

ACTIVIST TO ENTREPRENEUR

THE ROLE OF SOCIAL ENTERPRISE IN SUPPORTING
WOMEN'S EMPOWERMENT IN PAKISTAN



SDPI
Sustainable Development Policy Institute

**SOCIAL
IMPACT
CONSULTING**

British Council

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Our previous publications include:

- a ***Vision of Social Enterprise in Europe 2020*** which considers the evolution of social enterprise into the mainstream economy
- ***Think Global Trade Social*** which examines the role of social business in achieving progress on the UN's Sustainable Development Goals
- surveys providing crucial evidence about social enterprise in countries such as Pakistan, Ghana and Myanmar

More information about our work in both social enterprise and women's empowerment can be found at: <https://www.britishcouncil.org/society>

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Acknowledgments

The British Council would like to thank Dr. Shamshad Akhtar, Executive Secretary of United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) for writing the foreword of this report. We would also like to acknowledge ESCAP for their support in launching this report in Pakistan. The British Council and authors would like to thank all the people who took part in the surveys, focus groups, dialogue events and interviews, providing such rich information for this report. We would also like to thank Gillian Cowell, Adam Pillsbury, and Zeenia Faraz from the British Council for their invaluable support.

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This publication has been produced with the assistance of the United Nations Economic and Social Commission for Asia and the Pacific. The contents of this publication are the sole responsibility of the British Council and can in no way be taken to reflect the views of ESCAP.

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The Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the United Nations' regional hub promoting cooperation among countries to achieve inclusive and sustainable development. The largest regional intergovernmental platform with 53 member States and 9 associate members, ESCAP has emerged as a strong regional think-tank offering countries

sound analytical products that shed insight into the evolving economic, social and environmental dynamics of the region.

The Commission's strategic focus is to deliver on the 2030 Agenda for Sustainable Development, which it does by reinforcing and deepening regional cooperation and integration to advance connectivity, financial cooperation and market integration. ESCAP's research and analysis coupled with its policy advisory services, capacity building and technical assistance to governments aims to support countries' sustainable and inclusive development ambitions.

About the ESCAP – British Council partnership

In February 2017, the British Council and ESCAP signed a collaborative agreement to promote the growth of social enterprise and impact investment across the Asia-Pacific region as a means of supporting progress on the Sustainable Development Goals (SDGs).

Together we are cooperating to provide research, analysis, training, policy dialogues and offer guidance to support policy makers and other stakeholders in formulating and implementing policies and strategies that foster social enterprise

and create enabling environments for impact investment.

The social enterprise survey in the Pakistan is an example of this work and will provide information as to the size and scale of the social enterprise sector in the country.

Social enterprises harness trade, investment and business activity towards social and environmental objectives and are increasingly recognized as critical drivers of innovation for sustainable development.

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Gender inequality exists in Pakistan

... in politics, where only 20% of parliamentary seats are held by women



... in work, where female participation in the labour market is 24.3 per cent compared to 82.2 for men



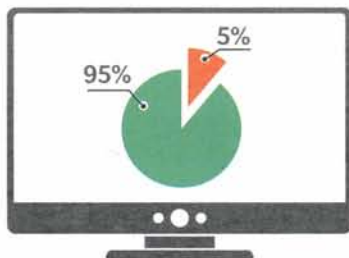
... in pay, where women earn 33% less than men



... in entrepreneurship, where there are only ten countries in the world where as many women start businesses as men



... in business, where less than five% of for-profit businesses are led by women



... in society, where Pakistan ranks as the second worst country in the world for gender inequality and where domestic and sexual violence are endemic

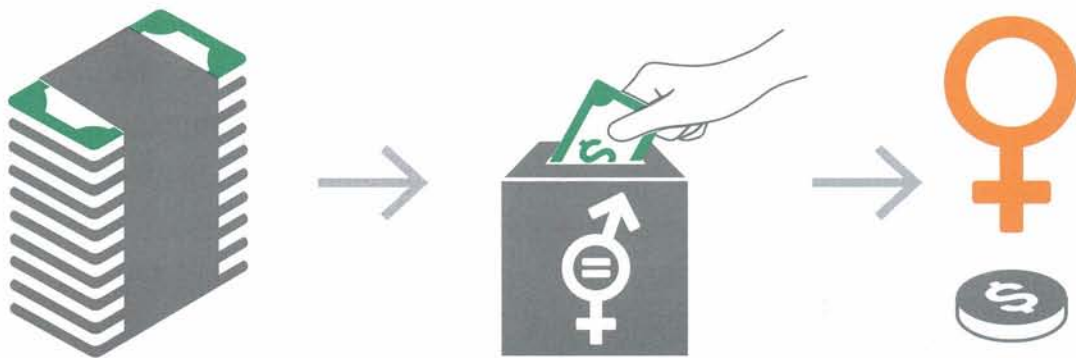


UN'S SUSTAINABLE
DEVELOPMENT
GOAL 5:

'ACHIEVE GENDER EQUALITY
AND EMPOWER
ALL WOMEN AND GIRLS'

Organisations fighting gender inequality are under-funded – particularly at the grass roots

Less than five per cent of OECD members' aid budgets go towards projects that explicitly target gender equality and women's empowerment, and of this only 0.5 per cent goes to women's rights organisations. The median income of women's rights organisations is just \$20,000.



Social enterprise is an under-utilised source of funding for gender equality

29%

Globally, only 29 per cent of women's rights organisations use income generation activities. Many lack the knowledge, skills, assets and resources to take advantage of social enterprise.

Social entrepreneurs are the R&D lab for women's empowerment

GLOBALLY
THERE ARE AN ESTIMATED
210 Million
social entrepreneurs,
ALL DEVELOPING AND TRYING
DIFFERENT APPROACHES TO
SOLVE THE WORLD'S
SOCIAL AND ENVIRONMENTAL
CHALLENGES

IN THE UK 4%
OF SOCIAL ENTERPRISES
FOCUS ON WOMEN'S
EMPOWERMENT
IN PAKISTAN
THIS FIGURE IS **43%**

Even when not explicitly focused on women's empowerment the social enterprise sector is providing greater opportunities in employment than the wider economy:

	Brazil	India	Pakistan	UK	USA
Women (% of total workforce)	43%	24%	22%	46%	46%
Women (% of social enterprise workforce)	55%*	25%	37%	66%	65%

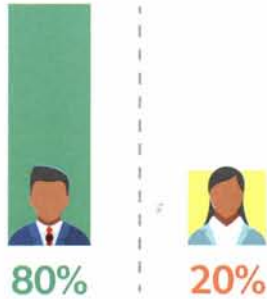
* Estimated based on surveys, leadership statistics, and non-profit sector statistics

And more opportunities for women's leadership than the for-profit sector:

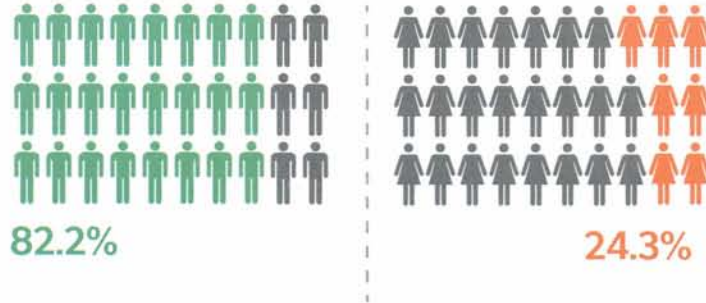
	Brazil	India	Pakistan	UK	USA
Women (% leaders in for-profit sector)	43%	9%	5%	18%	31%
Women (% leaders in social enterprise)	25%	24%	20%	40%	55%

Gender inequality exists in Pakistan

... in politics, where only 20% of parliamentary seats are held by women



... in work, where female participation in the labour market is 24.3 per cent compared to 82.2 for men



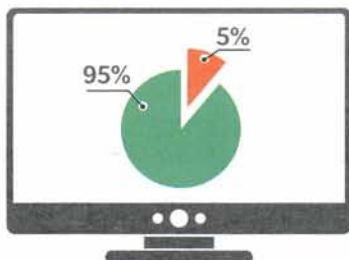
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... in society, where Pakistan ranks as the second worst country in the world for gender inequality and where domestic and sexual violence are endemic



Foreword



Women across Asia and the Pacific are playing increasingly prominent roles in harnessing the power of markets and business to tackle some of society's greatest challenges. Entrepreneurship and social enterprise are being recognised as central to advancing women's economic empowerment and social innovation. By

setting up their own businesses, women can become economically independent, build up their assets, and increase their financial and household security. Not only does this enable them to improve their own well-being, but it can change the destiny of their families and the broader community.

Nurturing social enterprises across Pakistan is critical given the country's stressful social indicators where only 30 per cent of women are in the paid workforce and a mere 2 per cent of business loans are extended to them. Research by the United Nations Economic and Social Commission for Asia and the Pacific's (ESCAP) has found women entrepreneurs face specific challenges that limit their ability to fully participate in the economy. Policies and legislation are often blind to women's needs and interests. Women have insufficient access to finance, credit and technology. Barriers to education can be significant. The impact of discriminatory social norms is pernicious.

Social enterprise supports dynamism and innovation. It provides innovative solutions to a range of issues such as education, job creation, health care, digital literacy and advocacy; and harnesses businesses to address critical social and environmental issues. Promoting women's engagement and leadership in the social enterprise sector could help shift the perception of women as beneficiaries of assistance, to promoting them as agents of positive change. The benefits of women in social enterprise are wide-ranging, from showcasing the contribution of women in transforming the lives of their families and communities, to providing sustainable opportunities for women's economic engagement.

While the gender gap in social entrepreneurship

is considerably smaller than in mainstream entrepreneurship, women entrepreneurs operating in this sphere still encounter gender-specific disadvantages. In Pakistan, the social enterprise sector reflects some of the gender inequalities of the wider economy. Yet there are comparatively more women leading social enterprises than traditional enterprises. Twenty per cent of social enterprises are led by women compared to 5 per cent of other enterprises. Female social entrepreneurs in Pakistan surveyed for this report, confirmed an increased sense of financial independence and economic empowerment. Seventy-one per cent reported increased confidence and 50 per cent reported their role had strengthened their status in their communities.

Our research confirms social enterprise could be used as a model for empowerment of women in Pakistan. To do so, a gender-responsive entrepreneurial ecosystem needs to be created. An environment that enables women entrepreneurs to access the resources and offer support needed to develop their businesses, scale them up and make them sustainable. This must include improving access to finance, technology, innovation and good governance. To foster such an ecosystem, multi-sectoral collaboration is essential. A concerted effort by policymakers, financial institutions, the private sector and women entrepreneurs' networks is required. I hope this report can make a positive contribution to galvanizing support for this effort.

The importance of social enterprise is reflected in the "Regional Roadmap for Implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific". ESCAP and the British Council are committed to combining their collective expertise and resources to support member States working to foster enabling environments for social enterprise. Together, we stand ready to support Pakistan in its effort to enhance women's empowerment as an integral part of inclusive and sustainable growth.

A handwritten signature in black ink, reading "Shamshad Akhtar". The signature is stylized and written in a cursive script.

Shamshad Akhtar

Under-Secretary-General of the United Nations
and Executive Secretary of ESCAP

1. Executive Summary

Pakistan has repeatedly ranked as the second worst country for gender inequality in the world¹. In Pakistan women and girls face lack of opportunities, discrimination and violence. The literacy rate for women in Pakistan is only 40 per cent, compared to 69 per cent for men; primary school enrolment for girls is only 67 per cent, compared with 81 per cent for boys; less than 30 per cent of women are in the paid workforce; only two per cent of business loans go to women; and domestic and sexual violence are endemic².

The UN's Sustainable Development Goal (SDG) Number 5 is to 'achieve gender equality and empower all women and girls.' There is a lot of work to be done to achieve this by the target date of 2030.

In recent years, social enterprise has started to play a small but growing role in women's empowerment. Proportionally four times as many women lead social enterprises than for-profit businesses in Pakistan. There are some well-publicised examples of social enterprises supporting vulnerable women through employment and training, and providing affordable products and services. However, there is also evidence that many of the inequalities that exist in the wider economy are also reflected in the social enterprise sector, and that women may be opting for social enterprise not by choice, but because other opportunities are not available to them.

This report sets out to establish how well social enterprise really does address gender inequality and women's empowerment in Pakistan. It is part of a series of reports commissioned by the British Council to look at the link between social enterprise and women's empowerment across five countries: Brazil, India, Pakistan, the UK and the US. It explores the strengths and weaknesses of social enterprise as a mechanism for empowering women and considers different ways it is being used to this end. It also examines the idea that social enterprise as a business model might advance women's empowerment even when that is not a specific objective.

