

CONSTRAINTS FACED BY WOMEN OWNED AND MANAGED BUSINESSES IN KARACHI



IN COLLABORATION WITH



THE WORLD BANK



**Investment
Department**
Government of Sindh



About the Report

This report presents a synthesis of the main findings of qualitative and quantitative tools utilized to gather data from over 280 women entrepreneurs from Karachi, Pakistan. The study focused on identifying the constraint, challenges ,patterns behaviors, and perceptions of women entrepreneurs in owning and managing their entrepreneurial ventures

Disclaimer

The findings, interpretations, explanations, and conclusions of this report do not necessarily represent the views of the Sindh Investment Department and the World Bank.

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Purpose and Goals

The Center for Entrepreneurial Development (CED) at the Institute of Business Administration (IBA) Karachi conducted a study to identify constraints faced by women who own and manage businesses in Karachi.

The study has been conducted as part of the Competitive & Livable City of Karachi (CLICK) project of Sindh Investment Department (SID), funded by the World Bank. The CLICK project, an initiative of the Government of Sindh, five-year project focusing on improving urban management, service delivery, and the business environment in Karachi. The project aims to address the constraints and enhance the quality of life of the cosmopolitan city by tackling critical bottlenecks.

This study aims to identify the constraints faced by women-owned and managed businesses in Karachi. The outcomes of the study can help to further explore the financial, legal, operational, societal, technical, and technological challenges, and barriers. In the same context, factors that either support and hindering initiation, growth, and success of women-owned and managed businesses have been delineated. As a part of the overarching project, the present study aims to “understand and explore the constraints and challenges faced by women owned and managed businesses in Karachi, Sindh” through following broader objectives.

1. Identify the regulatory barriers, financial, legal, technical, and technological factors that may hinder starting and continuing the business.
2. Identify the socio-cultural factors that may play negative roles for women entrepreneurs.
3. Explore the barriers posed by the governmental processes, faced by women entrepreneurs in running and expanding their businesses.

The findings of this study can help the policy makers address a range of constraints that women entrepreneurs face and navigate through. Moreover, this study will help stakeholders design relevant program to assist in tackling the constraints and strengthening the entrepreneurial ecosystem for women entrepreneurs in Karachi. This report shares findings of this study and presents recommendations to improve conditions of Karachi- based women entrepreneurs.

Executive Summary

The primary objective of this study was to improve the understanding of constraints for women-owned and managed businesses in Karachi, Pakistan. This study was conducted in two phases: qualitative research and quantitative research. Phase one of the study consisted of two workshops, four focus group discussions, and twenty-five in-depth interviews with women entrepreneurs from Karachi. Phase two consisted of developing and implementing a city-wide representative quantitative survey of women entrepreneurs in Karachi to identify the challenges they faced in entrepreneurship. Extant literature acknowledges women's entrepreneurship as a source of increased employment, empowerment, and overall economic development for any country. Challenges to women entrepreneurship within Karachi reflect the global challenges experienced by women entrepreneurs; these include access to finance, socio-cultural factors, lack of entrepreneurial knowledge, and lack of professional networks. Currently, women entrepreneurs in Karachi need more financial, legal, and educational support, hampers their confidence in their entrepreneurial abilities and restricts their growth potential.

This study followed a mixed-method design involving qualitative and quantitative approaches. The sampling method used in the study was purposive and snowball sampling. The participant selection was primarily based on the following criteria: women entrepreneurs running their businesses for at least three years, either formally or informally, and women with at least eight years of schooling or more were operating in Karachi. The qualitative phase included forty-nine women entrepreneurs from Karachi's formal and informal sectors. In addition to this, two workshops included women entrepreneurs as panel members and the audience. More than four hundred and fifty women registered and attended these workshops. The quantitative phase included two hundred and forty-seven respondents from different districts of Karachi belonging to both formal (45%) and informal sectors (55%). The majority of the respondents (79%) were sole proprietors, while some of them had partnerships (10%), family businesses (8%), limited liability (2%), and corporations (1%). The businesses were predominantly operating in the services sector (37%), retail trade (36%), accommodation and catering (11%), IT and communications (8%), construction and interior designing (4%), wholesale trade (3%) and fashion and textiles (1%). Women entrepreneurs in the survey were also less likely to have children in the 0-5 age bracket and more likely to be married. Most respondents (86%) were the sole earners of the family with graduate-level education (55%). 45% of the respondents lived with their extended family members, and 42% lived with their spouses and children. The findings of the qualitative and quantitative studies were integrated and presented using a framework developed by Bastian et al. (2018). The framework incorporates three broad themes: Macro, Meso, and Micro. According to this framework, macro themes relate to the broader environmental factors such as the overall political and economic outlook, governmental policies, and socio-cultural factors. Meso themes relate to the organizations, their characteristics, and their strategies. The micro theme relates to the personal characteristics of women entrepreneurs.

The micro theme results, relating to personal characteristics of women entrepreneurs, indicate that these women entrepreneurs were motivated to start their businesses: a) to gain financial independence, b) to earn additional income, c) were concerned for their family's well-being, d) to transform a hobby into a business, e) to uphold family upbringing, f) to participate in the

family business, g) to give back to the community or society, h) to attain personal well-being. Prior work experience and education aided these women entrepreneurs in different facets of their business. However, they expressed their need to access coaching, mentoring, professional networks, and training related to soft and technical skills. The study's results also indicated respondents' conservative approach in their business decision-making (45%) and their desire to opt for projects with certainty in results (62%), which makes their business susceptible to competitive threats (48%). Their overall perception of their business competency compared to men was positive (77%). However, they perceived men as better salary negotiators (62%) and better communicators of their achievements (58%). They also believed that Karachi's business environment required skill in handling informal arrangements, which differed from their forte (42%). They emphasized training needs in market research, IT, PR/Marketing, and financial and business management training. The results showed no significant differences in the training needs related to marketing, finance, and business management. However, women in the formal sector reported a greater need for legal training and mentoring than women entrepreneurs in the informal sector.

Additionally, the respondents were comfortable using social networking sites like Facebook, Instagram, and LinkedIn. However, the comfort level with digital tools such as keyword search tools (46%) and Analytics tools (39%) was lower. Hence, specific digital marketing training was expressed as the need of the day.

The results also indicated that 51% of women's businesses were self-funded. Although these respondents reported access to capital as an essential challenge, more than half of the participants (89%) had never applied for a loan. There was a significant difference in the responses of the women entrepreneurs in the formal and informal sectors. The women entrepreneurs in the informal sector showed lower loan applications than those in the formal sector. The reasons opted for lack of loan applications included stringent collateral requirements (51%), high interest rate (41%), religious reasons (40%), lack of need (35%), complex procedures (40%), and lack of previous experience in securing funds (43%). Respondents also needed more clarity regarding banking regulations, loan applications, and the complex and lengthy process.

Preferences for the sources of information were also highlighted. Women entrepreneurs in the informal sector rated word of mouth as a more important source of information for growing and managing their businesses than in the formal sector. On the contrary, women entrepreneurs in the formal sector rated business associations and professional networks, business training programs, government sources, and trade fairs as more important sources of information than women entrepreneurs in the informal sector. Hiring and training employees was a significantly more critical challenge for women entrepreneurs in the formal sector than their counterparts in the informal sector.

The results of the macro theme, which related to the broader environmental factors such as the overall political and economic outlook, governmental policies, and socio-cultural factors, showed that women entrepreneurs faced gender-related challenges, such as the reluctance of people to do business with them, lack of support from people, housekeeping and childcare responsibilities, lack of permission to start a business, work-life balance maintenance, tax rates constraints, and cumbersome tax filing processes. The study found that women in the formal sector felt more challenged by tax rates and the tax filing process. In contrast, women

in the informal sector were more constrained by approval from their family members to pursue their business. The survey results highlighted these women entrepreneurs rated housekeeping and childcare responsibilities as an important (32%) reason behind the domination of men in owning and managing businesses in Karachi. These respondents required substantial support from the government. They believed that the government could play an active part by devising and implementing policy measures in training, banking regulations, business and intellectual property rights registrations, and provision of safe spaces. They also considered the government's role pivotal in the awareness creation among the general masses regarding the role these women entrepreneurs can play in improving Pakistan's economy. Such government-led awareness initiatives would aid them in running their operations smoothly and reduce the stereotypical challenges these women face from their clients, suppliers, and even family members.

Abbreviations

B2B: Business to Business
CED: Center for Entrepreneurial Development
CIE: Certificate in Entrepreneurship
CLICK: Competitive and Livable City of Karachi
COVID: Corona Virus Disease
CRM: Customer Relationship Management
CV: Curriculum Vitae
DHA: Defense Housing Authority
E-Commerce: Electronic Commerce
E-Store: Electronic Store
FBR: Federal Board of Revenue
FGDs: Focus Group Discussions
FPCCI: Federation of Pakistani Chamber of Commerce and Industry
GDP: Gross Domestic Product
GEM: Global Entrepreneurship Monitor
GOVT: Government
HJRS: Higher Education Commission Journal Recognition System
IBA: Institute of Business Administration
IDIs: In-Depth Interviews
LLC: Limited Liability Company
MEC: Mothers Entrepreneurship Camp
MMR: Mix Method Research
MS Excel: Microsoft Excel
NGOs: Non-Governmental Organizations
NIC: National Incubation Center
NTN: National Tax Number
PAR: Participatory Action Research
PITB: Punjab Information Technology Board
PLSM: Pakistan Social And Living Standards Measurement
PMNIA: Prime Minister's National Innovation Award
SECP: Securities and Exchange Commission of Pakistan
SID: Sindh Investment Department
SME DNC: Small and Medium Entrepreneurship Development National Center
SMEDA: Small and Medium Enterprise Development Authority
SMEs: Small and Medium-sized Enterprises
SPSS: Statistical Package for the Social Sciences
SRB: Sindh Revenue Board
UK: United Kingdom
UN: United Nations
UNDP: United Nations Development Program
USA: United States of America
USAID: United States Agency for International Development
VC: Venture Capitalist
WWWT: Working Women Welfare Trust

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1. Project Background

Pakistan, with an estimated population of 230 million (World Bank, 2023), is the fifth most populous country in the world, comprising 49.2% women and 50.8% men (UN Women, 2023). According to the Global Gender Gap Report, for opportunities offered to women in the economic sphere, Pakistan stands at 146th position out of 149 countries. This reflects the country's comparatively low engagement of women in economic activities. According to the labor force survey (2021), women employment to population ratio is only 19.4%. The survey indicates women's formal and informal sectoral employment as 35.5% versus 65.5%, respectively.

There has been a growing recognition of the importance of women entrepreneurs in Pakistan and an emerging trend of initiating new business ventures (Aslam et al., 2013). However, the involvement of women in entrepreneurial activities is still notably low, with only 3.2% contribution of the country's entrepreneurial ecosystem (Pakistan Bureau of Statistics 2021). The overall entrepreneurship ratio, encompassing formal sector activities, remains at 1.4%, with women contribution accounting for only 0.1%. Whereas, in the informal sector, this ratio stands at 2.6%, with women contributions recorded at 0.3% for the financial year 2020–21 (Pakistan Labor Force Survey 2020–2021).

Pakistani businesswomen and entrepreneurs face a range of multifaceted challenges that maybe the reason behind their limited engagement in the economic activities. These include weak entrepreneurial networks, low levels of education, inadequate skills and training, absence of career guidance and role models, limited support services, meager control over finance and lack of credit facilities (Rizvi et al., 2023). Moreover, women face gender division of labor, whereby they are seen as caregivers for the family. Therefore, the decision to work usually depends on how much time they can spare after fulfilling family responsibilities (Sikod, 2007). Women also face discrimination in inheritance (Khan et al., 2016). An understanding of these challenges is essential to address issues such as women's empowerment, inequality and income disparity, and economic growth.

The research site for this study was Karachi. Being the only metropolitan hub of Pakistan and the capital of Sindh, the city's share in the country's economy is vital as it contributes 42% to GDP, 70% to the income tax revenue, and 62% to sales tax revenue (World Bank, 2023) and It houses nationals from across the country. Despite Karachi's positive role in Pakistan's economy due to its location, size, and human and industrial capital, its business environment is hampered by weak regulatory governance, cumbersome administrative procedures, unreliable transport mechanisms, extortions and threats (World Bank Group, 2018). In this dismal situation, women are the worst affected by Karachi's sparse public transport system which constitutes about 5 percent of the number of vehicles on roads, carrying 42 percent of travelers (World Bank, 2018). It increases the likelihood of harassment and violence women face due to mobility constraints while pursuing their careers, businesses and otherwise.

Considering the role that women could play towards the economic growth of Pakistan through their entrepreneurial activities, it was essential to understand and explore challenges and constraints they face in leading and managing their business. Karachi, for such a study, could be the most representative research site considering population size, diversity, and a relatively considerable involvement in economic activity. In addition to that, determining the

differences in challenges and motivations between women entrepreneurs in the formal and informal sectors of Karachi was a factor worth an investigation. Literature on a broader topic, does not sufficiently explore the reasons which lead them to operate in informal space.

Therefore, this study was designed to explore the link between a range of factors such as lack of information, avoidance of tedious procedural requirements by the government for setting businesses, tax evasion, and flaws in the formal sector.

To address the above stated gaps, the Center for Entrepreneurial Development (CED) at the Institute of Business Administration (IBA) Karachi conducted the study with the aim to identify the constraints faced by women owned and managed businesses in the context of Karachi.

The findings of can help the policy makers address the identified constraints. Moreover, it can help the stakeholders (such as governmental organisations, financial institutions, NGOs working for women's economic empowerment, international donor agencies etc.) to design the relevant program to remove the constraints and strengthen the entrepreneurial ecosystem for Karachi-based women entrepreneurs.

1. Literature Review

1.1 Constraints faced by Women Entrepreneurs: An International Perspective

Women entrepreneurship is defined as a process that involves creating, expanding, and managing a business by a woman. A process where “a woman who has, alone or with one or more partners, started or inherited a business and is eager to take financial, administrative, and social risks and responsibilities and participate in the day-to-day management activities” (UNDP, 2004 cited in McAdam, 2022). Women entrepreneurship is recognized as a significant contributor to the socioeconomic development of countries (Vossenberg, 2013). It not only offers economic security for women but also serves as a platform for self-expression and personal fulfillment, ultimately empowering them as individuals (Cheston, & Kuhn, 2002). Through their business endeavors, women create jobs for themselves and others, generate revenue to enhance their families' standard of living, alleviate poverty, provide valued goods and services to markets, achieve financial independence, lower the degree of social exclusion, and support economic expansion (Adema et al., 2014).

Despite the global increase in the numbers, women entrepreneurs lack support, fear failure, and lack competency and experience (Welter et al., 2014). They are adversely affected by pressures to quit higher education or a job, lack of funding and family support, and face gender-related discrimination (Roomi et al., 2011; Jamali, 2009). Traditional gender roles and stereotyping make business entry, survival, and development difficult for women entrepreneurs (De Vita et al., 2014). Gendered influences create differences between men and women for property rights, freedom of movement, and social and economic exchanges within and between communities due to boundaries imposed by family, culture, religion, ethnicity, and race (Brush et al., 2019). These gender-related prejudices stereotype women and defy their capacity to be assertive and independent risk-takers, qualities identified as masculine and essential for entrepreneurs (Anderson & Ojediran, 2022; Maden, 2015). Such

stereotyping demarcates roles and professions. Pursuing entrepreneurship on a formal scale for women means a loss of legitimacy and non-alignment with societal medians (Kistruck et al., 2015; Viswanathan et al., 2014) and creates a conflict between meeting "womanly" responsibilities and patriarchal ideals (Bates et al., 2007; Brush et al., 2009). Hence, women are conditioned to follow professional paths such as teaching, nursing, or secretarial work (Brush & Gatewood, 2008).

In the context of developing countries, women also face notable obstacles concerning the availability of credit and start-up costs (Muravyev et al., 2009; Bellucci et al., 2010). Women borrowers typically face higher interest rates even when controlling for market competitiveness and borrower risk characteristics (Alesina et al., 2013). Women are more likely to experience stricter collateral requirements and shorter loan maturities (Coleman, 2000). It shed light on the persistent gender inequalities in access to credit and the differential treatment of women entrepreneurs within the lending market (Alesina et al., 2013; Bellucci et al., 2010). Financial constraints also hinder women entrepreneurs, as they face difficulties in accessing finance due to factors such as information asymmetry, lack of credit history, and inadequate collateral (Sandhu et al., 2012; Panda, 2015). Women are also less likely to have access to formal business networks than men and are more likely to be charged higher interest rates as women-led businesses are assumed to have greater risk than those led by men (Warnecke, 2013; Mair & Marti, 2009).

Furthermore, in the formal sector, managerial chain-of-command, is often male-dominated, which creates glass-ceiling where women do not get to advance at high-level positions (Brush and Gatewood, 2008; Welter et al., 2014, p. 8). Moreover, inadequate infrastructural support adds to the challenges of women entrepreneurs. Limited access to technology, ancillary business services, networking opportunities, and consulting services restrict their growth potential (Robb & Coleman, 2010). Unfavorable business, economic, and political environments, characterized by complex regulations, bureaucracy, high tax rates, and unsupportive government policies, further impede women's entrepreneurship development (Panda & Dash, 2014). Therefore, informal businesses become more feasible for women entrepreneurs as they offer control, independence, and flexible hours (World Bank Group, 2022).

The training and education gap also limits women entrepreneurs' understanding of essential business practices, marketing strategies, and financial management (Singh & Belwal, 2008). Personality-based constraints, including self-doubt, risk aversion, and feelings of loneliness, potentially hinder the progress of women entrepreneurs (Shelton, 2006). These interconnected constraints, form a complex web that restricts the ability of women-led ventures to grow and succeed (Minniti & Naudé, 2010). Consequently, women-led ventures tend to be small scale and experience lower growth rates, reduced profitability, and higher failure rates compared to men-led ventures (Minniti & Naudé 2010; Robb & Wolken, 2002; Coleman, 2007)

1.2 Constraints Faced by Women Entrepreneurs: A Pakistani Perspective

Pakistani women entrepreneurs face challenges on multiple fronts, ranging from personal to socio-cultural and institutional domains. Previous studies determined that women's

entrepreneurial success is closely linked to factors such as family -support, motivation, self-confidence, and business skills (Azmi, 2017). Additionally, government policies, regulations, access to finance, and cultural beliefs also play pivotal roles in the growth of women-led startups (Muhammad et al., 2017). Furthermore, the overall economy, employee behavior, and environmental factors also significantly influence the success of any entrepreneurial venture (Muhammad et al., 2017).

Motivational factors play a crucial role in women's entrepreneurial activity by influencing their decision to create, own, and/or run businesses with innovative mindsets. The decision of women to start their own businesses is not typically driven by a single motivating cause. Rizvi et al., (2023) found autonomy, flexibility, independence, family push and belief in women's capability, additional income and sense of fulfillment as motivating factors for pursuing entrepreneurship. According to Azmi (2017), the driving force behind Pakistani women's entrepreneurship appears to be the desire for economic emancipation, which signifies empowerment and autonomy over one's life and choices. Achieving work-life balance also emerges as a crucial motivation for women to start their own businesses, providing them with the flexibility to manage family responsibilities (Azmi, 2017). Additionally, support and encouragement from spouses and family members has also been observed to be instrumental in motivating women to pursue entrepreneurship (Azmi, 2017). Having parents that owned businesses and had a business-oriented culture at home also had a positive link to motivation of Pakistani women entrepreneurs (Rehman & Azam Roomi, 2012).

Occupational choices are influenced by socio-cultural environment in Pakistan, reinforcing gender bias (Nasir et al., 2019). Pakistani women are seen as caregivers for the family and bear most of the responsibility for raising children. Therefore, the decision to work usually depends on how much time they can spare from family responsibilities (Shafiq, 2014). Pakistani women entrepreneurs often face a sense of guilt, which acts as a psychological barrier to pursuing entrepreneurial careers, despite their strong determination. It limits their participation in external business activities, including networking, which in turn impedes their access to financial and social capital, and hinders business growth opportunities (Roomi et al., 2018; Rehman & Azam, 2012).

Religion and its commonly practiced patriarchal interpretations also restrict women's opportunities in the social, economic, and political spheres in Pakistan (Syed & Ali, 2005). The expectation for women to adhere to traditional practices such as 'purdah' (the veil) as a symbol of modesty restricts their mobility and presence in public spaces. Moreover, the concept of 'izzat' (honor) further reinforces gender bias and pushes them towards professions where they can maintain gender segregation and meet societal expectations of modesty and traditional gender roles such as beauty parlors and personal care services (Ejaz, 2020).

Entrepreneurial competencies and cognitive factors and entrepreneurial competencies play an essential role in the success of women entrepreneurs. Entrepreneurial competencies encompass a range of skills and abilities with traits such as innovation, creativity, opportunity identification, and the ability to assess strengths and weaknesses (Zizile & Tendai, 2018). Cognitive factors, such as educational achievements, relevant business experience, and personality traits, contribute to women's capacity building and determination (Mordi et al., 2010; Roomi et al., 2018). Aslam et al. (2013) conducted a study on Pakistani women

entrepreneurs to explore the factors that impact their work efficiency. The study found that 47% of its participants needed more literacy, only 28% completed high school, and 11% pursued college education. Regarding skill development, only 10% had received vocational training; 62% needed to gain related field experience. This lack of education and training hampers the development of women entrepreneurs' personal competencies and managerial capabilities and impedes the success of women-owned ventures.

Additionally, personality traits, a multidimensional construct, influence individuals' performance, decision-making, and problem-solving abilities (Luc, 2022). Khan et al. (2021) found that specific personal characteristics play a significant role in the success of women-run businesses in Pakistan. These encompass an inherent drive for achievement, a willingness to take risks, and strong self-confidence. These internal attributes are crucial as they can shape an individual's decision-making, resilience, and overall approach towards pursuing their goals, especially within establishing and managing enterprises.

In addition to personal factors, the family also plays a vital role in women's entrepreneurial journeys. Managing work and family can provide opportunities for women to develop and grow their interests, enriching their entrepreneurial skills. Sohail et al. (2022) reported a substantial connection between women entrepreneurs and their families. They emphasize the importance of family influence on a woman's decision to start her entrepreneurial venture. Moreover, family support plays a crucial role in women's entrepreneurial journeys, which plays a significant part in their confidence and ability to overcome obstacles (Salman et al., 2022). Although family support enables women entrepreneurs, the lack of it constrains them and results in negative consequences (Rehman et al., 2012).

Other constraints faced by Pakistani women entrepreneurs include credit availability and start-up costs. Power dynamics and control over women's finances within households result in men benefiting more from microcredit than women entrepreneurs (Nasreen & Shah, 2016). Gender biases and attitudes can also influence investors, lenders, and other stakeholders who are less willing to support women-led ventures (Azam et al., 2009). According to several studies, Pakistani women entrepreneurs have limited access to institutional credit because they lack knowledge and information on how to access formal finance and have little to no ownership or control over assets such as capital, land, or property that can be used as collateral (Niethammer et al., 2007; Khan & Shah, 2023). The lack of women's access to capital could be attributed to the introduction of individual property titles, where women typically have only secondary land rights or are explicitly denied inheritance rights, which tends to result in men possessing land titles while women's remaining common rights decline (Toulmin, 2009; Hampel-Milagrosa, 2010). This lack or loss of rights creates significant obstacles for women in starting and expanding businesses.

Cultural norms and stereotypes also constrain Pakistani women. Women entrepreneurs are perceived as less competent or capable in business (Jamali, 2009; Agarwal & Lenka, 2016). A lower level of credibility and legitimacy associated with women's entrepreneurship is a significant challenge for women entrepreneurs in Pakistan (Roomi et al., 2008). They often face skepticism and biases, especially in non-traditional sectors, where suppliers and customers may doubt their ability to meet targets, pay on time, or maintain production lead times (Mahmood et al., 2014). This results in the need for more recognition for women

entrepreneurs, impacting their access to financing, networks, and business development opportunities (Khan & Shah, 2023).

Pakistani women entrepreneurs faced spatial mobility constraints and a lack of opportunities to meet colleagues outside their homes (Roomi & Parrott, 2008). Networking and social capital also limited these women entrepreneurs in Pakistan. Support frameworks are essential as these enable these women to exchange information, discuss common issues, and seek advice. Khan (2020) reported the impact of women's social connections on the success and growth of their businesses. He found that women actively established cross-gender economic connections without overtly challenging established social norms, as these supported the survival and development of their entrepreneurial endeavors.

Government policies and regulations significantly influence the environment in which women entrepreneurs operate. Bureaucratic procedures, such as licensing requirements, registration processes, and complex documentation, can create barriers for women starting and growing their businesses (Kurtege et al., 2020). Legal institutions often fail to address gender inequality and provide necessary protections for women adequately (Ali et al., 2011). According to Ejaz (2020), many women in Pakistan turn to the informal sector to avoid bureaucratic and lengthy processes to register a business venture, such as licensing requirements and taxation policies. Corruption of the judicial and criminal justice system and lack of accountability at different levels is another concern for these Pakistani women entrepreneurs (Rehman & Roomi, 2012).

2. Research Methodology

Pakistani women entrepreneurs face unique challenges, and to examine these, the Participatory Action Research (PAR) methodology (DeJonckheere et al., 2019) is used in the present study. This methodology enables participants to express themselves at each stage of the research process. The study goals were to explore women entrepreneurs' reflections about the enabling and constraining factors they face in the ownership and management of their business and to involve them in the knowledge production process.

A mixed method research (MMR) approach, involving both qualitative and quantitative approaches, was used to develop a well-rounded understanding of the phenomenon, leading to practical policy recommendations for enabling women-led businesses. Previous research has used PAR and MMR to produce scientific and transferable results (DeJonckheere et al., 2019). PAR was an appropriate methodology for re-examining and assessing the challenges and constraints faced by the women-owned and led businesses in Karachi, whereas the capitalization of qualitative and quantitative research methods strengths to evaluate the same phenomenon helped gain rich insights and develop evidence-based recommendations for women-owned and led businesses (Windsor, 2013). The critical research tools included secondary research, workshops, Focus Group Discussions (FGDs), in-depth interviews (IDIs), and surveys.

The study took place in seven stages. A pictorial depiction of these stages is given in Figure 1. The first stage of this study involved secondary research. Academic literature, policy documents, and interventions related to women entrepreneurs in general and Pakistani women entrepreneurs, in particular, were studied. This step aimed to review and understand extant literature on women entrepreneurs and their business challenges and constraints. It laid

the foundation and provided an understanding of the entrepreneurial ecosystem in which women entrepreneurs were embedded.

Subsequently, primary research, employing a Mixed Method Research (MMR) design, was implemented to achieve the stated objectives of the study. MMR is an emerging approach used by social scientists in which qualitative and quantitative approaches are used to understand the problem better (Teddle & Tashakkori, 2011). MMR has gained support and recognition in the research circle as it compensates for independent areas that qualitative or quantitative methods have ignored. This approach is beneficial in contexts that involve sophisticated facets of the social world. For this study, MMR helped understand the nuanced structure of women-led and owned businesses in Karachi.

The qualitative approach provided a sense of the context in which these women entrepreneurs were situated. It allowed the researcher to understand the situatedness and behaviors of women entrepreneurs from their point of view and experiences. In contrast, the quantitative approach of MMR provided a numerical account of the challenges and constraints of a larger population of women entrepreneurs and allowed for generalizability and validation. Hence, MMR not only improved research breadth and robustness but also facilitated attaining answers to this study's questions and objectives through "triangulation, complementarity, development, initiation, and expansion" (Teddle & Tashakkori, 2011, p. 293). The Following figure 1 exhibits the process flow of this study:

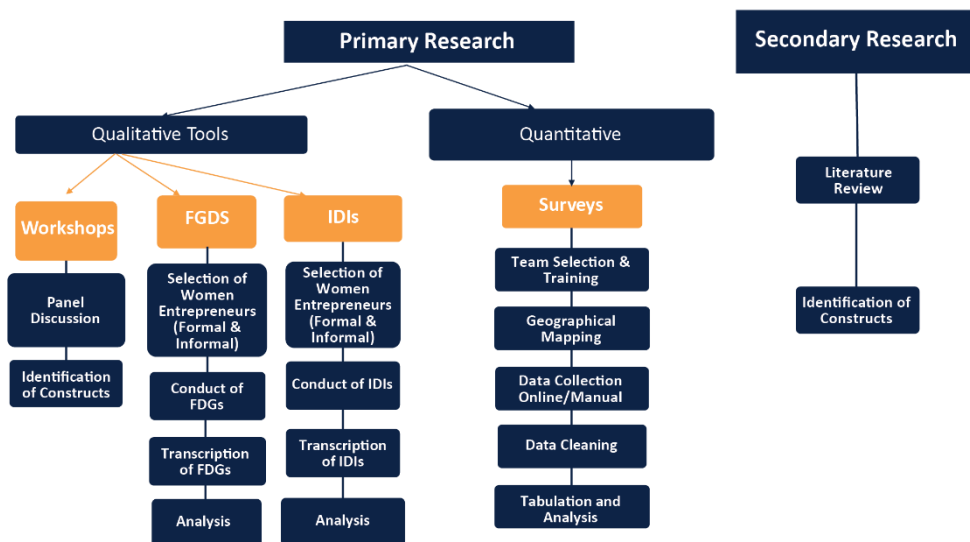


Figure-1: Methodology of Study

2.1 Secondary Research

The secondary research was a three-step process that commenced with journal identification. All indexed journals related to entrepreneurship- Scopus indexed, Web of Science Indexed, HJRS- were identified. Other authentic platforms that have published reports on entrepreneurship and women entrepreneurship, such as the Asian Development Bank, World Bank, USAID/UNDP, and Pakistan Bureau of Statistics, were also shortlisted. It was followed by keyword identification. The key terms used for the search were women entrepreneurship, women entrepreneurs, women-owned business, women-led business,

challenges, barriers, constraints, obstacles, and formal and informal sectors. Articles based on these keywords were identified, shortlisted, and subsequently used for literature review. Examples of some of the studies that were identified and used in the literature review and instrument development are listed below:

- World Bank Group report on "Transforming Karachi into a Livable and Competitive Megacity."
- An assessment of the existing conditions in the provincial entrepreneurial ecosystem using national surveys such as the small and medium enterprise reports
- PLSM data
- Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific Asian Development
- Women's Economic Participation and Empowerment in Pakistan Status Report 2016
- Women entrepreneurship study in Armenia
- Report on growth barriers faced by women entrepreneurs in East Africa
- Household integrated economic survey; GEM data; Women, Business and the Law 2022

A literature review was initiated based on these sources. As the literature review progressed, the sources expanded beyond those listed above. Researchers identified the critical constructs for the study based on the literature review, which led to the design of primary research.

