

Women Entrepreneurship and Economic Empowerment: Evidence from Emerging Economies

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Abstract

Women's engagement in entrepreneurship has emerged as a significant driver of economic growth, innovation, employment generation, and social inclusion in emerging economies (Minniti & Naudé, 2010; Duflo, 2012). Over the past decade, women-led enterprises have gained increasing visibility across sectors; however, their growth potential continues to be constrained by persistent challenges such as limited access to finance, socio-cultural norms, digital exclusion, and institutional barriers. Drawing on secondary qualitative evidence from global entrepreneurship reports and selected case studies from emerging economies, this paper examines the relationship between women entrepreneurship and economic empowerment. The study synthesises existing empirical and policy-oriented literature to identify key constraints faced by women entrepreneurs and highlights enabling mechanisms that facilitate sustainable entrepreneurial growth. The findings suggest that supportive institutional frameworks, gender-sensitive financial systems, digital inclusion, and access to mentorship and networks are critical for strengthening women's economic empowerment in emerging economies. The paper contributes to the literature by offering an integrative and comparative perspective that links entrepreneurship with empowerment outcomes in diverse emerging-economy contexts.

Keywords: Women entrepreneurship; economic empowerment; emerging economies; access to finance; digital inclusion; policy support.

1. Introduction

(Minniti & Naudé, 2010; Duflo, 2012; Estrin & Mickiewicz, 2011)

Entrepreneurship is widely recognised as a central mechanism for economic growth, productivity enhancement, and structural transformation, particularly in emerging economies where small and medium enterprises (SMEs) account for a substantial share of employment and value creation. Within this broader entrepreneurial landscape, women entrepreneurship has gained increasing scholarly and policy attention as a means of promoting inclusive growth, reducing gender-based economic disparities, and strengthening household and community welfare (Minniti & Naudé, 2010; Duflo, 2012).

From an economic perspective, women's participation in entrepreneurship reflects both opportunity-driven responses to expanding markets and necessity-driven adjustments to labour market imperfections and institutional constraints. Women entrepreneurs contribute not only to income generation and firm-level performance but also to broader development outcomes related to education, health, and social capital formation. Consequently, women entrepreneurship is increasingly viewed not merely as a gender equity issue but as an important component of sustainable economic development.

Despite this growing recognition, women entrepreneurs in emerging economies continue to operate within environments characterised by structural inequalities, socio-cultural norms, and uneven institutional support. Limited access to finance, restricted mobility, unequal household responsibilities, digital exclusion, and weak policy implementation mechanisms significantly shape women's entrepreneurial entry, survival, and growth trajectories (Kabeer, 1999; Estrin & Mickiewicz, 2011). As a result, many women-owned enterprises remain small, informal, and vulnerable, limiting their potential contribution to long-term economic empowerment. This paper contributes to the entrepreneurship and development literature by synthesising secondary evidence on women entrepreneurship and economic empowerment in emerging economies, with a particular focus on institutional, financial, and digital enablers (Estrin & Mickiewicz, 2011; World Bank, 2020). Adopting a comparative and integrative perspective, the study links micro-level entrepreneurial practices with macro-level economic and policy frameworks, thereby aligning closely with the objectives of ABDC-listed general economics and interdisciplinary journals.

2. Theoretical Framework

(Kabeer, 1999; Brush et al., 2009)

2.1 Women Entrepreneurship and Economic Empowerment

(Kabeer, 1999; Brush et al., 2009)

Economic empowerment refers to women's ability to participate in economic activities, exercise control over productive resources, make independent economic decisions, and benefit equitably from economic growth (Kabeer, 1999). Entrepreneurship can strengthen women's economic agency by enabling income generation, employment creation, leadership, and asset ownership. However, entrepreneurship does not automatically result in empowerment. Its outcomes are shaped by access to finance, education, entrepreneurial networks, digital tools, and enabling policy environments (Brush et al., 2009). Where these enabling conditions are absent, women-owned enterprises often remain small, informal, and vulnerable, limiting their contribution to long-term empowerment. A gender-aware framework of entrepreneurship therefore emphasises the interaction between individual agency and institutional structures in shaping entrepreneurial outcomes (Brush et al., 2009).

