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Jawad Syed

Introduction

The number of women entering small business ownership has increased significantly across the world (see e.g., Ericksen, 1999; Hughes, 2003; Fielden and Davidson, 2005). However, research into the experiences of small business owners remains focused on a relatively small number of established markets. This chapter seeks to examine the contexts and experiences of women entrepreneurs engaged in small businesses in Pakistan.

With a population of more than 167 million (July 2008 est.) and an increasingly empowered middle class, Pakistan is the 6th most populous country in the world. Pakistan is a developing economy (per capita GDP of less than \$2600 – 2007 est.), which has suffered from decades of internal and international political disputes and economic instability since its independence in 1947. However, since 2001, economic reforms including privatization of the banking sector, foreign economic assistance and renewed access to global markets have generated macroeconomic recovery. Spurred by gains in the industrial and service sectors, the country has experienced GDP growth in the 6–8 per cent range in 2004–07 (CIA, 2008).

From a gender equality perspective, Pakistan is a country where patriarchal customs and practices seem to be firmly embedded in the society and in the workplace (Syed et al., 2009). However, despite such challenges, the recognition of women as employees and business owners is just gaining ground. While recognizing the socio-cultural and structural barriers to women's small business ownership, this chapter's focus is on Pakistani women's success in overcoming such barriers. By identifying contextual challenges as well as women entrepreneurs' stories of success, the chapter seeks to demonstrate the degree of success achieved by Pakistani women.

The current position of women in employment

Pakistan has one of the lowest rates in the world of female participation in economic activity. Compared with neighbouring Iran and India, where female labour force participation rate (for females aged 15 and older) is as low as 38.6 per cent and 34 per cent respectively, Pakistan's female economic activity rate lags behind at 32.7 per cent (UNDP, 2007). According to United Nations' *Human Development Report*, an overwhelming majority of economically active women in Pakistan are working in agriculture (65 per cent) followed by services (20 per cent) and industry (16 per cent). Female professional and technical workers represent only 26 per cent of total workers. Furthermore, the ratio of estimated female to male earned income is only 29 per cent (PPP US\$ female 1.059, male 3.607). The gender gap is also visible in education (ibid.). Since 1951, the number of illiterate Pakistanis has doubled, but the number of illiterate

women has tripled (Bari, 2000). In 2005, the female literacy rate was reported to be less than 33 per cent, compared with about 45 per cent male literacy rate (UNDP, 2007).

However, despite these challenges, there is some evidence of improvement in women's participation in economic activities. For example, Arif and Sheikh (n.d.) note that the number of females in Pakistan's labour force increased from 1.8 million in 1973 to 5.9 million in 1997–98. In 1981 the female labour force participation rate (crude, for all age groups) was 2.1 per cent. It moved up to 13.3 per cent by 2005–06 (FBS, 2006). Furthermore, the female unemployment rate in Pakistan dropped from 16.5 per cent in 2001–02 to 8.4 per cent in 2006–07. Yet, the rate is still substantially higher than the male unemployment rate of 4.5 per cent, indicating that women are less successful in securing job opportunities than men (FBS, 2007; IFC, 2007). It may be noted that female economic activity in Pakistan is mainly concentrated in agriculture (65 per cent) followed by services (20 per cent) and industry (16 per cent) (UNDP, 2007).

Pakistan is a signatory of the Millennium Development Goals, thus affirming its commitment to empower women and eliminate gender inequality by 2015 (Subohi, 2006). Pakistan's Small and Medium Enterprise (SME) Policy 2007 also states that special attention will be given to women entrepreneurs and other disadvantaged groups. The policy aims to increase the share of women-owned SMEs to 6 per cent.

Women and small business ownership

According to the Economic Census of Pakistan, women-owned businesses represent about 2.4 per cent of a total 3.2 million enterprises in Pakistan (FBS, 2006). Most of the women-owned businesses are really small, that is, with a turnover less than Rs1 million and/or investment less than Rs0.5 million (FBS data, cited in Amjad, 2007). Table 11.1 offers an account of enterprises in Pakistan by gender and type. According to these statistics, female (as well as male) entrepreneurship is clearly concentrated in the household sector. The ratio of male to female enterprise is about 2.5 in the household sector; however this ratio jumps to about 34 in the corporate sector.

