Women’s entrepreneurship and social capital: Exploring the link between the domestic sphere and the marketplace in Pakistan

Muhammad Salman Khan, Department of Geography, Kings College London, United Kingdom.

Email: muhammad_salman.khan@kcl.ac.uk

To cite this article: Khan, Muhammad Salman. 2020. Women entrepreneurship and social capital: exploring the link between the domestic sphere and the marketplace in Pakistan. Strategic Change, 29 (3), pp. 375-387.

Abstract

Research on the social capital of women entrepreneurs in contexts characterized by gender segregation between men’s and women’s trading spaces is underdeveloped. The literature on women’s entrepreneurship and the marketplace in Pakistan is one such example. This paper contributes to the literature on the social capital of female entrepreneurs from a critical perspective by drawing on an exploratory case study of women’s entrepreneurship and entrepreneurial networks in the Malakand District of the Khyber Pakhtunkhwa province of Pakistan. Women’s social capital was found to play an important role in the survival and expansion of their business activities by facilitating access to the men’s trading sphere of the marketplace. It was also found that women exercise active agency in developing cross-gender economic networks, but do so in ways that do not overtly challenge social norms.

1. Introduction

This paper contributes to the literature on the social capital (SC) of women entrepreneurs in two major ways: firstly by highlighting the role of women’s networks in the survival and expansion of women’s entrepreneurial activities, and secondly by analysing how women use their agency to develop networks for gaining access to the marketplace (Yetim, 2008; Roomi, 2013; Lindvert et al., 2017). The gender and entrepreneurship literature often overlooks the data-gathering difficulties associated with research on female entrepreneurship in less-advanced economies (Henry et al., 2016, p. 18). This has led to a major gap in the literature on women’s entrepreneurial networks and the role these networks play in connecting home-

1 Jell Classification Codes: D1, L26, Y80, z13.
based activities, as a women’s entrepreneurial sphere, to markets, as a men’s entrepreneurial sphere. Understanding the role of these networks for women’s entrepreneurial activities is critical in contexts characterized by similar features to those in Pakistan, where the cultural norms of *parda* (women’s seclusion) and *izat* (honour) restrict women’s economic activities to the domestic sphere (Weiss, 1998; Al-Dajani & Marlow, 2013). Women’s entry to markets as traders is culturally prohibited, and markets serve as men’s entrepreneurial sphere (Khan, 2019). Such research geographies translate into a gender-segregated body of literature: women’s entrepreneurship research is largely by women, for women and about women, while studies on male entrepreneurship are largely for men, by men and about men (Marlow & Martinez Dy, 2018, p. 3). The scarcity of female researchers in the marketplace literature in Pakistan (Amirali, 2017), and infrequent presence of male scholars studying women’s entrepreneurship in the country (Ullah et al, 2012; Roomi, 2013), perhaps present one of the best examples of this gender segregation within entrepreneurship research (Khan, 2018). Drawing on the author’s PhD on marketplaces in Pakistan (Khan, 2019), and presenting empirical exploratory findings on women’s entrepreneurship and entrepreneurial networks, the present study contributes to the literature on women entrepreneurs and SC by exploring women’s entrepreneurial networks and their role in facilitating women’s access to the marketplace in Pakistan (Roomi, 2013; Lindvert et al., 2017).

The gender dimension of the literature on the SC of women entrepreneurs in Pakistan is especially underdeveloped. This article therefore focuses primarily on women’s SC. Not only is the literature on marketplaces and women’s entrepreneurship “gender-blind”, but so is the literature on the SC of women entrepreneurs in Pakistan (Smith, 1978, p. 172, cited in Agarwal, 1997, pp. 36-37). Of 11 studies on marketplaces in Pakistan, only three make any attempt to explore women’s participation, while the rest either exclude women from their samples due to access barriers or do not mention them at all in their research design (Khan, 2018). On the other hand, the literature on female entrepreneurship is more extensive and focuses on institutional constraints (Gohar & Abrar, 2016), the mobility barriers posed by cultural norms of women’s seclusion (Roomi & Parrott, 2008; Roomi & Harrison, 2010), or the limited SC of women that is primarily restricted to their family networks (Roomi, 2013; Lindvert et al., 2017). However, this prior literature views women’s entrepreneurial activities and entrepreneurial networks as separate from, and inferior to, those of their male counterparts (Henry & Marlow, 2014). SC is usually defined as networks of relationships and norms of cooperation, such as trust and reciprocity, that are manifested through power
relations (Christoforou & Davis, 2014, p. 3). SC is central to women’s access to the marketplace as entrepreneurs and to their entrepreneurial success. This paper therefore focuses on the network dimension of SC to explore its role in facilitating women’s access to the marketplace in Pakistan, and its implications for the survival and expansion of women’s entrepreneurial activities.

To this end, this paper tackles a number of key questions: how do women entrepreneurs in the Khyber Pakhtunkhwa (KP) province of Pakistan access the marketplace through their networks; what are the implications of these networks for the survival and expansion of their entrepreneurial ventures; and how do women exercise their agency to develop cross-gender entrepreneurial networks in contexts where their mobility in the public space and their ability to develop cross-gender networks are culturally constrained? To answer these questions, the paper draws on an exploratory case study of the Malakand District of the KP province. It uses both survey data and in-depth qualitative interviews that are primarily exploratory in nature.

It was found that cross-gender networks play a key role in the survival and expansion of women’s entrepreneurial ventures. Given its exploratory nature, this study avoids definitive claims, but highlights the nuances of hitherto neglected cross-gender entrepreneurial networks in the context of KP. This is an important contribution amid the gender-blindness to women’s cross-gender entrepreneurial networks of both the marketplace and women’s entrepreneurship literature in Pakistan. This contribution also serves as a corrective measure to the unquestioned replication of Western perspectives on women’s entrepreneurship in specific entrepreneurial contexts like Pakistan.