2.2 Primary Research

The primary research was conducted through qualitative and quantitative methods of data collection. A sequential MMR approach was used in the primary research, whereby qualitative research preceded quantitative research to explore and understand the personal characteristics, business characteristics and practices, challenges, and constraints faced by women-led and owned businesses in Karachi. This qualitative groundwork enabled the researchers to develop the quantitative research instrument and enrich the understanding of the complex phenomenon of women-led and owned businesses in a nuanced cultural setting. The quantitative stage enabled the researchers to identify key concepts, measure them, and apply the results to the population (Molina-Azorin, 2016). The qualitative and quantitative data findings were integrated" through "building and "merging" (Fetters, Curry, & Creswell, 2013, p.6).

The participant selection was based on the following criteria:

- Women entrepreneurs who have been running their business for at least three years, either formally or informally.
- Women with at least eight years of schooling or more were operating in Karachi.

The data repository of the IBA CED was extensively utilized to recruit participants for the study. The research team contacted approximately 1,000 women entrepreneurs through IBA CED's internal repository from the following programs:

- WomenX
- Mothers Entrepreneurship Program (MEC)

- Certificate in Entrepreneurship (CIE)
- Oxfam Startups Competition Program
- Prime Minister's National Innovation Program (PMNIA)
- IBA CED Incubation

Moreover, the following organizations working in the domain of women entrepreneurship in Karachi were also contacted to recruit participants in the quantitative phase of the study.

1. Women Chamber of Commerce and Industry
2. Small and Medium Enterprise Development Authority (SMEDA)
3. Federation of Pakistani Chamber of Commerce and Industry (FPCCI)
4. Working Women Welfare Trust (WWWT)
5. Fantastic Women Group
6. National Incubation Center (NIC) Karachi
7. PITB National Expansion Plan of NICs, Karachi
8. DHA Suffa University, Karachi
9. Bahria University, Karachi
10. Women Entrepreneurs Healin

2.2.1 Qualitative Tools

The first phase of primary research involved the use of a qualitative approach. It included workshops, In-depth interviews, and focus group discussions. The qualitative phase started with workshops, followed by FGDs and then IDIs. The workshops were conducted in February and March 2023, FGDs from May 2023 to June 2023, and the IDIs from March 2023 to August 2023.

The sampling procedure for the qualitative phase was purposive and snowball, while quota sampling was used in the quantitative phase.

The contact methods were both virtual and in-person. The core research team developed the research instruments, consent forms, interview guides, and debrief forms. All instruments were pilot tested with women entrepreneurs. Changes were made based on the feedback gathered from the testing phase.

2.2.1.1 Workshops

Two workshops titled "Constraints faced by women-owned and managed businesses in Karachi" were conducted. The main objective of these workshops was to identify constructs that influence women's entrepreneurial journey. These workshops' format was a panel discussion of successful and accomplished women entrepreneurs from different business sectors in Karachi. Different constraints that become bottlenecks for women to become entrepreneurs or manage businesses with their full potential were discussed.

More than four hundred current and aspiring women entrepreneurs attended these workshops and interacted with the panelists through questions during and after the session. Stall facilities were also provided to showcase their offerings before a highly engaged audience. Thirty women entrepreneurs exhibited their products at the workshop venue. These workshops were pivotal in qualitative research tool development and research participant recruitment from the formal and informal business sectors.

Following the workshops, preparations were made for tool development for the critical informant FGDs and IDIs.

2.2.1.2 Focus Group Discussions (FGDs)

A focus group is an informal discussion among a homogeneous group of individuals. Four FGDs were conducted, two each from formal and informal sectors, with at least five women entrepreneurs in each group. Respondent recruitment was done in formal and informal sectors and from different business types. Purposive and snowball sampling techniques were used for the participant recruitment and selection. Participants were contacted from IBA CED's extensive list of women entrepreneurs and contacts referred by bodies mentioned in the preceding section. A discussion guide was prepared to aid the moderators (Appendix 2.1). It was divided into three broad sections: personal characteristics, business characteristics, constraints, and challenges. This guide helped in covering the main topics of the study. Each FGD lasted for about 90-120 minutes. The mode of communication for the discussion was English and Urdu, as the researchers wanted to ensure that women could easily communicate and express their views. All these FGDs were translated and transcribed later and then analyzed using NVivo software. FDG participant characteristics and demographics are attached as Appendix 01.

2.2.1.3 In-Depth Interviews (IDIs)

Twenty-five IDIs, thirteen from the formal and twelve informal women-owned and managed businesses, were conducted. Open-ended interviews were conducted to gain an in-depth understanding of the phenomenon of women entrepreneurship and capture the lived experiences of respondents. An interview guide was developed based on the previously conducted review of extant literature and the data collected via FGDs. The IDI guide is attached in Appendix 2.2. Each interview lasted approximately 60- 90 minutes. The respondents were allowed to speak Urdu or English to ensure their ability to express their ideas fully. All interviews were translated and transcribed later, and the IDI data was analyzed using NVivo software. The IDI participants' characteristics and demographics are given in Appendix 01.

2.2.2 Quantitative Tool

2.2.2.1 Surveys

The surveys were used for descriptive analysis of the respondents.

The survey instrument was developed over multiple rounds. The core research team was in touch with the partner organization (SID) at each stage of the instrument development process. The questionnaire was finalized based on the input received from partners. It was then pilot tested with ten women entrepreneurs. The questionnaire was translated into Urdu to include those women entrepreneurs who are more comfortable giving responses in Urdu than in English. The final questionnaire, attached in Appendix 2.3, comprised 53 questions, which were divided into categories such as Personal Characteristics (12 questions), Background Business Characteristics (13 questions), Human Resources (4 questions), Finance (7 questions), Obstacles to Entrepreneurship (2 questions), Gender Attitudes (2 questions), and Personal Traits (13).

All questions were closed-ended and were a mix of multiple-choice, dichotomous, and scale questions. The questionnaire took approximately 20 minutes to complete.

The data was collected between June 2023 and August 2023. Quota sampling was used for the quantitative phase of the study to ensure the representation of women entrepreneurs from both formal and informal sectors and each district of Karachi (See Appendix 4). In the first sampling stage, the woman entrepreneur population was divided into mutually exclusive sub-groups based on the number of districts and sectors -formal and informal. The second stage involved the identification of the proportion of the population representing each sub-group (See Table 1 below). In the third stage, respondents from each district were selected and surveyed based on convenience once they fulfilled the screening criteria of a minimum of three years of business operation. The researchers visited the seven districts of Karachi: East, West, Central, South, Korangi, Malir, and Kaemari. In two districts, Kaemari and Karachi West, women still needed to meet the selection criteria.

District	Formal	Informal	Total
Karachi East (for e.g., Sohrab Goth, Safora, Gulshan, Jinnah town, Chanesar ,etc.)	44	44	88
Karachi Central (Liaquatabad, Nazimabad, New Karachi, Gulberg, North Nazimad, etc)	16	36	52
Karachi South (Saddar: Garden, Kharadar, Civil lines, Clifton, Defence, Kehkashan, Millat Nagar, etc.)	46	45	91
Korangi District (Korangi, Shah Faisal, Landhi, etc.)	02	04	06
Malir District (Malir Town, Bin Qasim Town, Gadap etc.)	03	07	10
Total	111	136	247

Table 1: Geographical Representation of surveys

The survey was both self-administered and interviewers administered. An online Google form was created for the English version of the self-administered survey instrument. A team of 13 field workers was taken on board to ensure the coverage of those women entrepreneurs with limited digital literacy or availability. A training session was held for this fieldwork to clarify the study's objectives. The field team got the hard copies of English and Urdu versions of the surveys. Overall, two hundred sixty-eight women entrepreneurs filled out the surveys. Of them, 21 respondents did not fulfill the selection criterion and were not considered for tabulation and analysis.

2.3 Data Analysis

The data was analyzed using an abductive approach. The abductive analysis argues that rather than putting aside the previous theoretical expertise, researchers enter the field with broad-based theoretical knowledge to develop theoretical collections further. In line with abduction, the research team adapted the thematic context by Bastian et al. (2018) and developed a broad interview guide. By following Peirce's (1935 in Fann, 2012) abduction explanation, researchers focused on the relationship between theoretically nurtured ways of observing micro, meso, and macro factors influencing women's entrepreneurship. A hybrid process of deductive and inductive thematic analysis was carried out, which required careful coding, further classification, and operationalization of concepts, processes, and theoretical links. It helped form as many links as possible considering the theoretically positioned knowledge by

analyzing the data word by word, line by line, paragraph by paragraph, enabling the creation of a new dimension, at times, for thinking about the relationship between different concepts (Timmermans & Tavory, 2012).

Researchers first familiarized themselves with the data. After data familiarization, they started with open coding using NVivo. Each transcript was coded line by line inductively and deductively. The coded transcripts were then compared, and consensus was reached amongst the team regarding the raw themes of the data. Sub-themes were identified from the initial codes. The last stage involved identifying aggregate themes. The identified themes, sub-themes, and codes are attached in Appendix 03. The insights from this phase led to a quantitative survey instrument—the quantitative research aimed to gain complementarity and validation through methodological triangulation.

Quantitative data was collected based on self-administered and interviewer-administered methods through a survey instrument—the survey questionnaire comprised of close-ended questions including a five-point scale, determinant choice questions, and dichotomous questions. The data obtained through the self-administered method was obtained in Excel from Google Forms—the interviewer-administered survey data, which was entered manually into Excel. The completed MS Excel sheet was checked and cleaned. It was later analyzed using MS Excel and SPSS software. Frequency tables and charts related to personal characteristics, business characteristics, and constraints were prepared using MS Excel. SPSS was used to determine Descriptive statistics for scale questions. Moreover, SPSS T-tests and Chi-square tests were also run to identify formal and informal sector differences in the constraints and challenges faced by women entrepreneurs.

3. Results and Findings

The findings of this research have been broadly classified under three themes based on an adaptation of the women's entrepreneurship framework developed by Bastian et al. (2018). According to this framework, macro themes relate to the broader environmental factors such as the overall political and economic outlook, governmental policies, and socio-cultural factors. Meso themes relate to the organizations, their characteristics, and their strategies. The micro theme relates to the personal characteristics of women entrepreneurs. We start the findings section with micro-level analysis, followed by meso and macro-level themes. We discuss, in detail, the challenges and constraints, as well as the facilitators that impact women entrepreneurs in Karachi.

3.1 Micro Factors influencing women owned and managed businesses in Karachi.

This section discusses the micro factors that influence women entrepreneurs in Karachi, Pakistan. These factors exist at the individual level and play a significant role in shaping women's entrepreneurial experiences. We categorize our findings into three micro aspects: motivation, competency, and personal traits. These micro factors are crucial for gaining deeper insights into the underlying dynamics that impact women's entrepreneurship.

Key Findings

- Motivations to start a business included: concern for family well-being, desire to gain financial independence and earn additional income, desire to transform a hobby into a business, to uphold family upbringing, active participation in the family business, desire to give back to the community or society, and desire to attain personal well-being.
- Prior work experience and education aided the women entrepreneurs in different aspects, especially during the initial stages of their business. Challenges identified in the initial phase of their start-up journey included the feeling of being alone in the start-up journey, product pricing, financing, and supplier search.
- Respondents positively perceived their competency. However, they believed men were better salary negotiators than women and had a higher tendency to show off their achievements. They also perceived that Karachi's business environment required skill in handling informal arrangements, which was not their forte.
- The women entrepreneurs knew of their knowledge, skills, and personal shortcomings. They expressed their desire to access coaching, mentoring, and professional networks as their business evolved.
- Training related to soft and technical skills was emphasized. Additional training areas required included market research, IT, PR/Marketing, financial, and business management training.
- They were comfortable using social networking sites like Facebook, Instagram, LinkedIn, etc. However, the comfort level with digital tools such as keyword search tools (46%) and Analytics tools (39%) was lower. Women in the formal sector reported a greater need for legal training and mentoring than women entrepreneurs in the informal sector. However, there was no statistically significant difference in the need for Marketing and Finance training between women in the formal and informal sectors.

- These women also reported a conservative approach in their business decision-making and their desire to opt for projects with certainty in results, which made their businesses susceptible to competitive threats.
- Women entrepreneurs perceived themselves to have lower business management and negotiation qualities than males. They emphasized the importance of training needs in business management, finance, digital marketing, and interpersonal personal training.

3.1.1 Motivation

The motivation behind a business venture is fundamental to the success and sustainability of the venture. It guides decision-making and resource allocation and helps build stronger connections with stakeholders, ultimately contributing to achieving business goals.

We examined the motivation of women entrepreneurs to start their ventures. Respondents in the FGDs and IDIs provided details regarding the motivation behind their initiatives. These entrepreneurial motivations vary and can be classified into multiple dimensions. Women entrepreneurs of Karachi highlighted their desire to enhance family well-being, improve the family's financial condition, and earn income as critical reasons for starting their businesses.

Family well-being was often a primary concern and a significant motivator. Women's ambition fueled their desire to provide and secure a stable future for their families and themselves. It reflected a sense of responsibility and care and drove their business goals, strategies, and operational decisions. As one entrepreneur recounted:

"So, what would have happened if I had not done anything? How would the children have come in? My only reason for doing so was that my work would become a steppingstone for my children to join the family business."

Another respondent emphasized her business to attain financial independence. These women do not want to depend on their parents or spouses.

"My motivation was that I was in an abusive relationship and wanted to get separated in 2016. I wanted to be financially independent. Everyone asks why you need to work when you live in your parent's house. But I did not want to become a burden. I wanted to give my children a peaceful life. Then I started looking at what I need to do".

These narratives underscore the depth of their commitment, not just to their entrepreneurial ventures but also to the well-being and prospects of their families, thereby aligning their businesses with the broader objective of family welfare and happiness.

Earning additional income was another motivating factor behind the launch of these ventures. The availability and exposure to traditional and digital media have created awareness regarding the various growth possibilities and earning avenues. Respondents in the IDI highlighted how exposure to available digital platforms and successful examples of individuals earning from their side hustles at home gave them the impetus to take the initiative. One of the respondents commented:

“And at that time, I felt that many people were earning a lot of money; they were taking advantage of the internet, so why not me? Why don't I start this? So, then I thought of starting a business from there. Basically, to earn”.

We also observed that the motivational pursuit for setting up the business was far more than the urge to earn more or gain financial independence. For some women, it was a source that helped them come out of the vicious cycle of financial troubles. They were able to help their spouse during tough times with their business. A respondent stated:

“..... I had financial issues, serious financial issues. They were there previously as well, but at that point, they were extreme. So, I thought, fine, why don't I do something now? I was not that educated [formal education]. Doing a job somewhere wasn't worth it because how much would I be able to earn?”.

A common perception among women entrepreneurs was that transforming their hobbies into businesses allowed them to align their professional lives with their passions, resulting in fulfillment, enhanced creativity, and commitment. An entrepreneur reflected on her journey, saying,

“...It was a positive hobby that I started doing as therapy after passing through a traumatic experience in life.” The same entrepreneur later added, “It was just a hobby, a positive therapy, a positive distraction...”

This evolution from a therapeutic hobby to a full-fledged business showcases how personal passions can seamlessly transform into entrepreneurial ventures. Furthermore, an individual's lifestyle preferences and values shape their business concepts, operational models, and brand identities. These aspects reflect their personalities, priorities, and aspirations, enabling them to resonate with like-minded consumers and communities.

Family circumstances, personal lifestyle, and experiences directly translated into business ideas. The unique blend of personal experiences and professional pursuits created unique ventures that reflect the entrepreneur's journey. For instance, one entrepreneur's unique personal circumstances influenced her venture, as she shared,

“Two deaf parents have raised me, and sign language is my mother tongue... I have been interpreting since I was 11 years old.... I never thought that this was something I would take up professionally or work on. I always used to think that someone would do it, but I never thought it would be me”.

We observed that the motivation to start a business involved factors beyond just personal problems or a desire to earn. For some, it was about giving back to society and the country. These women wanted to actively uplift society, *“to give back to the country and people rather than money”*.

Another start-up motivation highlighted during the IDIs and FGDs relates to the business providing a unique escape and an avenue for mental peace. These women were going through difficult phases in their personal lives, and the start-up space gave them hope for a better future, not just for themselves but for their close loved ones.

“I turned the most challenging part of my life into an opportunity. The challenging part was that I lost a son and was mentally disturbed. It was a very challenging part of my life. After that, I was blessed with another child, and he was a special born. These two phases changed me and my life, and to come out of that phase, I wanted to do something that could refresh me”.

Market gaps also motivated these entrepreneurs. For example, consider the story of an entrepreneur who decided to venture into jewelry making. Her journey began when she couldn't find silver jewelry to her liking in the market.

“When I went to buy stuff from the market, I did not find anything to my liking made in silver. This led me to the first attempt I made because I had stones ... I was like, I should, you know, I'd rather make and wear something simple than wear that, you know, whatever bling I'm finding in the market.”

The motivational factors highlighted by women entrepreneurs in the qualitative phase were further corroborated through the survey (Figure 2). 24% of women in the survey attributed income earning as a critical motivator for their start-up. Meanwhile, women entrepreneurs highlighted 'conversion of hobby into a business' (16%) and 'family support' (15%) as primary motivators for starting a business.

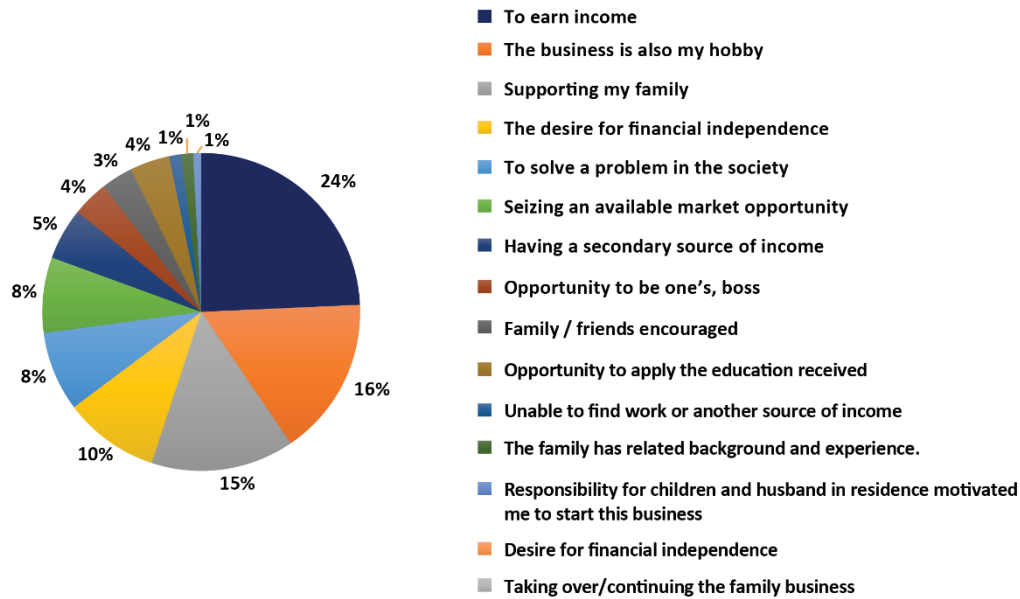


Figure 2: Motivations for starting/ acquiring/joining this business.

The interviews and focus group discussions further probed female participants to highlight the demotivating factors they faced during the start-up phase of their business. Women participants highlighted several issues.

According to one of the respondents who owned a baking business, waking up to no gas and electricity problems was frustrating.

“Like you wake up and realize there isn’t any gas, so what do you do now? For light, you know the schedule for load shedding, but you have no idea about this[gas]. Sometimes, you wake up and realize there is no water, no light, no gas, and it is Friday, so vendors must be closed, so these are the types of problems”.

The survey results (Figure 3) highlighted that the gas and electricity issues were faced by 40% of women entrepreneurs in the latter part of their business lifecycle.



Figure 3: Obstacles Faced While Conducting Business: Unreliable supply of electricity and gas

Another demotivating factor was the difficulty in vendor payment clearance, which was also reported.

A respondent recounted that she lost “hundreds of rupees because vendors used to run away. It was a direct hit to the business that we were not getting the money. Secondly, the vendor had control, so he used to sell broken stuff. The customer knows us, but the vendor did not

handle customer complaints or give commission. He used to create a mess. We suffered a lot financially and customer retention”.

In the quantitative phase of research (Figure 4), the respondents were asked to identify factors they found difficult in their business's initial phase. They were given the option to select more than one option. The results indicated that 53% of the respondents needed help establishing customer contacts. They also identified feeling alone in the start-up journey (36%). Product pricing (32%), financing (32%), and supplier search (27%) were also considered core problems during their initial years of operation.

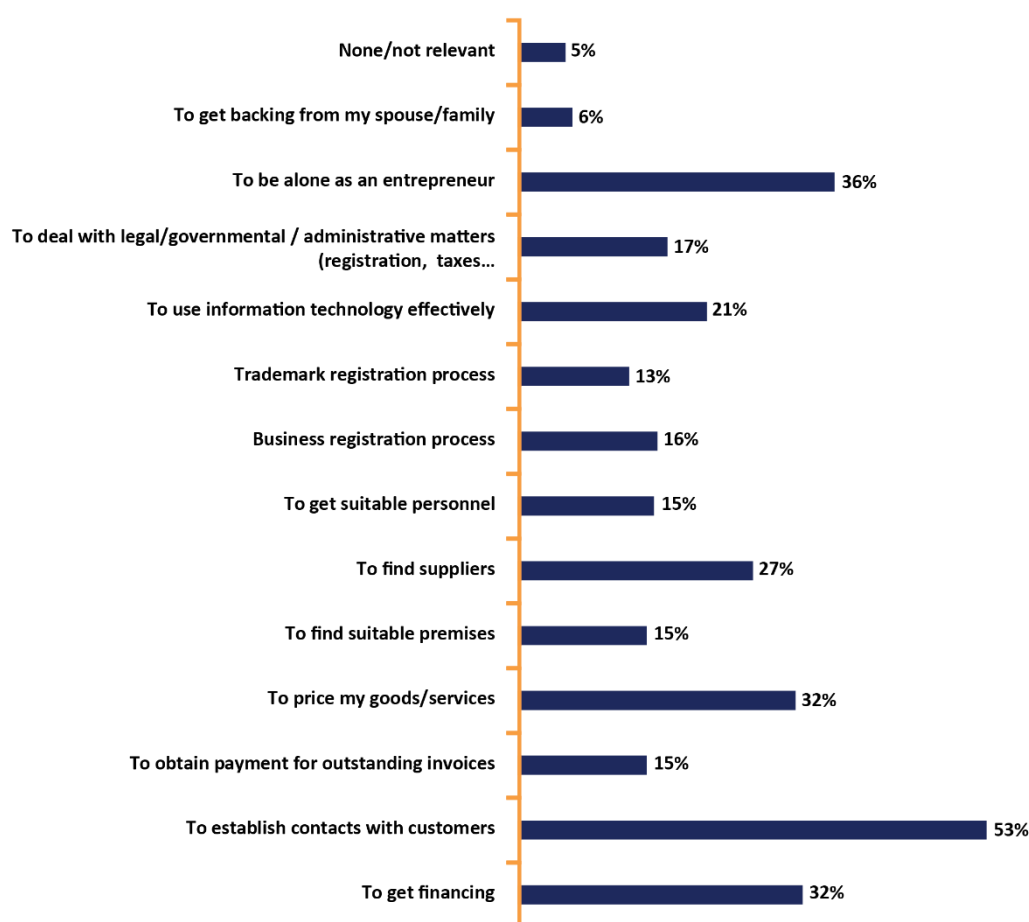


Figure 4: Difficulty when starting up the Enterprise.

3.1.2 Competencies

Competencies play a pivotal role in the success of entrepreneurs. The drive to learn and evolve becomes pivotal for staying ahead of market trends, technological advancements, and industry best practices. It enables women entrepreneurs to make informed decisions, optimize opportunities, and enhance the competitiveness of their ventures. IDIs and FGDs probed participants on how committed they were to acquire relevant competencies for the success of their business. The women entrepreneurs were very committed to continuous learning and self-improvement. One businesswoman highlighted this by stating,

“..... If I see any course, I try to take it.... I feel that I can learn from everywhere...I want to work on my marketing skills. How can we market to more people? Especially those who are away from social media.”

This highlights how adaptability, the need for constant knowledge enhancement, and the constant quest to learn become imperative in this ever-evolving entrepreneurial landscape.

Another participant responded:

“It's good to question yourself also because if you don't learn anything, and you think you know everything, then you start losing the capability to learn things.”

We observed that these women had training needs in different business areas. These women needed training in the legal and marketing domain.

“.... Regarding the sales, it is a different process. That knowledge is not provided. Marketing knowledge is important. I always recommend having legal knowledge at least”.

Some women had their family members or employees handling their finances and accounting. However, when they searched for such training programs, there were no proper programs available,

“but apparently, there was no such thing around, so I picked some books and started on my own. Till now, I feel financial management is something I should have more knowledge about”.

They emphasized the importance of learning accounting so that they don't rely on someone else to calculate profits and losses for them,

“..... as long as your accounts aren't okay, you cannot do anything. You can't calculate a proper loss. You can't make a feasibility report. You can't do anything”. Many women entrepreneurs believe in acquiring training related to marketing because they could not properly manage their businesses without it:

“..... Many new things have been integrated into Instagram, so until and unless you familiarize yourself with these things, you won't be able to proceed; nowadays, there are so many new options in the story feature. So, you really need to learn new things with time. It is not possible that you say I have learned everything; now, I don't need to learn anything new. If you say it is a full stop, you are done. You can't move ahead in the future. So, I have taken a lot of training.....”

The personal and socio-economic background of women also play a crucial role in shaping their worldviews, aspirations, and entrepreneurial paths. These factors affect their access to resources, education, and opportunities, determining their capabilities, choices, and challenges. On the academic front, an entrepreneur elaborated on her educational journey, saying,

"Then, from Sindh University, I have done my bachelor... I also worked hard on it and learned what to do and how to do it... Based on my academic performance, I got a chance to study abroad.... Along with it, I also continued a thing of my passion."

We identified that education and financial training gave these women the acumen to manage and grow their ventures. Education went beyond formal education, extended to a continuous learning journey, with books, online sources, and negative experiences of others acting as teachers that aid personal and professional development. Many IDI and FGD respondents highlighted marketing and digital training. As remarked by one of the respondents:

"I feel that the most training that will be required is on how to develop our website, and after developing our website, what will be the payment process there? How will we bring our customer traffic to our website? I had just learned how to bring traffic from IBA, but on that website, there should be a person who can supervise it. Here, for example, for now, I am working; I have two jobs: one is my job, which is separate which is monthly, and the other is my side job. What happens in this is that tuition is not always like this".

We also examined a similar trend in the quantitative phase of the research project. Respondents were asked to rate the significant barriers that prevent them from engaging in business activities (Figure 5). 48% of women entrepreneurs reported needing more relevant skills, knowledge, and experience as significant barriers preventing them from engaging in their business activities.

