2017	Dhahran
Accelerator and Incubator "Rainen"	Private	2017	Riyadh
Charitable Accelerator and Incubator "Al-Ajamy"	Private	2017	Riyadh
Mohammed bin Salman Foundation "Misk (For Community)"	Governmental	2016	Riyadh
K.SVF	Semi-Governmental	2016	Thuwal
Al-Faisal Foundation	Private	2004	Riyadh
Al-Khair Foundation	Private	2004	Riyadh
King Khaled Foundation	Private	1983	Riyadh
Specialized Council for Orphan Associations	Governmental	1983	Riyadh
Saudi Economic Development Company (SEDCO Holding)	Private	1981	Riyadh
SDB—Ex "Saudi Credit and Savings Bank"	Governmental	1977	Riyadh
Saudi Industrial Development Fund (SIDF)	Governmental	1975	Riyadh
Saudi Fund for Development (SFD)	Governmental	1975	Riyadh
Al Rajhi Bank	Private	1957	Riyadh
SAMA	Governmental	1952	Riyadh

4. Access to Finance for SE in the KSA

The crucial role of finance in the success of SE in the KSA is indisputable; however, access to funding remains limited, albeit gradually expanding. According to data from the World Bank (Mollenkopf-Pigsley, 2021), access to finance for SE in the KSA has consistently improved over the past five years. In 2016, the total number of bank loans to businesses was estimated at SAR 1.7 trillion, with 15% allocated to SMEs—a 6% increase from 2015. In 2017, the total number of bank loans to businesses reached SAR 1.9 trillion, with SMEs receiving 16% of that sum, signifying a 7% growth from 2016. In 2018, the total number of bank loans to businesses was estimated at SAR 2.1 trillion, with SMEs garnering 17% of that

amount—an 8% rise from 2017. In 2019, the total number of bank loans to businesses was estimated at SAR 2.3 trillion, with 18% of that figure going to SMEs, marking a 10% increase from 2018. In addition, the past five years have seen a significant surge in the number of venture capital investments in the KSA. In 2016, venture capital investments totaled 101 million USD, escalating to 239 million USD in 2017, 716 million USD in 2018, and 1.1 billion USD in 2019 (Mollenkopf-Pigsley, 2021).

Limited access to finance can be attributed to a variety of factors. The following section discusses these factors and outlines the corresponding governmental corrective and preventive measures implemented to address these challenges.

5. Factors Affecting SE's Access to Finance in the KSA

Social entrepreneurs utilize various resources to fund and scale their initiatives. In the KSA, access to finance for social entrepreneurs is limited because of several cultural, economic, and regulatory challenges. Identifying and comprehending these factors is essential to enhance access to finance for social entrepreneurs in the KSA.

5.1. Cultural Attitude toward Entrepreneurship:

The prevailing cultural attitude toward entrepreneurship significantly affects social entrepreneurs' access to finance in the KSA (Brieger and De Clercq, 2018). Most businesses in the KSA are family-owned and operated, with a strong preference for traditional business models such as trading, manufacturing, and construction. This inclination has fostered a cultural aversion to innovative business models, such as SE. Consequently, potential investors may hesitate to invest in SE due to a lack of familiarity with the concept (Alwakid *et al.*, 2020).

5.2. Venture Capital Investment in SE:

Another crucial factor is the scarcity of venture capital investment in SE within the KSA (Bozhikin *et al.*, 2019). Venture capital constitutes a vital funding source for social entrepreneurs, but such investment is limited in the KSA. Several factors contribute to this limitation, including the absence of a mature venture capital market and the limited number of VC firms operating in the country. As a result, social entrepreneurs face restricted access to finance from private investors (Alfalih, 2022).

5.3. Awareness of SE:

A notable deficiency in awareness surrounding SE persists within the country. Prospective investors may be unacquainted with the SE concept, leading to reluctance to support novel and inventive endeavors. In addition, the regulatory landscape in the KSA does not foster private investment in SE (Abdelwahed *et al.*, 2022). This can be attributed to the absence of regulations and incentives specifically designed to promote private investment in SE initiatives.

Enhancing access to finance for social entrepreneurs in the KSA necessitates tackling these factors. This can be achieved through public awareness campaigns, incentivizing venture capital investments, and refining regulations to foster a favorable environment for private investment in SE.

