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Socioeconomic Barriers to Women's Entrepreneurship: In Context of Faisalabad City

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ABSTRACT

This research examined the dynamic environment of women's entrepreneurship in Faisalabad, Pakistan. Highlighting the multifaceted socio-economic constraints that restrict women entrepreneurs' economic potential, women-owned firms have appeared as pivotal drivers for sustainable empowerment. Recognizing the challenges that they face is paramount. Employing the stratified random sampling

technique for our study, and conducted structured interviews with 100 women entrepreneurs to uncover the subtle interaction of socio-cultural, economic, and institutional factors affecting their monthly income. The data show that workforce size, location of business, social capital, access to digital technology, and marital status are important factors in shaping income levels, while experience and age exert minimal impact. This emphasizes the need for targeted interventions centered on workforce development, such as vocational training, digital literacy programs, women-centered business zones, and network of mentorship.

This research seeks to empower women entrepreneurs to conquer systemic constraints, boosting economic growth and gender equality in entrepreneurial ecosystem of Pakistan. Accordingly, it reveals the transformative role of women in shaping inclusive prosperity and societal development.

Keywords: Women Entrepreneurship, Income, Growth, Women Empowerment, Digital Technology, Social Capital, Gender Equity.

INTRODUCTION

Faisalabad is the central textile manufacturing point, thrum with entrepreneurial passion; despite such blazing activity, women entrepreneurs lack proper representation in this domain of male domination. On a global scale, women entrepreneurs have meticulously enhanced economic progress and created jobs and contributed to the provision of positions in the field (Brush et al., 2010; Akter et al., 2023). In Pakistan, women, by population, comprise a massive portion, their involvement is essential for increasing overall growth and diminishing unemployment (Khan G et al., 2018; Qayyum and Bashir, 2022), despite such existing possibilities, cultural norms and conventional discrimination, inadequate financial resources and limited access to exchange destinations restricts their approach and cages their abilities, specifically in cities such as Faisalabad (Choudhry et al., 2019; Aggrawal, 2018; Parmar, 2018). This study presents how women entrepreneurs tread through these obstacles, centralizing the factors forming their success within a setting portrayed as traditional, though dynamic.

Socioeconomic constraints, such as limited access to marketplaces and discriminatory practices, significantly influence women's business practices in Pakistan (Raheem, 2019; Anwar and Ahmad, 2023; Adiza et al., 2020). Upcoming solutions, including social capital and digital technology, encourage overcoming these challenges. Digital platforms, such as social media and e-commerce, enable women to reach buyers beyond domestic and local markets, empowering their competitiveness (Crittenden et al., 2019; Aslam et al., 2023). In addition, social capital through mentorship and networks gives impactful support, enabling women to combat in rigorous environment (Barghouthi et al., 2018). In Faisalabad, where cultural expectations oftentimes limit women's mobility, these factors could reshape entrepreneurial outcomes, yet their impact remains understudied.

Even with overarching research on women's entrepreneurship, few studies have assessed regional atmosphere, likely Faisalabad, where industrial opportunities have deep-rooted boundaries. Furthermore, the interlinkage of digital technology and social capital with traditional and cultural elements, such as size of labor force and the location of businesses, is rarely examined in Pakistan. By revealing the roles of socio-economic factors, social factors, and technological factors, it aims to inform targeted policies that empower women, advance gender equality, and bolster Pakistan's economic future.

MATERIALS AND METHODS

Research design

This research applied a quantitative, cross-sectional design to examine the technological, social, and socio-economic factors affecting women entrepreneurs' monthly income in Faisalabad. A survey-based technique was used to collect comprehensive data on business attributes and personal characteristics, enabling robust statistical analysis (Sileyew, 2019). Multiple linear regression was employed to explore the impact of seven independent variables on income, adding to methodologies from similar studies in Pakistan (Raheem, 2019). This research design ensured a systemic examination of income determinants in a regional industrial context.

Study Area

Faisalabad, a textile hub and Pakistan's third-largest city, was selected for its sparkling entrepreneurial ecosystem and different socio-economic challenges. Faisalabad known as Manchester of Pakistan hosts vibrant markets like Ghanta Ghar, where women work in textile and retail businesses, its industrial space go with cultural limitations like restricted mobility for women, making it an impactful setting to study entrepreneurial dynamics (Khan et al., 2018). The city's vast economic landscape gives an ideal backdrop for understanding women's participation in local development.

