Female Entrepreneurs – A Review of the Literature and Proposed Conceptual Framework

Muhammad Usama Anwar, Dr. Amber Gul Rashid

Institute of Business Administration (IBA), Karachi
Abstract

Female entrepreneurship is considered an important tool in enabling female empowerment and emancipation. This paper looks at the literature around female entrepreneurs, focusing on female entrepreneurship in the developing world - and more specifically in Pakistan - and proposes a conceptual framework of the phenomenon. It is hoped that it will be useful to fellow researchers who are undertaking studies in this area. In the light of recent world events, this has become a crucial area to study and understand – especially with respect to motivations, constraints and consequences.

Keywords: female entrepreneurship, developing world, Pakistan, literature review; home-based female entrepreneurs

1.0 Introduction
Female entrepreneurship has long been associated with concepts such as female empowerment and emancipation. Increasingly, it has also been marketed as crucial for increasing the quality of life of women in the developing world. Post 9/11, it has also been encouraged as a way of making changes to the status-quo of women in the Muslim world and re-addressing the balance of power within the family unit.

The benefits of female entrepreneurship are many and varied, and have been researched in great detail in the past. The purpose of this research is to facilitate the discussion on how best to empower women using entrepreneurship. This will in turn help in the marketing of entrepreneurship as a tool for female empowerment and emancipation. This paper presents a review of female entrepreneurship in the developing world but the emphasis is on Pakistan. References from other developing countries have been included as and when appropriate. In a small number of cases, some research from the developed world has also been included if it was felt by the researchers that it would add to give a balanced view to the reader. Early on in the paper, the conceptual framework that the researchers came up with as a result of the literature review has been presented – which is then followed by an explanation of the model.

2.0 Literature Review

The literature review will first look at the concept of entrepreneurship, and then go on to look at female entrepreneurship and associated definitions. The focus of the review is on the developing world, especially Pakistan. The literature review tries to combine recent research with some older work to present a well-rounded picture.

2.1 Definition of Entrepreneurship
It is important to start off with a discussion on the definition of entrepreneurship to ascertain what we mean by this concept. Singh and Belwal (2008: 1) quote Desai (1999) to describe the roots of the word entrepreneur. They state “The word entrepreneur is derived from the French verb *entreprendre* that means *to undertake*”. We can define an entrepreneur as “……One who undertakes a commercial enterprise and who is an organisational creator and innovator” (Gartner, 1990; Gartner *et al.*, 2004) quoted in Mordi *et al.* (2010: 1).

Dzisi (2008: 3–4) gives the definition of entrepreneurship from the economic point of view, quoting the definition given by Schumpeter and Krizner. “Schumpeter (1934) described the entrepreneur as the innovator who introduces something new into an economy” and “…Kirzner (1997 – authors’ own addition) stressed the fact that the entrepreneur is the decision maker in a particular cultural context, who commands a range of behaviours that exploit these opportunities”.

Singh and Belwal (2008: 2) have quoted Donnelly *et al.* (1990) to describe the motivations and operations performed in order to establish the definition of entrepreneur. They stress “…An entrepreneur is an individual who propelled by an idea, personal goals, and ambition, brings together the financial capital, people, equipment, and facilities to establish and manage a business enterprise”.

While defining entrepreneur, some writers have employed economic indicators like growth and profit, or incorporated entrepreneurship as an effective tool in reducing poverty. Entrepreneurs “seek out and identify potentially profitable economic opportunities [and as such are] agents of growth” (OECD, 1998: 11, in Farr-Wharton and Brunetto, 2007: 2).
In any activity, we cannot eliminate the characteristics of human behavior. Mordi et al. (2010: 3) quote Winn (2005) to establish a definition on such characteristics “…One who prospects for or exploits opportunities and who has a tenacity to face challenges”.

Although entrepreneurship is usually regarded as an activity, some definitions concentrate more on its operational and functional characteristics. Roomi and Harrison (2010: 3) quote Stevenson (1983: 1) to state that entrepreneurship is “the pursuit of opportunity without regard to the resources currently controlled” and go on to quote Shane and Venkataraman (2000) “Entrepreneurship concerns the environment conditioning opportunity, the process of discovering opportunity, the evaluation and exploitation of opportunity, and the individual decision-makers who do these things”.