Table 11.1 Status of enterprise by type and gender

Type	Male	Female
Household	127338	52295
Corporate	1773	51
Proprietors/ Partners	2776893	18312
Total	2906004	70658

(Source: Based on FBS, 2006)

SMEs are estimated to represent more than 80 per cent of the non-agricultural labour force in Pakistan (SMEDA, 2005). There is, however, a dearth of data on women-owned businesses in Pakistan. According to a 2005 report by the United Nation's Convention on the Elimination of all Forms of Discrimination against Women, the category of 'self-employed' women in Pakistan has increased from 11.7 per cent in 1997–98 to 15.7 per cent in 2001–02 (CEDAW, 2005).

A study undertaken by the International Labour Organization (ILO) of 150 women entrepreneurs in Pakistan found 39 per cent of women engaged in small enterprises (employing less than 100 workers) and 9 per cent in medium-size enterprises (employing between 100 and 250 workers) (Goheer, 2003). The study reveals that women entrepreneurs in the SME sector provide greater employment to women, with female-owned businesses having an average of eight female employees and seven male employees. Also, it suggests that women's entrepreneurship in Pakistan is often an issue related to social class. For example, upper class, highly educated women are generally more capable of starting up their own small and medium businesses as they possess both the capital and the knowledge to do so. Women in urban areas are in a better position to foster businesses due to easier access to opportunity and information. The study revealed that 73 per cent of the women entrepreneurs started their businesses from personal savings and over 50 per cent belonged to upper tiers of education. However, the majority of women entrepreneurs tend to work in traditional sectors, such as boutiques, parlours and bakeries, along with apparel, handicrafts, jewellery and other similar businesses (ibid.).

Structural and contextual barriers

Previous research has identified manifold challenges to women's entrepreneurship in Pakistan. These challenges range from lack of access to education, information and finance to patriarchal and gender discriminatory traditions and routines embedded in the society (e.g., Shabbir, 1995; Roomi, 2005a, 2005b). Together, these factors tend to severely inhibit women's ability to develop leadership skills and to own and manage their own businesses. The female literacy rate, for example, is alarmingly low, that is, 36 per cent. Furthermore, only 6.6 per cent of girls enrol at the high school level, reducing further to 1.2 per cent at the university level. This diminishes the chances of women emerging as entrepreneurs and senior executives in organizations.

Gender stereotypes

Research suggests that in Pakistan, women's full economic potential is not being tapped due to deeply rooted discriminatory socio-cultural values and traditions, embedded particularly in the institutional support mechanisms (Roomi, 2005a). The United Nations Development Programme (UNDP, 1996) points to a strong inside–outside dichotomy in Pakistan, where women are restricted to the 'inside' space of their homes and households. This 'inside' reference restricts females from access to education, employment, training opportunities and social services, and the dichotomy continues to prevail in Pakistan. In the labour market (the 'outside'), lower educational attainment coupled with social norms of restricted mobility confine women to a limited range of employment and training opportunities and lower wages. Mobility constraints also undermine the ability of women to take a role in the market place as an entrepreneur or as a paid worker. According to the ILO study (Goheer, 2003), women entrepreneurs in Pakistan consider gender-related issues as most challenging in the business start-up process: 28 per cent of the challenges identified were marketing related, 26 per cent were family related and 16 per cent were government related.

The stereotyped reproductive image of women limits their role to the home and the family, playing only an auxiliary part in economic activity (Roomi, 2005a; Syed, 2008). An extremely patriarchal perspective on Islamic female modesty restricts women's mobility, limits social networks and imposes a check on their economic activity. Although, in the past two decades, the number of women joining the formal economic sectors has been increasing, equal opportunity in the workplace still remains elusive (Sajjad and Raza, 2007, p. 3). For example, several women entrepreneurs in Sajjad and Raza's study identified the conflict between their roles as a family person and as an entrepreneur. One woman entrepreneur in their study thus remarked: 'My family thinks that it is not safe for a woman to operate from outside the house. I need to market my product more aggressively but I can only go out if accompanied by my husband who has his own business to look after too' (ibid., p. 6).