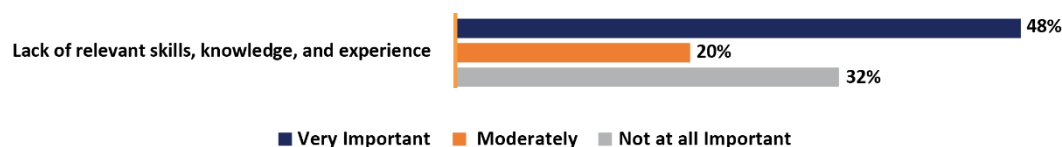


Figure 5: Obstacle to Entrepreneurship: Lack of relevant skill, experience and/or knowledge in business

The training needs and requirements highlighted during IDIs and FGDs were further authenticated through the survey. The survey required the participants to rate the importance of different training areas highlighted in the survey (Figure 6). For example, surveyed women were asked to rate the importance of Market Research. 73% of the surveyed women rated the need for this training as extremely important, while only 10% rated it to be ‘not important’ for their business. Figure 6 highlights the capacity-building areas these women entrepreneurs wanted the government and other relevant authorities to work on to build their competencies. These training areas include market research, IT, PR/Marketing, and financial and business management training. Women entrepreneurs can enormously benefit if their need for relevant training programs is met.

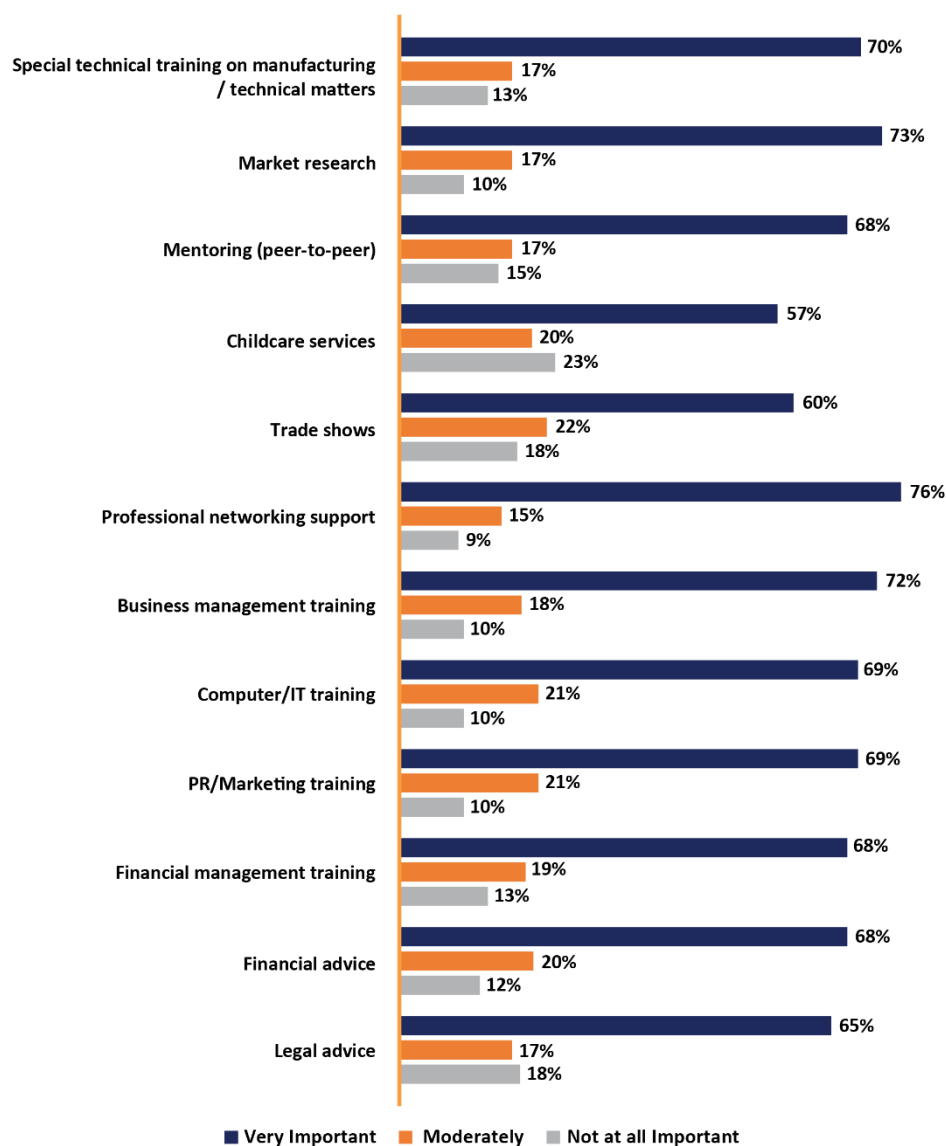


Figure 6: Competency Improvement Areas

Survey results also highlighted lack of presence on the online channel as a significant barrier while conducting business.



Figure 7: Obstacles Faced While Conducting Business: Lack of internet and connectivity

Additionally, these respondents were asked how comfortable they felt using different digital platforms (Figure 8). The results indicate that 83% of respondents were comfortable using the

social networking sites like Facebook, Instagram, LinkedIn, etc. However, the comfort level with digital tools such keyword search tools (46%) and Analytics tools (39%) was lower.

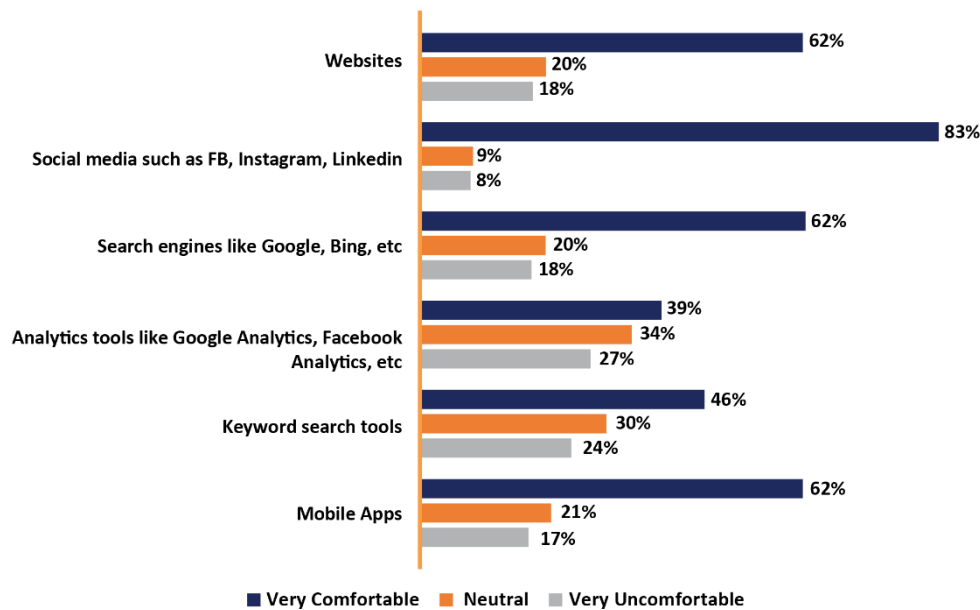


Figure 8: Level of Comfort with the Digital Tools

We further examined these women entrepreneurs' challenges when using digital tools and platforms (Figure 9). The survey results highlighted that 58% of women believed they lacked the knowledge to adopt digital tools. They were unaware of any training related to digital tools management (34%) and the efficacy of these digital tools and platforms (33%)



Figure 9: Obstacles to Entrepreneurship: Use of Digital Platforms

The statistical comparison between women entrepreneurs in the formal and informal sectors revealed that statistically significant differences existed in the training needs for women in these two sectors. Interestingly, women in the formal sector reported a greater need for legal training and mentoring than women entrepreneurs in the informal sector¹. However, there was no statistically significant difference in the need for Marketing and finance training

¹ legal training ($t(245) = 2.805, p = 0.005$) and mentoring services ($t(245) = 2.704, p = .007$), women entrepreneurs in the formal sector (legal: $M = 4.07, SD = 1.204$; mentoring: $M = 4.16, SD = 1.156$) and informal sectors (legal: $M = 3.62, SD = 1.339$; mentoring: $M = 3.75, SD = 1.234$).

between women in these two sectors, which indicates that training related to both domains is equally important for these women.

3.1.3 Personal Traits

For the woman entrepreneur in Karachi, commitment and perseverance were the driving forces behind her venture. These qualities reflect her unwavering dedication to overcoming numerous societal and professional challenges. One of the respondents emphasized her commitment by stating,

"The entrepreneurial journey is filled with uncertainties, and their commitment and perseverance fuel their passion for moving forward, making the most out of the opportunities, mitigating risks, sustaining their businesses amidst all the challenges".

The commitment and perseverance showcased by these women are a testament to their belief in their vision and their readiness to make any sacrifices for their ventures. Moreover, ethical values guided the actions and decisions of these women. A robust moral compass ensures integrity, transparency, and responsible conduct in their business operation, fostering trust, credibility, and sustainable relationships with stakeholders. One entrepreneur emphasized the depth of her ethical commitment, noting,

"...I have this hard-core belief that a person's ethics take you a long way. It's not about making money from day one. Our standpoint is wrong. When we want to start a business, we want to start it with ownership and that boss feeling...."

This comment underscores the importance of placing values over immediate gains. Beyond ethics, personal strengths such as resilience, self-confidence, and determination support their entrepreneurial journeys, enabling them to face challenges and pursue their visions with commitment and vigor. As one entrepreneur reflected on her growth journey,

During IDIs and FDGs, 'lack of confidence in business decision making' and 'lack of assertiveness' was pointed out as weaknesses by women entrepreneurs.

"So, I was very hesitant... but I think with time I learned to be bold, I thought I would face whatever happens. But I think it takes time to build confidence, to approach people; you can't learn it in one day."

This highlights the evolving nature of personal strengths and how they are developed over time. Additionally, acknowledging the existence of weaknesses precedes recognition of one's strengths. An entrepreneur candidly shared,

"I'll tell you one thing, which I always feel, it's not my strength, which is my weakness in terms of negotiation... most of the women I have seen are not good at bargaining. They don't bargain. But in our part of the world, things don't function that way at face value."

The entrepreneurial journey of these women is as much about harnessing their strengths as it is about recognizing and navigating their weaknesses. Their narratives underscore the centrality of ethics and the importance of continual self-awareness and growth in the challenging business world.

The intertwined nature of personal background and socioeconomic class greatly influence the trajectory of women entrepreneurs. Their experiences and challenges mold their entrepreneurial spirit, determination, and vision for the future. We examined those personal backgrounds that had helped most women entrepreneurs in different facets of their business. An interview respondent emphasized the influence of personal background and upbringing, stating,

"I always say that I'm a child of a deaf adult. That is my identity, which has shaped a lot of what I have done in my life and the kind of work I do today."

She elaborated on how this unique background inspired her to create a venture catering to a specific community's needs. Highlighting the socio-economic aspect, another IDI respondent entrepreneur mentioned,

"..... I want to tell you that I was from a middle-class family, and my education has been government-based... Being middle class, I have always studied in government institutes, and I tell this proudly...."

This narrative emphasizes the resilience of women who rise above socio-economic challenges, showcasing that success is not confined to privileged backgrounds.

During the qualitative research phase, it was identified that women entrepreneurs needed more vision, drive, and a long-term business approach. Their business lacked vision and ambition or clarity about the business's future.

"..... Thousands of businesses close every day worldwide just because they do not know the element that sustains them. And that element is first that you need to be consistent on small efforts, aim high, and have a big vision... for example, for me, it's Fortune 50 that I need to have my company over there..."

The quantitative research results highlighted how women perceived themselves vis-vis their male counterparts (Figure 10). The results highlight the positive perception of their competency (77%) versus men. However, women tend to fall behind men when it comes to conveying these qualities (51%). Moreover, the respondents perceived men to be better salary negotiators (62%) and have a higher tendency to show off their achievements (58%).

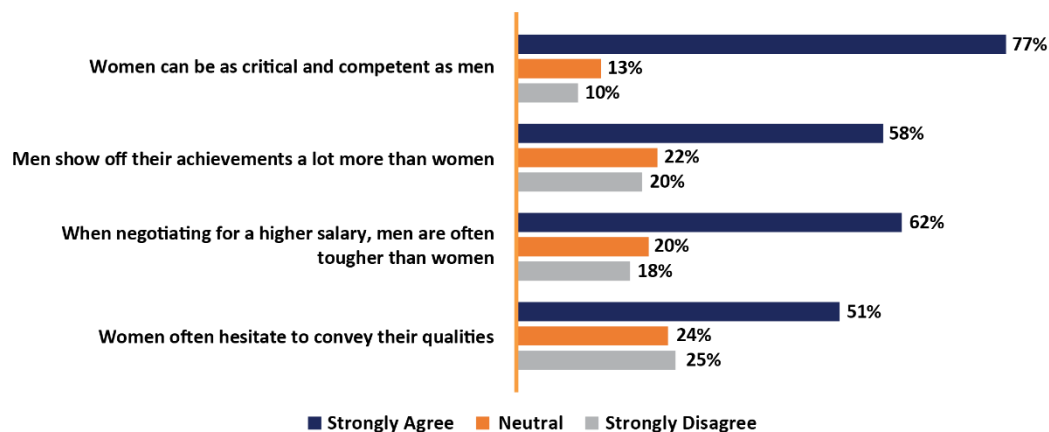


Figure 10: Perceived Personal Qualities versus Male counterparts

Respondents were also specifically asked to stipulate the personal traits perceived as strengths from a list of options informed by the qualitative phase (Figure 11). The results indicated that these women were aware of areas in their personality that required improvement. 81% of respondents believed that they lacked pragmatism. Technical competency and business acumen were identified as strengths by only 39% and 40% of respondents, respectively.

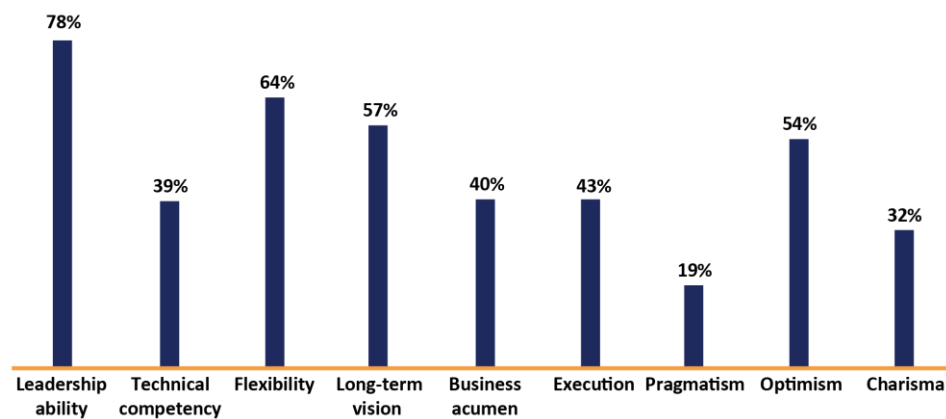


Figure 11: Perceived Strengths as an Entrepreneur

The results in figure 11 also underline that less than half the respondents considered themselves good with execution (43%). These shortcomings perhaps lead to these women entrepreneurs' desire to work with male business partners (Figure 12). More than half of respondents (52%) identified having male business members.

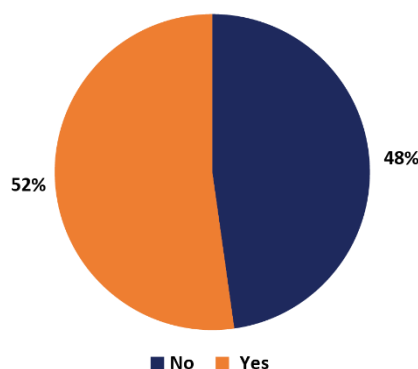


Figure 12: Presence of Male Business Member

These women also reported a conservative approach in their business decision-making (45%) and their desire to opt for projects that had certainty in results (62%). This suggests a risk-averse approach, making their business susceptible to competitive threats (48%).



Figure 13: Attitude towards Business and Market

These women entrepreneurs had an overall positive personal perception (Figure 14). They were confident about themselves and their abilities.

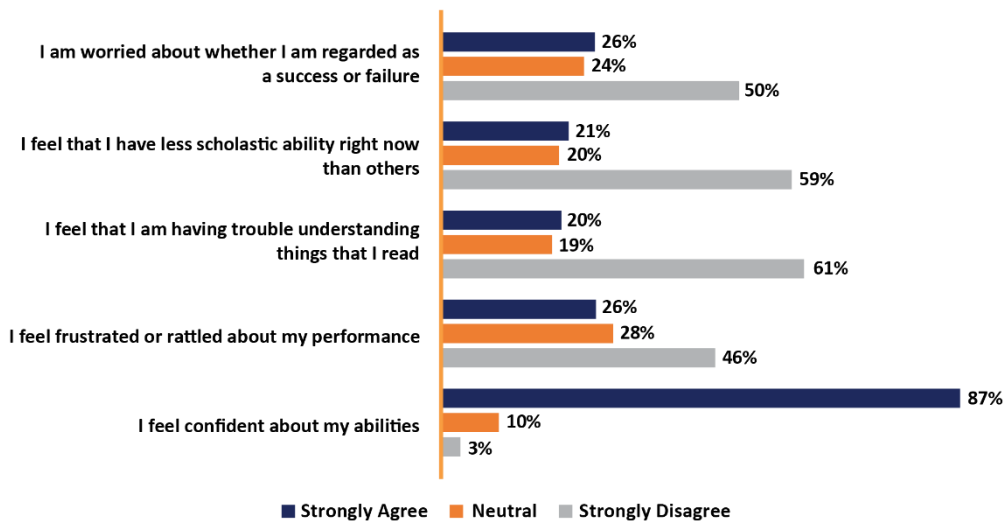


Figure 14: Perceived Personal Qualities

Despite this positive self-perception, 45% depended on men's guidance in their business. They also perceived that Karachi's business environment required skill in handling informal arrangements, which was not their area of expertise. (42%)

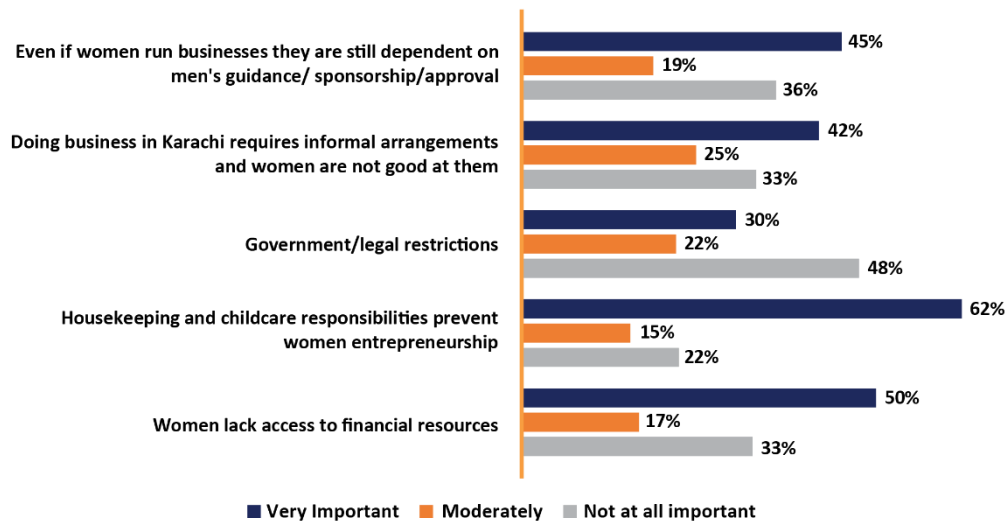


Figure 15: Most Important reasons Behind Men Owning and Managing Businesses In Pakistan

36% of the respondents identified that the need for more relevant knowledge, skills, and experience was a key barrier to their business growth. The survey responses below to the question about their perception of self-efficacy indicate that assistance in scholastic ability and soft skills may aid these women in further enhancing their business potential.

3.2 Meso Factors influencing women owned and managed businesses in Karachi

Meso factors encapsulate the interplay of market-level constraints. These present unique challenges that shape the entrepreneurial journey through influences on firm characteristics, social capital and networks, and financial and market access in the city's diverse and challenging entrepreneurial landscape.

Key Findings

- The majority of women entrepreneurs had sole proprietorship ownership structure.
- Women in the formal business sector reported facing greater communication challenges with their male partners than their female counterparts in the informal sector. This highlights the need for more stringent workplace policies.
- Women entrepreneurs identified the need for proper workspaces as a problem, especially in the initial years of their business operation. They highlighted the need for a safe space to work or run their business.
- Respondents also considered the need for meaningful professional networks and the availability of mentors as an important constraint to owning, managing, and growing their businesses.

- Although respondents reported access to capital as an important challenge, more than half of the participants (89%) had never applied for a loan. The survey results indicated that 51% of women's businesses were self-funded. The results also highlighted that only 2% of respondents had funded their businesses based on loans from commercial banks. The reasons for not applying for loans were reported to be stringent collateral requirements, high interest rates, religious reasons, lack of need, complex procedures, and lack of previous experience securing funds. The women entrepreneurs in the informal sector showed lower loan applications than those in the formal sector. They also needed clarity regarding banking regulations, loan applications, and easier application processes.
- Women entrepreneurs rated 'marketing' as an important factor for managing and growing business. This was followed by 'networking', 'finance', and 'training'. No significant difference was found between women in formal and informal sectors regarding the importance given to these factors.
- The respondents emphasized the lack of meaningful professional networks and mentoring support. 76% of respondents rated professional networking support as very important. 73% of women also highlighted support for market research. They also rated the importance of peer-to-peer mentoring (68%), Trade shows (60%), financial (68%), and legal advice (65%).
- Women in the formal sector highlighted a greater need for legal training and mentoring than women in the informal sector.
- The respondents emphasized the need for the government's role in women's business development. They also highlighted the need for gender-inclusive policies.

3.2.1 Firm Characteristics

The ownership structure of an enterprise is a critical component that influences its operations, decision-making processes, and organizational culture. The choice between private ownership and entering partnerships or co-founding ventures was a significant decision that women entrepreneurs took. Personal preferences, business goals, and perceived challenges and opportunities influenced this decision of the form of ownership. The nature of the businesses in this study's qualitative and quantitative data included sole proprietorships, partnerships, private limited companies, and family businesses.

Most participants preferred to run their businesses in the form of sole proprietorship and believed that partnerships brought their own challenges. As one entrepreneur said,

".... vast differences in visions, work ethics, and management styles can lead to conflicts that require effective communication and compromise. Understanding and working around these challenges is important to maintain a productive working relationship".

In some cases, the partnerships continued, but in other instances, they were discontinued. As one respondent recalled:

"In 2012, I was working at a startup, and ... I started a service-based company with a colleague, and we were like partners in that. We worked on it for 11 months, and it did well. ... but we couldn't maintain the relationship, my co-founder and I."

It was observed in certain cases that an evolution of business models often leads to a change in ownership. Women entrepreneurs were seen to start as sole proprietors but, in the latter stages of their business life cycle, turned the ownership into partnerships. Take, for instance, the journey of one entrepreneur who shared:

"I just converted my sole proprietorship into a partnership last year. And now, I am approaching a global partnership with a North American company to expand my services..."

A significant difference was found in ownership between women entrepreneurs in the informal and formal sectors. Women in the informal sector were mostly engaged in sole proprietorship compared to women entrepreneurs in the formal sector².

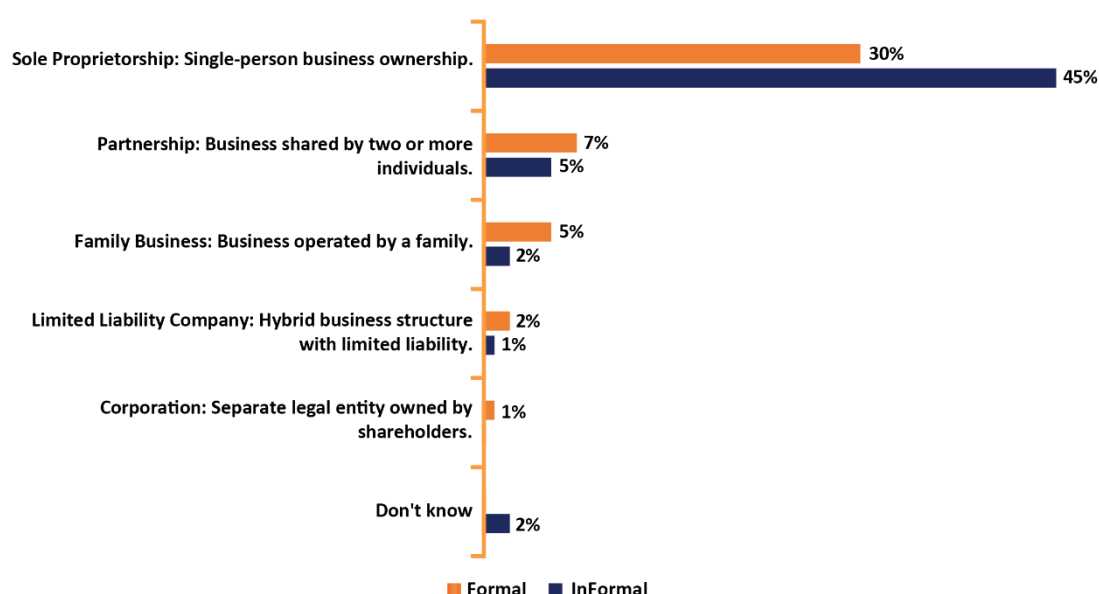


Figure 16: Type of Business Ownership: Formal and Informal

Survey respondents were asked if they worked with male business partners. 32% of respondents reported that they worked with male business partners. A significant difference was found in the requirement of working with male partners between women entrepreneurs in the formal and informal sectors³. Formal businesses were more likely to have a male business partner than were those in the informal sector.

² χ^2 ([11], $N = [247]$) = [22.50], $p < [.05]$.

³ χ^2 ([1], $N = [247]$) = [31.60], $p = [.000]$.

Interestingly, women entrepreneurs in the formal sector also reported a significantly higher level of difficulty communicating with their male counterparts than the women in the informal sector⁴.

The survey data also revealed the challenges that these women entrepreneurs face in managing the day-to-day operations of the business. For instance, corruption and extortion were considered major challenges by 40% of respondents, 14% of them considered it moderately challenging (Figure 17). Crime, theft, and bribery were reported as major challenges by 37% of the respondents, 17% and reported it moderately challenging.



Figure 17: Obstacles to Entrepreneurship: Corruption

Similarly, the practices of the competitors were considered incredibly challenging by 43% of respondents, (Figure 18)



Figure 18: Obstacles to Entrepreneurship: Practices of the competitors

The foundation of any product-based business relies on the quality and availability of raw materials. The selection and acquisition of raw materials were expressed as critical steps as these dictated the business's quality, production capability, and cost-effectiveness. These reflected directly on the final product and indirectly influenced customer satisfaction and brand reputation.

Entrepreneurs showed concern about finding the right suppliers and building lasting relationships and trustworthy partnerships aligned with their business visions. The survey results showed that 42% of respondents were challenged by the supplier's reliability, 18% of the respondents were moderately challenged (Figure 19).

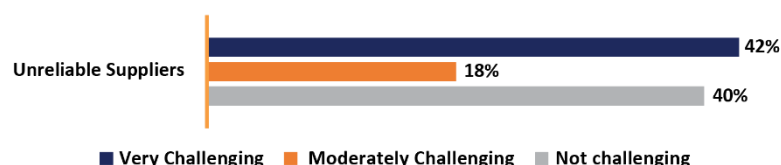


Figure 19: Obstacles to Entrepreneurship: Unreliable Suppliers

⁴ (χ^2 ([2], N = [247]) = [21.426], p = [.000]).

36% of the respondents also faced difficulties due to creditors and suppliers who were reluctant to work with them because of their female gender, 36% reported it as very challenging and 22% of the respondents reported it moderately challenging (Figure 20)

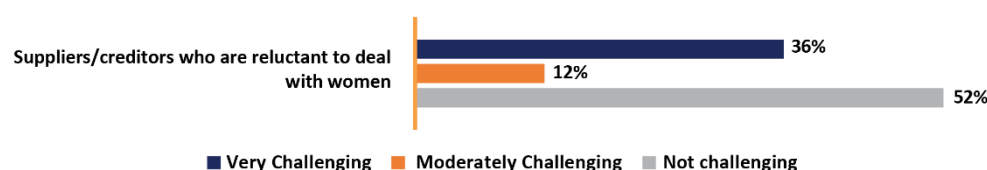


Figure 20: Obstacle to Entrepreneurship: Suppliers / creditors reluctance to work with women

3.2.2 Business Registration and Intellectual Property Rights

The IDI and FGD respondents highlighted the importance of registering the company and obtaining intellectual property rights, especially if the intention is to grow the business further. Participants believed that these measures would help them operate in the “local market but also internationally” as their logo or name may be used by other businesses, which creates problems in the latter stages, especially when a clientele has been developed. One of the respondents expressed her frustration with her brand logo being used by others.

“..... The same logo is used at many places. I've seen bed sheets same as mine with the same logo being sold”.

Despite its highlighted importance, these respondents showed concern about their lack of knowledge and information regarding intellectual property rights and the difficulty in the registration process, especially due to “*extensive documentation*” and “*under-the-table deals and bribery*”.

A participant shared her concerns about the difficulty in registering their businesses,

“The registration process is very difficult. It took me 2.5 years to register a jeweler company in Pakistan. There were so many hearings. It was not easy”.

