

WOMEN'S ENTREPRENEURSHIP IN THE GLOBAL ECONOMY

Institutional Barriers, Digital Transformation, and Policy Pathways

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Abstract

Purpose — This article develops an institutionally grounded explanation of women's entrepreneurship across diverse economic contexts. It examines how access to finance, human and social capital, care responsibilities, cultural legitimacy, public policy, and digitalization interact to shape women's entry into entrepreneurship, venture survival, and growth.

Design/methodology/approach — The study adopts an integrative conceptual-review design. It synthesizes foundational gender-and-entrepreneurship scholarship with comparative evidence from international policy and entrepreneurship reports. Rather than treating women entrepreneurs as a homogeneous category, the analysis distinguishes opportunity-driven from necessity-driven entrepreneurship and considers how constraints vary across institutional and developmental settings.

Findings — Women's entrepreneurial participation is not determined by individual motivation alone. It is produced through a multilevel configuration of formal institutions, informal gender norms, household organization, sectoral structures, resource access, and digital capabilities. Digital platforms can lower entry and transaction costs, but they do not automatically eliminate financing gaps, occupational segregation, unequal care burdens, or exposure to online risks. Effective policy therefore requires coordinated measures that connect finance, capability development, care infrastructure, market access, and institutional accountability.

Originality/value — The article replaces deficit-based accounts of women entrepreneurs with an ecosystem perspective that explains both cross-country variation and the persistence of growth constraints. It proposes an integrated policy framework and identifies testable directions for comparative and longitudinal research.

Keywords: women's entrepreneurship; gendered institutions; entrepreneurial ecosystems; access to finance; digital entrepreneurship; inclusive growth

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1. Introduction

Women's entrepreneurship has become a central concern in research on inclusive growth, innovation, employment, and social mobility. Women create and manage firms across all regions and income groups, yet their entrepreneurial trajectories remain uneven. Participation rates, sectoral concentration, firm size, survival, access to external capital, and growth expectations differ substantially across countries and between women and men. These differences cannot be explained adequately by entrepreneurial ability or preference. They reflect the interaction of institutions, markets, households, and historically embedded gender relations.

Earlier public debate often framed women's entrepreneurship as a mechanism through which individuals could overcome labor-market exclusion. Although this argument remains relevant, it is analytically incomplete. Entrepreneurship may represent opportunity and autonomy, but it may also be a response to unemployment, informal work, weak social protection, or the need to reconcile income generation with unpaid care. A high rate of female business ownership therefore does not necessarily indicate an inclusive or high-performing entrepreneurial ecosystem. It may instead coexist with low productivity, limited formalization, restricted market access, and fragile business continuity.

The literature also reveals a persistent contradiction. Policy discourse celebrates women as an underutilized source of innovation and growth, while entrepreneurial institutions frequently remain organized around a supposedly gender-neutral founder who has unrestricted time, mobility, networks, collateral, and tolerance for risk. These assumptions obscure the structural conditions under which entrepreneurial choices are made. A rigorous analysis must consequently shift from asking why women do not behave like an idealized male entrepreneur to asking how entrepreneurial systems distribute resources, legitimacy, opportunity, and risk.

This article addresses three questions: (1) Which institutional and socioeconomic mechanisms shape women's entry into and performance within entrepreneurship? (2) How does digitalization alter opportunities and reproduce constraints? (3) Which policy combinations are most likely to support sustainable, growth-oriented, and inclusive women-led enterprises? The contribution is conceptual. It integrates institutional, resource-based, and gender-aware perspectives into a multilevel framework and translates this framework into research and policy implications.

2. Conceptual and Theoretical Foundations

2.1 Entrepreneurship as a gendered institutional process

Institutional theory distinguishes formal institutions—laws, regulations, financial rules, property rights, taxation, and public support—from informal institutions such as cultural expectations, social norms, and taken-for-granted beliefs. For women entrepreneurs, these dimensions are mutually reinforcing. Formal equality in business registration or credit law may have limited practical effect when inheritance patterns restrict asset ownership, lenders rely on collateral women are less likely to control, or networks evaluate entrepreneurial competence through masculine stereotypes.