Goheer (2003) argues that the business environment for women in Pakistan reflects the complex interplay of two groups of factors. The first is made up of socio-cultural, tribal and religious elements. This aspect of the environment is anchored in the patriarchal system and clearly manifested in the lower status of women. The second group of factors derives from the first group, taking the form of constitutional and legal structures, regulatory arrangements and institutional mechanisms. This category is contemporary rather than traditional, so it is cosmetically impartial.

Similarly, in his study on women entrepreneurs in Pakistan, Roomi (2005a) asked the interviewees to describe the gender-related challenges they faced in start-up and growth phases as well. The study identifies spatial mobility as the most challenging task for starting up a business. According to Shabbir (1995), the restricted spatial mobility has two dimensions: the first relates to the actual physical limitation to move around because of the inadequacy of transportation facilities, and the second relates to the actual ability of women to move around freely because of socio-cultural, tribal and religious reasons.

There is, however, some change in attitudes with the passage of time. In urban areas of Lahore, Islamabad and Karachi, for example, it is not uncommon to see women who work in offices from 9 to 5. However, in view of the problem of mobility (caused by, for example, social restrictions, lack of adequate transport facilities), women entrepreneurs generally restrict their businesses to 'feminine' professions, such as education, health and beautification where they provide services mostly to women customers, or in the garments/textile sector where they have women employees to manufacture products for women customers (Roomi, 2005a). It may be noted that the 'uneducated males' represent the majority of the labour force in Pakistan, who are less than willing to accept the authority of women. Another gender-related challenge for women is to prove their credibility to the suppliers and customers. Especially, if they work in the non-traditional sectors, neither suppliers nor customers take them seriously and doubt these women's ability to achieve their business targets (Shabbir, 1995).

Indeed, economic necessity is forcing more and more women to engage in some sort of employment, without relieving them of their traditional roles. However, it must be acknowledged that the situation is also improving because of women's tremendous determination and courage. They are entering in fields as diverse as education, health, IT, engineering and textiles (Khatoun, 2002).

The neglect of small businesses

Economic policy in Pakistan has been traditionally biased towards the elite and the large-scale sector (Haque, 2006). Small businesses have grown up as an informal sector, which is neglected by the state in its quest to protect the large formal sector (Zaidi, 2005; Haque, 2007). Consequently there is a tension between the big push for industry and the neglect of small businesses. For most of the time in Pakistan's economic history, 'enterprise' for the government was synonymous to large industry only. Various policy measures, such as tariff protection and import licensing schemes, rather than enhancing productivity or encouraging industrialization for growth, adversely affected the prospects of entrepreneurship in the country (Hussain, 1999; Zaidi, 2005).

Since the late 1970s, Pakistan has experienced various phases of denationalization/privatization and encouragement of private sector. However, the large-scale manufacturing sector has always been a governmental priority; a number of heavy industries were opened up that were given numerous incentives including tax holidays. Thus, the small-scale manufacturing sector in Pakistan has developed in the context of a difficult industrialization process; where import substitution strategies led to an unbalanced sectoral composition and caused further bias in favour of large-scale capital-intensive production methods (Haque, 2007). Although the informal sector and the small-scale sector have been continuously ignored in Pakistan's economic policies, it is a fact that today almost 40 per cent of business takes place in the informal sector. Still, the small-scale enterprise and industry continue to remain a second priority. The neglect of the small-scale sector on part of the government is also evident from the fact that even today the actual growth rate of the sector is not computed the way it is done for the large-scale sector. Instead it is merely imputed (Zaidi, 2005; Haque, 2007).

