



Global
Entrepreneurship
Monitor

Women Entrepreneurs in Emerging Economies:

Lessons on Segmentation and Care
Needs from the 2020-2021 Pandemic





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the 2020-2021 Pandemic

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Executive Summary

Women represent one in three high growth entrepreneurs globally. They are heavily involved in driving innovation and job creation in various regions and markets, according to data from the Global Entrepreneurship Monitor (GEM). Yet women continue to face huge barriers to business startup and growth globally. The support and advance of women entrepreneurs globally represents an important strategy for driving economic development and social development, especially in emerging economies. These gender differences are exacerbated during crises, like the COVID pandemic. Women are over-represented among the most vulnerable entrepreneurs in the world and carry a disproportionate amount of family care demands in most families. While the urgency of understanding pandemic impacts on business and markets is fading, much of the data is still undergoing analysis and there are many insights still to gain from this crisis.

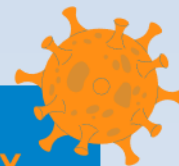
While women business owners in emerging economies have faced significant challenges during the pandemic, triggering fears of insurmountable setbacks in the progress towards gender equality, they remain some of the most optimistic and resilient entrepreneurs on the planet. However, too often women entrepreneurs are treated as a homogeneous group, when, in reality, there is significant heterogeneity in context, business, processes and approaches and individuals. This research report explores this diversity of pandemic experiences and impacts on women entrepreneurs with the goal of inspiring new and innovative approaches to supporting women entrepreneurs in emerging economies.

In this research paper, we answer four key questions about the COVID-19 pandemic impacts and recovery for women entrepreneurs in emerging economies, with particular attention to care work and the various types of businesses.

1. How were women entrepreneurs impacted differently by the COVID-19 pandemic?
2. What factors helped mitigate pandemic impacts on women entrepreneurs in emerging economies?
3. What factors in the enabling environment are particularly important for women entrepreneurs?
4. What should policymakers be doing now to support women entrepreneurs?

Our findings are consistent with many other reports describing the devastating economic impacts of the pandemic on women in developing countries. Here is a brief summary.

SUMMARY



HOW WERE WOMEN ENTREPRENEURS IMPACTED DIFFERENTLY BY THE COVID-19 PANDEMIC?

Startup rates for women in lower income countries dropped by over half from 2019 to 2020, only partially recovering in 2021, with steepest decline found in India. Not surprisingly, startup intentions also decreased about 20% for both women and men in lower income countries in this same period. Also, business closure rates rose by about 25% for women in lower income countries and remained high from 2019 to 2021. That said, in 2021, women in lower income countries were close to parity with men with about 22% reporting business closures due to the pandemic. Importantly, while men in lower income countries experienced a doubling in business closure rates, women in lower income countries showed the highest business exit to entry ratios across all groups in 2020 and twice the decrease in established business rates.



WHAT FACTORS HELPED MITIGATE PANDEMIC IMPACTS ON WOMEN ENTREPRENEURS IN EMERGING ECONOMIES?

Not only did entrepreneurial intentions remain high for women in lower income countries in 2021, but women business owners, both early-stage and established, also reported the highest rates of seeing new business opportunities as a result of the pandemic and the highest rates of adopting new digital tools during the pandemic. Women in lower income countries also showed high rates of satisfaction with government economic responses, despite the devastating impacts on their businesses and family demands reported over the first two years of the global pandemic. In the next section, we consider a broader set of factors in the enabling environment that work for and against women entrepreneurs in lower income countries.



WHAT FACTORS IN THE ENABLING ENVIRONMENT ARE PARTICULARLY IMPORTANT FOR WOMEN ENTREPRENEURS?

Findings on gender specific elements of the enabling environments suggest that contexts with strong cultural acceptance for women entrepreneurs and institutional support for workers with caregiving responsibilities (i.e., paid leave and subsidized childcare) are the most likely to foster high-growth women's entrepreneurship. In contexts characterized by these elements, the average woman has a broader array of attractive employment opportunities; hence, the women who do pursue entrepreneurship are a select group motivated by a desire to build larger, more innovative firms that will have a bigger impact on the economy and job growth—at least in high income economies. Importantly, lower income countries lag behind higher income countries in offering a supportive enabling environment for women entrepreneurs. The solution appears to be firmly rooted in an integrated cultural logic of support for women's economic empowerment that touches all eight gender-specific measures in the 2021 NES survey.



WHAT SHOULD POLICYMAKERS BE DOING NOW TO SUPPORT WOMEN ENTREPRENEURS?

We identify a clear need for women's entrepreneurship research and policy to focus on gendered elements of the enabling environment, well beyond conditions that generally correlate with high levels of business startup in lower income countries. Along those lines, we offer four recommendations for researchers, policymakers and program leaders seeking to support the recovery and growth of women-owned businesses in their communities, all of which highlight the urgent need for the collection and use of sex-disaggregated data for emerging economies.

1. Better address family care needs of new/small business owners.
2. Recognize the importance of segmentation by industry sector, market focus, business stage and sociodemographic group for understanding the specific needs of women business owners.
3. Provide more cultural support and access to business networks for women entrepreneurs.
4. Support equal access and affordability of digitization for women entrepreneurs.



Introduction

Entrepreneurship plays an important role in the empowerment of women globally. In fact, emerging evidence suggests that supporting women entrepreneurs should be a fundamental strategy for driving economic growth and supporting social development in all nations. Evidence from GEM shows that while women they tend to run smaller, younger firms and are less likely to employ others, they still represent one in three high growth entrepreneurs globally and are heavily involved in driving innovation and job creation in their industries and regional markets. Importantly, the GEM data shows the highest rates of women startup activity globally tends to occur in emerging economies, albeit with low cultural acceptance and little support for women business owners in many of these countries. Women entrepreneurs are most active in industries subject to high levels of competition and in the consumer-facing markets most affected by the COVID-19 pandemic.

Recent analysis carried out by Boston Consulting Group (BCG) shows that if women and men participated equally as entrepreneurs, it could boost the global economy by \$2.5 trillion to \$5 trillion.¹ Offering a more conservative estimate, a recent Citibank study estimates that closing the gender gap in business growth globally could add over \$2 trillion to GDP.² Building on the global value at stake methodology developed for the UK-based Rose Review³ and using GEM global data, Women Entrepreneurs Finance Initiative (We-Fi) developed an initial estimate of the global economic impact of gender inequality in entrepreneurship. The resulting model (gross value at stake = value created less value lost) suggests that a sustained and concerted effort to help women start and grow businesses at the same rates as men could add \$5 to 6 trillion of new GVA (gross value added) to the world economy (further analysis is required on this estimate). While each methodology differs in the approach taken to forecasting future economic value of achieving gender parity in entrepreneurship rates globally, the implications are clear. ***More support for women entrepreneurs is fundamental to driving economic growth in countries worldwide.***

In this research report, we summarize GEM findings related to gender differences in COVID-19 impacts and recovery in emerging economies, with particular attention to care needs and the heterogeneity of businesses. The data presented offer analyses of women's entrepreneurship from three sources of GEM data: a comparative sample of 30 countries participating in the GEM Adult Population Survey (APS) from 2019 to 2021, data for 47 countries participating in 2021 APS, and 50 countries participating in the 2021 GEM National Expert Survey (NES). Note that four lower income countries participated in the GEM survey in all three years (2019-2021): Egypt, India, Iran and Morocco.