Gender is therefore not an individual attribute added to an otherwise neutral entrepreneurial process. It is an organizing principle that influences which sectors are considered legitimate, who is perceived as credible, how household labor is allocated, and which entrepreneurial outcomes receive recognition. Ahl (2006) showed that research itself can reproduce gendered assumptions by positioning male experience as the universal norm and women as a deviation requiring explanation. Subsequent scholarship has argued for contextual approaches that analyze entrepreneurship as embedded in family, place, class, institutions, and intersecting identities (Jennings & Brush, 2013; Brush et al., 2009).

2.2 Resource access, conversion, and venture outcomes

A resource perspective highlights financial, human, social, technological, and reputational capital. The critical issue is not simply whether women possess resources, but whether institutions allow those resources to be converted into entrepreneurial outcomes. Education may increase knowledge and confidence, yet its economic return depends on industry access, networks, digital infrastructure, procurement systems, and the credibility assigned to women founders. Similarly, microcredit can enable entry but may be insufficient for firms seeking technology, skilled employees, export capacity, or rapid scaling.

The ‘5M’ framework—markets, money, management, motherhood, and the macro/meso environment—captures this embeddedness (Brush et al., 2009). Markets, money, and management represent conventional business dimensions; motherhood broadens the analysis to household and care relations; and the macro/meso environment includes policy, culture, organizations, and support systems. The framework is particularly useful because it links firm-level decisions to structures beyond the entrepreneur’s direct control.

3. Review Approach

This study uses an integrative narrative review suited to a fragmented, interdisciplinary field. It combines peer-reviewed conceptual and empirical contributions in entrepreneurship and gender studies with comparative evidence produced by the Global Entrepreneurship Monitor, the World Bank, the Organisation for Economic Co-operation and Development, and the European Union. The analysis is organized around recurrent mechanisms rather than a country ranking: entrepreneurial motivation, resource access, sectoral positioning, household constraints, institutional legitimacy, digital transformation, and policy design.

The review is interpretive rather than systematic and does not claim exhaustive coverage or permit meta-analytic inference. Its purpose is theory integration: to identify relationships that explain why similar interventions produce different outcomes across contexts. Claims based on descriptive international reports are treated as comparative indicators rather than causal evidence. This distinction is important because national participation rates can conceal variation in informality, firm age, sector, scale, and growth ambition.

4. Women’s Entrepreneurship Across Economic Contexts

4.1 Opportunity, necessity, and institutional quality

Cross-country variation demonstrates that entrepreneurial participation cannot be read as a simple development ladder. In higher-income economies, women may benefit from stronger property rights, deeper financial markets, digital infrastructure, and business-support institutions. However, they may still encounter investor bias, occupational segregation, unequal care responsibilities, and limited representation in high-growth sectors. In lower- and middle-income economies, women may display high levels of early-stage entrepreneurship while operating disproportionately in informal, low-capital, consumer-facing activities. Such entrepreneurship can be economically vital but vulnerable to shocks and constrained in its capacity to scale.

The distinction between opportunity- and necessity-driven entrepreneurship is therefore essential. Opportunity entrepreneurship is generally associated with perceived market possibilities, innovation, and growth aspiration; necessity entrepreneurship often emerges when paid employment or social protection is inadequate. The categories overlap, and motivations can change over time, but they help prevent the mistaken conclusion that participation alone measures empowerment. An inclusive ecosystem should be

evaluated through business sustainability, productivity, formalization, income security, innovation, and entrepreneurs' control over strategic decisions—not only the number of women starting firms.

4.2 Sectoral concentration and growth constraints

Women-owned enterprises remain concentrated in retail, personal services, hospitality, education, health-related services, and other sectors characterized by relatively low entry barriers. This concentration reflects experience and market demand, but it is also shaped by gendered education pathways, professional networks, procurement practices, mobility, capital requirements, and social judgments about appropriate work. Sectoral concentration matters because industries differ in margins, scalability, exposure to economic shocks, technology intensity, and investor interest.