Access to finance

The per capita income of women in Pakistan is the lowest in the region (PPP US\$1059) making it difficult for women to finance their businesses (UNDP, 2007). While women are entitled to property under the Islamic Shariah, research reveals that women own less than 3 per cent of plots in (sampled) villages (UNICEF, 2007), hence restricting their access to collateral assets and subsequently finance. Cooperatives, personal savings and family support are the main sources of finance for women entrepreneurs (IFC, 2007). This is also confirmed by Roomi's (2005a) study of 256 women entrepreneurs in Pakistan, which suggests that the biggest challenge these women faced in the start-up phase is the access to capital followed by lack of business management skills and bureaucratic government regulations. Also, in the development (growth) phase, the access to finance was considered to be the most difficult challenge followed by the access to the market and lack of technical skills.

According to a report by The Association of Chartered Certified Accountants (Sajjad and Raza, 2007), the usual sources of seed capital for women entrepreneurs are personal savings, income from the sale of personal jewellery, or loans from family members and relatives. The report notes that while the growth potential of female-owned enterprises is constrained by the lack of availability of formal finance, there is also a factor of reluctance of women entrepreneurs to access bank finance. The major reasons for this reluctance were found to be fear of default, high interest rates, past (unpleasant) experiences with the banks, difficulties in raising collateral and guarantors, lack of awareness of financing schemes, high risk

averseness, social barriers and lack of an effective lobby. Among other challenges, the report also identifies social and cultural problems as well as the taboos of society as deterrents in provision of finance to women entrepreneurs.

Because of these problems, lower-income women in particular find it difficult to establish new businesses. In Karachi, for example, women's complaints primarily relate to male-dominated banks and companies that often turn away aspiring women entrepreneurs, as well as the difficulty of dealing with important officials in the government and the private sector. According to Hummaa Ahmad, editor of a leading English newspaper in Pakistan: 'For many start-up businesses run by women, it's really the chicken and the egg situation. How does a woman with a very good business plan also begin something where a substantial collateral is required?' Ahmad remarks that relatively successful businesswomen include those backed by family wealth and support (cited in *Asia Money*, 2005).

Access to markets and networks

Women-owned businesses in Pakistan are mainly in the informal sector with low turnover rates, which makes it difficult to reach new markets. Furthermore, the ability to expand into new markets requires experience, professional skills and market-oriented contacts. Issues related to gender are also a deterrent in establishing new contacts. According to Gillani (2003), women tend to stay in a 'comfort zone movement', mostly doing business with clients they know. This is also supported by Goheer (2003) whose study suggests that the majority of women entrepreneurs tend to operate within the same markets, with only a few (7 per cent and 11 per cent respectively in Goheer's sample) extend their business to national and international level.

Research has also highlighted the issue of gender-specific deficits in the social networking and outreach of women entrepreneurs even in industrialized countries (Aldrich, 1989; Cooper et al., 1995). The problem is also evident in Pakistan where there are stringent socio-cultural and physical barriers to women's mobility and meetings at a place away from their homes. According to Roomi (2005a), the majority of women entrepreneurs in Pakistan feel there is a lack of networks to exchange information and seek advice on common business-related issues. As the bulk of women-owned businesses in Pakistan operate on a micro and small scale, they rarely take part in existing business networks. Most SME networks are male-dominated; there are only a few networks (discussed in the next section) that have attempted to reach out to women entrepreneurs.

Resources and enablers

Government policy

The modern institutional environment in Pakistan has a cosmetic emphasis on gender equality; however, there is a huge gap between the rhetoric and reality of equal opportunity in the workplace. For example, Article 25 of the Constitution of Pakistan (1973) guarantees equality of rights to all citizens irrespective of sex, race and class and also empowers the government to take action to protect and promote women's

rights. But actual practices discriminate against women's economic activity as producers and providers of services (Goheer, 2003).

