

**FACTORS INFLUENCING GROWTH OF  
SMALL BUSNIESSES-A CASE STUDY OF  
FRUIT VENDORS IN ISLAMABAD**



*Submitted by*

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**CERTIFICATE**

This is to certify that this thesis entitled: **“Factors Influencing Growth of Small Businesses - A Case Study of Fruit Vendors in Islamabad.”** submitted by **Mr. Shakir Ullah** is accepted in its present form by the School of Economics, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Business Economics.

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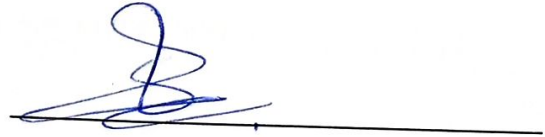
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### **Declaration**

I SHAKIR ULLAH hereby state that my M.Phil. Thesis titled FACTOR INFLUENCING GROWTH OF SMALL BUSINESSES A CASE STUDY OF FRUIT VENDORS IN ISLAMABAD is my own work and has not been submitted previously by me for taking any degree from Pakistan Institute of Development Economics Islamabad or anywhere else in the country/world.

At any time, if my statement is found to be incorrect even after my Graduation the university has the right to withdraw my M.Phil. Degree.

Date: 04/02/2022



SHAKIR ULLAH

## ***Dedication***

*I humbly dedicate this research work to my Parents, my siblings and cousins as they have shown me the way of enlightenment and enabled me to obtain my M.Phil.*

*Degree that will pave the path to my future success.*

## **ACKNOWLEDGEMENTS**

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## **ABSTRACT**

I conducted a qualitative research regarding the factors influencing growth of small businesses of fruit vendors in Islamabad. The targeted population comprised of the owners or managers of small and medium sized fruit vending businesses largely contributing to the fruit industry, a substantial part of Pakistan's economy. In this research we aim to document the number of registered owners, their socio-economic profile and investigate the factors hindering the growth of these businesses. I used census forms for constructing sample frame for all the vendors and used both open and close-ended questions in review guide. The data collected was analyzed using thematic analysis and framework analysis as the approach in which data was recorded, transcribed, coded, thematically charted and finally themed and/or sub-themed. Major issues hampering their development were financial limitations, competition from other fruit sellers, getting rotten fruits from mandi, lack of education, no to very little government backing and debasement, rented houses etc. Moreover, C.D.A. registration is a hectic process in Islamabad. Other minor issues include borrowing, taxes, lockdown, and bad weather etc. Our findings show that most of the fruit vendors have small families, 1-3 rooms house, no secondary residence and vehicle, work 111-120 hours per week, nominal income ranges from 351k-550k and didn't finish their high school. A governmental check and balance over large business owners in mandi, subsidies to vendors, educating vendors and C.D.A. providing dedicated places for these markets is a necessary requirement. Further research should be conducted to solve these major problems regarding SMEs in Islamabad.

**Key Words:** Small business, Fruit Vendors, Education level, Growth

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## LIST OF ABBREVIATIONS

SME's	Small and Medium Enterprises
CDA	Capital Development Authority
ANOVA	Analysis of Variance
R&D	Research and Development
GDP	Gross Domestic Product
EPSRC	Engineering and Physical Sciences Research Council
SMEDA	Small and Medium Enterprises Development Authority
GFCF	Gross Fixed Capital Arrangement
FBS	Federal Bureau of Statistics
IT	Information Technology
UDC	Unit of Data Collection
GED	General Education Diploma
APEC	Asia-Pacific Cooperation Organization
SMB	small and medium business
UN	united nations
WTO	world trade organization

# Chapter 1

## INTRODUCTION

### 1.1 Background of the Study

SMEs play a significant role in growth, development and gross domestic product (GDP) of a country by reducing the unemployment as well as enhance the chances of entrepreneurship (Kot et al., 2020). These contributions by SMEs in development of an economy help people in maintaining their standard of life by increasing their income (Dar et al., 2017). SMEs play a significant role in development and competitiveness of economy (Ahmed et al., 2010). The competitiveness and development of an economy is directly proportional to the growth and development of SMEs (Ahmed et al., 2010). Economists throughout the world stated that SMEs are found to increase growth (Khan & Ali Qureshi, 2007), generate employment, decrease poverty (Ali, 2013), and enhance foreign exchange revenue (Berry et al., 1998) and (Soomro & Aziz, 2015).

The developed countries acknowledge the role of SMEs in assisting their economies as it plays a major role in the development of country and it is a vital source of revenue generation and employment creation as well as contribute in development of a nation life standard by increasing income of people (Rohra & Panhwar, 2009). The competitiveness and development of an economy is directly proportional to the growth and development of SMEs (Ahmed et al., 2010). Economists throughout the world stated that SMEs are found to increase growth (Khan & Ali Qureshi, 2007), generate employment, decrease poverty (Ali, 2013), and enhance foreign exchange revenue (Berry et al., 1998) and (Soomro & Aziz, 2015).

According to the economic census of Pakistan, there are 3.2 million SMEs in Pakistan, which represents more than 90 percent of all private businesses and employ almost 78% labors in Pakistan (Raziq, 2014) Almost 53% of SMEs activity is in retail trade, restaurants, hotels and wholesale (Raziq, 2014). In Pakistan, SMEs play a vital role in the progression of technology, economic growth, cottage industry and social development (Dar et al., 2017). Realizing the vital contribution of SMEs in job creation, income generation, removal of poverty and economic diversification, the government of Pakistan has been providing resources to these SMEs (Bhutta et al., 2008). Despite all the efforts, SMEs in Pakistan are affected by various shortcomings such as energy crisis, lack of planning, low skills human resources, no financial literacy and absence of training and education for SME owners (Bari & Cheema, 2005; Mustafa & Khan, 2005; Rohra & Panhwar, 2009; SBP, 2009-2010).

However, there are some factors (both internal and external) which restrain the growth and expansion of SMEs. The current research will focus on the small and medium sized fruit vendors located in Islamabad and examine the size of their business activities.

## **1.2 Problem Statement:**

Studies have been conducted on both national and international level to address the problems associated with SMEs. Based on previous literature little amount of research has been conducted on the factors affecting the growth of small and medium enterprises (SMEs) specifically in Islamabad. There are several factors which affect the growth of SMEs. In this research we aim to investigate those factors that hinder the growth of these businesses. As SMEs reduce unemployment, enhance entrepreneurship, develop economy, decrease poverty and enhance foreign exchange revenue that's why it is necessary to

address the problems associated with SMEs. We used census forms to construct sample frame as well as both open and close-ended questions in review guide. The data collected was analyzed using thematic analysis as the approach in which data was recorded, transcribed, coded, thematically charted and finally themed and/or sub-themed.

### **1.3 Significance of the Study**

The current research is of both research and policy significance. From research point of view, the registered number of fruit vendors has not been documented through social research. Also, the size of their economy and businesses has not been the focus of existing research. Hence, my research will be articulating both size and documentation of registered small and medium sized fruit vendors in Islamabad. The findings will also detail about their employment and livelihood and their survival techniques, as well as the longevity in the fruit vending business. The current study will be qualitative in nature and hence will establish a granular understanding of the subject matter. The findings may also be of some policy significance for sustainability of small and medium sized fruit vending business in Islamabad.

### **1.4 Organization of the Study**

After introduction, past available literature on this topic has been reviewed in chapter 2. In 2<sup>nd</sup> chapter, thematic analysis of previous literatures, ranges international to country level and to specific area has been discussed. Research design is included in 3<sup>rd</sup> Chapter, while Chapter 4 includes results and discussion. This chapter includes interviews analysis from the SME owners while conclusion and recommendations were discussed in 5<sup>th</sup> chapter.

## **1.5 Theoretical Justification**

It is necessary to document the number, size, survivability, longevity and location of SMEs in Islamabad in order to provide them with proper places where they can sell their products easily and the government has records of the registered and non-registered SMEs as well as the economic impact of these SMEs in Islamabad. This research will also evaluate key problems associated with food industry; as fruits are used by everyone in their daily life, as well as fruit vending is a major business for people with low income and issues regarding food vendors have not been addressed before.

## **1.6 Research Gap**

- The number and spatial location of small and medium sized fruit vendors has not been documented in Islamabad.
- The short or long term survivability of their businesses has not been articulated in the existing social research.
- Reasons for stagnant both in terms of size and longevity of fruit vending businesses has not been studied.

## **1.7 Research Question**

- What is the number of registered owners and managers of small and medium sized fruits in Islamabad?
- What is the socio-economic profiling of registered owners and managers of small and medium sized fruit vendors in Islamabad?
- What is the size of their economy, explain growth or de-growth factors of their fruit vending businesses, their employment & livelihood statuses, and longevity of their vending businesses in each of the study's sub-locales?

## **1.8 Objective of the Study**

- To document the number of registered owners and managers of small and medium sized fruits vendors in Islamabad.
- To describe socio-economic profiling of registered owners and managers of small and medium sized fruit vendors in Islamabad.
- To determine the size of their economy, explain growth or de-growth factors of their fruit vending businesses, their employment & livelihood statuses, and longevity of their vending businesses in each of the study's sub-locales.



## Chapter 2

### LITERATURE REVIEW

SMEs contribute in generating employment, enhancing life standards, increase competitiveness and improving economy of a nation. In Pakistan, SMEs play a vital role in the progression of technology, economic growth, cottage industry and social development (Dar et al., 2017). Realizing the vital contribution of SMEs in job creation, income generation, removal of poverty and economic diversification, the government of Pakistan has been providing resources to these SMEs (Bhutta et al., 2008). The growth of SMEs has been restrained by several factors; in this section, contribution, and factors which affect SMEs will be discussed thoroughly by citing the research conducted on these topics in the past.

#### 2.1 SME's definition

Meaning of SMEs differ from one country to another yet there are some normal characteristics which incorporate yearly deals, number of laborers, amount of resource of the firm, market capitalization and so forth Little and medium venture has no particular definition and it change from country to country. Furthermore, an advanced and serious SME should have the accompanying attributes:

- I. Implementing the administration and activity strategies for current associations and worldwide norms.
- II. Set up for networks and the appropriation of data, new access and items.
- III. Connecting with new information creating bodies, novel shafts and R and D organizations.

V. Switching to new administrations, creative items, homegrown and unfamiliar business sectors.

## **2.2 SME's Importance**

SMEs assume a significant part in a large portion of the economies especially in arising economies. The Formal SMEs commitment accounts up to 40% of Grass homegrown items (GDP) in non-industrial nations. SMEs addresses over half of work and 90% organizations everywhere. (Amaradiwakara & Gunatilake, 2017) stated that SMEs play a significant role in promoting the role and economy of a country. There are some secret factors which control the growth and development of SMEs and are yet to be revealed. In this study, fifteen SMEs were studied which have either positive or negative growth in sales. The expansion and development of SMEs face several restrains such as financial instability, not technology oriented and government imposed regulations. It was also revealed that the education level of SME owner plays a vital role on the growth and development of SMEs. Discoveries proposed that SMEs have a significant impact from multiple points of view like business age for both country and metropolitan labor force and giving continuity and advancement to the economy which prompts financial development and improvement. Examination additionally shows that SMEs has a significant part in enormous organizations in arising economies.

Jamali et al. (2010) Small and medium ventures are the spine of Pakistan's economy. They are a productive client of the scant assets and have better linkages with different areas of homegrown economy. Anyway barely any analyst studies inspected their improvement, difficulties and future possibilities. Hence the point of this paper is to look at and investigate the design, development, effect and issues in financing SME issues

influencing SME area and recommend an essential structure for improving the seriousness of Pakistan SME in local and worldwide market. The significant end drawn from this paper were the SME area in Pakistan is confronting numerous issues and difficulties both homegrown and better possibilities in showcasing their items at global market. This paper suggests a few measures as a positive advance towards tending to the above issues and difficulties to ensure a sound future for SME in Pakistan.

Petkovska (2015) reported that there are several reasons that explain the importance of SMEs in the process of economic growth. Very often SMEs can perform successful diffusion of the newest technologies. In addition, SMEs are able, more effectively, to meet the needs of a relatively small, but specialized, markets. SMEs have a positive impact on the economic process and competitiveness of the country due to their flexibility, adaptability to plug changes, also as due to their impact on employment and knowledge sharing. They can relatively quickly and without shocks change their productions programs and conquer the assembly of highly profitable products, also as hand over the assembly of unprofitable products or products that there's no demand on the market. All this, alongside relatively lower production costs, higher labor productivity, lower transportation costs and more efficient management as compared to big enterprises justifies capital investment aimed towards supporting growth of the SMEs (Mabert et al., 1992). The activities of SMEs have an impact on production and the growth process of all advanced economies. This role of SMEs is Business plans with SMEs often lead to On the other hand, innovation is one of the key sources of innovation the economic growth and prosperity of the modern economy. Pass through Implementation and implementation of economic policies (Grimm et al., 2014). The business climate depends on little and How does medium-sized business

consider the new strategy estimates Will influence little and medium-sized business visionaries since they are More adaptable, yet in addition more delicate to changes in the business climate Contrasted and huge undertakings (Grimm et al., 2014) On the other hand, SMEs several innate characteristics resulting from distinguishing their size from a large company, for example: fewer employees, less work, less Customers, mainly operating in the local market. Innovation is particularly recognized feature of the SMEs because of their flexibility to the market changes. Innovative activities and SMEs are closely related – SMEs have to undertake innovative activities if they want to stay competitive, to develop, and to ensure long-term existence, in a dynamic and competitive environment. Having all this in mind, the main objective of this article is to discuss some of the key features of the SMEs, the definition, types and determinants of innovation and the link between innovation and SMEs, with a special emphasis on the impact of innovation on SMEs competitive ability (Blandon et al., 2009).

Zafar and Mustafa (2017) presented that SMEs adds to more than 55% of GDP and more than 65% of all out work in major league salary nations. SME's and casual endeavors, represent more than 60% of GDP and more than 70% of complete work in low-pay nations, while they offer more than 95% of all out business and about 70% of GDP in center pay nations. Little and medium-sized endeavors (SMEs) are non-helper, self-sufficient firms which utilize under 250 number of laborers in Pakistan or having settled up capital up to Rs.25 million and deals up to Rs.250 million for every annum. Besides, SME fragment is the establishment of Pakistan's economy to the extent its responsibility towards GDP, work period and admission improvement. Economy related admittance is a critical driver in developing the SME division which subsequently prompts financial development of the

country. SMEs comprise about 90% of the significant number of adventures in Pakistan; use 80% of the non-country work oblige; and their commitment in the yearly GDP is up to 40%, generally it has extent of 30% in Pakistan's all fares. SMEs are spread in every aspect of Pakistan with a critical obsession in Punjab (65.4%). The commitment of Baluchistan in the country's SME part turns out to be the humblest (2.3%) while those of Sindh and Khyber-Pakhtunkhwa are 18% and 14.3%, independently. Regardless of critical commitment of SMEs to the monetary development of Pakistan, over 90% youngsters in the greatest city for example Karachi, accept they need more financial freedoms for their expert development. The investigations uncover that, SMEs not just effects GDP. It additionally assists with upgrading the work of individuals of the nation by setting out more financial open doors.

### **2.3 Factors Affecting the Growth of SMEs**

Kersting and Wollni (2012) reported that Information and Communication Technologies (ICTs) possess the potential to contribute significantly to economic growth. Given their many benefits, small and large businesses are adopting ICTs to support their competitiveness, productivity and profitability. However, ICT adoption in small and medium enterprises (SMEs) differs from that of larger organizations because of the specific characteristics of SMEs, such as resources constraints. It is therefore important to understand the theoretical models used to explain ICT adoption in SMEs, to better appreciate the key factors that influence the adoption and use of such technologies by these businesses. This integrated model includes an overarching typology, which classifies some of the key internal and external factors that influence SMEs' ICT adoption. The integrated model provides a sound framework for future search on ICT adoption by SMEs in both

developed and developing countries (Taylor, 2015). ICTs support SMEs development by facilitating more effective integration of business processes, lower transaction and communication costs between firms, and more efficient decision making. ICTs have allowed small organizations to participate in global markets by utilizing web sites for marketing their products. ICTs contribute to the growth and profitability of firms and provide a base for their transformation from a micro to a medium level. Given their importance in the economy, it is therefore essential that SMEs are encouraged and propelled to adopt ICTs more quickly (Emongor, 2009).