The choice of research questions has been influenced by earlier empirical work on women’s entrepreneurship in a developing state context and in Pakistan. This earlier research explored institutional factors influencing women’s entrepreneurial activities and their ability to use agency (Roomi, 2013, 2018), barriers to women’s mobility in shaping their entrepreneurial choices (Kamal & Woodbury, 2016), male domination of the entrepreneurial context of Pakistan (Omeihe et al., 2019), and the limited SC of women entrepreneurs due to a patriarchal culture and gender-segregated entrepreneurial context (Lindvert et al., 2017). This paper closes a particular knowledge gap in the existing literature by analysing the role of women’s SC in facilitating their access to marketplaces, which are a men’s entrepreneurial sphere in Pakistan.
The rest of this paper is structured in four parts. Section 2 develops the SC theoretical frame with reference to women’s entrepreneurship and SC, and examines the current state of the literature on women’s entrepreneurship and SC in Pakistan. Section 3 details the empirical setting along with the data generation and analysis methods, while Section 4 presents the empirical findings. The conclusions and the theoretical implications of these findings are discussed in Section 5.

2. Developing a social capital theoretical frame for women’s entrepreneurship

To develop the foundations for discussing women’s SC, this paper draws on critical theory that highlights three distinct areas. The first of these areas is a general weakness in feminist theory that overlooks the fact that, despite improvements in women’s economic conditions, apparently closing gender gaps does not support the fact that women’s autonomy is increasing (Bourdieu, 2000, pp. 1-2). The second area concerns the view that the social order serves as an immense symbolic machine, tending to ratify the symbolic domination on which its foundations rest. As Bourdieu (2000) noted: “It is the sexual division of labour, a very strict distribution of activities assigned to each sex, of their place, time and instruments which is the structure of space with the opposition between the place of assembly or the market, reserved for men, and the house, reserved for women” (p. 8). The third area relates to the fact that conventional Western perspectives on women’s entrepreneurship face the problem of applicability in specific entrepreneurial contexts like Pakistan (Tlaiss, 2015). Inapplicability of conventional Western perspectives results in increased sensitivity in the growing feminist literature on women’s entrepreneurship in patriarchal Islamic developing societies, which argues that women entrepreneurs exercise agency without necessarily challenging existing patriarchal structures (Al-Dajani & Marlow, 2010, 2013; Ahl & Marlow, 2012). Within this framework, using SC as a heuristic device, this paper analyses the role of women’s entrepreneurial networks in the survival and expansion of their entrepreneurial activities.

Multiple and often conflicting definitions, theoretical foundations and empirical measures of SC exist within the literature on entrepreneurship, SC and small businesses, which has led to considerable differences in construct definition, research design and sample determination (Stam, Arzlanian & Elfring, 2014, p. 152). However, broad agreement exists that SC constitutes networks of relationships and norms of cooperation such as trust and reciprocity (Christoforou, 2013; Christoforou & Davis, 2014). This paper specifically analyses the network dimension of SC and its implications for women’s entrepreneurial activities in
Pakistan. The SC literature further divides the network-structural dimension of SC into formal (associational) and informal (interpersonal) networks (Molenaers, 2003). Informal interpersonal networks of individual entrepreneurs are the main concern of this paper. From the start-up stage of the business to its stability, networks play a crucial role in structuring the success and chances of women’s entrepreneurial ventures (Aldrich & Zimmer, 1986). The role of these networks in shaping women’s economic activities depends on the context within which they are embedded (Harriss-White, 2010, pp. 172-3). In patriarchal Islamic societies, women rely on male family members to connect to men’s networks (Barragan et al., 2018). In addition to their exclusion from formal networks (Barragan et al., 2018), women face exclusion from male-dominated informal networks, which also limits the success of their business activities (Hattab, 2012).

Within most of the developing world, reliance on interpersonal networks is greater than reliance on associational networks (Molenaers, 2003). Specific problems hinder the formation of women’s associations: for instance, illiteracy, barriers to mobility, and finding women leaders who enjoy acceptability (Mehtap et al., 2017). In Pakistan, these factors specifically impede the development of women’s associational networks (Aziz et al., 2011; Lindvert et al., 2017). Therefore, informal interpersonal ties play a key role in the survival and stability of women’s businesses (Roomi, 2013). This also holds true for other developing state contexts, where religious and cultural norms limit the mobility of women entrepreneurs in the public sphere (Barragan et al., 2018; McAdam et al., 2018). These norms additionally restrict women’s agency to develop cross-gender networks (Barragan et al., 2018; Roomi, 2013).

Gender, defined here as a process, is an important dimension of the formation, use and outcomes of SC in women’s entrepreneurship. The extant literature suggests that female entrepreneurial networks are unlike those of their male counterparts. Three decades ago, McPherson & Smith-Lovin (1986) found that men in the USA belonged to core economic organisations that provided access to jobs and business opportunities, whereas women belonged to organisations that focused primarily on domestic affairs, giving them networks in the domestic realm. Nearly two decades later, Norris & Inglehart (2003) found that organisational membership remained segmented by sex not only in the USA but in many other nations (p. 2). Recently, McAdam et al. (2018) found a hierarchy of formal networks in which women-only networks were positioned lower, with a major focus on SC accumulation, while men-only or mixed networks were positioned higher, having a more strategic orientation including interaction with key players in the entrepreneurial ecosystem. Women’s
networks in the labor and business market suffer from closure penalty, and are negatively associated with power. In contrast, men’s networks are positively associated with position and power, and are larger in absolute terms (Brass, 1985, cited in Lutter, 2015, pp. 331-332). Dissimilarities between women’s and men’s networks also determine the role of SC in women’s entrepreneurial success or failure (Aldrich et al., 1989). The literature on female entrepreneurship and SC shows that women rely more on strong ties (Spring, 2009, p. 22), that informal networks play a greater role than formal networks in their business survival and expansion, and that women are in a disadvantaged position in terms of the resourcefulness of their networks (Sharafizad, 2011; McAdam et al., 2018). Moreover, networks of women entrepreneurs include fewer (than men’s networks) male contacts (Aldrich et al., 1989). This is mainly because men hold more lucrative positions, whereas women are concentrated at the lower end of the income hierarchy. Lee (2015) argued that women could create entrepreneurial advantage by creating social ties and by promoting SC (see also Roomi, 2013). There is a need to grasp the complexity of the entrepreneurial context in which the gendered composition of networks also has a spatial dimension, underpinned by cultural and religious norms (Khan, 2019, Chapter 4). These norms prohibit women from developing cross-gender networks (Lindvert et al., 2017, p. 782). Moreover, the sex-related norms of particular industry, the social values related to gender roles in a society, and community pressures all impede women’s ability to expand their networks, particularly across gender boundaries (Lindvert et al., 2017). Nevertheless, aware of the significance of networks in providing access to men’s entrepreneurial sphere, women reflexively exercise agency to gain access to the men’s sphere with the approval and help of their male family members (Barragan et al., 2018).