The regulatory process that governs SMEs in Pakistan is complex, which is rather discouraging for women entrepreneurs who also face mobility and other socioeconomic constraints. Acknowledging the loss of human potential due to gender inequality, the Ministry for Women's Development (Government of Pakistan) seeks to provide training and support to empower women. For example, in collaboration with the UNDP, the Ministry has embarked on a National Plan for Action with a focus on women and the economy. Similarly, the 2006 SME Development Policy drafted by the Ministry of Industry, Production and Special Initiatives has a special focus on women-owned SMEs (SMEDA, 2006). Women-targeted finance programmes have been established by institutions such as the Agricultural Development Bank, the First Women Bank Limited (FWBL), the Pakistani Poverty Alleviation Fund (PPAF), the SME Bank, First MicroFinanceBank, the Khushhali Bank and other public and private sector organizations. Several programmes have been initiated to provide loans to SMEs by the government, civil society organizations and international development agencies. For example, the PPAF (which is also supported by the World Bank), with women consisting of 40 per cent of its 7 million beneficiaries, is an endowment of \$100 million and is a wholesale lender to NGOs engaged in providing micro-financing that has presence in 94 districts across Pakistan (IFC, 2007).

Support from businesses and NGOs

Entrepreneur women's associations in Pakistan are mainly limited to medium-size businesses, while micro- and small enterprises rarely belong to any type of association. A prominent businesswomen's association in Pakistan is the Pakistan Association of Women Entrepreneurs, which was registered as an NGO in 1985. The Women Chambers of Commerce and Industry, represented in various cities including Karachi, Lahore and Rawalpindi-Islamabad, also serve as important institutions safeguarding and representing businesswomen's interests.

The national Rural Support Programmes Network (RSPN) offers support mechanisms for women entrepreneurs mostly in rural and semi-urban underprivileged areas of Pakistan. Also, The Aga Khan Rural Support Programme (AKRSP) has initiated women micro-enterprise support programmes (e.g., Shubinak and Hunza Threadnet in the Northern Areas and Chitral). Hunza Threadnet, with more than 3000 female beneficiaries, has initiated capacity-building programmes for micro- and small enterprises. Similarly, the Sarhad Rural Support Programme (SRSP) and the Thardeep Rural Development Programme (TRDP) have been supporting women entrepreneurs through micro-credit services and capacity-building initiatives. Several NGOs such as Asasah, Sungi, Hawwa and Behbood have been supporting women entrepreneurs mostly in rural and semi-urban areas.

The United States Agency for International Development (USAID) has allocated \$66 million for its strategic plan of 2003–07 to support economic empowerment targeting SME development (IFC, 2007). Similarly, The Canadian International Development Agency (CIDA) offers micro-credit loans and training to women. Additionally, the Aga Khan Development Network created the First MicroFinanceBank Limited (FMFB) with a specific focus on SMEs operated by women. The ILO has

also been working with FWBL to directly finance women micro-borrowers in rural areas (FWBL, 2005). Similarly, the World Bank is implementing an initiative in coordination with the government of Pakistan to facilitate women's mobility, which would also help increase their access to information and markets. The International Finance Corporation has recently undertaken research on women's access to finance in Pakistan identifying financial and non-financial policy initiatives and recommendations (IFC, 2007).

Individual motivation

Notwithstanding the contextual barriers and enablers, there is ample evidence that women entrepreneurs use their own agency to operate and manage their own businesses. Individual motivations, however, vary from person to person. For example, based on their qualitative interviews with 33 female participants of an entrepreneurship development programme run in the metropolitan city of Karachi, Shabbir and Di Gregorio (1996) revealed that women decided to start a business in order to achieve three types of personal goals: *personal freedom*, *security* and *satisfaction*. Freedom seekers were those women who had experienced some kind of frustration or dissatisfaction in their paid work, and who now wanted to start their own business in order to have the freedom to choose the type of work, hours of work, work environment and the people they worked with. Security seekers were those women who, triggered by some personal mishap (such as death or retirement of their husband), wanted to start a business in order to maintain or improve their and their family's social and economic status. An important reason why most of these women opted for their own business rather than paid work was the flexibility that self-employment offered in terms of location (close to home, working from home) and hours of work, to which paid jobs could not cater. Satisfaction seekers were mostly housewives, with no previous work experience, who wanted to start a business in order to prove to themselves and to others that they were useful and productive members of society. Shabbir and Di Gregorio (ibid.) argued that structural factors influencing start-up may be divided into three categories: internal resources, that is, women's qualification and work experience; external resources, that is, finance and location; and relational resources, that is, family, employees, suppliers and customers. However, the impact of structural factors on women's ability to start a business varies according to the dominant personal goal. The relationship between women's personal goals and structural factors influencing start-up helps in understanding why some women, despite apparently unfavourable circumstances, succeed in starting a business, whereas others even under apparently favourable circumstances may not do so.