Bouazza et al. (2015) in a new examination on Management of business challenges among Small and miniature endeavors in Nairobi-Kenya, endeavored to research factors that may add to the practical development of private ventures in Kenya. Infrastructure as it identifies with arrangement of access streets, satisfactory force, water, sewerage and media transmission has been a significant imperative in the improvement of SMEs. Stated the factors (both internal and external) which influence the prevalence and growth of SMEs. The proliferation and extensive use of information and communication technologies (ICTs) is changing the way people and organizations work. ICTs are a wide range of software, hardware, telecommunications and information management techniques, applications and devices. Collectively, these are used to create, produce, analyze, process, package, distribute, receive, retrieve, store and transform information (Ciubotariu, 2013). These technologies are increasingly being used in almost every activity and embedded in more and more things, thus facilitating ubiquitous computing. Like their larger counterparts, small and medium enterprises (SMEs) or small firms having a workforce of up to 200 employees, ignore such technologies to their certain demise. The external factors include

the access to financing, capacities of human resource and regulatory framework, while internal factors are no access to technology, low marketing skills and entrepreneurial characteristics. (Agwu & Emeti, 2014) looks at that numerous tax assessments and absence of managerial skills, insufficient social foundation and helpless financing make significant obstacles in the exhibition of SME during October 2012 and November 2013 in Port-harcourt city. They chose 120 enrolled organizations and fostered a spellbinding examination plan by scrutinized information assortments utilizing illustrative insights while drawing up speculations they utilized z-test. Besides they proposed offices of delicate advances, long haul advances plans from government, limit building support from both public and private areas and foundation of SMEs monetary organizations for SMEs administrators.

Akinyele et al. (2016) studied that the main aim of this study was to determine the role of infrastructure on the growth of SMEs. Quantitative research design was used in this study to interview 239 registered SMEs owners and to find the effect of these infrastructures on the performance of their SMEs furthermore stratified and simple random sampling were also used in this study, also ANOVA was utilized to calculate these hypotheses through SPSS. There is a significant positive effect of infrastructure such as education of owners, electricity supply to SMEs, technology oriented and transportation on the performance of SMEs, which indicates that infrastructure played very important role in the successful development of SMEs. Therefore, it is recommended that the government should provide basic infrastructure to SMEs as it cannot be afforded by the SMEs themselves, also the SMEs should try alternative measures to attract the government attention and interest towards the development of SMEs. In fact, scholars, policy makers

and business executives recognize that meaningful investment in ICTs is a competitive necessity, if firms and economies are to meet the demands of globalization (Ayyagari & Beck, 2003). A firm's need to derive value from its ICT investments is critical especially for SMEs, since poor ICT investment decisions can adversely affect profitability. These technologies have the potential to provide a distinctive advantage for businesses to continue as or become a leading player in their industry. In the contemporary business world, executives in large and small firms rely on ICTs to support strategic thinking that ICTs play an important strategic role in supporting existing business strategies and shaping new ones. ICTs affect how firms compete and remain a profound catalyst for the creation of strategic differentiation and competitive advantage. In other words, companies are able to differentiate their operations from competitors through their capability to exploit ICT functionality on a continuous basis Factors Affecting Growth of SMEs (Taylor, 2015)

Samarpitha (2019) stated that in the Indian work market 81% of the all-out utilized is in casual area, followed by just 6.5% in the conventional area and 0.8% in the family area. Significant gatherings of metropolitan casual laborers in Indian urban areas are classified as locally situated specialists, road sellers, squander pickers and homegrown laborers. In India, road distributing makes up 14 for each penny of all out metropolitan casual business. Foods grown from the ground sellers make up the greatest portion of the absolute road sellers in Telangana. Subsequently this paper endeavors to study the foods grown from the ground road sellers in Hyderabad, the capital city of Telangana. This investigation uncovered that the greater part of the road sellers were male, moderately aged having little families, instructed with experience of under 10 years in road distributing. The time spent in road distributing went from 6 to 15 hours out of each day. Larger part of the



respondents raised their capital for starting venture from singular reserve funds, procured PRs. 100-300 every day and detailed that the presentation of their business was good. For greater part of respondents, the matter of road distributing was acquired from guardians. Significant limitations in road distributing were dread of ousting by district authorities, number of labor, absence of formal permit, absence of clean storerooms, absence of long-lasting space for distributing, value vacillation of leafy foods, rivalry from other road sellers, coordinated retail area and confronting the antagonistic climate conditions.

Okpara and Kabongo (2009) found that administrations, interest for items, defilement, absence of monetary assistance and helpless administration are the difficulties that block the development of SMEs. The other various impediments SME stand up to which increment their opposition with other huge and very much set up undertakings are to foster quality labor and products. As indicated by (Neville, 2015) the issues that hamper and take advantage of the capacity of SME to develop are because of monetary weight, unexpected changes in market structure, innovative headway and globalization. The development of big business is adversely identified with big business size and furthermore the development of enterprise diminishes because of the presence of monetary and authoritative obstructions.

Soomro and Aziz (2015) stated that SMEs are now the main focus of policy makers throughout the world due to its ability in the reduction of poverty in urban as well as rural areas. Policies and regulations by governments are major factors in women business startup, growth and graduation. Different observation methods such as interviews, questionnaire, and other sampling methods were used for the data collection from 170 registered SMEs. Growth and development was measured through the changes in revenue,

profit, and sales from these SMEs. The final results show that the relationship between government policies and regulations had no significant effect on the growth and performance of women owned SMEs. It was suggested by the researcher that the government should upgrade the use of technology in modern SMEs and reduce the regulatory rules and regulations on women owned SMEs for their growth and performance. To attain the maximum production and development in women owned SMEs, clustering and subcontracting arrangements was also recommended.

Wang (2016) stated that SMEs are drivers of monetary development and occupation creation in non-industrial nations. It is foremost to decide the variables that block their development. This paper utilizes the Enterprise Survey from the World Bank which covers information from 119 non-industrial nations to research the greatest snags SMEs are standing up to and the determinants that impact the hindrances as seen by big business supervisors. The outcomes show that SMEs see admittance to back as the main snag which upsets their development. The critical determinants among firms' attributes are size, age and development pace of firms just as the responsibility for firm. The last e the job of the state in financing SME e is especially fascinating. Outer purposes behind the financing problem are additionally inspected. It is shown that the fundamental boundaries to outside financing are significant expenses of acquiring and an absence of expert help.

Kemayel (2015) utilized contingency approach to study the factors affecting the growth of SMEs in Lebanon. The two main factors which were studied were finance (revenue, profit, cash flow) and marketing (satisfaction of customers). Our findings revealed that the education and training of the managers such as his ways of doing business; plays a significant role in the growth of SMEs. External factors such as proximity and

investment environment (customers, supplier, and market share, relation with banks and employees, competitors) are also vital components of SMEs growth. (Rahman et al., 2016) in their examination found accessibility of credit, the board skill and promoting as significant obstructions to SME in spite of monetary, useful and administrative perspectives.

Chimucheka (2013) studied the impact of entrepreneurship education on the survival and growth of SMEs in South Africa. In this study, primary as well as secondary data were used; furthermore, a quantitative research was carried out, however for the selection of respondents simple random sampling methods were utilized by researchers. Primary data was collected through self-made questionnaire. Final result shows that entrepreneurship education is very vital for the survival and growth of SMEs. Al-Hyari (2013) uncovers that the principle issue SMEs face are absence of contests boundaries, poor financial support, absence of qualified human asset and rigid business rules and guidelines. Previous studies and examination additionally investigate that absence of access to data, innovative issues, utilitarian issues, issues in help from government and business improvement administrations. Furthermore, the hurdles SMEs defies like banks and working with monetary association to supply commendable credit arrangements to this area and furnish SME with delicate advance and numerous resource programs needed by SMEs to acquire innovation that assistance in their business.

Ganaie et al. (2014) stated that the significance of the SME area similar to the impetus for financial advancement is certain, in any case, tragically in spite of this ramifications, very little exploration is embraced to understand the mind boggling nature of SMEs that work in this vital space of our economy. This examination points on exploring

the importance, assuming any, between the degree of instruction of a SME business person and the nature of working together, as showed through the reception of procedure, vision, frameworks, market direction and advancement standards. A composite record was built with the five pointers of nature of working together and straight relapse, alongside relationship, was utilized to play out the investigation. The examination finds that there is a solid and huge connection between the degree of training of a SME business visionary and the nature of working together in Pakistan. (Mashenene & Rumanyika, 2014) expected development of little and medium undertakings (SMEs) somewhere else on the planet remembering for Tanzania relies upon favorable business climate. In any case, SMEs in Tanzania are faced with various limitations which hamper their possible development. This paper targets surveying business imperatives that influence the expected development of SMEs in Tanzania. Factors, for example, deficient business preparing, inadequate capital, contest, insect pioneering society, administrative techniques in business enlistment, high expenses, innovative obstruction/backwardness, robbery/cheating and absence of trust, helpless framework, and debasement that influence possible development of SMEs were estimated. Quantitative methodology was utilized in this examination. A concentrated writing audit was led to discover the connection between the factors. Recurrence and rate were processed to discover the aftereffects of the examination. The discoveries show that insufficient business preparing, lacking capital and against pioneering society are huge requirements. The investigation suggests that key preparing programs should be planned and carried out to furnish SMEs with sufficient innovative information, abilities and mentality. Also, re-designing of loaning plans by the government and monetary organizations is required to empower SMEs access credit. Foods grown from the ground

sellers make up the greatest portion of the absolute road sellers in Telangana. Subsequently this paper endeavors to study the foods grown from the ground road sellers in Hyderabad, the capital city of Telangana. This investigation uncovered that the greater part of the road sellers were male, moderately aged having little families, instructed with experience of under 10 years in road distributing. The time spent in road distributing went from 6 to 15 hours out of each day. Larger part of the respondents raised their capital for starting venture from singular reserve funds, procured Rs. 100-300 every day and detailed that the presentation of their business was good. For greater part of respondents, the matter of road distributing was acquired from guardians. Significant limitations in road distributing were dread of ousting by district authorities, number of labor, absence of formal permit, absence of clean storerooms, absence of long-lasting space for distributing, value vacillation of leafy foods, rivalry from other road sellers, coordinated retail area and confronting the antagonistic climate conditions (Poon & Swatman, 1999).

Wedawatta et al. (2009) stated that environmental change has gotten one of the major difficulties the general public needs to look later on. Taking everything into account, it likewise has added one other significant issue that they need to consider as a component of their business arranging. Environmental change is vital especially to the Small and Medium-sized endeavors (SMEs), which are considered as the most defenseless among the business local area with the impacts of environmental change. This paper presents the discoveries of a writing survey led determined to distinguish the particular significance of environmental change to the development area SMEs. The targets of the paper are to distinguish the weakness of development area SMEs with the impacts of environmental change, their results and furthermore to recognize the significance of further developing

strength and carrying out versatile measures to deal with these issues. The paper likewise diagrams the bearings of an examination attempted to resolve these issues as a feature of an EPSRC financed research project named "Local area Resilience to Extreme Weather Events – CREW". The paper closes by focusing on the significance of working on the strength of development area SMEs to environmental change impacts and furthermore the significance of aggregate activity in such manner.

Benzing et al. (2009) studied One hundred and 39 business people in Ankara, Turkey were overviewed to decide their inspirations for business possession, the variables adding to their prosperity, and their issues. In light of overview reactions, the essential purposes behind beginning a business are to expand pay, to acquire professional stability, and to get autonomy. As per the factor examination, little and medium-sized endeavors proprietors are driven more by pay awards than natural prizes. The main business achievement factors are the business people's standing for genuineness and benevolence. Social abilities and great client care were additionally referred Benzing et al. (2009) to as basic achievement factors. The most difficult issue looked by business people in Turkey is the intricate and confounding expense structure. Other significant issues incorporate problematic representatives, the failure to keep up with great records, and a frail economy.

Chen (2006) expects to introduce an outline of the verifiable turn of events and current status of Chinese little and medium-sized undertakings (SMEs) look at major political drives adding to SMEs' turn of events and draw out some insight from SME improvement rehearses in China. Plan/procedure/approach – This paper is exploratory in nature, utilizing files of government records and related measurements. Discoveries – The article contends that the key job of the market in dispensing assets and the self-activity

status of SMEs ought to be regarded, that urge SMEs to advance modern construction, and that appropriately handle the public authority venture relations and acquire the job of the public authority large scale control into full play to establish a reasonable serious climate for SMEs. Viable ramifications – The Chinese experience of SME advancement is of incredible interest to strategy creators and scholastics the same. Inventiveness/esteem – The article investigates business venture and SME advancement in China from a strategy making point of view.

Chowdhury (2007) explored the requirements that business people face in little and medium undertakings (SMEs) in Bangladesh and proposes measures to eliminate the limitations to business advancement. Plan/strategy/approach – Survey information were gathered from 60 business visionaries to examine issues and assess the adequacy and significance of the public authority arrangements and projects as seen by the business people. Optional information were likewise utilized for this reason. Discoveries – The discoveries demonstrated that to the degree that the political security and rule of laws were authorized, foundation offices were improved, and debasements were uncovered, instruction and preparing were bestowed, and monetary assistance was given, new and vigorous business visionaries, for the advancement of SMEs, would arise in the country. Examination impediments/suggestions – This investigation infers that a positive climate through support and encouraging feedback of a stable socio-political environment for a sound market economy and specific schools of business people will cultivate a positive environment for the advancement of SMEs in Bangladesh. The limits of the investigation are that it doesn't focus on a specific organization type and does exclude a locale involving numerous urban areas. Creativity/esteem – Built on speculations and investigates on

business, this paper catches the pith of ID of the requirements confronting business people and working with the ID of implementable procedures and approaches vital for the advancement and reinforcing of business in Bangladesh, hence comprising a guide to the strategy creators, specialists, and organizations for working on the different parts of business in Bangladesh specifically and in non-industrial nations overall. Further examination can be embraced toward this path.

Marri et al. (2007) stated that the reason for this examination is to foster a system/model for the execution of cutting edge producing advancements (AMTs) in little and medium endeavors (SMEs). A quantitative methodology has been applied. This methodology is abstract, similar to the information gathered and looked at in itemized, and the result is just pretty much as great as the inquiries created. The examination approach utilized here depends on a writing overview, a model/system and an exact investigation utilizing the information assortment from the organized poll from SMEs situated in the Province of Sindh in Pakistan. There is an absence of designing direction, in-house ability and association's long-term vision to acknowledge new innovations. The reviewed organizations are giving less significance to masterminding preparing and instruction offices either in-house or outside of the organizations to their workers. Likewise, there is an absence of impetuses and prizes plot inside the overviewed organizations

Shah et al. (2011) investigated the capability of SMEs in economy of Pakistan. Information were gathered from 300 SMEs units by utilizing Simple irregular strategy. A primary survey was created to get the reaction from various SMEs units in Pakistan. Information were investigate by utilizing SPSS-17.0 measurable programming. It was uncovered that SMEs in Rural Sindh has 45% commitment it very well may be increment



by given offices of advertising of those items. Also, SME sends out are gathered in labor-serious sub-areas where low wages are imperative to improve the similar cutthroat situation of unfamiliar business sectors and just as SMEs don't really send out their items straightforwardly yet through exchange organizations. The reaction rate was 90% just three units were debilitated units from most recent few years. It was additionally uncovered that that possible commitment of SMEs to the economic development of the Pakistan is huge. Steps ought to be taken to guarantee that all the more little firms can exploit taxpayer supported organizations. This might further develop endurance rates and animate improvement in slacking regions.