Our aim is to highlight areas where women entrepreneurs in emerging economies have experienced COVID-19 business impacts, as well as the challenges and opportunities that can be better addressed by policymakers and program leaders. Our findings offer insights to a diverse audience of researchers, policymakers, educators and practitioners and align with We-Fi research priorities, including access to finance, startup skills, markets focus and enabling environments for women entrepreneurs. Of particular importance are the new understandings clarifying the contributions of women entrepreneurs provided by sex-disaggregated data analysis from a large global research program like GEM. We analyze the four key questions covered in this report with more in-depth analysis.

¹ Shalini Unnikrishnan and Cherie Blair, "Want to Boost the Global Economy by \$5 Trillion? Support Women as Entrepreneurs," BCG, July 30, 2019. <https://www.bcg.com/publications/2019/boost-global-economy-5-trillion-dollar-support-women-entrepreneurs>

² Women Entrepreneurs: Catalyzing Growth, Innovation, and Equality, Citi GPS: Global Perspectives & Solutions, March 2022. <https://www.citivelocity.com/citigps/women-entrepreneurs/>

³ McKinsey Consulting (2019). The Alison Rose Review of Female Entrepreneurship. Policy paper commissioned by HM Treasury. Published 8 March 2019 and available at <https://www.gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship>

1.

HOW WERE WOMEN ENTREPRENEURS IN EMERGING ECONOMIES IMPACTED BY THE COVID-19 PANDEMIC?



1. How were women entrepreneurs in emerging economies impacted by the covid-19 pandemic?

Women entrepreneurs in emerging economies were much more heavily impacted by the pandemic on average than women in countries at other levels of national income (see Figure 1). In response to this question, we analyzed five measures—intentions to start a business, startup rates (early-stage businesses up to 3.5 years old), business closure rates in the last year, and exit/entry ratios, established business ownership rates (older than 3.5 years), and reasons for business closure for lower income countries.⁴

Intentions to start a new business dropped by one fifth for both women and men in lower income countries. Compared to women in other countries, entrepreneurial intentions remained high for women in lower income countries. Intentions for women were still lower compared to their male peers. It can be quite difficult for aspiring entrepreneurs to translate intentions into a successful early-stage business, particularly in lower income countries, and for women in countries with very traditional gender cultures. Only women in upper-middle income countries saw a rise in entrepreneurial intentions from 2019 to 2021. Startup intentions declined on average for all other groups by gender and national income with the sharpest drop for both women and men in lower income countries from 2019 to 2021. Still intentions remained higher for entrepreneurs in lower income countries compared to other countries. Among the four countries in the lower income group, women in Egypt and Iran showed the sharpest drops in intentions. In contrast, women in India and Morocco were less impacted than their male peers. As markets recover and business opportunities are realized, we expect to see entrepreneurial intentions rise again.

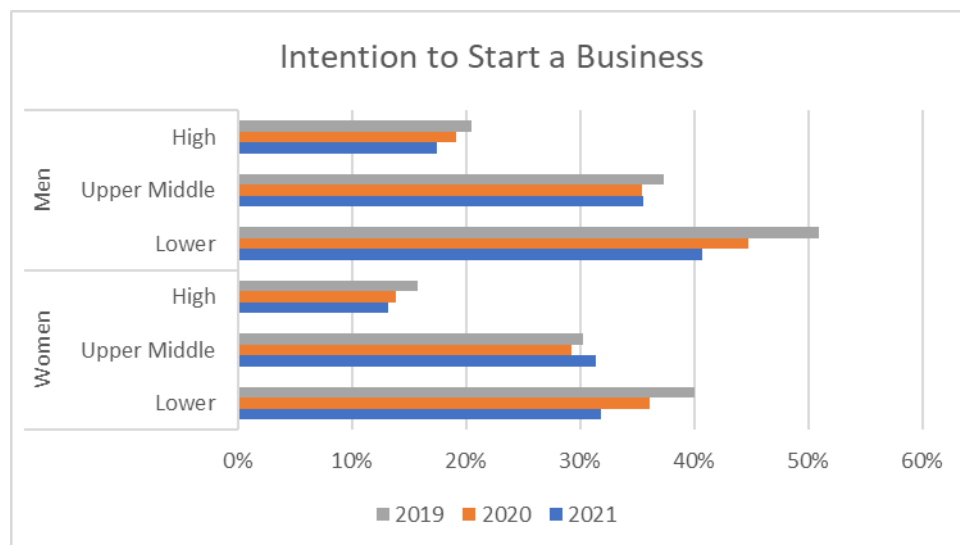


Figure 1: Intention to Start a Business by Gender and National Income Level, GEM 2019-2021

Startup rates for women in lower income countries dropped by over half in 2020, only partially recovering in 2021. Meanwhile men in lower income countries showed a less dramatic 20% decrease in startup rates (business entry) in the first year of the pandemic which remained largely unchanged by 2021. Among the four countries in this lower income group, the sharpest drop in startup rates for women occurred in India, decreasing from 12.8% to 2.6% in 2020 to a near full recovery of 12.3% in 2021. Women in Morocco showed the lowest rates of recovery in startup rates but fared much better than men who showed

⁴ Lower income countries include low income and lower-middle income according to the World Bank country classification by national income level. <https://blogs.worldbank.org/opendata/new-world-bank-country-classifications-income-level-2022-2023>

significant decline each year, dropping from 15.2% to 5.9% over the two pandemic years. Remarkably, Egypt showed an increase in startup rates for both men and women over this two-year period, with an overall all 43% increase in startup rates for women and 37% increase for men.