Certain writers portray entrepreneurship as a human behavior linked to personal achievement “Entrepreneurial behavior is often driven by diverse reasons including the desire for personal accomplishment” (OECD, 1998 in Itani et al., 2011: 2). Some authors also mention that entrepreneurial behavior is visionary, with its concern being the exploitation of possessions in a more refined manner. Hampton et al. (2011: 2) quote Timmons (2009) to state “Entrepreneurial behaviour is about utilising resources beyond the immediate scope of the entrepreneur and his or her venture…”

As can be seen, entrepreneurship can be (and has been) studied from various different angles, hence creating divergent yet complementary views of the phenomenon – leading to a better appreciation of the complexities involved in it.

2.2 Female Entrepreneurship
There is one gender-specific definition the authors came across that specifically appealed to them due to its emphasis on female entrepreneurship. “Female entrepreneurs are defined as those who use their knowledge and resources to develop or create new business opportunities, who are actively involved in managing their businesses, and own at least 50 per cent of the business and have been in operation for longer than a year” (Moore and Buttner, 1997 in Farr-Wharton and Brunetto, 2009: 2)

In the context of this paper, we will extend this definition to explicitly include home-based female entrepreneurs “Female entrepreneurs are defined as those who use their knowledge and resources to develop or create new business opportunities – whether this be informally in a home environment without formally registering their business or formally via business registration, hiring office premises, etc. - who are actively involved in managing their businesses, are responsible in some way for the day-to-day running of the business, and have been in operation for longer than a year” (the new words introduced in the definition by the present authors have been italicized).

It is important to see female entrepreneurship as a distinct yet related concept to male entrepreneurship so that we can make efforts to understand the similarities and differences among both these groups.

3.0 The Model of Female Entrepreneurship

Based on our review of the literature, we have built a model of entrepreneurship that tries to encapsulate the essence of female entrepreneurs – with its emphasis on female entrepreneurs in the developing world. During the discussion, we have paid special attention to Pakistani entrepreneurs.
Of course, our underlying assumption here is that female entrepreneurship is in itself a different phenomenon as compared to male entrepreneurship, requiring a separate model to explain it. This does not mean that entrepreneurship for males and females is a completely different phenomenon; however, both encompass varied aspects due to the different traditional expectations from these genders, especially in the developing regions of the world.

3.1 Discussion

The subsequent sections of the paper elaborate and elucidate upon the different aspects of the model – presented pictorially in Figure 1.0. As mentioned earlier, while discussing female entrepreneurs in the developing world, we have paid special attention to Pakistani entrepreneurs.

1.0 Model of Female Entrepreneurship

- Push & Pull Theory
- Personal
- Social factors
- Financial Factors
- Professional Work Environment

Motivation

Female Entrepreneurs

Local Governmental, Financial & Not-for-Profit Institutions

Family Upbringing & Networking
3.1.1 Motivation

The social capital prospect is not necessarily the same for males and females (DeTienne and Chandler, 2007). Most writers describe the motivating factors for female entrepreneurs using the pull-&-push theory “The array of factors that may contribute in varying degrees to ‘pushing’ or ‘pulling’ a woman into business ownership” (Stevenson, 1986 in Itani et al., 2011: 3).

Personal factors like self fulfillment and achievement are motivational factors for females across the globe. One significant factor contributing to this is the status of females in society, especially in the developing world. Their leadership-role is discouraged; they are considered subservient to males (Dzisi, 2008). They come to business because they want to prove themselves to others, including family members (Itani et al., 2011). With the world becoming a global village, many
women even in remote and far-flung places are becoming exposed to the idea of financial independence as a route to empowerment.

In many countries, spouses work together to run the household. This also means that issues such as childcare costs acquire greater importance, along with the opportunity cost of letting go of a stable income in order to earn what may possibly be a risky venture. We cannot deny the importance of financial factors while pursuing an entrepreneurial activity. Supporting the family income (Jamali, 2009) and raising their standard of living are also contributory motivational factors in female entrepreneurship.