Tambunan (2011) stated that the Indonesian Government has taken many measures to help the advancement of little and medium endeavors (SMEs), which are relied upon to assume a vital part in work creation, GDP development, and non-oil and gas send out improvement. The motivation behind this paper is to analyze late improvements of SMEs in Indonesia. All the more explicitly, it plans to address the accompanying examination questions: How significant are SMEs in Indonesia? What are their primary limitations? What is the effect of ladies business visionaries on SME improvement? Also, Can Indonesian SMEs be wellsprings of development? Plan/strategy/approach – The paper breaks down information from Indonesia's National Agency of Statistics and surveys key writing and optional information on Indonesian SMEs. Discoveries – First, SMEs have been the principle player in homegrown monetary exercises as they represent more than 99.9 percent, all things considered, and utilize 96.2 percent of the labor force. Second, key SME imperatives incorporate absence of money and advertising hardships. Third, portrayal of ladies business visionaries is still generally low and can be ascribed to low even out of

instruction and social/strict requirements. At long last, SME development capacity is low for a few key reasons. Inventiveness/esteem – The paper thinks about the inclusion of ladies in SMEs in a Muslim-majority nation and adds to the writing on the advancement ability of SMEs.

#### **2.4 Pakistani Context**

Pakistan is an advancing nation, and Pakistani SMEs have a great deal of space to fill in the nation's creating economy. In the economy of Pakistan, little SMEs can perform better and add to GDP. According to (Inam et al., 2020) SMEs as of now represent about 90% of all endeavors in Pakistan, utilizing 80% of the non-farming labor force and offering more than 40% of the country's yearly GDP. SMEs dissimilar to huge ventures in the proper area are bound by different assets and funds. This natural property of SME requires the production of a design through which it can get help with many undertakings of business like innovative up gradation, monetary, advertising, and human asset improvement and preparing. (Muhammad et al., 2015) analyze those factors which affects the growth of SMEs in Pakistan. A questionnaire was used to obtain the data obtained from 124 respondents by interviews as well as descriptive statistics and regression methods were utilized to determine the effect of various factors on the growth of SMEs in Pakistan. The final results revealed that government support, educational and managerial skills as well as financial access are some crucial factors which contribute to SMEs development in Pakistan. It was also observed that SMEs in Pakistan are not technology based which is one of the most important factors in the slow growth of SMEs in Pakistan. This study formulate that policy makers should use technology and making policies for the growth and development of SMEs in Pakistan.

Sharafat et al. (2014) reported that SMEs play an important role in Pakistan's economic progress. According to figures and facts provided by UNIDO, 90% of global companies belongs to the SME category, providing about 60% of employment opportunities around the world. Small and medium enterprises (SMEs) play a vital role in this contribute to the economy, regarded as the backbone of economic growth. Developing countries are the same as developed countries. Like other developing countries, Pakistan's economy it is also mainly based on SMEs. Small and medium-sized enterprises (SMEs) are vital to the economy of every country, especially in developing economies (Khan et al., 2013). SMEs are of strategic importance in many developing countries, especially those located in the Asian region. SMEs have contributed a lot in this regard Pakistan's economy since independence. SME research the situation in Pakistan is in its infancy. The health and performance of SMEs are worrying stage. Numerous different social orders likewise place incredible worth on the little and medium undertakings and empower their action. Indeed, riches and a high larger part of occupations are made by little and medium organizations on the planet. Accordingly, many experienced money managers, political pioneers, business analysts, and instructors accept that encouraging a vigorous little and medium business culture will augment individual and aggregate monetary and social accomplishment on a nearby, public, and worldwide scale. It is suggested that SMEs might be advertised admittance to modest capital, charge exclusions and the executives' exhortation and encounters and IT foundation which further leads toward the practical development and advancement. The conservative development and advancement in a country can carries joy and flourishing to its country lack of intellectual capital and infrastructure, political instability and energy crisis are the survival and stability of

Pakistani small and medium-sized enterprises are facing widespread and serious threats. Due to lack of Ability, SMEs cannot compete at the national and international levels. Therefore, SMEs are facing severe challenges to survive in a highly competitive environment. In Pakistan, more than 85% of manufacturing companies can be classified as small and medium-sized enterprises (SME). The remaining companies are branches of multinational companies and their affiliates. Small and medium enterprises constantly need to keep up with the current level technology is in a rapidly changing technological environment, so it is essential for them Identify and apply more advanced technologies (Dar et al., 2017).

Berry et al. (1998) stated that significant test to financial strategy in Pakistan right now is to stimulate the private SME area of the economy. This continues to some extent from the way that different areas are far-fetched, under current conditions, to give the required development both of yield or of sensibly gainful work; truth be told, there will be a significant business challenge over the coming a long time as work supply keeps on growing quickly and as neither the huge scope private area nor the public area are ready to make huge quantities of occupations, and however farming and the non-rural microenterprise area can and most likely will do so the degrees of efficiency and henceforth of compensation are probably going to be grossly low. On the other hand, the SME area has considerable undiscovered potential to add to those destinations; both financial rationale and the encounters of other non-industrial nations highlight that potential, just as giving proof on how it could be accomplished. A unique SME area is a significant supplement to a more open economy; in the greater part of the nations which seem to have received significant rewards from send out direction the SME area has been significantly

engaged with that cycle. Accomplishing the top level input from SME, in any case, will require huge enhancements in the emotionally supportive network. Whenever accomplished it will not just comprise a significant wellspring of dynamism all by itself, yet will likewise supplement effective enormous venture, reinforce the interest for farming items, and make it simpler for microenterprise to graduate into the SME size range.

Bari et al. (2002) reported that the Government of Pakistan's obligation to progression and underlying change approaches throughout the last decade and a half is a significant strategy break in the country's monetary development. Nonetheless, proof proposes that this change in approach, which created development profits in other South Asian economies, neglected to carry with it the normal development profit in Pakistan. From being the quickest producer in South Asia, Pakistan turned into the slowest-developing economy around here during the last decade. Huge scope producing (LSM) has recuperated essentially over the most recent few years, yet there are still worries about its maintainability, spread, and vigor. Little and medium-scale industry have not made a comparing recuperation yet. The articulated log jam in development in the assembling, retail, and discount areas, specifically, is generally clarified by the way that their development pace of gross fixed capital arrangement (GFCF) has split. The pattern lull in the GFCF development rate is similarly obvious in little and huge scope ventures. This proposes that the maintainable, hearty, and inescapable recovery of speculation and yield development are strategy goals that the Government needs to address with extraordinary criticalness. This examination takes up these worries by giving a wide, essential bearing for a development and speculation recovery system for the mechanical area, in view of a thorough investigation of the elements compelling firm-level development and interest in Pakistan. The

examination places extraordinary accentuation on eliminating the imperatives on little and medium undertaking (SME) development and speculation. The Pakistan Economic Survey 2001-02 legitimizes this accentuation on the accompanying grounds: first, SMEs contribute altogether to Pakistan's economy as far as both worth added (30%) and business (80%); second, the development capability of work utilizing SMEs should be expanded; they are probably going to multiply in accordance with relative benefit in the liberal and open economy the Government is focused on.

Mshenga and Richardson (2013) reported that various definitions for big business division can be found in the writing. However, organizations are typically being isolated by their size to miniature, little, medium-sized and huge ventures. The meaning of the size of undertakings not really settled based on a few measures: the enactment of every nation, number of representatives, yearly turnover, worth of resources and net benefit. The characterization of the undertakings in the Republic of Macedonia in the Organization Law has been arranged in consistence with the meaning of the European Association. Miniature, little and medium-sized endeavors are the driving force of the European economy (Freeman et al., 2006) They are a key source of employment, creation of an entrepreneurial spirit and innovation in the European Union and therefore, they are a necessity for strengthening competitiveness and employment growth. Improvement of the business environment for SMEs and it is aimed towards fostering entrepreneurship, investment and growth. They are a key source of employment, creation of an entrepreneurial spirit and innovation in the European Union and therefore, they are a necessity for strengthening competitiveness and employment growth. Improvement of the business environment for SMEs and it is aimed towards fostering entrepreneurship, investment and growth. A unique

SME area is a significant supplement to a more open economy; in the greater part of the nations which seem to have received significant rewards from send out direction the SME area has been significantly engaged with that cycle. Accomplishing the top level input from SME, in any case, will require huge enhancements in the emotionally supportive network. Whenever accomplished it will not just comprise a significant wellspring of dynamism all by itself, yet will likewise supplement effective enormous venture, reinforce the interest for farming items, and make it simpler for microenterprise to graduate into the SME size range.

Cherkos et al. (2018) reported that the normal meaning of SMEs at EU level is of basic significance since it is utilized as a reason for dynamic in the EU enactment, concerning state help and primary assets. This implies that various classes of SMEs (miniature, little and medium-sized ventures) should be characterized in a way that guarantees financial decency, for example that gives lawful wellbeing to organizations, while permitting simple application to the regulatory frameworks of the Part States. Miniature, little and medium-sized undertakings are socially and financially significant in light of the fact that they address close to 100% of the all out number of ventures in the European Association, giving around 90 million positions (Robson & Bennett, 2000) and have a more contribution to the development of entrepreneurship and innovation. In more subtleties, the significance of the SMEs for the European Association overall comes from the accompanying provisions of the SMEs: SMEs have quicker speed of improvement contrasted with enormous undertakings; SMEs are utilizing multiple thirds of the complete number of representatives; most business exercises in Western Europe are made by the SMEs; over a more extended period there is an expanding pattern of the quantity of

occupations produced by SMEs, while the work age measure in huge ventures shows a declining pattern; the job of independent companies in labor-concentrated exercises is more significant contrasted with huge endeavors; normal European SME utilizes five specialists; 33% of the SMEs are development arranged; the normal time of new business person is 35 years; one of five organizations are set up and lead by business people (Poon & Swatman, 1999).

Khan and Ali Qureshi (2007) investigates the worth of little and medium ventures for the financial development and improvement particularly in Pakistan. In addition, it surveys the utilization of data innovation in SMEs area of Pakistan. As per the new Census of Establishments directed by the Federal bureau of Statistics (FBS) there are about 3.2 million monetary foundations in Pakistan. Out of these Small and Medium estimated ventures (SMEs) (with work base up to 99) comprise 90% of all private ventures utilizing around 78% of non-horticulture work force<sup>1</sup> SMEs offered more than 30% to GDP, 25% in send out income other than sharing 35% in assembling esteem addition. The paper recommends that SMEs go about as an impetus to efficient development and advancement where IT installed in their tasks, arranging and choices like Hong Kong, Denmark and USA. Numerous different social orders likewise place incredible worth on the little and medium undertakings and empower their action. Indeed, riches and a high larger part of occupations are made by little and medium organizations on the planet. Accordingly, many experienced money managers, political pioneers, business analysts, and instructors accept that encouraging a vigorous little and medium business culture will augment individual and aggregate monetary and social accomplishment on a nearby, public, and worldwide scale. It is suggested that SMEs might be advertised admittance to modest capital, charge



exclusions and the executives' exhortation and encounters and IT foundation which further leads toward the practical development and advancement. The conservative development and advancement in a country can carries joy and flourishing to its country.

Khalique et al. (2011) reported that endeavors are made to identify the significant issues of information based economy, which are confronting SMEs in Pakistan. Writing audit uncovers that Small and Medium Enterprises (SMEs) are assuming vital part in the advancement of economy in Pakistan. In spite of the significant commitment to economy, SMEs are as yet confronting difficult issues. These issues make genuine dangers for the endurance of SMEs in Pakistan. Following twenty first century, the economy changed from creation based to information based economy. In information based economy scholarly capital showed up as a basic factor for the triumphs of associations. Techniques: this exploration depends on the past investigates' discoveries. End: It is inferred that toward the start of the twenty first century the idea of scholarly capital has acquired a huge consideration in an information based economy. There is no question, present economy is an information put together economy and it remain with respect to scholarly capital. Along these lines, it is imperative for SMEs in Pakistan to upset and embrace the idea and uses of scholarly capital to weaken the arising financial aspects challenges. Proposals: SMEs in Pakistan need to fortify the idea and utilizations of scholarly capital in their associations to accomplish the upper hand on the lookout

Dar et al. (2017) stated that SMEs are an essential part in the improvement of an economy. The commitment of Pakistani SMEs is less when contrasted with different nations, however their importance can't be denied. The SME area is confronting diverse issues that made it hard to add to the country's Gross domestic product. This paper

endeavors to zero in on the significant requirements looked by the SMEs. The essential issue begins with no characterized and normalized size for SMEs. The paper inspects the meanings of SMEs given by diverse government associations in Pakistan with some conceivable idea for one standard SME definition (as far as size). This paper likewise features the basic issues of Pakistani SMEs, for example, monetary, human, physical and innovative. The paper closes with some short possibilities by suggesting a couple of suggestions for strategy. Ali (2013) stated that Small and Medium Enterprises (SMEs) are considered to assume a significant part in the monetary development, business age and destitution mitigation in the economy. The yearly time series information is utilized for assessment of effect of SMEs on destitution in Pakistan for the time of 1972-2008. The investigation uses Johansen integration and mistake amendment system to look at since quite a while ago run and short effects limited scope enterprises and other informative variable on destitution in Pakistan. The consequences of the examination affirm a solid and neediness mitigating effect of limited scope businesses' yield in Pakistan. The examination recommends the monetary approach producers to zero in on the foundation of formal monetary business sectors to conquer the monetary imperatives looked by the SME area in Pakistan. Rearrangements of loaning methodology, requirement of credit rights, and decrease in credit expenses would be useful for the foundation of powerful SME area in Pakistan.

Subhan et al. (2014) reported that the pioneering research of Lewis, Nurse and Rosenstein Rodan in development economics focused on economic development. However, these authors pay less attention to the impact of economic development on the poor and support the “trickle-down” impact of economic growth on the poor. Some

development economists believe that strong growth and develop capital-intensive ones to achieve sustainable development large enterprises. The development happens more often there are more urban areas than rural areas, so the poor cannot benefit from this process development of growth in unskilled labor-intensive sectors may help Poverty reduction and equal income distribution (Muhammad et al., 2015). In spite of the significant commitment to economy, SMEs are as yet confronting difficult issues. These issues make genuine dangers for the endurance of SMEs in Pakistan. Following twenty first century, the economy changed from creation based to information based economy. In information based economy scholarly capital showed up as a basic factor for the triumphs of associations. The growth of labor-intensive industries can ensure more participation Make better use of cheaper labor input. Use of low wages Workers in the production process, if low wages are enough to reduce Poverty and low enough to compete with competitors in the market, making Labor-intensive industries participate in international market competition to help fight poverty At the same time reduce emphasize roles Labor-intensive industrialization reduces poverty (Subhan et al., 2013).

Naqvi (2011) featured those basic disappointment and achievement factors in SMEs of Bahawalpur. Models were created from various investigations. At last outcomes are summed up to SMEs of Bahawalpur. Discoveries recommend that client assistance, skill of the business and the previous experience of the supervisor are the fundamental key components of progress. While distinctive disappointment factors are investigated out in which most critical ones considered are absence of admittance to monetary capital, unseemly government construction and helpless foundation just as defilement. This paper has the immense ramifications for the SMEs in Pakistan and SMEs in Bahawalpur as it

give understanding into the thinking elements of disappointment and achievement. Along these lines assists with distinguishing disappointment and offer direction to progress. Examination is restricted to limited scope because of time imperative and resistive conduct of associations.