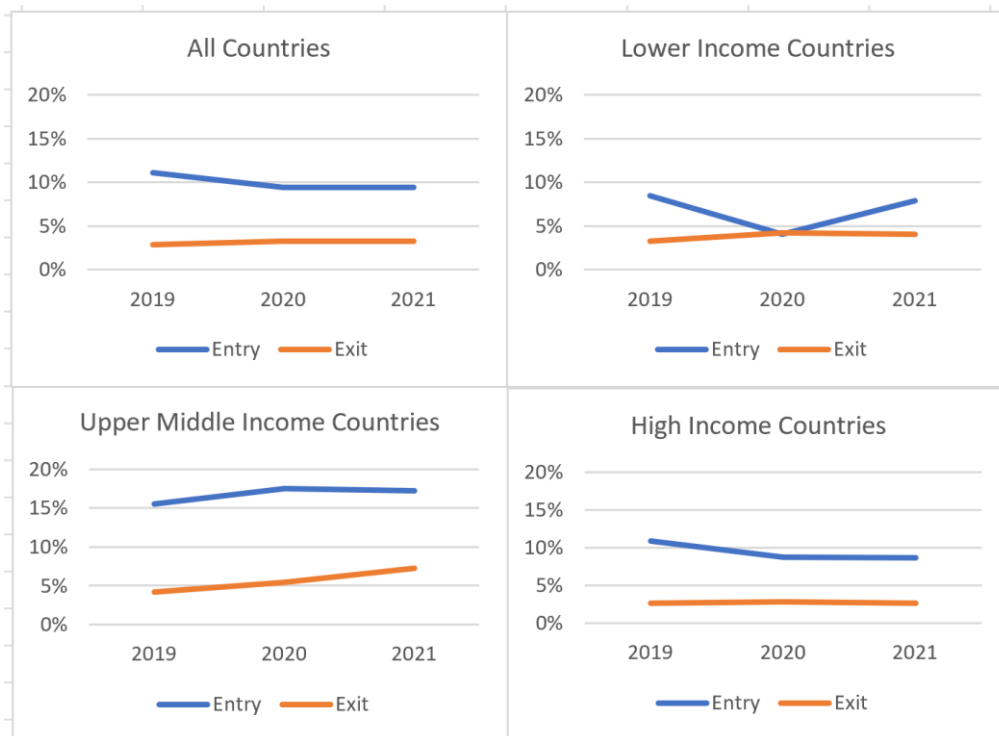


Figure 2: Business Entry and Exit Rates for Women by National Income Level, GEM 2019-2021

Among the four lower income countries in all three survey years, three had startup rates well under 10% for women and are known for having a highly traditional gender culture. The highest business startup rates for women are often found in lower income or emerging economies in Africa and Asia, especially the informal sector activity which is measured by the GEM APS methodology. For example, more than a quarter of the women surveyed in 2021 in the Sudan were involved in business startup activity. In contrast, lower rates of business entry for women are more characteristic of countries with very traditional gender culture and low participation of women in the labor force.

Business closure rates for women in lower income countries rose by about one quarter from 3.3% to 4.2% in 2020 and remained high in 2021. This finding supports the reports in 2020 from international development workers citing the devastating economic impact of the pandemic on women in developing countries. However, men in lower income countries showed an even higher increase in the rate of business closure (business exit), about double rate for women.

Women in lower income countries were the only group across all women and men globally to experience a higher rate of business exit to entry in 2020. Because men typically have higher startup rates than women, it is essential to compare the exit to entry rate when interpreting impacts on each group. Across countries, the biggest increase in the exit/entry ratio was found for women in Morocco and in India where exit/entry rates more than tripled for women in 2020. Notably, the exit/entry rate for women and men in Egypt was high at all three time points, suggesting economic volatility and hardship for business owners.

Women in lower income countries experienced almost twice the drop in established

business rates (22% vs 12% drop). This is an important finding, especially since women’s participation across industry sectors is similar to men in these lower income countries with the exception of agricultural and mining and government and social services. However, the smaller size of these women-owned businesses coupled with increased family demands may have put women-owned businesses at higher risk of temporary or permanent closure. Still the heaviest impacts on established businesses (those older than 42 months) were observed in upper-middle income countries for both women and men, with rates dropping more than 40% for both women and men. The highest rates of established women’s business ownership are typically found in upper-middle income countries and the lowest rates by women in high income countries where good jobs are widely available along with benefits that are attractive to working parents and others carrying large family demands.

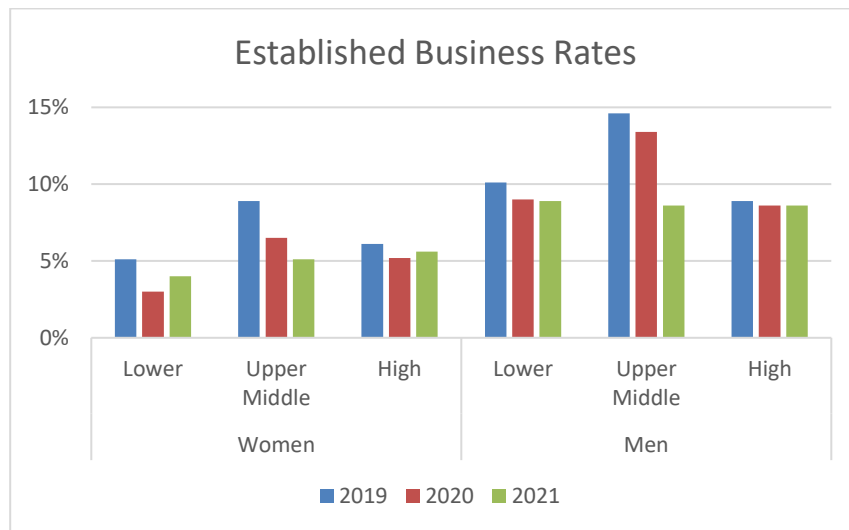


Figure 3: Established Business Rates by Gender and National Income Level, GEM 2019-2021

Early stage entrepreneurs in lower income countries reported the lowest rates globally of business closure due to the pandemic, about 22% for both women and men in 2021. These rates were much lower for Egypt, India, and Morocco than a year earlier, suggesting that pandemic-induced closures were much higher overall in 2020 than in 2021 across lower income countries. Notably, about one third of both women and men in upper-middle income countries reported business exit due to the pandemic, representing the highest rates reported globally. Women (28.6%) and men (30.1%) in high income countries were also more likely to report business closure due to the pandemic than those in lower income countries. Among the lower income countries, Egypt presented the highest rates of pandemic closures among women globally where almost two in five women reported business closure due to the pandemic. Women in Iran were twice as likely as men to cite the pandemic as a reason for business closure (23.2% vs 11.2%). Finally, women and men in the Sudan reported the lowest rates of business closure due to the pandemic in 2021 (2.1% vs 3.7%).

Importantly, business closure rates are complicated by startup rates, industry location and market focus. Because women typically start businesses at lower rates than men in most countries, business closure rates must be considered in the context of startup activity. In this sense, there is only true gender parity in impacts if startup rates are similar for both groups. Our analysis showed the largest drops in startup activity and in closure rates for both women and men were in lower income countries. Further investigation of the gender differences in adjusted business closure rates (entry/exit) suggests that among the lower income countries studied, women in Egypt and India experienced higher adjusted entry/exit rates than men from 2019 to 2021. The opposite occurred in Iran and Morocco. Future research should look

more closely at gender impacts by industry sector and market focus (e.g., local, national and international). Segmentation analysis is critical for better understanding the influence of structural bias on gendered outcomes in business startup and growth.