Table 2: Factors affecting the access to finance for SE in the KSA.

Factors	Description/Explanation	Governmental corrective and preventive actions
1 Financial Infrastructure	The underdeveloped financial infrastructure in the KSA hinders entrepreneurs from securing funds and prevents investors from identifying suitable projects. It restricts Saudi entrepreneurs from obtaining financial services like credit, insurance, and investment products.	The Saudi Financial Services program, initiated by the Saudi Ministry of Finance, provides SMEs access to essential financial services. The Saudi Electronic Payment System and the Saudi National Payment System, developed by the SAMA, enhance financial inclusion and broaden access to finance.
2 Awareness	Numerous entrepreneurs remain uninformed about the opportunities available and the potential for positive social impact of their ventures.	In 2019, the Ministry of Labor and Social Affairs established the Saudi SE Center (SSEC), offering a platform for entrepreneurs to connect, exchange ideas, and access valuable resources and training opportunities. Monsha'at, a government-supported initiative, provides financial and operational support.
3 Regulatory Framework	The lack of targeted policies or initiatives to bolster SE in the nation compounds the problem.	The NCNP offers access to resources, training, and mentorship for non-profit organizations.
4 Investment Opportunities	Many potential investors are either unaware of SE's potential or are reluctant to commit resources to the sector.	The SAGIA functions as a platform for investors, allowing them to explore investment opportunities and access available resources.
5 Talents	Many entrepreneurs in the KSA lack the skills and experience to cultivate and expand their enterprises.	Misk delivers training, resources, mentorship, and networking opportunities for community development.
6 Access to Markets	Restricted access to markets impedes financial access for social entrepreneurs in the KSA. They face resource constraints preventing them from tapping into market opportunities, such as advertising and distribution channels.	The SFD grants access to markets and training resources, assisting businesses in their growth efforts.
7 Expertise in the field	The scarcity of expertise within the SE sector constitutes a substantial obstacle to financial access for social entrepreneurs in the KSA. Countless entrepreneurs lack the essential skills and experience needed to nurture and grow their businesses.	The KAUST Social Venture Fund, in conjunction with governmental universities' accelerator and incubator programs, focuses on fostering capability development for emerging businesses.

6. Survey Results

The survey was distributed to 300 respondents aged 18 to 55, maintaining an equal gender ratio of 50% for men and women. Participants were from major Saudi cities, including Jeddah, Riyadh, Dammam, Makkah, Madinah, Al Khobar, and Jazan. These regions were selected because of the higher concentration of social entrepreneurs and social enterprises compared to other cities in the KSA. Out of the distributed surveys, 284 were returned with complete and accurate information, resulting in a response rate of 94.6% and a gender distribution of 41% men and 59% women. The demographic data collected included age, gender, education level, occupation, and geographic location.

As depicted in Figure 1, most respondents (55%) fell within the 26–35 age range; 22% were between 18 and 25, 13% were between 36 and 45, and 10% were between 46 and 55. Figure 2 shows that the predominant educational attainment among social entrepreneurs was a university degree, with 66% of respondents holding a degree, suggesting that social entrepreneurs are well-educated and knowledgeable in their respective fields. This can be attributed to the fact that most social entrepreneurs aim to significantly impact their communities, necessitating a high level of education and experience in their focus areas.

In addition, the survey revealed that postgraduate degrees (MS/Ph.D.) were relatively common among social entrepreneurs (10%), indicating a high degree of specialization in their chosen fields. This prevalence of advanced degrees is likely due to social entrepreneurs' passion for their work and commitment to making a lasting positive impact on their communities and the world.

