

Pakistan Islamicus

An International Journal of Islamic and Social Sciences
(Bi-Annual)

Trilingual: Urdu, Arabic, and English

pISSN: 2789-9365 eISSN: 2790-4911

<https://pakistanislamicus.com/index.php/home>

Published by:

Muslim intellectuals Research Center
Multan-Pakistan

Website: www.pakistanislamicus.com

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Bi-Annual

Vol. 02 No. 01

(January - June 2022)

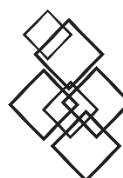
pISSN: 2789-9365

eISSN: 2790-4911

An International Journal of
ISLAMIC AND SOCIAL SCIENCES

ISLAMICUS

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TOPIC

Role of Islamic Credit Availability for Women Entrepreneurship Rural Areas of Punjab, Pakistan

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How to Cite

Mubeen, Sadaf, Shahid, M. H., & Khan, M. K. (2022).

Role of Islamic Credit Availability for Women Entrepreneurship
Rural Areas of Punjab, Pakistan.

Pakistan Islamicus, 2(01), Pages 01-14

Retrieved from

<https://www.pakistanislamicus.com/index.php/home/article/view/22>

Role of Islamic Credit Availability for Women Entrepreneurship Rural Areas of Punjab, Pakistan

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Abstract

The only religion that values women and recognizes their contributions to society is Islam. Given that they make up more than a quarter of the population, women are a vital and powerful force in the nation's development. Due to marketing and manufacturing limitations, women have unique challenges when running a business, including social and managerial concerns. This study was conducted to demonstrate the accessibility of Islamic loans to female business owners in Punjab, Pakistan. Out of the 36 districts that make up Punjab, two (Lahore and Faisalabad) were chosen for this study. Multistage sampling is not used to gather the data. 25 entrepreneurs chosen randomly of the five villages chosen from each district, for a total sample size of 200. A well-structured interview was conducted to gather data on socioeconomic traits and the availability of Islamic loans. The data were analysed using binary logistic regression after descriptive analysis. According to the statistics, 31% of women were single and 39% of women were married. In terms of experience, 40% of women had just begun their businesses, whereas 58% of women had experience. Women were more likely than males to use Islamic credit, with 52% saying they would do so and 45% saying they would not. 61 percent of women agreed that problems arise from a lack of credit. They struggle with this issue alone.

Key word: Punjab Islamic System; Logit Model; Women of Rural Areas; Entrepreneurship

Introduction

By enhancing fundamental economic processes including modernization, productivity, and job creation, women entrepreneurship is now familiar as a key engine of economic development. In such a miracle, women are acknowledged as successful business owners due to their great drive, traits, and skills for the robust growth of entrepreneurship (Yadav, V., & Unni, J. 2016).

Around the world, the proportion of women interested in starting small businesses has significantly increased (Fielden and Davidson, 2010). Numerous research on the experiences of small businesses, however, continued to concentrate on a very small number of mature markets.

On a global basis, entrepreneurship is acknowledged as the secret to economic success. In the previous twenty years, the number of revenues, and employment of female-owned firms have increased dramatically. Examples include Norway and Canada, where women established and maintained roughly 60–65% of new enterprises. The "glass ceiling," which seems to prohibit them from controlling this process at the administrative level, has led to an increase in the number of women turning to entrepreneurship as a means of survival? New investigators discover that being an entrepreneur gives them more flexibility and enjoyment. This exceptional tendency has also been observed in many countries. (ILO, 2012).

The roles and positions of women in society and entrepreneurship. In order to provide women with the same chances as men do, they must overcome a number of issues, some of which may be tied to their families or certain social and cultural traditions in the society. In some nations, women may experience some challenges when it comes to asset ownership and signing contracts that must deal with property or other matters. raising the standing of women in society and among independent females depends on the rising trend of participation of women in the corporate world.

Women entrepreneur's role is crucial to the nation's economic development and should be taken into consideration for a variety of factors. Women's business ownership has primarily disregarded in society, together theoretically then practically. Women participate in entrepreneurship at a lower rate than males do, and because of several barriers to entry in the business world, they haven't planned to participate more. This is because women have to deal with social issues that obstruct their advancement. In addition, women's business choices are frequently perceived as having less significance for economic development (Madlani, 2013)

Women business owners in the world economy:

Because of the speeding up of lives due to technological advancement, it is helpful to pause and consider the dynamic factors that are vital to the 21st-century global economy. Policymakers cannot purposely neglect women since they represent a growing economic force that can advance the growth of the nation. It is a known truth that involvement by both genders is essential to any nation's democracy and the modern international economy (Frederick & Dzisi, 2008). In developing economies, women's contributions as workers and job creators are particularly important. For increased employment and income, female entrepreneurs in India tend to concentrate in the unorganised sector. In the Indian context, Women entrepreneurs are still unable to grow their companies from micro or small to medium or large, productive businesses with significant economic effect. The World Bank predicts that during the next 20 years, Additional than 200 million more people would be of working age (15,59years), whereas most developing countries, including China, expect this number to decline (Shetty & Hans, 2019).