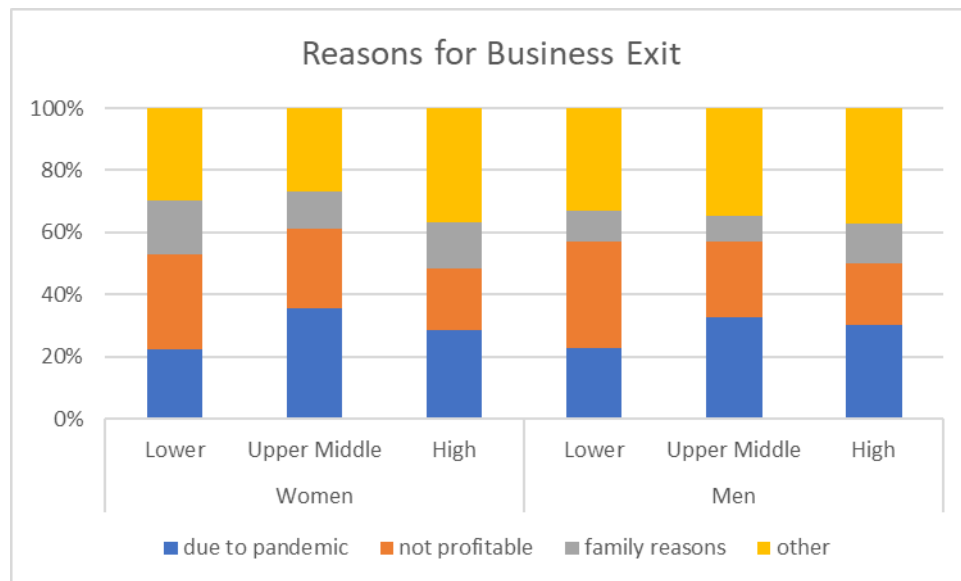


Figure 4: Reasons Business Exit by Gender and National Income Level, GEM 2021

Women in lower income countries were 75% more likely than men to report family reasons for business closure (17.3% vs 9.9%). This finding is consistent with reports on the heavier burden of family care experienced by women in lower income countries during the pandemic and clearly shows the extent to which women-owned businesses were more heavily impacted by family demands. Women in upper-middle income countries were also the least likely to report family demands as the reason for business exit (12.2%) in 2021, which may be explained by a combination of factors: high rates of consumer-facing businesses in small market economies commonly run by women, less reliance on formal childcare arrangements and a higher rate of multi-generational households.

Altogether this evidence suggests that women in lower income countries experienced a very difficult time during the pandemic with sharp drops in startup rates and established business rates and significant challenges managing their businesses in the face of heavy family demands. Importantly, these are also countries where families rely less often on formal childcare options and often run businesses in close proximity to their homes. Not only were entrepreneurs in lower income contexts likely to experience different types and levels of pandemic impacts on their lives and their businesses compared to other countries, but government relief programs tended to be much more limited leaving the business community to adapt to both market disruptions and changing opportunities for business survival and growth. In contexts where government support was limited, entrepreneurs also may not have expected much in the way of government relief and instead turned to their families and communities for the support needed.



2.

WHAT FACTORS HELPED MITIGATE PANDEMIC IMPACTS ON WOMEN ENTREPRENEURS IN EMERGING ECONOMIES?



2. What factors helped mitigate pandemic impacts on women entrepreneurs in emerging economies?

A number of factors helped to mitigate pandemic business impacts, including new business opportunities, especially in the ICT sector, the use of new digital tools and government business relief programming. With a high reliance on market solutions and adaptive capacity of individual businesses, entrepreneurs had to figure out their own solutions, whether that involved pivoting to offer new products and services or to adopt new digital tools that allowed businesses to better reach their customers in a time of market disruption and public health restrictions. Emerging economy governments often did not offer businesses a high level of economic support. The business community may have been pleased to see any sort of government relief.

In 2021, over half of women entrepreneurs in lower income countries reported seeing new opportunities resulting from the pandemic compared to 46.4% of men in lower income countries and 45.7% of women entrepreneurs in high income countries (Figure 5). While clearly faced with significant challenges for business survival and meeting family demands during the pandemic, women business owners in lower income countries were the most likely of all groups of men and other women to report that the pandemic provided new business opportunities. This pattern was similar for established business owners, with 43.5% of women in lower income countries seeing new opportunities provided by the pandemic compared to 31.6% of men established business owners in lower income countries and 25.5% of women established business owners in high income countries. Pivoting to capture new business opportunities was a critical survival strategy for many businesses during the pandemic. Consistent with other research on business responses to the COVID19 pandemic,⁵ our analysis showed that women showed a strong propensity to see new opportunities as a result of the pandemic.

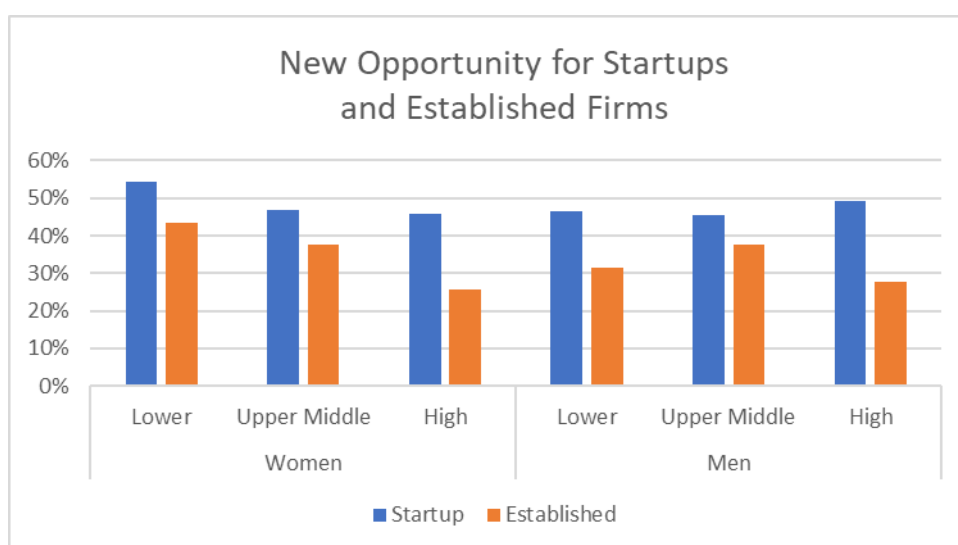


Figure 5: Pandemic Provided New Business Opportunity by Gender and National Income Level for Startups and Established Businesses, GEM 2021

Across industry sectors, the largest gender difference in seeing a new business opportunity due to the pandemic was found in the Information, Computers and

⁵ See for example, Manolova, T. S., Brush, C. G., Edelman, L. F., & Elam, A. (2020). Pivoting to stay the course: How women entrepreneurs take advantage of opportunities created by the COVID-19 pandemic. *International Small Business Journal*, 38(6), 481-491.

Technology (ICT) sector, where women in lower income countries were about one third less likely to report a new opportunity due to the pandemic compared to men. In contrast, in the wholesale/retail sector in lower income countries, women were 22% more likely than men to see a new opportunity for their business (57.7% vs 47.2%). In lower income countries, women were also more likely to report new opportunities from the pandemic in Agriculture and Mining (50.7% vs 45.4%), Manufacturing & Transportation (52.5% vs 47.8%), and Government and Social Services (47.2% vs 41.6%), but less likely in Financial and Professional Services (29.0% vs 32.8%). Industry and occupational patterns are a very important predictors of many gender differences in business outcomes and these factors often vary considerably across countries within and between levels of national income. In stark contrast to the patterns found for women in lower income countries, women in high income countries were less likely to report seeing a new opportunity from the pandemic in every industry sector with the largest difference in ICT. One possible explanation for this finding is that in three of the lower income countries — Egypt, Iran and Morocco — women were more likely to start businesses in the ICT sector compared to men in the GEM 2021 survey.