It should be stressed that social enterprise is simply one tool in supporting women's empowerment. It

can be extremely useful and effective in certain contexts, as this report will demonstrate. But it should be seen as complementary to, not in competition with, other approaches to women's empowerment. Gender equality can only be achieved through a multi-faceted approach.

That said, we found that social enterprises are being used specifically to support women's empowerment in Pakistan in three powerful ways, namely to:

- create economic empowerment for women through micro-entrepreneurship
- deliver training or employment opportunities for women
- provide affordable products and services for women

We also found evidence through primary research that the social enterprise sector is contributing more towards women's empowerment than the private sector

Methodology

For this report, we took an inclusive approach to the concept of social enterprise. As well as considering organisations identifying as social enterprises, we looked at organisations and initiatives that were using an entrepreneurial approach, generating at least 25 per cent of their income from trade, and prioritising social and environmental impact over profit.

1. In order to identify the key research questions, the team conducted an extensive literature review and interviews with 20 key actors in social enterprise and women's empowerment in Pakistan.
2. A detailed questionnaire consisting of qualitative and quantitative questions was sent to social enterprises, and it gathered 214 responses from across Pakistan including from Islamabad, Hyderabad, Lahore, TobaTek Singh, Nankana Sahib, Rawalpindi, Abbaspur, Karachi, Quetta, Peshawar Cantt, and Faisalabad.
3. The data was analysed and initial findings

were shared with practitioners and experts in women's empowerment and social enterprise through focus groups and facilitated discussions in March 2017. These facilitated discussions helped to understand, deepen, correct and clarify the findings from the survey.

Further desk research and key informant interviews were then conducted to fill remaining gaps in the research to produce the final report.

This study did not employ a visible minority, disability, or related marginalised community lens and further study is needed in this area.

1.1 THE IMPACT OF SOCIAL ENTERPRISES ON THEIR BENEFICIARIES

There is no doubt that individual social enterprises are having a positive impact on women's empowerment in Pakistan. Our survey was specifically targeted at social enterprises with an interest in this field. Ninety-five per cent of the 114 social enterprises responding said they do empower women and girls. And, as the results below clearly demonstrate, the impact they are having is diverse.

Developing skills and creating jobs are the most common ways in which social enterprises in Pakistan are supporting women's empowerment and often these activities go hand-in-hand. Eighty-four per cent of the social enterprises responding

to our survey that cited creating employment as one of their areas of impact on women also cited developing skills.

Among the notable social enterprises in Pakistan promoting women's empowerment are the Circle Women, Women's Digital League, SRE Solutions, Jassar Farms, WECREATE and Women through Films. These were chosen as case studies for this report primarily because they exemplify the social enterprise business model but also because of their high levels of service delivery and performance. **Circle Women** supports the leadership development of women entrepreneurs and **Women's Digital League** helps build women's capacities in the electronic and online sector, enabling women to work from home. **SRE SOLUTIONS** provides access to affordable, high quality solar products. Their primary consumers are women who use these solar products as an alternative to harmful kerosene fuel. **Jassar Farms** empowers women by improving the quality of their livestock. It does so by providing high quality bull semen to small-scale livestock farmers, a sector primarily looked after by women. **WECREATE** serves as an entrepreneurial community centre for women interested in starting or expanding an existing business in Pakistan. And **Women Through Films** is a social enterprise making small documentaries for the empowerment of women and sustaining its business by conducting training sessions, workshops and seminars for students and others.

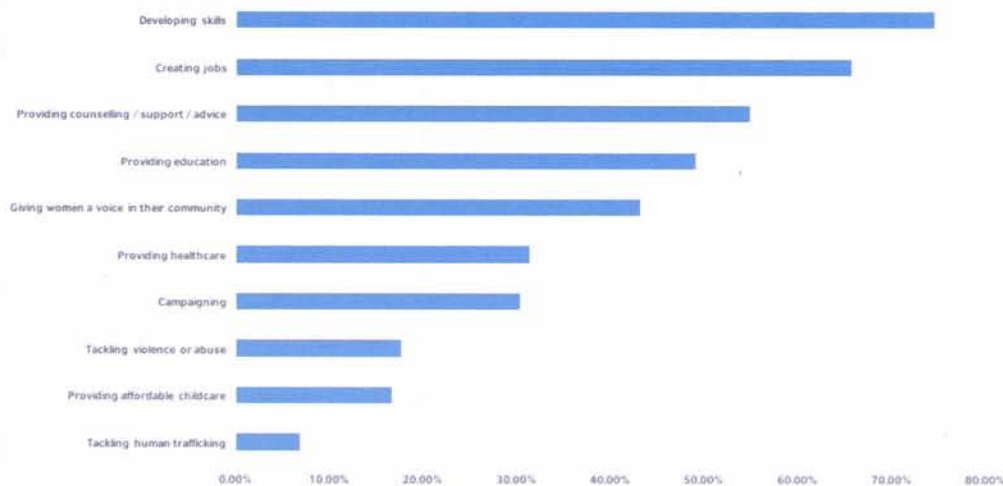


Figure 1: How social enterprises in Pakistan are supporting women and girls

The focus group discussions highlighted that social enterprises can provide longer term sustainability than grants-based women's rights organisations which are only funded for the delivery of specific time-bound projects.

1.2 WOMEN AS SOCIAL ENTREPRENEURS

When it comes to for-profit entrepreneurship in Pakistan, less than five per cent of companies are led by women. By contrast 20 per cent of social enterprises in Pakistan are led by women.

Despite this seemingly positive picture, the social enterprise sector reflects many of the gender inequalities seen in the wider economy in Pakistan. A recent Thomson Reuters Foundation report placed Pakistan 41st out of the world's 44 largest economies in terms women's participation in social enterprise. Women report additional barriers compared to men when starting social enterprises, including prejudice and discrimination. Social enterprises run by men are, on average, six times larger than those run by women¹. And there is significant gender segregation by industry sector.

Women social entrepreneurs share many characteristics with for-profit entrepreneurs. They encounter many of the same barriers and draw on many similar enablers. Their motivations are often different, however, as most social entrepreneurs are driven almost entirely by a desire to create social impact.

Seventy-five per cent of women in our survey started a social enterprise to address a social or environmental concern, or to benefit their community. However, 25 per cent started purely to earn an income, for career opportunity or for the opportunity of flexible working. This is a much higher proportion than we found in the studies in Brazil, India, the UK and the US., Fifty-two per cent of women social entrepreneurs in our survey stated that they would prefer to work in a different sector – 26 percent of these respondents cited the corporate sector as their preferred choice for employment. This is the highest proportion among the five countries we studied where nearly 95 per cent of social entrepreneurs want

to continue working in the social enterprise sector. This suggests that in Pakistan social enterprise is playing an additional role in women's empowerment. It is providing an opportunity for employment or entrepreneurship when those opportunities are not available in the for-profit sector. It also suggests that for many women, social enterprise is not meeting their needs and aspirations as well as other sectors might, if they were accessible.

Women social entrepreneurs face the same barriers as their male counterparts as well as additional barriers as a result of their gender. These include

- prejudice and discrimination
- gender stereotyping
- greater demands on time through home and family commitments
- barriers to accessing funding and investment

Lack of capital is most often the greatest barrier for women in social enterprise. Access to grant funding was the most significant difference in the responses of men and women in our survey, with almost twice as many women as men reporting this as a barrier. Research carried out by several institutes including Wharton and Harvard Business Review suggest that no large female-led social enterprise has yet received commercial loans.

Becoming a social entrepreneur has both positive and negative effects on women. Many of the benefits of social entrepreneurship are experienced by both men and women. However, female respondents to the survey cited financial independence and respect within the family significantly more than their male counterparts. Other benefits that emerged from the survey included:

- 71 per cent reported increased confidence
- 62 per cent of female social entrepreneurs said that starting a social enterprise had given them an increased sense of self-worth
- 39 per cent said they had greater respect within their families
- 58 per cent reported greater respect in their communities.

¹ British Council survey data 2016, (average size, removing outlying 10 per cent)

However, 52 per cent of female social entrepreneurs reported experiencing some negative impact. Disturbingly, one in four reported experiencing violence or hostility at home as a result of starting a social enterprise.

Compared to for-profit entrepreneurship, social entrepreneurship is likely to create higher rates of social return for the community and society at large. It is also likely to create proportionally more jobs for women.

Considering the UN's definition of women's empowerment, social entrepreneurship can offer women an important opportunity to *'influence the direction of social change to create a more just social and economic order, nationally and internationally.'* (<http://www.un.org/popin/unfpa/taskforce/guide/iatfwemp.gdl.html>). It also offers increased financial independence, respect, agency and self-confidence to women who are not able to access opportunities in other sectors. It may also help to provide a bridge into employment in those other sectors by enabling women to gain experience and expertise.

1.3 THE SOCIAL ENTERPRISE SECTOR AS AN EMPLOYER

Many social enterprises empower women as 'beneficiaries' of their services and social enterprises empower the women entrepreneurs who set them up. Many social enterprises also create jobs that can empower the women who work in them.

There are three important questions to consider as we evaluate the impact of social enterprise employment on women's empowerment:

- Are proportionally more women employed in social enterprise than other sectors?
- Are the jobs created decent jobs?
- Do the jobs created challenge or reinforce gender stereotypes?

At 29 per cent, the proportion of female full-time employees in social enterprises is higher than the 22 per cent in the wider economy in Pakistan,ⁱⁱⁱ and significantly higher than in small medium enterprises where only eight per cent of full time employees are female (World Bank, 2013).

Furthermore, many of the women employed by social enterprises are from particularly disadvantaged backgrounds – as a result, for instance, of poverty or abuse – and would not otherwise find employment.

Social enterprises typically engage in training and development of their employees, though sometimes these opportunities may only be at beginner level. Eighty four per cent of social enterprises responding to our survey that cited creating employment as one of their areas of impact on women also cited developing skills. This suggests that jobs created by social enterprises specifically for beneficiaries are likely to provide better opportunities than those available through for-profit businesses. In the services sector in particular there is a higher likelihood of capacity building and on-job learning, especially in the case of enterprises that make use of ICT (Ahmed 2016d)

For those in leadership and management positions, pay in the social enterprise sector can be lower than in other sectors. Also, as in the wider economy, there is a substantial gender pay gap with men earning more than women. Fifty two per cent of women social entrepreneurs would like to work in a different sector, so while social enterprise is offering an important pathway into the labour market for women in Pakistan, it is not seen as the best possible option by the majority of those women.

Sixty three per cent of our survey respondents believe social enterprises are challenging gender norms, while eight per cent believe they are reinforcing them. The reality is that both perceptions are correct.

In the for-profit sector women are over-represented in low-paid jobs particularly in textiles, craft and agriculture, and under-represented in manufacturing and tech, for example. In social enterprise, we also see a similar degree of gender segregation.

However the greater representation of women as entrepreneurs and leaders in the social enterprise sector is, in itself, challenging gender norms in Pakistan and proving a source of female role models.

1.4 RECOMMENDATIONS

Based on our research, and particularly on the discussions of our focus group of social enterprise and women's empowerment experts, we have drawn together some recommendations to increase the effectiveness of social enterprise as a model for supporting women's empowerment. These are grouped into recommendations for governments and policy makers, funders and investors, social enterprises and intermediaries, and the private sector. Some of the recommendations apply to one or more group, and all stakeholders need to work together to ensure the successful implementation of these recommendations.

Applying a gender lens is critical as is including both men and women in the conversation.

1.4.1 RECOMMENDATIONS FOR GOVERNMENT AND POLICY MAKERS

Many of the barriers facing female social entrepreneurs are the same as those facing male social entrepreneurs. Some of these recommendations will be of equal benefit to both.

Governments should bear in mind that any policies to support women into work will actively support the social enterprise sector, which has a disproportionately high female workforce. Similarly, any policies that support the social enterprise sector will support women's empowerment in Pakistan. The simplification and easing of tax and regulatory regime is also expected to favourably impact small and medium enterprises including those managed by women (Ahmed et al 2015).

Social enterprise working group

- The Government should set up an intergovernmental social enterprise working group led by the Planning Commission. This should have representation from both federal and provincial governments, the Securities and Exchange Commission of Pakistan (SECP), the Federal Bureau of Revenue (FBR), the National Commission for Status of Women

(NCSW), provincial planning and development departments, as well as representatives from the social enterprise sector to frame recommendations to the federal government.

- The working group should have cross sector representation with stakeholders from business, government, academics, policy think-tanks, and social entrepreneurs. It should ensure the voices of women social entrepreneurs are proactively included and work towards gender balance.
- The working group should have a specific remit to look at the particular challenges facing women social entrepreneurs and the opportunities for social enterprise to address gender inequality and women's empowerment in Pakistan.
- In addition, the SECP should also convene a meeting with social entrepreneurs to see how company rules may be modified to support the cause of these entrepreneurs. A single window system for social enterprises should be established, either online or physically, so they do not need to pay separate visits to SECP, FBR and provincial revenue authorities.