The gender-segregation of entrepreneurial networks limits the opportunities for business enhancement by women entrepreneurs (Sappleton, 2009, p. 208). Most female entrepreneurs own and run businesses in low-growth sectors, operate in local markets and have limited potential for financial growth. Furthermore, women business owners operating in female-dominated sectors have higher SC within their own sector, but limited networks in the non-traditional (non-female) sectors, which limits their chances of success in these sectors (Aldrich et al., 1989, p. 339; Sappleton, 2009, p. 198). Women face particular challenges when establishing and accessing networks (Neergaard et al., 2005, p. 339). In patriarchal Islamic societies, women do not overtly push the boundaries to overcome these barriers
because the society is structured in such a way that entrepreneurial activities and identities are regulated through men (Barragan et al., 2018, p. 587).

This suggests the embeddedness of women’s entrepreneurial networks within local institutions and the use of women’s agency in the formation of networks of various types. The reflexive exercise of agency by female entrepreneurs is shaped by a combination of objective socioeconomic structures and the subjective interactions of individuals with those structures (Bourdieu, 2000). Spring (2009), in her study of women’s entrepreneurship and SC in Africa, argued that women with a lower socioeconomic status relied heavily on strong ties, whereas those at the higher end of the socioeconomic ladder had and could use weak ties. Ekpe et al. (2015, p. 362) noted that women with high growth resources tended to use more formal networks, whereas those with low growth resources tended to employ informal social networks. In patriarchal Islamic societies, where familial and religious norms dictate the rules of networking, women face additional barriers to the development of their entrepreneurial SC, which is one of the key elements of their business success (Roomi, 2013). Enjoying support from immediate family, eliminating mobility barriers, gaining increased access to transport, and having the opportunity to develop cross-gender networks contribute to the success of women-owned businesses (Roomi & Harrison, 2010; Roomi, 2013). Despite the emphasis on the significance of networks for women’s entrepreneurial success (McAdam et al., 2018; Roomi, 2013), a systematic empirical analysis of these networking practices and their outcomes for home-based entrepreneurial activities is underdeveloped, specifically for micro enterprises (Roomi, 2013; Barragan et al., 2018; McAdam et al., 2018).

2.1 Social capital and women’s entrepreneurship in Pakistan

SC is now a well-established research industry with at least five mainstream approaches including those of Bourdieu (1986), Coleman (1988), Putnam (1993), Portes (1998) and Lin (2000), among others. The literature on SC in Pakistan remains underdeveloped in relation to women’s entrepreneurship. However, prior studies offer some key insights. Associational SC of Putnam’s (1993) type is not a useful measure to explore the SC of women entrepreneurs. Many national non-profit organisations, with the help of international donors, try to establish advocacy associations for home-based female workers in the informal sector. However, as Majid & Malik (2016, pp. 28-29) have noted, most home-based workers are concerned with the provision of the most basic services rather than the traditional advocacy-based models promoted by these NGOs. Thanks to Lindvert et al.’s (2017) study on SC and women’s
entrepreneurship, we also know that Portes’ (1998, 2010) conceptualisation of SC is inapplicable within the specific cultural setting of Pakistan. Hence we are left with three mainstream conceptualisations of SC: those of Bourdieu (1986), Lin (2000) and Coleman (1988). We focus specifically on Bourdieu’s conception, as it offers a more sophisticated treatment of SC than Coleman (1988), by providing for the role of culture, values and power within which not only the economy but SC are embedded (Christoforou, 2013, pp. 725-26). Lin’s neoclassical approach to SC is not adopted because it fails to see that the type of network analysis it proposes reduces the social structure to inter-subjective relationships and observed interactions (Christoforou, 2014, pp. 71-2).

In Pakistan, formal networks do not play a substantial role in the growth of women-owned businesses (Zeb & Kakakhel, 2018). Ali (2010, p. 315), in his ethnography of working class women in the ready-to-wear export garment industry of Karachi, noted that associational activities or unionisation were virtually non-existent because they were suppressed by industry owners and manufacturers. In addition, Aziz et al. (2011) found that community norms and barriers to women’s mobility in the public space were a major hindrance to the development of women’s associations for collective action. Suleri et al. (2016), in a recent panel survey, found that women’s participation in associations of various types was restricted by patriarchal norms of local culture.

Therefore, the most valuable SC for women entrepreneurs in Pakistan comes from strong interpersonal relationships. Lindvert et al. (2017) concluded that the strongest (most valuable) SC came from women’s closest male relatives, which resonates with Roomi & Parrott’s (2008) finding that in 70 per cent of cases, fathers and husbands supported the business start-up. Roomi (2013) found that the personal resources and SC of women entrepreneurs had a significant role in their business growth. Moreover, the support of family, independent mobility and the ability to interact with men play a decisive role in the growth of sales and employment at women-owned enterprises. A crucial way of strengthening women as economic actors is to improve support for business start-ups from close ties (Lindvert et al., 2017).