Mahmood et al. (2017) comprehend why Pakistani SMEs are not investigating supportability rehearses. Additionally, this paper expects to comprehend the supportability detailing examples of SMEs around the world. Out of 190 manageability reports, distributed by SMEs all throughout the planet, there isn't so much as a solitary report distributed by any Pakistani SME. This paper utilizes blended approach that incorporates the utilization of quantitative substance investigation for comprehension the revealing examples and the utilization of poll based review and subjective meetings for understanding the purposes behind non-announcing. This paper infers that there is an absence of mindfulness about supportability announcing. Likewise, there are some execution issues, need of preparing and abilities, absence of guideline, government backing and maintainability foundation. Besides, the partner pressing factor and interest for supportability revealing is absent with regards to Pakistan. Without this load of pressing factors and in the presence of restricted assets, SMEs are least keen on manageability revealing as seen benefits are undeniably not exactly seen costs.

Khan and Khalique (2014) reported that worldwide, the role of small and medium enterprises (SMEs) is becoming more and more important. It is becoming more prominent. SMEs can be established in any location Commercial activities in urban or rural areas. There are two main reasons for the existence of small businesses are: (1) Provide Goods and services to meet the needs of customers, they will continue to use and Recommend the

company's goods and services, namely "customer service business" and (2) create The goods and services needed so that the investment in the company can be converted into cash as soon as possible Possibly, the "cash conversion business" Small businesses are very important to the world economy. This the most important and largest part of the world economy are small companies (Ali, 2013). That's why, more and more researchers are looking for and trying to understand these companies. Even though Governments of all economies in the world, especially those Responsible for the development of these companies and have a strong interest in understanding these Company Small businesses play an important role in the U.S. economy any country. In many jurisdictions, small and medium-sized the business sector (SMEs) sector is receiving more and more attention from policy makers. This concern focuses on the development of small and medium-sized enterprises, the birth rate of enterprises and the entrepreneurial spirit. Advanced economies. These economies are counting on the SME sector to provide more Employment, economic development and innovation (Freeman et al., 2006).

Yahya et al. (2012) stated that This investigation endeavors to break down the variables that effect preparing in Small and Medium Enterprises (SMEs) in light of three points of view which are supervisor's, undertaking's and outer attributes. Then, at that point, connection among preparing and execution is inspected. The strategies utilized are elucidating examination, Pearson relationship, stepwise relapse techniques what's more, t-test. The information for the investigation was gathered through mail surveys conveyed to chosen SMEs. Of the absolute number 500 surveys sent to SMEs in Malaysia, 27.6 percent reacted and finished the surveys. The experimental data came about because of dissecting the information got from the SMEs, recommends that supervisor's, undertaking's and outer

attributes influence the interest for preparing, and preparing has a positive effect on SMEs execution. Khan et al., (2013) introduced the outline of the human asset rehearses in small and medium endeavors. The nature and significance of little and medium estimated undertakings (SMEs) area in Pakistan's economy is unparalleled. Consequently this paper examined the overall perspectives on the SMEs working in Pakistan, the current business area and the HR rehearses in SMEs. The contentions created in the paper uphold the dispute that SMEs in Pakistan have incredible potential for more prominent financial and social turn of events. Some central questions relating to Pakistan's SMEs are additionally recognized.

Subhan et al. (2014) reported that according to the Asia-Pacific Cooperation Organization (APEC), in 2010, every country in the Asia-Pacific region Cooperation, SMEs account for more than 90% of all enterprises. For In the economies of most countries in the world, the demand for SMEs is increasing and has become their recognized characteristics. For example, in the United States, SME representatives Overwhelming majority of all companies, accounting for nearly half of total revenue National products. Thai SMEs account for more than 90% of the total Entrepreneurs in almost all industries and employ more than 60% of the labor force the abbreviation SME is often used in international organizations and the European Union Countries such as the United Nations (UN), the World Bank, and the World Trade Organization (WTO). The term small and medium business (SMB) is also popular in some other countries the world. The classification and definition of the business are generally based on quantifiable characteristics, such as number of employees, sales, or value Assets. The specific definition of SMEs in various countries in the world is usually based on several different criteria,

including sales or assets, number of employees and capital levels. There is no uniform definition for small and medium enterprises literature. In the U.S., companies with fewer than five hundred (500) employees are it is regarded as a small and medium enterprise. As far as the European Union is concerned, companies with fewer than 250 employees (Ali, 2013).

## 2.5 Summary of the Articles

<b>S. No.</b>	<b>Abstract</b>	<b>Findings</b>
1	Abrar-ul-haq <i>et al.</i> , (2015) analyzed factors which affects small and medium enterprises (SMEs) development in Pakistan. A well-structured questionnaire was used for the interview of 124 respondents for data collection. This study will help the small business owners to understand the vital factors in developing their business.	The findings of the research indicates that support of government, managerial skills and financial access are some crucial factors which contribute to SMEs development in Pakistan. Final results revealed that SMEs in Pakistan are not technology based which is one of the most important factors in the slow growth of SMEs in Pakistan.
2	Amaradiwakara and Gunatilake (2017) stated that small and medium sized enterprises (SMEs) play a significant role in the growth and development of a country. The main objective in this study was to recognize those factors.	The results revealed that the expansion and development of SMEs face several restrains such as financial instability, not technology oriented and government imposed regulations as well as the education of the owner has a significant effect on the SMEs.
3	Sitharam and Hoque (2016) stated that in most of the countries in Africa and Asia growth and expansion of SMEs are very low. Some business owners revealed	Results shows that advanced technology can improve the growth and prevalence of SMEs. In addition to technology, some

	<p>that crime and corruption is also one of the most crucial factors in negatively affecting the SMEs. Competition was viewed as having significant relation with the growth of SMEs that's why SMEs should be prepared for domestic as well as international competition.</p>	<p>business owners stated that competition among SMEs is a major challenge.</p>
4	<p>Bouazza <i>et al.</i>, (2015) stated the growth of SMEs is hampered by several interrelated factors such as environmental factors which are beyond control as well as internal factors..</p>	<p>The external factors include the access to financing, capacities of human resource and regulatory framework, while internal factors are no access to technology, low marketing skills and entrepreneurial characteristics</p>
5	<p>Ndege (2015) identify the factors responsible for the failure of SMEs in Guateng. Results from the analysis shows that 28 out of 133 businesses are not financially viable.</p>	<p>It was revealed from the results that difficulty in getting loans for businesses, lack of training centers and shortage of marketing skills are the main factors which adversely affected the SMEs in Vaal.</p>
6	<p>Alabi <i>et al.</i>, (2019) conducted a study to evaluate the impact of government policies on the growth and development of SMEs which operates in the six states of Nigeria. Further, it was also suggested that the current policies of the government should be modified to gain better results for SMEs. It has also been suggested that for the best performance of SMEs, infrastructural development is necessary.</p>	<p>The final results revealed that the government policies have a strong impact on the SMEs in Nigeria. Final results show that the government should implement such policies which help the SMEs growth and development in the country.</p>
7	<p>Winarno <i>et al.</i>, (2019) conducted a study to find the effect of integrated entrepreneurship study on SMEs. The main aim of this</p>	<p>The final results of this research trial is an integrated entrepreneurship model which with written agreement with marketing,</p>



	<p>research is the establishment of integrated entrepreneurship educational values in schools and vocational study centers. Other aims of this research trial are the building of good relationship between people with good entrepreneurship skills and product competition.</p>	<p>financial system, production, human resource management and training centers.</p>
8	<p>Dar <i>et al.</i>, (2017) stated that In comparison with other countries, the SMEs played a minor role in the economy development of country. In these paper, major constraints has been studied faced by SMEs. Few implementations have also been suggested in this paper.</p>	<p>Definitions have also been studied in this paper by different countries, other issues such as financial, technological, physical and human.</p>
9	<p>Guo <i>et al.</i>, (2017) studies the impact of business on regional environment. However it was revealed that human resource environment and social &amp; cultural environment have no significant impact on the results for the two types of enterprises.</p>	<p>Infrastructure environment, business environment, human resource environment, social &amp; cultural environment, science and technology environment, political environment have an influence on enterprise growth,</p>
10	<p>Mottaeva and Gritsuk (2017) stated that the regulation of the economy depends on the development of small businesses. In this article, basic infrastructure required for the development of</p>	<p>Smaller business in Russia; plays a minor role in the development of the economy and it can be demonstrated from the growth and development of the economic relations in both domestic and international relations. Until now, the development of infrastructure is a major problem for SMEs</p>

	small businesses has been evaluated.	because the entire infrastructure has been provided to the large business and domestic entrepreneurs has been neglected..
11	Akinyele <i>et al.</i> , (2016) studied the effect of infrastructure on the performance of SMEs. To achieve these objectives, main infrastructure requirement such as electricity, technology, education and means of transportation were studied to find; what are the effects of these on the performance of SMEs by calculating the performance measures such as sale turnover, business survival and profit.	In this trial, open research design was used and 593 registered SMEs were analyzed. To study the effect of infrastructure on the performance of the SMEs, total of 239 questionnaires were used to the target sample. During this study, simple and stratified random sampling was used.
12	Simiyu <i>et al.</i> , (2016) stated that the policies of the government play an important role in the growth, improvement, business startup for SMEs. The main aim of this study is to determine the effect of government policies on the performance of women owned SMEs in Kenya. The growth and development of SMEs was measured by revenue, income, profit and number of employees before and after women enterprise fund.	The final results revealed that the relationship between government policies and regulations had no significant effect on the growth and performance of women owned SMEs. It was suggested by the researcher that the government should upgrade the use of technology in modern SMEs and reduce the regulatory rules and regulations on women owned SMEs for their growth and performance.
13	Obokoh and Goldman (2016) studied the effect of deficiency in infrastructure on SMEs. As the government announce low budget for the investment and rehabilitation on infrastructure,	Final results shows that the deficiency in infrastructure shows negative impact on SMEs and as the power supply of electricity is not significant enough, it also creates a huge negative impact on the production of SMEs. Also the

	which create a huge challenge for SMEs.	rehabilitation of the roads is also not proper enough which creates a huge problem in the transport of goods.
14	Wang (2016) stated that SMEs are driving source of economic growth and job creation in developing countries. In this paper, they studied the factors which hinder the growth of SMEs.	Final results show that the main reason for the slow growth is the lack of interest from government in financing these SMEs. The lack of consultant support and high costs of borrowing are also the external reasons behind the slow growth of SMEs.
15	Eniola and Entebang (2015) studied that almost 99 percent businesses are SMEs which plays a vital role in the GDP and job opportunities in country. The main aim of this study is to evaluate the policies of government and its effect on the performance of SMEs in Nigeria.	This research trial also helps the policy makers, entrepreneurs and SMEs managers to understand to design a proper scheme for the betterment of SMEs growth and development in Nigeria
16	Kebede and Simesh (2015) studied impact of internal as well as external environmental factors on the growth and performance of SMEs in Ethiopia. For the study, 362 SMEs were selected in the region. Further results show that the financial and infrastructure has positive impact, while other factors have negative impact on SMEs.	From the results it was revealed that inadequate supply of water and electricity, sewage system, unavailability of dry weight and owns premises and shortage of working capitals were the major problems in the minimum output of the SMEs.
17	Kemayel (2015) conducted a study for the identification of those factors which affects the growth of SMEs through contingency	Results shows that the education and training of the managers such as his ways of doing business; plays a significant role in the growth of SMEs. External factors

	<p>approach. The performance of an SME can be measured by the managers satisfaction and previous results.</p>	<p>such as proximity and investment environment are also vital components of SMEs growth.</p>
18	<p>Kraja <i>et al.</i>, (2014) studied the role of SMEs in contributing to the job opportunities. Apart from global deals, this paper discussed the important role of the government policies to protect the businesses, creating facilities for them and making them operate in right directions for the growth and development. The main aim of this study is to determine that through the government policies, performance and survival of SMEs can be improved.</p>	<p>By following these policies, SMEs can improve their performances and can reduced competitiveness in the market. It was also studied that the SMEs need government support. Based on the results, analysis has been done and conclusion as well as recommendations has been made.</p>
19	<p>Chimucheka (2013) studied the impact of entrepreneurship education on the survival and growth of SMEs in South Africa. For collection of primary data, self-administered questionnaire was used.</p>	<p>Final result shows that entrepreneurship education is very vital for the survival and growth of SMEs.</p>
20	<p>Jibrilla (2013) examined the impact of government policies on the SMEs. Despite the encouragement from the government, SMEs were unable to meet the required criteria set from them, and thus could not achieve the expected target, that's why this study was conducted to find out the reasons behind the failure of SMEs. In this study, three area of significant importance were</p>	<p>From the final results, it was indicated that the policies of the government to elevate the performance of SMEs lack awareness among the SMEs managers, that's why SMEs do not feel the relevance of these policies. Based on the results, following recommendations were made; government should improve the awareness policies among SMEs operators and should reduce the terms as well as conditions to meet before accessing the policies.</p>

	<p>evaluated which are of vital importance, such as perception of SMEs managers about the policies of the government and relevance as well as accessibility of these policies to them.</p>	
21	<p>Njoroge and Gathungu (2013) stated that entrepreneurship education is one of the most important factors in the growth and survival of SMEs. As investment in skills and knowledge, improves the capacity of production. The main aim of this study was to find the effect of entrepreneurship education on growth and survival of SMEs. It has been suggested that the government should improve the skills and education of entrepreneurs by implementing training programs and skills.</p>	<p>The study shows that entrepreneurs were able to distribute their products at district level but not at country level, as they were unable to do the complex transaction due to low skills and education; which shows that entrepreneurs may be able to expand their business at district levels and report growth in business but market growth will not go beyond first stage of development; which will results in the failure within first five years.</p>
22	<p>Nguyen and Wongsurwat (2012) studied the impact of government of Veitnam on the growth and development of SMEs. This study investigates the effectiveness of the policies and measures the relationship between the government policies and its effect on SMEs.</p>	<p>Out of total (13) policies only 7 (road, telecommunication, electricity, internet, tax reduction, property rights and loans) shows positive impact on the development of SMEs. All the policies made by government had, weak relationship with the performance of SMEs. These results provide guidance and objectives for policy makers about the performance of SMEs.</p>
23	<p>Yahya <i>et al.</i>, (2012) studied to analyze the factors which effects training of SMEs, which is based on three different perspectives</p>	<p>The final results stated that managers, enterprise and external characteristics affect training demand, as training has a</p>

	such as managers, enterprise and external characteristics, relationship between training and performance. Out of total questionnaires, 27.6% responded to mail.	positive effect on the performance of SMEs.
24	Ganaie <i>et al.</i> , (2011) stated that SMEs are the catalyst for the economic development, but very little research has been undertaken to comprehend the nature of SMEs. The aim of this study is to find out significance between the education of an entrepreneur and the quality of his business which can be seen from his strategies, system, vision, market orientation and innovative principles.	The final results of the study stated that there is a strong relation between the education level of an entrepreneur and the quality of his business in Pakistan.
25	Banham (2010) stated that there are some unique challenges for SMEs in the business environment. For the optimum results from the SMEs, it should be dealt with prevalent forces. A model called “degree of turbulence” was proposed as self-assessment for the demonstration of the SMEs.	A successful organizational change is required for the successful advances, customer expectations, requirements of supplier and increasing competition.
26	Wedwatta <i>et al.</i> , (2009) stated that change in climatic conditions is one of the most important challenges for humans and climate change should be considered as a part of business development in small and medium sized enterprises (SMEs).	This study stated the construction of SMEs is vulnerable to climate change, its consequences and how to improve it by managing these issues. The results of this stresses on the improvement of resilience construction sector SMEs due to climate change.

## **2.6 Context of this study**

A higher number of populations in Islamabad are not based in locality of Islamabad as most of them came from different parts of Pakistan. That's why most of the population has to run small businesses for their survival in Islamabad. Fruit vending is one of the main sources of livelihood for these people as huge population depends on these businesses. But they are also facing major problems such as lack of education, transportation, rents, and taxes, rotten fruits from Mandi and competition from other business owners; which needed to be addressed. Most of the fruit vending businesses in the past was profitable as they don't have competition as well as their businesses was profitable but with the competition from other businesses and weak policies of government, these businesses are facing downfall in recent times. That's why this study has been conducted to point out major problems and find a solution for those problems.

