

ROLE OF PAKISTANI WOMEN IN SME COMPARE WITH DEVELOPED COUNTRIES. A COMPARATIVE ANALYSIS

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ABSTRACT. This research investigates the performance of western women in Small and Medium enterprises business compare with Pakistani women. The western women are playing a very important role in economic development through SMEs in comparison with the South Asia and specially in Pakistan where women is not free to develop their own business but only few visible cases has been studies and it was observed that despite of many obstacles our women is playing a vital role in developing countries in SME and their impact on economic development. The research reveals that women Play s significant role in the developed of business through SMEs. Using simple random technique collected the data and randomly selected 90 women from all over Pakistan who's involve in small and medium enterprises business in Pakistan. The result findings of the research is that Women is facing lot more difficulties in running independent businesses specially a rural women who is not easy to own the business opportunities in Pakistan. It was revealed that differences exist when comparing men and women entrepreneurs as separate groups in Western comparison to Pakistan When comparing men and women in the same business sector, however, differences diminish; a man and a woman in the same business are more alike than women working in different lines of business. Men who account for 75% of the total number of self employed in the EU countries dominate self-employment. When it comes to family workers, the situation is the opposite, with women accounting for 70% of the total. Although it is difficult to distinguish any consistent pattern in the development of gender shares in self-employment, women have clearly increased their share between 1999 and 2005-06 in the tertiary sector in western countries but in Pakistan the share is bit increase from 1999-2006, slow over rate. The gender distribution of new enterprises or new registrations varies between countries. However, accounting for different statistical sources, they seem to pivot round a 70%: 30% male to female ratio in Western countries and 02% women and 98% man ratio in SME business in Pakistan. Enterprises started by women seem to have a lower survival rate in Pakistan compare to high survival rate in Western women. However, this is not necessarily a gender issue but rather a reflection of choice of sector. In most countries the area where women reportedly encounter difficulties is that of capital and finance. Studies have found that women often wish to borrow smaller amounts than men, and are denied loans due to this, rather than to the fact that they are women. In Pakistan women's are not even thinking of those job, which leave them out of the home. The results showed that Pakistani' SME using only small portion in the export of the SMEs products where as other developed countries like Malaysia, USA, U.K, Germany, Japan they develop their economy through SMEs and there was significant contribution of women.

KEYWORDS: SMEs, Performance, Development, Comparative analysis, Western, SMEs, Asia, Pakistan.

JEL CLASSIFICTION: O10, O20, M10

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Introduction

In Pakistan 33% of the women entrepreneur contacted with aged between 20-39. Pakistani women are significantly contributed in the economy of Pakistan. 67% of the women entrepreneurship were house wives before starting business. Most of the time SMEs concept covers the industry, services, trade and technological studies including both modern and traditional segments. The first one refers to the SMEs manufacturing industry while the second one covers all activities of handmade, handicrafts, handlooms, village industries, and historical, traditional and cultural items. SMEs are considered the fastest growing sector of Pakistan economy as the government's efforts are at mission to create awareness about SMEs businesses (Survey-2005-06) Pakistan needs to launch as many as SMEs business to focus export and increase foreign exchange earnings. A most important linkage is that export growth increases the foreign resources constraint facing a developing economy. Foreign exchange earnings enable the economy to import capital goods and technology, leading to sustainable output and productivity growth (Chen, 1976). For such initiative, Pakistan needs much focus on SME business activities and Sindh is one of the major factors for such potential market in various goods and services (SMEDA).

The small business enterprise is often described as the natural bone of entrepreneurship. It provides the ideal environment enabling entrepreneurs to exercise their talents to the full and to attain the goals and objectives they have set for themselves. In all successful economies, entrepreneurs are seen as essential for growth, job creation and social progress and the virtues of small business are by now almost universally accepted. (Dr Ben.Vosloo, 1994), Chief Executive of the Small Business Development Corporation).

Pakistan is also on the right direction to promote women in SMEs business and other small level businesses to utilize and develop good talent for the business to prosper Pakistani business environment. Pakistan is very potential market for SMEs and if undertaken in systematic way can prosper economy within no time. Sindh province has a considerable advantage in some areas, which needs to be explained quickly to reap the benefits of exports. Such benefits can increase foreign exchange rates very positively to develop a favorable framework in all areas of progress (Annual Reports-2005-06-EPB).