Definition

- The government should look to recognise a formal definition of social enterprise to facilitate understanding of its benefits to society, and to women specifically, within government and wider society.
- The government should also create a specific legal structure that could be adopted by social enterprises, such as the Community Interest Company in the UK.

Government Centre for Social Enterprise

- The Planning Commission should immediately operationalise the Centre for Social Enterprise, already approved by the Departmental Development Working Party. This centre should ensure that the support required by women social entrepreneurs is made widely available.
- All provincial governments should follow the example of the federal Planning Commission and establish a Centre for Social Enterprise

at the departments of planning and development in provincial capitals. These centres will act as a knowledge repository for those seeking help from government departments and also ensure that reforms and fiscal incentives for women-led social enterprises are part of provincial growth strategies as well as annual provincial budgets and annual development plans.

Financial support

- Given the low number of social enterprises in agriculture processing or small scale industry/manufacturing, the Ministry of Industries and Production should conduct a review of available support to social enterprises and make a case to the Ministry of Finance for an enhanced fiscal package. This might, for example, be through the Export Development Fund for social enterprises that have export potential, or via state-funded loans through the National Bank of Pakistan, along lines similar to the textile or the fiscal packages provided to the agricultural sector.
- The State Bank of Pakistan (SBP) should conduct an urgent study on the difficulties faced by women social entrepreneurs in accessing funding from commercial banks and other scheduled financial institutions. Drawing on that study, SBP can then work to remove the impediments faced by women entrepreneurs in getting loans.

Export

- The Trade Development Authority of Pakistan (TDAP) should consider exempting women-led social enterprises that have export potential from payment of a foreign exhibition fee. The products of such social enterprises should be supported by TDAP in all exhibitions abroad.
- Small and Medium Enterprise Development Authority (SMEDA) should also subsidise the participation costs of social enterprises, particularly women-led social enterprises, in local or international trade fairs. The focus should not just be on marketing final products but finding ways for these enterprises to become part of regional supply chains.

Public procurement

- The Government should introduce preferred procurement or a fixed quota for women-led social enterprises in public procurement. Public Procurement Regulatory Authority (PPRA) should meet with social entrepreneurs to discuss priority areas and also conduct a detailed study on the socio-economic benefits of having such an arrangement. The same study can outline methods by which women-led social enterprises in various sectors may benefit from public procurement.
- The government should also consider ways to incentivise social enterprise procurement by the private sector.

Social enterprise education

- Governments and social enterprises should work in partnership to increase the use of social entrepreneurship education in schools, including a specific focus on addressing gender inequality. This should begin in primary school.
- This programme should prioritise working with girls and increasing business skills, confidence and the social acceptability of female entrepreneurship.
- Public awareness of social enterprises can also be increased through changes in school, college and university curricula, with an emphasis on social entrepreneurship.

Facilitate the work of funders, investors and intermediaries

- Governments should look to facilitate the recommendations for social enterprise intermediaries, and funders and investors (below) through policies, convening, and provision of finance.

Governments should also ensure coordinated and effective communication of the support and funding available for social enterprises. This communication should be especially targeted at women to help reduce the gender gap in social entrepreneurship.

1.4.2 RECOMMENDATIONS FOR SOCIAL ENTERPRISES AND SUPPORT ORGANISATIONS

Many of the recommendations for the social enterprise sector will also require support from government and/or funders.

Women's social enterprise networks

- Facilitate networking between gender-focused social enterprises and women's organisations nationally and internationally with a view to sharing best practice and replicating successful models. In particular this should look at supporting women's organisations to use social enterprise as a tool to empower women and achieve financial sustainability.
- Create a Women's Social Enterprise Chamber of Commerce to increase the peer support available specifically for women social entrepreneurs and board members.

Training for women social entrepreneurs

Work in partnership with provincial governments to assess training needs and provide appropriate training for women social entrepreneurs. This should focus particularly on:

- Financial literacy
- Business planning
- Business skills
- Pitching for funding and investment
- Technology

Social enterprise incubators and accelerators

- Establish social enterprise incubators specifically for women. These could be cross-sector, supporting social and for-profit enterprises.
- Online accelerator programmes could also be established; including a programme marketed specifically at women social entrepreneurs. These will have a greater reach than individual incubators, although the anticipated success rate will be lower.
- The YES Network could work more specifically to enhance the participation of girls and young women in social enterprise, aiming for 50 per cent of the students they work with to be women.

Increase awareness

- Make effective use of media and communications to ensure women social entrepreneurs are seen and heard.
- Ensure a gender-balanced portrayal of social enterprise in the media to ensure that the social value created by both female and male social entrepreneurs in a range of sectors is recognised.

Challenges and competitions

- Instigate competitions to start social enterprises specifically to tackle gender inequality and women's empowerment, offering an appropriate mix of grant, equity and loan finance, and mentoring and support to the winning enterprises.
- These could be cross-sector and potentially focus on those at the Bottom of the Pyramid (BoP).

Address opportunities and equal pay

- Social enterprises in Pakistan should carefully examine the gender balance of their workforce and the pay offered to male and female employees. Social enterprise should be leading the way in gender equality, and yet 79 per cent of survey respondents felt other sectors offered more equal pay.

1.4.3 RECOMMENDATIONS FOR FUNDERS AND INVESTORS

Funders and investors in Pakistan must recognise the value of gender equality in social enterprise and the additional barriers facing women social entrepreneurs trying to access grants, loans or equity.

Gender lens to investing

Gender lens investing is the practice of investing for social and/or financial return while also considering the benefits to women. Many argue that adding a gender lens to investing can help promote female led social enterprises as well as providing role models to women.

- Use a 'gender lens' when making investment decisions; understand the additional barriers

faced by women social entrepreneurs and the strengths of women-led social enterprises.

- Provide training for funders and investors to understand the differences between male and female social entrepreneurs and the potential of women-led social enterprises.
- Set specific targets for a funding or investment portfolio that is balanced for gender. Consider launching products or services that are specifically targeted at under-represented sectors of the population.

Women investors and funders

Globally there is a shortage of female investors. Our recommendations are to:

- set targets to ensure a greater gender balance in the boards and senior leadership teams of funders and social investors
- ensure a gender balance in all panels making lending and investment decisions
- record and publish data on the level of investment into male and female-led social enterprises, the gender composition of leadership teams and boards, and the impact of those investments
- consciously use language that will not alienate women social entrepreneurs when communicating about products and services. Engage with specialist women's social enterprise and business intermediaries to support this and to promote products and services specifically to women.

Encourage gender equality and women's empowerment amongst investees

- Funders and investors should set criteria for social enterprises to meet before receiving a grant or investment including:
 - have gender-balanced boards
 - record and measure their social and environmental impact and include gender equality as a metric.

Raise the profile of women role models

- Promote and celebrate the role of women as social investors and women as social entrepreneurs.

Specific funding priorities

- Support social entrepreneurship to become embedded in the curricula and ethos of schools and higher education institutions. Promote strategic research and collaboration opportunities as well as a social enterprise schools programme.
- Support in setting up a women's chamber of social enterprises – a key recommendation during our focus group discussions.

1.5.4 RECOMMENDATIONS FOR THE PRIVATE SECTOR

The private sector can play a crucial role in developing social enterprise, and in particular women's social enterprise in Pakistan by:

- collaborating directly or indirectly with already established women social enterprises. This can be done through corporate social responsibility initiatives or other mechanisms
- offering creative forms of support and sponsorship for women social enterprises within their own business sector (e.g. marketing and advertising campaigns for women social enterprises)
- providing mentoring in select areas of social businesses
- providing representation on the boards of women social enterprises to provide strategic guidance
- purchasing products and services from social enterprises for their business operations or marketing campaigns, and encouraging the inclusion of social enterprises in their supply chains. This can be done through preferred procurement from women social enterprises.

2. Introduction

According to the Gender Gap Rankings issued by the World Economic Forum, Pakistan is ranked as the second worst country for gender inequality in the world^v. In Pakistan women and girls face lack of opportunities, discrimination and violence. The economic survey of Pakistan finds that the literacy rate for women in Pakistan is only 40 per cent, compared to 69 per cent for men; primary school enrolment for girls is only 67 per cent, compared with 81 per cent for boys; less than 30 per cent of women are in the paid workforce; only two per cent of business loans go to women; and domestic and sexual violence are endemic^v.

The UN's Sustainable Development Goal (SDG) Number 5 is to 'achieve gender equality and empower all women and girls.' There is a lot of work to be done to achieve this by the target date of 2030.^{vi}

In recent years, social enterprise has started to play a small but growing role in women's empowerment. Proportionally more women lead social enterprises than for-profit businesses in Pakistan. There are some well-publicised examples of social enterprises supporting vulnerable women through employment and training and providing affordable products and services. There is also evidence of gender segregation, a wage gap, and of other inequalities of the wider economy reflected in the social enterprise sector.

This report sets out to establish how well social enterprise addresses gender inequality and women's empowerment in Pakistan. It is part of a series of reports commissioned by the British Council to look at the link between social enterprise and women's empowerment across five countries: Brazil, India, Pakistan, the UK and the US. It explores the strengths and weaknesses of social enterprise as a mechanism for empowering women and considers different ways it is being used to this end. It also examines the idea that social enterprise as a business model might advance women's empowerment even when that is not a specific objective.

It should be stressed that social enterprise is simply one tool in supporting women's empowerment. It can be extremely useful and

effective in certain contexts, as this report will demonstrate. But it should be seen as complimentary to, not in competition with, other approaches to women's empowerment. Gender equality can only be achieved through a multi-faceted approach.

That said, social enterprise is contributing to women's empowerment in many diverse ways. These can be grouped into three overlapping categories, which we have considered in the following sections:

- Sections 3 and 4 give a brief overview of women's empowerment and social enterprise in Pakistan
Section 5 examines the impact of individual social enterprises on their beneficiaries
- Section 6 explores the impact on women who become social entrepreneurs
- Section 7 looks at the impact of the social enterprise sector as an employer
- Sections 8 and 9 draw some conclusions from this research and make recommendations for government, funders and investors, practitioners and intermediaries to make the best use of social enterprise as a tool for empowering women and girls.

2.1. METHODOLOGY

The methodology comprised a four-stage process:

1. In order to identify the key research questions the team conducted an extensive literature review and interviews with 20 key actors in social enterprise and women's empowerment in Pakistan.
2. A detailed questionnaire consisting of qualitative and quantitative questions was sent to social enterprises gathering 214 responses.
3. The data was analysed and initial findings were shared with practitioners and experts in women's empowerment and social enterprise through focus groups and facilitated discussions in March 2017. These facilitated

discussions helped to understand, deepen, correct and clarify the findings from the survey.

4. Further desk research and key informant interviews were then conducted to fill remaining gaps in the research to produce the final report.

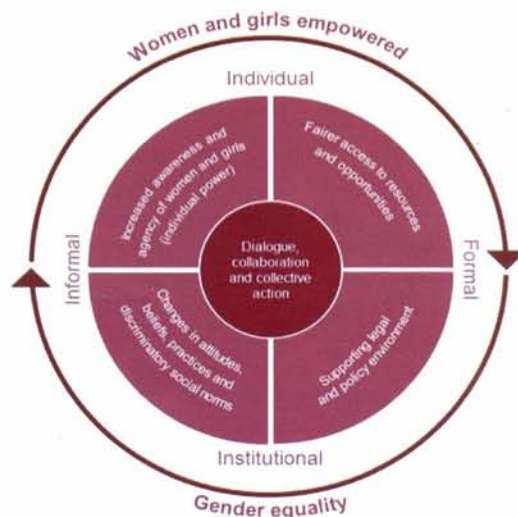
This study did not employ a visible minority, disability, or related marginalised community lens, and further study is needed in this area.

2.2. DEFINITIONS

Both women's empowerment and social enterprise are broad topics encompassing a great range of activities and impact. For this research, we have used definitions which embrace this diversity, considering organisations and actions that may fall outside more formal understandings of social enterprise or women's empowerment.

2.2.1. DEFINITION OF WOMEN'S EMPOWERMENT

Definition of women's empowerment: *Women's empowerment has five components: women's sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence*



Theory of Change for Women's Empowerment, British Council

the direction of social change to create a more just social and economic order, nationally and internationally. (UN)

We used the UN definition of women's empowerment as our primary definition. We also used the British Council's theory of change for women's empowerment as a model to explore ways in which social enterprise can empower women and girls.