## **2.7 Themes**

Authors have studied that SMEs play a significant role reducing unemployment, increasing economy, and competitiveness among entrepreneurs to attain financial stability but they address many factors which hamper the growth of SMEs such as, low managerial skills, no government support, lack of proper infrastructure, financial instability, not technology oriented, lack of training centers as well as education, climatic conditions and certain developmental issues. Due to all these factors, people don't want to invest in their existing business in Pakistan and most of them are shifting towards other businesses; that's why this business needs thorough investigation.

## **Chapter 3**

### **RESEARCH DESIGN**

#### **3.1 Introduction**

There are three types of research strategies namely qualitative, quantitative, and mixed method and I have used the qualitative research strategies (Wahyuni, 2012); as this study is related to one specific group of people (fruit vendors) that's why I have explained my objectives and answered the questions in descriptive study.

#### **3.2 Qualitative research strategy**

The main aim of the qualitative research is to give meaning to the subject and give definition to a given social process or phenomenon. According to Sekaran (2003) qualitative research is mostly conducted in natural setting and it shows us a complete and detailed picture of the topics through description. The topic for this study requires an in-depth investigation for which a qualitative research is the most suited approach.

Using qualitative research strategy, my study's research design was descriptive to articulate procedural, marketing, business and socio-economic factors influencing small and medium sized registered fruit vendors in Islamabad.

#### **3.3 Target population**

The targeted population of my research was the owners or managers of small and medium sized fruit vending businesses in Islamabad. This population has been chosen for various reasons. First, these businesses mostly fall within the small and medium sized enterprises. Second, fruit industry is an important part of Pakistan's economy; however, most of the fruit related businesses do not grow more than a specific size. In this research we aim to investigate the factors that hinder the growth of these businesses.



My study's Unit of Data Collection (UDC) are registered owners or managers of small and medium sized fruit vendors located in Islamabad. The sample frame for my study's UDC does not exist for which I will be constructing my own sample frame. In literature there are different techniques to construct sample frame such as snowball sampling, population flows, and focused enumeration (Ritchie and Lewis, 2003). I used census forms for constructing sample frame for all the registered owners or managers of small and medium sized fruit vendors of Islamabad. My study's sub-locales will include all the sectors of Islamabad. Once my sample frame is constructed for each sector (which will be the strata defined along the axis of geographic variances), I will sample respondents using simple random sampling.

### **3.4 Tools and technique**

*Semi Structured Interviews:* To understand the major factors affecting the growth and development of SMEs, semi structured interview method has been employed as this method helps in building reports which in turn can be useful for researchers to build relationship with sample population. Since my research questions were concerned with the lived experiences of the fruit vendors, an interpretive research design was best suited to investigate them.

*Questionnaires:* As owners of SMEs are mostly shy of sharing information with interviewers and they cannot explain their conditions in details that's why Questionnaires has been used to obtain as much information as possible.

### **3.5 Universe**

Operating SMEs (Fruit vendors) of Islamabad are the area of analysis for this research study.

### **3.6 Sample size**

I conducted sector-wise interviews of 31 respondents from a local fruit vendor in Islamabad and also collected data through questionnaires from 34 respondents. All of fruit vendors in Islamabad are included in the sampling frame of this study. Fruit vendors of Islamabad have been selected, because in terms of time and data collection, they are easily available for interviews.

### **3.7 Data collection**

A semi-structured face-to-face interview was conducted individual for the collection of data (Wahyuni, 2012). Using semi-structured interviews, my research instrument was interview guide. It includes themes from the literature reviewed as well as the themes which emerged during data collection. I included both closed and open-ended questions in my interview guide. I used probes and prompts to facilitate collection of in-depth data from my respondents. I kept the flow and sequencing of questions flexible. I revised my interview guide as the data collection proceeds in different sectors of Islamabad keeping in mind the differences due to sectors, experience in the fruit vending businesses, etc. I also conducted focus group discussions with fruit vendors. The group diversity was ensured by including fruit vendors from all the sampled sub-locales of Islamabad.

### **3.8 Data Analysis**

The data collected was analyzed using thematic analysis as the approach and framework analysis as the approach in which data was recorded, transcribed, coded, thematically charted and finally themed and/or sub-themed.

### **3.9 Thematic Analysis**

Thematic analysis of data is the most frequent professional research method in qualitative data scheme as it has been used to create themes from the data (Bryman, 2016). From the conversation with the targeted population, themes are generated and then it is transcribed (Fugard & Potts, 2015).

## Chapter 4

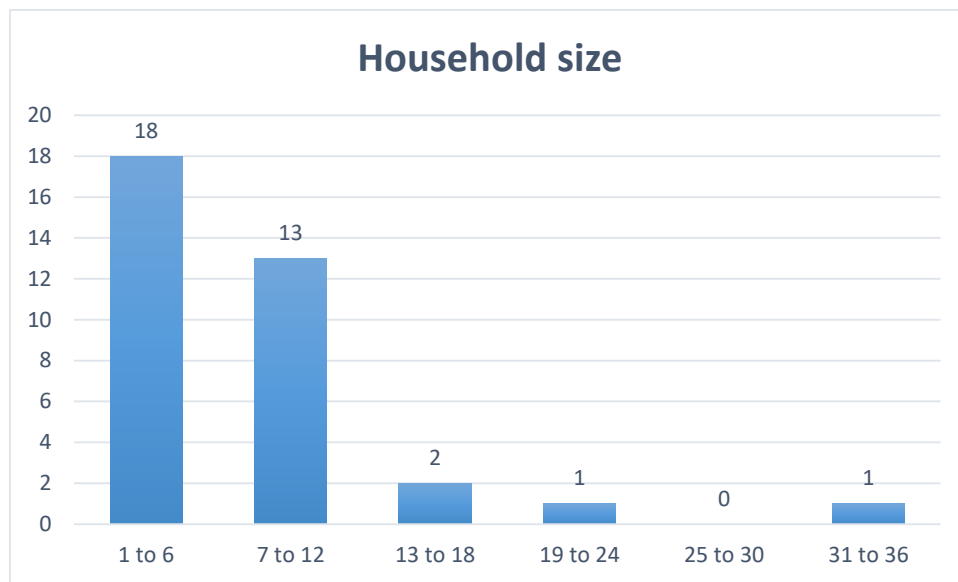
### RESULTS AND DISCUSSION

A qualitative research regarding the factors influencing growth of small businesses of fruit vendors in Islamabad was conducted. The targeted population of this research is the owners or managers of small and medium sized fruit vending businesses in Islamabad. The aim of this research is to document the number of registered owners, describe their socio-economic profile and investigate the factors that hinder the growth of these businesses. Census forms has been used for constructing sample frame for all the owners or managers of small and medium sized fruit vendors of Islamabad and used both open and close-ended questions in review guide. The data collected was analyzed using thematic analysis as the approach and framework analysis as the approach in which data was recorded, transcribed, coded, thematically charted and finally themed and/or sub-themed. The results obtained are following:

#### **4.1 Household size:**

The size of household of fruit vendors shows that maximum fruit vendors who are in the locale of Islamabad areas having small families, while very less number of fruit vendors have lager household size. The column chart below shows the number of respondents on vertical axis, and on horizontal axis the number of households. I excluded the person from the households who gave the information of his family. So in the below chart the Eighteen respondents have 1 to 6 individuals in their home, thirteen respondents have 7 to 12 individuals in their home, two respondents have 13 to 18 individuals in their home, one respondent have 19 to 24 individuals in their home, while there is no respondent who's household size has 25 to 30 individuals, and only one respondent who have 31 to 36

individuals in their home. The reason for small household size of greater number of fruit vendors is that they are mostly migrated from their joint family's system, and shifted to the cities for their businesses with their own families. It was reported by (Dar et al., 2017) that financial instability is one of the main reasons faced by SME owners in Pakistan which often lead to the failure of business.

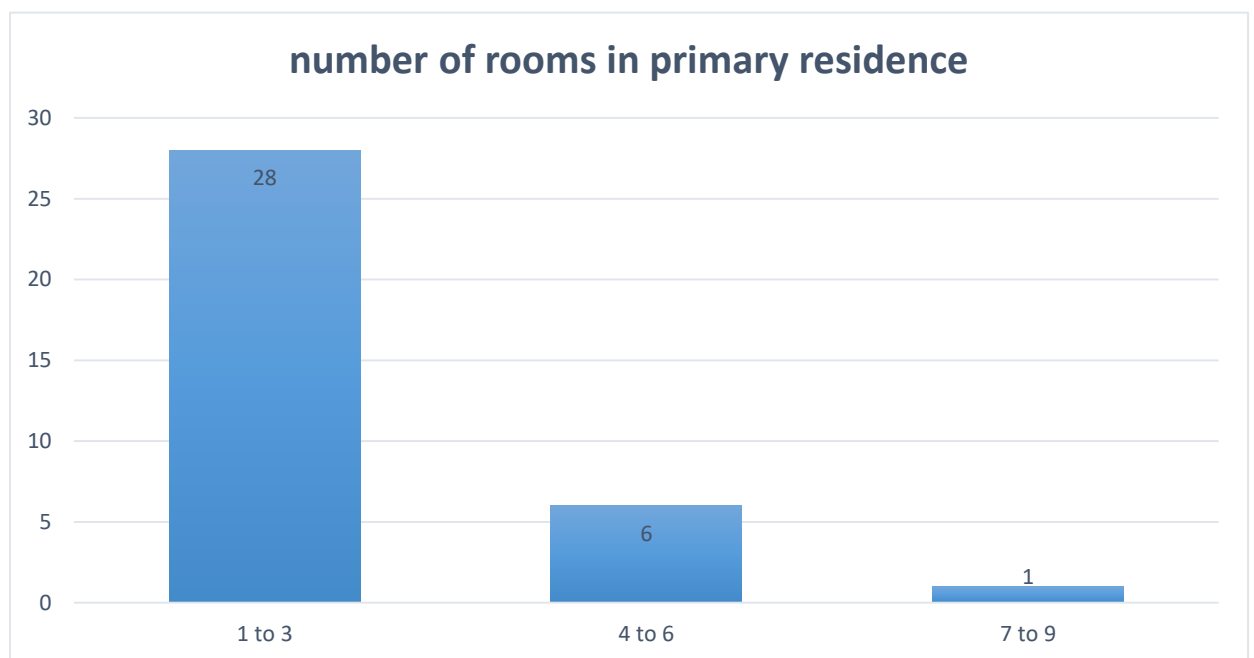


*Figure 4.1 Household size*

#### **4.2 Number of rooms in primary residence:**

The below column chart shows the number of fruit vendors on vertical axis and the number of their primary residence on the horizontal axis. The number of room of fruit vendors varies person to person in their primary residence. Twenty-eight out 35 vendors have 1 to 3 rooms in their primary residence, six fruit vendors have 4 to 6 rooms, because they have larger family size and they cannot manage in less number of rooms. While only one has 7 to 9 rooms in his primary residence, the reason for that is he lives in the joint family system. They have very few rooms their houses as compared to their house members; they have to

adjust more family members in one room. Also properties in Islamabad are highly expensive that's why they cannot afford large houses with such small income in Islamabad. As (Dar et al., 2017) stated that less developed infrastructure and financial instability are the major reasons of SMEs failure in Pakistan. Al-Hyari (2013) also reported that poor financial support is one of the major issues affecting the growth of SMEs.

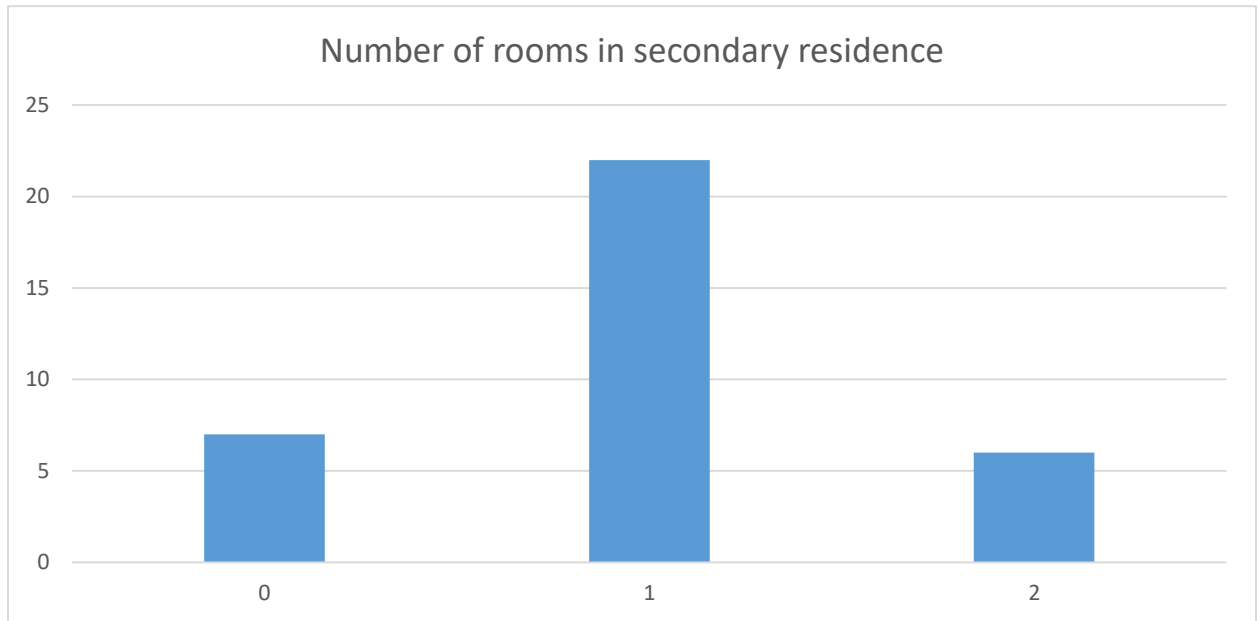


*Figure 4.2 Number of rooms in primary residence*

#### **4.3 Number of rooms in secondary residence:**

The below column chart shows the numbers of fruit vendors on the vertical axis, while on the horizontal axis shows the number of secondary residence. There are seven fruit vendors who have no secondary room residence, because their primary residence is their permanent residence. And they have no secondary residence. Twenty-two fruit vendors use 1 secondary residence, because they are migrated from their hometown, so they rented a

single room. And the six fruit vendors have 2 secondary residences, this is because they are member of that group of vendors who use combined rooms in their secondary residence.