Although some researchers disagree with this (Roomi et al., 2009), it has been pointed out by most researchers in this area. In some cases, it has been observed that self-employed females cannot cope with this challenging environment as compared to paid employment (Rosti and Chelli, 2009) and hence their motivation may suffer. This is an important factor to consider for any policy that aims to encourage long term female entrepreneurial involvement to foster socio-economic development.

The job-market situation also pose threats to females and they may become entrepreneurs to find more opportunities. At jobs, females may not be provided with roles that allow them to grow according to their capabilities (Remi-Alarape et al., 2009). Their growth may be barred and a certain atmosphere is created in which they cannot elevate themselves from their current position to high ranks. (Dima Jamali, 2009) – the proverbial glass-ceiling.

In some cases, it has also been observed that females become self-employed because there is no paid employment available for them and self-employment is their last resort (Jamali, 2009). Secondly in most cultures, females are generally only involved in household activities; their self-
employment is discouraged. This sometimes prompts women to rebel against expectations by becoming self-employed; it gives them self fulfillment (Smile Dzisi, 2008) and an opportunity to prove themselves (Itani et al., 2011).

In lower-income classes, female entrepreneurship may be due to the need to meet family expenses, while among middle-income groups it can be attributed to the desire to raise the standard of living. (Nadgrodkiewicz, 2011).

3.1.2 International Development Programs

International development programs on female entrepreneurship involve all the efforts made by developed nations, world financial institutions and other organizations working world-wide. They include financial & technical aid, assistance to managerial skills and other opportunities to grow business. USAID (Ibrahim, 2009) and World Bank (McLymont, 2008) are forerunners in this category.

Access to finance has been the major issue across the globe for female entrepreneurs, especially in under-developed countries. The World Bank has introduced many initiatives with its partners to provide funding for female entrepreneurs. In Nigeria, the World Bank in collaboration with Access Bank P.L.C. (McLymont, 2008) is providing lending facilities to such females. In Pakistan, the World Bank is one of the donors of Pakistan Poverty Alleviation Fund (PPAF) which is actively involved in micro-financing; female entrepreneurs represent a large group - 54% - among their creditors (Mustafa & Ismailov, 2008).

The United States Agency for International Development (USAID) is working actively in Pakistan for female entrepreneurs. They assist women in running small businesses in far-flung areas and provide them opportunity to improve the standard of their products and enable their
entrance into potentially profitable markets (USAID Web-blog). USAID also initiates programs to develop basic management skills among female entrepreneurs in collaboration with local institutions (Daily Times, 2011).

The US Department of State has also extended its assistance to the development of female entrepreneurs in many countries; it convinced Goldman Sachs to include Pakistani females in their training program for female entrepreneurs. Other partners in this venture involve Organization for Pakistani Entrepreneurs of North America (OPEN) and the Thunderbird School of Global Management – both of them work to promote female entrepreneurship (US Department of State Official Blog, 2011). Melanne Verveer, United States Ambassador-at-Large for Global Women's Issues, is the driving force behind this initiative.

3.1.3 Local Governmental, Financial, and Not-for-Profit Institutions

The role of females in the development of a country cannot be neglected or underestimated (Langowitz and Minniti, 2007) as it not only provides a platform for women to prove themselves (Eddleston and Powell, 2008) but also contributes to the welfare of the overall economy. Governments worldwide are taking steps to promote female entrepreneurial activities. Studies have stressed the need for effective governmental planning and strategies to promote and encourage female who are or want to be an entrepreneur (De Bruin et al., 2007). The Government of Pakistan has also realized the importance of female entrepreneurship to boost the output of the economy. Prior to the 2006 Trade Ordinance, representation of females in local Chambers of Commerce was next to nothing. After the revised format of the Ordinance, women not only have effective representation but they have also shaped their own Chambers (Nadgrodkiewicz, 2011).
In many parts of the world, ground realities are different despite funding and effort. Female entrepreneurs still have problems due to the lack of governmental support (Singh and Belwal, 2008). Businesses formed by women are sometimes very small scale and may not even be registered with the government (Tambunan, 2009); this may happen due to complex registration procedures.