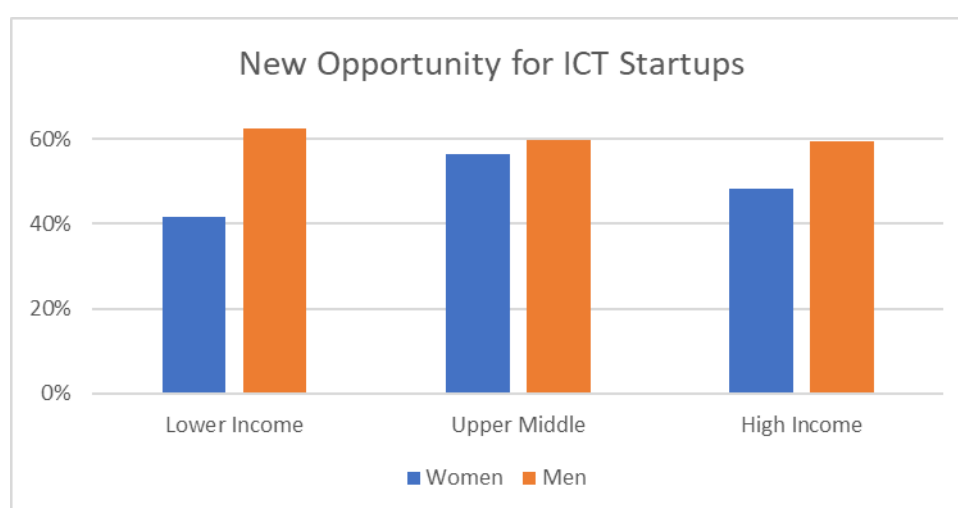


Figure 6: Pandemic Provided New Business Opportunity by Gender and National Income Level Startups in the ICT sector, GEM 2021

One of the most hopeful repercussions of the COVID-19 pandemic for small businesses was increased digitization. Businesses increased their adoption of digital tools in response to market disruptions resulting from pandemic shutdowns, school closures, remote work and supply chain issues. Despite a persistent global gender digital divide, the uptake of digital tools offers particular hope for women in business. Men are about 21% more likely to be online than women globally, and the gender gap widens to 52% in the world’s lowest income countries.⁶ However, in a study of small businesses in Europe, researchers found that the adoption of new digital tools was associated with a 80% greater sales for small businesses during the pandemic.⁷ Importantly, the benefit was especially strong for women business owners, who were less prepared digitally compared to their male counterparts on average, but experienced 1.8 times greater revenue by deploying new digital tools.

Women early-stage entrepreneurs and established business owners in lower income countries were the most likely of all groups to report using new digital tools during the pandemic. Among early-stage entrepreneurs globally, about two fifths of women

⁶ <https://webfoundation.org/2020/03/the-gender-gap-in-internet-access-using-a-women-centred-method/>

⁷ <https://digitallydriven.connectedcouncil.org/europe/>

compared to one third of men reported using new digital tools. Similarly, 30% of women established business owners reported using new digital tools compared to 26% of men in lower income countries. The lowest rates of digital tool adoption were reported by established business owners in high income countries, where only 15% of women and 16% of men reported the use of new digital tools. These findings are encouraging as we strive to advance gender equality in business and society by closing the gender digital divide. However, the costs of adopting certain digital tools can be quite high for small business owners, with even greater barriers faced by women in resource scarce communities.

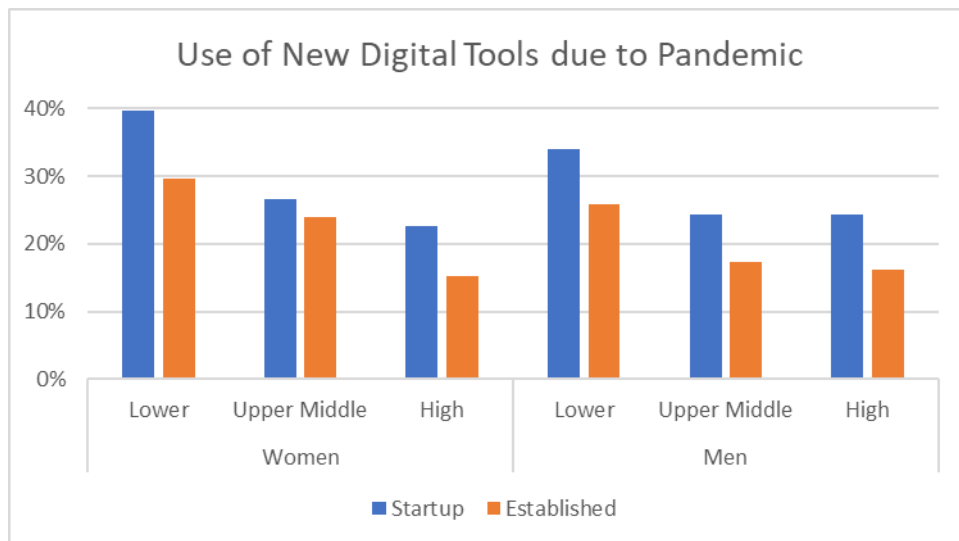


Figure 7: Use of New Digital Tools due to Pandemic by Gender and National Income, GEM 2021

In lower income countries, almost half of women entrepreneurs were among the most positive in their agreement that government responses for the pandemic were effective compared to less than two fifths of their male peers. Overall, less than half of the entrepreneurs and established business owners surveyed in 2021 agreed that the government economic response was effective in their countries.⁸ Among established business owners in lower income countries, only about two fifths of women and one quarter of men agreed that their governments had effective economic responses to the pandemic. It is surprising that women early-stage entrepreneurs showed such a high rate of agreement compared to other groups. However, these government assessments are also likely to vary considerably by industry sector, as some sectors were more affected than others, as well as by country. Ratings may be high among individuals whose expectations were low and were surprised to receive economic relief or in countries where the government response was light on market disruptions and mitigation measures that interfered with business operations. More research is needed to answer these questions.

⁸ India, Iran, Morocco, and Sudan included this question in their APS surveys in 2021, but Egypt did not.

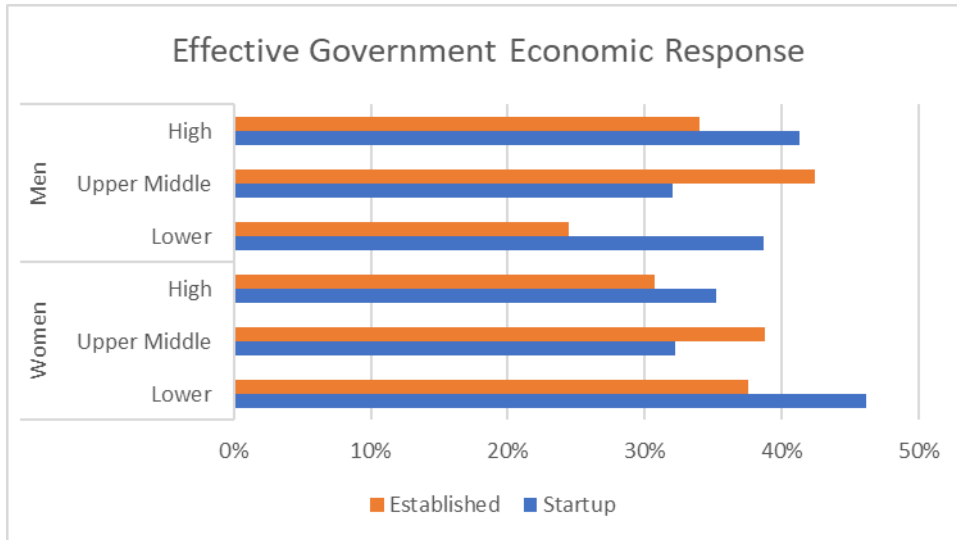


Figure 8: Effective Government Economic Response by Gender, Business Stage and National Income Level, GEM 2021





3.