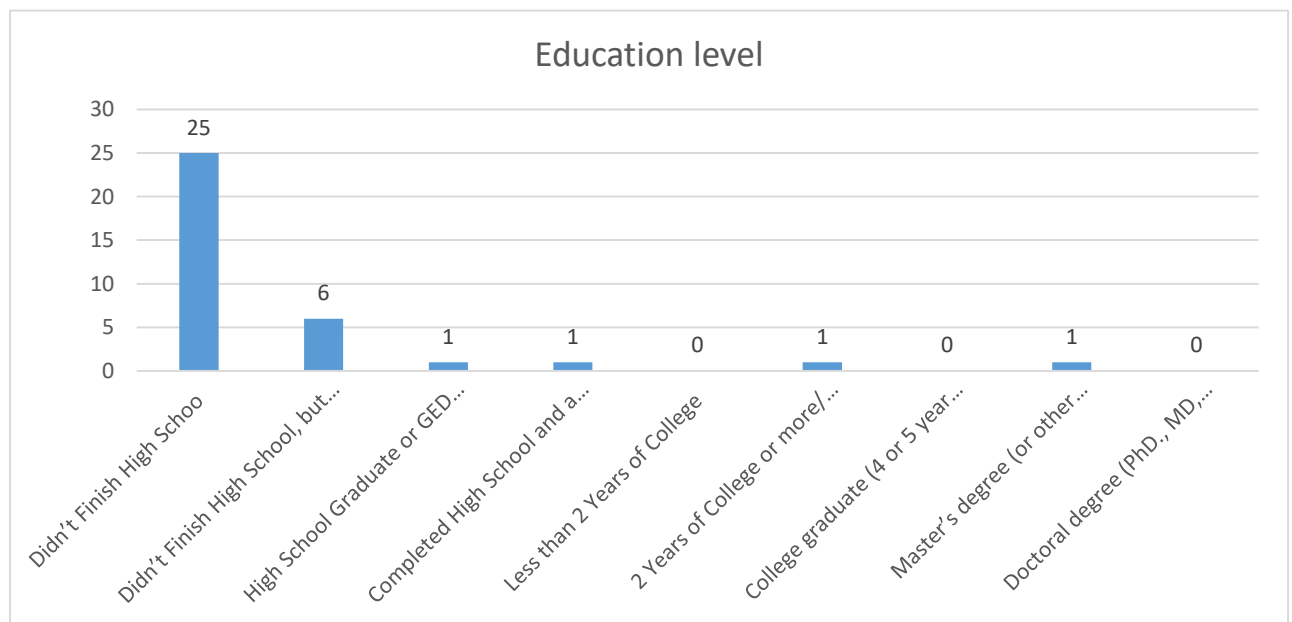


*Figure 4.3 Number of rooms in secondary residence*

#### **4.4 Education level:**

The below column chart show the education level of the fruit vendors. On vertical axis shows the number of fruit vendors, and horizontally shows level of education of the fruit vendors. So twenty five out of 35 vendors didn't finished with their high school, the reason for that is they are doing their fruit vending from the very beginning. Either they support their elders (father and brothers) ones or they have the responsibility on their own head of their family to support them. Six respondent have not finished with their schooling, but they have completed a technical/vocational programs. One of them has done with High School Graduate or GED (General Education Diploma). One has Completed High School and a technical/vocational program. One has done with 2 Years of College or more/ including associate degree or equivalent. And one has completed his Master's degree (or

other post-graduate training). While none of them have done with Less than 2 Years of College, College graduate (4 or 5 year program), Doctoral degree (PhD., MD, EdD, DVM, DDS, JD, etc). Muhammad et al. (2015) analyzed that the growth of SMEs depends on the educational and managerial skills of owners as they play a significant role in the development of their SMEs. Chimucheka (2013) also pointed out that education is one of the most vital factors for the survival and growth of SMEs in modern world. Hyder and Lussier (2016) also stated that supervisors or proprietors of the organizations should be qualified and all around prepared to be fruitful. (Gathenya et al., 2011) reported that insignificant correlation between the existing Nigerian educational system with SEMs where entrepreneurship education is optional and restricted to only tertiary institutions and entrepreneurship development.

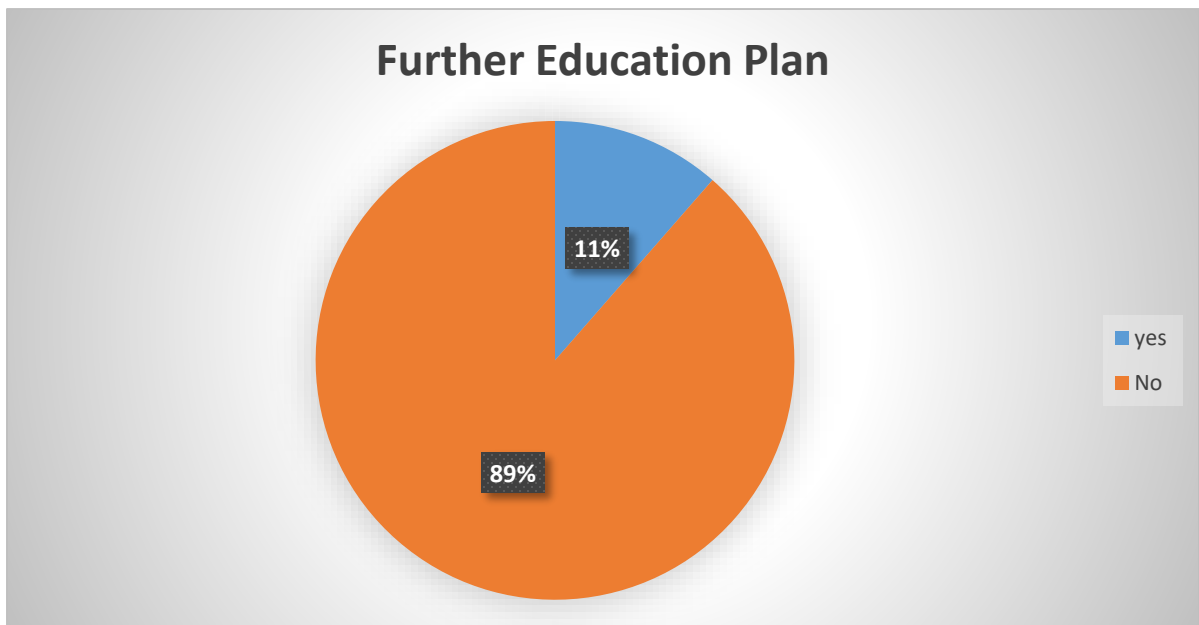


*Figure 4.4 Education level*



#### 4.5 Further education:

The below pie chart shows the plan of fruit vendors for further education, So 11% out of 35 respondent having plan for further education, but they have no time to join an educational institute and attend the classes, because in the morning and evening time they are dealing with their customers. While 89% of them are having no plan for further education, some of them are aged, some of them are from the background where they do not give importance to education. Akinyele et al. (2016) reported that education of the entrepreneur is one of the most crucial factors along with other such as good infrastructure, supply of electricity, technology and better transport system.

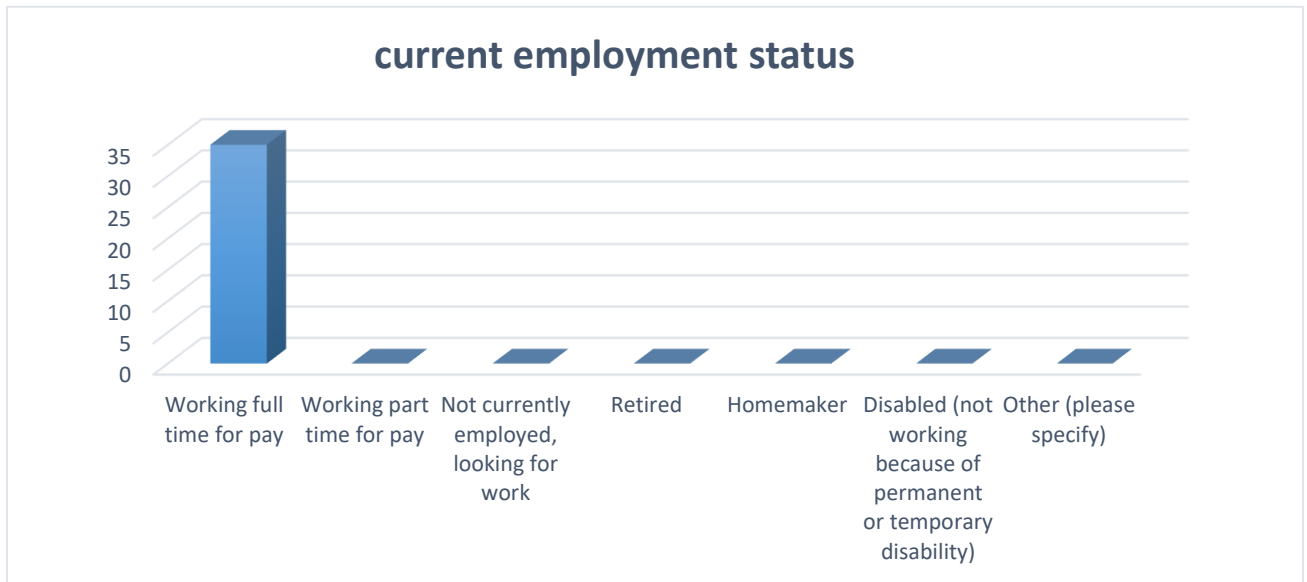


*Figure 4.5 Further education*

#### 4.6 Current employment status:

The below column chart shows the current employment status on the horizontal axis, and on the vertical axis shows the number of fruit vendors. All the 35 fruit vendors are working full time for pay, because most of them are the owner of their own businesses and they

work full time for their own earning. While none of them are working part time for pay. All of them are employed so there is no room for not currently employed. There were no retired fruit vendors. None of them are homemaker and none of them are disabled (not working because of permanent or temporary disability). Samarpitha (2019) stated that as the income from fruit sellers is low that's why they cannot afford labor in their business.

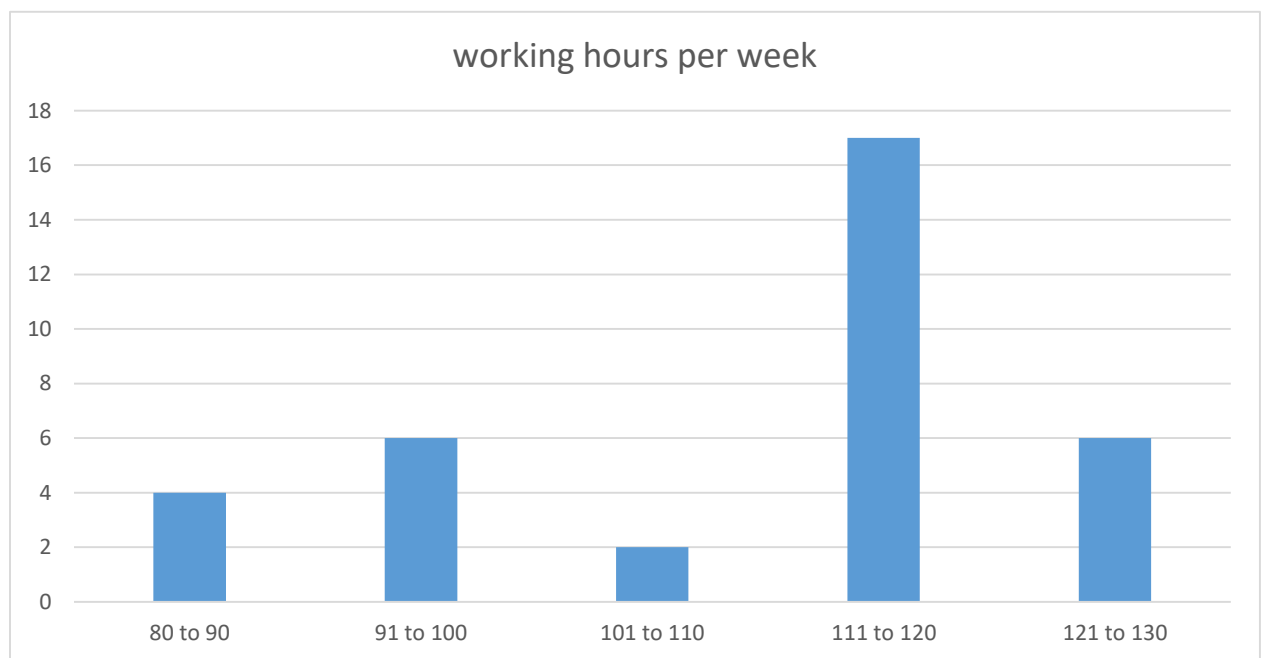


*Figure 4.6 Current employment status*

#### **4.7 Working hours per week:**

The below column chart shows the working hours of fruit vendors on the horizontal axis and on the vertical axis the graph show the number of fruit vendors. Four out of 35 fruit vendors are working from 80 to 90 hours per week. Six of them working from 91 to 100 hours per week. Two of them are working from 101 to 110 hours per week. Seventeen out

of 35 work from 111 to 120 hours per week. Six out of them are working from 121 to 130 hours per week. The lesser number of working hours from 101 to 110 are of those two respondents who are aged that why they work lesser than other fruit vendors. From 111 to 120 working hours are mostly those respondents who are younger and has the ability to stay for more time in the market, because they are in the growth stage of their business. Samarpatha (2019) reported that at the condition of road is not good in most areas, transportation is time consuming and thus it takes 6-15 hours each day.

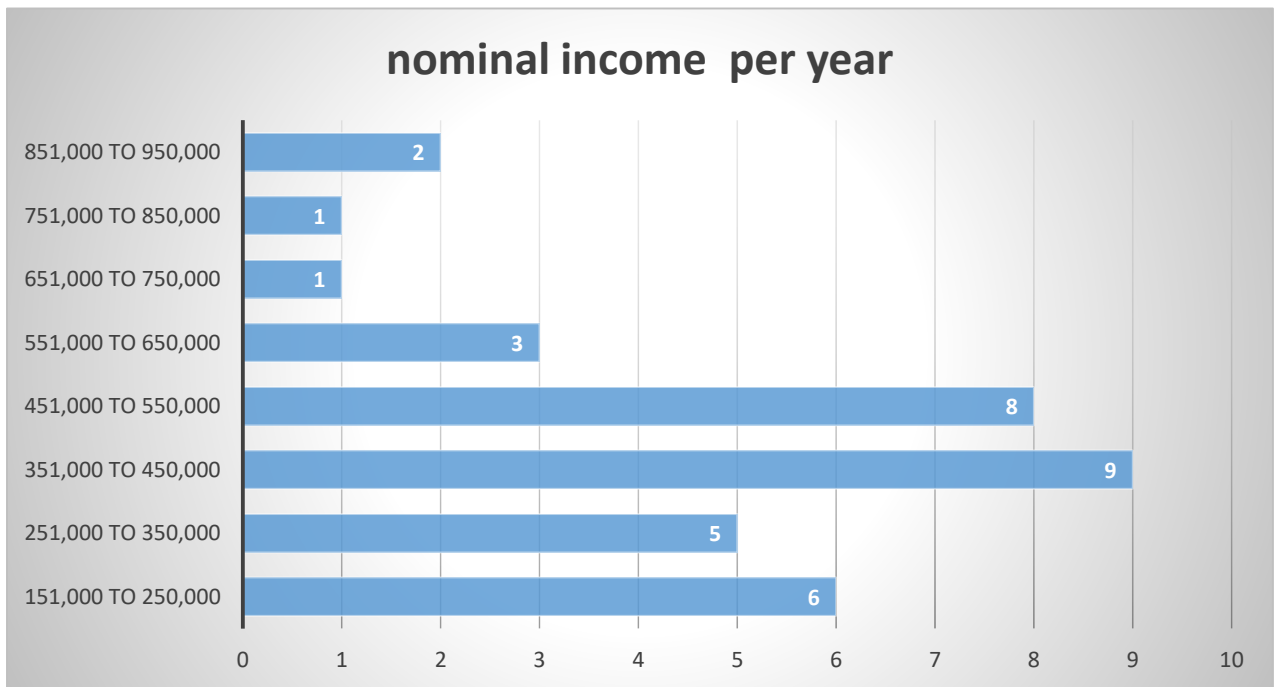


*Figure 4.7 working hours per week*

#### **4.8 Nominal income per year:**

In the below bar chart shows the vertical axis shows nominal income per year. While on the horizontal axis the chart shows the number of fruit vendors. The annual incomes of six respondents are from Pakistani rupees 151,000 to 250,000. Five respondents are earning