Figure 1: Survey Respondent's Age Distribution

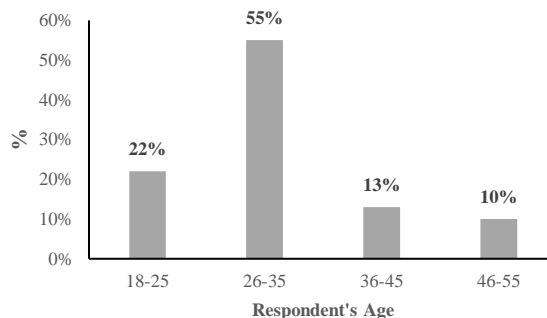
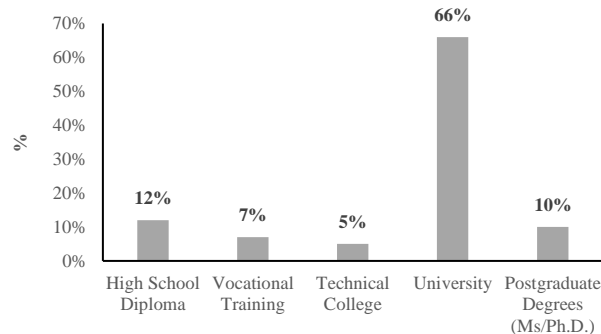


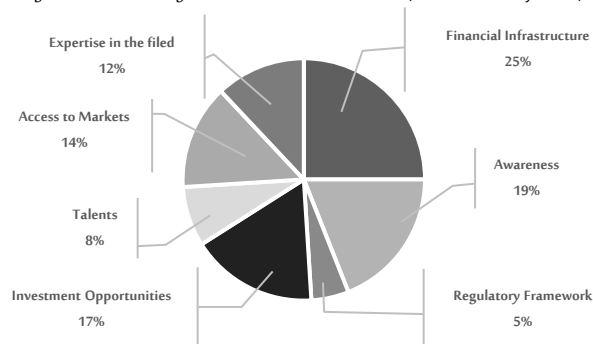
Figure 2: Survey Respondent's Educational Level Distribution



Financial infrastructure is the primary factor influencing access to finance for social enterprises (SEs) in the KSA, with 25% of respondents identifying it as a significant factor. Awareness ranked as the second most influential factor at 19%, followed by investment opportunities at 17%, access to markets at 14%, expertise in the field at 12%, and—the least critical factor—the regulatory framework at 5% (see Figure 3).

These findings indicate that the primary obstacle facing SEs in the KSA stems from inadequate financial infrastructure rather than an insufficient regulatory framework or expertise in the field. This situation might suggest that the existing financial infrastructure in the KSA is too scarce to support SEs, possibly due to elevated costs and risks or limited access to conventional funding sources. Moreover, the prominence of awareness as a significant factor implies that greater efforts are needed to raise awareness about the potential of social entrepreneurs in the KSA. Our research findings align with previously reported literature data (Alarifi and Alrubaishi, 2018), reinforcing the study results' validity and reliability.

Figure 3: Factors Affecting Access to Finance for SEs in the KSA (Based on the survey results)