Women's Business Ownership:

Women in Pakistan start their own enterprises out of a desire for self-determination and a desire for a challenging job, hoping to gain respect from society, recognition, and self-esteem. Entrepreneurship is primarily a character in existence that encourages women to launch new businesses (Bruni, et al 2004). Poor economic conditions and high unemployment rates are said to be the primary reasons why women around the world enter the corporate sphere in an effort to improve their status. Women are questioning social conventions because they are concerned with feeding their kids and surviving in society. Entrepreneurship is a highly unique, personalised process. Women who own their own businesses and are able to go up in society while also managing to survive are a diverse bunch. Whether a woman can succeed as an entrepreneur via personal struggle inside her community depends on cultural and social standards as well. Some limitations have an impact on the development of entrepreneurship both directly and indirectly (Anderson et al, 2010).

Contributions of women to the global market:

Due to businesswomen, the worldwide market is producing a lot of assets. Women have the power to transform a country, particularly women who have successfully established themselves in their fields as entrepreneurs to connect with others and build trusting

relationships. To establish successfully when any product is being produced or when anything is being sold, require effective communication with other parties or in other fields.

To be aware of their current needs and background in relation to what is happening in the corporate world.

- To encourage respect for cultural diversity. due to the fact that culture varies from country to country, area to region, and city to city.
- Women's businesses differ qualitatively from men's. Various studies claim that women who operate their own businesses establish a distinct culture. Female-owned firms usually focus on offering services that fill common gaps in the market. According to author Sally Hellenes, women managers freely seek out information, engage in intellectual discourse, and wait for information to develop before making choices. Women business entrepreneurs are remarkably prompt to seek guidance and education to mask apparent flaws.
- **Background and Review:**

Entrepreneurship has been studied from a variety of angles by academics from a range of fields, including economics, sociology, psychology, history, and political science. On the other side, the paradigm for female entrepreneurship is still being developed. According to Khan (2015), the various studies that look at entrepreneurship of women only include minor portions of the total population of female entrepreneurs.

Different authors looked into the difficulties challenged by female business owners. To gather a sample of 319 women, they used qualitative and quantitative methodologies. They combined snowball tactics with a method of systematic sampling. According to the study's findings, the women agents' biggest issues were time spent travelling, delays at the border, and being away from their homes. Additionally, casual cross-border interchange was thought to be quite profitable for women business owners. According to Bianco et al. (2017), structural barriers that were interconnected and defined women entrepreneurs' access to resources were one way gender notions were articulated. Social ties pointed to environments where gender ideas were strengthened. According to Pakistani viewpoint, the findings showed that only women who have received training can remove the main obstacles faced by women entrepreneurs. Members may be able to increase their capabilities and investment thanks to this strategy. Greater understanding of the learning outcomes wanted and accomplished by female entrepreneurs in

an Islamic sociocultural setting, which can serve as a foundation for developing recovering education and training initiatives from the standpoint of women's economic empowerment (Roomi and Harrison, 2010).

Panda (2018) asserts that barriers faced by female entrepreneurs are becoming more prevalent in developing countries due to a variety of factors, such as workplace conflict, Gender discrimination, a lack of infrastructure, a difficulty with capital flotation, uncertain business, economic, and political settings, personality differences, and a lack of education and training for women are some of the problems that women face.

Pakistan has maintained to have a high percentage of women working as employers, claim Danil & Septina (2019). The number of female business owners has increased during this time, nevertheless. Self-employed business is highly popular in Pakistani society compared to women in other countries in the region, which explains why it is so pervasive there.

Yunis and company (2019) Pakistan is a country where, from the standpoint of gender equality, male-dominated culture and behaviors appear to be ingrained permanently in the neighborhood and the workplace. Despite these barriers, Pakistani women are only now beginning to enjoy greater respect in our society as business owners and employees. This study emphasises the triumphs of Pakistani women in overcoming these obstacles while admitting the societal, demographic, and institutional limitations that prevent women from owning small enterprises. By highlighting relative issues with women entrepreneurs' success stories, this study aims to show the amount of success obtained by those women despite living in a predominantly male society like Pakistan. In Pakistan, the proportion of female employers has been stable during the past ten years. But during that same time, the proportion of women who work for themselves rose. Pakistan has more women working for themselves than other nations in the region.