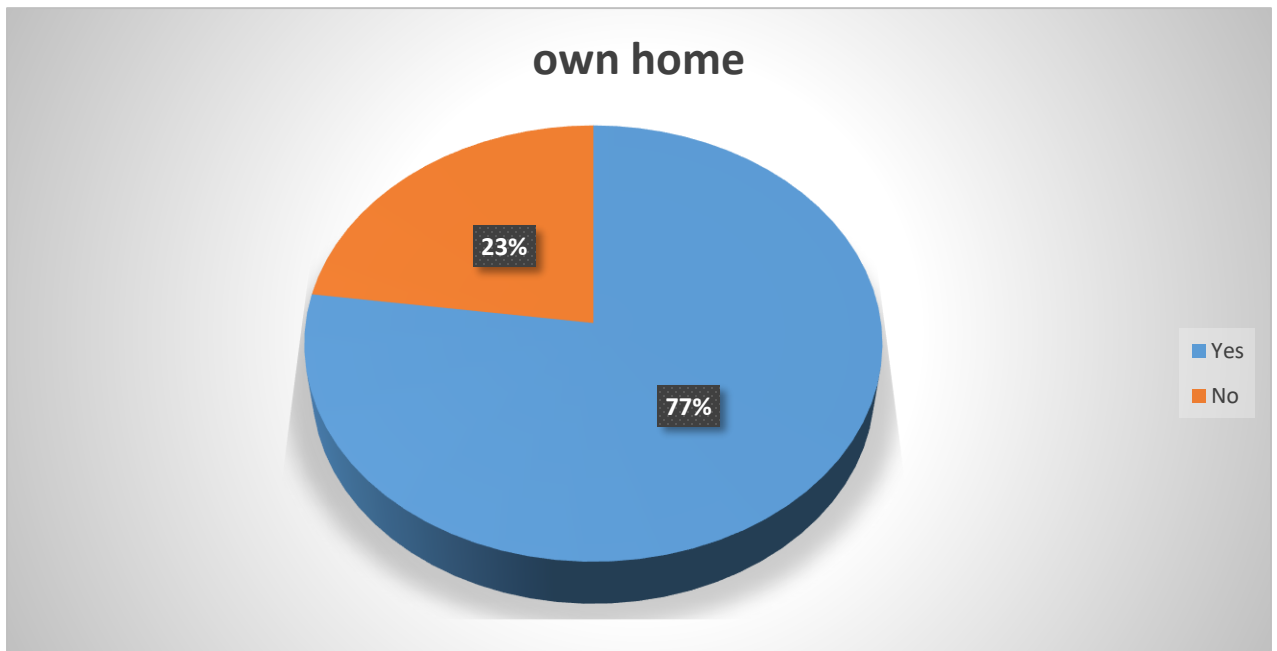
their annual income of Pakistani rupees 251,000 to 350,000. Nine respondents are earning Pakistani rupees 351,000 to 450,000. This is because of they are younger and are motivated to their business, and also giving more time to their business. Eight of them are earning Pakistani rupees of 451,000 to 550,000. Three of the fruit vendors are making Pakistani rupees 551,000 to 650,000 annually. One respondent is earning his annual Pakistani rupees 651,000 to 750,000. And one respondent is earning Pakistani rupees 751,000 to 850,000 annually. Only two respondents are earning their annual Pakistani rupees from 851,000 to 950,000.



*Figure 4.8 Nominal income per year*

#### 4.9 Own home:

The below pie chart shows the percentage of those fruit vendors who has owned their home and of those who had not yet lives in their own homes. So 77% of the respondents are lives in their own home, while 23% of them are not living in their own home that is why they have to rent house for their families or some of them are migrant and living in a rented room. Kot et al. (2020) that most of the people in Islamabad are not the basic residence of Islamabad that's why they have to rent a house as they don't have enough wealth to bought own houses.

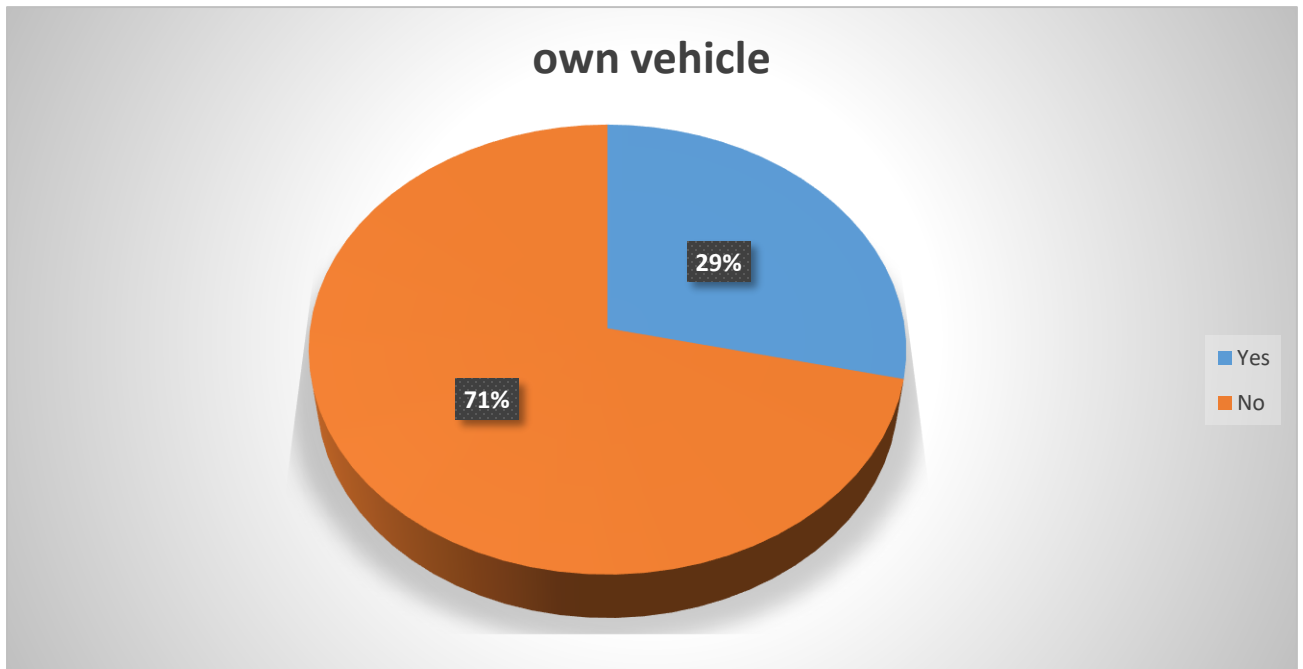


*Figure 4.9 Own home*

#### 4.10 Own vehicle:

The below pie chart shows the percentage of those fruit vendors who has buy vehicle (car, truck, van, SUV) for their or for their family use. So 29% of them are having their own

vehicles, while 71% of them are unable to buy vehicles. Ali (2013) stated that SMEs can reduce poverty and create jobs but in Pakistan they don't have proper education and skills for running a business which results in loss more often.

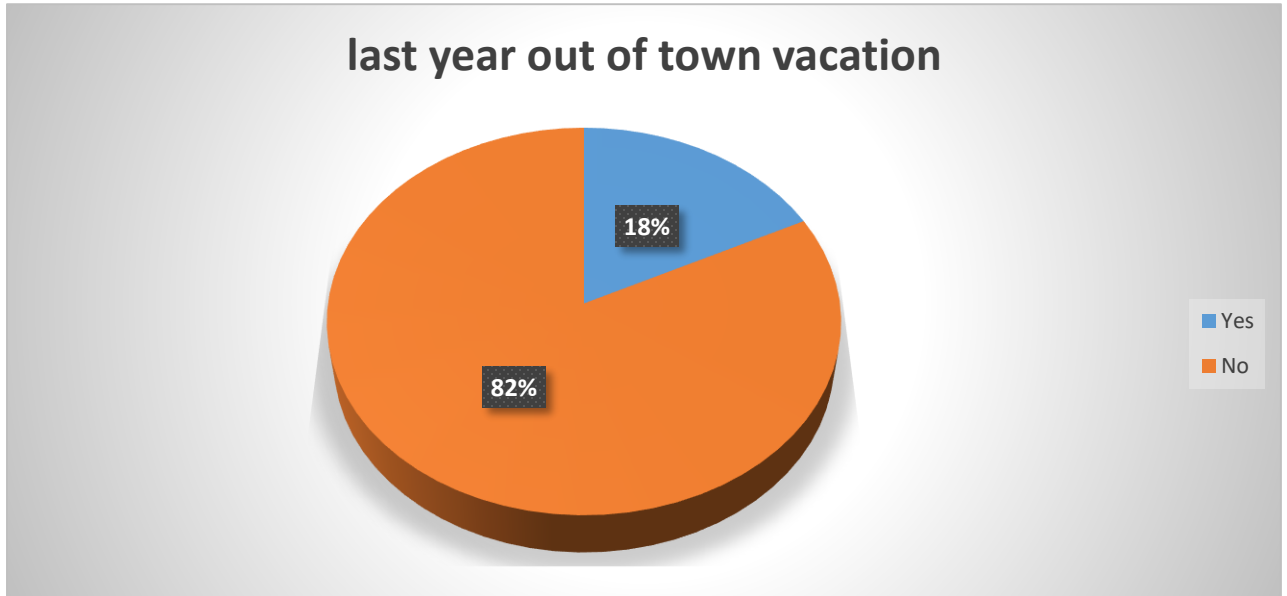


*Figure 4.10 Own vehicle*

#### **4.11 Vacation out of town in last year:**

The below pie chart is of those fruit vendors who have gone for the trip out of town either with their families or with their friends. So 18% of them are having taken out of town vacation during last year, while 82% of them have not taken their vacation out of town in the last year, because they cannot leave their business. The reason for this is that their business needs daily presence. Ali (2013) reported that SMEs can play significant role in

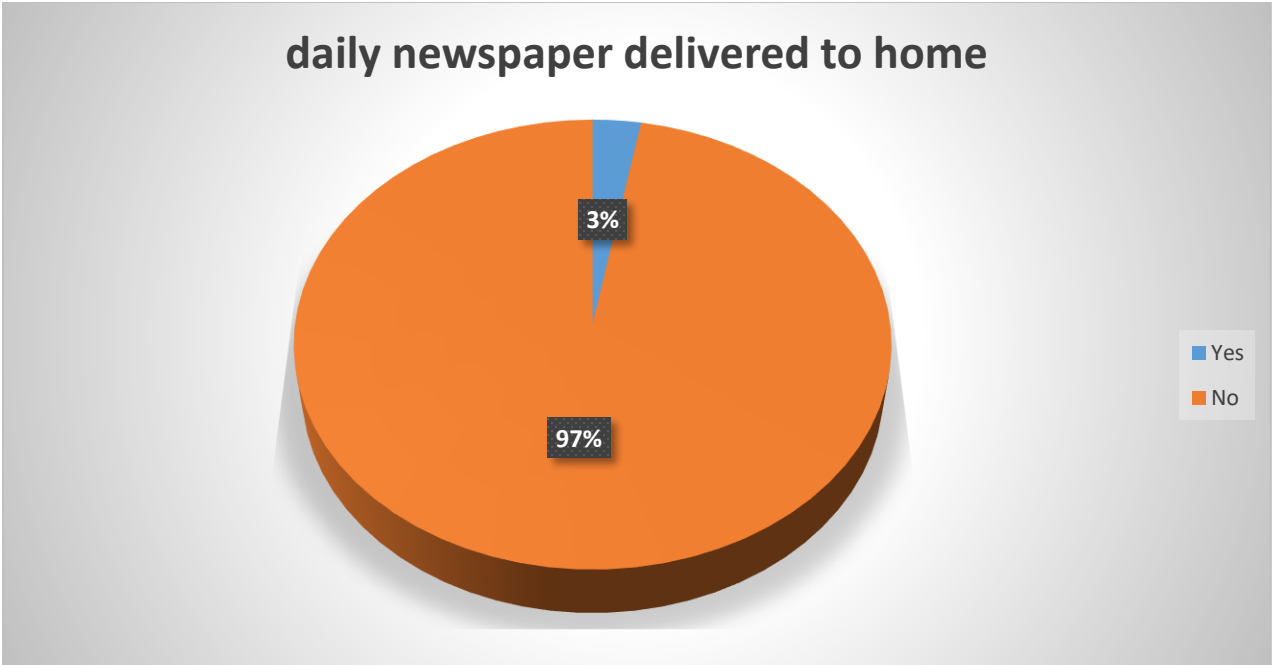
alleviating poverty from the community of SME owners, thus they can afford car, good education and vacation.



*Figure 4.11 vacation out of town in last year*

#### **4.12 Daily newspaper deliveries to home:**

The below pie chart shows the percentage of those fruit vendors who's got newspaper daily delivery at their homes. That is why only 3% of them are getting daily newspaper delivery to their homes, because they are literate. However, 97% of them are not getting their daily newspaper delivery to their homes which is one the main reasons that most of the SME fruit vendors in Islamabad are unaware of the new technology, current status of country and new rules and regulations.



*Figure 4.12 Daily newspaper deliveries to home*



#### 4.13 Thematic coding and Analysis:

Res#	Main Theme	Sub-theme	Example
1.	Structural Issue	Issues with C.D.A.  Location  Nature of Goods (Fruits)	<p>Many shop keepers, CDA annoys me a lot of times, and they fine us for not having parking outside our shop (<b>Respondent 13</b>).</p> <p>I want my shop at a suitable place because this location is not marketable (<b>Respondent 09</b>).</p> <p>Almost all respondents. As fruits are perishable quantity so it becomes rotten easily; this is a major issue for all fruit vendors (<b>Respondent 05</b>).</p>
2.	Age of Business	Old business  New business	<p>I am doing this business from last fifteen years, business was better before as there was no competition as before I would make 1 lac/month in revenue but now I barely make 30k/month (<b>Respondent 10</b>)</p> <p>I started this business 26 days ago, and now I want to establish my business in this market so I sell fruits at low rates and I am getting profit every day; however rotten fruits is a major issue for me (<b>Respondent 15</b>)</p>
3.	Registration Status		<p>Very few. My business is registered with government (<b>Respondent 12</b>)</p> <p>Most of them are non-registered. My shop is not registered with government (<b>Respondent 18</b>)</p>

4.	Profitability	Seasonal Profitability	Sale of fruits depends seasons, in summer the sale is high but in winter sale is on the downside ( <b>Respondent 20</b> )
		Monthly Profitability	Many stories. I earn 40-45k/month ( <b>Respondent 13</b> )
		Daily Profitability	I earn 3-4k on daily basis ( <b>Respondent 11</b> )
5.	Major issues	Lockdown	During pandemic situation, I have faced huge losses due to lock down as people were afraid of going out and government also imposed ban on fruit vendors ( <b>Respondent 31</b> )
		Inflation and taxes	Few shopkeepers said that inflation is an issue. Before, sales was high and profitable but now due to inflation and high rates, sales are low ( <b>Respondent 29</b> )

#### 4.13.1 Structural Issues

In this section we studied major issues which affect the business of fruit vendors in Islamabad. Based on our interviews, we divided this main theme into three sub-themes which includes issues of fruit vendors with CDA, location of their shops and nature of goods.

##### 4.13.1.1 Issues with C.D.A

In this section, we find out that CDA is one of the major factors which significantly affected the growth of fruit business in Islamabad. Most of the fruit vendors were of the view that

CDA official are very annoying, as they take so much time in the registration of an SME, some also stated that they have to give heavy rents to CDA in order to survive in Islamabad. One of the respondents who have been fined by CDA many times stated that.

*“One of the major issues is CDA, as they don’t allow us to do business. They don’t allow registering our shop and also fining us because we don’t have any parking outside our shops. Each and every month they visit us one time and fine us”* (Respondent 13, 14, 18, Islamabad)

Same response was also exhibited by many other, who were annoyed by the behavior of CDA and said that CDA don’t want them to register their business.

*“For me, the major problem is CDA as well as other agencies, which imposed new taxes on our business each and every day. CDA officials told us that either you have to install the wheelbarrow or have to leave to your business”* (Respondent 20, 25, Islamabad).

#### **4.13.1.2 Location**

It has been evident from all the previous studies that location of an SME is one of the most crucial factors in order to be successful. A good location near market and urban centers provide the opportunity for fruit vendors to get profit while bad location can only result in loss. Also the location should be spacious as well as clean for a profitable business. As one of the respondents share his experience with us.