7. Recommendations for Enhancing Access to Finance for Social Entrepreneurs in the KSA: Benchmarking Developed Countries

- **Promote government-backed social enterprise funds:** Establishing a fund that invests in social enterprise initiatives and offers financial support to both established and start-up social entrepreneurs can improve access to finance. This fund could be modeled after similar programs in the United States, such as the Small Business Investment Company (SBIC) program and the Small Business Administration's Community Advantage Program (Liao *et al.*, 2019).
- **Develop tax incentives for social entrepreneurs:** The KSA government could provide incentives, such as tax credits or deductions, to encourage investment in social enterprise initiatives. Examples of such incentives from developed countries include the United States' New Markets Tax Credit (NMTC) program (Theodos *et al.*, 2021) and the United Kingdom's Social Investment Tax Relief (SITR) program (Harvie and Ogman, 2019).
- **Establish and activate a national network of social enterprise angel investors:** Angel investors are individuals or small groups of investors who provide finance to small businesses. Angel investors could be a valuable funding source for social enterprises in the KSA. The government could create a network of angel investors interested in investing in social enterprises and provide them with the training and resources to do so.
- **Develop venture capital funds dedicated to social enterprises:** Venture capital (VC) funds, which provide financing to early-stage and high-growth companies, could support social enterprises in the KSA by giving social entrepreneurs access to finance and expertise to scale their businesses. Examples of such funds from developed countries include the Global Impact Investment Network's Impact Investment Fund and the Global Accelerator Learning Initiative's Social Enterprise Investment Fund.
- **Establish microloans for social entrepreneurs:** Microloans, small loans designed to help entrepreneurs start or expand their businesses, could aid social entrepreneurs in the KSA. The government could implement a program that provides microloans to social entrepreneurs. Examples of such programs from developed countries include the United States' SBA Microloan Program and the United Kingdom's Start Up Loans program (Zabolotskaya, 2019).
- **Launch a national incubator program:** Incubator programs offer resources and mentorship to entrepreneurs, assisting them in developing their business ideas. A national incubator program tailored specifically to social entrepreneurs could be launched to equip them with the resources necessary to establish their businesses. Examples of such programs in developed countries include the New York State Small Business Development Center's Social Enterprise Incubator (USA) (Zabolotskaya, 2019) and UnLtd's Start-Up Support Program (UK) (The Foundation for Social Entrepreneurs, 2023).
- **Expand grant provision for social entrepreneurs:** Grants supply funds to entrepreneurs creating innovative ideas or solutions to social issues. Existing grant programs in the KSA could be expanded to offer increased funding for social entrepreneurs. Examples of such programs in developed countries encompass the United States' Social Innovation Fund and the United Kingdom's Innovation Support Funds (Eichler and Schwarz, 2019).
- **Establish a social enterprise loan program:** A loan program designed exclusively for social entrepreneurs could be created to provide them with the capital needed to initiate or expand their businesses. Examples of such programs in developed countries consist of the United States' SBA 7(a) Loan Program (Gupta and Ongena, 2022) and the United Kingdom's Start Up Loans program (Hofman and Aalbers, 2019).
- **Leverage crowdfunding platforms:** Crowdfunding platforms are online platforms that enable entrepreneurs to secure financing from numerous individuals. Social entrepreneurs in the KSA could harness these platforms to access funding from diverse investors. Examples of such platforms in developed countries include the United States' Kickstarter (Tian *et al.*, 2021) and the United Kingdom's Crowdcube (Du *et al.*, 2022).
- **Promote corporate social responsibility:** Saudi corporations could be encouraged to invest in social enterprises through corporate social responsibility initiatives. Companies might offer social entrepreneurs financial support, resources, mentorship, and networking opportunities. Examples of such initiatives in developed countries include Procter & Gamble's Live, Learn, and Thrive program (USA) and Unilever's Sustainable Living Plan (UK).

8. Conclusion

The global SE landscape is undergoing rapid transformation and growth. With the rising demand for social entrepreneurs and an expanding number of individuals engaging in SE initiatives, the field is experiencing significant development. However, the KSA remains in the nascent stages of SE adoption compared to other nations. Limited access to financing is a significant constraint, as detailed in this paper, due to factors such as a scarcity of investment opportunities, insufficient venture capital investment, underdeveloped markets, and a lack of public awareness.

An online survey was employed for data collection to determine the most critical factors affecting financial accessibility for SE in the KSA. The survey results revealed that the primary obstacle is inadequate financial infrastructure, followed by insufficient awareness of available opportunities for social entrepreneurs. Consequently, this paper recommends implementing specific measures to enhance financial access for social entrepreneurs in the KSA and address these challenges. These interventions will facilitate innovative solutions to social and environmental issues, ultimately contributing to sustainable development in the KSA.

Encouragingly, the country is making strides, with the government taking proactive measures to establish an environment conducive to SE. With appropriate support, the KSA will undoubtedly emerge as a key player in the SE domain in the near future.

Biography

Naif Mansour Mathkur

Department of Finance and Banking, College of Business Administration, Jazan University, Jazan, Saudi Arabia, 00966545779992, nmathkur@jazanu.edu.sa

Dr. Mathkur is a highly accomplished academic currently serving as the Vice Dean of Academic Affairs and an Assistant Professor at Jazan University. His areas of expertise focus on finance, investment, entrepreneurship, and accounting. He has published in top-tier journals such as *Kybernetes* and *Frontiers in Psychology*. He has a BA in Finance & Banking, an MBA in Finance & Accounting, and a PhD in Finance. He is an active member of various committees both within and outside Jazan University. ORCID ID: 0000-0002-8733-1579