Despite these advances, the literature on SC and women’s entrepreneurship in Pakistan suffers from two major limitations. Firstly, it blends together different sizes of businesses, which in itself is problematic for the analysis of women’s entrepreneurship (Spring, 2009), and overlooks the power dimension of the networks of women entrepreneurs. Secondly, it
fails to address a more crucial question related to the spatial dimension of networks. This dimension, defined by cultural norms in Pakistan, spells out gender-defined roles in society, and segregates trading spaces into public and private, the former reserved for men and the latter for women (Weiss, 1998). These gendered norms are internalised by women from their very childhood, which limits their ability to recognise and exploit entrepreneurial opportunities (Brush et al., 2009).

3. Empirical settings and methods

For nearly a decade, Pakistan has been consistently ranked by the World Economic Forum as the second-worst performing country on the gender gap index. In the individual categories of this index, Pakistan’s performance in terms of women’s economic participation is among the worst (139th out of 144), and the country is the worst-performing of seven South Asian countries on all four indices (Malik, 2018). According to the Global Entrepreneurship Monitor (GEM) report for Pakistan, the total early-stage entrepreneurial activity (TEA) rate in Pakistan is 11.5 per cent, of which 24 per cent are opportunity-based and 76 per cent need-based. The TEA rate for women in Pakistan is 17 times lower than that for men. This gender gap is one of the largest in the world (Qureshi & Mian, 2012, p. 7). The informal economy constitutes 73 per cent of the total non-agricultural employment in Pakistan where women constitute 26 per cent (Labour Market Profile, 2018, p. 13). Eighty per cent of the employed women in Pakistan work in the informal sector (ILO, 2013). Since most women entrepreneurs operate in the informal sector and the domestic sphere, formal regulations hardly reach their everyday economic activities, and thus social institutions govern women’s economic aspiration and actions (Gohar & Abrar, 2016). Experts on entrepreneurship in Pakistan report cultural and social norms to be more negative for entrepreneurship in the country than in factor-driven and efficiency-driven economies (Qureshi & Mian, 2012, p. 8). Weiss (1998), in her study of the walled city of Lahore, argued that the gender-segregation of trading spaces confined women’s economic activities to the private sphere of the household, thus making them vulnerable to exploitation by male middlemen and traders. Furthermore, the fact that women’s mobility for all practical purposes is 50 per cent lower than that of men in Pakistan places women entrepreneurs in a disadvantaged position (Adeel, 2016, pp. 1-3). Ali (2010) noted that despite formidable cultural barriers, socioeconomic change was leading to women’s increased economic participation in the public space. Push factors (the necessity to earn a living) and pull factors (perceived market opportunities) both contribute to the increasing economic participation of women (Kamal & Woodbury, 2016).
In KP, one of Pakistan’s five provinces, women’s entrepreneurship is on the rise, which is evident in the establishment of women’s chambers of commerce, women-only trade exhibitions and women’s training centers. However, these measures do not alleviate the challenges faced by small and micro entrepreneurial ventures due to outdated women’s empowerment policies (Muhammad & Qazi, 2017), the inability to facilitate women’s access to the marketplace (the biggest constraint on women’s economic participation) and, above all, insufficient information on women’s economic activities due to unreliable and inaccurate statistical data (Kamal & Woodbury, 2016; Roomi, 2013, 2018). The focus of this study is the Malakand District of KP (see Map 1). The labor force participation rate (LFPR) in KP is the lowest of the five provinces at 37 per cent, well below the national average of 46 per cent. The unemployment rate in KP is the highest (nine per cent) of any of the provinces, against a national average of six per cent. The LFPR of women in the province is 14 per cent, which is the lowest in the country after Baluchistan (Kamal & Woodbury, 2016, note 20). In addition, the proportion of the population below the poverty line in the province is 39 per cent, which is higher than the national average (Kamal & Woodbury, 2016, note 21).
Map 1. District Map of NWFP (Khyber Pakhtunkhwa) and FATA. Source: Election Commission of Pakistan, cited by Khyber.org, 2010
Map 2. Malakand District administrative divisions. Source: OCHA
As in other patriarchal Islamic societies in Asia and Africa (Hattab, 2012; Barragan et al., 2018), female-owned, home-based micro enterprises are on the rise in KP, despite significant barriers to their access to the public space of the marketplace (Kamal & Woodbury, 2016). The present study is the first of its kind to focus on the SC of female entrepreneurs in KP. It is sensitive to some of the existing methodological limitations of the marketplace and women’s entrepreneurship literature in Pakistan. Since the data is largely exploratory, any definitive claims/conclusions are avoided. Despite these limitations, contextualising our empirical data within the broader literature on women’s economic participation, entrepreneurship and SC in Pakistan ensures the validity of our findings. Instead of lumping together different types of women’s entrepreneurial ventures, this study takes as its subjects the female owners of micro enterprises. This is mainly because women’s entrepreneurship, which is often treated as a homogeneous analytical category at least in Pakistan, has nuances of its own that are overlooked both in the literature and in development practice. To capture these nuances, a review of the literature on SC in business studies suggests the use of qualitative methods is appropriate (Lee, 2009).

3.1 Data generation and analysis

The fieldwork for this study was conducted between March and April 2018 in the Batkhela subdivision of the Malakand District (see Map 2). An exploratory survey was conducted to generate demographic data, and information about the type, scale and scope of women’s business activities in the district, the patterns of women’s access to the marketplace, the type of networks used by women entrepreneurs to gain access to the marketplace, and the major support networks in terms of providing access to markets and finances.