*“I want government to help me in locating my shop at a proper place, as my current location is not suitable for business, thus I don’t have earn profit and cannot expand my business further”* (Respondent 9, Islamabad).

#### **4.13.1.3 Nature of Goods (Fruits)**

This section provides us an insight into the most important problem of fruit vendors. Almost all of the fruit vendors stated that rotten fruits are the major issue with our business, as fruits are a perishable quantity and it expires within 24 hours that's why fruit vendors have to sell it during the day otherwise it becomes rotten and unmarketable furthermore it loses its value. Many respondents stated that:

*“In hot weather of Islamabad, fruits become rotten and I have to sell expensive fruits at low rates as we don't have storage facility. If the fruits from mandi are fresh than we don't have any problem but most of the time they gave us rotten fruits which result in severe loses in our fruit business. Every day I have to buy fruits worth 50k but most of them get rotten”*  
(Respondent 1, 9, 15, Islamabad).

This section reveals that rotten fruits are the major factor in affecting the growth of fruit vending business which needed to be addressed and government should take measures to provide them with fresh fruits.

#### **4.13.2 Age of Business**

This section shows the problems associated with new as well as old businesses. We have this perception that old businesses are well settled and can be run very easily but that is not always the case as some of the old shop owners are not satisfied with their business while the new shop owners are running their fruit business and getting profit with each passing day.

##### **4.13.2.1 Old Business**

It has been studied in this business that very few old shop owners stated that they are comfortable running their business and getting while most of them told that in the past the

business was profitable but as the time goes on, with taxes and competition from new fruit vendors, business is not profitable anymore.

*“In the beginning my business was profitable because there was no inflation so people bought fruits from us, but now due to inflation we are not getting profit, furthermore we used to earn One lac rupees per month in the past while now we barely 30-35 thousand rupees per month.” (Respondent, 10, 14, Islamabad).*

#### **4.13.2.2 New Business**

New business owners have to face several difficulties in setting up their business, they have to find a suitable location, compete with already established businesses which make it difficult for them to survive. But there are people who started their business and trying their level best to sustain their business in fruit market.

*“I have started my business 26 days ago, and now I want to establish my business in this market so I sell fruits at low rates and I am getting profit every day. I want to convert my business from cart to shop but registering my business is a very difficult for me.”*

(Respondent, 15, 31, Islamabad)

#### **4.13.3 Registration Status**

In this section, we had an idea about the registered and un-registered fruit vendors and it was revealed that most of the fruit vendors are un-registered because CDA don't want to register their business; furthermore, registration is a long and annoying process. However very few fruit vendors were of the idea that the registration is easy and they have no complaints regarding their business registration.

#### **4.13.4 Profitability**

This section provides us about the various sources of profitability in fruit vending business. As fruits are perishable quantity so the profitability of fruits are usually measured on daily basis. The profitability in this section has been measured by three factors such as seasonal profitability, monthly as well as daily profitability.

##### **4.13.4.1 Seasonal Profitability**

It has been studied in this section, that seasons have a great impact on the profitability of fruit vending business in Islamabad, such as summer season bring different variety of fruits and thus increase the profit while in winter very few fruits can be sold which results in loss; but one drawback during summer season is that fruit become rotten easily due to hot summers in Islamabad.

*“In our business, seasons play an important role, in summers the sales are always high but in winters its results in loss. Because of hot summers, fruits get rotten easily which results in severe losses.” (Respondent, 20, 25, Islamabad).*

##### **4.13.4.2 Monthly Profitability**

Monthly profit of each and every fruit vendor varies from low to high according to their business. Some fruit vendors earn one lac rupees per month while other could only manage to earn about 25-35 thousand rupees per month, this variability depends on the size of their business as some vendors own large shops with 3-4 workers with them while others sell fruits on carts. However, some of the fruit vendors stated that as the profit fluctuates rapidly as they mentioned that they would earn one lac rupees per month in the past but now they can barely make 30 thousand rupees per month, that’s why some of them are thinking of quitting this business.

*“I earn 20 thousand rupees per month. In this business, monthly income fluctuates such as due to no competition in the past I would make 1 lac/month in revenue but now I barely make 30k/month which is a major issue and that’s why I am thinking about quitting this business.” (Respondent, 5, 6, 7, 10, Islamabad)*

*“I earn one lac rupees per month as well as I have four workers in my shop working for me and I also pay them for their services.” (Respondent, 14, Islamabad).*

#### **4.13.4.3 Daily Profitability**

As it has been mentioned that fruit is a perishable quantity and expires in a period of one day if don’t have cold storages that’s why the profit of fruit vending business is often measured by daily income. Similar to monthly income, it also fluctuates from vendor to vendor and season to season. Some vendors stated that they earn more than 10 thousand rupees per day while others stated that the highest income they could ever achieve is 3-4 thousand rupees per day.

*“The maximum amount of profit I can make from my hand cart is 1500-2000 rupees per day if the fruit remain healthy if it gets rotten then I cannot even make 1500 rupees per day. I pay rent of my shop and other expenses such as bills and worker’s payment so I earn I make 3-4 thousand rupees profit on daily basis.” (Respondent, 1, 3, Islamabad).*

#### **4.13.5 Major Issues**

Apart from major issues such as rotten fruits, rent, CDA and registration with government, there are some issues which are situational such as Lockdown and Inflation. During to Covid-19 pandemic situation government announced lockdown which causes losses to almost all types of SMEs, as people weren’t allowed to go outside due to lockdown. Also other issue includes inflation and taxes imposed by government on these business owners.

#### **4.13.5.1 Lockdown**

Due to pandemic situation in the start of 2020, government of Pakistan announced lockdown in order to control the spread of Covid-19, on one hand government was successful in controlling covid-19 but on the other hand it destroys business in Pakistan such as fruit vendors who were not allowed to sell their fruits which in turn get rotten and results in severe losses.

*“During pandemic situation, I have faced huge losses due to lock down as people were afraid of going out and government also imposed ban on fruit vendors, the fruits got rotten due to weather condition which caused huge losses in our business.” (Respondent, 4, 18, 30, 31, Islamabad).*

#### **4.13.5.2 Inflation and taxes**

With each passing government is imposing new taxes on business owners due to which fruit vendors have to increase the rate of fruits and as majority of our country citizens belongs to poor and middle class families that’s why they cannot buy those expensive fruits and in turn fruit vendors have to face losses as fruits get rotten and becomes unmarketable so they have to sell fruits on cheaper prices.

*“Because of inflation people don’t want to take fruit or lesser in quantity. The business was profitable before, in the past if I got profit of 100 rupees I could buy many things with that but due to inflation, now if I earn 1000 rupees I cannot buy many things with this amount. Current government has imposed so many taxes on our business which ruined our business.” (Respondent, 26, 29, 30, Islamabad).*



#### **4.14 Summary**

I conducted a qualitative research regarding the factors influencing growth of small businesses of fruit vendors in Islamabad. The targeted population of my research was the owners or managers of small and medium sized fruit vending businesses in Islamabad because these businesses mostly fall within the small and medium sized enterprises as well as fruit industry is an important part of Pakistan's economy. In this research we aim to document the number of registered owners, describe their socio-economic profile and investigate the factors that hinder the growth of these businesses. I used census forms for constructing sample frame for all the owners or managers of small and medium sized fruit vendors of Islamabad and used both open and close-ended questions in review guide. The data collected was analyzed using thematic analysis as the approach and framework analysis as the approach in which data was recorded, transcribed, coded, thematically charted and finally themed and/or sub-themed.

Results Shows that most of the shops are not registered with government due to several issues; of which one of the major issues are conflict with C.D.A and huge fee that fruit vendors cannot bear. Fruit vendors don't have suitable places for their shops. The socio-economic conditions of fruit vendors are not good, as most of them earn less than 50k/month and sales decreases due to rotten fruits and climatic conditions. Pandemic situation and inflation was also one of the major issues for the fruit vendors because during pandemic no one was allowed to go out and sales are decreasing due to high taxes. Major issues faced by SME owner were financial limitations, competition from other fruit sellers, lack of education, no to very little government backing and debasement. Other issues include competition from other fruit vendors also decreases the sales, rented houses are

also a burden, lack of education and lack of government support also hampers the development of SMEs (fruit vendors), as well as C.D.A. registration is an annoying process in locale of Islamabad. Minor issues related to SMEs are borrowing, taxes, lockdown, and no government support. Our findings show that most of the fruit vendors have small families, with 1-3 rooms in their house, no secondary residence and vehicle; working 111-120 hours per week, nominal income ranges from 351k-550k and didn't finish their high school. Government should provide proper check and balance system for large business owners in mandi, provide subsidy on fruits, educate business owners and C.D.A. provide proper places for these markets, and further research should be conducted to solve these major problems regarding SME fruit vendors in Islamabad.

## Chapter 5

### CONCLUSSION AND RECOMMENDATION

#### 5.1 Conclusion

Over the span of this examination, past writing was inspected painstakingly identified with SMEs of fruit vendor development. Abroad, plentiful writing is accessible on the SMEs development yet in Pakistan, very little exploration was found to zero in on the issues and development of SMEs. A couple of studies were found regarding the matter, for example, the base paper chose for the investigation close by that of (Muhammad et al., 2015). They worked on several issues regarding SMEs and found that government support, educational and managerial skills as well as financial access are some crucial factors which contribute to SMEs development in Pakistan. They also reported that SMEs in Pakistan are not technology based which is one of the most important factors in the slow growth of SMEs in Pakistan. This study formulate that policy makers should use technology and making policies for the growth and development of SMEs in Pakistan. So the investigations close by centers around the issues in development and improvement of SMEs of the locale Islamabad. There exist a few issues normal to all the fruit vendors in area. Issues were distinguished over the span of meetings with the owners of fruit shops. As it was referenced before, the areas focused for the examination were factors affecting the growth of SMEs (fruit vendors) in Islamabad.

Several issues were very common to every one of the fruit vendors are financial limitations, competition from other fruit sellers, and lack of education, no to very little government backing and debasement. The fruit vendors working in Islamabad think that it is

exceptionally difficult to oversee credits from formal monetary foundations like banks. Also there are no banking system which provide support to these fruit vendors in Islamabad. Another major issue faced by fruit vendors are getting rotten fruits from Mandi, as government don't have any check and balance system for those big business owners which in turn effect the growth of these small fruit vendors furthermore competition from other fruit vendors also decreases the sales of already established business owners; as the new business owners wants to settle and sell fruits at lower rates as compared to other SME owners. Most of the fruit vendors are living in rented houses which are also a burden for these low income SME owners and they receive a very small amount of profit from their business. Other major issue is the lack of education which hampers the development of SMEs (fruit vendors) of Islamabad as it does somewhere else. Another normal issue among the SMEs is the lack of government support as it is more inspired by organizations working in more settled pieces of the country.

Area explicit issues in smaller substantial square industrial facilities incorporate information costs, rent and agreements. Variances in input costs gobbles up the overall revenues of substantial square processing plants due to the value inelasticity of the squares' costs to enter costs which thusly is a consequence of exceptionally flexible interest and has high cross flexibility with consumed blocks. Due no rent and agreement framework, development is extremely hard in substantial square area. Bad weather is also one of the reasons, as summer season is far better for sales of fruits as compared to winter. Other issues which were pointed out by fruit vendors were the registration of their business with C.D.A. (capital development authority), as it is a long and tiresome process and C.D.A.

don't want them to start their business in locale of Islamabad. Minor issues related to SMEs are borrowing, taxes, lockdown, and no government support of government.

## **5.2 Recommendations:**

Based on our observation, following recommendations were made:

1. Businesses can flourish well in a serene climate so the government should have a proper check and balance system for large business owners in Mandi so the small fruit vendors develop, work and perform well.
2. The government ought to urge the financial framework such as provide subsidy on fruits for these fruit vendors.
3. To beat the issue of lack of education and incompetent labor force government ought to build up preparing focuses and exchange schools. This will help in accomplishing greater efficiency and less misfortune will have caused.
4. Proper area should be provided by C.D.A. where fruit vendors can setup their shops; furthermore all of the shops should be registered by C.D.A. so no illegal work should be done by any fruit vendor.
5. There is a great deal of degree for additional examination and strategy ought to be concocted based on research.

## **5.3 Interview Guide**

My name is SHAKIR ULLAH and I am conducting research on the factor affecting the performance of SMEs in Islamabad. I would like to ask your opinion about a range of issues concerning small businesses; it will take about 20-30 minutes, depending on your responses. The results of the survey will be used to inform government policy on small business. Is now a convenient time to talk?

1. I'm taking interview for my research. Would you like to give me your few minutes for interview?
2. From where do you basically belong?
3. How long have you been working here as a fruit vendor?
4. How is your work going?
5. Why did you start working as fruit vendor?
6. How much you have invested to start your business?
7. Do you have any other fruit vendor as a competitor around you?
8. What are the reasons that customers usually prefer fruits to buy from you ?
9. Do you pay any rent of this place?
10. When you started your work 18 years ago, was lucrative at that time or it is lucrative now?
11. How much do you earn monthly?
12. How much do you earn Daily?
13. Are you registered with government?
14. Do you face any difficulties from C.D.A department?
15. What is your future plans regarding your business?
16. Do you think training would be useful for the better performance of SMEs?
17. What has been the impact of education and training on the success of an SME?
18. How many of your employees have received proper training and education?
19. Do you think the environmental conditions of a particular area would affect the performance of SMEs?
20. What kind of environmental conditions suits the better performance of SMEs in Islamabad?
21. What kind of infrastructure is the need of the hour for the successful performance of SMEs in Islamabad?
22. What is the duration of load shedding for SMEs in Islamabad?

**23.** What is the condition of roads in Islamabad?

**24.** How many family members do you have?

**25.** What sort of major difficulties you are facing in your business?

Thank you for completing this survey.

#### **5.4 Limitations**

Because of the coronavirus outbreak, the study was limited to Capital. The second reason was lack of time and money due to which only data of specific respondents were taken. In the future, the problems need to investigate in the whole country. And in particular, more research is needed on its role in the national economy.

### **5.5 C.D.A policy and the total number of fruit vendors in islamabad**

According to Poverty Alleviation and Social Safety Division (PASSD), There are about 20,000 street vendors in Islamabad in different sectors, which include the small shops, khokas, wheel barrels, and carts vendors. The current situation of the Islamabad is that CDA wiping out all the street vendors for the purpose to expand the roads for the privileged class. Also to add more CDA is doing this because they are forced to do so by the elite class means that the privileged class is not allowing the street vendors to earn in the capital, because most of the time these street vendors are on the road side so they are blocking the road.

All the portable street vendors doing their business with the fear that their belonging would be confiscated anytime in raid by CDA. Once their belongings is confiscated by CDA, they return it on a deal that they wouldn't set it up again. So it's a major issues for the street vendors, because this business is the option for their survivability of their families. The aim of this study is to give the right to underprivileged class (street vendors) for their education and employment.

These are some major issues that are faced by the street vendors from CDA side in Islamabad and Rawalpindi.

As my thesis topic "FACTORS INFLUENCING GROWTH OF SMALL BUSINESSES (A CASE STUDY OF FRUIT VENDORS IN ISLAMABAD)", so specifically the fruits vendors here also faces the same problem.

According to the EHSAAS REHRIBAAN PROGRAM SURVEY, there are total 240 numbers of fruit vendors in Islamabad. The registered number of fruit vending businesses



owner or manager are 5 out of the total 240, and the non-registered fruit vendors are 235 out the total 240 fruit vendors.

The reason for less than 3% registration of fruit vendors is that;

Firstly the owner or managers are mostly not aware of the registration process that how to registered them, Secondly registration with CDA is also a long and hectic process, Only educated fruit vendor know the process of registration, because when I was conducting the interviews from fruit vendors only 1 out of 35 fruit vendors was registered and he was done with his master degree.

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