2.2 Emerging Economies Context

(Aidis et al., 2007; GEM, 2023)

Emerging economies are characterised by rapid economic transformation, expanding markets, and evolving entrepreneurial ecosystems. While these dynamics create new opportunities, they also present distinct challenges for women entrepreneurs. Traditional gender norms, limited institutional capacity, and unequal access to capital disproportionately affect women (Aidis et al., 2007). At the same time, necessity-driven entrepreneurship remains prevalent among women in low- and middle-income countries, resulting in relatively high participation rates but uneven growth and sustainability outcomes (GEM, 2023). This dual reality makes emerging economies a particularly relevant context for examining the link between women entrepreneurship and economic empowerment.

3. Literature Review

(Kabeer, 1999; Estrin et al., 2013; Panda, 2018)

3.1 Women Entrepreneurship and Economic Empowerment

(Kabeer, 1999; Brush et al., 2009)

The concept of economic empowerment is commonly defined as women's ability to access and control productive resources, participate meaningfully in economic decision-making, and benefit equitably from economic growth (Kabeer, 1999). Within this framework, entrepreneurship is regarded as a critical pathway through which women can enhance income security, asset ownership, labour market participation, and leadership capabilities. However, empirical evidence suggests that entrepreneurship alone does not guarantee empowerment outcomes; rather, its effectiveness is mediated by institutional quality, market access, and socio-cultural context (Brush et al., 2009).

Economic theories of entrepreneurship further highlight that women's entrepreneurial outcomes are shaped by incentive structures, transaction costs, and institutional arrangements. In contexts where formal institutions are weak or exclusionary, women entrepreneurs often face higher costs of market entry and expansion, resulting in lower growth aspirations and firm performance (Estrin et al., 2013).

3.2 Barriers to Women Entrepreneurship in Emerging Economies

(World Bank, 2020; Demirgüç-Kunt et al., 2022; Panda, 2018)

A substantial body of literature documents persistent barriers faced by women entrepreneurs in emerging economies. Access to finance remains the most frequently cited constraint, as women often lack collateral, formal credit histories, and established banking relationships (World Bank, 2020; Demirgüç-Kunt et al., 2022). These financial constraints limit investment capacity, innovation, and business scalability.

Socio-cultural norms further restrict women's entrepreneurial engagement by reinforcing traditional gender roles, limiting mobility, and constraining decision-making authority within households and communities (Panda, 2018). In addition, digital exclusion—arising from limited digital literacy, affordability constraints, and unequal access to technology—reduces women's ability to participate in digital markets and access information and financial services (Maritz et al., 2022).

3.3 Enabling Mechanisms and Policy Interventions

(Datta & Gailey, 2012; Sutter et al., 2019; OECD, 2020)

The literature also identifies several enabling mechanisms that can mitigate these constraints and enhance women's entrepreneurial outcomes. Access to mentorship, professional networks, incubators, and role models has been shown to improve entrepreneurial skills, confidence, and growth orientation (Datta & Gailey, 2012). Gender-sensitive policy interventions, including targeted credit schemes, entrepreneurship training programmes, and regulatory reforms, play a crucial role in reducing institutional barriers.

Recent studies emphasise the transformative potential of digital technologies in lowering transaction costs and expanding market access for women entrepreneurs. When combined with supportive institutional frameworks, digital inclusion can significantly enhance productivity, firm growth, and economic empowerment outcomes (Sutter et al., 2019).

4. Research Methodology

(Sutter et al., 2019; GEM, 2023)

This study adopts a qualitative secondary research methodology, which is particularly suitable for examining complex and context-dependent relationships between women entrepreneurship and economic empowerment across emerging economies. Secondary analysis allows for the integration of diverse empirical findings and theoretical perspectives, thereby enabling a comprehensive and comparative assessment that would be difficult to achieve through single-country primary data collection. Data sources include peer-reviewed journal articles published in ABDC- and Scopus-indexed outlets, global entrepreneurship reports (notably the Global Entrepreneurship Monitor), and policy documents from international institutions such as the World Bank and UN Women. Particular attention is given to evidence from emerging-economy contexts including India, Africa, and Southeast Asia. The selected studies are analysed thematically to identify recurring patterns related to barriers, enabling mechanisms, and empowerment outcomes. This integrative approach enhances the analytical depth and external validity of the findings.