Most governments are putting efforts into encouraging female entrepreneurship but many women are unaware of these schemes to promote their businesses (Itani et al., 2011). However, this situation is not true for all women; those who are well-informed, keep an eye on support programs and are able to develop links are utilizing these opportunities efficiently to grow their businesses (Farr-Wharton and Brunetto, 2007).

Financial institutions play a vital role in promoting the growth of entrepreneurial activities. Females across the globe complain about lack of financial resource (Halkias et al., 2011). Credit lines for female entrepreneurs granted by financial institutions have not been of significant volume. However, there is some evidence that reveals the other side of the picture. Growing competition in the African banking sector is compelling banks to gain more female customers in order to increase their profit (McLymont, 2008).

Stereotyping haunts female entrepreneurs - they complain about the discouraging attitude of financial institutions towards them (Roomi et al., 2009). “There are reports claiming discrimination against women entrepreneurs when applying for loans from private sector banks, even though they often have superior collateral” (ECA, 2004, in Roomi et al., 2009). In the developing world, however, in most cases female do not possess personal assets and are unable to offer any collateral.
In many instances, local chambers of commerce are implementing a number of initiatives to guide, assist and aid women to establish their businesses. Collateral for loans has been a tough requirement for females in Pakistan and the State Bank of Pakistan has yet to convinced of the merits of advancing loans to women without collateral (Nadgrodkiewicz, 2011). This gives rise to a vicious cycle where women are unable to secure the initial funding to get started on their path to start an entrepreneurial venture – hence leading to a lack of opportunities for women to gain financial independence. 

Micro-financing is an area where the government, international development programs and not-for-profit organizations are doing valuable work in conjunction with one another. As mentioned earlier, Pakistan Poverty Alleviation Fund (PPAF) is one example; it has significantly boosted female entrepreneurial activities as the majority of its creditors are females (Mustafa & Ismailov, 2008). Considerable efforts have been made by the governmental & non-governmental sectors to provide micro-finance in Pakistan, and females are key targets of such programmes. Khushhali Bank (established by the Government of Pakistan), Kashaf Bank and National Rural Support Program (NRSP) are the leading micro-financiers in Pakistan (Microwatch, 2008). The First Women Bank Limited is also an initiative by the Government of Pakistan for the welfare of female entrepreneurs. The main idea behind it was to improve the socio-economic life of women in Pakistan. It provides loans to female entrepreneurs, training & advisory services to better manage their business, and other market opportunities (International Labor Organization (ILO), 2003). Shell Tameer and SMEDA are also doing valuable work to foster entrepreneurship – both for males and females.

3.1.4 Management Style & Personal Attributes
The managerial approach of female entrepreneurs is more democratic than their male counterparts - they build trust among their workers through transformational and interactive management style (Moore, 2011). Farr-Wharton and Brunetto (2007) mention that female entrepreneurs share power to create a collaborative work environment; their first management focus is strategic with employees as their second priority; they extend a supportive attitude towards the mistakes of their employees.

Personal attributes of female entrepreneurs may also sometimes create opportunities or barriers for them. There is a high proportion of females who have a fear of failure (Itani et al., 2011). At the other end of the spectrum, some studies reveal that female entrepreneurs love to take risk, are open to challenges, and put in their best efforts to pursue their goals (Mordi et al., 2010).

In traditional Muslim societies and communities, male-female segregation is the norm and presents its own issues. Female entrepreneurs guard their privacy and prefer a working environment where they don’t have to interact with males (Itani et al., 2011), or the interaction is kept to a minimum.

However, this also creates opportunities – one of the authors of this paper knows of the great need for female entrepreneurs who want to start female-only swimming classes, female only event management and catering services, and female only taxi/car-hire services in Pakistan. Such offerings are starting to come on the market as female consumers become more demanding and emancipated; however, they also further cement the male-female segregation phenomenon, leading to a further consolidation of the gender imbalance in such societies. Additionally, such businesses may hire females as their front-facing workers, but the logistical affairs generally remain under male supervision and domain.