Most respondents echoed the same sentiment. The intricacies of the registration process and the lack of awareness about the registration portal further accentuate these challenges, highlighting the need for increased awareness and simplified processes. As elaborated by one of the focus group respondents:

“First, the registration process is very complicated. Secondly, we do not know how to register with the company. There are different types of companies. I had a partnership-based company. It was an easy process for me. When you register with the company, there are different issues between private limited and public companies. After registration, you must keep the record. You must show financial statements and show off what you have earned. If you are not earning, you must keep proper financial records. for startup registrations, there is no knowledge”.

These qualitative were also corroborated in the survey. Respondents were asked to identify business processes the government could simplify from a list of available options (Figure 21).

40% of respondents believed that the registration process of intellectual property rights could be made simpler. At the same time, 57% of these respondents highlighted that FBR, SRB, and registration with local government could be made simpler by the government.

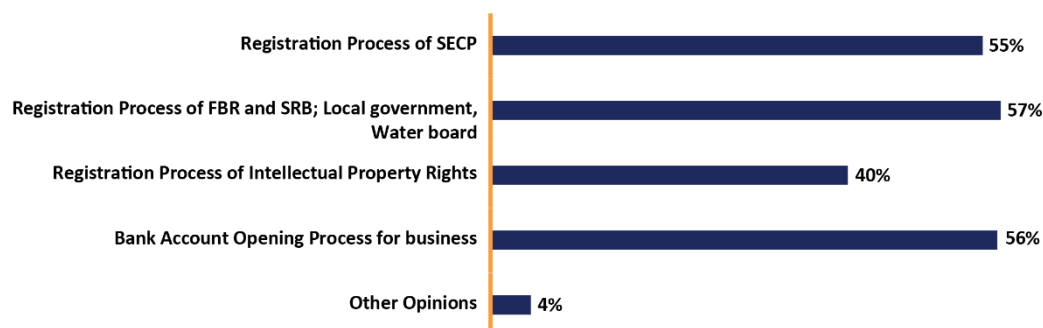


Figure 21: Processes requiring streamlining.

3.2.3 Workplace Environment and Space

The office space is a strategic asset and the hub for transforming ideas and visions into tangible results. Some women entrepreneurs started from the confines of their homes, while others rented spaces and some others co-shared the working spaces. A few also reported incubating businesses in different institutions. For these women, it was critical to foster innovation and productivity, influencing the business's workflow and overall success. One entrepreneur shared her journey, highlighting the importance of the initial workspace:

“We started with a small office.... now we have a two-floor office... where we also own a segment where the entire production is in-house.”

While some respondents mentioned that they were comfortable with their set-up, others voiced their concern regarding the lack of transportation facilities to reach their offices, rent issues, or gender discrimination and harassment. The respondents in the focus group highlighted that they needed a safe space to work or run their business. They emphasized the need for safe premises where they could work without interference from their male counterparts. One of the women entrepreneurs suggested that,

“We [women] should be able to open our shops.....in a women-only space or colony where women can work according to their respective fields”.

Some respondents in the IDIs shared the difficult times they faced in their workspace where there was a lack of proper facilities,

“There was no washroom in the factory. There was one, but it was for the servants and the [male] workers, and I couldn't go in, so I used to come out of the factory in my morning wudhu.”

The choice of office space, setup, and ambiance are important elements that reflect the entrepreneur's professional pursuits and impact how the venture's objectives are achieved. The survey respondents reported satisfaction with the work environment in the quantitative data collection (Figure 22). They were comfortable with the behavior of their colleagues (82%) and superiors (78%) towards them. Regarding their work or office space,

the survey respondents reported being comfortable with office furniture (83%) and accessibility to women's washrooms (81%).

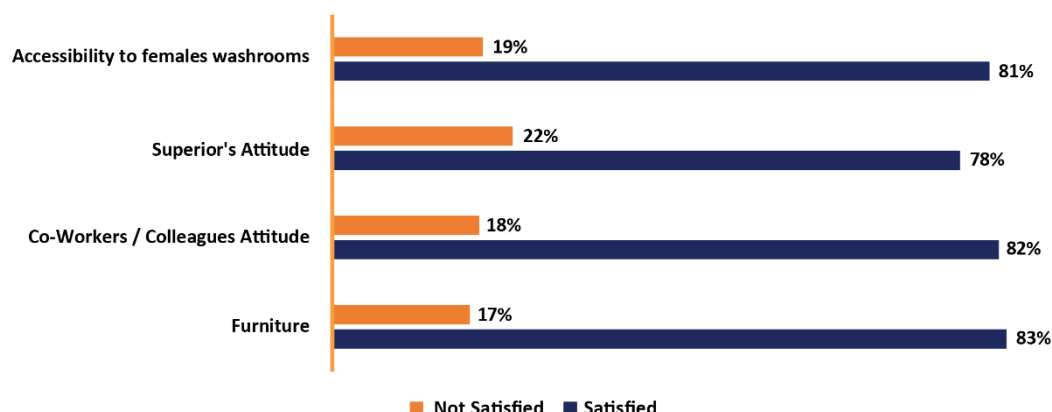


Figure 22: Satisfaction with Work Environment

3.2.4 Core Target Audience

To achieve entrepreneurial success, women entrepreneurs must understand how to reach their core target audience. This audience encompasses a set of individuals that these women would cater to. Respondents in IDI and FGD highlighted the importance of taking only those customers on board “*whose promises you can deliver*”; one should not recruit customers:

“Just for the sake of getting the client, and not being able to deliver a promise is wrong because these tend to make day-to-day business operations more difficult.”

Women entrepreneurs considered customer feedback crucial for understanding the acceptance and absorption of their offerings in the market, gauging business performance, and identifying areas of improvement. One entrepreneur recalled her early days, highlighting the importance of initial customer feedback and its influence on future business decisions.

“... I did my first launch exhibition at E-Street, and, you know, the response was favorable, which encouraged me to go on.”

Similarly, while exploring a unique business model, another respondent shared her experience with a wardrobe clearance sale and the positive feedback that led to a business idea.

“In 2019, before COVID, I started my business. ... we displayed them [products] in our drawing room. ... So, the response was very good. People came and took many things from our house. ... they liked it a lot as they were getting a good thing at an economical price... So, I planned to start it as a business.”

Positive responses built a brand, while negative feedback offered opportunities for refinement and enhancement. In some instances, the negative image of Pakistan and the perception of business created market entry hurdles for these women, especially in business-to-business sectors and exporting marketing space. One of the respondents mentioned her difficulty accessing the international market as,

“Pakistan’s perception was ruined by the local businesses who had not fulfilled their commitment towards these international buyers. The mismatch between committed and delivered goods had created trust issues.”

Timely addressing customers’ challenges and perception issues required women entrepreneurs from Karachi to regularly keep a hand on customers' pulse. These women entrepreneurs turned to their customer's voices to better align their products and services with market demand and ensure sustained growth and success.

Respondents in the qualitative study identified difficulty in dealing with most male customers. A respondent recalled:

“If a male is selling, it will be taken more professionally....., most people are not interested in your business; they are just looking to chat with women. They do not give your business a lot of importance.”

Male customers’ attitude and behavior also creates problems for women-led and managed businesses. Another one of the respondents reflected:

“..... I have left many clients due to crossing boundaries. Many are just passing the time, especially in my field. It is very important to set the boundaries. If someone offers me a five million investment, later he changes his mind or mood, and then it will be my loss. It took time to set the boundaries. When I started working, I was not married, and people would try to get fresh; after my marriage, they became cautious. But this should not be the case. I do not know what policies can be made for it, but I faced difficulty”.

Respondents also reported difficulties in getting payment from their clients. It was more prevalent among small businesses; getting payment from the customers or convincing customers about the worth of their offerings also became a cumbersome task. An IDI respondent from the informal sector narrated her difficulties in getting customers to realize the worth of her offerings:

“In the neighborhood I am from, tuition work is useless, parlor work is also useless because you don’t get any money, sewing work we have tried, people are not willing to pay the asked amount, it has no returns”.

Survey findings corroborated these fears of dealing with difficult clients. The results highlighted that 43% of respondents dealt with unreliable customers.

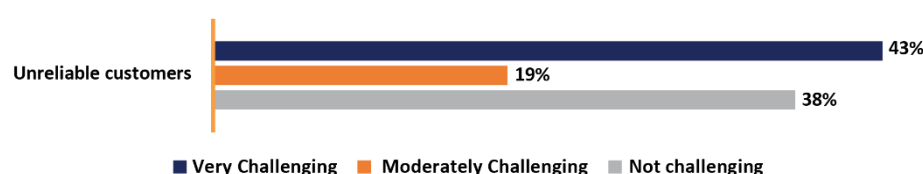


Figure 23: Obstacles to Entrepreneurship: Unreliable Customers

The women entrepreneurs of Karachi did not just face unreliable customers; but 36% of respondents also managed customers who were reluctant to deal with women due to their gender (Figure 24).

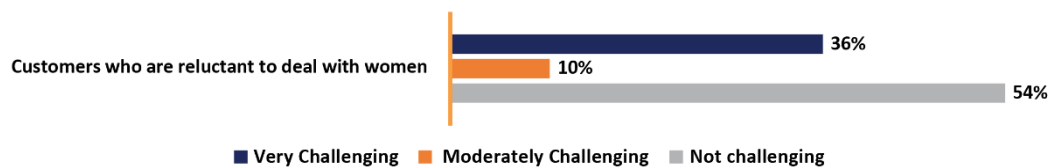


Figure 24: Obstacle to Entrepreneurship: Customers' reluctance to work with women

3.2.5 Finance

The financial pillars supporting the entrepreneurial journey of women in Karachi are the meticulous management of cost, pursuit of profits, strategic investments, and a detailed cost-benefit analysis. Some women entrepreneurs were keen to learn about cost structures, revenue streams, expenditures, and income.

For these women entrepreneurs, pursuing profit was intertwined with proper investment deployment. We identified the caution with these women managing their resources, especially in the initial years of their operations. Their resourceful stories indicate their concern and the importance of getting better financial results. As one of the IDI respondents shared,

"It didn't require much, and I played it smartly. A month before we opened..... one business was shutting down in Gulshan; she was selling all her equipment. So, I got it at half price and bought it all..... So, I had that equipment to start. Then, whatever I got from my initial registrations... I was reinvesting it. So, I didn't get to spend much of my own money."

Another example of this resourcefulness is seen in how another entrepreneur utilized her father's house for warehousing purposes. Both women leveraged available resources, which reduced initial business costs. Another IDI respondent commented:

"I started my business with zero finance. It was my on-the-go payroll that I reinvested wisely into my other business.... It was my own hard-earned money, the projects that I did.... I started from scratch."

Finance was not merely about numbers; it was about strategic foresight, risk management, and sustainable growth, which reflected an entrepreneur's acumen and resilience in the highly competitive market. Most women entrepreneurs funded their ventures using personal resources or with the help of close ones. One respondent shared:

"...My mother-in-law also pitched in her savings when we needed cash."

These experiences highlight the deliberate and strategic approach women entrepreneurs take in managing their initial finances, ensuring that they build a solid foundation before seeking external funding opportunities.

Women entrepreneurs show a lack of financial understanding. As one entrepreneur pointed out:

“The knowledge of finance is very important because being a businesswoman, if I don’t know how much my profit is I am just making the product; I don’t know how it will be sold and handled...”

These perspectives highlight the importance of not just following procedures but upholding ethical standards and ensuring the long-term financial health of a business. However, the consequences of neglecting this aspect can be dire. One of the respondents emphasized this when she mentioned:

, “...I did the proper calculation... it revealed the whole reality... total loss.”

Such experiences underline the critical importance and need of robust financial understanding and management by women entrepreneurs and the potential pitfalls that can arise when these are neglected.

The survey respondents were asked to select funding sources secured since their business inception (Figure 25). The results indicated that 51% of women’s businesses were self-funded. The results also highlight that only 2% of respondents had funded their businesses based on loans from commercial banks.

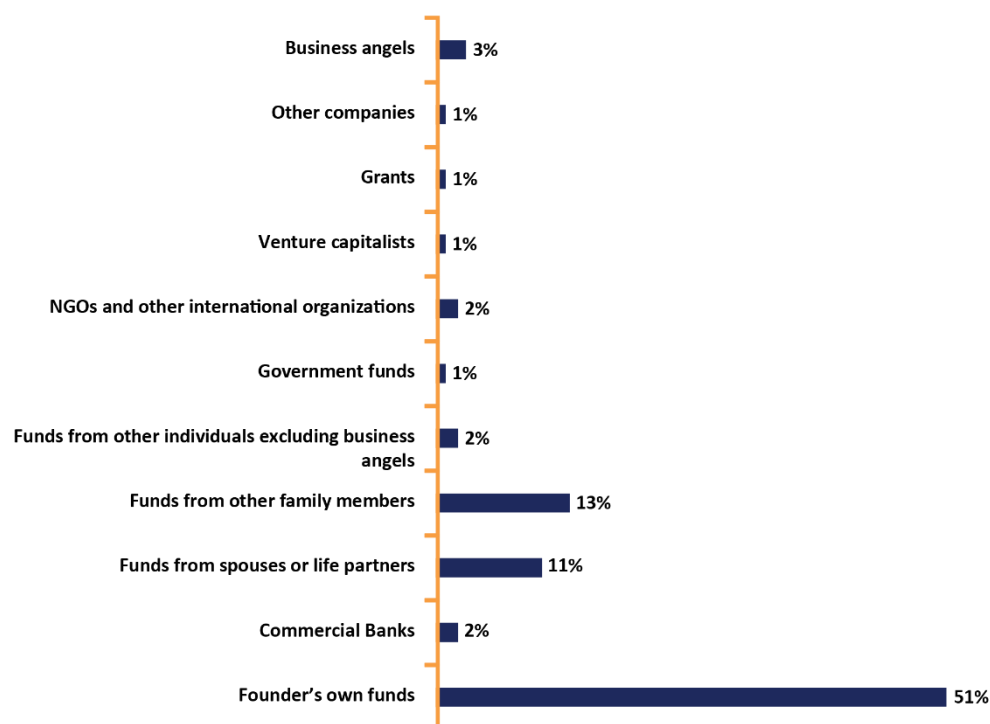


Figure 25: Sources of Funding

When asked about the meso level challenges to owning and managing businesses, 41% of women entrepreneurs indicated that lack of access to funds or capital was a major challenge for their business, 10% indicated it moderately challenging (Figure 26).

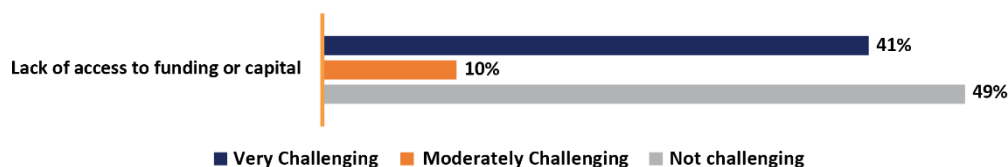


Figure 26: Challenges faced by Women Entrepreneurs

3.2.6 Financial Risk Aversion and Skepticism

Many entrepreneurs exhibit caution or even aversion when considering loans as one entrepreneur revealed,

"...then I understood that taking a loan is a big mistake for a small business.... someone who is running from home, who has no education, who has no information, financial information, business education, where to go, what to do, who to talk to, what to sell, what not to sell."

Some respondents advocated simplifying funding processes. Another stressed the need for banks to adapt and innovate, stating,

".....Banks really need to pace up their game.... they should be encouraged to make such policies so that start-ups and SMEs eventually get the benefits of such financing...."

These attitudes towards bank loans reveal the risk perceptions and risk intolerance, indicating the strategic considerations and financial foresight women entrepreneurs hold. The reason identified for personal financing rather than debt financing or financing through venture capitalists or angel investors was the uncertainty and stress of the repayment requirements. Some of these respondents highlighted that they would opt for external funding, including loans from the bank, if their business is in an excellent financial position or has matured. Another condition for opting for these sources of funding highlighted included the market size; respondents were of the view that with growth in the market for their products, they may consider getting external funding,

"The market size should be big enough before I go to some incubator/ accelerator and ask them to connect me to a VC...."

The IDI and FGD respondents believed that getting external funding either through private investments reduces autonomy and control over decision-making. One of the respondents commented:

"..... the first thing we've learned, or are adamant on, is that when you talk about debt financing, debt financing tries to create a loophole in the company because there's a pressure of repaying that debt, right? And building on that pressure because gifting is a seasonal business. It's mainly a seasonal business. Basically, some seasons work really, well, right? And there are a lot of months that don't have a season, right? So, debt financing becomes a big obstacle in growth."

Various financial considerations and past experiences influence the decision to approach or avoid investors. One entrepreneur explained her reluctance:

"...I do limited work; I do what I can handle. So, I do not need an investor."

These instances highlight that internal resources are reliant and a cautious approach to financial management, ensuring the longevity and stability of their ventures.

In addition to these reasons, consistent and reliable client payments, and efficient management of resources reduced the need to seek external investment.

For some women entrepreneurs who had secured funding, awards or grants allowed them to align their ventures closely with their visions and aspirations with minimal reliance on external investors while maintaining autonomy in decision-making.

Although these respondents reported access to capital as an important challenge more than half of the participants (89%) had never applied for a loan (Figure 27).

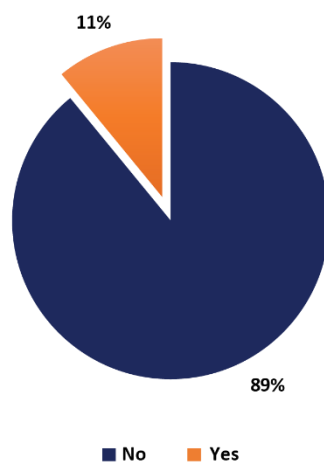


Figure 27: Applied for a Loan

Interestingly, the reasons for not applying for loans were reported to be (Figure 28) due to stringent collateral requirements (51%), high interest rate (41%), religious reasons (40%), lack of need (35%), complex procedures (40%), and lack of previous experience in securing funds (43%).

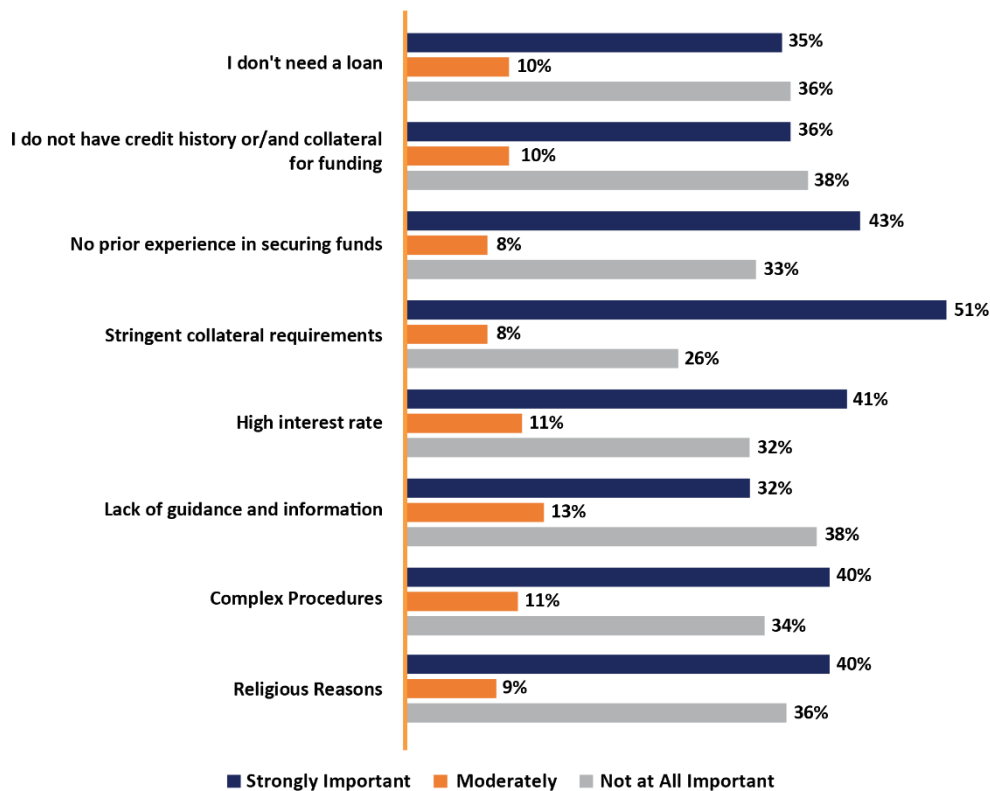


Figure 28: Reason for not Applying for Loans

Respondents who indicated applying for loans were further asked about the outcome of their application (Figure 29). Only 10% reported that their application was rejected, while 24% got approval. The reasons selected for loan application rejection included (Figure 30) incomplete documentation (8%), size of the loan (6%), complicated process (4%), while 82% of the respondents did not respond to the query.

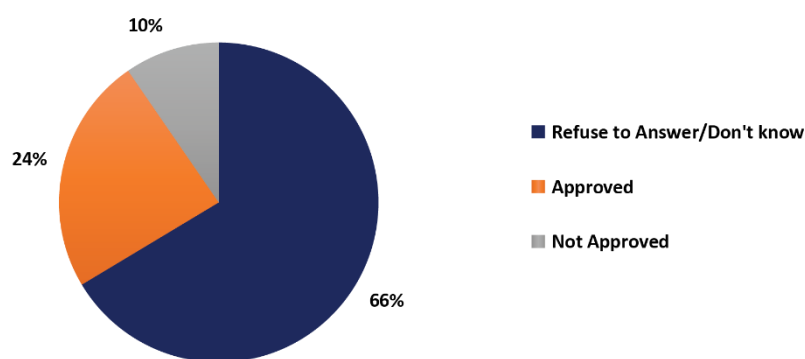


Figure 29: Outcome of Loan application

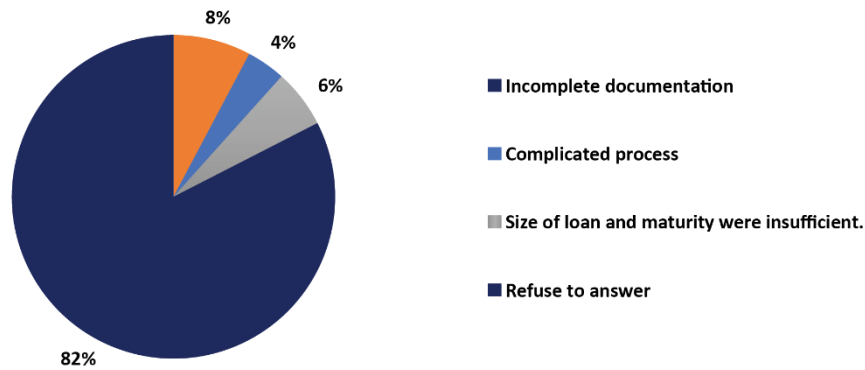


Figure 30: Reasons for Loan Application Rejection

These instances show how cautious women entrepreneurs are with their funds and how they would bootstrap in the initial phases rather than raising funds through external sources. This approach aligns with the statement of one businesswoman where she stated,

“I do not want to raise money early in the company and expand without verifying the problem I do want to raise money, but I want to raise it in the next year...eventually if we want to growthen we will have to move towards it.... obviously, we will have to raise money for it”.

The survey respondents were asked further to highlight the funding sources in the next three years (Figure 31). The results show that more than half of the respondents (51%) do not need financing for the next three years. 23% indicated they would secure funds from owners, employees, friends, or family. Loans from banks or other financial institutions were opted for by only 11% of the respondents.

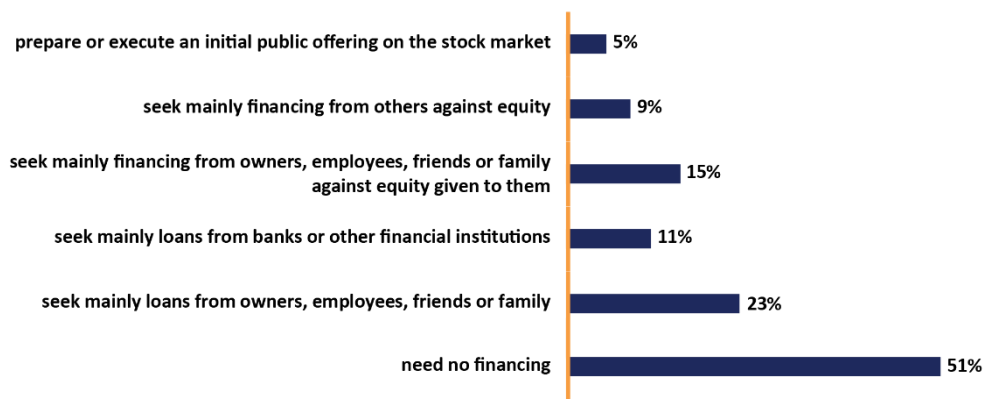


Figure 31: Financing in the Next Three years

Additionally, a detailed survey analysis revealed differences in the women entrepreneurs in the formal and informal sectors in the account they maintained⁵. Women in the informal sector were more inclined towards personal accounts than their counterparts in the formal sector.

⁵ (χ^2 ([3], $N = [247]$) = [108.91], $p = [.000]$).

When asked whether women had ever applied for a loan, we found a significant difference in the responses of the women entrepreneurs in the formal and informal sectors. The women entrepreneurs in the informal sector showed lower loan applications than those in the formal sector⁶. Moreover, when asked whether women had ever applied for a loan, we found a significant difference in the responses of the women entrepreneurs in the formal and informal sectors. The women entrepreneurs in the informal sector showed lower loan applications than those in the formal sector⁷.

3.2.7 Networks

Networks offer a safe platform for business collaboration and exchanging information, knowledge, experiences, and support. In the challenging environment where women entrepreneurs exist, networks are highly important. For women entrepreneurs from Karachi, being part of an association or having a robust professional network served as a lifeline for them. One of the IDI respondents highlighted its importance by stating:

“Also, for taking loans, you should have a network that can give you the information if you are missing something. I don’t know any such scheme in Karachi but in Gilgit Baltistan there exists a rural program for women entrepreneurs. They do not take any interest in loans. Loans are interest-free. It depends on the nature of the business. I have taken that one. Grant help must raise the finance in the seed stages. The network you make through participating in competitions will stay with you”.

However, a few women may perceive no substantial advantage in cultivating a professional network, while others questioned the workings and efficiency of government associations,

“I’ve been a part of your events, startups, and all that, but I feel like you waste your time from the morning till evening, you know, talking to people. You know, sometimes it helps as well, but many of the times you are just talking and not doing anything and no special achievements, but its benefit is that you come into people’s eyes, people know who you are”.

IDI and FGD respondents also expressed their displeasure over how these networks operated. They indicated that only a few women and their businesses or certain sectors benefited from participating in formal networks. Some women even reported that network events were just a means to attend public gatherings, and they see no benefit in becoming part of a professional network.

“I’m part of, I have been involved with some of these agencies, so I’ve been part of the women’s chamber for a couple of years, was on the executive committee, and I publicly don’t voice my opinions on that because I think it may land me into trouble”.

Respondents, however, mentioned that certain online communities helped them improve significantly. Hence, establishing robust, gender-inclusive networks and associations can play a significant role in fostering an environment where women can pursue their entrepreneurial dreams unhindered by societal norms and biases, thereby contributing meaningfully to the

⁶ (χ^2 ([1], $N = [247]$) = [16.36], $p = [.000]$)

⁷ (χ^2 ([19], $N = [247]$) = [34.33], $p = [.000]$).

entrepreneurial ecosystem. One entrepreneur highlighted the value of leveraging personal network informally to secure reliable suppliers,

“My sister... She is a resource director. She gives me a lot of good advice on my business or marketing. She has a global network, so she keeps advising me on different things... When I was... launching aesthetic products. I was sourcing.... So, I asked her what the suppliers are. So, she told me, no, don't go for the US market, it's very expensive, go for the China market, and they're also sourcing it from China...”

Despite securing suppliers from trusted networks, visiting them remains crucial to assess their capabilities, verify quality, and understand the technicalities of the production process. One woman remarked,

“I never had a problem, you know; I go with my husband to buy my stock whether it is factories or anywhere.... We go to all sorts of areas.... Even NO-GO areas.... conditions are not good there, or women don't go. I have never seen or thought of such things in my life.... Anything that a man can do, I can do. My attitude is like this....”

Results of the survey indicated that most of the respondents faced obstacles in pursuing entrepreneurship in Karachi. These obstacles included absence of initial capital (52% of the respondents), housekeeping and childcare responsibilities (65% of the respondents), current customs and traditions (60% of the respondents), fear of taxation and bookkeeping (48% of the respondents), lack of relevant skills, knowledge and experience (48% of the respondents), lack of professional networks/mentors (56% of the respondents), lack of marketing opportunities (55% of the respondents), and scarcity of the qualified human resources (53% of the respondents). (Figure 32).