Random sampling and random walk methods for recruiting female participants for the survey were impractical in the context of the Malakand District, because they were expensive in terms of both time and cost (Goodman, 2011, p. 351). Women entrepreneurs are confined to the domestic sphere, the access of male researchers to women is restricted, and formal statistics on women’s activities and locations are unavailable (Suleri et al., 2016; Kamal & Woodbury, 2016). Three channels were used for generating survey data: through the craft centers managed by the district social welfare office; through women-only colleges in the district; and with the help of the author’s sister, who helped as a research assistant for
generating survey data. The response rates for the first two methods were 5 and 10 per cent respectively, whereas in the third case it was 55 per cent. Overall, 230 questionnaires were distributed, with 45 received in their completed form (19.5 per cent). Five of these 45 questionnaires were excluded owing to duplication with the responses from the social welfare and college channels. Trends in the survey data were identified using simple frequency counts (see Table 2).

This survey was followed by five semi-structured, in-depth interviews with women entrepreneurs in the Batkhela subdivision of the Malakand District. Three of the interviewees were relatives of the author who also identified and helped in recruiting the other two. Thus, a combination of convenience and snowball sampling was employed (Etikan et al., 2016, p. 1; Goodman, 2011, p. 351). The interviews lasted between 25 and 51 minutes. They were conducted in Pashto, and were translated, transcribed and coded by the author. The data was appropriately anonymised and pseudonyms used to represent the interviewees. Thematic analysis was applied to analyse the interview data (Braun & Clarke, 2006). This means that an interview guide was developed, but critical themes were allowed to emerge and dialogue with the initial theoretical frame (Smith & Elger, 2014). The data was organized under three main themes and 14 subthemes (see Table 1). Following Maxwell (2012, pp. 105-106), categorizing and connecting strategies were employed to analyse the data and draw conclusions. These findings were triangulated with extensive field notes on the accounts of male traders regarding their interactions with female customers and entrepreneurs. Face-to-face, in-depth interviews with women were possible due to the author’s indigenous status and extensive family ties in the district. Access to women and the opportunity to discuss various sensitive topics enabled this research to uncover critical aspects of women’s networking in a society where SC is perfectly gendered (Norris & Inglehart, 2003; Marsden, 2005).

---

2 This pragmatic combination of access methods is drawn from past studies in the KP. Schools and colleges are hardly ever being used to gain access to women entrepreneurs; help from a wife or sister was first used by Ahmed (1980, p. 9); and Gohar & Abrar (2016) acquired help from government departments and a women’s business and development center in Peshawar. These methods located and recruited participants to overcome access barriers.

3 These field notes were generated during the exploratory study in April 2018 and during the author’s PhD fieldwork in 2015 and 2016 (Khan, 2019).
Table 1. Data analysis

<table>
<thead>
<tr>
<th>Key themes</th>
<th>Networks</th>
<th>Norms</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subthemes</td>
<td>Cross-gender networks</td>
<td>Women’s seclusion</td>
<td>Making choices</td>
</tr>
<tr>
<td></td>
<td>Assocational networks</td>
<td>Restricted mobility to marketplaces</td>
<td>Accessing markets</td>
</tr>
<tr>
<td></td>
<td>Interpersonal networks</td>
<td>Prohibition on trading in markets</td>
<td>Creating networks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prohibition on establishing ties with men</td>
<td>Maintaining networks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Empirical findings

This section presents the findings on the characteristics of home-based women entrepreneurs in the Malakand District, their businesses, and the type of networks they use to access market and financial resources. The role of SC in providing access to the marketplace is examined, along with and its impact on the survival and expansion of home-based, female-owned micro enterprises. This is followed by an analysis of how women entrepreneurs exercise agency in the development of their entrepreneurial networks.

4.1 Characteristics of women’s entrepreneurial activities in the Malakand District

Our exploratory survey not only generated demographic data, but also helped identify the characteristics of female-owned, home-based micro enterprises in the Malakand District, and the patterns of their interactions with the public sphere of the marketplace. The businesses included seamstresses (40 per cent), painting and ceiling design (10 per cent), knitting (10 per cent), leather work (10 per cent), embroidery (10 per cent), and beauty parlors/beauticians (10 per cent). All the women were own-account workers with monthly income ranging from PKR 1,000-40,000 (US$6.5 to $242). Fifty per cent of the business owners were below the age of 30, and 35 per cent were aged 31-40. Only 10 per cent were in the 41-50 age bracket. Fifty-five per cent of the respondents were single, 40 per cent were married and five per cent were widows. In terms of education, 30 per cent were educated to primary level, 30 per cent had a higher secondary certificate, five per cent held bachelor’s degrees, and 25 per cent had completed a master’s degree. Seventy per cent of the businesses were less than four years old, 10 per cent were set up between five and 10 years ago, and 10 per cent had existed for more than 10 years. Eighty per cent of the women had started their businesses because of poverty and the need to support their families (need-based entrepreneurs), and the other 20 per cent had started due to pull factors such as turning a hobby into a profitable activity or doing...
something useful. Table 1 summarizes the networking trends of the women entrepreneurs and the role of these networks in facilitating the women’s access to the marketplace.