Sampling Technique and Sample Size

A stratified random sampling technique was employed to choose 100 women entrepreneurs to ensure representativeness across huge business profiles. The population was distributed into strata based on age strata 1(18-30), strata 2(31-45), and strata 3(46+). For education strata 1(primary), strata 2(secondary) and strata 3(tertiary). And for the type of business strata 1(retail), strata 2(textile), and strata 3(services). This approach improved the generalizability of the finding, as suggested for entrepreneurial studies (Zeb et al., 2020). The size of sample was deemed enough for multiple regression analysis, stabilizing statistical power and resource constraints, compatible with prior study (Raheem, 2019). Only women actively owning and operating businesses were included.

Data Collection

Collection of data was done in May 2024 through in-person interviews utilizing a well-structured questionnaire. The questionnaire apprehended the dependent variable (monthly income in Pakistani Rupees) and seven independent variables including experience (years in business), age (years), access to digital technology was measured on three points (no access=0, basic use social media=1, advance use of e-commerce platform=2) briefed by studies on adoption of technology (Crittenden et al., 2019), marital status (unmarried=0, married=1), number of workers, location (rural=0, urban=1) and social capital was measured by the number of mentorship connections or professional networks (0-5+). Survey conducted by interviewers in local shops, making sure contribution comfort. Responses were anonymized to protect privacy.

Data Analysis

For data analysis Statistical Package for the Social Sciences (SPSS) was used. The investigation progressed in two steps. Firstly, the analysis of descriptive statistics including means, standard deviations, and frequencies compiled the characteristics of samples such as income, network size and digital access. Secondly, multiple regression analysis was performed to examine the effect of the independent variables on monthly income, applying the model:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + b_7X_7 + \mu$$

Where Y = Monthly income from entrepreneurship.

X_1= age, X_2 = marital status, X_3 = experience (years), X_4 = number of workers, X_5 = location, X_6 = access to the technology, X_7 = social capital, and μ = disturbance term.

Descriptive analysis

Table 1: Mean Income Comparison between Urban and Rural Area

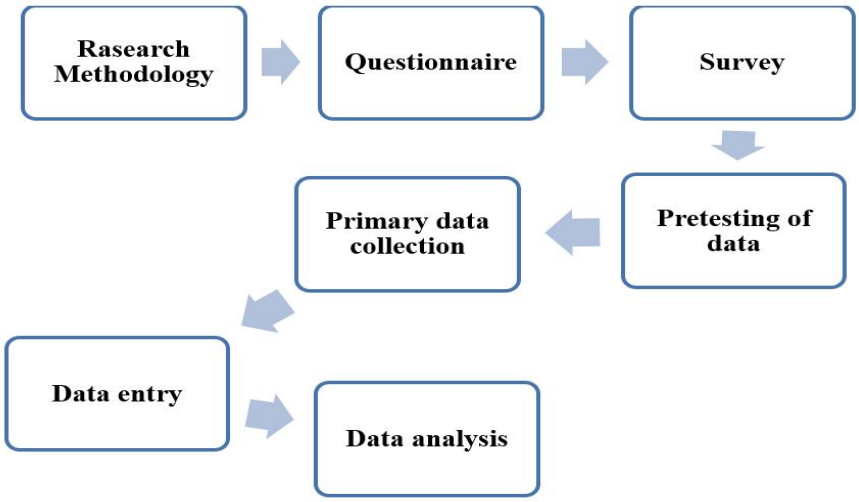
Residence	Mean	N	Std. Deviation
Rural (0)	74520.83	48	96747.091
Urban (1)	216153.85	52	324765.278
Total	148170.00	100	252656.834

Table 1 shows considerable disparities in monthly revenue between female entrepreneurs in rural and urban locations. Women in rural regions (marked as "0") earn an average monthly income of 74,520.83 with a standard deviation of 96,747.09, demonstrating a significant range of wages within this demographic. In comparison, urban women entrepreneurs (classified as "1") have a substantially higher average income of 216,153.85, but they also display significant variability, as seen by a large standard deviation of 324,765.28. This disparity indicates that urban entrepreneurs earn significantly more than their rural counterparts, with average wages roughly three times greater. However, the wide standard deviations in both categories,

particularly among urban entrepreneurs, indicate significant income disparities within each group.

Raheem (2019) also employed a multiple linear regression model to assess the influence of social, political, individual, and economic factors on women entrepreneurs' firms and their success. Their findings show that entrepreneurial variables such as social, political, individual, and economic factors have a significant influence on how successfully enterprises operate.