3.1.5 Family Upbringing & Networking
Families play an important role in female entrepreneurship; recent studies reveal two opposing pictures in this respect. In some cases, families are very supportive (Halkias, 2011) and play an important and supportive role in helping females to develop business ideas (Jamili, 2009). On the other hand, females consider families as a constraint. They receive no appreciation for their work and in most cases they are discouraged (Itani et al., 2011).

Sometimes, this feeling of being discouraged also persuades women to think about self-employment in order to prove themselves (Itani et al., 2011). Those females who come from an entrepreneurial background - either one or both of their parents is or has been self-employed - are very confident in their business approach (Mordi et al., 2010).

Networking is a source of competitive edge (Miller et al., 2007); it plays a decisive role during the daily operations of an entrepreneurial venture as well as for future growth (Cantzler and Leijon, 2007). As resources in an economy are always scarce, better planning to acquire these resources and their effective utilization is imperative. Efficient networking keeps an entrepreneur one step ahead of his/her competitor in grabbing these resources (Timmons, 2009).

In some cases, women derive new business ideas and opportunities from these networks (Farr-Wharton and Brunetto, 2007). Some studies describe women as being more effective in developing networks (Sorenson et al., 2008); however, a lot also depends upon their personal attitude towards trust and information sharing. They like to develop networks only with people they are comfortable with and in whom they have trust (Farr-Wharton and Brunetto, 2007).

In most cases, these female entrepreneurs come from close-knit families and are comfortable sharing information and seeking advice from people in their close circle (Robinson and Stubberud, 2009). It’s not always true that females join or develop networks only to access
resources, grab opportunities or to seek advice. Some studies mention that females use their networks just for emotional support (Roomi et al., 2009).

3.1.6 Goals

A difference exists between male and female entrepreneurs in this respect (Halkias, et al., 2011); females mostly strive to achieve self-fulfillment and accomplishment through self-employment (Roomi et al., 2009). During a study conducted in Ghana, female respondents ranked self-fulfillment higher than other end results (Dzisi, 2008).

If we analyze this in the broader context, we find that females are considered to be submissive. In male dominant societies, they are just a helping tool for their males and they do not enjoy lead roles (Dzisi, 2008). Perhaps these factors are the reasons due to which self-fulfillment ranks higher than any other goal of self-employment for these female entrepreneurs.

In the context of Pakistan, this factor is not significant. Only 2.37% of all (male and female) entrepreneurial activities in Pakistan are due to self fulfillment (Global Entrepreneurship Monitor (GEM), 2010). Family responsibilities have been a big constraint for female entrepreneurs (Mordi et al., 2010). They do not find the behavior of their husbands and other family members supportive (Jamali, 2009).

Due to these reasons, one of their main goals by becoming self-employed is to balance work and family life (Roomi et al., 2009). A study conducted in the UAE found that for female entrepreneurs, a successful balance between work and family life is the key attribute of success (Itani et al., 2011). Raising the standard of their family’s living by earning enough is also a salient feature that female entrepreneurs look for from their self-employment (Roomi et al., 2009).
Although in some cultures this is not at the top of a female entrepreneur’s list, it is still a goal that these women strive to achieve (Dzisi, 2008). In some developing economies where the income of a single member is no longer enough to support the entire family, women come out of their traditional comfort zones and join entrepreneurial activities to double the income in order to support their families (Jamali, 2009).

However, the authors of this paper suspect that many of the female entrepreneurs in the developed world may also have the same goal. After this review of literature, it is safe to assume that generating revenue is a prime focus for female entrepreneurs but in some economies it is not at the top of their list. 38.03% of the total (both male and female) entrepreneurial activities in Pakistan are fueled by the aim to increase the family income (GEM, 2010).

Shah’s thesis (2002) on Pakistani women entrepreneurs is an excellent, though slightly dated, source of information on not only the issues but also the positive aspects of female entrepreneurship in Pakistan. She has researched how – despite numerous issues – females are getting ahead as entrepreneurs and supporting not just themselves as individuals but also benefitting their families.