Table 2. Trends on women’s entrepreneurial activities and entrepreneurial networks in the Malakand District

<table>
<thead>
<tr>
<th>Variable</th>
<th>Affirmative response</th>
<th>Negative response</th>
<th>Valid responses</th>
<th>Total responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in women’s association for accessing the marketplace</td>
<td>0</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Relying on interpersonal networks for accessing the marketplace</td>
<td>40</td>
<td>0</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Dealing with female customers only</td>
<td>40</td>
<td>0</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Having male customers</td>
<td>0</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>All my customers are family members and relatives</td>
<td>26</td>
<td>14</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>My friends are also my customers</td>
<td>8</td>
<td>32</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>People in the neighborhood other than friends and family are my customers</td>
<td>6</td>
<td>34</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Relying on middleman for managing supplies</td>
<td>0</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Relying on middleman for selling products</td>
<td>0</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Relying on male suppliers</td>
<td>34</td>
<td>4</td>
<td>38</td>
<td>40</td>
</tr>
<tr>
<td>Relying on female supplier</td>
<td>8</td>
<td>32</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Acquiring goods from male suppliers on credit</td>
<td>32</td>
<td>8</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Male suppliers are helpful in facilitating purchases from other male suppliers</td>
<td>26</td>
<td>14</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>I have fixed male supplier/suppliers</td>
<td>28</td>
<td>12</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Mobile phone facilitates contact with male supplier</td>
<td>40</td>
<td>0</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Can your business grow in the current environment? (business optimism)</td>
<td>36</td>
<td>4</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

Table 2 illustrates some broad trends of the gendered dynamics of women’s entrepreneurial activities in the Malakand District. Despite the restriction of these activities to the domestic sphere, and the formidable barrier to increasing their customer base posed by the difficulty in accessing the marketplace, most of the women entrepreneurs were optimistic about the prospects of business success and sustainability. Interpersonal networks, enhancements in telecommunications, especially mobile phones, and personal visits to the market were seen as the main ways to interact with the male trading sphere. Interpersonal networks played an important role in sales. Forty-five per cent sold their products personally, 12 per cent did so
with the help of a male retailer in the market, and 20 per cent relied on female friends and relatives whereas 23 per cent did not respond. As demonstrated above, ties with male suppliers were fixed, which was helpful in acquiring credit and in facilitating the purchase of products and equipment at reasonable prices. Thirty per cent of the respondents had one fixed supplier, 20 per cent reported three fixed suppliers, and 20 per cent reported more than five fixed male suppliers. Thirty per cent of the total sample reported having no fixed supplier at all. Contact with male customers was absent, but contact with male suppliers was a consistent feature. All the respondents agreed on the importance of mobile phones in maintaining their contacts with male suppliers. Interestingly, 45 per cent reported that male suppliers delivered the goods after they were ordered over the phone if needed, whereas 30 per cent relied on personal visits to the marketplace.

**4.2 The role of SC in the survival and expansion of female-owned home-based businesses in the Malakand District**

“I wish I was educated – I might have been earning something and might not be dependent on [my husband]” (Sabiha interview, 3 April, 2018). Sabiha’s desire for economic independence suggests that social change is under way, leading to a rising consciousness among women living in the region. Traditional thinking also lingers, whereby women are unable and in some cases unwilling to challenge the existing patriarchal structures (Al-Dajani & Marlow, 2013). Sabiha’s desire to earn an independent income served as a pull factor for her decision to venture into a retail business of women’s clothes. However, due to family “honor” and her husband’s disapproval of her trade, she decided to execute her decision without his knowledge. Faced with an additional barrier of a lack of independent mobility, she had to rely on her limited networks to access the male sphere of the market for supply and the female sphere of customers for sales. Her entire network of suppliers and customers consisted of women. Two paternal cousins living in the urban centers of Peshawar and Lahore provided the supplies needed, which were then sold to women in the village by her brother’s wife, who ran her husband’s business at home. Sabiha’s venture failed in its 11th month, owing to its discovery by her husband. Explaining the reason for discontinuing her business, she stated: “There was no reason but [my husband] was getting upset. Therefore I had to put an end to my business. [...] It was not that I was earning a lot, but I was enjoying what I was doing. I could have done much better if I had not had to hide it” (Sabiha interview, 3 April, 2018).
The case of a second interviewee, Hasina, corroborates Sabiha’s story and suggests that the support of male family members is critical for the survival of women’s entrepreneurial activities. Hasina, who has the same family background and socioeconomic status as Sabiha, converted her hobby of giving beauty treatments into an entrepreneurial venture. She faced the same mobility barriers, but enjoyed the support of her husband. Her access to the marketplace also relied entirely on female networks. To upgrade her business, Hasina decided to purchase some electronic equipment such as hairdryers, straighteners, trimmers and epilators. She asked one of her sisters-in-law to accompany her to Swat market where she was joined by her female cosmetics supplier, who negotiated the price of the equipment with the male business owners. Hasina stated: “[The supplier] knows them, that’s why I got this stuff for a better price. If I was alone, I would have ended up buying lower quality machines for a much higher price. [The supplier] has her parlor in Swat and she has known these shopkeepers for many years; therefore, when she asks them to be fair with someone, they consider her recommendation and offer good material for a better price” (Hasina interview, 1 April, 2018). The supportive role of Hasina’s husband was allowing her to continue her business, and her female networks were facilitating access to the market for purchasing products. Family networks were also contributing to the expansion of her business. After my interview with Hasina, her husband’s brother asked her: “My wife’s sister was asking if you would go to her in-laws’ house to prepare their bride.” Hasina replied: “Certainly! But only if they pick me up and drop me off, or pay the taxi fare” (Field note, 1 April, 2018).

Need-based entrepreneurs also depend on these networks for access to the marketplace and for the survival and expansion of their businesses. Zakira’s father, who was the only male breadwinner of her family, died and left the family in extreme poverty. Zakira and her sister started earning their family’s livelihood by stitching female clothes. Their contact with the marketplace was only to purchase threads of various colors and needles, and for the occasional repair of their sewing machine. For this purpose, they were entirely dependent on their male relatives or children in the neighborhood. Even to access the shop near their house, they had to rely on a male family member or a minor who was unrestricted to visit the public space dominated by men. As Zakira explained: “Once, I had to deliver an order within 24 hours. I was halfway through the dress when the thread in the machine ran out. I waited for five hours for someone to come and buy me the thread from the shop in the street” (Zakira interview, 29 March 2018). This clearly demonstrates the centrality of cross-gender networks in connecting businesses in the private sphere of home to the public sphere of the market.
The use of networks in the case of survivalist economic activities is not limited to market access. These networks also help increasing the customer base that leads to business expansion. After getting married to an unemployed man in a neighbouring village, Zakira continued her occupation, this time not just to earn a livelihood, but in order to be not left behind in participation in reciprocal exchanges in areas such as childbirth, family marriages, attending the sick and so on.\(^4\) Owing to her marriage into one of the well-connected families in the neighbouring village, Zakira could now earn more than at her father’s home. The large size of her husband’s family and its extended connections resulted in the expansion of Zakira’s business. She explained: “There [at my father’s house] I was always worried about getting more work, but here [at my husband’s house] I sometimes refuse to accept new orders” (Zakira interview, 29 March 2018).