The awareness like fishing, education, fruit, crops, garments, cotton, sugar cane, dates ginning, wood, auto and many other areas are the basic startups for many people. This research explains the potentialities of some areas and knowledge of how these areas can contribute towards Pakistan's economy by increasing the foreign exchange rates with reference to Sindh province. The high authorities and ministry of development and product should formulate some strategies to design practical policies with the cooperation of stakeholders; such policies will be flexible in enhancing the SMEDA plans and flourish SMEs activities at the larger scale. This will give a big boost to startup ideas and create cordial atmosphere of businesses. This will aid a lot more in understanding the export of Pakistan specially Sindh sector and improve our foreign exchange earnings. The main focus will be on SMEs' roles in economic growth and poverty alleviation

through the increase of entrepreneurial and small-scale business activities in the country especially in Sindh.

In Pakistan women's are not freely involved in all fields, but recently most of the women they come up with particularly in development of SME sector in Pakistan. They engaged in producing valuable products and handicrafts and it is main source of their survival and it generate Pakistan is the seventh largest population in the world and one of the dense populated country in the world. Pakistan is recently facing lot of problems like unemployment, and slow growth in Agriculture we imported different agriculture related product from the world. Therefore, we have to look at sectors of the economy that have the potential to provide this employment, and simultaneously we have to ensure that the young are provided quality education and training for these more productive sectors of the economy. The greater growth potential lies in the modern high technology industries but it is also present in the labor-intensive industries of the traditional Small Enterprise sector and in the services that support it. "Young people in the future are more likely to end (therefore) should be working in organizations closer to the entrepreneurial mode" (Allan Gibbs). It is a worldwide phenomenon that Small Enterprises are an important part of a nation's economic and social structure. "Enterprise is the antithesis of command and control". On a global perspective Small Enterprises have acquired a significant stature in the economic development of a country. Globalization has put Small Enterprises directly in the limelight. Small Enterprises are increasingly a major force for national economic growth. The entrepreneurs who drive them are receiving serious attention from economists, planners, multilateral agencies and governments all over the world (Carter, Camille. 1999).

Data Collection and Research Methodology

The research is focused on the analysis on the Role of Pakistani women in SMEs in the economic development of Pakistan compare with the western or developed world which is based on the Primary and secondary data The major part of the data is available in secondary information as for the analysis of the data is concerned, in this regard the Views-Statistical software used for the data analysis.

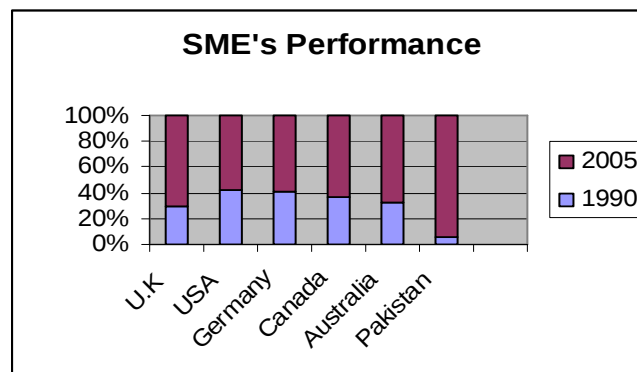
- Unit of Analysis of Research; is organizations.

Sample; the research is focused on Women SME and their contribution in economy of Pakistan and data from developed world were collected from the secondary sources. We have 99 companies therefore we have selected 25% of population.

Table1.
Pakistan's Women share in SMEs Export with compare to Western world.

Figures in Percentage Of Total Export		
	1990	2005
U.K	3.2	7.8
USA	6.6	8.9
Germany	7	10.2
Canada	5.6	9.8
Australia	.52	1.08
Pakistan	.18	1.2

Source Survey 2005-06.