References

- Abdelwahed, N.A.A., Bastian, B.L. and Wood, B.P. (2022). Women, entrepreneurship, and sustainability: The case of Saudi Arabia. *Sustainability*, **14**(18), 11314. DOI: 10.3390/su141811314
- Ahmad, S. and Bajwa, I.A. (2021). The role of social entrepreneurship in socio-economic development: A meta-analysis of the nascent field. *Journal of Entrepreneurship in Emerging Economies*, **15**(1), 133–57.
- Alarifi, G. and Alrubaishi, D. (2018). The social entrepreneurship landscape in Saudi Arabia. *Academy of Entrepreneurship Journal*, **24**(4), 1–186.
- Alarifi, G., Robson, P. and Kromidha, E. (2019). The manifestation of entrepreneurial orientation in the social entrepreneurship context. *Journal of Social Entrepreneurship*, **10**(3), 307–27.
- Alfalih, A.A. (2022). The role of sustainable entrepreneurship and corporate social performance on social innovation: The case of the private industrial sector in Saudi Arabia. *Journal of the Knowledge Economy*, **13**(3), 1928–43.
- Aljuwaiber, A. (2020). Entrepreneurship research in the Middle East and North Africa: Trends, challenges, and sustainability issues. *Journal of Entrepreneurship in Emerging Economies*, **13**(3), 380–426.
- Aloulou, W.J. and Algarni, E.A. (2022). Determinants of social entrepreneurial intention: Empirical evidence from the Saudi context. *Social Enterprise Journal*, **18**(4), 605–25.
- Alwakid, W., Aparicio, S. and Urbano, D. (2020). Cultural antecedents of green entrepreneurship in Saudi Arabia: An institutional approach. *Sustainability*, **12**(9), Article 9. DOI: 10.3390/su12093673