There is no doubt that low family status, the need for a husband’s permission and the absence of independent mobility and access to the marketplace are some of the powerful cultural constraints on women’s economic participation. However, the incentives created by women’s increased economic participation are impacting on men’s attitudes towards women’s economic activities. Fifteen instances were recorded where women were running their husband’s businesses at home. In these instances, male family members managed the supply side while women family members (mainly wives) dealt with female customers. Although the women were not empowered in terms of control over capital spending, their access to female networks created new patterns of interdependence. This interdependence had also sometimes resulted in women gaining limited access to the public sphere of the market. For example, Shahana and her husband decided to start a home-based business of selling female garments to supplement their income, following failed attempts to find employment for Shahana as a teacher. Shahana’s husband, a high school teacher with no experience in women’s clothing, looked after the supply side, which involved frequent visits to the market and contact with male traders, while Shahana dealt mainly with female customers. Owing to his lack of experience in this field, Shahana’s husband started taking her to the market to purchase clothes. Within a year, the business had expanded to a total volume of PKR 1 million, against an initial investment of 30,000 rupees. Time constraints on Shahana’s husband due to his teaching and additional assessment commitments created a space for Shahana to visit local

\(^4\) These local customs are collectively called *gham-khadi* (sorrow and joy).
markets to manage the urgent demands of customers, while her extensive network of female family members resulted in the expansion of the business. The literature suggests that strong ties are necessary for start-ups, whereas weak ties are important for business expansion. Doubtless, the theoretical distinction between cohesive and diverse networks in terms of their outcomes for entrepreneurial stages is correct. However, strong ties can also help in business expansion, depending on the size of the entrepreneur’s network. All the female networks discussed so far are closed networks, which are an important source of business survival and expansion. As Shahana explained: “My business was not even able to reach all my relatives. I have seven sisters, three brothers, 14 aunts, and four maternal and five paternal uncles. Each of them has, on average, four to five children, most of whom are married and have their own children” (Shahana interview, 31 March 2018). In this case, Shahana’s family and relatives were an important source of her business survival and expansion.

At a deeper level, these female networks serve as an enabling factor for women’s economic participation. Just as social norms restrict women’s access to the public sphere of the marketplace, men’s access to women customers is also restricted. A jeweller in Batkhela Bazaar, the consumers of whose products are predominantly women, explained: “Most of the time, men come to select jewellery for their wives, sisters and daughters, or they take samples home so that the women can choose. Businesses like ours could improve a lot if women’s access to the bazaar was less restricted” (Irfan interview, 1 August 2016). Moreover, any business venture by male entrepreneurs aimed at benefiting from women’s labor is unable to exploit market opportunities unless facilitated by women and their extensive networks. For instance, Faheem, a male trader in Batkhela Bazaar, had established a women’s craft center, which first trained women for a few weeks and then employed them as full-time workers for PKR 3,000 (US$20) a month. Faheem stressed that this would be impossible without the help of the female members of his family, explaining: “They play an important role in communicating with other women. […] In the beginning, it was a difficult initiative to embark on, but with the help of our own sisters and aunts, we have developed the center’s reputation so that today many more women come to the center than we expected” (Faheem interview, 7 April 2018). Contrary to the local social norms, a male instructor trains women at the center. Achieving this change would have been unlikely without the active involvement of the trader’s own female family members. However, the important message here is that cross-gender networks hold better promise for business expansion in perfectly gendered societies.
4.3 The development of cross-gender networks and the role of women’s agency

Most of the cross-gender networks helpful for women’s businesses involve family members, primarily husbands, fathers, brothers and, in rare cases, cousins. In some instances, weak ties with non-family male traders in the marketplace also exist, but mostly without the knowledge of the male family members. Unlike Barragan et al.’s (2018) identification of micro emancipation and the strategic disobedience of women entrepreneurs, this is one of the many “covert ways” in which women “express their disaffection” with the existing unequal order and norms of seclusion (Agarwal, 1997, p. 23). This is to suggest that women exercise remarkable agency, but do not overtly challenge the customs and traditions that restrict their mobility in the public space (Al-Dajani & Marlow, 2013).

The development of cross-gender networks is unlikely without women’s active agency. A garments wholesaler in Batkhela Bazaar explained: “Why is this market [specifically for women buyers]\(^5\) established here in the vicinity of the hospital? Most of the women are not permitted to visit the bazaar, but when they come to the hospital they have an excuse which they exploit for roaming around in the market” (Field note, 5 April 2018). Within this context, where women enjoy limited autonomy to visit the marketplace for managing their business supplies, they develop economic ties with male traders who also are the source of goods on credit. Certainly, the frequency of face-to-face interactions within cross-gender, diverse networks is very low due to the restricted mobility of women in the public space; however, alternative means of communication, particularly mobile phones, enable women to actively maintain these ties.