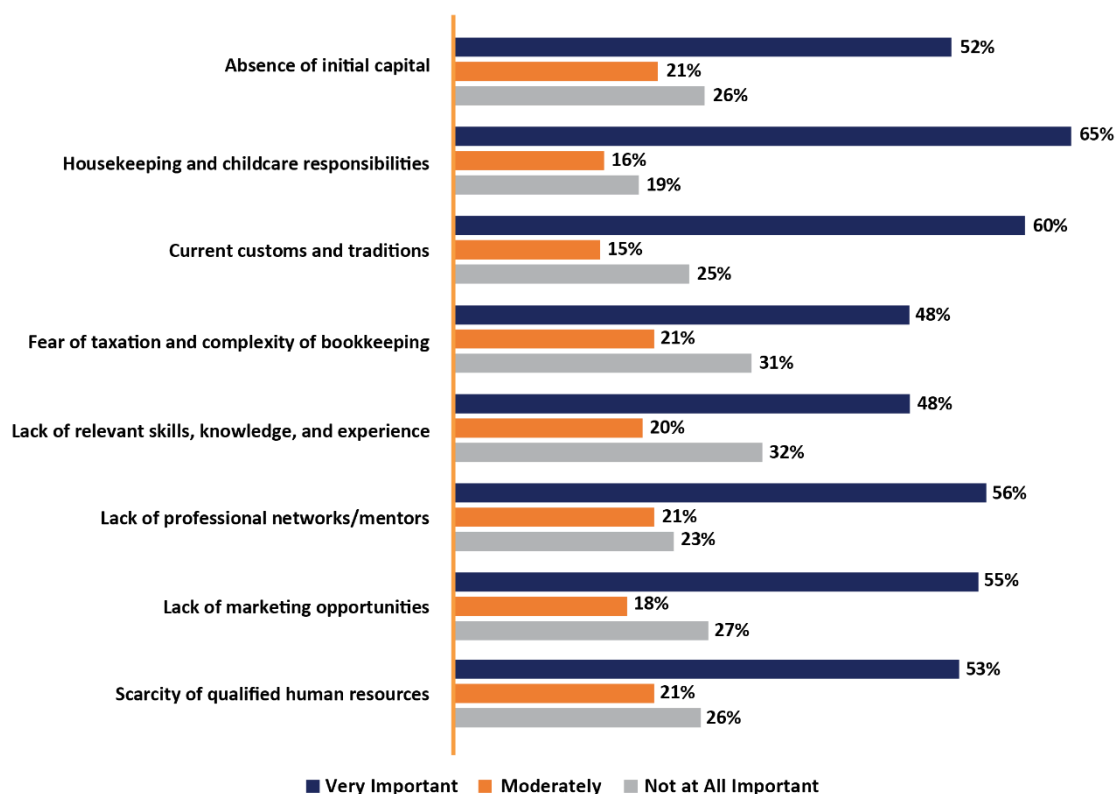


Figure 32: Obstacles to Entrepreneurship

Survey respondents were also asked to rate the sources of information that they considered important. Each source of information was rated on a scale. The results indicate that social media was considered important by more than half of the respondents (83%).

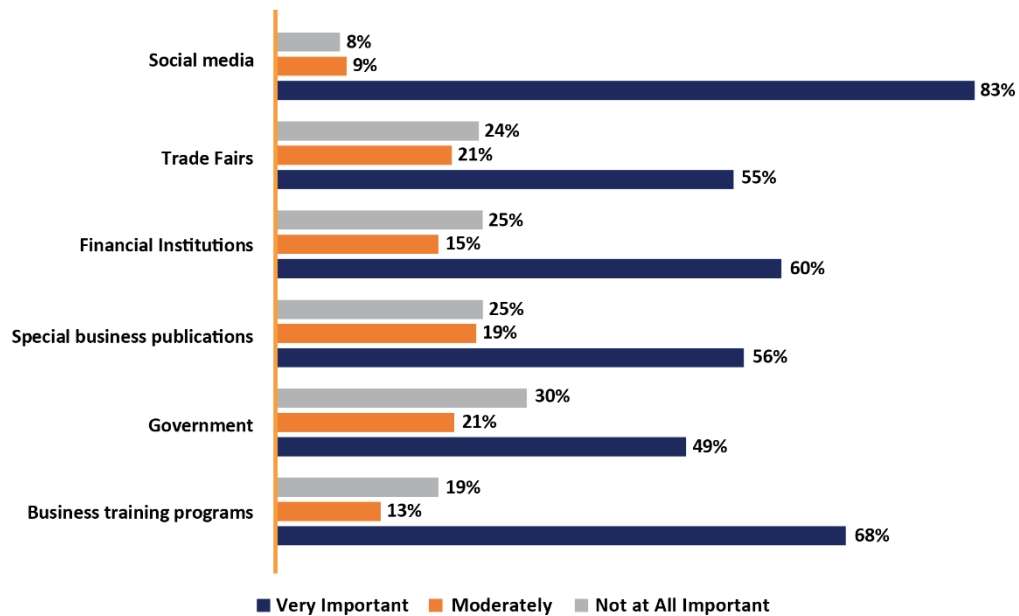


Figure 33: Sources of information For Business

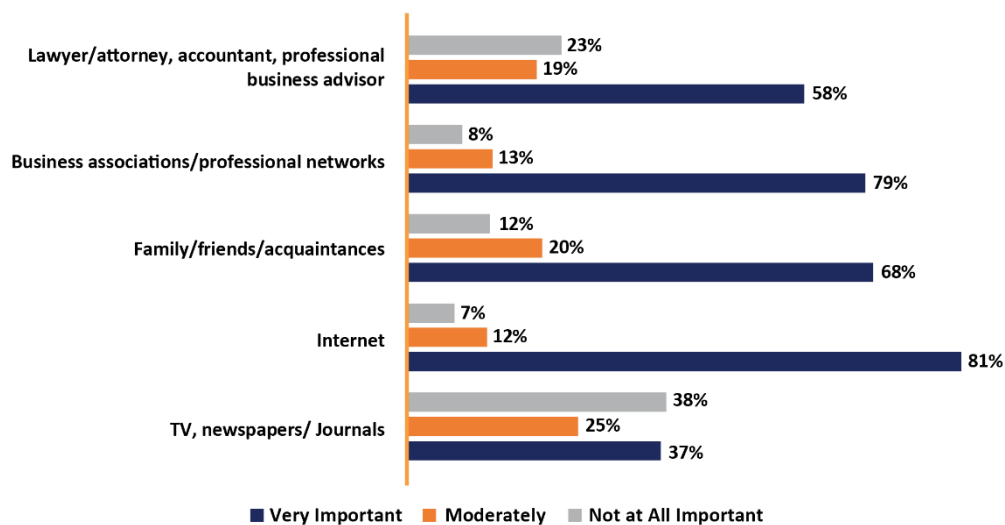


Figure 34: Sources of Support for Information and Advice on Business and Legal Matters

Figure 34 shows various sources of information which women entrepreneurs use for their businesses. The quantitative survey showed the internet is the preferred source of information (used by 81% of the respondents), followed by business associations and professional networks (used by 79% of the respondents).

A detailed quantitative analysis further revealed that the need for sources of information varied between women in the formal and informal sectors. When asked about the sources of information to get support, the women entrepreneurs in the informal sector placed greater

importance on *word of mouth* for growing and managing their businesses than women entrepreneurs in the informal sector⁸.

On the contrary, women entrepreneurs in the formal sector placed greater emphasis on *business associations and professional networks*, business training programs, government sources and trade fairs compared to women entrepreneurs in the informal sector⁹.

3.2.8 Channel Choice for Sales and Marketing

Channel choice is another pivotal meso factor influencing the running and management businesses run by women in Karachi. Women entrepreneurs must carefully select the channels through which to market and sell their products or services. The channel chosen should optimize reach and engagement with the customer base. One entrepreneur recalled her journey during the COVID pandemic and highlighted the significance of channel choice for sales,

“I also opened a shop in the middle.... during the time of COVID. But I felt that there was not much walk-in footfall there. And then online sales suddenly boosted so much during COVID..... At that time, the timing of the shops was restricted. So, I just thought that my business was growing more from home, and it used to do better.... In terms of new people walking in.... Plus, after COVID, there was a big paradigm shift in terms of retail marketing. People preferred staying at home and shopping online..... So, I feel the conventional shop outlook is becoming very restricted.”

E-commerce has been an emerging channel for conducting business. Despite the benefits of e-commerce, it's only sometimes the optimal choice for every business. The qualitative results also highlighted the respondents' need for digital literacy. One of the respondents shared her insights, stating,

“So, I restarted, and then I also put up an E-store, and then we were selling through multiple channels. Though e-commerce has never worked for us, people still want that personalized attention. They want that one-to-one connection.”

⁸ the women entrepreneurs in the informal sector placed greater importance on *word of mouth* for growing and managing their businesses ($M = 4.34$, $SD = 1.049$) compared to women entrepreneurs ($n=136$) in the informal sector ($M = 4.07$, $SD = 1.048$), $t(235) = 2.06$, $p < .05$.

⁹ women entrepreneurs in the formal sector ($n=111$) placed greater emphasis on *business associations and professional networks* ($M = 4.34$, $SD = 1.049$) compared to women entrepreneurs ($n=136$) in the informal sector ($M = 4.07$, $SD = 1.048$), $t(235) = 2.06$, $p < .05$; lawyer ($M = 3.89$, $SD = 1.317$) compared to women entrepreneurs ($n=136$) in the informal sector ($M = 3.24$, $SD = 1.308$), $t(235) = 3.86$, $p < .05$; business training program ($M = 4.03$, $SD = 1.21$) compared to women entrepreneurs ($n=136$) in the informal sector ($M = 3.61$, $SD = 1.362$), $t(243) = 2.54$, $p < .05$; government sources ($M = 3.57$, $SD = 1.462$) compared to women entrepreneurs ($n=136$) in the informal sector ($M = 3.04$, $SD = 1.363$), $t(228) = 2.93$, $p < .05$; trade fairs ($M = 3.65$, $SD = 1.405$) compared to women entrepreneurs ($n=136$) in the informal sector ($M = 3.24$, $SD = 1.336$), $t(230) = 2.309$, $p < .05$

The qualitative and quantitative results illustrate how channel choice has evolved in response to changing market dynamics and customer preferences and the increased emphasis of understanding digital channels for selling and promotion purposes.

One respondent mentioned that using the right digital tools could “*help overcome competition*”. Moreover, promotions could also influence consumer perceptions and interactions with the brand.

One entrepreneur recalled how marketing through online media has helped her create the brand name to what it is today. She mentioned:

“I think digital marketing has been the backbone of our success. Although it makes zero money, it takes a lot of money away, but it has helped us create a brand name to what it is today. We use all social media channels. So, we use all the platforms. Of course, we try to differentiate, but the major goal is awareness and engagement.”

For most IDI and FGD respondents, however, word of mouth remained the most influential and organic form of promotion. For instance, one respondent recounted her experience:

“I tell people through word of mouth like the parents I meet usually have smaller children too, so I tell them about this app, I download it onto their cellphones and ask them to teach their kids using it.”

The selection of promotional channels is influenced by the target audience, business model, and marketing objectives. Choosing a suitable channel is crucial as different platforms cater to different audience demographics, bringing varying engagement patterns and promotional opportunities. We examined that the entrepreneurs who deployed the right digital strategies could also reap its results through enhanced brand visibility, real-time interactions, customer feedback, and improved consumer engagement.

Amongst these online channels, the utilization of social media takes a major chunk. Platforms like Facebook, Instagram, and Twitter offer diverse and dynamic spaces for brand promotion, consumer engagement, and market research. Social media and other online channels allow for creative and interactive promotional content, which helps to build brand awareness and consumer loyalty.

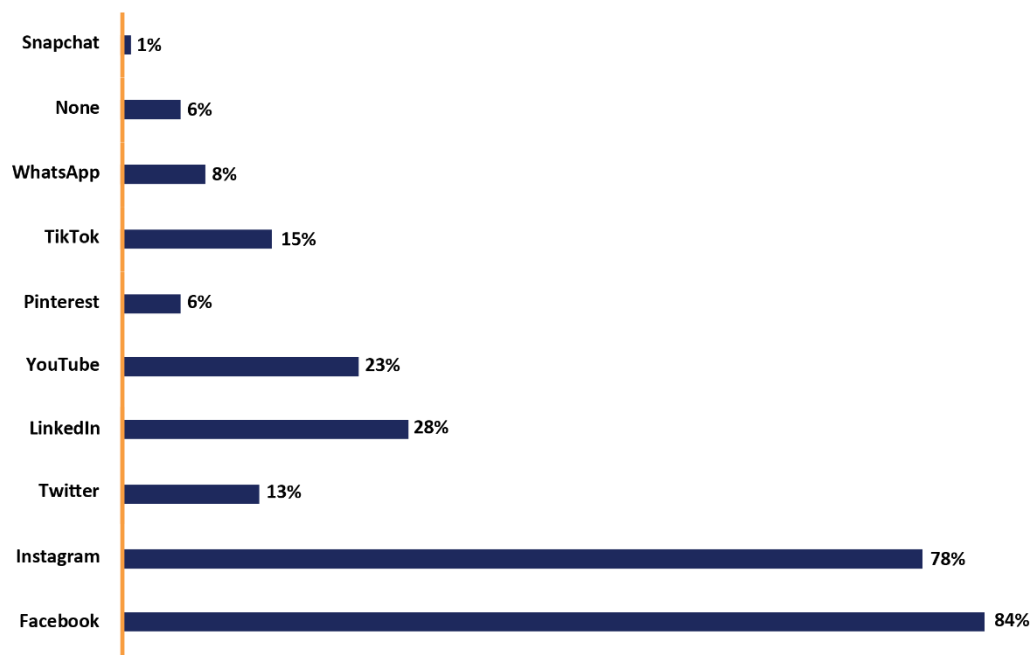


Figure 35: Social Media Platforms Used by Women Entrepreneurs

The most popular platforms amongst these women are Facebook (84%), Instagram (78%), LinkedIn (28%), and YouTube (23%). Despite the popularity of online channels, the use of the traditional medium remains prevalent. We found through both qualitative and quantitative phases that this was mainly due to the need for digital channels knowledge (Figure 8). The survey respondents considered marketing a very important factor (77%) for their business (Figure 36) Network (70%), finance (68%), training (64%) and human resources (54%) were also considered important for their business.

The survey analysis indicated differences in social media platform usage between women entrepreneurs in the formal and informal sectors. The chi-square test revealed significant differences in the usage of social media platforms between women entrepreneurs in the formal and informal sectors¹⁰. The survey results also highlighted a difference in the ratings of women entrepreneurs in the formal and informal sectors regarding the lack of internet and online presence. Women in the informal sector rated the need for online presence as a greater challenge than the women entrepreneurs in the formal sector¹¹.

The respondents were also asked to rate important factors in managing and growing their business (Figure 36). The results indicate that marketing was rated a very important factor for managing and growing business (77%), while networking (70%), finance (68%), and training (64%) were also rated important. It is interesting to note here that no significant difference between women entrepreneurs in the formal and informal sectors was found for factors related to marketing, finance, networking, and training. However, a significant difference was found between the formal and informal sector women entrepreneurs for the human resource factor¹².

¹⁰ (χ^2 ([53], N = [247]) = [75.23], p < [.05])

¹¹ Women entrepreneurs in the informal sector ($n=136$) rated the lack of online presence as a more important challenge for their businesses (M = 3.15, SD = 1.49) compared to women entrepreneurs ($n=111$) in the informal sector (M = 2.53, SD = 1.40), t (240) = -2.79, p < .05

¹² Results are explained in detail in the following section, "Human Resource."

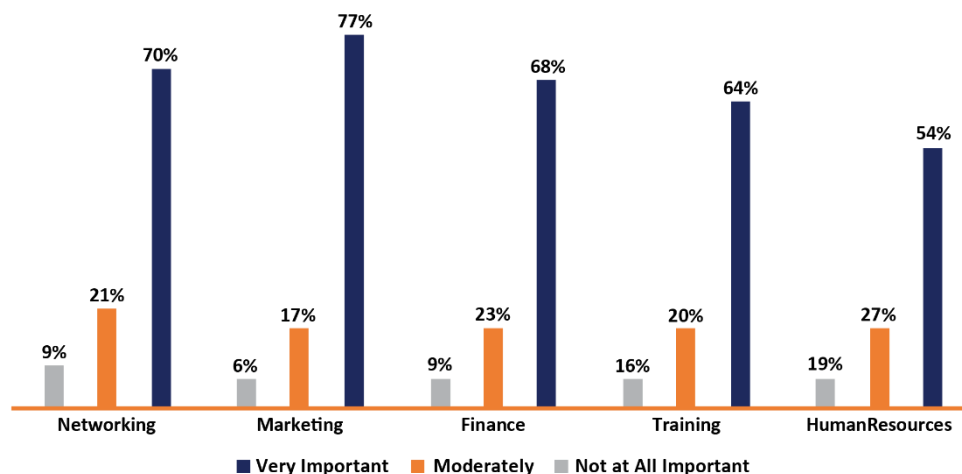


Figure 36: Important Factors in Managing and Growing Your Business

3.2.9 Human Resource

Hiring the right individuals was an important consideration, as identified in the qualitative and quantitative results. For these women entrepreneurs, managing employee challenges, compensations, and responsibilities were paramount to the sustainability and growth of their businesses. As one of the respondents commented:

“I do it all alone because otherwise, I will outsource more money than earning profits. These are challenges we face daily. No matter how many good orders you are getting. If your labor is not good, it will not help”.

Furthermore, the respondents showed concern regarding the right kind of attitude from the employees. One of the respondents commented:

“The home-based employees should be skilled. There should be a learning attitude as well. I often went abroad and brought a product and asked them to make it as our own. They should have that mindset of learning. It is a very difficult situation. And how will I do it quickly if I am working on a 3-month thing? Learning attitude is very important. It is very difficult to train people”.

The survey results also showed that an inadequately educated workforce was a major challenge faced by 40% of respondents, 21% of them considered it moderately challenging.



Figure 37: Obstacle to Entrepreneurship: Inadequately Educated Workforce

Additionally, 53% of respondents considered labor regulations an important obstacle to their business growth, and 12% considered it moderately challenging.

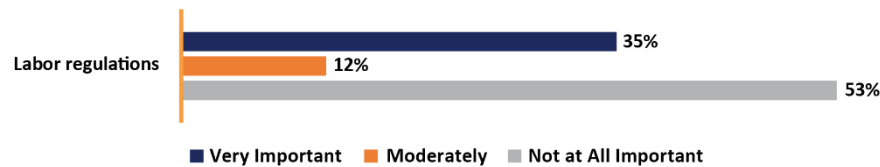


Figure 38: Obstacles to Entrepreneurship: Labor Regulations

The results of the T-tests based on the survey indicate that a significant difference exists between women entrepreneurs in the formal and informal sectors regarding the importance placed on employees for growing and managing their businesses. Women entrepreneurs in the formal sector placed greater importance on human resources for growing and managing their businesses than women entrepreneurs in the informal sector¹³.

3.3 Macro Factors influencing women owned and managed businesses in Karachi

The macro-environment encompasses national-level policies, culture, laws, and the economy, which directly influence gender socialization and shape decision-making processes of women entrepreneurs in Karachi. In this section, we will explore three significant macro factors of normative institutions, family dynamics, and the role of the government on women-run and managed businesses in Karachi. Normative institutions encompass social and cultural norms that influence women's entrepreneurship. Family dynamics impact decision-making and work-life balance. The government's role includes policies and support initiatives. Examining these factors will help us identify ways to create a more supportive environment for women entrepreneurs in Pakistan.

¹³ Women entrepreneurs in the formal sector ($n=111$) placed greater importance on human resources for growing and managing their businesses ($M = 3.93$, $SD = 1.12$) compared to women entrepreneurs ($n=136$) in the informal sector ($M = 3.38$, $SD = 1.27$), $t(245) = 3.58$, $p = .05$.

Key Findings

- The respondents emphasized the need for government's role in women's business development. They also highlighted the need for gender-inclusive policies.
- Women entrepreneurs reported the lack of help from their immediate family limits their business growth potential. Despite family support in some cases, many entrepreneurs highlighted a need for more encouragement or concerns from family members and friends.
- Survey respondents rated housekeeping and childcare responsibilities, lack of permission to start a business, and problems of maintaining work-life balance as important challenges that mainly gave an edge to their male counterparts. They also believed that there were differences in expectations for women due to their upbringing as an important challenge that hindered the progress of their business.
- Respondents highlighted that tax filing procedures should be made more straightforward and women-friendly to alleviate the administrative burden on women entrepreneurs, ensuring compliance without unnecessary complications.
- Tax relief measures can incentivize women, providing them with financial relief that can be reinvested in their businesses. Entrepreneurs in the formal sector were significantly more challenged due to tax rates and the process of tax filings than women in the informal sector.

3.3.1 Normative Institutions: Sociocultural norms and Gendered Attitudes

Women entrepreneurs in Karachi often find themselves navigating through the constraints of societal norms and expectations, where the deeply ingrained patriarchal values and gender stereotypes attempt to define their entrepreneurial journey. Societal attitudes and reactions influence the levels of acceptability and support for women stepping into the entrepreneurial arena. Each encouragement and discouragement is pivotal in shaping their aspirations, fueling their perseverance, or adding another layer to their challenges.

The findings of this study indicate that societal expectations clash with individual aspirations of women entrepreneurs. Actions taken by women are scrutinized through the lens of predetermined gendered norms and values. As one of the participants mentioned:

"Even at different scales, different conferences. Also, I've been bullied online, you know, like online live conversations, and people do look down upon you because they think that OK, she's a woman. Maybe you know? Maybe I because, see again, I have never shied away from my introduction. I have a CV gap. I was raising my son. It took me a lot of time to come into the scenario".

Another respondent echoed the same sentiment and recalled:

"I think that till whenever women are going to work, it's going to be there, and trust me, it's not a bed of roses out there for everyone. So, there are many things, but I think I've not shied away. From sharing them, I do take actions where they are needed. So, if nobody listens to you, you shout; if you must raise your voice, raise it. because nobody will listen to you until and unless you shout, and when you do so, make sure to do it in a way you force people to listen".

Within this sociocultural web, the perceived male versus female differences also shape the trajectory of these entrepreneurial journeys. These women are not just battling market forces. As highlighted by one of the IDI respondents when talking about her daughter:

“Make them mentally prepared before sending them outside because really people are very dangerous outside. This is the reality. Make daughters strong in every sense, and this is the responsibility of parents. These are the things that I have felt personally around me in people and business; I have noticed a lot that girls have very intelligent ideas and are working internationally, but when it comes to talking about business and making pitches, males outshine them. Women don’t know where the business is going, I feel that these three things are very important”.

Several questions were asked in the survey to probe into gender-related issues highlighted by women in IDIs and FGDs. The survey results indicate women entrepreneurs' perception of gender-related challenges in the workspace. The results indicate that 34% of women respondents feel challenged by the reluctance of people to do business with them, 13% feel it is moderately challenging, and 53% feel it is not challenging (Figure 39).

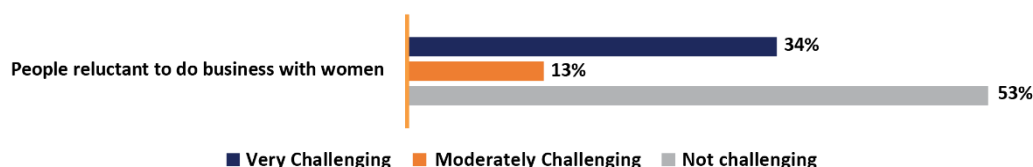


Figure 39: Obstacle to Entrepreneurship: Societal reluctance to do business with women

When the survey respondents were asked about the most important reasons behind the domination of men in owning and managing businesses in Karachi, 65% of respondents rated housekeeping and childcare responsibilities were important challenges that mainly gave an edge to their male counterparts and 17% of the respondents rated it moderately challenging (Figure 32).

Figure 40 depicts the perceived dominance of men in businesses in Karachi. When asked about the reasons for men owning and managing businesses in Karachi, 36% of the respondents believed that women lacked relevant skills, experience, or knowledge; 53% blamed the current customs and traditions that impede women’s professional aspirations; 43% believed that women are risk averse as compared with men, 30% believed that the initial distribution of wealth/assets between men and women gave advantage to men and 21% believed that men make better business executives than women.



Figure 40: Obstacles to Entrepreneurship

Gender stereotypes and societal expectations prevalent in culture impact women's entrepreneurial journey. From her early years, a woman is taught about the high societal expectations from the different roles that she plays or would play. These high role expectations as a mother, daughter, daughter-in-law, and wife create challenges for her in her entrepreneurial journey. It was also reflected in the survey, whereby 33% of the respondents rated the differences in expectations for women due to their upbringing as an essential challenge hindering their business's progress. However, 56% of the respondents rated it as not a challenge, and only 11% rated it moderately challenging.

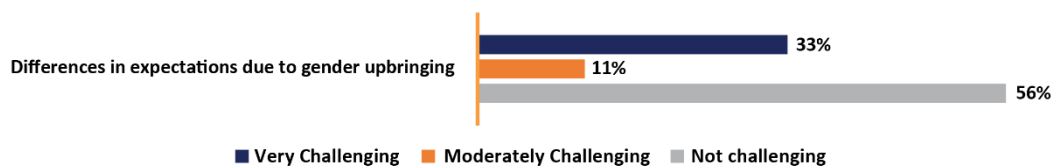


Figure 41: Challenges Faced by Women Entrepreneurs

This emphasizes the need for gender-inclusive policies, pivotal to fostering an environment where women can pursue their entrepreneurial dreams without the constant battle against societal norms and gender biases. It is important to cultivate a society that values entrepreneurship, regardless of gender, and allows women to contribute effectively to the entrepreneurial ecosystem.

3.3.2 The Conflicting Role of the Institution of Family

In pursuing entrepreneurial businesses, family emerges as a complex and multifaceted factor, interweaving support, expectations, and influences, shaping the journey of women entrepreneurs in Karachi. Understanding the intricate tapestry of familial ties and their impact is essential, as they can serve as both a sanctuary of support and a source of challenge and contradiction. The evolution of family support is a narrative etched in family histories and traditions, where a family's background or the influence of an existing family business can either foster an entrepreneurial spirit or cast shadows of doubt on a woman entrepreneur. During IDIs and FGDs, women entrepreneurs mentioned the influence and role that parents, spouses, in-laws and friends played in their entrepreneurial journey.

A parent's influence imprints values and perspectives, guiding actions and choices. While well-intentioned, their influence can sometimes lead to conflicting interests and decisions regarding a woman's entrepreneurial journey. One respondent enthusiastically stated,

"... my mother still prays for me daily in Fajr. She asks me what happened at my meetings...how is my work going? ...Am I facing any difficulties? etc. I tell her, yeah, it's working out, so parents are quite supportive and concerned from the start... they believed in me when I didn't believe in myself".

Another respondent commented about the importance of support from in-laws:

"My in-laws are supportive. My mother-in-law pitched in her savings when we needed some cash. So, everybody was supportive, obviously, my husband too since he was a part of this journey. He always believed in me, and he always told me that I would be, you know, doing the right thing".

The entrepreneurial journey of women entrepreneurs, however, was not devoid of challenges, with the lack of support and negative comments from family acting as hurdles, testing resilience and determination. The absence of family support and negative familial remarks can weigh heavily on women, affecting their confidence and determination. The findings from IDIs and FGDs had conflicting results. On one hand, while women entrepreneurs were grateful for the support of their families, many expressed their disgruntlement due to the lack of family support. One respondent stated:

"My husband, I don't think he was interested in me doing business or anything like that; I didn't have much support from him and in-laws obviously, you know that in-laws don't support at all. Everyone is trying to bring you down, in-laws, they are not bound to help you".

In the same vein, another respondent associated family support with a dream that does not come true for many,

"..... so, I think in family and friends, family doesn't support, I don't think so, it's a fantasy. Many people I know are in the same boat where the family doesn't support them; their in-laws don't, and immediate family ... not at all".

IDI and FGD participants shared their struggles of maintaining a work-life balance. one of the respondents mentioned:

"..... But then, when I tried to bring a work-life balance for myself, slowly and gradually, I started spending a little less time at home. I restricted my job, whatever my work is, to work timings only. So, now it has started to decrease a little".

These results also indicated that 21% of the respondents considered the lack of permission to start a business a major challenge, 11% of them considered it as moderately challenging and 68% of the respondents considered it not challenging (Figure 42). While 49% of the respondents reported problems maintaining work-life balance as a very important constraint

to run and manage their businesses, 16% of them found it moderately challenging, and 35% of the respondents reported it as not a challenge (Figure 43). Detailed¹⁴ survey analysis indicated significant differences in the family's approval to continue work between women entrepreneurs in the formal and informal sectors. Women in the informal sector were more restricted due to their family's permission than those in the formal sector.