- Alwakid, W., Aparicio, S. and Urbano, D. (2021). The influence of green entrepreneurship on sustainable development in Saudi Arabia: The role of formal institutions. *International Journal of Environmental Research and Public Health*, **18**(10), 5433. DOI: 10.3390/ijerph18105433
- Bozhikin, I., Macke, J. and da Costa, L.F. (2019). The role of government and key non-state actors in social entrepreneurship: A systematic literature review. *Journal of Cleaner Production*, **226**(n/a), 730–47. DOI: 10.1016/j.jclepro.2019.04.076
- Brieger, S.A. and De Clercq, D. (2018). Entrepreneurs' individual-level resources and social value creation goals: The moderating role of cultural context. *International Journal of Entrepreneurial Behavior and Research*, **25**(2), 193–216.
- Canestrino, R., Ćwiklicki, M., Magliocca, P. and Pawelek, B. (2020). Understanding social entrepreneurship: A cultural perspective in business research. *Journal of Business Research*, **110**(3), 132–43. DOI: 10.1016/j.jbusres.2020.01.006
- Diaz Gonzalez, A. and Dentchev, N.A. (2021). Ecosystems in support of social entrepreneurs: A literature review. *Social Enterprise Journal*, **17**(3), 329–60.
- Dionisio, M. (2018). The evolution of social entrepreneurship research: A bibliometric analysis. *Social Enterprise Journal*, **15**(1), 22–45.
- Du, L., Bartholomae, F. and Stumpfegger, E. (2022). *Success Factors in Equity Crowdfunding—Evidence from Crowdcube*. Available at: <https://www.degruyter.com/document/doi/10.1515/erj-2021-0519/html#Harvard> (accessed on 25/02/2023)
- Eichler, G.M. and Schwarz, E.J. (2019). What sustainable development goals do social innovations address? A systematic review and content analysis of social innovation literature. *Sustainability*, **11**(2), 522. DOI: 10.3390/su11020522
- Elshaer, I. (2020). Marketing and Entrepreneurship from the Perspective of the Handcraft Industry: A Practical Study on Al Ahsa, Saudi Arabia. *Humanities and Management Sciences—Scientific Journal of King Faisal University*, **1**(1), 25–36. DOI: 10.37575/h/mng/2170
- Erfp, P., Bryer, T.A. and Butkevicienė, E. (2019). A context-responsiveness framework for the relationship between government and social entrepreneurship: Exploring the cases of United States, Switzerland, and Lithuania. *Public Performance and Management Review*, **42**(5), 1211–29.
- Farinha, L., Sebastião, J.R., Sampaio, C. and Lopes, J. (2020). Social innovation and social entrepreneurship: Discovering origins, exploring current and future trends. *International Review on Public and Non-profit Marketing*, **17**(1), 77–96.
- GEM Global Entrepreneurship Monitor. (2023). Available at: <https://www.gemconsortium.org/> (accessed on 27/02/2023).
- Guerrero, M., Santamaría-Velasco, C.A. and Mahto, R. (2020). Intermediaries and social entrepreneurship identity: Implications for business model innovation. *International Journal of Entrepreneurial Behavior and Research*, **27**(2), 520–46.
- Gupta, M. and Ongena, S. (2022). *The Impact of the SBA Funding Programs on the Distance and Pricing of Loans to Small Businesses*. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4083683# (accessed on 25/02/2023)
- Hakami, S. (2021). The role of social entrepreneurship in community development. A case study of social entrepreneurship in Saudi Arabia. *Psychology and Education Journal*, **58**(2), 154–61. DOI: 10.17762/pae.v58i2.1065
- Harvie, D. and Ogman, R. (2019). The broken promises of the social investment market. *Environment and Planning A: Economy and Space*, **51**(4), 980–1004.
- Hofman, A. and Aalbers, M.B. (2019). A finance- and real estate-driven regime in the United Kingdom. *Geoforum*, **100**(n/a), 89–100. DOI: 10.1016/j.geoforum.2019.02.014
- Kusumasari, B. (2016). The business model of social entrepreneurship in Indonesia. *Bisnis and Birokrasi Journal*, **22**(3), 156–68. DOI: 10.20476/jbb.v22i3.6438
- Liao, C., Tawfik, E.U. and Teichreb, P. (2019). The global social enterprise lawmaking phenomenon: State initiatives on purpose, capital, and taxation. *Windsor Yearbook of Access to Justice / Recueil Annuel de Windsor d'accès à La Justice*, **36**(4), 84–114. DOI: 10.22329/wyaj.v36i0.6068
- Ministry of Economy and Planning. (2023). Available at <https://www.mep.gov.sa/> (accessed on 23/02/2023).
- Mollenkopf-Pigsley, C. (2021). Book review: Entrepreneurship: The practice and mindset. *International Small Business Journal*, **39**(2), 185–7.
- Phillips, W., Lee, H., Ghobadian, A., O'Regan, N. and James, P. (2015). Social innovation and social entrepreneurship: A systematic review. *Group and Organization Management*, **40**(3), 428–61.
- Portales, L. (2019). *Social Innovation and Social Entrepreneurship: Fundamentals, Concepts, and Tools*. 1st edition. London, UK: Palgrave Macmillan.
- PricewaterhouseCoopers. (15 September 2019). Unleashing the power of the social enterprise sector in Saudi Arabia. PwC. Available at: <https://www.strategyand.pwc.com/m1/en/reports/2020/unleashing-the-power-of-the-social-enterprise-sector-in-saudi-arabia.html> (accessed on 21/02/2023).
- Ethmar Social (2017). *Social Entrepreneurship: Why is it Important Post-Arab Spring? The Online Survey Report*. Available at: <https://ethmar.social/social-entrepreneurship-why-is-it-important-post-arab-spring-online-survey-report/> (accessed on 21/02/2023).
- The foundation for social entrepreneurs. (2023). Available at <https://www.unltd.org.uk/index.php> (Accessed on 23/02/2023).
- Theodos, B., Stacy, C.P., Teles, D. and Davis, C. (2021). What Are the NMTC Program's Impacts on Local Economic Conditions? Available at <https://www.urban.org/research/publication/what-are-nmtc-programs-impacts-local-economic-conditions> (accessed on 22/02/2023)
- Tian, X., Song, Y., Luo, C., Zhou, X. and Lev, B. (2021). Herding behavior in supplier innovation crowdfunding: Evidence from Kickstarter. *International Journal of Production Economics*, **239**(9), 108184. DOI: 10.1016/j.ijpe.2021.108184
- Zabolotskaya, V.V. (2019). Governmental programs of small business support in the USA. *Mirovaia Ekonomika i Mezhdunarodnye Otnosheniia*, **63**(12), Article 12. DOI: 10.20542/0131-2227-2019-63-12-15-22