2.2.2. DEFINITION OF SOCIAL ENTERPRISE

There is no formally accepted definition of social enterprise in Pakistan. The understanding of 'social enterprise' varies from country to country, as do the names used to describe social enterprises. It is also a concept with famously fuzzy edges: there are grey areas, for example, between social enterprises and charities or NGOs at one end of the spectrum, and between social enterprises and socially conscious businesses at the other.

NESsTwork with social enterprises in emerging economies. They define social enterprise as '*a business created to further a social purpose in a financially sustainable way.*'

According to Social Enterprise UK, social enterprises should:

- have a clear social and/or environmental mission set out in their governing documents
- generate the majority of their income through trade
- reinvest the majority of their profits
- be autonomous of state
- be majority controlled in the interests of the social mission
- be accountable and transparent

For this report, we took an inclusive approach to the concept of social enterprise. As well as considering organisations identifying as social enterprises, we also looked more broadly. We

included categories of activity that may not always fit within the strict definitions outlined above but that are within the spirit of the definition. This includes:

- impact businesses
- social investment activity
- NGOs / non-profits with an enterprise approach, generating more than 25 per cent of their income through trade
- trading 'projects' hosted by NGOs
- individuals engaging in social-enterprise-type activity (micro-social-entrepreneurship)
- socially focussed businesses in private ownership
- solidarity enterprises / workers' cooperatives
- Fairtrade businesses

Examples of these different types of social enterprises are included in the report.

For our survey, we used two very simple criteria to identify organisations that fitted within our broad category of social enterprise, in common with earlier British Council mapping exercises. Firstly, organisations had to earn more than 25 per cent of their income through trade. And secondly, organisations had to prioritise their social or environmental mission above or equal to their financial profit. Organisations relying on more than 75 per cent grant income, or whose stated emphasis was on profit first, were excluded from the results.



3. Women's empowerment in Pakistan

Pakistan is the 24th largest economy in the world and 42nd largest gross domestic product. It has a population of over 207 million and over 36 per cent of its economy is informal. The informal sector accounts for 85 per cent of the population^{vii}. According to the UN HDR Reports 2016, Pakistan ranks 147 in the United Nations Development Programme's Human Development Index (HDI). Pakistan has achieved some macroeconomic stability over the past three years, and the fiscal deficit has shrunk from eight per cent to below five per cent. Pakistan has made large efforts to ensure that its growth has been pro-poor. The head count of poverty has fallen from 64.3 per cent in 2001-02, to 29.5 per cent in 2013-14 (World Bank, 2017^{viii}). Gender disparities, however, persist in education, health and all economic sectors. Pakistan has one of the lowest female labour force participation rates in the region (World Bank, 2017).

According to the World Economic Forum's Gender Equality Ranking, Pakistan has a Gender Inequality Index of 0.556 ranking it 143 out of 144 countries in the 2016. Gender disparities are evident across political, social and economic spheres. In Pakistan, 20 per cent of parliamentary seats are held by women and 26.5 per cent of adult women have reached at least secondary level of education compared to 46.1 per cent of male counterparts. For every 100,000 live births, 376 women die from pregnancy related causes, placing Pakistan in the bottom 25 per cent of the world's countries in terms of maternal mortality rates. In Italy, by contrast, the figure is less than four.^{ix}

The lack of parity for a good education is hitting Pakistani girls the hardest. There has been a persistent gap of 23 per cent of literacy rates as put forth by the government of Pakistan in their economic surveys. The lack of education affects skills training. Only 11 per cent of women receive any technical or vocational training and are often marginalised in terms of the training offered to them. There is a need to link skill training to market demand. On a more positive note, there is an increase in the number of young women between the age of 15-24 who are obtaining higher education and entering the professional category.^x

Access to financial and physical capital are important in addressing standards of living. Most of the population in Pakistan is unbanked, but this is particularly acute for women. The need to increase women's access to savings, loans and financial services is essential. Only 13 per cent of women have access to any kind of loans. By comparison, 87 per cent of men receive loans. One of the main reasons why it is difficult for women to obtain loans is the lack of ownership of physical capital.^{xi}

According to 'Women's Economic Participation and Empowerment - Status Report 2016' by UN Women, women's access to financial and physical capital is complex and is made more difficult by legal standards at national and local levels. While, women's ownership of land is low across all provinces, rural women are more likely to be land owners than urban women, as noted in the report by UN Women. For small and medium-sized businesses, only two per cent of borrowers are women. This indicates a need to promote entrepreneurship among women to help them grow businesses to generate more employment for women. The highest rate of female borrowing appears to be from microfinance organisations standing at 26 per cent.^{xii}

Female participation in the labour market is 24.3 per cent compared to 82.2 for men. Less than 30 per cent of all women aged 15-64 are in the labour force.^{xiii} This may point to the lack of opportunity for women. Most of the women who are employed work in agriculture, forestry, and hunting and fishing industries, which are sectors with the lowest wages. In these jobs, women are frequently paid below minimum wage and work long hours. The data does not include girls younger than 15. It's important to note there is often a trade-off between education and work as households may require their daughters to work as an economic necessity instead of going to school.

Primarily, the bulk of working women are employed in the informal sector. Over 73 per cent of women work in informal agricultural work.^{xiv} It can be difficult for women to gain workers' rights

in the informal sector as they tend to be paid the lowest, barely earning minimum wage. More women than men are paid less than minimum wage. Skilled agriculture, craft and related work and elementary occupations are the sectors with the highest proportion of the labour force paid

less than minimum wage. These occupations are predominantly held by women.

The next section looks at the way in which the social enterprise sector operates in Pakistan, and the following sections look at how this model is being used to support women's empowerment.



4. Social enterprise in Pakistan

Social enterprises have a long history in Pakistan. Hamdard Group is a socially motivated business founded in pre-partition India in 1906. After partition, in 1953, the Pakistani branch became an Islamic trust or 'waqf' which now runs a wide range of organisations and businesses, including universities and pharmaceuticals that distribute medicine at affordable prices.

Despite this history, the social enterprise sector in Pakistan is still in its nascent stages. There is a wide spectrum of social enterprises with different legal forms, differing degrees of market orientation and different approaches to social or environmental missions.

Pakistan operates in an environment that promotes private sector activity and increasingly there has been a growing emphasis on small and medium enterprises. There have been some policy frameworks that have influenced ownership structures, investments, taxation and capacity building. For example, the Integrated Development Strategy 2014-18 provides a framework for implementing a pro-poor, pro-people reform agenda. It includes the creation of an enabling environment for private sector, small and medium enterprises, and cottage industries through an entrepreneurial friendly regulatory framework. The Sindh Strategy for sustainable development 2007 presents a ten-year sustainable development agenda that includes the development of the small and medium enterprise sector.

Historically, development policies have focused on large scale industries, but in the 1990s the focus shifted to small and medium enterprises as government better appreciated their contributions to the national economy. Following this, SMEs became an integral part of economic policies. They have been mentioned in the Poverty Reduction Strategy Paper 2010, the Microfinance (MFI) development Programme established 1992, the SME Sector Development Programme 2010, and the Reform of the Financial Sector 2008.

Social enterprise, however, has still not been formerly recognised in government policy and there is no separate legal definition of social

enterprise in Pakistan. There is a Centre for Social Entrepreneurship in the Planning Commission of Pakistan, but it is in its early stages and has not yet created any policies or procedures for the promotion of social enterprises. There is a reported lack of understanding of social enterprise within the public sector and as a result there is a lack of trust in the work conducted by the social enterprise sector (Ahmed, V., 2016).

There is also a lack of data specific to social enterprise. More research has focused more broadly on micro, small and medium enterprises (MSMEs). The lack of distinction between private and social enterprise has contributed to a lack of coordinated efforts in promoting social enterprise in achieving social impact through a commercial lens (Ali, B., &Darko, E, 2015).

The social enterprise support ecosystem in Pakistan includes government bodies, microfinance institutions, civil society organisations, local and international support organisations, private sector, investors, and business incubators.

Microfinance Institutes (MFI) are a strong supporter of Pakistan's social entrepreneurs. As of September 2015, there were approximately 3.63 million active borrowers in Pakistan. Despite the high number, penetration rate for microfinance is low at 13.3 per cent. More work needs to be done to target the poor and to increase the number of people using micro-finance. Currently there are about 50 corporate entities that are regulated by the State Bank of Pakistan. While MFI are important for fostering the development of social enterprises, their own sustainability is also at risk which can limit their ability to take risks. Eighty five per cent of the population is unbanked, and Pakistan sees MFI and branchless banking as a way of achieving universal financial inclusion.

There is also a growing industry of business incubators and accelerators. They offer support, funding and business networks. It is estimated there are about 28 different start-up incubators in Pakistan, some of them government funded. Although they primarily fund small and medium enterprises, some also support organisations that



are more socially and civic minded.

Incubators can be found in the education sector, including MIT's Enterprise Forum Pakistan, or IBA's Centre of Entrepreneurial Development. Others are built by private enterprises such as SDPI's Centre for Capacity Building (CCB) which has been providing support for social enterprises since 1998. The Social Innovation Lab was launched by Lahore University of Management Science (LUMS) and provides a testing ground for social innovators to evaluate the sustainability of their business practice.

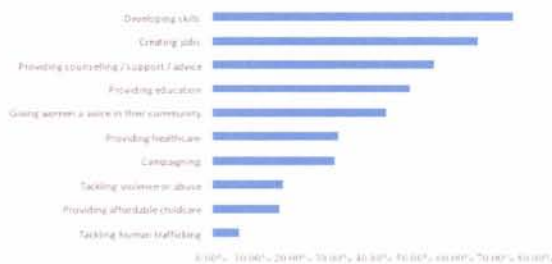
Local and international support organisations help to collaborate, sponsor and partner with local social enterprises. Ashoka, the Youth Engagement Service, the Acumen Fund, the German development agency (GIZ), the Enhancing Employability and Leadership for Youth (EELY), and the Prime Minister's Youth Programme are all leading examples of organisations that support

and invest in microfinance and local social enterprises. In June 2016, the UK's Department for International Development (DFID) committed US\$10 million to the Insitor Impact Asia Fund which, in turn, makes investments in Pakistan and other countries in South Asia. Insitor backs promising businesses in these countries that provide essential goods and services to low-income households in sectors such as education, agriculture, energy and healthcare, where there is a large, unmet demand.

Social enterprises may also be found amongst Pakistan's civil society organisations. Pakistan has over 10,000 registered organisations employing more than 264,000 people. With 87 per cent of their funding coming from indigenous sources, it is possible that many of these organisations generate some revenue through some form of social enterprise though more research is needed to explore this link.

5. The impact of social enterprises on their beneficiaries

There is no doubt that individual social enterprises are having a positive impact in the field of women's empowerment in Pakistan. Our survey was specifically targeted at social enterprises with an interest in this field. Ninety five per cent of the 114 social enterprises responding said they do empower women and girls. And, as the results below clearly demonstrate, the impact they are having is diverse.



How social enterprises in Pakistan are supporting women and girls

Developing skills and creating jobs are the most common ways in which social enterprises in Pakistan are affecting women's empowerment.

In our survey, 43 per cent of social enterprises stated that they were working to provide women a voice in their communities. The focus groups revealed that organisations were achieving this objective in different ways including by providing education to women, skills development initiatives for women, local advocacy forums for women and support for women's micro businesses. Several of these entities were set up by individuals as pilot projects to provide women from poor backgrounds access to income generating opportunities.

These organisations go through a very similar evolutionary phase where they are often vulnerable to financial shocks and resistance from local communities. Those that survive tend to have either influence via family or are able to employ

effective social mobilisation practices with help from friends or local civil society organisations.

Some organisations which manage to survive the first four or five years after being set up either use their own savings or invite donor participation for human resource development of their staff. Usually there are donor funded incubators willing to train young women in administrative management, procurement methods, applying for government and non-government grants, etc.

Discussions within the focus groups highlighted that social enterprises can provide longer term sustainability than grants-based women's rights organisations which are only funded for the delivery of specific projects for a limited time period. Many of these grants based organizations are open to adopting entrepreneurial methods for social advancement in order to secure longer term and sustainable financing solutions.

The following sub-sections give some indication of the diverse models being employed by social enterprises in Pakistan that are empowering women.

5.1. BUILDING WOMEN'S CAPACITY

Some social enterprises in Pakistan are directly providing capacity building, employment and business opportunities to women entrepreneurs in Pakistan. One such example is **Circle Women** (www.circlewomen.org) which provides leadership development of women entrepreneurs. Others like **Women's Digital League** (<http://womensdigitalleague.com>) help empower women by building their capacities in the electronic and online sector, enabling women to work from home and contribute to the family budget. In addition to conducting and publishing research, Circle also arrange keynote addresses, workshops, and training sessions, which enable them to generate their own revenue.