Figure 1: Conceptual Framework



RESULTS AND DISCUSSION

Regression Analysis

A multiple regression analysis investigated the impact of seven variables on the dependent variable, which is monthly income. The model rated for 69.3% of income variance i.e. R square is 0.693 with $p< 0.001$. Table 2 highlights the results, significant predictors were number of workers with beta value of 0.154 and p=0.022, location with beta value of 0.115 and p=0.05, Marital Status with beta value of 0.115 and p=0.060, and social capital with beta value of 0.180 and $p < 0.05$. Age with beta value of 0.109 and p=0.300 and experience with beta value of -0.021 and $p = 0.839$ were insignificantly affecting the dependent variable. No autocorrelation was detected as Durbin-Watson statistic stands at 2.141. Variance inflating factor was less than 2.5 revealed no multicollinearity. The analysis identifies that size of workforce, digital technology, social capital, location and marital status have significant impact on income among women entrepreneurs in Faisalabad.

DISCUSSION

Table 2: Estimated results

Table: 2 Estimated results

Variables	Coefficient	SE	P>|t|
Age_i	.109	0.105	.300
$Marital\ Status_i$	.154*	0.090	.022
$Experience_i$	-.021	.140	.839
$No\ of\ Worker_i$	.817***	0.100	.000
$Location_i$	.115*	0.080	.050
$Social\ Capital_i$	.180*	0.110	.026
$Digital\ Technology\ Access_i$	.200**	0.100	.008
Constant	1.086	25.00	0.00
No of Obs	100		
F stat.	42.476310		
Adj. R^2	0.693		

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The results from the study indicate that the size of workforce is a dominating factor in income generation. It is because of increased productivity and scale of business. Our results are consistent with prior research on entrepreneurial practices (Raheem, 2019). Marital status affects the income positively, revealing the support married women get from their husbands and family, a factor meriting in depth investigation. Location has an exceeding impact, with urban entrepreneurs getting benefits from access to shops and resources. Access to digital technology and social capital provide new insights. Digital technology improves income significantly, probably by making women able to reduce mobility hurdles and reach broader markets using tools such as online platforms or WhatsApp. This result is in line with (Crittenden et al., 2019) we observed technology's empowering the role of women entrepreneurs in developing economies. Social capital as well increases income, informing that networks give access to resources, advices and clients. This outcome is consistent with community support (Barghouthi et al., 2018).

This study forms on (Khan G et al, 2018) research on women's entrepreneurship in Pakistan by incorporating social and digital dimensions, in contrast with (Raheem, 2019) which only focused on traditional barriers. This study presents how technology and social capital can solve such obstacles. The

insignificance for experience and age diverges from some studies like (Jones, 2019), pointing that in Faisalabad easy access to digital tools and networks possibly holds importance more than experience (years in business).

By complementing the voices of women in Faisalabad, this research opens the doors for equitable opportunities, economic empowerment and inspires international discussion on entrepreneurship and gender.

Implication for Policy and Practice

The policy implications are earnest. Encouraging the stakeholders such as Faisalabad Chamber of Commerce to join hands with different platforms like SMEDA and Daraz for mentorship program and training, corresponding with National SME policy 2021 to improve the economic empowerment of women entrepreneurs. Despite constraints of small sample, the study's robust methodology promises well founder insights. Further research should employ longitudinal methods to assess digital adoption trends and social networking.

The results emphasize practical rooms. Policymakers in Faisalabad could sequence digital literacy programs to enable women with required skills for online marketing and e-commerce, turn up their economic influence. Likewise, improving networking events and schemes of mentorship could increase social capital, providing sturdy support system. Such steps could strengthen women's participation to the domestic economy and address gender discrepancies.

Limitation for Future Research

The research's cross-sectional nature limits informal culmination, and its sample size term enough restricts broader applicability. Small sample statistics on income and networks possibly carry biasness. Further research could apply longitudinal frameworks or objective metrics to justify these results. Finding how adaption of digital tools and networks enhance over time could more illuminate their impact.

CONCLUSION

This research highlights the critical factors of monthly earning among women entrepreneurs in Faisalabad. Illuminating that the size of workforce, social capital, access to digital technology, location, marital status significantly improve income, elaborating 69% of income variance. The vital addition of social capital and digital technology underscores their transformative impact in directing mobility constraints and enhance access to the market. The outcomes of the study advance the literature of entrepreneurship by providing context-specific evidence from a emerging economy, opposing the traditional models that engage experience and age (Crittenden et al., 2019). By illuminating how digital elements such as WhatsApp, Daraz, and social networks empower women entrepreneurs, this study builds a pivotal gap in understanding dynamics of gender in informal economy of Pakistan.

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