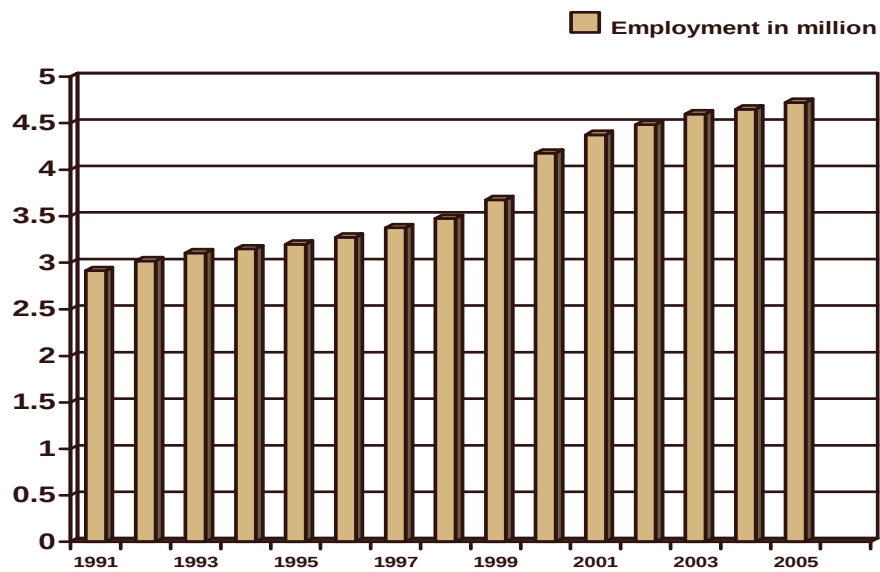


According to the above analysis, no doubt the performance of Pakistani women in SME's is slow compare to the western countries, but if you look at the increase in recent years Pakistan in future growth of Pakistani based women SME's will increase their share in future.

Table 2.
Economic Importance of Pakistan Women in SMEs.

Sub-sectors	Percentage Share of Women
Cotton Weaving	0.01%
Other Textiles	6 %
Metal Products	3 %
Carpets	4 %
Art Silk	2 %
Grain Milling	0.01%
Jewelry	2 %
Wood & Furniture	01 %

Source: Survey-2006-7



Results and discussion

- The Pakistani women are facing lot of difficulties for establishing any business portfolio in Pakistan the above figures clearly explain the women who is taking part in the different sectors of the economy. Jewelry is the only sector where

they have 2% share and few of them are operating businesses in different sectors of the economy. In western countries the scenario is totally different they are playing a key role in the economic development of the country. They are evolve in all sort of SMEs business and their growth is much higher compare to the Pakistani women.

- The rural women is not freely move to any business because lack of facilities and education, even though they are indirectly contributed by making different sort of cloths and hand made garments and earning little amount. In recent years they move towards development of SME in the rural sectors.

- In the case of Rural women in SME in developed world they are contributed significant in developing different SME in western world.

- Women tend to make less use of information and advisory services, partly due to a lack of knowledge about relevant sources, partly due to inadequate or non-existing information/advice for women's specific needs; there are few schemes run for small scale operations in trade and services, where women entrepreneurs are most frequently found.

- Additional, voluntary or private insurance is often available for assisting spouses to purchase, but few have opted to do so. In the mid-90's there seems to be a stronger tendency to move away from women oriented support and developmental program-to-program focusing both genders. An incorporation of schemes into a broader, usually regional, policy can also be observed. Few support and developmental programs are operated nation-wide; if they are, the primary focus is equality between genders, not women entrepreneurship.

- Legal status and social security, much remains to be done. Problems often arise

- due to non-harmonized matrimonial law and company law and to barriers, both in

- Matrimonial and fiscal law, for the spouse to become the husband's employee. Establishing a professional and legal status for assisting spouses might bring attention to their ubiquitous presence and could be a first step towards improving their social situation.

Table 3.
Female share of self employed (entr.) and family workers 2005-06(%)

	Agriculture		Industry		Services	
Sector	Entr.	Fam.	Entr.	Fam.	Entr.	Fam.
Belgium	15	86	11	78	34	86
Denmark	7	95-100	13	89	28	89
France	28	70	9	96	34	85
Germany	14	82	13	88	33	87
Greece	21	79	9	54	24	77
Ireland	8	47	-	-	26	78-100
Italy	27	63	13	49	26	55
Luxembourg	33	-	-	-	27	-

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Netherlands	11	83	15	82	34	85
Portugal	52	63	20	33	43	67
Spain	22	62	11	36	32	70
United Kingdom	17	81	10	82	35	77
EU-12	24	72	11	66	31	78
Austria	40	77	10	61	36	66
Finland	33	68	17	45	37	34
Sweden	24	55	12	50	30	53
Iceland	20	32	9	60	34	59
Liechtenstein	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Norway	19	57	7	-	38	83
Switzerland	15	64	17	59	41	84
Pakistan	20	02	04	01	02	03

Source: **Eurostat** offers a comprehensive range of printed and electronic publications and ... EU **Labour Force Survey** - Principal **results** 2005 - Issue number 13/2006.

Table 4.
SME contribution by gender (%)

	Women	Men
Denmark (1992)	32	68
France (1994 estimates)	30	70
Germany (estimates)	33	67
Netherlands (1994 estimates)	27	73
Finland (1993, crafts only)	36	64
Iceland (1993)	24	76
Sweden (1994)	23	69
Pakistan	15	85

Note: The Swedish figures do not add to 100% since there is a residual of 8% where men and women started their business together.