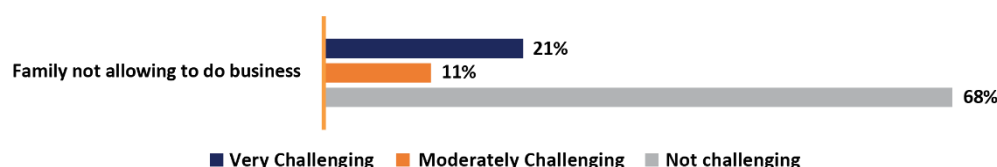


Figure 42: Obstacle to Entrepreneurship: Permission from Family

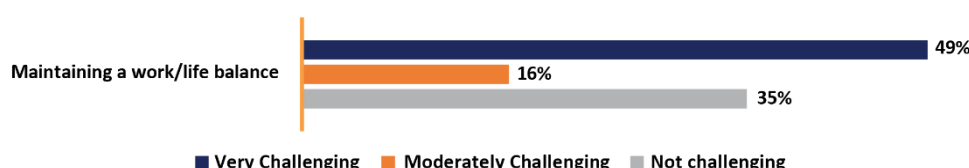


Figure 43: Obstacle to Entrepreneurship: Work Life Balance

3.3.3 Role of Government

The role of the government and the support it extends is a critical factor influencing the trajectory of women entrepreneurs in Karachi. The government's advisory and support system can serve as the backbone, offering guidance, support, and a framework within which women entrepreneurs operate.

These women also highlighted the importance of the government's role in developing incubation centers and supportive market areas exclusively for women. They expressed concern over the lack of such options. One of the respondents commented:

"I have not seen any woman who is technically leading. There are not many people I could look up to for help in terms of organization, human resources, legal, and finance. These kinds of platforms are available internationally but not in Pakistan. It will be a good step if the government can start this platform through incubation."

Similarly, another respondent commented on easing participation in local markets and international trade fairs,

"Provincial government can open the shop, and we ladies can rent it. We can display our products there. The government can do this. In simple terms, advertise our products. In foreign, delegates go to Iran, etc. Women should be given special packages for traveling which reduce the overheads, ticket costs, and increase weight capacity so we can carry our products."

¹⁴ Women entrepreneurs in the formal sector (n=111) felt less challenged in family, allowing them to do business ($M = 1.88$, $SD = 1.387$) compared to women entrepreneurs (n=136) in the informal sector ($M = 2.28$, $SD = 1.533$), $t(245) = -2.11$, $p < .05$

The respondents required support in creating meaningful networks and associations and policies regarding information dissemination, sharing, and registration. Many believed that the government-sponsored networking events and platforms could foster collaboration, knowledge exchange, and market access for women-owned businesses. As mentioned by a respondent:

“I was saying that the government should make the funding process easy for female workers, entrepreneurs, and enterprises. There should be bodies that support women-founded startups only if you do events; it should be of the woman-founder. You know, just for the women to be heard and seen and to make a mark. If you do many events, some should be just for women. But I don’t see anything like this; whenever there are events, only well-known big startups are called, such as Careem, etc., and they only get the limelight; there are many women who are also doing a great job and can be great role models”.

Improvements in the financial sector are paramount to ensure equitable access to capital requirements. Many women entrepreneurs need help securing loans or financial support due to perceived risks or collateral limitations. A responsive and inclusive banking system can unlock opportunities for these women, enabling them to invest in their businesses and drive economic growth.

“If you are not registered, you are not facilitated by anyone. Women should not be bound to bring male members for bank accounts. For someone starting a business, it should be a simple process from the government to open a bank account.”

Another one commented,

“The government should formalize and document the large chunk of the undocumented economy of small women businesses. These are not registered, which deters financial inclusivity as well. The government should register them so it can benefit the country. Put up a registration center like a polio camp.”

The respondents also recommended that the administrative burden be reduced by streamlining the registration process, formalizing their businesses, and ensuring they operate within the legal framework,

“For someone starting a business, it should be a simple process from the government, from registration to opening a bank account. These all will come under policies as well.... but the government doesn't help with anything.”

This mosaic of government influence, policies, and support mechanisms aims to create an environment where women entrepreneurs in Karachi can thrive, unburdened by unnecessary obstacles, and contribute significantly to the city's economic fabric. Sentiments of multiple respondents are echoed in the following statement,

“..the government should make the funding process easy for female workers, entrepreneurs, enterprises.... there should be bodies which support women-founded startups only...”

Many lamented about the easy processes in other countries, which we lack,

“In the UK, it is very easy to start a company. Just in 10 minutes, an online process; similarly, if you see the way the US supports SMEs and start-ups, it's amazing. If you see, most people in the US own at least 25-30 restaurants... You know, because there are so many extremely good self-financing policies made by their government that are not found in any other country”.

Generally, women had very little hope of help from the government and showed a mistrust.

“Sorry to say, but it is very difficult to rely on the government, especially for women”.

Tax filing procedures should be made more straightforward and women-friendly to alleviate the administrative burden on women entrepreneurs, ensuring compliance without unnecessary complications. In addition, Tax relief measures can incentivize women, providing them with financial relief that can be reinvested in their businesses.

The survey results of the study also presented a similar picture. 51% of the survey respondents identified the tax rates to be high and an important constraint on their businesses and 12% considered it as moderately challenging. (Figure 44).



Figure 44: Tax rates as a constraint to women run and managed businesses in Karachi

In addition to the tax rates, 44% respondents also rated the process of tax filing as a major challenge for their business, 14% of the respondents rated it moderately challenging and 42% of the respondents rated it not challenging (Figure 45). Furthermore, a detailed analysis of the survey results also indicated a significant difference in the importance rating of these challenges between women entrepreneurs in the formal and informal sectors. Entrepreneurs in the formal sector are significantly more challenged due to tax rates and the process of tax filings than women in the informal sector¹⁵.

¹⁵ Women entrepreneurs in the formal sector (n=111) rated the process of tax filing as a more important challenge for their businesses ($M = 3.36$, $SD = 1.48$) compared to women entrepreneurs (n=136) in the informal sector ($M = 2.61$, $SD = 1.54$), $t(238) = 3.879$, $p < .05$

Women entrepreneurs in the formal sector (n=111) rated tax rates as a more important challenge for their businesses ($M = 3.59$, $SD = 1.48$) compared to women entrepreneurs (n=136) in the informal sector ($M = 2.77$, $SD = 1.53$), $t(238) = 4.23$, $p < .05$

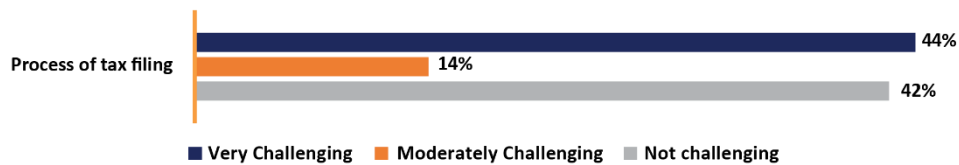


Figure 45: Obstacles to Entrepreneurship: Tax filing/ Tedious Procedural Requirements

Survey respondents were also asked to rate the services that the government (Figure 46), NGOs, and other relevant authorities should provide free of charge. The survey results indicated that 76% of respondents considered professional networking support very important. 73% of women also highlighted support for market research. They also rated the importance of peer-peer mentoring (68%), trade shows (60%), financial advice(68%) and legal advice (65%).

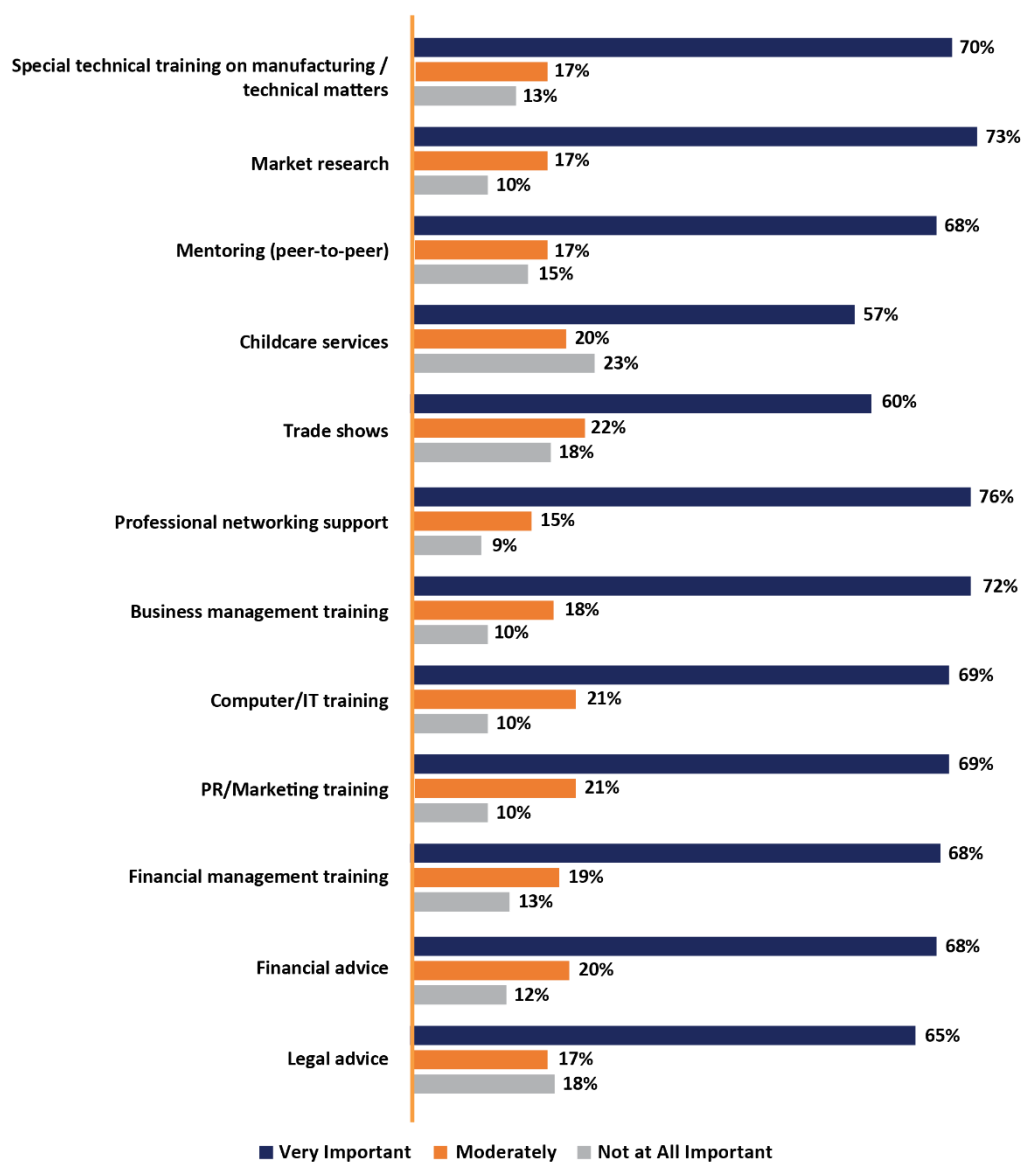


Figure 46: Support needed to run and manage businesses by women entrepreneurs in Karachi

4. Conclusions and Recommendations

The following recommendations have been developed based on the findings of this study, which could be helpful for women entrepreneurs from Karachi. These recommendations are categorized as interventions needed at

- 1- Micro level- These are targeted at increasing the capabilities and competencies of women entrepreneurs via capacity-building measures.
- 2- Meso level -These are targeted at improving opportunities and access for women entrepreneurs in their markets via networking, coaching and mentorship support, and financial capital and investment support.
- 3- Macro level- These are targeted to improve and devise inclusive policies to reduce gendered social norms and attitudes, increase family engagement and acceptance for work, and increase outreach and visibility of government-run programs for women entrepreneurs.

4.1 Improving competencies, fueling motivation, and developing entrepreneurial traits

The results of this study indicated the importance women entrepreneurs place on the need for learning skills related to IT, marketing, financial and business management, understanding legalities, and digital literacy. The findings also indicated that lack of confidence in business decision-making and lack of assertiveness were constraints for women entrepreneurs from Karachi. 65% of respondents believed they were physically and mentally prepared to compete in the market. 46% said needing more relevant knowledge, skills, and experience was a critical barrier to their business growth.

Concentrated effort needs to be made for the capacity-building of these women entrepreneurs and eradicating the barriers that women experience at a micro or personal level. There needs to be targeted training programs to address the identified shortcomings women hamper their entrepreneurial abilities,

- Primarily, training programs should be conducted in human resource management, information technology, finance, and digital marketing. The government should facilitate the provision of training courses on digital literacy, marketing, financial and business management, and financial and legal matters. Chambers of Commerce and vocational training institutes may be encouraged to offer such training courses. The government should partner with public and private universities to provide this training and mentorship, tailored explicitly towards capacity-building, to these women entrepreneurs in the areas mentioned above and offer boot camps and refresher courses periodically for women free of charge.
- Sector-wise, training should target various age groups, including those who may not be at the start of their earning lifespan. It is essential because women entrepreneurs need to be in various sectors or age brackets, and having training that takes that into account would reflect a commitment to inclusivity and flexibility.
- Training programs could also vary competency-wise. Women entrepreneurs at the beginner level in marketing and financial literacy should be coached and trained separately from those who are more experienced. It was explicitly

highlighted by respondents in our qualitative study, whereby women complained of having redundant or essential training material. Additionally, these training sessions should be engaging and practical so that participants can apply the knowledge gained to their business cases.

- Governments should encourage training and courses in the public and private sectors that impart soft skills, confidence building, and grooming for women entrepreneurs.
- The government can also partner with the Intellectual Property Organization of Pakistan (IPO), Small and Medium Enterprise Development Authority (SMEDA), or consultancy firms to provide training in trademarks, copyrights, and design patents. These technical and procedural training in this area are essential, as the study's results highlighted that more than 50% of women believe they lack technical competencies and rate legal and technical advice highly. The result also suggests a need for more awareness regarding the importance of trademarks and copyrights and how the lack of proper intellectual property rights can adversely affect businesses.
- All existing and new training programs should be marketed through different online and offline channels. The study's results indicate that women were unaware of training programs.
- Training programs should be available to women entrepreneurs in convenient locations and at convenient times due to the challenges of balancing work and family obligations. Transportation and accommodation facilities should be arranged for women entrepreneurs to bring them to training locations and offer childcare support to increase convenience.
- Most respondents highlighted the need for marketing training in general and Digital Marketing in particular in our study's qualitative and quantitative phases. Furthermore, marketing issues have become particularly relevant due to increased E-commerce and gig economies.
- Earning additional income was another key motivator behind the launch of these ventures. Respondents highlighted how exposure to available digital platforms gave them opportunities to start a business in the comfort and safety of their own homes. However, most respondents reported struggles with digital literacy. The government should train women entrepreneurs in essential digital learning and skills, especially the IT ministry. The training can be given online or subsidized, or a small fee can be charged.
- The need for Finance and Accounting training was also highlighted as most women complained of a lack of knowledge in areas such as cash flow management and accounting for indirect cost. They must learn to manage their finances and conduct basic accounting procedures. The government may collaborate with public or private universities to provide training.

- Based on previous research, training opportunities are most effective when provided in high intensity and high duration with high-quality inputs, including expert trainers. Support for these programs could include identifying additional expert trainers to expand the reach of the programs and coordinating effective methods to sustain participation in training programs for long durations of multiple months.
- Training programs should be expanded to include employees of women-led businesses to build their knowledge and skill sets. Entrepreneurs noted the need for more qualified staff and the ability to hold onto qualified staff as an obstacle to women's entrepreneurship.
- Information sessions should be made available online by the government through the IT ministry on the resources available for women entrepreneurs and how they can benefit from them. Any training materials developed for training programs should be made publicly available in a format that is easily accessible to ensure a wider reach and dissemination of knowledge and skills beyond immediate beneficiaries of the training program.
- ✓ It may be done through online portals, including websites and YouTube channels, where women can access the training material easily.
- ✓ A web portal should be launched with funding from the government, which would make all information related to permits and licenses publicly available. It will help women entrepreneurs from Karachi access the information they need to start their ventures.
- ✓ The government should help establish vocational training centers catering to women entrepreneurs. In the case of Karachi, such centers should be set up in each of the city's seven districts.
- ✓ Entrepreneurship courses and how to embark on a business venture should be introduced in local schools, colleges, and universities.

4.2 Financing, Investments, and other market level support

- The government should make budgetary allocations to provide microcredit loans and grants specifically designed for and targeted at women entrepreneurs. Such assistance through loans and grants should be integrated with training initiatives, mentoring, and network support to ensure the most effective use of the loan.
- The results of our study indicate that women entrepreneurs need more awareness and information about the financial markets. They need to find the banking and financial procedures more complex. The government should work with the banking sector to create awareness about banking procedures and disseminate relevant information through online and offline platforms. Governments should develop online portals and helplines where women can easily access information and have their queries addressed. These portals could provide information such as how to open an account. Women entrepreneurs were reluctant to apply for loan

assistance due to complex procedures; these online portals can help resolve this issue.

- The government should encourage financial institutions to simplify the loan application process. Collateral requirements should be more straightforward for women, and they should be given subsidized credit options.
- The results of our study indicate that most women entrepreneurs have never applied for a loan or funding due to the heavy collateral requirements. The government can work with the banking sector to ease these collateral requirements.
- Governments should provide financial support to women entrepreneurs by developing online portals and helplines where women can easily access information and have their queries addressed. These portals could provide information such as how to open an account. Women entrepreneurs were reluctant to apply for loan assistance due to complex procedures; these online portals can help resolve this issue.
- Public sector universities and training and vocational institutes should be engaged in providing this need-based training on business management and growth, such as financial literacy, cash flow financing, and marketing to women entrepreneurs.
- Information on procedures, rules, and regulations that enable women entrepreneurs in the informal sector to register their ventures and transition to the formal sector formally should be made available on a dedicated website with public access. It is crucial since most women entrepreneurs' report needing more information on registering their companies, and those who do say it is full of red tape. Moreover, legal support should be provided for women in the formal sector who want to expand their businesses further and change their ownership structures to corporations or private limited companies.
- To further supplement the above recommendation, an app that provides a one-stop window in digital space for entrepreneurs to register their business with the government and with the relevant federal and provincial tax authorities should be developed. It would also benefit the latter since it would bring the business under the documented economy, which is taxed.
- Incubators that seek to provide space and support to women entrepreneurs should be facilitated, and seed money should be provided for this by the government; these should also be mobilized to provide mentorship to women-run businesses so that guidance can be provided on effective business management and investment habits. Additionally, women-only working spaces may be created for those women who observe "purdah" or are not allowed the freedom to work due to the lack of such facilities.

- Incubation centers focusing only on women should be encouraged by the government; these should focus on providing working spaces exclusively for women and should be given tax incentives.
- Country branding is a significant issue, especially for export-based businesses. A think tank or government body should actively be engaged in improving Pakistan's perception among the international audience, as this directly affects businesses run by women entrepreneurs in particular.
- The government may partner with online influencers and traditional channels to change perceptions of the mass audience regarding communication and interaction of women-led businesses with men in different facets of their business. These creative awareness programs can help create a mindset shift, facilitating women to handle their day-to-day operations much more effectively.
- The government should invite women entrepreneurs when delegations are being taken to participate in trade and business fairs overseas. It will enable them to build professional networks crucial in expanding their ventures to hitherto untapped markets and clients.
- The government should encourage training for women entrepreneurs in digital literacy and skills and social media marketing since that is where much of the retail growth is happening. Furthermore, exposure to them will help women entrepreneurs build their businesses through increased brand recognition, digital marketing, and advertising.
- The results of our study also indicate that women entrepreneurs, specifically in the formal sector, feel challenged due to the lack of labor regulations. Government may work in this area by providing clear guidelines and mechanisms of operation.
- The government must work towards creating meaningful professional networks where women entrepreneurs can get relevant guidance and support from other females. The results of our study indicate that most women find these professional networks redundant or useful for women-owned businesses only in specific sectors. The existing professional associations must be re-evaluated and revamped, and new associations must be created so that women in all sectors get relevant guidance and support.

4.3 Institutional strengthening and building

The role of government and the support it extends is a critical factor influencing the trajectory of women entrepreneurs in Karachi. The government's advisory and support system can serve as the backbone, offering guidance, support, and a framework within which women entrepreneurs operate. It is vital to cultivate a society that values entrepreneurship, regardless of gender and allows women to contribute effectively to the entrepreneurial ecosystem.

- The government should adopt measures that increase the mobility of women. In this regard, introducing bus services in Karachi and a service exclusively for women is a welcome first step. They should be expanded in terms of frequency and route coverage.
- Childcare centers should be set up. They can either be subsidized by the government or have a nominal charge to be self-sustaining. It will contribute towards an enabling environment where women feel they have an option regarding someone looking after their children as they set up their business venture. It will alleviate the burden on women entrepreneurs, allowing them to focus on their businesses without compromising their family responsibilities.
- Governments should formulate and implement policies that address unconventional businesses and support diverse business models. Such policies should also remove bureaucratic obstacles hindering the growth of these unconventional businesses.
- Resource building and training institutions should be encouraged to provide training to male members of a family business led by women. It should include gender sensitization training and make them more aware of the issues and challenges women entrepreneurs face and more accepting and supportive of their entrepreneurial aspirations.
- The government and, in particular, the IT ministry should help develop an app that can facilitate women entrepreneurs' registration of their businesses. Intellectual property registration information and all legal requirements about the registration of a business and the appropriate permits should also be made available through this app. The processes and procedures should be streamlined and simpler for quick and smooth registration.
- The government should support and encourage existing women's entrepreneurship networks to increase their activities and visibility so that their membership may increase and new members gain from networking and shared experiences. It should be supplemented by mapping existing networks and making their presence and contact details available on a publicly accessible website. Existing women entrepreneurship networks should also be used to develop mentorship programs for beneficiaries of financial and training-support programs. These networks can also inform members about business opportunities and how to take advantage of them.
- Existing laws on sexual harassment in the workplace should be enforced without fear or favor. Equally importantly, women entrepreneurs should be made aware of the existence of such laws, so they are aware of their rights.
- Support programs should address time constraints and enable women entrepreneurs to manage their work-life balance better. It could involve time-management training, child daycare programs, and family engagement counseling. The willingness among families to support women's entrepreneurial activity should be incorporated within such support programs.

- The government should fund public awareness campaigns, especially on digital and social media, to break preconceived notions about women participation in the economy.
- The government should provide funding opportunities that directly target women entrepreneurs. All such opportunities should be adequately publicized. A responsive and inclusive banking system can unlock opportunities for these women, enabling them to invest in their businesses and drive economic growth. It is essential to cultivate a society that values entrepreneurship, regardless of gender, and allows women to contribute effectively to the entrepreneurial ecosystem.
- Tax filing procedures should be made more straightforward and women-friendly to alleviate the administrative burden on women entrepreneurs, ensuring compliance without unnecessary complications. In addition, tax relief measures can incentivize women, providing them with financial relief that can be reinvested in their businesses.

APPENDICES

Appendix 01: Profiles of Participants of the Study

1.1 Profile of Participants – FGDs

Constraints being faced by women owned and managed businesses in Karachi					
Focus Group Discussion (FGD)-1					
S No	Name	Business Name	Sector	No of Years in Business	Status
1	Nausheen Barkat	Asqurr	Agriculture	3	Formal
2	Anum Kamran	Buyon.pk	E-Commerce	10	Formal
3	Sheeba Mushtaq	Sheeba's Butterflies	Clothing	13	Formal
4	Uzma Shahnawaz	Fahrenhite 360	Baking	3	Informal
5	Naila Shahzad	Gulenoor Amal	Clothing	3	Formal
6	Fakhra Jamal	MJ Trading	Marble	16	Formal

Constraints being faced by women owned and managed businesses in Karachi					
Focus Group Discussion (FGD)-2					
S No	Name	Business Name	Sector	No Years in Business	Status
1	Shazla	360 Digital Eyes	IT	5	Formal
2	Maira Ata	Love For Data	Data Science	7	Formal
3	Javeria	Headstart	E Commerce	3	Formal
4	Tasneem Ali Asghar	Naseem-e-Tasneem	Herbal Products	10	Formal
5	Sukaina Abbas	Enchante	Jewelry	10	Formal

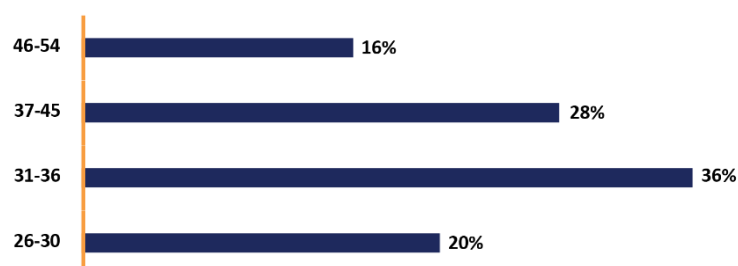
Constraints being faced by women owned and managed businesses in Karachi					
Focus Group Discussion (FGD)-3					
S No	Name	Business Name	Sector	No of Years in Business	Status
1	Dr. Quratul Ain	Green Birds	Skin Care	3	Informal
2	Ghazal Khan	Fantastic Women	Digital Marketing	3	Informal
3	Rohma Rafhan	Amma's Kitchen	Catering	3	Informal
4	Javeria Mohammad Ali	Manjee Collection	Clothing	7	Informal

5	Insha Shakeel	Libas Boutique	Clothing	5	Informal
6	Farhana	Home Based Business	Clothing	3	Informal
7	Seheer Sheraz	Little Diary Clothing	Clothing	2	Informal

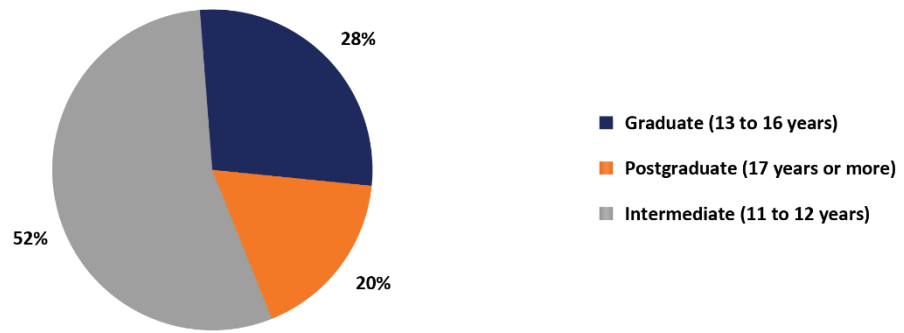
Constraints being faced by women owned and managed businesses in Karachi					
Focus Group Discussion (FGD)-4					
S No	Name	Business Name	Sector	No of Years in Business	Status
1	Huma Kurana	Mass Kitchen and Jait	Social Media	3	Informal
2	Nusrat Khan	Fantastic Women	Clothing	4	Informal
3	Rabeeta Misbah	Hijabboutique.pk	E-Commerce	3	Informal
4	Saima Nadeem	Saima's Catering	Catering	3	Informal
5	Quratul Ain	Quilta & Cushions FB Page	E-Commerce	3	Informal
6	Atiqa Masood	Arts Painting	Painting	3	Informal
7	Hafiza Samia Khurram	SK Foods	Food	5	Informal

Demographics of Participants - FGDs

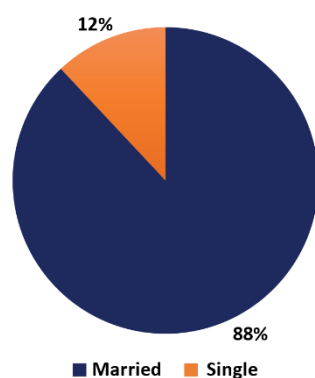
The participants of FGDs were from different age brackets, representing 26-30 years of age (20%), 31-36 years of age (36%), 37-45 years of age (28%) and 46-54 years of age (16%).



Around half of the participants did intermediate, 28% and 20% did graduation and postgraduation respectively.

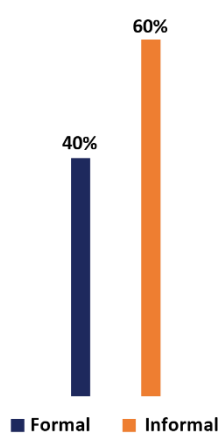


88% of participants of FGDs were married and 12% were single.

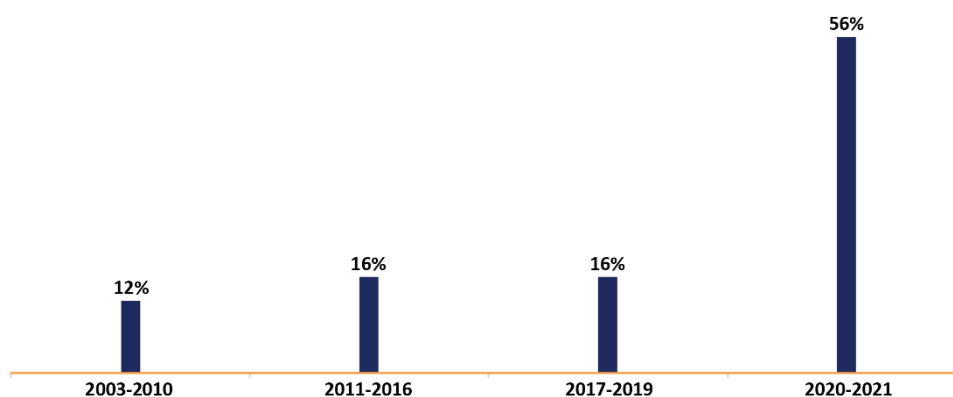


Business Dynamics - FGDs

Most of the participants had informal business (60% of the participants) which were not registered with SECP, or FBR. 40% of the participants had formally registered business.