WHAT FACTORS IN THE ENABLING ENVIRONMENT ARE PARTICULARLY IMPORTANT FOR WOMEN ENTREPRENEURS?

3. What Factors in the enabling environment are particularly important for women entrepreneurs?

Much of the concern for women entrepreneurs during the pandemic focused on the family care crisis that resulted from closures of schools, daycare and eldercare facilities. While family care issues also affect men as shown in GEM findings related to business closure for family reasons, women tend to bear the brunt of family care responsibilities in countries around the world with important implications for managing work-family conflict and, in the case of entrepreneurship, business startup and survival. Research on entrepreneurial ecosystems as enabling environments suggest a complex tangle of factors linked to both levels and types of entrepreneurial activity for women, including general support for entrepreneurship, norms specific to both gender and entrepreneurship, family care arrangements, and family supportive government programming. In this section, we summarize key findings related to the family care burden and other gendered aspects of entrepreneurial ecosystems.

Prior evidence suggests that ecosystem factors may be more supportive of entrepreneurial aspirations and ventures led by men compared to those more often held women.⁹ The enabling environment for entrepreneurship consists of formal and informal entrepreneurial ecosystem elements that constitute the "rules of the game" towards business creation. In other words, the enabling environment is a combination of awareness, policies, legislation, infrastructure and incentive structures that facilitate institutional and organizational capacity building to encourage business creation among people. Several elements of the enabling environment have been linked to facilitating entrepreneurship: the absence of corruption, the prevalence of informal financial support, general cultural support for entrepreneurship, and the nature of the national value systems.¹⁰ Historically, however, the research examining these elements of the enabling environment for entrepreneurship has focused on fostering an overall entrepreneurial economy, that is, the capacity to engage in and generate entrepreneurial activity among all people¹¹, at the expense of factors related to the experience of women entrepreneurs in the economy and more specifically to caring work.

Startup rates for women are highest in countries with small market economies, few formal employment opportunities for women, and strong cultural support for entrepreneurship but little government programming support for entrepreneurs—conditions commonly found in lower income countries. In an analysis of 14 years of GEM data across 75 countries, researchers found that the startup rates are highest for women when the enabling environment¹² is characterized by low barriers to entry, supportive government policy towards entrepreneurship, minimal commercial and legal infrastructure, and a normative culture that supports entrepreneurship.¹³ Conversely, startup rates for men were highest in this study when the enabling environment was characterized by supportive government policy but weak government programs aimed toward business creation. In

⁹ Brush, Edelman, Manolova, & Welter, 2019; Estrin & Mickiewicz, 2011

¹⁰ Reynolds, 2011

¹¹ Audretsch & Thurik, 2004

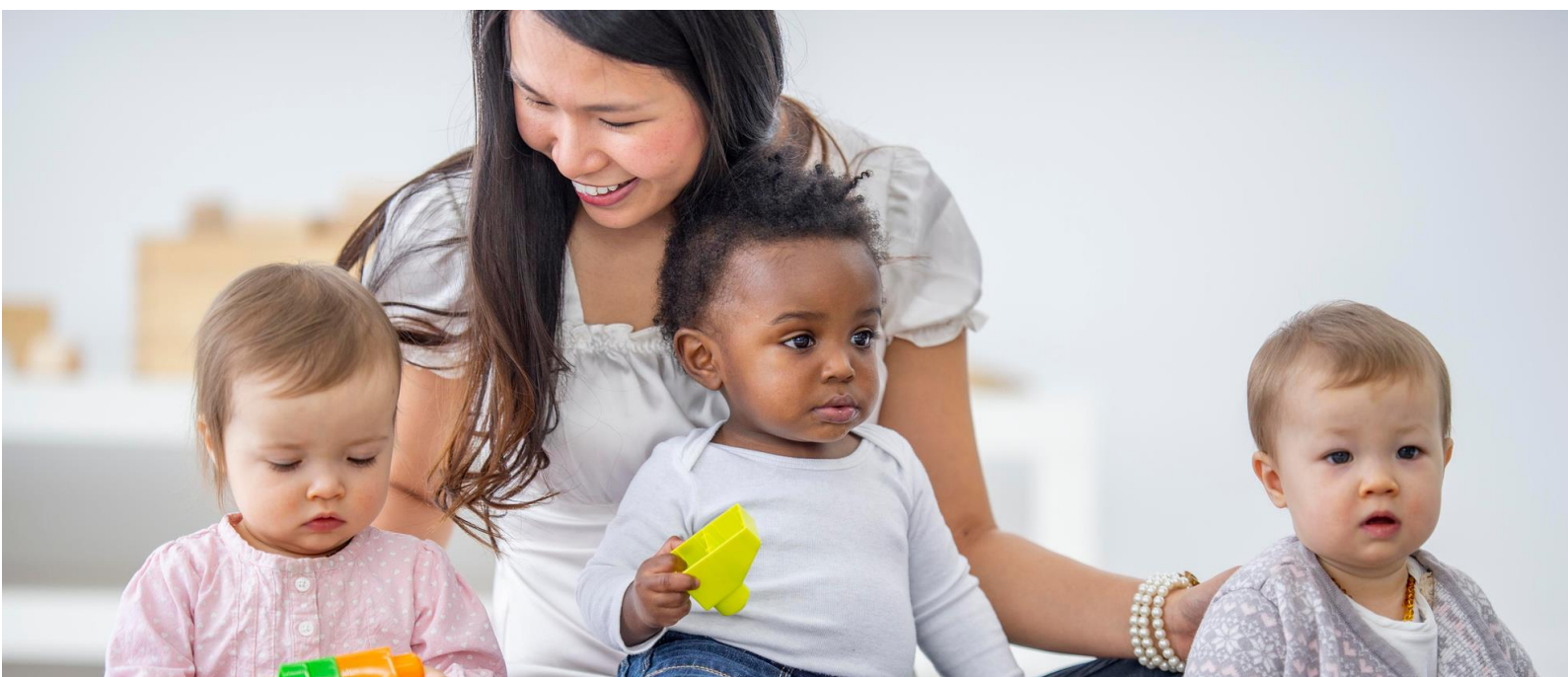
¹² GEM measures the enabling environment using a model of Entrepreneurial Framework Conditions (EFC), including access to entrepreneurial finance, government support and policies, the presence of government-based entrepreneurship programs, entrepreneurship education, policies conducive to R&D transfer, legal and commercial infrastructure, market dynamics associated with change and openness, ease of entry regulations to start a business, availability of physical infrastructure and services needed to effectively transact, and cultural values and social norms supportive of entrepreneurship (for more details, see Reynolds, Auttuo, Hechavarria, 2009).