Stories of success

Barriers to women's entrepreneurship cover the whole spectrum of business development, from pre-start-up to maturity. However, despite the barriers faced by women entering and operating small businesses, their stories are frequently ones of success (see e.g., Ericksen, 1999; Cantando, 2006). This section offers a snapshot of Pakistani women's stories of success and the organizations that helped them in establishing their business.

SMEDA's Women Entrepreneurs Development Cell

The Small and Medium Enterprise Development Authority (SMEDA) was established in 1988 by the Government of Pakistan to develop SMEs in the country. In order to meet the needs of women entrepreneurs, SMEDA established the Women Entrepreneurs Development Cell (WEDC) in 2002. The following is an account of the key projects undertaken by the WEDC:

Women Business Incubation Center (WBIC) This project aims to provide practical support to women entrepreneurs including help in developing the infrastructure and various service packages to improve female participation in economic development. The infrastructure support includes, for example, the provision of fully furnished, air conditioned offices/display area along with administrative support. The establishment of a female-managed facility in Lahore has served to establish women entrepreneurs' presence in the market, for example, by expanding from home-based business to commercial office, or starting their business, and an opportunity to market their products through a display centre along with access to instant business management solutions. SMEDA is currently planning to expand the network of WBICs to other regions.

Women Entrepreneurs Information Network (WIN) Given that a vast majority of females have little access to information of incentives and initiatives introduced by private sector or government bodies for women entrepreneurs' business development (Goheer, 2003), SMEDA launched Pakistan's first exclusive women entrepreneurs' web portal, Women Entrepreneurs Information Network. The Network has been designed to bridge the resource gaps for women in business through ready access to information, export markets and increased networking opportunities.

Furthermore, the WEDC regularly organizes training programmes covering management, technical and skill development sessions for women entrepreneurs, whereby hundreds of women have benefited from these training sessions (e.g., SMEDA, 2008).

BOX 11.1 LOK VIRSA BOUTIQUE, LAHORE

Adeeba Talat got married at the age of 15. She had hardly finished her matriculation at that time. She is 40 now, the mother of five children, and running her own business for the last ten years. Adeeba was very fond of dress designing from the beginning, and her mother-in-law encouraged her to start designing and selling clothes. She was short of money and wanted to be independent as well. Hence she decided to start her own business, and she chose crochet lace clothes to start with. The idea caught on quickly as it was relatively new in the market and public response was very good. This gave her some business confidence and she decided to expand by making outfits to be sold in the market. She made a verbal contract with a local shopkeeper to sell her clothes by displaying at his shop. This turned out to be a very bad experience. The treacherous shopkeeper sold her clothes but never paid her. She was not the only one who became the victim of a male retailer. Many of her friends told her that their small initiatives had met with the same fate. Disgruntled and disappointed, Adeeba decided not to use

this marketing channel any more but resolved to carry on with her business. She changed her strategy and started direct marketing by participating in the local exhibitions and fairs. A moderate response in the beginning soon turned into a good stream of orders.

These days she serves a number of clients, but produces only to order. Her husband manages the marketing and sales, while she manages designing and production. Adeeba intends to expand her business and enter into the export market. The main purpose behind earning more money is to send her son abroad for higher education. She has recently sent some designs to her sister who lives in the United States and is expecting to get some orders from there.

