

THE STATE OF WOMEN'S ENTREPRENEURSHIP: REASONS TO CELEBRATE AND CHALLENGES TO ADDRESS

By Aileen Ionescu-Somers & Wingee Sin

In recent years, the discourse on women entrepreneurship has been centered on questions of bias and stereotypes. While acknowledging these issues, let's challenge them and moving beyond them on the International Women's Day. We need to delve into the myriad aspects of women's entrepreneurship that are still unrecognized, overlooked or overshadowed. It is of utmost importance to shift the conversation towards recognizing women's strengths and exploring ways to support their continual efforts.

Data, which goes beyond mere statistical indicators (such as the number of business registrations), can play a pivotal role in understanding the economic impact of women with regards to their unique motivations and aspirations. This can help us make informed decisions related to policy, practice, and research.

The new *Global Entrepreneurship Monitor (GEM) 2022/23 Women's Entrepreneurship Report: Challenging Bias and Stereotypes* serves as an essential reference to catalyze this shift. The report, based on interviews with some 175,000 individuals around the world and conducted by a global team of academics, underscores some amazing accomplishments and areas for improvement.

First, the 'Good News'

GEM is the only global research source that collects data on entrepreneurship directly from individual entrepreneurs! We are hearing directly from these individuals that women are not only developing businesses, but also having a considerable and increasingly positive impact on society and economies. Women entrepreneurs are creating jobs, innovating, and solving social, environmental, and economic problems in most countries around the world (the report focuses on 49 countries, 5 global regions and 3 national income levels).

We have noticed, particularly over the last few crisis-prone years, that the extent and nature of women's entrepreneurship activities have been rapidly evolving and diversifying despite all odds (global pandemic, economic downturns and the resulting supply chain and business model destruction).

At the level of higher growth businesses, women seem to be breaking through the glass ceilings of the entrepreneurship world and entering a new era. We have observed that among GEM participating economies in the 2022/2023 Women's Entrepreneurship Report, there were one in four high-growth innovation-oriented entrepreneurs are women. It has been a long time coming. This is a great statistic that needs to be leveraged by stakeholders to break down unnecessary bias and stereotypes.

Opportunities

While there may be some battles won on the women's entrepreneurship front, there are still many areas for improvement.

In terms of market focus, women are over-represented among the smallest businesses in highly competitive, low-margin markets and industries. On the other hand, they are also still facing inequality within their households. Women carry a heavier burden of family responsibilities, which contributes to increased economic dependence and decreased interpersonal power and privilege. The GEM 2022/23 report has shown that, on a global level, family and personal issues continue to disproportionately cause women (18%) to leave their businesses, compared to just 12.6% for men. In fact, one in five women

reported business exit due to family reasons, about 43% more often than men. This persistent gap underlines the importance of creating initiatives, programs, and policies that foster gender equity and support women in their parenting and professional journeys. One such example is Cartier Women's Initiative "Parenthood Support Program" that will launch later this year. This program acknowledges the challenges faced by women entrepreneurs in balancing business and caregiving responsibilities and aims to provide meaningful support and resources to empower them.

The report also identified a significant gender gap in established business ownership, defined as managing a running business for more than 42 months. Only one in every three entrepreneurs running an established businesses is a woman. Additionally, women were less likely than men to know an entrepreneur (48.9% vs. 53.7%). And even though half of women globally reported seeing good business opportunities, far fewer women than men felt prepared to start a business in terms of skills or knowledge. Similarly, women were less likely to report feeling undeterred by the fear of failure than men. These numbers not only confirm a gender gap in social capital but also underscore the critical need for training programs that equip women with the fundamental skills required to initiate, sustain, and scale a business. As a proactive example, the Cartier Women's Initiative addresses this gap by providing women entrepreneurs with financial, social, and human capital support, and helps build their leadership skills, thereby aiming to fill the [missing middle](#).

Nevertheless, women still have considerably steeper hills to climb than their male counterparts, particularly in developing countries. Greater focus needs to be directed towards women embarking on ventures that involve substantial growth, innovation, and market presence. Perpetuating stereotypes that portray women entrepreneurs as a disadvantaged cohort consolidates a misleading narrative, suggesting an unwarranted disparity in business leadership potential between men and women.

Recommendations for policymakers, educators, and researchers

Stakeholders committed to cultivating an inclusive and supportive ecosystem for women entrepreneurs should consider the following four points:

1. Empower high-potential women entrepreneurs by shifting focus to those leading high-growth ventures. For example, in 2021, Cartier Women's Initiative launched the Science & Technology Pioneer Award category and is currently planning to grow its reach to a wider audience of women impact entrepreneurs' beneficiaries. The objective extends beyond supporting these businesses; it is also to elevate the narrative of these female contributors onto the international stage, enriching the global entrepreneurial discourse.

Stereotypes that portray women as disadvantaged in business leadership need to be challenged. Women entrepreneurs are proving their competence in building large, successful businesses, despite obstacles. For example, Andrea Barber is the co-founder and CEO of RatedPower, a company aiming to digitize the renewable energy industry and maximize clean energy's potential. Andrea was not only able to place its company as a trailblazer in digitalization, automation, and efficiency in the rapidly growing solar market, but also made a remarkably successful exit in September 2022, [when the company was acquired by Enverus](#), the largest energy SaaS company in the world. Focusing on Andrea's success story and other similar achievements by women entrepreneurs helps empower and inspire more women to pursue and excel in traditionally male-dominated and high-growth fields.

2. Recognize the importance of segmentation for effective support to women entrepreneurs. Rates and outcomes vary across sectors, growth stages, and social contexts. More analysis of gender differences

within specific sectors and segments is needed to control for the inevitable influence of gendered structural differences in entrepreneurial activity rates.

3. Support digitalization access and costs for women entrepreneurs, given the current gender digital divide. The pandemic prompted widespread adoption of digital tools, benefiting sales and employment. However, challenges persist for small businesses, particularly in emerging economies and rural markets.

Imagine a woman entrepreneur in a rural area who runs a small agricultural business. The pandemic led to the widespread adoption of digital tools, prompting her to explore online platforms for selling produce and connecting with customers. While this shift positively impacted her sales and employment opportunities, challenges emerged due to limited digital infrastructure and internet access in her rural community.

4. Commend the social and environmental sustainability contributions of women-led businesses. One example is Platinum Fisheries founded by Dupe Killa-Kafidipe, a 2023 Cartier Women's Initiative fellow. Platinum Fisheries is a seafood company built on the ethos of ethical and sustainable production practices. It has produced over 100 metric tons of ethically and sustainably farmed seafood and recycles over 12 million liters of water annually.

While sustainability is essential, it may pose higher costs for smaller businesses, especially in regulated industries. Nevertheless, this did not deter Dupe Killa-Kafidipe from building a successful business that supplies fish to over 3 million Nigerian households, all while providing training to local Nigerian fishermen. The aim of the training is to help them transition from aggressive traditional fishing activities to sustainable fish farming. Platinum Fisheries' training has already helped over 100 fishermen and women make the transition, and the goal is to reach 500 within the coming years.

Investors and consumers increasingly prioritize companies that contribute positively to social and environmental causes. Impact investing platforms and vehicles encourage the prioritization of social and environmental sustainability. Governments could further incentivize such practices by providing procurement preferences or incentives to women-led businesses that integrate sustainability into their core business strategy.

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