Source: **Denmark** (27.-31. august). S. Torp deltog i konference om,2002.

According the above research results in western countries women is equally employed in various sectors and they are contributing in the economy, the above figures are shown that western women is actively taking part in the all SME business and their confidence level and taking quick decisions is more efficient compare to the Pakistani women where they have not given equal opportunity in all the businesses, they are chosen only home based business, due to the restrictions made by their parents only few they are actively taking part in SME business. Pakistani women are lack in confidence compare to the western women.

Table 5.
Enterprise survival rates by gender (%)

	Women	Men	Incorporated or both genders together
Denmark	41	52	61
France	54	60	-
Germany	52	67	-
Netherlands	62	62	-
Norway (3-5 years)	69	72	-
Sweden (3 years/1994)	60	62	60
Pakistan	15	85	50

Note: The figures in the third column refer to incorporated enterprises in the case of Denmark. In the case of Sweden they refer to enterprises started by men and women together. The areas in which female entrepreneurs encounter particular difficulties in Pakistan because of the very small share of women is participated compare with the male entrepreneur. Only 15% of the Pakistani women is involve in the SME business and in above table you see due to the male dominant society they are not freedom of choice that they can work any of the place.

Developing Countries Policies for, SME Development in Turkey and Modalities of Intervention As was the practice of most countries; Turkey also practiced a state directed economy from its inception 1923. Hoping to achieve rapid industrialization it followed import substitution policy and relied on State Economic Enterprises, because it was the common belief that economic growth depended on heavy investment in large, capital-intensive industrial projects. Notwithstanding the imbalance of such a policy there was considerable growth of approximately 7% per annum. However true to the world pattern the growth declined in the 1970s and a new trend emerged in the 1980s. It was the trend based on free market economy and hence structural reforms were undertaken to give the economy a new shape. According to the above results from the given tables, Western women is more freely involve in business compare to the Pakistani women where there contribution is pretty low, as for as risk involvement in the SME the western women is more riskier compare to the Pakistan women because they are more vigilant in terms of business. If you compare the performance of women entrepreneurship in business decision making western women is quick in decision-making approach compare to the Pakistani women.

The trend towards the rapid growth of self-employment in Pakistan is in the development stage. For women, since 1996 the average annual growth rate of self-employment has been 1.3%, compared with 13.5 average in the devepoed world, it means that women entered into self-employment twice as fast as men in Developed country but vunder developed world like Pakistan where this growth is pretty slow in process, This ratio increased even further recently with the number of women entrepreneurs growing by 8% between 2001 and 2006, for the developed world compared with a 0.6% increase for the Pakisani women.

Overall, between 2001 and 2006 , the number of women entrepreneurs in in developed world actually increased 208%, compared with a 3% increase in Pakistan. The research also shows that Pakistani women tend to own firms in slower growth and higher risk sectors, such as retail and service, in which access to financing is known to be more challenging for businesses to obtain. At the same time, women are not restricted to these traditional areas and are increasingly moving into other sectors of enterprise. For example, in 2001, women held at least 50% ownership in 31% of knowledge-based industry firms and 31% of manufacturing firms. In 1996, Pakistani women owned approximately 3% of Pakistan's Small and Medium Sized Enterprises (SMEs). As of 2000, this figure had increased to 13. By 2002, there were more than 51,000 women entrepreneurs in Pakistan. who contribute in excess of \$17000 thousand dollors in the economy of Paksitan.

Conclusion

In the 21st century, export industries will concentrate more on creativity and responsiveness to market and technology change. This paper has examined the set of policy and strategy alternative for the support of women SME's business in Pakistan and comparison with developed countries. Pakistani women are facing pretty tough time in initiating any SME's business activities in Pakistan. SME generate the employment for the women in Pakisytan. By primary research we got result that government should encourage women to actively take part in the economic activities through initiate projects of SME's in rural Sindh. . In the comparison with western countries like US, Germany, Japan, Australia, and Europe where women is actively taken part in the economic development of their countries. Women are less participates in SME's in Pakistan because they are facing difficulties when they are working as an entrepreneur or facing lot more problem when they are working in business due to the environment which is male dominated society, compare to western world where women proved to the best entrepreneur in business. In this globalization and modernization women's in particularly in villages are facing lot of difficulties when they are running their independence business.

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