The variables impacting the expansion and survival of women-owned enterprises have been the subject of numerous studies (Bogren et al., 2013). Even though these studies shed light on how women run their firms, Note that there are few theoretical viewpoints that consider the factors that affect how businesses owned by women in developing nations expand. The absence of studies investigating women's entrepreneurship in developing nations hastens this lack of theorization. Due to this knowledge gap, the activities of women entrepreneurs are not well understood (Wiklund et al., 2009) in the poor world in particular. Most importantly,

governmental actions promoting the development of women-owned enterprises are significantly hampered by the lack of contextualised models of growth and the paucity of earlier research, particularly those functioning in the context of developing countries (cf., Kiviluoto, 2013).

Male hegemony predominates in Pakistan, a developing nation, in contrast to women. Women lack the freedom to make decisions that affect their daily lives. Men are supposed to financially support their families, while women are required to care for their relatives, children, and other dependents, according to social conventions. This division of labor states that a guy is the best candidate to run and manage a business (Nicolás, 2016). The fact that entrepreneurial studies are influenced by male characteristics lends credence to this (Marlow, 2013). Women have never been valued equally with males according to man-dominated and patriarchal ideas, which hinders their participation in corporate activities. Consequently, the number of women starting businesses is substantially lower than that of men (Minniti & Nardone, 2007). Due to discriminatory social and cultural beliefs that are deeply ingrained in cultural traditions, female entrepreneurs in Pakistan do not have access to the same opportunities as those provided to male entrepreneurs (Roomi & Parrot, 2008). There are very few female entrepreneurs in Pakistan as a result of increased gender disparity. Pakistani women struggle with a lack of assistance in starting enterprises, access to financing, property, and other resources, as well as training and development facilities, as a result of the male-dominated society. (Rajar & Soomro, 2017) The dynamic process of entrepreneurship is viewed as essential to the growth of the economy engine that enhances key economic conditions including innovation, the manufacture of various products, and the creation of jobs in various industries in accordance. Due to their strong drive, women are now acknowledged as successful businesswomen in the course of strong development of entrepreneurship in such a phenomena. Several issues, including a lack of technology access, decision-making knowledge, and financial support. According to them, the primary obstacles for women entrepreneurs to launch and manage a small business are a lack of networking opportunities, government assistance, inadequate access to training, and help for property acquisition. This study identified these obstacles. The findings of this study could aid planners and policymakers in addressing the main issues affecting women entrepreneurs.

Methodology:

This study was conducted in the Punjab area of Pakistan. Pakistan's most populous province, with an estimated 110,012,442 people living there as of 2017. Constituting the majority of the international Punjab region. It shares borders with the Pakistani provinces of KPK, Baluchistan, and Sindh. It is the center of Pakistan's culture, history, economy, and globalization. . For the aim of the study, Lahore and Faisalabad, respectively, were chosen. Out of the 32 districts that were already in place, 2 districts were chosen for this study, and five villages were chosen from each district using multistage sampling approaches. Twenty female business owners were chosen from each village. 200 women were thus randomly chosen as a sample for the study. The information on the personal and socioeconomic characteristics of the women entrepreneurs, as well as the challenges they experienced in their field of entrepreneurship, was gathered from them using a well-structured questionnaire and interview schedule. The data was analysed using statistical methods such mean scores, percentages, and logistic.

TABLE #1

Independent variables	DV	
Cov	Do you want to keep running the company?	
M S	Coef	Odd R
Sin women	-	-
Mar women	.735(.075)	2.085
Wid/divo	-.021(.954)	0.979

Source: Author's calculation

In all aspects of life, marital status is highly important. Particularly when running the business. Entrepreneurial married women have a significant P-value of less than 0.1. At a 10% level of significance, it is noteworthy. Married women play a significant role. The dependant variable and the positive coefficient value of .735 indicate a favourable association. Married women have a higher likelihood of continuing the business, and the dependent variable will change by .735 for every unit change in the independent variable of married women. Now, married women are able to continue the business. This may be supported by family cooperation. Perhaps they receive a lot of help and support from their husbands in many areas of their lives.