The **SEWEGAP Women's Hub** is a social enterprise project run by SEPLAA Enterprises providing a platform for professional women

and female entrepreneurs to network, learn and connect with each other.

5.2. IMPROVING WOMEN'S LIVING CONDITIONS

Other social enterprises benefit women by improving their living conditions. For example, the organisation **Ghonsla** (Building a Better Nest) is based in the rural northern areas of Pakistan where households have poor or no access to electricity and natural gas. As a result they burn three to five tons of wood per winter season for heating. However, in Northern Pakistan, 60-70 per cent of heating energy is wasted, lost through poorly insulated roofs and walls. Households spend 30 per cent of their income on fuel for heating or else women spend around 300 hours collecting fuel-wood. Women, children and elderly people remain indoors in the winter and often fall sick due to smoke inhalation or pneumonia. The demand on wood for heating accelerates deforestation causing damage to the environment. By insulating roofs and walls Ghonsla reduce heat loss and therefore the amount of wood burnt. This results in less time spent by women collecting fuel.

SRE Solutions offer a complimentary approach. They provide access to affordable, high quality solar products through a unique retail distribution network. Their primary consumers are women who use these solar products to replace wood or harmful kerosene as fuel in the households.

As over 63 million Pakistanis live without access to the national energy grid, kerosene is a major monthly expense for families in off-grid villages. Not only is kerosene expensive, it is also highly damaging to health and the environment. The savings from solar solutions enable households to spend more money on education, health and other basic needs. In addition, it helps generate employment, as around 800 people from small villages and less developed areas are hired and trained to serve as sales associates. It is not clear however, what proportion of these sales associates are women.

5.3. PROVIDING EDUCATION, COUNSELLING AND SUPPORT

Some organisations provide education and other forms of social support to women and young people.

Alvi Corporation is a social enterprise run by women for women. Their business activities fund **Fatima Girls School** in an effort to make education accessible to girls from poor backgrounds. It provides free lunch and free education to help empower girls who would otherwise be unable to afford to go to school.

Youth Engagement Services (YES) Network Pakistan believes that Pakistan is facing a serious youth disengagement epidemic. Approximately 1200 technical, vocational, educational and training schools and colleges across Pakistan have been engaged in the YES network. Over a period of five years, 200,000 youth across Pakistan have been trained through the YES network, 30 per cent of whom are women and girls. Moreover, the network has supported 175 technical, vocational, educational and training schools to integrate the concept of social entrepreneurship into their curriculum. They have managed to engage 1500 teams of young people in designing and implementing business ideas under a variety of competitions every year. They have also collaborated with 30 leading universities in creating social entrepreneurship opportunities for student entrepreneurs.

MeraMaan is a social enterprise that generates income through capacity building workshops in major cities and then provides the same training, free of charge, in less developed areas of Pakistan. They also offer a co-working space for entrepreneurs in Islamabad. And they run Shen's Bed and Breakfast which offers boarding services for trainees and entrepreneurs who are using the co-working space or training facility. The revenue generated is also reinvested into capacity building for women in less developed areas of Pakistan. A more detailed case study is provided in Annex 1.

5.4. HEALTH AND HEALTHCARE

DoctHERs is a social enterprise that extends affordable and quality healthcare to marginalised women in impoverished areas where it is otherwise unaffordable, and enables women doctors to continue practicing after having children.

The two founders of DoctHERs, Dr. Sara Khurram and Dr. Iffat Zafar, were motivated to launch the business by their personal experiences as female

doctors. In Pakistan 63 percent of medical students are female, but only 23 percent of registered doctors are women. DoctHERs is empowering women in the face of cultural and social constraints that leave many of them otherwise unable to practice medicine after marriage.

With clinics operating in conservative areas where female patients often feel more comfortable dealing with female doctors than male ones, DoctHERs also provides a medical service with which women feel more at ease. These doctors provide consultations from their homes over internet connections to patients in 'teleclinics' staffed with a nurse who coordinates with the doctor to treat patients in person. The doctor also has access to the clinic's diagnostic tools and can monitor her patients' vital signs remotely.^{xvi}

Social enterprise organisations often impact on the health of their beneficiaries. For example **Pharmagen Water** (Health, Convenience, Affordability) work to promote preventive healthcare in Pakistan, particularly in the Bottom-of-the-Pyramid (BOP) population, by making clean and purified drinking water accessible. This has a disproportionately positive affect on women and girls. Firstly they are more likely to be at home and therefore unable to access alternative sources of clean water. And secondly, in rural areas, women usually fetch potable water from long distances, so this innovation saves women considerable time and effort.

Pharmagen operates on the philosophy that clean water lays the foundation for a healthy and active life and that access to clean water is everyone's basic human right. Their primary research in this area shows that 40 to 60 per cent of common diseases such as hepatitis, gastro, and cholera are acquired due to the consumption of contaminated water, thereby making Pakistan an extremely vulnerable country in terms of water-borne diseases. These diseases have a disproportionately high incidence in women.

Pharmagen Healthcare Ltd. has developed a simple and affordable solution to the problem by establishing a network of branded 'Pharmagen Water' water shops in Lahore where water is produced through state of the art reverse osmosis (RO) process according to strict WHO & PSQCA standards guidelines. It is sold to the community at a

very low rate of Rs 1.5 per litre to walk-in customers and also offers a home delivery service. Having a customer base of around 10,000 customers (and growing), Pharmagen Water is currently being consumed by around 60,000-70,000 people.

Another social enterprise, **Sionser**, take a different approach to clean water. Sionser is a self-sustainable social entrepreneurship project initiated by the students of National University of Sciences and Technology. It is focused on saving millions of lives every year by making people aware of their drinking water quality. Sionser is a water quality testing and monitoring system which can test a water sample instantly and provide consumers with results in real time. The test is conducted using test strips and the results are disseminated to the consumers through a smartphone application and website.

The data is to be linked with a common database. This will be used to create an interactive geo-map differentiating between safe and unsafe water sources. Additionally, a health care message showing the possible dangers of consuming unsafe water from certain sources will be displayed.

This will also support government departments to plan water supply schemes and maintain the existing ones efficiently and thus should help make the supply of safe water to everyone a reality.

5.5. CREATING JOBS AND LIVELIHOOD DEVELOPMENT

The organisation **WECREATE** (Revolutionising Women around the World) serves as an entrepreneurial community centre for women interested in starting or expanding an existing business in Pakistan. WECREATE started off as a grant-funded project but has now become self-sustaining. Based in Islamabad, the centre provides mentoring, business connections, specialised training, connections to the community, media attention, access to markets and capital along with the technical tools and resources necessary for taking any business to the next level. WECREATE runs entrepreneurial programmes designed to accelerate women owned businesses to the next level. It offers:

- a mentor and coaching network, certified and vetted to support the specific needs of women

- business owners and entrepreneurs
- business building programmes
- a co-working space that provides a flexible office option for women business owners looking for a community of like-minded entrepreneurs
- an incubator space designed specifically with women entrepreneurs in mind which includes day-care, women-only space and connections to tools and resources to grow their business
- networking and events to provide critical knowledge and connections
- a safe day care that cares for children while women entrepreneurs work on starting and building their businesses.

She Kab is an early success story of the WECREATE incubator. It is a technology platform that connects female commuters in order to enable them to share rides. By providing safe, reliable, and affordable transport solutions, She Kab aims to foster empowerment. It generates employment opportunities for drivers, makes travel safer for women passengers, and lowers the gender disparity in the workforce.

Popinjay is an ethical fashion label that trains and employs female artisans in Punjab.

Alvi Corporation provides technical expertise to enable women to succeed in business. The social enterprise is run by women, for women and provides a range of advisory services including business planning, market research and feasibility studies.

Jassar Farms (Improving Livestock Productivity in Pakistan) have helped to disseminate high quality bull semen to small livestock farmers, a sector predominantly looked after by women. Using the bull semen to breed cows that produce higher volumes of milk allows smallholder farming families, and particularly women who manage their livestock, to double their cows' milk yields, leading to an income increase of around 33,300 Pakistani rupees (\$400 USD) per year per cow.

Alishverish Enterprises provide a variety of business and entrepreneurship services. Founded by Ms. Fatima Anila to provide opportunities for

women in Pakistan, Alishverish actively recruits women to all positions in the organisation.

5.6. GIVING WOMEN A VOICE IN THEIR COMMUNITIES

The social enterprise sector has become an important part of the campaign for women's rights in Pakistan. A large number of women-led social enterprises in our survey were focused on the delivery of education (39 per cent), providing counselling services (51 per cent), and giving women a voice in their community (43 per cent) – thus helping to create an ecosystem through which women could become more active participants in local communities, especially with regards to participation in public places.

Social enterprises have also helped create a voice for women in the community. **Women Through Films** is a social enterprise that makes small documentaries designed to empower women and sustains its business by conducting training sessions, workshops and seminars for students and others. The profit earned is used to create awareness on women empowerment issues.

5.7. SUMMARY

Section 5 gives a sense of the breadth of different approaches being employed by social enterprises across Pakistan. It demonstrates the impact on women's empowerment that can be achieved using social enterprise models to tackle gender inequalities and enable women and girls to reach their full potential. And it showcases models that could potentially be replicated in other areas to extend that impact to even more women.

Even when social enterprises are not specifically targeting women, they often empower women through their services to a different target group. For example social enterprises that are set up to provide confidence building for disadvantaged young people will impact upon girls as well as boys.

The next section explores the impact on the women who set up some of these social enterprises.

6. Women as social entrepreneurs

So far, we have considered the impact that social enterprises can have when they are specifically set up to address challenges and inequalities facing women and girls in Pakistan.

This section looks at women who set up a social enterprise and the impact this has on them.

For the purpose of this research, we have used the term 'social entrepreneur' to refer specifically to someone who sets up or leads a social enterprise, even if that venture is at an early stage.

When it comes to for-profit entrepreneurship in Pakistan, less than five per cent of companies are led by women, whereas, 20 per cent of social enterprises in Pakistan are started by women.

Despite this seemingly positive picture, social enterprise reflects many of the gender inequalities seen in the wider economy in Pakistan. A recent Thomson Reuters Foundation report placed Pakistan 41st out of the world's 44 largest economies in terms women's

participation in social enterprise. Women report additional barriers compared to men when starting social enterprises, including prejudice and discrimination. Social enterprises run by men are, on average, six times larger than those run by women². And there is significant gender segregation by industry sector.

The following sections explore some of these issues in more depth:

- Section 6.1 looks at the differences between social-entrepreneurship and for-profit entrepreneurship
- Section 6.2 examines the drivers for women to become social entrepreneurs
- Section 6.3 considers the barriers and enablers for women social entrepreneurs
- Section 6.4 explores the impact on women of being a social entrepreneur
- Section 6.5 looks at how women social entrepreneurs are being supported.



² British Council survey data 2016, (average size, removing outlying 10 per cent)

FIZA FARHAN

Fiza Farhan is one of Pakistan's best known social entrepreneurs and was named in Forbes magazine's '30 Under 30' social entrepreneurs list. In 2009, she founded Buksh Foundation, a micro-finance institute focusing on poverty alleviation, enterprise creation, and women's empowerment. Their projects have included 'Lighting a Million Lives', which creates women-led solar charging stations and 'Drop of Sun', a solar water filtration plant project providing 6,000 litres of clean drinking water daily. Fiza has been appointed to the United Nations body for the empowerment of women and she gave her thoughts on the role of social enterprise in empowering women in Pakistan.

'Social Entrepreneurship is the process of pursuing opportunities for long-term impactful social change by passionate, visionary and committed individuals. Social entrepreneurs are true leaders. They do not sit on the sidelines; they run the show and impact social change.'

I first made a mark in Pakistan's social entrepreneurship climate when I became the CEO of Buksh Foundation and Buksh Energy Private Limited, co-founding both social enterprises as my very first job. Being a young entrepreneur and a woman, it took

immense courage to make my place in the male dominated energy industry.

Through consistent dedication and resilience, I evolved as a social entrepreneur and saw the numerous opportunities that lie in this field for women. For me, the beauty of social entrepreneurship lies in the simple roadmap of "problems to solutions," and this became the simple mantra with which we launched multiple innovations in Pakistan. Some of these have been acclaimed as international best practices by the UN Foundation. "Lighting a Million Lives," was one such project, which led to a sustainable cycle of economic empowerment through social entrepreneurship for women in villages, while addressing a host of other socio-economic problems including education, health, sustainable economic livelihood, [and] reduction of crime rate amongst others.

Through my personal experience I strongly believe that social enterprises have the capacity to produce social, financial and environmental value. In Pakistan I believe they can especially benefit women, who often lack opportunities within traditional for-profit businesses. Social enterprise is one of the facets of the holistic approach to achieving gender equality and a fairer, more egalitarian and inclusive society at large.'