3.1.7 Constraints

Female entrepreneurs encounter several issues that further exacerbate the barriers between them and their successful entrepreneurial venture. These constraints may come from their personality, immediate family, or from the environment in which they exist and the societal expectations and perceptions of the people around them.

Interestingly, recent studies reveal that psychological constraints play a big role in this context; the fear of failure impacts the performance of entrepreneurial females (Halkias, 2011). In
Pakistan this factor is significantly high. According to research conducted by GEM, 27.7% of business activities in Pakistan do not even get started because of the fear of failure (for both males and females). A study of the literature, however, shows that this is not the case with all female entrepreneurs; some of them love a challenge and like to take on risks (Mordi et al., 2010) - as mentioned earlier.

Researchers consistently point to a lack of access to finance as the major barrier that female entrepreneurs face (Jamali, 2009; Roomi et al., 2009). A majority of the females rely on family funding (Halkias, 2011) or personal savings (Itani et al., 2011). A study conducted in Nigeria discovered that after family funding, these female entrepreneurs rely on donations, bank loans, governmental schemes and charity by church (Halkias, 2011). A similar situation has also been observed in the context of Pakistani female entrepreneurs. Although USAID (USAID Web-blog) is working actively for the females of remote areas in Pakistan, finance is still one of the major constraints faced by these female entrepreneurs. Due to non-availability of easy access to capital, women do not have funds to grow their businesses (ILO, 2003).

In many societies in the developing world, females are generally not encouraged to take on leadership roles. They are perceived as being submissive and subservient to their male counterparts (Dzisi, 2008). This stereotyping poses barriers for females as in a male-dominated society, a female leader is discouraged. A study conducted in Lebanon blames cultural norms and stereotyping as one of the biggest constraints for these female entrepreneurs (Jamali, 2009).

Pakistani females are also facing similar issues. Being a patriarchal society, males are not co-operative towards their female counterparts and their attitude is negative (ILO, 2003). A study by USAID (Goheer and Penksa, 2007) revealed that in the Pakistani culture, the mobility of females
and their participation in self-employment is discouraged. Females are generally protected and it becomes a matter of “family reputation and honour” when a woman goes out to work. Safety and security issues further contribute to this. The traditional perception in Pakistani society is that the male is the primary breadwinner - outside the home - and the female is the primary caregiver - within the four walls of the home. This means that the female may be hesitant in becoming financially independent – whether as home-based worker or outside the home – as she may fear that it will lead to family discord and marital strife. This is an even more important consideration for females who are contemplating starting their own business due to the time investment and (very often) relatively considerable financial investment involved.

There is also a perception about females being only housekeepers/homemakers (Itani et al., 2011); such perceptions coupled with family responsibilities are big constraints. The support of the husband in fulfilling family responsibilities can be extremely helpful for these females. However, as a study conducted in the UAE shows, husbands do not play an active role in the daily household responsibilities - the fact that females need to leave their children in order to pursue entrepreneurial activities is not appreciated (Jamili, 2009). Male family members may even discourage female entrepreneurs.

The need to complete all household work without any assistance from other family members leaves less working hours for these females, especially in rural areas. Large family size further exacerbates this issue (Tanbunan, 2009) and living in a joint (as opposed to a nuclear) family system may mean additional responsibility without additional assistance, although this is not always the case. Unmarried females are also facing similar problems (Mordi et al., 2010) with parents being concerned for their daughters’ future “marriage prospects” if they are perceived as
Female entrepreneurs also lack managerial skills (Itani et al., 2011). These females have less knowledge about market conditions and lack basic training to run a business venture (Roomi et al., 2009). In Pakistan, both local and international efforts are being made in this area but females are still facing this problem. The ILO (2003) report on Pakistan also revealed lack of knowledge as an important factor that was holding back female entrepreneurs.

Lack of governmental support and related issues have also created problems for female entrepreneurs. An Ethiopian study pointed out that although a government may devise different strategies and plans for female entrepreneurs, there is a gap between the announcement and the implementation of these plans (Singh and Belwal, 2008). The same study identified heavy tax rates, corrupt officials, bribery and slow official procedures as additional concerns.