¹³ Hechavarria and Ingram 2019

another study using GEM data across 19 Spanish regions between 2006-2009, researchers found that both the prevalence rates of men's and women's entrepreneurship are significantly affected by informal elements of the enabling environment like cultural and social norms, perception of opportunities to start a business and the entrepreneur's social image within society, and formal elements like intellectual property rights.¹⁴ However, while female entrepreneurship is significantly associated with cultural support for women entrepreneurs, more education is associated only with startup activity for men, suggesting that women entrepreneurs are more likely to come from low income households.

In a recent study exploring the causal complexity between high rates of women's entrepreneurship and gender-specific enabling environment elements, researchers concluded that the most common settings for high rates of women's entrepreneurship includes low-level economic development, lack of supportive regulations (mainly referring to maternity leave policies), supportive gender normative elements—e.g., related to whether (1) starting a business is a desirable career option for women; (2) women are encouraged to become self-employed or to start a business, and (3) there is sufficient support or incentive for women to continue working after they start a family.¹⁵

Family care arrangements are correlated in important ways to the types of businesses that women entrepreneurs start and the types of products they offer. As high-growth entrepreneurs, women run relatively larger businesses, express higher growth aspirations and are relatively more likely to introduce a new product or service in contexts in which a moderate amount of paid leave is offered. In countries with high levels of childcare provision, women business owners are somewhat more likely to sell products or services that require the use of new technology. Other research shows that women are less likely to undertake entrepreneurial activity in countries where the state sector is larger.¹⁶ Moreover, formal elements of the enabling environment related to public childcare expenditure are positively linked to women engaging in early-stage entrepreneurial activity, but weakened by cultural logics (e.g., masculinity, individualism, and indulgence).¹⁷



¹⁴ Alvarez, Urbano, Coduras, Ruiz-Navarro 2011

¹⁵ Li et al. 2021

¹⁶ Estrin and Mickiewicz 2011

¹⁷ Gimenez-Jimenez, Calabrò, & Urbano, 2020

Findings from the 2021 GEM National Expert Survey (NES) suggest that women entrepreneurs do not benefit from the enabling environments in the 50 countries surveyed, especially lower income countries. Ecosystem experts were asked about cultural support for women entrepreneurs, equal access to financing and public procurement, regulations favorable to women entrepreneurs, family support services for working women, and the benefits of teleworking for women. The results were overwhelmingly negative across all countries, but particularly concerning for emerging economies. Experts in lower income countries reported that women in their countries do not have family support services, cultural support for women entrepreneurs or equal access to public procurement. Conversely, they offered only modest agreement that women entrepreneurs in their countries have equal access to financing and that telework helped women better manage family demands during the pandemic. While these national expert response rates were similar, on average, for countries at other levels of national income, public procurement stands out as one immediate issue that lower income countries could address through better policymaking and programming support for women entrepreneurs.

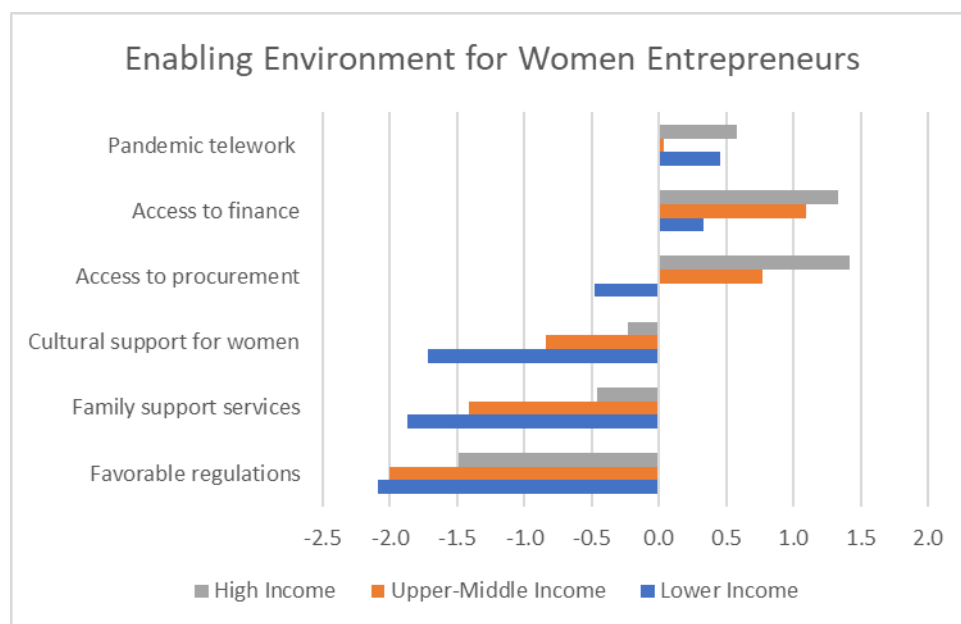
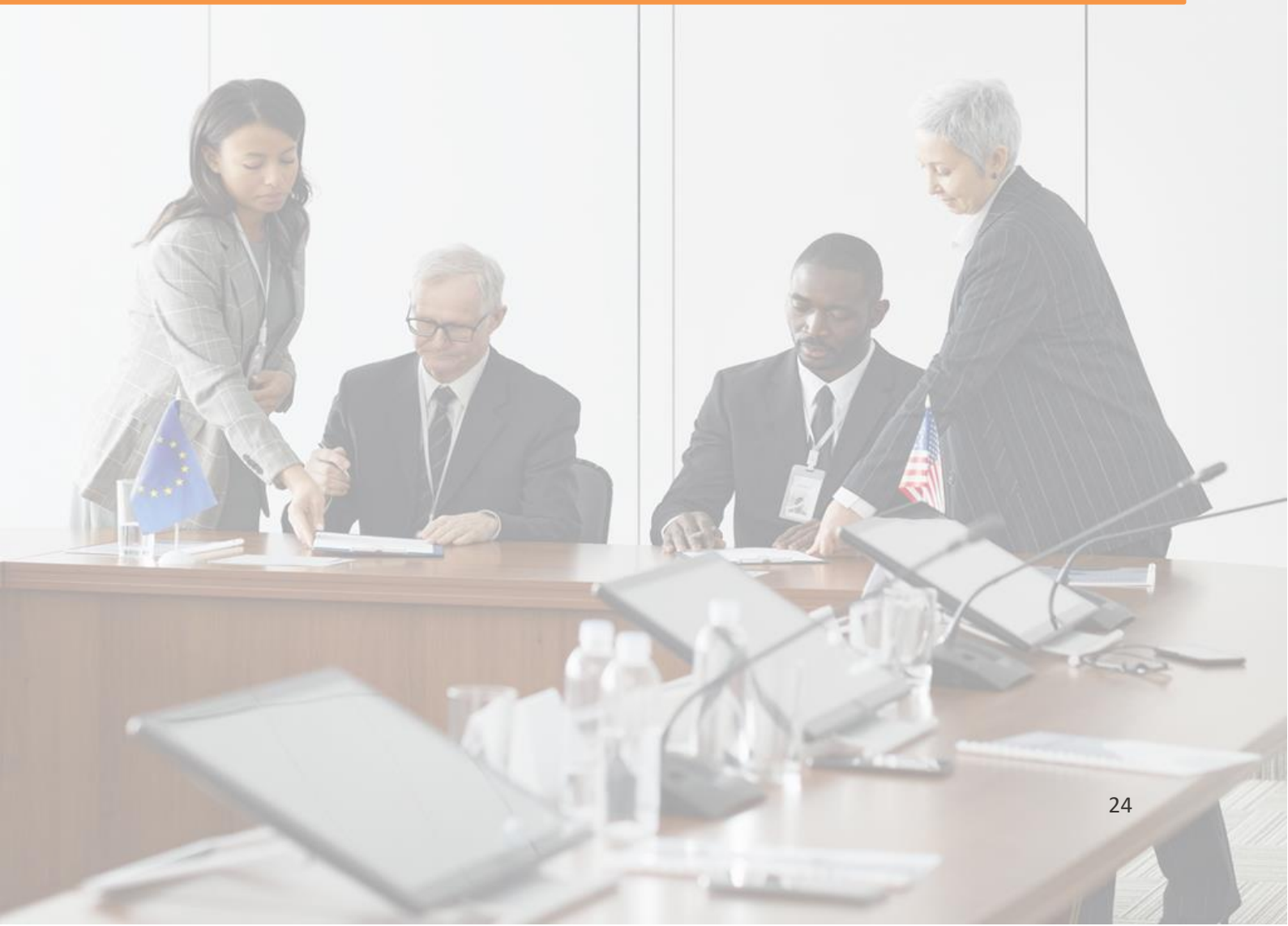