The p value of female business owners who are widowed or divorced exceeds the threshold of significance, which is set at 5%. (0.05). Therefore, widowed and divorced women barely contribute to the on-going operations of the company.

Additionally, the logistic regression coefficient value is negative (-.021), indicating a poor link with the viability of the business. The dependent variable will change by -.021 for every unit increase in the number of widowed and divorced women because they are less probable to expand their enterprises. It's a problem for female business owners. And it is found that women entrepreneurs who are widowed or divorced face greater obstacles.

divorced and widowed women experience issues with their families, juggling work and life, societal issues, etc. Families can occasionally place significant restrictions on women's ability to pursue careers. When shifting the business, a divorced lady should avoid interacting with men. People accuse her of having a nasty character. This significant phenomenon exists in Pakistani society. Widows/divorced women are less likely to continue the business than unmarried women, whereas married women are more likely to do so compared to unmarried women.

TABLE #2

Independent variables	D V	
Cov	Do you want to keep running the company?	
Exp	Coe	Odd R
NoT	.	.
AGREE	-0.667 (.037)	0.513

Any business largely depends on experience. Experience also has a significant impact on the dependent variable in our model, as does the absence of future business aspirations. The coefficient value is -.667, which suggests that for every unit change in the independent variable of experience for women entrepreneurs, the dependent variable (to continue the business) will vary by 0.923 units. Experienced female business owners have a.513 time's lower likelihood of expanding their enterprise. For this reason, the company might need to keep operating. They want to establish a new company or look for work elsewhere. Family issues could prohibit them from growing the business. Less likely are women with prior business experience

TABLE #3

Independent variable	D V	
Cov	Do you want to keep running the company?	
C f	Coe	Odd R
Not
agree	-0.826 (.009)	0.438

Source: Author Self-Calculation

Credit is a crucial consideration in all aspects of starting a new business or establishing one. Particularly when women leave the confines of the home. And these findings demonstrate the critical role that loan availability plays in a company's ability to operate. And the women who claim to be affected by a shortage of financial facilities. 438 times less likely to keep the company going. Fewer opportunities exist for the business to survive. Women who experienced difficulties with lending facilities are less likely to maintain their businesses than other women

TAB 4

Independent variable	D v	
Cov	Do you intend to keep the company going?	
Harsmnt	Coe	Odd R
NoT	,	,
Agree	0.573 (0.065)	(1.773)

It's critical to address the issue of harassment, particularly for women who work in particular contexts. According to these results, women who report experiencing harassment are more

likely to remain in their line of work. Perhaps they aren't worried about the problem because they have home responsibilities to take care of. And maintaining the business depends on this variable. The odds ratio indicates that they have a 1.773 times greater likelihood of continuing the business. They have a wonderful chance to grow their company. Women who experienced harassment are more likely to remain in business when compared to women who did not.

TAB 5**D Analysis**

characteristics	Fre	%
M S		
Sin	(63)	(31)
Mar	(81)	(39)
Div	(27)	(27)
Exp		
Yes/agree	(118)	(58)
NoT	(82)	(40)
C f		
Yes	(125)	(61)
No	(75)	(36)
Harr		
Yes/agree	(107)	(52)
Not	(93)	(45)

This table shows the results as frequency and percentage. In terms of marital status, 31% of women are unmarried and 39% are married. It suggests that the majority of women are married. Women make approximately 27% of those who are divorced or widowed. According to the

results, 58 percent of women have experience in the corporate world, whereas 40 percent of women are untrained or have only received informal training. 36 percent of women claimed this issue does not cause problems, while 61% of women answered that a lack of finance facilities makes it difficult to establish or maintain a business. Previous research partially corroborates the findings (Kuzilwa, 2005). An issue in society is harassment. In Pakistani society, working women in particular encounter this issue more frequently than other groups do so.

Conclusion

The findings reveal that married women constituted the bulk of our sample. Women are more likely to keep the company alive. Our findings mostly concur with those of Beutell et al (2019). compared to women who are widowed or divorced. Women previously worked in business. However, they are less likely to keep up the enterprise. One argument is that they may be educated and would rather work in the public or private sector than operate their own business. The majority of the women who were asked about credit facilities admitted to having this issue. Even then, they are eager to carry on with business. Harassment is one of the problems that society is facing. Women are more likely to have had this problem. Furthermore, because of the lack of educational opportunities, financial illiteracy may even prevent the really poor from understanding how loans function. Thus, NGOs, business networks, and other organisations can offer guidance, advise, and training to Pakistani women business owners. The government will launch a specific microcredit programme to help women entrepreneurs access credit facilities.

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