Even in developed countries, governments may not be very successful in properly advertising their plans to female entrepreneurs (Farr-Wharton and Brunetto 2007). In Pakistan, female entrepreneurs are also facing these issues; registering a business is in itself an uphill task in
which government officials are not co-operative (ILO, 2003), as mentioned earlier. Networking and mentorship play an important role in fostering female entrepreneurship. In Islamic countries, where women do not mingle freely with males, networking is an issue. As mentioned above, their preference for minimum interaction with males and privacy and trust issues make it difficult to network (Farr-Wharton and Brunetto, 2007; Itani et al., 2011). Most females have a single mentor in their network from whom they seek information (Farr-Wharton and Brunetto 2007).

Skilled labor is also a major concern; generally, skilled labor is not available for reasonable wages (Roomi et al., 2009). The ILO (2003) study in Pakistan also described the availability (or rather, non-availability) of labor among the most frustrating issues faced by female entrepreneurs. These females put in a lot of effort to develop their labor force but once they are skilled, they leave them for a better opportunity resulting in a high turnover of staff for these small ventures.

Product marketing and promotion create further issues for female entrepreneurs, most of whom do not have any formal promotional plans available. They mostly rely on word-of-mouth (Halkias, et al., 2011) to spread their message. Customer acquisition as well as finding a target market and then distributing their product to the target market may also be problematic for female entrepreneurs (ILO, 2003). A recession further fuels problems (Jamali, 2009) as they have a limited number of buyers.

A female entrepreneur also faces several societal issues; harassment is a major problem for them in many countries. Sexual harassment remains a common complaint (Mordi et al., 2010). The ILO (2003) report about Pakistan specifically mentions this issue as well. Police harassment is commonplace in such instances. Basic infrastructure and suitable premises are also an issue. In Africa, self-employed females mostly operate in a hostile environment which is not suitable for business purposes (Halkias, et al., 2011). In Pakistan, many female entrepreneurs operate from
home where even basic facilities such as electricity may not be easily available (ILO, 2003). Despite the above mentioned constraints, female entrepreneurs are still making headway in the business world - which is an encouraging sign.

4.0 Conclusion

The purpose of this paper was to look at the literature around female entrepreneurship in general, and in the developing world in particular – with a focus on studies around Pakistani female entrepreneurs. Pakistan finished in 132nd position out of a total of 134 countries (Nadgrodkiewicz, 2011) in terms of female economic activity and opportunities available to females. The war on terror, economic recession and floods (GEM, 2010) along with lack of access to finance, technological constraints, environmental/societal issues, insufficient supply of labor and tax policies are fueling an unfriendly environment in which female entrepreneurs are finding it difficult to succeed, despite having clear motivations and goals.

It is important to mention here that overall entrepreneurial activity is pretty low in Pakistan and female entrepreneurship activity rate is even lower - 3.43%. This is 4.1 times less than their male counterparts (GEM, 2010). It is crucial to research home-based as well as non-home-based female entrepreneurs in order to get an accurate picture of the status of female entrepreneurs in Pakistan. Especially with relation to the former, there is a dire need to give a voice to these faceless and voiceless females who play a big – yet in general unseen – role towards making a household financially stable.

More research is needed in both the urban and rural areas of Pakistan to understand the phenomenon of female entrepreneurship and also to understand the differences in home-based
versus non-home-based female entrepreneurs. Although access to home-based female entrepreneurs may be difficult to obtain, especially for male researchers, it is still an area where efforts need to be focused. This is important not just for altruistic reasons of humanitarian support for these women, but also to gain knowledge that may be helpful in realizing their full economic potential as well. The long term developmental strategy of a country is incomplete without giving adequate thought to this sector and obtaining adequate information about them before making policy decisions.

It is heartening to see Pakistani educational institutions such as IBA and SSUET focusing on encouraging entrepreneurship among their students. It is hoped that this paper will foster interest in researching both Pakistani home-based and non-home-based female entrepreneurs in the urban and rural regions. There is a dire need to understand the issues in the lives of female entrepreneurs so that they can be solved in a manner that will encourage other females to also think about entrepreneurship.

5.0 References

Female Entrepreneurs