6.1. THE DIFFERENCES BETWEEN SOCIAL-ENTREPRENEURSHIP AND FOR-PROFIT ENTREPRENEURSHIP

If we want to understand the impact on women's empowerment of social entrepreneurship, we also need to look at for-profit entrepreneurship. Is the impact on women of starting a social enterprise similar to the impact of starting a for-profit business? Which is a more effective tool for women's empowerment?

For-profit entrepreneurs and social entrepreneurs share some common characteristics but also exhibit important differences. Many of the

enablers to women's entrepreneurship are similar to those for women's social entrepreneurship: access to appropriate business support, government policies and legislation, finance, education, and role models. Equally, many of the barriers are shared. Among these are confidence in abilities, fear of failure, and family responsibilities.

The primary drivers for social entrepreneurs are quite different, however, to those of their for-profit counterparts. While many do want to earn a reasonable income and have flexible working around family commitments, the overwhelming

aim of most social entrepreneurs, men and women, is to address a social or environmental concern or to benefit their community. Seventy five per cent of women social entrepreneurs responding to our survey cited these as their primary motivation.

These comparisons are important because there is considerably more data on women entrepreneurship than social entrepreneurship. While recognising that the same type of enabler might look slightly different for social entrepreneurship (e.g. appropriate finance, business support, legislation), many of the recommendations made to address barriers and enablers for women entrepreneurs also apply to women social entrepreneurs.

When governments, funders or intermediaries seek to identify, communicate with and encourage women social entrepreneurs, they need to employ different approaches from the ones used with for-profit entrepreneurs.

Another crucial difference between social and for-profit entrepreneurship is the expected economic return for the individual. Social entrepreneurship is likely to create higher rates of social return for the community and society at large. Social entrepreneurship is also likely to create proportionally more jobs for women (See section 7). But rates of pay in the social enterprise sector tend to be lower than other sectors. There is also a substantial gender pay gap in the social enterprise sector.

6.2. DRIVERS OF WOMEN STARTING SOCIAL ENTERPRISES

'I just don't want to earn money for myself, I want to help other women too. Through social enterprise I am earning and helping, and moreover I am inspiring other women too.' - Survey participant

'The cause I champion is more important to me than money. If money was more important, I'd go for a dream job somewhere that pays well and gives multiple fringe benefits, and which I was offered last year, but I refused. This is why I spearhead a social enterprise.' – Survey participant

As previously stated, 75 per cent of women

social entrepreneurs have started their venture to achieve social impact. Although this is still the majority of women, it is markedly lower than in the four other countries we surveyed where consistently 95 per cent of women cited addressing a social or environmental concern or benefitting their community as their primary motivation. This suggests social enterprise is playing an important additional role in Pakistan.

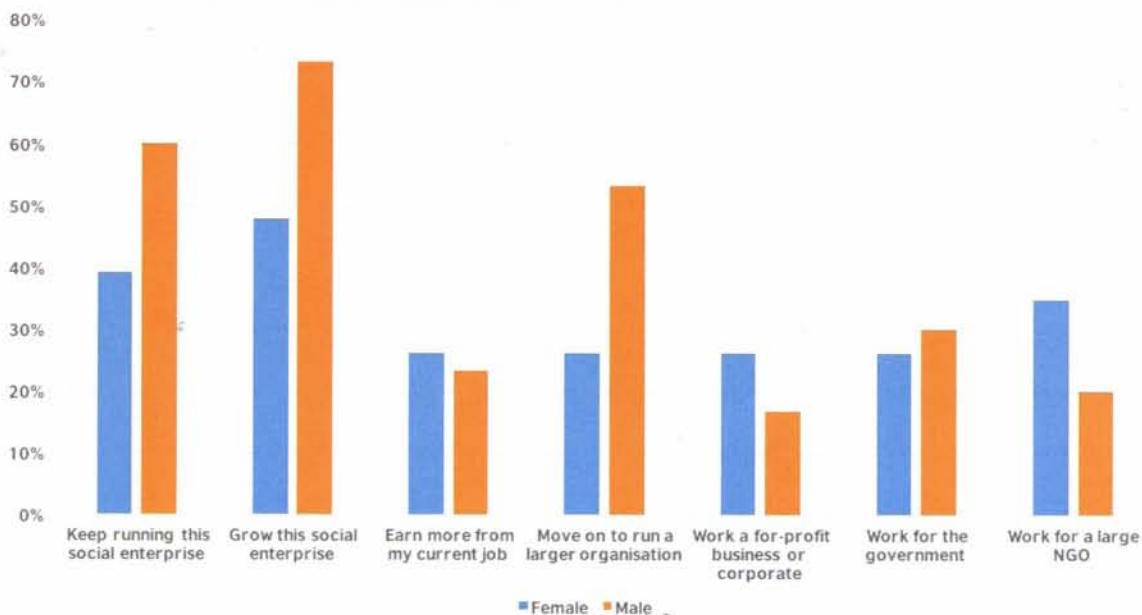
Twenty five per cent of women social entrepreneurs start their social enterprise either to provide income, because it was the best opportunity they had for a job or career, or to provide flexible working around family commitments.

Balancing familial responsibilities is a significant challenge for women in Pakistan (Rehman, & Roomi, 2012). Social enterprise can provide an opportunity for flexible working. Thirty one per cent of women with care responsibilities said the prospect of 'flexible working around family commitments' was a motivating factor in starting a social enterprise. A similar to percentage of men (36 per cent) also cited this as a motivation.

However, only 30 per cent of survey respondents felt social enterprise offered the most flexible working opportunities, which is less than in the corporate sector. This suggests that women may be choosing social enterprise not because it is the most flexible option, but because it is the most flexible option available to them.

This is reinforced by our survey of the ambitions of social entrepreneurs in Pakistan.

Fifty two per cent of women social entrepreneurs in our survey say they would like to work in a different sector, with 26 per cent saying they would like to work in the corporate sector. This is markedly higher than in all other countries we studied where nearly 95 per cent of social entrepreneurs want to continue working in the social enterprise sector. This suggests that, in Pakistan, social enterprise is playing an additional role in women's empowerment: it is providing an opportunity for employment or entrepreneurship when those opportunities are not available in the for-profit sector. It also suggests that for many women, social enterprise is not meeting their needs and aspirations as well as other sectors might, if they were accessible.



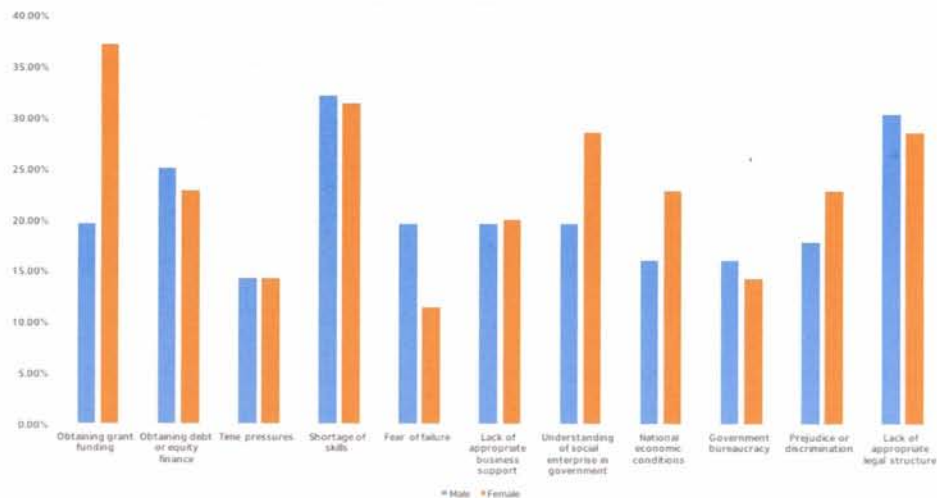
What are your personal ambitions?

6.3. BARRIERS FACING WOMEN

Although women are better represented in social entrepreneurship than for-profit entrepreneurship, there are still four times as many social enterprises led by men as by women and, on average, social enterprises led by men are six times larger than social enterprises led by women in terms of turnover³. This suggests that there are huge differences in terms of the barriers facing male and female social entrepreneurs.

What is interesting is that the data from our survey and the data from the earlier British Council mapping exercise show few significant differences in the barriers reported by male and female social entrepreneurs.

Twenty per cent of women reported lack of business advice/support as one of the major reasons for lack of sustainability and scale. According to the respondents, finding mentors who can guide or just refer to actionable solutions was difficult.



3 British Council survey data 2016

Almost 22 per cent of women found dealing with taxes difficult and were often fearful of intrusions by tax authorities and other possible interventions that would hinder their business ventures from scaling up. This finding is also linked to the regulatory burden cited by 43 per cent of the female respondents who found that dealing with government bureaucracy to obtain permits and licences, for instance, was difficult. These risks can be mitigated through the government's preferred partner policies. This can allow social enterprises to operate under Pakistan's public-private partnership laws.

Many of the barriers to the success of social enterprise were reported in similar proportions by men and women. What is striking is that 50 per cent of women said that gender had an impact on the barriers they faced as social entrepreneurs. The data provided through interviews and focus groups supported this view that women face considerably greater barriers than men.

Based on focus group discussions, the main social and structural barriers facing women include their lack of identity, financial stability and mobility.

6.3.1. FINANCE

Lack of capital is most often the highest barrier for women in social enterprise (Mahmood, Sohail, Khalid, & Babak, 2012). Access to grant funding was the most significant difference in the responses of men and women in our survey, with almost twice as many women as men reporting this as a barrier.

Nearly 40 per cent of the surveyed social enterprises have received donations and a third have received grants from foundations. Very few social enterprises received loans of any type. Surveys shows that female-led social enterprises are more likely to have received donations or grants, but none have indicated they have received commercial loans. Most commercial loans were awarded to male led ventures. Those who do not have access to commercial loans use their own personal savings as start-up funding.

Statistical analysis confirms that women entrepreneurs predominately use their own personal resources and social capital to fund

their social enterprise. Support from immediate family played a decisive role for the growth of women-owned enterprises (Azam, 2011). It shows that most women who do start their own social enterprises do so at their own expense or with the support of their family.

More research is needed to understand why women do not receive commercial loans. One explanation may male-led social enterprises tend to be larger in scale, which makes them more eligible to secure loans. It is a pattern that is also seen in the for-profit sector. Only three per cent of women in Pakistan borrowed money to start or expand a business, compared with 17 per cent of men.

It was recommended in the focus groups that central banks should look into reasons why women-led social enterprises have difficulty accessing capital.

6.3.2. CONFLICT BETWEEN DEMANDS OF FAMILY AND SOCIAL ENTERPRISE

Most women social entrepreneurs have responsibilities for caring for children or parents. Only 15 per cent of women report having no caring responsibilities, compared to 38 per cent of men.

Thirty one per cent of women cited the ability to work flexibly as a key reason for starting their social enterprise, but a similar proportion reported conflicts between the demands of their family commitments and the demands of their social enterprise.

While high proportions of men also reported conflicts between the demands of family commitments and running a social enterprise, research shows that women bear by far the greatest burden of childcare in Pakistan (Rehman, & Roomi, 2012).

6.3.3. GENDER PAY GAP

Thomson Reuters Foundation conducted research which concluded that the social enterprise sector in Pakistan has a gender wage gap, with men earning more than women. They ranked Pakistan 30th out of the 44 largest economies in respect to equality of pay in social enterprise.

Seventy nine per cent of respondents to our survey felt that other sectors were better at offering men and women equal pay.

6.4. PROFILE OF WOMEN STARTING SOCIAL ENTERPRISES

Who are the women most likely to be involved in social enterprise? A survey carried out by the ILO (Goheer, 2003) found that women who run social enterprises tend to have a below-average number of children and that 75 per cent are married. The same study also found that literacy rates among women social entrepreneurs are well above average and that many have diplomas and post graduate degrees from upper tier academic institutions. More than half of the respondents had attained a professional diploma before starting their social enterprise. The computer literacy of these women was also better than average.

These results are supported by our survey which also suggests that women social entrepreneurs are better educated than most women in Pakistan, and that many come from more affluent backgrounds.

- 69 per cent had at least a comfortable standard of living when growing up and 43 per cent were better off than many in their communities. These proportions were similar for men social entrepreneurs.

- 69 per cent were still in education at the age of 21, and only 15 per cent had left school before the age of 18. Again, these proportions were similar for men social entrepreneurs.
- 50 per cent are not the main wage-earner in their family, compared to 35 per cent of men.