5. Findings

(Minniti, 2010; GEM, 2023; World Bank, 2020)

The findings are interpreted in line with prior empirical evidence from emerging economies, particularly global entrepreneurship surveys and development studies (GEM, 2023; World Bank, 2020; Minniti & Naudé, 2010).

5.1 Women Entrepreneurship and Economic Participation

The synthesised evidence indicates that women entrepreneurs make significant contributions to economic participation and employment generation in emerging economies (Minniti, 2010; GEM, 2023). In many low- and middle-income countries, women's entrepreneurial activities serve as a primary or supplementary source of household income and contribute to local economic resilience. However, participation rates and business performance outcomes vary considerably across regions and institutional contexts. For example, while necessity-driven entrepreneurship among women is relatively high in several emerging economies, growth-oriented and innovation-driven ventures remain limited.

5.2 Constraints to Economic Empowerment

The findings reaffirm that financial exclusion constitutes the most critical constraint on women's economic empowerment through entrepreneurship. Limited access to credit and formal financial services constrains investment, technology adoption, and firm expansion. These financial barriers are compounded by socio-cultural norms that restrict women's access to networks, markets, and decision-making authority. Collectively, these constraints reduce not only firm-level performance but also women's long-term entrepreneurial aspirations and confidence.

5.3 Enablers of Entrepreneurial Growth and Empowerment

Evidence from policy initiatives and collaborative programmes suggests that integrated support mechanisms can significantly improve women's entrepreneurial outcomes (Datta & Gailey, 2012; OECD, 2020). Programmes that combine access to finance with skill development, mentorship, and digital inclusion demonstrate stronger and more sustainable empowerment effects. Partnerships involving governments, financial institutions, academic organisations, and the private sector are particularly effective in expanding women's access to capital, knowledge, and markets across emerging economies.

6. Discussion

(Estrin & Mickiewicz, 2011; Duflo, 2012)

This discussion is grounded in institutional and development economics literature that links entrepreneurship outcomes with policy quality and socio-economic context (Estrin & Mickiewicz, 2011; Duflo, 2012). The findings underscore that women entrepreneurship should be viewed not merely as a gender equality initiative but as a strategic driver of economic development. When supported by enabling institutional environments, women-led enterprises contribute to income growth, employment creation, and broader social development. However, context-specific strategies are essential. Policies and programmes must be sensitive to local cultural norms, sectoral conditions, and institutional capacities to ensure sustainable empowerment outcomes.

7. Conclusion and Policy Implications

(Kabeer, 1999; UN Women, 2021; World Bank, 2020)

The conclusions and policy implications draw upon established development and gender economics scholarship, reinforcing the macroeconomic relevance of women entrepreneurship (Kabeer, 1999; UN Women, 2021; World Bank, 2020). Women entrepreneurship holds substantial potential to promote economic empowerment, inclusive growth, and structural transformation in emerging economies. The evidence reviewed in this study demonstrates that while women entrepreneurs contribute meaningfully to economic participation and household welfare, their empowerment outcomes are highly contingent on institutional quality, financial access, and socio-cultural context. From an ABDC general economics perspective, women entrepreneurship should be understood as both an economic practice and an institutional response to labour market imperfections and development constraints. Policies that focus narrowly on increasing participation rates without addressing underlying financial and institutional barriers are unlikely to yield sustained empowerment outcomes. Accordingly, policymakers should prioritise the development of gender-sensitive financial ecosystems, strengthen the implementation of entrepreneurship-support policies, expand affordable digital infrastructure, and promote mentorship and networking platforms for women entrepreneurs. Such coordinated interventions can reduce transaction costs, enhance productivity, and enable women-led enterprises to transition from subsistence-level activities to growth-oriented ventures. By embedding women entrepreneurship within broader economic development strategies, emerging economies can harness its full potential as a driver of sustainable and inclusive growth.

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