Source: Kamyab Women, Gallup Cyber Letter on SME, July–October, 2004, available at: www.gallup.com.pk/sme/SMEjul04.pdf; accessed 20 February 2010.

The First MicroFinanceBank Limited

With an aim to promote the development of an active privately based micro-finance industry in Pakistan, The First MicroFinanceBank Limited (FMFB) was established in 2001. The Bank is owned by the Aga Khan Development Network. The Bank operates with the underlying long-term principles of outreach and sustainability, aiming to reach out to those who are currently not able to receive adequate financial services, throughout the country, in rural as well as urban areas. The target audience is vulnerable groups, especially women.

The FMFB is the embodiment of the concept of micro-loans as a means to spur development in developing countries. The loans are quite small relative to normal financial arrangements, but provide access to capital that was not possible due to economic, cultural or historical reasons. The Bank offers a full range of financial products, such as deposits and loans but also transfer of funds. It provides different loan products, adapted to its diverse clientele, in urban and rural regions. The most attractive of its loan schemes is its group loan, using village banking methodology, which is available in rural areas. Other loans include urban group loans, business committee loans and house improvement loans (available to five or more borrowers in village or women organizations). The Bank has expanded to over 100 branches in just five years and is currently found in four major provinces as well as Northern areas of the country.

BOX 11.2 SEWING MACHINE TO SEWING TRAINING INSTITUTE, CHITRAL

Islamabad, Pakistan, 27 November 2007 – The First MicroFinanceBank's client, Ms Sifat Gul from Gharam Chashma, Chitral won the 'Best National Micro-Entrepreneur Award – Female' at the recently organized Citi-PPAF Micro-entrepreneurship Awards 2007 ceremony in Islamabad. The award recognizes the extraordinary contributions that individual micro-entrepreneurs have made to the economic sustainability of their families as well as their communities.

The award winner Sifat Gul, faced with economic problems, began her journey a couple of years ago by approaching the FMFB for a loan to purchase a sewing machine and become a tailor. However, she was soon able to diversify her small home-run business into a full training

institute to harness the sewing and embroidery skills of the young women in her community. Today, she plans to construct a separate building for her training institute and has partnered with other organizations that purchase her products and exhibit them in city centres.

Through a prudent use of the micro-finance facility, Sifat has been able to increase her own household income. It has also empowered her to play a positive role in mobilizing her community to bring about a social change in their surroundings. Today, not only does she have the basic amenities of life including good-quality access to education, housing and health facilities for her entire household but also trains and empowers many young women to earn their livelihoods. Coming from the remote, mountainous area of Chitral, hers is a story of true woman empowerment as she stepped up to earn a livelihood and was later elected as a female councillor, revolutionizing the surroundings by playing a pivotal role in mobilizing common interest projects such as Community Based Schools, village pipeline repair and road repair projects. Initially faced by strong resistance and opposition from her family to start a business, Sifat Gul with the support of the FMFB and her sheer commitment, confidence and hard work succeeded in bringing a positive change in her household and continues to be a social change agent.

Source: <http://www.bwtp.org/news/november2007/firstmicrofinance-bank.pdf>; accessed 15 February 2010.

Summary and recommendations

Based on the literature, the chapter has discussed a number of challenges faced by women entrepreneurs in Pakistan, which include:

- gender discriminatory stereotypes, attitudes and routines;
- inadequate structural and institutional support (e.g., micro-financing schemes; legal enforcement and monitoring; training and development); and
- lack of information (e.g., access to finance, markets and networks, literacy, technical and management skills).

The chapter has discussed that because of patriarchal traditions and social stereotypes, women entrepreneurs in Pakistan face greater challenges in starting and managing their own businesses. The deeply rooted discriminatory socio-cultural traditions are also embedded in the institutional support mechanisms. Consequently, there are inadequate legal and financial structures provided by the government and the civil society to encourage women's entrepreneurship in Pakistan.