Around 56% of the participants had three years of experience of running their business, others had varied experience ranging from 4-6 years (16%), 7-10 years (16%) and more than 10 years (12%).



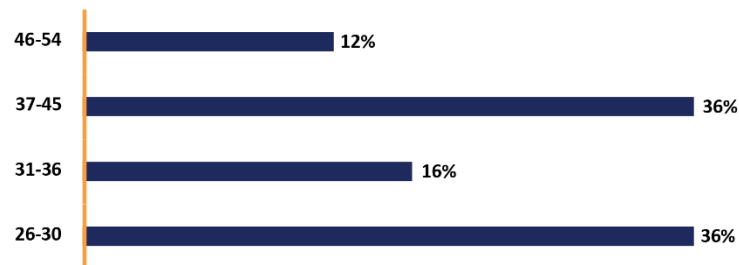
1.2 Profile of Participants – IDIs

Constraints being faced by women owned and managed businesses in Karachi					
Ind-Depth Interviews (IDIs)					
S No	Name	Business Name	Sector	No of Years in Business	Status
1	Sukhaina Abbas	Enchante	E-Commerce (Jewelery)	10	Formal
2	Faiza Yousuf	Code girls	IT Education	11	Formal
3	Uzma Shah Nawaz	Fahrenheit 360	Food	4	Formal
4	Nadia Masood	Naida General Traders	Import / Export	5	Formal
5	Aminah Shah	Parted	Digital Marketing	10	Formal
6	Tooba Hassan	Wonderscape	Health and Fitness	4	Formal
7	Azima Dhanji	Connecthear	Services	6	Formal
8	Sadaf Yasir	Sweeductions	Food	4	Informal
9	Sabeen Afshan	Bridal Bliss	Beauty	5	Informal
10	Sonia Masood	Al Safa Academy	Education	25	Informal
11	Salman Raza	TDAP	Govt	10	---
12	Rimsha	Memories	Event Planning	3	Informal
13	Gulnar Shahzad	Epilogue furniture	Furniture	7	Informal
14	Sumbul	KGLS	Education	6	Informal
15	Maria	Incense by Maria	Herbal Cosmetics	4	Informal
16	Seema Ali	Zainab's Montessori School	Education	4	Informal
17	Naumeena Sohail	The Design Firm	Interior Design	21	Informal

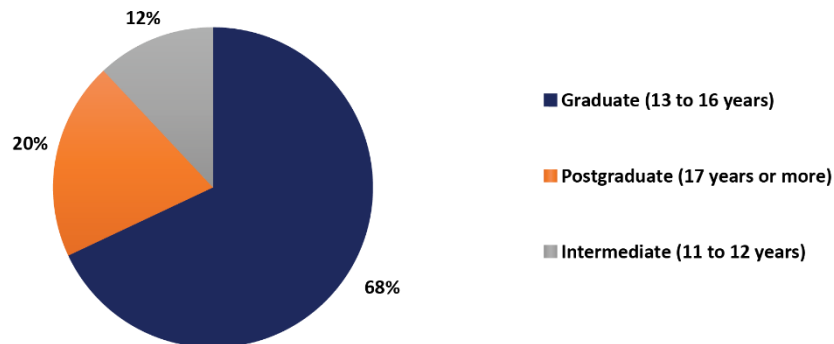
18	Saman Danish	Umeed- Preloved Boutique/Studio	E-Commerce (Preloved Items)	9	Informal
19	Sohema	Hajra	Textile	5	Informal
20	Hiba Rizvi	My Corner Treats	Baking	5	Informal
21	Dr. Bina Dar	Bina Saima Official	Medical	20	Formal
22	Sarah Khurram	Sehat Kehani	Medical	8	Formal
23	Mina Salman	Bagallery	Cosmetics	4	Formal
24	Anjali Chawla	The Elegance	E-Commerce	7	Formal
25	Nayab Raza	Bhan	Agribusiness	3	Formal

Demographics of Participants - IDIs

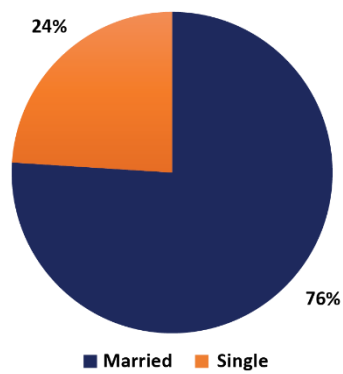
The participants of IDIs were from different age brackets, representing 26-30 years of age (36%), 31-35 years of age (66%), 36-45 years of age (36%) and 46-56 years of age (12%).



Around 68% of the participants did graduation, followed by 20% and 12% who did postgraduation and intermediate respectively.



The majority of the IDI participants were married (76%) and only 24% were single.

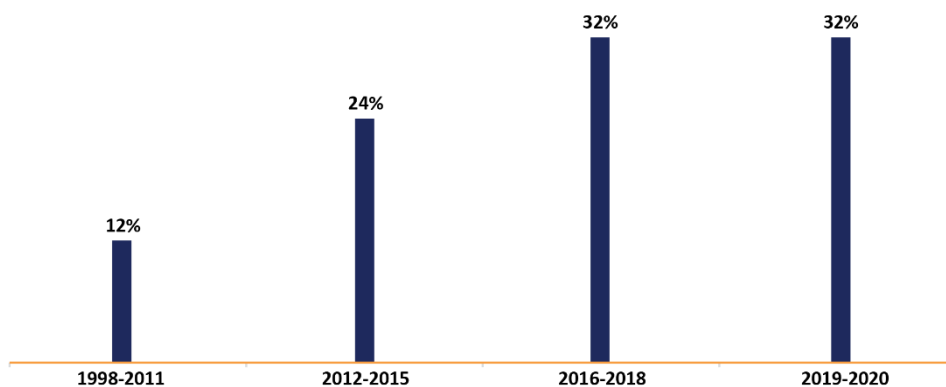


Business Dynamics - IDIs

52% of the participants had formal business which were registered with SECP, or FBR. Only 48% of the participants had informal and unregistered business.

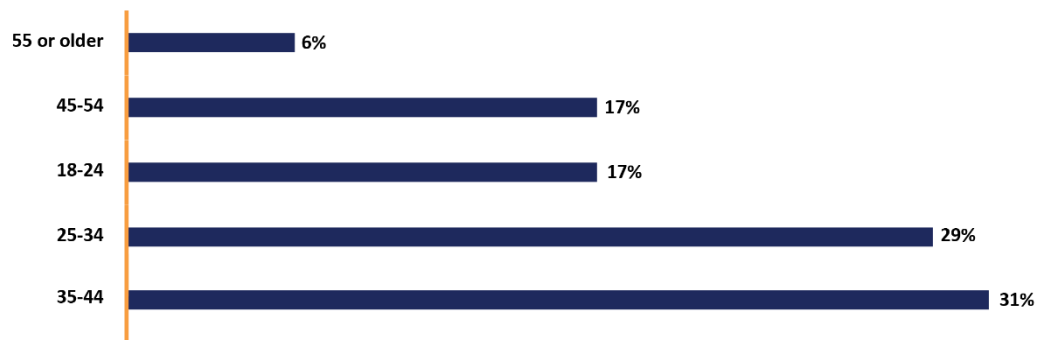


Around 32% of the participants had 3-4 years of experience of running their business, others had varied experience ranging from 5-7 years (32%), 8-10 years (24%) and more than 10 years (12%).

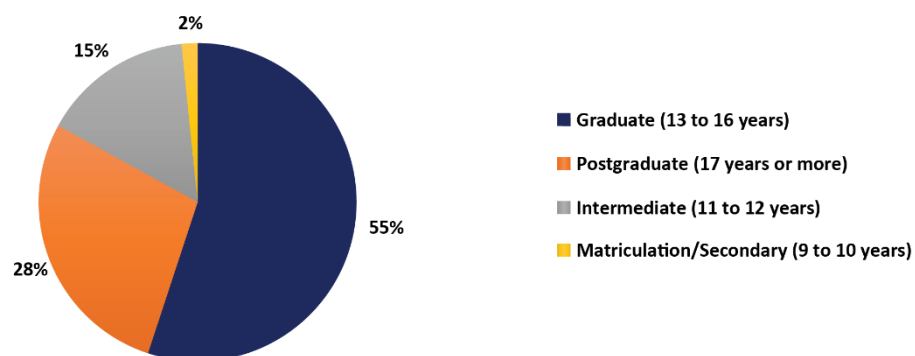


1.3 Profile of Participants – IDIs – Survey

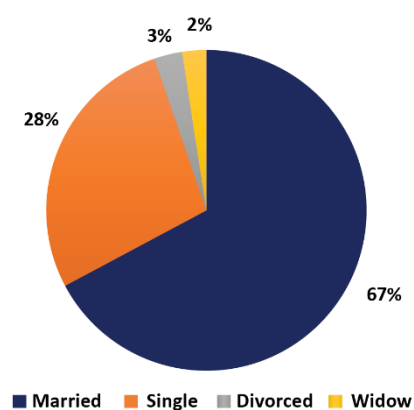
The survey shows that majority of the women entrepreneurs are young (31% respondents aged between 35 to 44 and 29% aged between 25 to 34 years).



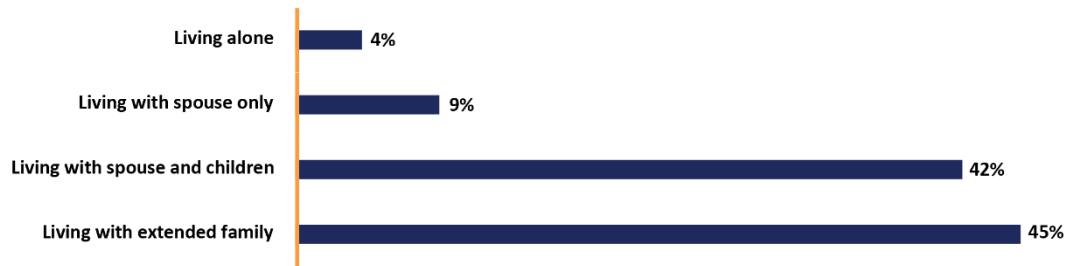
Furthermore, surveys also shows that most of the women entrepreneurs are highly educated (55% have graduate degree and 28% have postgraduate degree).



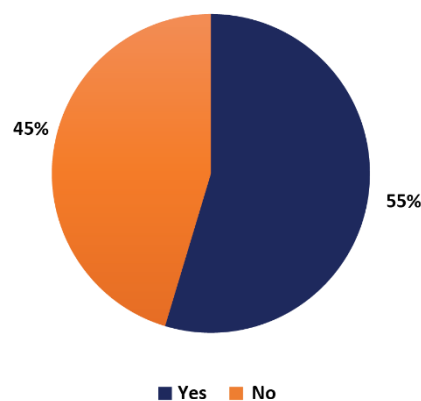
The majority of the respondents were married (67%) followed by single (28%).



The survey also highlights that most of the respondents either live with extended family (45% of respondents) or live with spouse and children (42% of respondents).



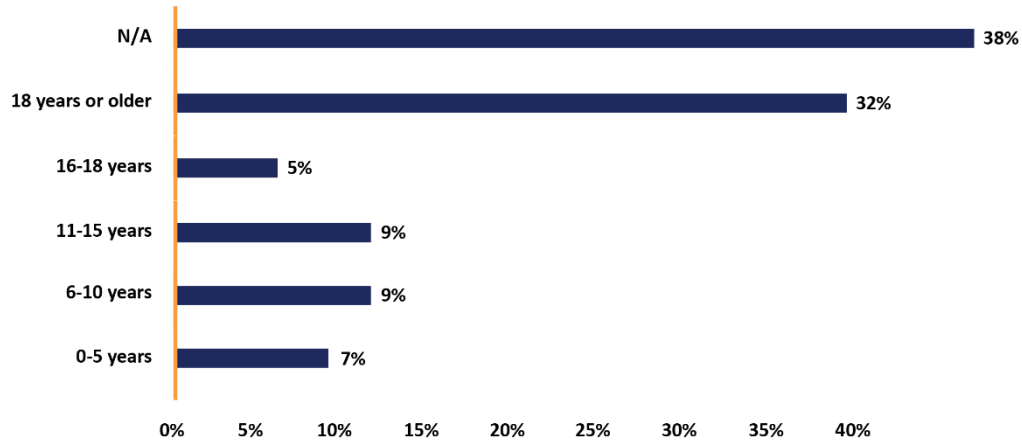
The majority of the respondents had dependents to take care (55%) and 45% of the respondents did not have responsibility of dependents.



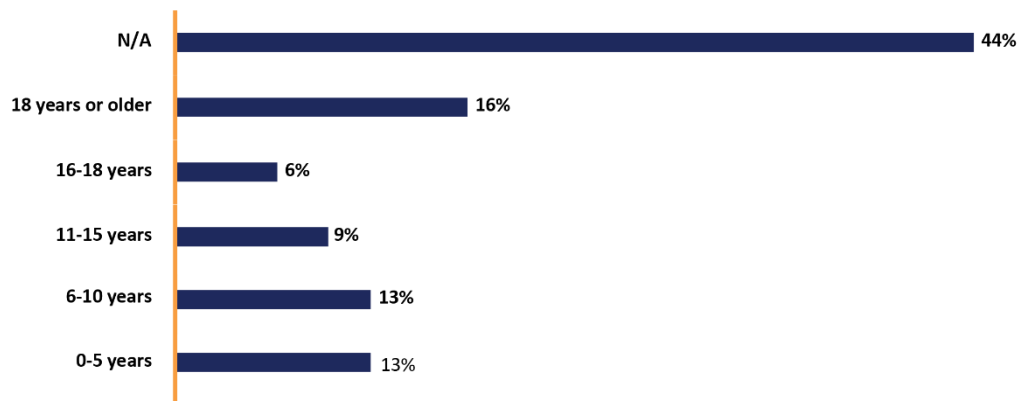
37% of the respondents did not have children, 28% of the respondents had 2 or more children, 26% of the respondents had 2 children and only 9% of the respondents had 1 child.



Those respondents who had children, the age of the eldest child of 32% respondents was 18 years or more, 9% respondents each was in between 11-15 years, and 6-10 years, 7% had children in between 0-5 years, and 5% of the respondents have 16-18 years old eldest child.



The survey also showed that the age of the youngest child of the respondents ranged 18 years or older (16% of the respondents), 0-5 years (12% of the respondents), 6-10 years (13% of the respondents), 11-15 years (9% of the respondents), and 16-18 years (6% of the respondents).

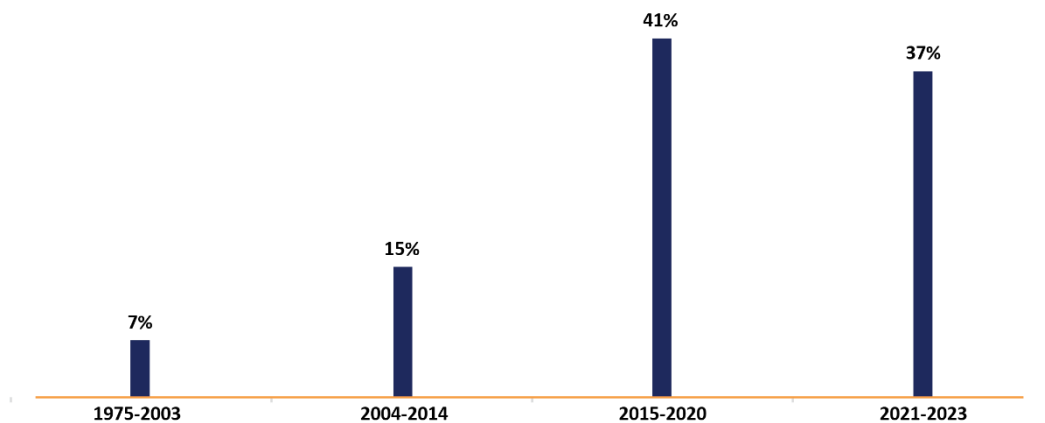


Business Dynamics – Survey respondents

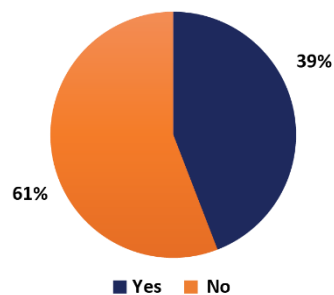
Most of the respondents had informal business (55% of the respondents) who were not registered with SECP, or FBR. 45% of the respondents had formal registered business.



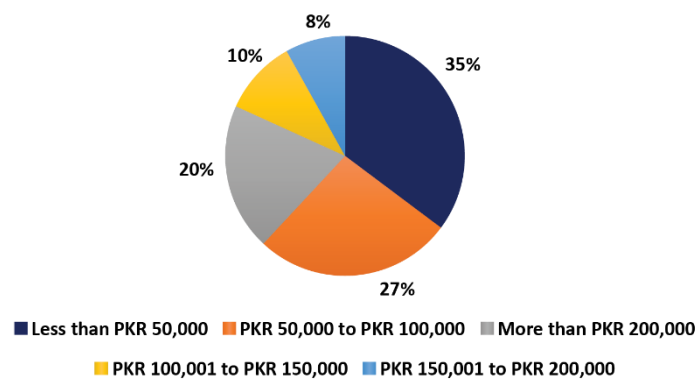
Out of 38% registered businesses, 41% were registered in between 2015 to 2020, 37% were registered in between 2021 to 2023, 15% were registered in between 2004 to 2014 and only 7% were registered in between 1975 to 2003.



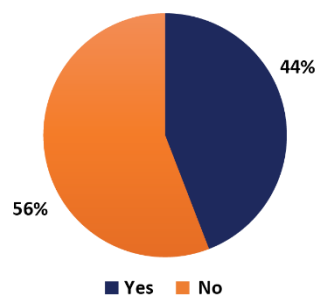
Only 39% of the businesses had bank accounts and 61% of the businesses did not have bank accounts.



The monthly income of the respondents varied ranging from less than PKR 50,000 (35% of the respondents), between PKR 50,000 to PKR 100,000 (27% of the respondents), between PKR 100,001 and PKR 150,000 (10% of the respondents) between PKR 150,001 to PKR 200,000 (8% of the respondents) and more than PKR 200,000 (20% of the respondents).



Only 44% of the businesses had a national tax number and 56% did not have national tax number.



Majority of the respondents were operating as a sole proprietorship (75% of the respondents), followed by partnership (13% of the respondents)



Appendix 02: Data Collection Tools

Appendix-2.1: Guide for Focus Group Discussion (FGD) with Women Entrepreneurs

Constraints faced by women owned and women managed businesses in Karachi.
Focus Group Discussion with Women Entrepreneurs

Take to the field: Focus Group guide, Consent Form, Recording Device, Note-Taking Tools

Moderator name: _____	Date: _____
Location: _____	Ending Time: _____
Starting Time: _____	_____

FGD: Briefing and Consent form

Hello/Assalamualaikum, our names are [insert names], and we are researchers from the Institute of Business Administration (IBA-Karachi). Thank you for taking the time to meet with us today.

We are conducting a study to develop an understanding about the entrepreneurial journey of women in Karachi. In this discussion, we will be talking about your business/startup and your experiences with the business environment in Karachi. Please note that there are no right and wrong answers in a discussion, so please feel free to share your thoughts. The discussion will be recorded and will take approximately 90 minutes.

If at any point during the discussion you would like to stop or pause for a break, raise concerns, or skip any questions, please feel free to do so. We understand that some of the questions may be sensitive, and we assure you that your privacy will be protected. If you prefer to remain anonymous, we can anonymize the information you provide to us, and your identity will be kept hidden from everyone outside of the research team.

The data gathered from these focus groups will be analyzed and will result in a report with recommendations to help policymakers and relevant stakeholders develop programs and policies to create a more inclusive business and social environment for women. The data may also be used for other analysis and reporting purposes in the future.

Your participation in this study is entirely voluntary, and you may choose to withdraw at any time without any negative consequences. Additionally, there are no direct benefits to you for participating in this study.

Before we begin, do you have any questions about the study or the discussion? We would be happy to answer any questions you may have.

May we proceed with the discussion here and now?

Yes ☐ No ☐

May we tape-record this discussion?

Yes ☐ No ☐

(Only turn on the tape recorder if the participant gives approval.)

Thank you for your time and cooperation. We appreciate your willingness to share your experiences and insights with us, which will help us to better understand the challenges faced by women entrepreneurs in Karachi.

Discussion Guide for Moderators

How to Use This guide

The purpose of this discussion guide is to help collect on-the-ground qualitative information to provide context and validation of desk-top data findings. A series of questions has been developed by analyzing secondary data, to probe the topics most relevant to this study.

Specifically, the main questions will likely need to be asked in each discussion. Questions marked “Probes/Prompts” however, should be curated according to the context. It is not necessary in a qualitative interview to follow the questions in a prescribed order. Do take notes, however, and try to capture important phrasing verbatim. These focus groups and interviews are intended to be structured conversations rather than formal surveys. “Yes” or “no” answers are virtually useless in qualitative research, so it will be important to build trust and to try to get elaborate, candid answers. Encourage a fluid conversation as opposed to following a stilted question-answer-question answer pattern. Ask probing questions, such as “Would you explain further?”, “Can you provide an example” or “Could you please clarify your answer?” To make the best use of the available time and to get the most out of the discussions. Be vigilant about staying on topic and attentive to participants who take the discussion away from the research questions to discuss unrelated topics of interest to them. In these situations, moderators should remind the group of the research topic and return participants’ attention to the questions.

Getting Started

- All participants should introduce themselves and their businesses.
- Write their answers on a flip chart.

1. Name
2. Name of business
3. Sector
4. Business type (export/digital/ apparel etc)
5. Products
6. Number of years in business
7. Number of employees
8. Registered / not registered with the SECP

Ask the following overarching general question to start the discussion.

Opening the Discussion

Now I will ask questions by topic in a specific order. It would be very helpful if your responses remained within the topic area of the question being asked.

1. Can you share your entrepreneurial journey/ how, when and why did you start? (Probes: Did anyone encourage or support you to start your own business, saw a market opportunity, income generation, job loss, working flexibility, no job opportunities, better income, family business, fear of layoff etc. What were your major fears when starting your business?)

MICRO FACTORS

- Education/Previous Experience
2. What kind of influence has your education and previous experience had on your current business? (Probes: previous experience in shaping personality, grooming, confidence, access to contacts, challenges in the previous business that motivated you?)
 3. In hindsight, do you think pursuing a different educational path might have better prepared you for entrepreneurship?
 4. If you were to pursue additional training or education to benefit your business, what would they be and why?
 5. How do you communicate with your current customers and how do you promote your business with your new customers? (Probes: Are you comfortable using digital platforms? Why or why not? Did you receive any formal training for online/digital marketing or did you learn it along your way?)

MESO FACTORS

- Customer Segment
6. Who are your customers? (Probes: Ask about the existing customers first. Who are these? How do they define their customer base? How were the first few sets of customers acquired? Are they still on board?)
 7. What is the biggest challenge that you face with respect to your customers? (Probes: Retention challenges? Acquisition challenges? Where is the business currently lacking?)

8. How do you communicate with your buyers? (Probes: In person, phone call, SMS, WhatsApp, social media etc.? What are the challenges you face?)
 - Input / resource markets
9. What are the main inputs for your business? (Probes: Raw material, factor of production, how easy or difficult it is for you to hire employees/ retain employees, training of employees.)
10. What are the difficulties in accessing and acquiring input? (Probes: In both cases i.e. ease or difficulty, where do you get supplies from?)
11. Being a female business owner, have you faced any challenges, such as hiring or managing a diverse team? (Probe: If yes, please give an example)
12. While conducting business are you able to sign contracts independently to purchase inputs or sell the products/services that your business produces? If not, who needs to co-sign the contracts with you?
 - Competition
13. Who are your key competitors? Why do you call them your competitors? (Probes: substitute products, pricing rivalry, input challenges, has the competition helped hindered your business- e.g., helped in building awareness of the category, building consumer base etc. e.g. hindering pricing rivalry, stealing customers)
14. Are there any sectors or industries you want to move your business into but cannot because of lack of knowledge, legal limitations, or for some other reason?
 - Access to capital/finance
15. Do you have a bank account registered in your name? If not, why? (Probes: Is the process of opening a bank account straightforward or challenging? Have you had any issues that prevented you from doing business with banks? Is the bank accessible/close to you? Were the representatives at the bank helpful/provided relevant information?)
16. Do you have a separate financial account for your business, and is it under your name? (Probes: Lack of knowledge in handling accounts, banking challenges, permission from male members etc.)
17. Who handles the finances of your business? (Probes: do you handle it on your own or someone else helps you? What challenges do you face in terms of managing finances e.g., lack of knowledge regarding account maintenance?)
18. Do you require permission from a male family member to engage with a financial institution/bank, whether it's in person or over the phone? (Probe: Does this affect your financial decisions?)

19. What are the different sources of financing that you are aware of?
20. Are you able to borrow money if you need to? If yes, from whom?
21. If you were to obtain a business loan, how would you utilize the funds?
22. In your opinion, how can financing and access to credit be made easier for women entrepreneurs? (Probe: easier bank access; easier terms of credit, special banking products for women etc.?)
 - Networks
23. Have you encountered any challenges related to gaining credibility or trust from clients, investors, or partners? (Probes: If yes, why do you think it is so? and how do you overcome such challenges?)
24. Do you actively seek out networks, mentors, or resources specifically designed for women entrepreneurs? If so, how have these resources impacted your business?
25. Are there any specific opportunities or advantages that you've experienced as a woman entrepreneur?
26. With whom do you collaborate or seek counsel when making important business decisions? (Probe: husband, family members, mentors or any other sources)
27. How has your family network supported or influenced your entrepreneurial journey? Have they provided any resources, connections, or guidance that have contributed to your business success?

MACRO FACTORS

- Stereotypes/Attitudinal barriers/ gender society/Patriarchal traditions
28. Are there any specific stereotypes/gender biases that you faced as women entrepreneurs in running and managing your businesses? (Probe: How has this impacted your entrepreneurial journey? How do you maneuver / navigate around these challenges?)
 29. As a woman entrepreneur, do you believe that gender stereotypes have affected your access to resources, such as funding or networks, as a woman entrepreneur? (Probe: Can you give an example?)
 30. Do you think societal attitudes towards women entrepreneurs are changing? If yes, in what ways? (Probe: What factors do you believe are contributing to this change?)
 31. Can you operate your business without interference from others, including family members and your husband? If not, what types of interference do you experience? (Probes: Agency, control, choice and decision making)

- Infrastructure

32. Can you move around freely to conduct your business? If not, what limitations do you encounter? (Probes: Do you feel safe? what are the precautions you take to ensure safety, public/private transport, acceptance of a woman entrepreneurs etc)

33. How does the current infrastructure in Karachi support you in running your business? (Probes: Roads, transport, electricity, internet, gas, etc)

- Work/family balance

34. What are your typical household responsibilities and family duties that you must attend to alongside running your business?

35. How do you manage to balance your household responsibilities with running your business? (Probes: What strategies do you employ to maintain this balance? If you have children or elderly dependents, how have they impacted your ability to run your business? What arrangements have you made to manage your business while also taking care of your children?)

36. Do family expectations influence your business decisions? Can you share any instances where family expectations have been supportive and not supportive to your entrepreneurial journey?

- Lack of protective laws/Government support/policies,

37. Have you registered your business with the SECP? (Probe: If not, why not? If yes, how was your experience of registering your business? explain the process what was good and what can be improved; how long did it take to register, how much did it cost etc., did you have to go to multiple offices or just one, was it an online form or had to be physically submitted; did you have to pay someone to get the work done or take or provide favors?)

38. Are you aware of any laws and/or governmental policies that you have to follow as a business owner?

39. Did you have to provide money or favors to anyone to facilitate registrations, obtain licenses, or conduct business transactions? Have you encountered such expectations in your business dealings? Are you currently facing such expectations? Can you please tell us how you overcame this challenge?

40. Do you believe that the law provides adequate protection for you and your business, both in your home and in your business operations? Why do you believe so or not? (Probes: Counterfeit products, Intellectual property rights, security to business operations.)

41. What kind of challenges does your business encounter due to political instability, frequent strikes, or changes in political parties? How do you manage these challenges?

42. In what ways do you think government policies and support systems can contribute to the legitimacy and credibility of women entrepreneurs in your society?

FGD Debriefing

Dear [participant's name],

Thank you for taking the time to participate in our study on the entrepreneurial journey of women in Karachi. We appreciate your willingness to share your experiences and insights with us. As researchers from the Institute of Business Administration (IBA-Karachi), our objective was to develop an understanding of the challenges faced by women entrepreneurs in owning and managing their businesses in Karachi.

During the focus group discussion, we asked a series of questions related to the business environment in Karachi, the challenges you faced in your current startup, how you tackle these issues, and your recommendations on how these issues can be resolved. This discussion was recorded and took approximately 90 minutes. We understand that some of these questions may have been sensitive, and we assure you that your privacy was protected throughout the interview process.

The data gathered from this discussion will be analyzed and will result in a report with recommendations to help policymakers and relevant stakeholders develop programs and policies to create a more inclusive business and social environment for women. The data may also be used for other analysis and reporting purposes in the future.