The stigma attached to women’s freedom of communication with men remains intact, but the evidence suggests that widows and elderly women, with their cross-gender networks, have greater capacity to dominate the competition within the private sphere of home-based enterprises. Zubaida, a widow with six children, was selling dried fruits and bed covers from home. All the dried fruits were supplied from Chitral after being ordered by telephone (see

\(^5\) Women-specific markets are a common phenomenon across the KP. Sellers in these markets are 100 per cent men, but the byers are predominantly women. These women-specific economic spaces are structured around women’s shopping needs such as clothes, cosmetics, jewellery, undergarments, services such as dying and stitching clothes, and products of domestic use such as utensils, bed sets and appliances for use in the kitchen etc.
Map 1). With the help of her networks, she managed to get supplies at a better price than those charged at the local market. This allowed her to attract customers by offering lower prices than other home-based businesses. These supply networks had been built not through economic interaction, but through a history of long-term family friendship. Zubaida, who wanted to support her children and not to rely on her son’s income after her husband’s death, turned this family network into an economic exchange relationship. Entrepreneurial initiatives that involve networking with men are not without a cost. When knowledge about these connections spreads around the village, it generates questions regarding a women’s chastity, which becomes a question of family “honor”. However, sustained economic activity and business success mitigates some of the tensions surrounding women’s economic activities. Most of these networks are covertly developed and maintained; however, they prove valuable during economic difficulty or when the business is in crisis.

5. Conclusion

Through an exploratory case study of women’s entrepreneurship in the Malakand District of Pakistan’s KP province, this research has explored the role of women’s entrepreneurial networks in the survival and expansion of their entrepreneurial activities. It has also explored how women exercise agency to develop and maintain cross-gender networks in the context of KP. The support of male family members, cross-cutting networks across gender boundaries, and extensive networks of female family members play a critical role in the survival and expansion of female-owned, home-based enterprises in a context characterised by cultural and religious norms of women’s exclusion from the public sphere. Male domination of the public sphere of the marketplace does not imply that in patriarchal and perfectly gendered societies like Pakistan cross-gender networks do not exist or cannot be developed. Instead, the contiguous evolution of the local marketplace and home-based economic activities creates interdependencies across the public and private spheres of the local economy, offering a slow but encouraging path towards women’s empowerment through entrepreneurial activities. In this process, women entrepreneurs, as agents of social change, do not subscribe to overt resistance, but are gradually realising the potential of their agency for negotiating access to the public sphere of marketplace with the help of SC. However, in the context of Pakistan, the entrepreneurial success of women is far from enabling them to use markets as a trading space (Biernacka et al., 2018).
These findings have important implications for the literature on SC and women’s entrepreneurship in Pakistan. On one hand, they reinforce Lindvert et al.’s argument about the inability of Western notions of SC, networks and entrepreneurship to explain the complexity of women’s networks and their utility for the survival and expansion of female-owned micro enterprises. Undoubtedly, family networks remain an important resource for women entrepreneurs (Lindvert et al., 2017; Roomi, 2013), but women exercise active agency in cultivating cross-gender ties. On the other hand, these findings empirically support Roomi’s (2013) proposition on the greater resourcefulness of cross-gender networks for women entrepreneurs in Pakistan. A key conclusion is therefore that by developing cross-gender entrepreneurial networks, women entrepreneurs express their disaffection with the disabling gender constraints on their mobility and networking propensities (Agarwal, 1997; Barragan et al., 2018). However, they do so in ways that do not overtly challenge the existing social norms of family “honor” and women’s seclusion (Al-Dajani & Marlow, 2013).

Although the exploratory but empirical evidence presented in this paper is mostly from the villages of the Malakand District, where women’s access to the public sphere of the market is much more difficult in the urban centers of Pakistan, this is in itself a comment on the “gender-blind” nature of women’s entrepreneurship and SC literature on Pakistan. It acts as a corrective to the existing perspectives on women entrepreneurial networks, women’s exercise of agency in cultivating these networks, and the implications of these networks for female-owned home-based micro enterprises, and highlights the need for a critical perspective on the SC of women entrepreneurs.

This paper has demonstrated that women exercise active agency to develop cross-gender networks, and that men’s limited access to the domestic sphere of the home has the potential to generate interdependencies between male traders in the public space and women traders in the domestic sphere of the home. Beyond family, most of the cross-gender ties are covert, which means that exchanges are governed by the norms of trust and reciprocity instead of formal regulations. The most important gap left by the present research relates to the role of trust and reciprocity, two key components of SC, in regulating the cross-gender economic networks of women entrepreneurs. Future studies could also explore how the rural-urban divide impacts on the ability of women entrepreneurs to develop networks across gender-segregated trading spaces.
References


Labour Market Profile (2018), Pakistan. LO/FTF council, Copenhagen. Retrieved from http://www.ulandssekretariatet.dk/content/landeanalyser


http://dx.doi.org/10.5172/ser.2011.18.2.158


**List of interviewees**

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Interview date</th>
<th>Duration of interview</th>
<th>Type of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hasina</td>
<td>1 April 2018</td>
<td>45 minutes</td>
<td>Beauty parlour</td>
</tr>
<tr>
<td>Sabiha</td>
<td>3 April 2018</td>
<td>30 minutes</td>
<td>Female garments (retail)</td>
</tr>
<tr>
<td>Zakira</td>
<td>29 March 2018</td>
<td>25 minutes</td>
<td>Sewing and knitting</td>
</tr>
<tr>
<td>Shahana</td>
<td>31 March 2018</td>
<td>37 minutes</td>
<td>Female clothes</td>
</tr>
<tr>
<td>Maryam</td>
<td>5 April 2018</td>
<td>51 minutes</td>
<td>Beauty parlour</td>
</tr>
</tbody>
</table>

**Author’s Bio**

Muhammad Salman Khan is a postdoctoral Researcher at the centre for Enterprise and Economic Development Research, Middlesex University London. Salman’s research is focussed on local political economy with special interest in institutions, power, entrepreneurship, micro enterprises, marketplaces, governance and decentralization. He can be reached at: m.salman.k85@gmail.com.