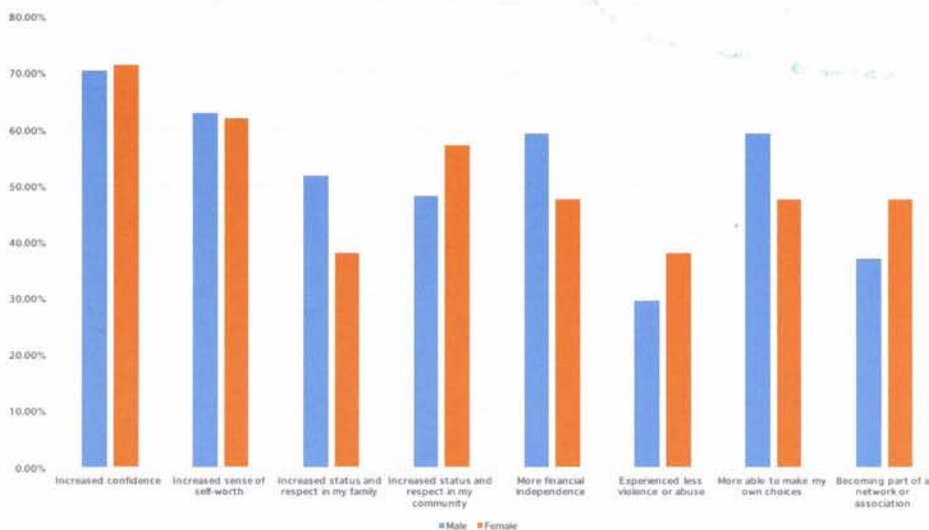
These statistics suggest that the women who are able to set up social enterprises have more resources than many women in Pakistan. There is also, perhaps, a gender advantage for women in that they are less likely to be dependent on drawing a wage from their social enterprise, easing the financial pressure on the venture.

As one survey participant expressed it, I am able to work in social enterprise 'because I have other sources for my income and profit.'

6.5. IMPACT ON WOMEN SOCIAL ENTREPRENEURS

Becoming a social entrepreneur has both positive and negative effects on women. On the whole, male and female social entrepreneurs experience broadly the same impact, and for both sexes the positive impact appears to be considerably greater:

- 71 per cent reported increased confidence
- 62 per cent of female social entrepreneurs responding to our survey said that starting a



Impact of becoming a social entrepreneur in Pakistan

social enterprise had given them an increased sense of self-worth.

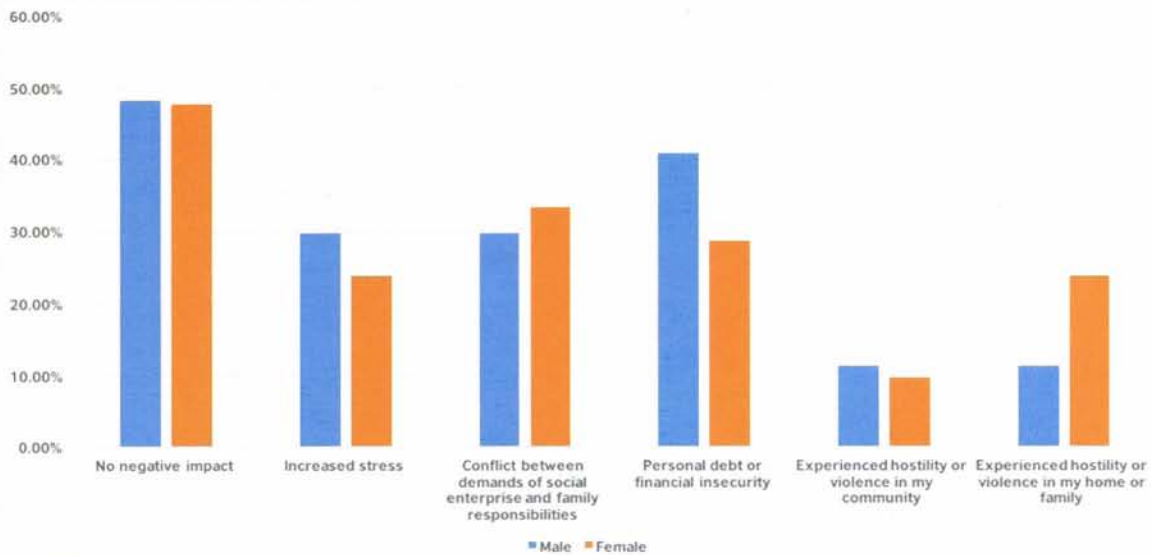
However, 52 per cent of female social entrepreneurs reported experiencing some negative impact in setting up their social enterprise.

The gender differences here are that more men report taking on personal debt or experiencing financial insecurity, while more women (24 per cent) experience violence or hostility at home.

6.6. SUPPORTING WOMEN SOCIAL ENTREPRENEURS

Since social enterprise has a strongly positive impact on women's empowerment, this is something that governments and other stakeholders should support. One framework that should be considered is that offered by the Global Entrepreneurship Development Institute (GEDI) for for-profit entrepreneurship.

Gender GEDI categorise female for-profit entrepreneurs into six groups^{xviii}:



- Privileged entrepreneurs
- Die-hard entrepreneurs
- Promising entrepreneurs
- Potential entrepreneurs
- Reluctant entrepreneurs
- Resistant entrepreneurs

They argue that any policy initiatives to encourage entrepreneurship should be aimed at the middle two groups to have most impact. The top two groups are likely to become entrepreneurs anyway; the bottom two groups are unlikely to do so even with interventions.

This approach would also be useful when considering how to encourage women social entrepreneurs. Further work is needed to identify the characteristics of these groups for social entrepreneurs however.

6.7. SUMMARY

When it comes to for-profit entrepreneurship in Pakistan, less than five per cent of businesses are led by women. By contrast, 20 per cent of social enterprises are led by women.

Women social entrepreneurs share many characteristics with for-profit entrepreneurs. They share many of the same barriers and enablers. Their motivations are often different, as most social entrepreneurs are driven almost entirely by a desire to create social impact.

Seventy five per cent of women in our survey started a social enterprise to address a social or environmental concern, or to benefit their community. However, 25 per cent did so purely to earn an income, for career opportunity or for the opportunity of flexible working. This is a much higher proportion than in all the other countries we studied. So while social impact is still the primary motivation, many women are choosing social enterprise because they lack alternative options.

Only 30 per cent of survey respondents felt that social enterprise offered the best option for flexible employment – less than in the corporate sector. And yet thirty one per cent of women social entrepreneurs said that the prospect of 'flexible working around family commitments' was

a motivating factor in starting a social enterprise.

The evidence suggests that many women choose social enterprise because other, more preferable options, are not available to them. Fifty two per cent of women would like to work in a different sector, with 26 per cent saying they would like to work in the corporate sector.

Women social entrepreneurs face the same barriers as their male counterparts, and also additional barriers as a result of their gender. These include

- prejudice and discrimination
- gender stereotyping
- barriers to accessing funding and investment
- greater demands on time through home and family commitments.

Becoming a social entrepreneur has both positive and negative effects on women. Many of the benefits of social entrepreneurship are experienced by both men and women. However, those relating to financial independence and respect within the family are markedly more impactful on women:

- 71 per cent reported increased confidence
- 62 per cent that starting a social enterprise had given them an increased sense of self-worth.

That said, 52 per cent of female social entrepreneurs reported experiencing some negative impact. One in four reported experiencing violence or hostility at home as a result of starting a social enterprise.

Compared to for-profit entrepreneurship, social entrepreneurship is likely to create higher rates of social return for the community and society at large.

Considering the UN's definition of women's empowerment, social entrepreneurship can offer women an important opportunity to 'influence the direction of social change to create a more just social and economic order, nationally and internationally.' It also offers financial independence and increased agency to proportionally more women than for-profit entrepreneurship. And it may provide a bridge into employment in other sectors.

7. The impact of the social enterprise sector as an employer

As we have seen, many social enterprises empower women as 'beneficiaries' of their services. Social enterprises empower the women entrepreneurs who set them up. And many social enterprises also create jobs that empower the women who work in them.

There are three important questions to consider as we evaluate the impact of social enterprise employment on women's empowerment:

- Are proportionally more women employed in social enterprise than other sectors?
- Are the jobs created good jobs?
- Do the jobs created challenge or reinforce gender stereotypes?

7.1. FEMALE PROPORTION OF SOCIAL ENTERPRISE WORKFORCE

At 29 per cent, the proportion of female full-time employees in social enterprises is higher than the 22 per cent in the wider economy in Pakistan,^{xix} and significantly higher than in small and medium enterprises where only eight per cent of full time employees are female (World Bank, 2013).

Furthermore, many of the women employed by social enterprises are from particularly disadvantaged backgrounds and would not otherwise find employment.

There may be a number of reasons why the social enterprise sector employs proportionally more women:

- Many participants of both sexes felt that women are more drawn to work with a social benefit. The same trend of greater female representation is also seen in employment in the NGO sector in Pakistan.
- Social enterprises are over-represented in industries in which women are over-represented such as health care and education.
- As we have already noted, social enterprise is seen as providing more flexible work than other sectors, which is attractive to women. A

large number of jobs in the social enterprise sector are part-time for example, and 50 per cent of these are occupied by women^{xx}.

- And, perhaps most significantly, social enterprise is seen as more acceptable for women, and therefore women are able to find opportunities in this sector which they cannot in others.

7.2. ARE SOCIAL ENTERPRISE JOBS GOOD JOBS?

Social enterprise jobs are perhaps best split into two broad categories:

- jobs specifically for beneficiaries – i.e. jobs deliberately created to employ someone disadvantaged in the labour market
- jobs NOT specifically for beneficiaries – i.e. those needed simply to run the social enterprise.

7.2.1. JOBS FOR BENEFICIARIES

Those jobs created specifically for beneficiaries are typically entry-level jobs to provide employment for people who would otherwise be unemployed. Thirty eight per cent of social enterprises in our survey said that if they did not employ them, their workforce would either be unemployed or working elsewhere in worse conditions and for less pay.

Whilst the jobs provided may only be entry level, training and development is typically involved. Eighty four per cent of social enterprises responding to our survey that cited creating employment as one of their areas of impact on women also cited developing skills.

The evidence suggests that jobs created by social enterprises specifically for beneficiaries are likely to be better jobs than those available through for-profit businesses.

7.2.2. JOBS NOT SPECIFICALLY FOR BENEFICIARIES

Jobs in the social enterprise sector that are not

created specifically for beneficiaries can be lower paid than comparable ones in other sectors, notably in the public and corporate sectors.

Eighty six per cent of respondents thought other sectors offer better employee benefits such as maternity pay and 79 per cent felt other sectors offered more equal pay.

The area in which the social enterprise sector did perform strongly was equal opportunity, in particular opportunities for women in leadership. Sixty three per cent of respondents felt social enterprise offered the best opportunities for women leaders. The NGO sector was second with only 18 per cent of respondents saying that it offered the best opportunities for women leaders.

As we have already seen, fifty two per cent of women responding to our survey said they would like to work in a different sector. In some regards social enterprise is offering better jobs for women than other sectors, but certainly not in all.

7.3. DO SOCIAL ENTERPRISE JOBS REINFORCE GENDER STEREOTYPES?

Only 34 per cent of our survey respondents believe social enterprises are challenging gender norms in Pakistan.

'Social enterprises are challenging gender norms. People have started acknowledging the role of women in entrepreneurship.' – Survey participant

Thirteen per cent felt they were reinforcing gender norms.

'Honestly, I don't see very many social enterprises working for women's empowerment. None of them are breaking the gender barrier where a woman is given a sewing machine to make things better or more recently what the Punjab Government suggested giving a rooster and hens to girls so they can learn about breeding chickens to make a living. It's always low-end, low-paying menial tasks that are reserved for women.' – Survey participant

And the rest felt they were doing both or neither.

In the for-profit sector women are over-represented in low-paid jobs particularly in textiles, crafts and agriculture, and under-represented in manufacturing and tech, for example. In social enterprise, we also see a similar degree of gender segregation.

Surveyed social enterprises in Pakistan focused

on mainly two sectors: education and health and social care. Few social enterprises work in forestry, transport or manufacturing. Women are more likely to work in the health sector than men (50 per cent compared to 34 per cent), and in social care sector (30 per cent compared to 20 per cent). By contrast, women are less likely to be involved in agriculture and fisheries (three per cent compared to 12 per cent) (British Council, 2013).

Women who operate in traditionally female sectors are often found to have the highest social capital. In contrast, women who work in traditional male sectors have lower levels of social capital, trust, and community engagement (Sapleton, 2009). This suggests that social enterprises working in traditionally male sectors need to work extra hard to develop the social capital of their female workforce.

7.4. SECTION SEVEN CONCLUSION

The social enterprise sector employs proportionally more women than the workforce as a whole, and more than the private sector. Furthermore, many of the women employed by social enterprises are from particularly disadvantaged backgrounds – e.g. as a result of through poverty or abuse – and would not otherwise find employment.