Once again, thank you for your participation in our study. We greatly appreciate your contribution to our research, and we hope that the insights you shared will help in developing policies and programs that benefit women entrepreneurs in Karachi.

Sincerely,

[Researchers' names]

Appendix 2.2: Guide for In-Depth Interviews (IDIs) with Women Entrepreneurs

In depth interview guide – Women entrepreneurs

Take to the field: Interview guide, Consent Form, Recording Device, Note-Taking Tools

Interviewer name: _____	Name of interviewer: _____
Location: _____	Date: _____
Starting Time: _____	Ending Time: _____

INTERVIEW AND CONSENT PROCESS

Hello/Assalamualaikum, our names are [insert names], and we are researchers from the Institute of Business Administration (IBA-Karachi). Thank you for taking the time to meet with us today.

We are conducting a study to understand the challenges faced by women entrepreneurs in starting and running businesses in Karachi. The objective of this study is to analyze the major hurdles and restrictions that limit the potential of women entrepreneurs and provide recommendations to relevant institutions for policy and framework development. Our research will focus on the micro, meso and macro factors that affect the performance capabilities of women entrepreneurs.

We will be asking you a series of questions related to the issues you face in your current startup, how you tackle these issues, and your recommendations on how these issues can be resolved. We will also ask about your experiences with the business environment in Karachi. The interview will be recorded and will take approximately 90 minutes.

If at any point during the interview you would like to stop or pause for a break, raise concerns, or skip any questions, please feel free to do so. We understand that some of the questions may be sensitive, and we assure you that your privacy will be protected. If you prefer to remain anonymous, we can anonymize the information you provide to us, and your identity will be kept hidden from everyone outside of the research team.

The data gathered from these interviews will be analyzed and will result in a report with recommendations to help policymakers and relevant stakeholders develop programs and policies to create a more inclusive business and social environment for women. The data may also be used for other analysis and reporting purposes in the future.

Your participation in this study is entirely voluntary, and you may choose to withdraw at any time without any negative consequences. Additionally, there are no direct benefits to you for participating in this study.

Before we begin, do you have any questions about the study or the interview? We would be happy to answer any questions you may have.

May we proceed with the interview here and now?

Yes ☐ No ☐

May we tape-record this interview?

Yes ☐ No ☐

(Only turn on the tape recorder if the participant gives approval.)

Thank you for your time and cooperation. We appreciate your willingness to share your experiences and insights with us, which will help us to better understand the challenges faced by women entrepreneurs in Karachi.

INTRODUCTION

1. Can you tell us about yourself and your background?
Probes: Name, age, marital status, number of children, education and past employment experience
2. Can you please tell us about your business?
Probes: What is it about? When did it start? Registered or not, home based or not
3. What was the motivation behind starting your business? /What inspired you to pursue a career in business?
4. Do you have an office or is your business home based?
5. What is the structure of your startup?
Probes: LLC, Private owner, Partnership, NGO, Corporation
6. Is your business registered with SECP?

GUIDE

Micro Factors

- Motivation
 - Push and pull factors.
- 7. What motivated you to start your business?
Probes: Job loss, Flexibility, No job opportunities, better income, family business, fear of layoff etc.
- Competency
 - Education
- 8. What kind of influence has your educational background brought to your start up?
Probes: Influence of a course, Studied the core activity, know how the production works, etc.
- 9. Are there any areas of your business where you feel the need to improve and manage better?
Probe: How do you plan to address this?
- 10. Have you participated in any continuing education or professional development programs since starting your business?
Probe: How have they impacted your business performance?
- Previous experience
- 11. What kind of role has your previous experience played in running and managing your business?
- 12. What skills or knowledge have you gained from your previous work experience that have helped you in running your business?
- 13. How do you stay updated with industry trends, best practices, and new technologies to ensure your skills and capabilities remain relevant?
Probes: social media, business communities, seminars, professional groups etc.
- 14. How have your skills and capabilities evolved since starting your business?
Probes: Did you receive any training? Can you share any examples of personal/professional growth?
- Personal traits
 - Self-efficacy

15. What are the essential skills/attitude a woman entrepreneur needs to run a business successfully?

Probes: Are these the same for men?

Meso Factors

- Characteristics of the firm
 - Markets

16. How do you define your customers?

Probes: Target audience? Why do they buy from you? What value do you deliver to them?

17. What is so unique about your business? How do you maintain customer expectations?

18. What steps do you take to attract and retain your customer base?

Prompts: channels such as digital/ social media, sales promotions, CRM

19. What are the main resources / inputs needed in the production of your goods/service?

20. What kind of challenges do you face while acquiring resources?

Prompts: employee skill; transportation and mobility; electricity and internet; outreach; raw materials/inputs for production/logistics/supply chain issues, attitudinal barriers such as not taking women businesses seriously

- Networks

21. In what ways do you think networks can be a valuable resource for other women entrepreneurs?

Prompts: Business associations; memberships; family and friends' networks; community networks; professional networks; religious networks; digital communities-online influencers

- Access to capital/finance

22. How did you finance your startup?

23. What challenges have you faced in obtaining financing for your business?

Macro Factors

- Normative institutions
 - Stereotypes / Gendered society / Attitudinal barriers

24. Have you faced any gender-specific challenges or biases in your business? If so, how did you overcome them?

Probes: Financing, Funding, Access to networks, Logistics, Communities, Family pressures/restrictions, Conflicting role demands, Time management etc.

25. Can you share any examples of negative attitudes or perceptions that you have encountered during your entrepreneurial journey? How did you respond to them?

26. Are there any specific strategies you've used to change people's attitudes towards you and your business, especially in cases where those attitudes were hindering your progress?

27. Can you share any specific instances where you felt the need to prove yourself as a woman entrepreneur?

28. What strategies have you employed to gain credibility and trust from clients, investors, or partners?

29. Do you use digital technology in running your business? What kind of digital technology do you use and has its usage changed over the years?

- Family

- Work/family balance

30. How do you manage work-life balance as a woman entrepreneur? What strategies have you found most effective?

- Family support

31. Have you involved your family in your entrepreneurial journey? Has their support or involvement influenced your success?

- Expectations

32. How do you handle situations where family expectations conflict with your business decisions? What strategies have you used to navigate these challenges?

- Government

- Lack of protective laws

33. Are you aware of any government policies or support programs specifically designed for women entrepreneurs? If so, have you utilized any of these resources?

Probes: subsidies, financial support

- Bureaucracy/red tapes

34. What are the governmental organizations and departments that you have to interact with to run and manage your business and how has your experience been so far?

Probes: challenges related to bureaucracy or red tape in your business, bribery, extortion etc.

35. How have you navigated these obstacles? Also, ask about business registration challenges!

- Governmental support/policies

36. How do you perceive the government's role in supporting women entrepreneurs? Are there any specific laws or policies you believe should be implemented or improved to better support your business?

37. Can you share any specific instances when government policies or support programs have been helpful to your business?

CLOSING

Thank you very much for your time. Do you have any questions for us before we finish the interview? *[Answer any questions the respondent may have]*.

Appendix-2.3: Survey Questionnaire

Survey: Constraints faced by women owned and women managed businesses in Karachi.

Experiences of Women Entrepreneurs

Thank you for taking the time to fill out this survey. We are a research team from IBA Karachi and collecting data for a survey commissioned by the World Bank jointly with the Sindh Government to explore the entrepreneurial landscape for women in Karachi and discuss opportunities and perceptions on the development of Women Entrepreneurship in Karachi.

The purpose of this questionnaire is to gain insights into the experiences of women entrepreneurs in Karachi. We will ask questions on key characteristics of your business, your opinion on obstacles to doing business, your financial and non-financial needs, and the effects of various social, cultural, and personal factors that impact women entrepreneurs' lives.

Your organization/business has been randomly selected from the general list of micro, small and medium businesses, to form a representative sample. The information you provide will remain strictly confidential and will be used only in aggregated form, without attribution to your name or identifying information about your business and will be used only for research purposes.

Your participation in this survey is entirely voluntary, and you may choose to withdraw from the survey at any time.

The results of the study will be used to develop recommendations that will inform the final design of capacity-building programs for women entrepreneurs, as well as provide a useful set of data and analysis for other projects aimed at supporting women entrepreneurship in Karachi.

We believe that your participation in this survey will not only contribute to a better understanding of women's entrepreneurship in Karachi, but it will also provide you with an opportunity to voice your opinions and share your experiences as a woman entrepreneur.

The information that you provide will remain strictly confidential and will be used only in aggregated form, without attribution to your name or identifying information about your business and it will be used only for research purposes.

We believe that your participation in this survey will not only contribute to a better understanding of women's entrepreneurship in Karachi but will also provide you with an opportunity to voice your opinions and share your experiences as a woman entrepreneur.

Thank you very much for your time and responses in advance.

This survey will take approximately 20 mins.

Do you agree to participate in this survey? If so, please provide your consent by checking the box

- ☐ “I agree to participate.”
- ☐ “I do not agree to participate.”

A. Personal Characteristics

1. Name: _____

2. What is your age?

- ☐ 18-24
- ☐ 25-34
- ☐ 35-44
- ☐ 45-54
- ☐ 55 or older

3. Which part of Karachi do you live in? (Choose the closest option)

- ☐ Karachi East (for e.g., Sohrab Goth, Safora, Gulshan, Jinnah town, Chanesar ,etc.)
- ☐ Karachi West (for e.g., Lyari, Orangi, etc.)
- ☐ Karachi South (Saddar: Garden, Kharadar, Civil lines, Clifton, Defence, Kehkashan, Millat Nagar, etc.)
- ☐ Karachi Central (Liaquatabad, Nazimabad, New Karachi, Gulberg, North Nazimabad, etc)
- ☐ Korangi District (Korangi, Shah Faisal, Landhi, etc.)
- ☐ Malir District (Malir Town, Bin Qasim Town, Gadap etc.)
- ☐ Kemari District (SITE, Baldia, Kemari town etc.)
- ☐ Other: _____

4. What is your educational qualification?

- ☐ No formal schooling
- ☐ Less than primary (up to 5 years)
- ☐ Middle (6 to 8 years)
- ☐ Matriculation/Secondary (9 to 10 years)
- ☐ Intermediate (11 to 12 years)
- ☐ Graduate (13 to 16 years)
- ☐ Postgraduate (17 years or more)

5. What is your marital status?

- ☐ Single
- ☐ Married
- ☐ Divorced
- ☐ Widow

6. Family Structure?

- ☐ Living alone
- ☐ Living with spouse only
- ☐ Living with spouse and children
- ☐ Living with extended family

7. Are you the sole earner of the family?

- ☐ Yes
- ☐ No

8. What is your monthly income from all sources?

- ☐ Less than PKR 50,000
- ☐ PKR 50,000 to PKR 100,000
- ☐ PKR 100,001 to PKR 150,000
- ☐ PKR 150,001 to PKR 200,000
- ☐ More than PKR 200,000

9. A. Do you have any dependents?

- ☐ Yes
- ☐ No

9.B. Number of dependents _____

10. How many children do you have?

- ☐ None
- ☐ 1
- ☐ 2
- ☐ 3 or more

11. What is the age of your eldest child?

- ☐ N/A
- ☐ 0-5 years
- ☐ 6-10 years
- ☐ 11-15 years
- ☐ 16-18 years
- ☐ 18 years or older

12. What is the age of your youngest child?

- ☐ N/A
- ☐ 0-5 years
- ☐ 6-10 years
- ☐ 11-15 years
- ☐ 16-18 years
- ☐ 18 years or older

B. Background Business Characteristics

13. A. Is your firm a registered organization?

- ☐ Yes
- ☐ No

13.B. If you have answered yes to the above question, what is the year of registration?

14. Do you have a business bank account in the name of your organization?

- ☐ Yes
- ☐ No

15. Do you have an NTN number in the name of your organization?

- ☐ Yes
- ☐ No

16. What type of business structure do you have?

- ☐ Sole Proprietorship: Single-person business ownership.
- ☐ Partnership: Business shared by two or more individuals.
- ☐ Family Business: Business operated by a family.
- ☐ Limited Liability Company: Hybrid business structure with limited liability.
- ☐ Corporation: Separate legal entity owned by shareholders.
- ☐ Don't know.
- ☐ Other: _____

17. In what year did your organization begin its operation?

18. In which sector does your firm predominantly operate?

- ☐ Retail Trade
- ☐ Wholesale Trade
- ☐ Construction/Interior Designing
- ☐ Accommodation and catering (hotel, restaurant.)
- ☐ Services (transportation, financial, real estate, education, etc.)
- ☐ Information technology, communication
- ☐ Other: _____

19. How did this business start?

- ☐ Founded by personal initiative.
- ☐ Founded jointly with business partners.
- ☐ Founded as a family-owned business.
- ☐ Purchased as an existing business.
- ☐ Joined an existing family business.
- ☐ Through a government program

- ☐ Through an NGO
- ☐ Other: _____

20. How would you describe your position in the company?

- ☐ Owner/Shareholder
- ☐ President/Executive Director/CEO
- ☐ Chief Financial/Chief Operating Officer/Vice President
- ☐ Other Managerial position
- ☐ Don't know/ Refuse to answer.
- ☐ Other: _____

21. What percentage of the business is owned by you?

22. What was the main reason for starting/ acquiring/joining this firm?

- ☐ To earn income
- ☐ Opportunity to be one's boss
- ☐ Seizing an available market opportunity
- ☐ Unable to find work or another source of income
- ☐ Supporting my family
- ☐ Striving to apply related experience.
- ☐ Opportunity to apply the education received
- ☐ Family forbidding work outside the home
- ☐ Taking over/continuing the family business
- ☐ The family has related background and experience.
- ☐ The business is also my hobby
- ☐ Having a secondary source of income
- ☐ Family/ friends encouraged
- ☐ The desire for financial independence
- ☐ Responsibility for children and husband in residence motivated me to start this business
- ☐ Receiving support from state/stakeholders
- ☐ To solve a problem in the society
- ☐ Other: _____

23. What was the main funding source used when you started the firm?

- ☐ Personal/household saving
- ☐ Friends and relatives
- ☐ Private money lenders
- ☐ Non-bank financial institutions (micro-finance institutions, NGOs like Akhuwat)
- ☐ Commercial Banks
- ☐ Through a government program
- ☐ Through an NGO or international organization
- ☐ Other: _____

24. Which social media platforms do you use for your business purposes?

- ☐ Facebook
- ☐ Instagram
- ☐ Twitter
- ☐ LinkedIn
- ☐ YouTube
- ☐ Pinterest
- ☐ TikTok
- ☐ None
- ☐ Other: _____

25. How important are the following factors in managing and growing your business?

	Not at all Important	Slightly Important	Moderately Important	Considerably Important	Very Important
Networking					
Marketing					
Finance					
Training					
Human Resources					

C. Human Resource

26. A Total number of full-time employees currently working in your organization?

26.B. Number of men out of the total number of full-time and part time employees currently working in your organization?

Full Time _____ Part Time _____

26.C. Number of women out of the total number of employees currently working in your organization?

27. Is the top manager of your business a female?

- ☐ Yes
☐ No

28. How important is it for the government, industry organizations, NGOs, or other relevant authorities to offer these services for free or at a lower cost?

	Not at all Importan t	Slightly Importan t	Moderate ly Importan t	Considerab ly Important	Very Importan t
Legal advice					
Financial advice					
Financial management training					
PR/Marketing training					
Computer/IT training					
Business management training					
Professional networking support					
Trade shows					
Childcare services					
Mentoring (peer-to-peer)					
Market research					
Special technical training on manufacturing /					

technical matters					
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29. How important are the following sources for you to get support, information and advice on business and legal matters?

	Not at all Important	Slightly Important	Moderately Important	Considerably Important	Very Important
TV, newspapers/ Journals					
Internet					
Family/friends/acquaintances					
Business associations/professional networks					
Lawyer/attorney, accountant, professional business advisor					
Business training programs					
Government					
Special business publications					
Financial Institutions					
Trade Fairs					
Social media					

D. Finance

30. What kind of bank account do you use to operate your business?

- ☐ Business account
- ☐ Your own /Personal / individual account
- ☐ Joint account with a business partner
- ☐ Joint account with spouse
- ☐ Joint account with another member of the family

31. Have you ever applied for a loan/ funding from a financial/banking institution?

- ☐ Yes
- ☐ No

32. If your answer to Question 31 was not then, please identify the reasons from the following options

	Not at all Important	Slightly Important	Moderately Important	Considerably Important	Very Important
I avoid loans/funding from a financial/banking institution because of religious reasons					
I avoid loans/funding from a financial/banking institution because of their complex procedures					
I avoid loans/funding from a financial/banking institution because of a lack of guidance and information regarding sources of obtaining funds					
I avoid loans/funding from a financial/banking institution because of high-interest rate					
I avoid loans/funding from a financial/banking institution because of stringent collateral requirements					
I avoid loans/funding from a financial/banking institution because of no prior experience in securing funds					
I do not have a credit history or/and collateral for funding					
I don't need a loan					

33. If your response to Question 31 was YES, then state the outcome of your loan application.

- ☐ Approved
- ☐ Not approved
- ☐ Refuse to answer/ Don't know.

34. In continuation with question 33, If your application was NOT APPROVED by the bank, what was the main reason for the rejection of your application?

- ☐ Incomplete documentation
- ☐ You were unable to provide/gather the documents that were required.
- ☐ Collateral requirements were too high.
- ☐ The size of loan and maturity were insufficient.
- ☐ Complicated process
- ☐ Refuse to answer
- ☐ Other: _____

35. What type of equity financing has your enterprise received since (and including) start-up (Please check all that apply).

- ☐ Founder's own funds
- ☐ Commercial Banks
- ☐ Funds from spouses or life partners
- ☐ Funds from other family members
- ☐ Funds from other individuals excluding business angels
- ☐ Other companies
- ☐ Government funds
- ☐ Venture capitalists
- ☐ Business angels
- ☐ NGOs and other international organizations
- ☐ Other: _____

36. During the next 3 years, the enterprise will (Please select one):

- ☐ need no financing
- ☐ seek mainly loans from owners, employees, friends or family
- ☐ seek mainly loans from banks or other financial institutions.
- ☐ seek mainly financing from owners, employees, friends or family against equity given to them
- ☐ seek mainly financing from others against equity
- ☐ prepare or execute an initial public offering on the stock market

E. Obstacles to Entrepreneurship

37. What did you find difficult when starting up your enterprise (Please check all that apply)?

- ☐ To get financing
- ☐ To establish contacts with customers
- ☐ To obtain payment for outstanding invoices
- ☐ To price my goods/services
- ☐ To find suitable premises
- ☐ To find suppliers
- ☐ To get suitable personnel
- ☐ Business registration process
- ☐ Trademark registration process
- ☐ To use information technology effectively
- ☐ To deal with legal/governmental / administrative matters (registration, taxes etc.)
- ☐ To be alone as an entrepreneur
- ☐ To get backing from my spouse/family
- ☐ None / not relevant

38. Overall, I believe I face the following challenges/obstacles in the following areas while conducting business.

	Not Challengin g	Slightly Challengi ng	Moderate Challengi ng	Significan t Challengi ng	Very Challengin g
Inadequately educated workforce / labor					
Practices of competitors in the informal sector					
Unreliable suppliers					
Lack of internet or online presence					
Lack of professional networks					
Transportation					
Unreliable customers					
Unreliable supply of electricity and gas					
Corruption (e.g. bribery, extortion, under-the-table deals)					
Mistrust in regulatory authorities and bodies					

Customers who are reluctant to deal with women					
Suppliers/creditors who are reluctant to deal with women					
Access to markets					
Awareness regarding business licensing and permits					
Crime, theft, and disorder					
Customs and trade regulations					
Labor regulations					
Political instability					
Process of tax filing					
Tax rates					
Maintaining a work/life balance					
Lack of support from people					
People reluctant to do business with women					
Family not allowing to do business					
Differences in expectations due to gender upbringing					
Childcare responsibilities					
Lack of access to funding or capital					
Language barriers.					

F. Gender Attitudes

39. From the list of statements, please rate which are the most important reasons behind men owning and managing businesses in Pakistan

	Not at all important	Slightly important	Moderately important	Considerably important	Very important
On the whole, men make better business executives than women					
It is a result of initial distribution of wealth (privatization) in the 90s					
Men are more likely to take risks in starting their own businesses					
Current customs and traditions constrain women's professional aspirations					
Women lack relevant skills, experience, or knowledge in business					
Women lack access to financial resources					
Housekeeping and childcare responsibilities prevent women entrepreneurship					
Government/legal restrictions					
Doing business in Karachi requires informal arrangements and women are not good at them					
Even if women run businesses they are still dependent on men's guidance/sponsorship/approval					

40. Please rate the importance of each barrier that prevents women from engaging in business activities

	Not at all important	Slightly important	Moderately important	Considerably important	Very important
Absence of initial capital					
Housekeeping and childcare responsibilities					
Current customs and traditions					
Fear of taxation and complexity of bookkeeping					
Lack of relevant skills, knowledge, and experience					
Lack of professional networks/mentors					
Lack of marketing opportunities					
Scarcity of qualified human resources					

G. Personal Traits

41. To what degree do you agree/disagree with the following statements

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am concerned about the competitors in the market					
My team is physically and mentally well-prepared to compete in the market					
I seem to adopt a rather conservative view when making major decisions.					
I tend to support projects where the expected returns are certain					
My business is offering high-quality products and services					
There is an increase in sales and profitability during the last three years					

42. To what degree do you agree/disagree with the following statements?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Women often hesitate to convey their qualities					
When negotiating for a higher salary, men are often tougher than women					
Men show off their achievements a lot more than women					
Women can be as critical and competent as men					

43. To what degree do you agree/disagree with the following statements?

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I feel confident about my abilities					

I feel frustrated or rattled about my performance.					
I feel that I am having trouble understanding things that I read.					
I feel that I have less scholastic ability right now than others.					
I am worried about whether I am regarded as a success or a failure.					

44. Of the following personal attributes, what are your key strengths as an entrepreneur? (Select all that apply.)

- ☐ Leadership ability
- ☐ Technical competency
- ☐ Flexibility
- ☐ Long-term vision
- ☐ Business acumen
- ☐ Execution
- ☐ Pragmatism
- ☐ Optimism
- ☐ Charisma
- ☐ Other: _____

45. In your opinion, which of the following business processes can be simplified by the Govt to remove the challenges / constraints (Select all that apply):

- ☐ Registration Process of SECP
- ☐ Registration Process of FBR and SRB; local government, water board
- ☐ Registration Process of Intellectual Property Rights
- ☐ Bank Account Opening Process for business
- ☐ Other: _____

46. Are you aware of any law(s) for the protection of women?

- ☐ Yes
- ☐ No

47. Are you aware of relevant laws and acts which support women entrepreneurs?
(For example: Women's harassment act at workplace or any other)

- ☐ Yes
- ☐ No

48. If you work in an office (Outside Home) does your work environment enable you to work comfortably in terms of (Select one response against each item listed below)?

A. Furniture

- ☐ Yes
☐ No

B. Co-workers'/Colleagues Attitude

- ☐ Yes
☐ No

C. Superior's Attitude

- ☐ Yes
☐ No

D. Accessibility to females' washrooms

- ☐ Yes
☐ No

49. Do you have any male business partner?

- ☐ Yes
☐ No

A. If your answer to the previous question was yes, then do you face any challenges in communicating with your business partner?

- ☐ Yes
☐ No

50. What digital tools are you currently using for your business management and promotion?

- ☐ Website
☐ Social media such as FB, Instagram, a LinkedIn
☐ Search engines like Google, Bing, etc.
☐ Analytics tools like Google Analytics, Facebook Analytics, etc.
☐ Keyword search tools
☐ Mobile Apps
☐ Any other tools that you are using: Please Specify_____

51. What challenges do you face in using these digital platforms:

- ☐ I don't know how to use most digital tools.
☐ I am mostly unaware of the digital tools/platforms that could help me in my business.
☐ There exists no training for the skills related to managing digital tools.
☐ I am willing to try new technology but lack the relevant knowledge and skills to adopt it.

52. How comfortable are you with these tools:

	Very comfortable	Comfortable	Neutral	Uncomfortable	Very Uncomfortable
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Websites					
Social media such as FB, Instagram, a LinkedIn					
Search engines like Google, Bing, etc					
Analytics tools like Google Analytics, Facebook Analytics, etc					
Keyword search tools					
Mobile Apps					

53. What challenges do you face in using these digital platforms? To what degree do you agree/disagree with the following statements?

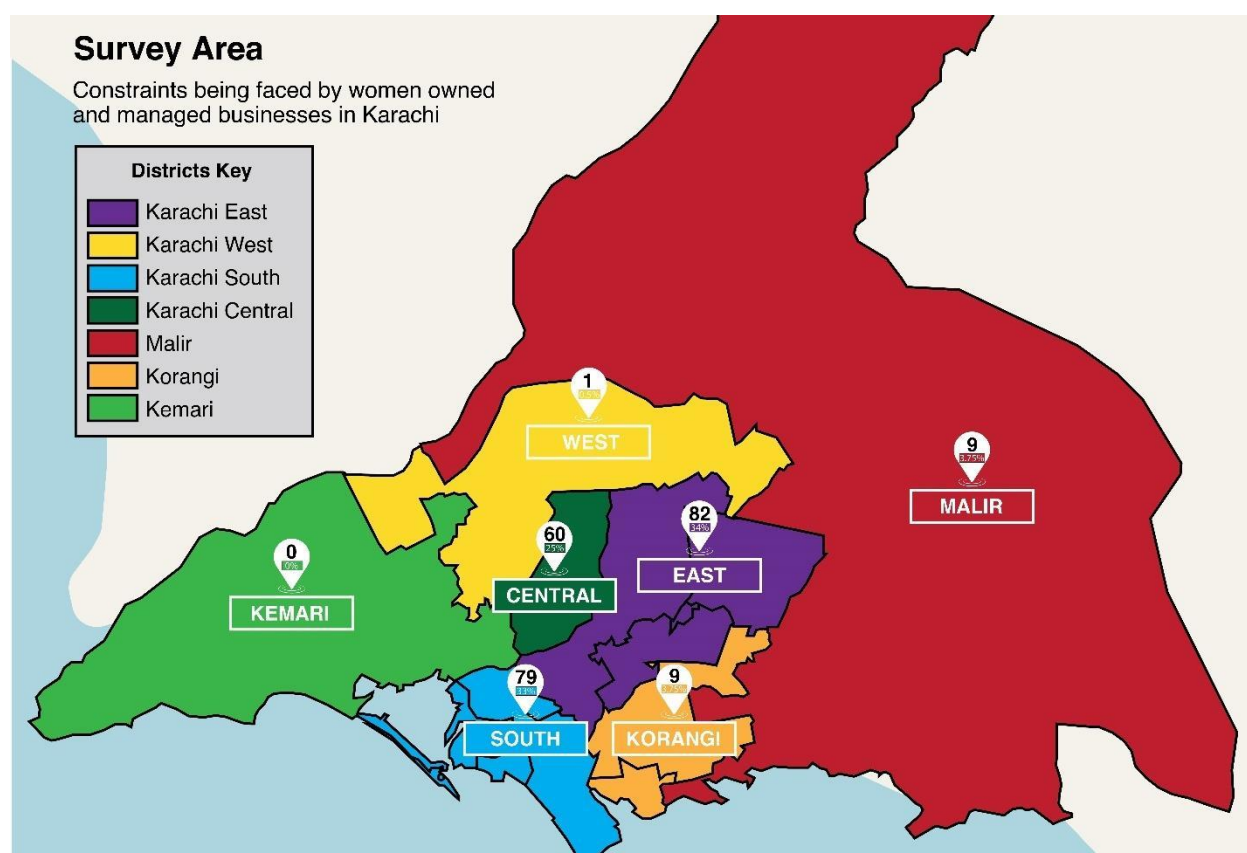
	Very comfortable	Comfortable	Neutral	Uncomfortable	Very Uncomfortable
I don't know how to use most digital tools					
I am mostly unaware of the digital tools/platforms that could help me in my business					
There exists no training for the skills related to managing the digital tools					
I am willing to try new technology but lack the relevant knowledge and skills to adopt it.					

Appendix 03: Qualitative data analysis: Coding

Qualitative Data	Thematic Codes	Aggregated Theme
Work-life balance	Motivation	Micro Factors influencing women run and managed businesses
Earning additional income		
Hobby		
Supporting family		
Desire for financial independence		
Education	Competency	
Training		
Previous experience		
Risk taking	Personal traits	
Decision making		
Self confidence		
Sole ownership	Firm characteristics	Meso Factors influencing women run and managed businesses
Partnership		
Family business		
Gender discrimination	Workplace environment	
Office space		
No separate washrooms		
Initial funding	Finance	
Money management		
Attitude towards financing		
Channel Choice	Channel choice for sales &	

Social Media (insta, twitter, facebook, youtube)	marketing	
E-Commerce		
Unskilled labor	Human Resource	
Information	Government	Macro Factors influencing women run and managed businesses
Policy		
Registration		
Trainings		
Traditional Role	Normative	
Gender bias		
Legitimacy		
Stereotyping		
Support	Family	
Restriction		
Expectations		
Work-life balance		

Appendix 04: Karachi Map



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