Figure 9: Enabling Environment for Women Entrepreneurs by National Income Level, GEM 2021

Cultural support and public procurement programming for women entrepreneurs are two areas where better policymaking could have important impact in lower income countries. An analysis of bivariate (two variables) correlations between gender-related environmental framework conditions and rates of startup activity and established business ownership for women and men revealed two clear patterns of significance. First, the higher the level of startup activity, the less equal the access to public procurement for both women and men (-0.369 women, -0.427 men; $p < 0.1$). Second, cultural support of women entrepreneurs is significantly and positively correlated with the other seven gender-specific measures of the enabling environment: regulations 0.734 ($p < 0.1$), financing 0.752 ($p < 0.1$), procurement 0.659 ($p < 0.1$), family support services 0.505 ($p < 0.1$), and teleworking 0.511 ($p < 0.1$). Yet these measures are not correlated with rates of startup activity or established business ownership for women or men. These findings suggest that establishing a favorable enabling environment for women may be independent from the level of national income and achievable in any country. Several countries in the MENA region, including the UAE, Saudi Arabia and Oman, have tackled the need for more active cultural support and more favorable regulations for women entrepreneurs and may provide helpful policy models to lower income countries. Experts in Scandinavian countries and the UAE also rated family support services for women favorably in their countries as well.

4.

WHAT SHOULD POLICYMAKERS BE DOING NOW TO SUPPORT WOMEN ENTREPRENEURS IN EMERGING ECONOMIES?



4. What should policymakers be doing now to support women entrepreneurs in emerging economies?

Women entrepreneurs are often considered to be a homogeneous group, but the reality is that there is significant diversity in context, business, processes and approaches and individuals. Exploring the diversity of experiences and impact will inspire new and innovative approaches to policy, education and scholarship. Women business owners in emerging economies have faced significant challenges during the pandemic, triggering fears of insurmountable setbacks in the progress towards gender equality. In this midst of this, they remain some of the most optimistic and resilient entrepreneurs on the planet. Women in all countries, at all levels of national income and in diverse cultural settings, including those rooted in traditional gender arrangements, are starting and growing businesses that drive economic growth and social development in their families, communities and nations.

Our findings show that women in lower income countries were impacted in many similar ways as their male peers, but with sharper impacts on startup activity and established business rates as well as heavier business impacts from family demands over the course of the pandemic. Still entrepreneurial intentions remain high for women in lower income countries, and are further bolstered by the highest rates of new business opportunities and the highest rates of adopting new digital tools resulting from the pandemic. In spite of heavy pandemic impacts on their businesses and families, women in lower income countries also reported high rates of satisfaction with government economic responses. Finally, we found that lower income countries lag behind higher income countries in offering a supportive enabling environment for women entrepreneurs, especially with regard to cultural support, family support services, favorable regulations and equal access to procurement. Most importantly, the gender-specific elements of the enabling environment are rooted in a cultural logic of support for women's economic empowerment that varies considerably across countries.

In this spirit, we offer the following recommendations for researchers, policymakers and program leaders seeking to support the recovery and growth of women-owned businesses in their communities:

Address family care needs for new/small business owners. Women disproportionately carry the responsibility to address family care needs during times of crisis which presents an extra layer of stress and business disruption during national crises. However, women are not the only entrepreneurs impacted by increased family demands. Public policy should always consider the impact of family demands on new/small business owners, especially in times of crisis. Family context measures are almost completely absent from most major datasets collected for the study of business start up and growth. Research and policymakers can ensure the availability of higher quality sex-disaggregated entrepreneurship and business data by including measures related to family demands.

Recognize the importance of industry sector, market focus, business stage and sociodemographic group for understanding the specific needs of women business owners. Women tend to start and grow different types of businesses from men. Tailoring programming for different segments of women entrepreneurs, such as by industry sector, market focus, business stage and sociodemographic group, may better address the specific challenges that women face in starting and growing their businesses. For example, improvements in the access to and quality of growth funding is sorely needed in sectors where women are highly active, while women in male-dominated sectors need extra support in overcoming negative stereotypes too often triggered in highly masculinized cultural contexts. To overcome these challenges, the collection and use of sex-disaggregated data

to identify gaps in financing, entrepreneurship training, market access, as well as policy and programming needs for entrepreneurs is critically necessary, especially for emerging economies where this sort of data is extremely limited.

Provide more cultural support and access to business networks for women entrepreneurs. Negative stereotypes mean that women business owners often face barriers to business networks, financial service providers and investors that support businesses beyond the microfinance or seed stage of development. Programs that pair women entrepreneurs with peer networks, coaches and mentors are powerful ways of supporting women entrepreneurs to access resources, advance their businesses and achieve their greatest aspirations. Involving influential men as allies and supporters of women’s business networks is also key to preparing women to succeed in the marketplace.

Support equal access and affordability of digitization for women entrepreneurs. Digitization can be especially challenging for small businesses with limited budgets and bandwidths. Women in developing contexts face additional challenges in access to the internet via mobile phones and other infrastructure necessary to support the use of digital tools. Policymakers and program leaders can build on the imperative that pushed so many women business owners to adopt digital tools by offering programming to help business owners use digital tools more successfully to grow their markets, access growth financing and reap operational efficiencies.



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