Policies that merely increase start-up counts may therefore reproduce horizontal segregation. Effective support must enable movement into higher-productivity activities while also improving productivity and value capture within sectors where women already operate. This requires supplier-development programs, technology adoption, export readiness, standards certification, public procurement access, managerial training, and connections to larger firms. The objective should not be to devalue traditionally feminized sectors, but to remove structural ceilings on innovation and growth.

5. Core Barriers and Their Interaction

5.1 Finance

Access to finance is one of the most consistently documented constraints. The problem includes not only credit approval but also loan size, collateral requirements, interest costs, investment-stage mismatch, financial literacy, network access, and discriminatory expectations. Women may own fewer registrable assets, operate younger or smaller firms, or enter sectors perceived as less scalable. These factors can become embedded in apparently neutral lending models. In equity markets, pattern matching and homophilous networks may further reduce women founders' access to decision makers.

A policy response limited to microfinance is inadequate. Financial systems need a continuum that includes transaction accounts, working-capital credit, credit guarantees, revenue-based finance, patient capital, seed investment, and growth-stage equity. Gender-disaggregated lending and investment data are also necessary to distinguish differences attributable to firm characteristics from those associated with institutional bias.

5.2 Social capital, legitimacy, and networks

Networks provide information, clients, mentors, suppliers, investors, and social legitimacy. Yet network value depends on composition and reach. Support groups composed exclusively of similarly constrained entrepreneurs may offer solidarity without opening access to markets or capital. High-impact programs should combine peer support with 'bridging' ties to banks, procurement officers, technology partners, experienced founders, research institutions, and international markets.

5.3 Care, time, and household organization

Unpaid care responsibilities affect entrepreneurial time, location, mobility, and risk. These constraints should not be described as women's personal difficulty in 'balancing' work and family; they arise from the social organization of care and the availability, quality, and cost of services. Entrepreneurship can provide scheduling flexibility, but flexibility may come at the price of longer working hours, income volatility, and business confinement to the home. Care infrastructure, parental leave design, transport safety, and social protection are therefore entrepreneurship policies as much as welfare policies.

5.4 Stereotypes and evaluation bias

Entrepreneurial legitimacy is shaped by culturally coded expectations regarding leadership, confidence, technical competence, and risk. Women may be evaluated against contradictory standards: assertiveness can be penalized as inappropriate, while collaborative behavior can be interpreted as insufficiently ambitious. Such biases affect investor questioning, loan assessments, media visibility, promotion within family firms, and access to leadership roles. Quotas and representation measures can accelerate institutional change, but their effectiveness depends on transparent appointment criteria, pipeline development, enforcement, and avoidance of tokenism. Merit and inclusion are not opposing principles when evaluation systems themselves are audited for bias.

6. Digital Transformation: Opportunity and Unequal Conversion

Digital technologies have expanded entrepreneurial possibilities through e-commerce, mobile payments, cloud services, remote work, social-media marketing, and platform-based access to customers. They can reduce fixed costs and geographic barriers, which is particularly valuable for entrepreneurs facing mobility or time constraints. Digital channels also supported business continuity during the COVID-19 shock and enabled rapid experimentation with products and distribution.

Nevertheless, digitalization is not inherently equalizing. Benefits depend on affordable connectivity, devices, digital and financial literacy, logistics, payment infrastructure, cybersecurity, platform governance, and the ability to convert online visibility into stable revenue. Platform dependence may expose small firms to opaque algorithms, changing fees, weak bargaining power, harassment, and data-security risks. Women who begin with lower capital, weaker networks, or constrained time may be present online yet remain concentrated in low-margin activities.

Digital inclusion policy should consequently move beyond basic skills. It should link technical training with business-model development, data use, cybersecurity, intellectual-property awareness, cross-border payments, logistics, and access to finance. Programs should be assessed by revenue growth, productivity, market diversification, and survival rather than by training attendance or account creation.