For those disadvantaged in the labour market, social enterprise generally offers better employment opportunities than those available in the private sector. But for those in leadership and management positions, pay and conditions in the social enterprise sector can be lower than in other sectors. Also, as in the wider economy, there is a substantial gender pay gap with men earning more than women. Fifty two per cent of women social entrepreneurs would like to work in a different sector.

The social enterprise sector generally conforms to the same gender segregation as the wider economy in each country, with women better-represented in lower-paid sectors such as textiles and agriculture, and even more under-represented in higher-paying sectors such as tech, for example. One reason the social enterprise sector may have a relatively high proportion of women staff is that there is a high proportion of social enterprises operating in traditionally female sectors.

8. Conclusion

Women and girls in Pakistan face challenges based purely on their gender, including unequal opportunities at work, unequal expectations at home and an unequal risk of violence.

Social enterprise offers several opportunities to address this gender inequality:

- it can provide a more sustainable approach to women's empowerment than grant dependent organisations
- it offers a proven, effective means to support vulnerable or disadvantaged women into employment and to tackle many of the specific challenges facing women and girls today
- it provides an opportunity for women to 'influence the direction of social change to create a more just social and economic order, nationally and internationally'
- it offers more opportunities for women's entrepreneurship and leadership – opportunities that are often more culturally acceptable than for-profit business
- it creates proportionally more jobs for women than the for-profit sector, particularly for those disadvantaged in the labour market.

There is a need however for the government to recognise, support and incentivise this sector so that it can flourish. In order to realise the opportunities in the social enterprise sector, more

resources and investment should be focused on encouraging social enterprises to tackle issues of gender inequality and women's empowerment.

While social enterprise does offer significant opportunities for women's empowerment in Pakistan, there remain inequalities within the sector itself that need to be addressed as well.

- Women social entrepreneurs face greater barriers than their male counterparts, including prejudice and discrimination.
- There is a significant gender pay gap in the social enterprise sector and fewer benefits that are significant to women such as maternity pay.
- Social enterprise demonstrates the same gender segregation seen in other areas of the economy with women over-represented in low-paying sectors such as education and care, and under-represented in well-paid sectors such as construction and tech.

Furthermore there is evidence that many women are choosing social entrepreneurship because they are not able to access careers in preferred sectors.

Governments, funders, investors and intermediaries also have an important role to play in addressing these inequalities.

9. Recommendations

Based on our research, and particularly on the discussions of our focus group of social enterprise and women's empowerment experts, we have drawn together some recommendations to increase the effectiveness of social enterprise as a model for supporting women's empowerment. These are grouped into recommendations for governments and policy makers, funders and investors, social enterprises and intermediaries, and the private sector. Some of the recommendations apply to one or more group, and all stakeholders need to work together to ensure the successful implementation of these recommendations.

The importance of applying a gender lens is critical as is including both men and women in the conversation.

9.1. RECOMMENDATIONS FOR GOVERNMENT AND POLICY MAKERS

Many of the barriers facing female social entrepreneurs are the same as those facing male social entrepreneurs. Some of these recommendations will be of equal benefit to both.

Governments should bear in mind that any policies to support women's employment will actively support the social enterprise sector, which has a disproportionately high female workforce. Equally, any policies that support the social enterprise sector will support women's empowerment in Pakistan. The simplification and easing of the tax and regulatory regime for small and medium enterprises would also benefit social enterprises managed by women (Ahmed et al 2015).

SOCIAL ENTERPRISE WORKING GROUP

- The Government should set up an intergovernmental social enterprise working group led by the Planning Commission. This should have representation from both federal and provincial governments, SECP, FBR, NCSW, provincial planning and development departments, as well as representatives from the social enterprise sector to frame

recommendations to the federal government.

- The working group should have cross sector representation with stakeholders from business, government, academia, policy think-tanks and social enterprises. It should ensure that the voices of women social entrepreneurs are proactively included and work towards gender balance.
- The working group should have a specific remit to look at the particular challenges facing women social entrepreneurs and the opportunities for social enterprise to address gender inequality and women's empowerment in Pakistan.
- In addition, the Securities and Exchange Commission of Pakistan (SECP) should also convene a meeting with social entrepreneurs to see how company rules may be modified to support the cause of these entrepreneurs. A single window system for social enterprises should be established, online or physically, so they do not need to pay separate visits to SECP, Federal Board of Revenue and provincial revenue authorities.

DEFINITION

- The government should look to recognise a formal definition of social enterprise to facilitate understanding of its benefits to society, and specifically to women, within government and wider society.
- The government should create a specific legal structure that could be adopted by social enterprises, such as the Community Interest Company in the UK.

GOVERNMENT CENTRE FOR SOCIAL ENTERPRISE

- The Planning Commission should immediately operationalise the Centre for Social Enterprise, which was already approved by the Departmental Development Working Party. This Centre should ensure that the support required by women social entrepreneurs is made widely available.
- All provincial governments should follow the

example of the federal Planning Commission and establish a Centre for Social Enterprise at the departments of planning and development in the provincial capitals. These centres will act as a knowledge repository for those seeking help from government departments and also ensure that reforms and fiscal incentives for women-led social enterprise are part of provincial growth strategies as well as annual provincial budgets and annual development plans.

FINANCIAL SUPPORT

- Given the low number of social enterprises in agriculture processing or small scale industry/manufacturing, the Ministry of Industries and Production should conduct a review of available support to social enterprises and make a case to the Ministry of Finance for an enhanced fiscal package. This might, for example, be through the Export Development Fund for social enterprises having export potential, or via state-funded loans through the National Bank of Pakistan, along similar lines similar to the textile or the fiscal packages provided to the agricultural sector.
- The State Bank of Pakistan (SBP) should conduct an urgent study on the difficulties faced by women social entrepreneurs in accessing funding from commercial banks and other scheduled financial institutions. Drawing on that study, SBP can then work to remove the impediments faced by women entrepreneurs in obtaining loans.

EXPORT

- The Trade Development Authority of Pakistan (TDAP) should consider exempting women-led social enterprises with export potential from paying a foreign exhibition fee. The products of such women-led social enterprises should be promoted by TDAP in all exhibitions abroad.
- SMEDA should also subsidise the participation costs for social enterprises, particularly women-led social enterprises, in local or international trade fairs. The focus should not just be on marketing final products but finding ways for these enterprises to become part of regional supply chains.

PUBLIC PROCUREMENT

- The government should introduce preferred procurement or a fixed quota for women-led social enterprises in public procurement. The Public Procurement Regulatory Authority should meet with social entrepreneurs to discuss priority areas and also conduct a detailed study on the socio-economic benefits of having such an arrangement. The same study can outline methods by which female-led social enterprises in various sectors may benefit from public procurement.
- The government should also consider ways to incentivise social enterprise procurement by the private sector.

SOCIAL ENTERPRISE EDUCATION

- Governments and social enterprises should work in partnership to increase the prevalence of social entrepreneurship education in schools, including a specific focus on addressing gender inequality. This should begin in primary school.
- This programme should prioritise working with girls and increasing business skills, confidence and the social acceptability of female entrepreneurship.
- Public awareness of social enterprises can also be increased through school, college and university curricula by incorporating an emphasis on social entrepreneurship.

FACILITATE THE WORK OF FUNDERS, INVESTORS AND INTERMEDIARIES

- Governments should look to facilitate the recommendations for social enterprise intermediaries, and funders and investors (below), through policies, convening, and the provision of finance.
- Governments should also ensure coordinated and effective communication of the support and funding available for social enterprises. This communication should be especially targeted at women to help reduce the gender gap in social entrepreneurship.

9.2. RECOMMENDATIONS FOR SOCIAL ENTERPRISES AND SUPPORT ORGANISATIONS

Many of the recommendations for the social enterprise sector will also require support from government and/or funders.

WOMEN'S SOCIAL ENTERPRISE NETWORKS

- Facilitate networking between gender-focused social enterprises and women's organisations nationally and internationally with a view to sharing best practice and replicating successful models. In particular this should look at supporting women's organisations to use social enterprise as a tool to empower women and achieve financial sustainability.
- Create a Women's Social Enterprise Chamber of Commerce to increase the peer support available specifically for women social entrepreneurs and board members.

TRAINING FOR WOMEN SOCIAL ENTREPRENEURS

Work in partnership with provincial governments to assess training needs and provide appropriate training for women social entrepreneurs. This should focus particularly on:

- financial literacy
- business planning
- business skills
- pitching for funding and investment
- technology.

SOCIAL ENTERPRISE INCUBATORS AND ACCELERATORS

- Establish social enterprise incubators specifically for women. These could be cross-sector, supporting social and for-profit enterprises.
- Online accelerator programmes could also be established, including a programme marketed specifically at women social entrepreneurs. These will have a greater reach than individual incubators, although the anticipated success rate will be lower.
- With the aim of having 50 percent female beneficiaries, the YES network could work specifically to support women who own social enterprises.

INCREASE AWARENESS

- Make effective use of media and communications to ensure women social entrepreneurs are seen and heard.
- Ensure a gender-balanced portrayal of social enterprise in the media in order for the social value created by both female and male social entrepreneurs to be recognised.

CHALLENGES AND COMPETITIONS

- Instigate competitions to start social enterprises specifically to tackle gender inequality and women's empowerment, offering an appropriate mix of grant, equity and loan finance, and mentoring and support to the winning enterprises.
- These could be cross-sector and potentially focus on those at the Bottom of the Pyramid (BoP).

ADDRESS OPPORTUNITIES AND EQUAL PAY

- Social enterprises in Pakistan should carefully examine the gender balance of their workforce and the pay offered to male and female employees. Social enterprise should be leading the way in gender equality. However, 79 per cent of survey respondents felt that other sectors offered more equal pay.

9.3. RECOMMENDATIONS FOR FUNDERS AND INVESTORS

Funders and investors in Pakistan must recognise the value of gender equality in social enterprise and the additional barriers facing women social entrepreneurs trying to access grants, loans or equity.

GENDER LENS TO INVESTING

Gender lens investing is the practice of investing for social and/or financial return while also considering the benefits to women. Many argue that adding a gender lens to investing can help promote female led social enterprises and provide role models for women.

- Use a 'gender lens' when making investment decisions; understand the additional barriers faced by women social entrepreneurs and the

strengths of women-led social enterprises.

- Provide training for funders and investors to understand the differences between male and female social entrepreneurs and the potential of women-led social enterprises.
- Set specific targets for a funding or investment portfolio that is balanced for gender. Consider launching products or services that are specifically targeted at under-represented sectors of the population.

WOMEN INVESTORS AND FUNDERS

Globally there is a shortage of female investors. Our recommendations are to:

- set targets to ensure a greater gender balance in the boards and senior leadership teams of funders and social investors
- ensure a gender balance in all panels making lending and investment decisions
- record and publish data on the level of investment into male and female-led social enterprises, the gender composition of leadership teams and boards, and the impact of those investments
- consciously use language that will not alienate women social entrepreneurs when communicating about products and services. Engage with specialist women's social enterprise and business intermediaries to support this and to promote products and services specifically to women.

ENCOURAGE GENDER EQUALITY AND WOMEN'S EMPOWERMENT AMONGST INVESTEES

- Funders and investors should set criteria for social enterprises to meet before receiving a grant or investment including:
 - have gender-balanced boards
 - record and measure their social and environmental impact and include gender equality as a metric.

RAISE THE PROFILE OF WOMEN ROLE MODELS

- Promote and celebrate the role of women as social investors and women as social entrepreneurs.

SPECIFIC FUNDING PRIORITIES

- Support social entrepreneurship to become embedded in the curricula and ethos of schools and higher education institutions. Promote strategic research and collaboration opportunities as well as a social enterprise schools programme.
- Support in setting up a women chamber of social enterprises – a key recommendation during our focus group discussions.

9.4. RECOMMENDATIONS FOR THE PRIVATE SECTOR

The private sector can play a crucial role in developing social enterprise, and in particular women's social enterprise in Pakistan by:

- collaborating directly or indirectly with already established women social enterprises. This can be done through corporate social responsibility initiatives or other mechanisms
- offering creative forms of support and sponsorship for women social enterprises within their own business sector (e.g. marketing and advertising campaigns for women social enterprises)
- providing mentoring in select areas of social businesses
- providing representation on the boards of women social enterprises to provide strategic guidance
- purchasing products and services from social enterprises for their business operations or marketing campaigns, and encouraging the inclusion of social enterprises in their supply chains. This can be done through preferred procurement from women social enterprises.

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ENDNOTES

- i. <http://reports.weforum.org/global-gender-gap-report-2016/>
- ii. For small and medium businesses, only two per cent of borrowers are women.
- iii. <http://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS>
- iv. <http://reports.weforum.org/global-gender-gap-report-2016/>
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