However, despite such barriers, the stories of Pakistani women's success suggest that once such women are given access to adequate resources (e.g., training and finance), they are very capable of starting the motor of economic development. Indeed, this dream cannot be realized without raising consciousness among policy-makers, investors and bankers, and women and men generally that women's entrepreneurship represents an untapped reservoir for job creation, economic growth and social cohesion. To achieve that aim, the following steps may be considered:

1. *An enlightened religio-cultural approach to gender equality.* There is a need to promote an enlightened, gender-egalitarian approach to the status and roles of women in Pakistani society (see Syed, 2008). Such an approach may be realized through an integrated promotion of gender equality in socio-political and religious discourses, academic texts, media and public policy. It can help change the stereotypical images of women in the society, encourage family support and help women both in venturing into and managing business. Also, tribal and religious taboos on women's mobility outside their home need to be publicly contested and demolished. Media can play an important role by portraying an egalitarian image of 'Muslim woman' who has a right equal to her male counterpart to acquire knowledge through education, to own property and to manage her own business.
2. *Structural and institutional support.* Since women have generally less access to external funding than men, their businesses tend to be concentrated in the services sector, requiring small initial capital outlay and less technical knowledge. In line with its initiatives of the FWBL and PPAF, the government may reinforce and expand flexible banking policies especially for women. This will be particularly useful given the unavailability of collateral to women entrepreneurs. Public-private partnership can be one possible way forward to achieve that aim. Furthermore, policy-makers may consider designing and implementing positive discrimination policies to put women entrepreneurs on a level playing field with their male counterparts. For example, the State Bank of Pakistan may encourage banks to design and advertise products customized to women's needs and constraints and to allocate amounts in the total lending portfolio for women entrepreneurs (Sajjad and Raza, 2007). Similarly, the government may play a vital role in providing/enforcing women-friendly work structures and services as more women would be able to embark upon business initiatives.
3. *Facilitation of women's mobility outside their homes.* Women's mobility outside their home can be facilitated through a number of measures, for example, by providing adequate public transport for commutation. This is particularly important in Lahore, Karachi and other urban areas where more and more women are coming out to work, and the need for transportation facilities by women has increased dramatically (Shabbir, 1995). Indeed, families would not like their women to commute if there are inadequate commutation options available. Similarly, childcare facilities and flexible work arrangements can be provided in organizations to facilitate female employment.
4. *Support networks.* In order to promote women's entrepreneurship, established women entrepreneurs may develop and expand their networks to help budding women entrepreneurs, particularly those operating at the micro-level. Such networks may also help in identifying and filling in any marketing and management gaps. The existing networks may review their strategies and activities to play an important role in women entrepreneurs' business development. For local markets, such support may be in the form of help with forecasting market and financial trends. Business support institutions may develop a mechanism to support women entrepreneurs in tapping international markets. Last but not least, women entrepreneurs themselves will need to adopt a more proactive approach to learning their own profession, its financing and marketing and designing and implementing efficient and effective management plans.

5. *Attention to context.* Research suggests that women-only training can play an important role in developing women's leadership skills, and in the enhancement of their careers (Vinnicombe and Singh, 2003). In view of the Islamic institution of female modesty, women-only training opportunities can be deployed to enhance business management skills in Muslim entrepreneurs. Women-only entrepreneurship training programmes in addition to other support mechanisms such as mentoring and coaching can provide women with an opportunity to learn business management in a socially acceptable environment (Roomi, 2005b). This context-specific approach may also be considered in other aspects of entrepreneurship, for example, interest-free Islamic micro-financing.

6. *Recognition of individual differences.* Finally, taking into account individual differences, understanding the different goals that women may have for business ownership and the relationship between these goals and the structural factors that influence start-up can be of great help to researchers as well as policy-makers working to promote women's entrepreneurship (Shabbir and Di Gregorio, 1996). This understanding can lead to the development of policies and programmes of support that not only recognize that there are different goals that women have for wanting to start a business but that their needs and experiences may vary according to their particular goals for business ownership.

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