7. An Integrated Policy Framework

The analysis supports an ecosystem approach in which interventions operate as complements. Isolated training cannot compensate for unavailable finance; credit cannot generate growth without market access; digital tools cannot overcome care constraints; and legal equality cannot ensure fair outcomes without implementation. Five mutually reinforcing policy pillars emerge:

- Institutional equality and accountability: enforce property, inheritance, registration, contracting, and anti-discrimination rights; publish gender-disaggregated administrative data.
- Fit-for-stage finance: provide instruments from start-up and working capital through growth equity, supported by transparent underwriting and bias audits.
- Capabilities and technology: integrate management, financial, digital, cybersecurity, innovation, and export capabilities rather than offering generic short courses.
- Market-making mechanisms: expand procurement access, supplier diversity, certification support, clusters, incubators, and links to domestic and international value chains.
- Care and social infrastructure: improve childcare, parental protection, transport, health coverage, and pension inclusion for self-employed workers.

Policy evaluation should distinguish inputs, outputs, and outcomes. Funds allocated and entrepreneurs trained are inputs; businesses registered and loans issued are outputs. Relevant outcomes include survival, productivity, revenue, employment quality, innovation, export activity, income security, and decision-

making autonomy. Evaluations should also test distributional effects across age, class, region, ethnicity, disability, migration status, and household structure.

8. Discussion

Three conclusions follow from the integrated framework. First, entrepreneurship is neither automatically emancipatory nor inherently precarious. Its effects depend on the quality of the opportunity, the entrepreneur's bargaining power, and the institutional distribution of risk. Second, cross-country comparisons require contextual interpretation. High participation can reflect supportive opportunity structures, limited employment alternatives, or both. Third, women's entrepreneurial outcomes are generated through complementarities: finance, capabilities, markets, care systems, and legitimacy reinforce or weaken one another.

These conclusions challenge explanations centered on confidence deficits or insufficient ambition. Such explanations individualize structural problems and can lead to interventions that attempt to 'fix women' while leaving institutional arrangements unchanged. Training and mentoring are valuable when they expand real capabilities and connections, but they should not become substitutes for financial reform, care provision, fair procurement, or accountable enforcement.

The framework also clarifies the role of international networks such as the World Association of Women Entrepreneurs. Networks can amplify voice, circulate knowledge, and facilitate cross-border contacts, but their development contribution depends on whether they create measurable access to capital, technology, procurement, and markets. Symbolic visibility is useful; institutional conversion is decisive.

9. Research Agenda

Future research should move beyond static comparisons of participation rates. Longitudinal studies are needed to trace transitions from start-up to survival and growth. Multilevel designs should connect individual resources with household arrangements, local ecosystems, national institutions, and sectoral conditions. Researchers should examine whether digitalization narrows or relocates gender gaps, including through algorithmic visibility, platform dependence, cybersecurity exposure, and digital credit scoring.

Greater attention is also required to heterogeneity among women entrepreneurs. Gender intersects with class, age, rurality, ethnicity, disability, migration, and family status. Comparative research should test which policy bundles work for which groups, sectors, and stages of venture development. Finally, studies should use gender-disaggregated administrative and financial data while retaining qualitative methods capable of explaining how formal rules are experienced in practice.

10. Conclusion

Women's entrepreneurship is an important component of economic diversification, employment creation, innovation, and social mobility, but its potential is not realized through participation alone. Entrepreneurial outcomes reflect a gendered ecosystem in which formal rules, informal norms, household organization, sectoral structures, resource access, and digital capabilities interact. The appropriate policy objective is therefore not simply to increase the number of women-owned firms. It is to improve the freedom, resilience, productivity, and growth possibilities of women's entrepreneurship across different contexts.

A credible inclusion strategy must combine enforceable rights, stage-appropriate finance, market access, advanced capabilities, digital infrastructure, care services, and transparent evaluation. When these elements are coordinated, entrepreneurship can become a durable route to autonomy and value creation. When they are fragmented, programs risk increasing entry while leaving the deeper architecture of inequality intact.

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