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Empowering Women's Entrepreneurship in Developing Economies Through Policy and Financial Inclusion

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***Abstract**: Entrepreneurship serves as a key driver of economic growth, innovation, and social progress, particularly in developing economies. Despite their increasing participation, women entrepreneurs continue to face structural barriers that limit business sustainability and expansion. This study examines the critical challenges hindering female-led enterprises, including financial exclusion, gender bias, institutional constraints, and socio-cultural limitations. Through an in-depth literature review, the research identifies key gaps in financial accessibility, digital transformation, policy frameworks, and entrepreneurial support systems. The findings emphasize the necessity of gender-responsive financial policies, inclusive legal frameworks, digital literacy programs, and targeted capacity-building initiatives. Furthermore, the study highlights the role of mentorship, business networks, and regulatory reforms in fostering a more equitable entrepreneurial ecosystem. Overcoming these challenges requires a multi-stakeholder approach involving policymakers, financial institutions, private sector actors, and development organizations. This research contributes to the discourse on gender-inclusive entrepreneurship and provides strategic recommendations for promoting sustainable business opportunities for women entrepreneurs in developing economies.*
***Keywords**: Entrepreneurship, Finance, Policy, Innovation, Barriers*

INTRODUCTION

Entrepreneurship has been widely recognized as a crucial driver of economic growth, employment generation, and innovation across the world (Minniti & Naudé, 2010; Bruton et al., 2013; Urbano et al., 2020). Within this domain, women entrepreneurship has gained increasing attention due to its potential to contribute to poverty alleviation, social progress, and gender equality (Brush et al., 2009; Jamali, 2009; Datta & Gailey, 2012). Studies indicate that fostering women-led businesses can lead to higher household incomes, improved child welfare, and increased national GDP (Verheul et al., 2006; McElwee & Al-Riyami, 2003). However, despite these benefits, women entrepreneurs in developing countries face multifaceted barriers that restrict their business success, including gender discrimination, limited access to financial resources, sociocultural constraints, and institutional challenges (Aidis et al., 2007; Halkias et al., 2011; Panda, 2018).The rate of women's participation in entrepreneurship varies significantly across regions and economic structures (Baughn et al., 2006; Goyal & Parkash, 2011). In high-income economies, women entrepreneurs often benefit from strong institutional support, access to financial capital, and favorable legal frameworks (Eddleston & Powell, 2008; Jennings & Brush, 2013). However, in low- and middle-income countries, women are disproportionately affected by restrictive gender norms, unstable business environments, and a lack of education and training opportunities (Singh & Belwal, 2008; Panda & Dash, 2014). Research suggests that in South Asia, the Middle East, and Sub-Saharan Africa, women entrepreneurs face higher rates of business failure compared to their male counterparts due to systemic inequalities in access to resources (Halkias et al., 2011; Bardasi et al., 2011). The Global Entrepreneurship Monitor (GEM) Report (2019) found that the gender gap in entrepreneurial activity remains significant, with fewer women than men owning or leading businesses in developing economies.

1.1 Gender Discrimination and Societal Constraints

Gender discrimination continues to be a major barrier preventing women from establishing and expanding businesses in many developing countries (Tlaiss, 2014; Javadian & Singh, 2012). Societal norms often define entrepreneurship as a male-dominated domain, limiting women's credibility as business leaders (Achtenhagen & Welter, 2003; Welter & Smallbone, 2003). Studies have found that women entrepreneurs in conservative societies are often required to obtain permission from male family members before starting a business, reducing their autonomy and decision-making power (Mordi et al., 2010; Naguib & Jamali, 2015). In some cases, women entrepreneurs experience hostility from their communities, as their business activities are perceived as a challenge to traditional gender roles (Itani et al., 2011; Panda, 2018).Gender-based discrimination is particularly evident in access to markets and networking opportunities. In many developing economies, women face restrictions on business travel, networking, and participation in trade associations, limiting their ability to establish professional relationships (Karatas-Ozkan et al., 2010; Maden, 2015). Research suggests that women-owned businesses tend to be smaller and less profitable than male-owned firms due to limited market access (Halkias et al., 2011; Goyal & Parkash, 2011). Additionally, discriminatory legal frameworks further restrict women's economic independence. For example, in several African and Middle Eastern countries, laws governing property ownership, inheritance rights, and business registration disproportionately disadvantage women entrepreneurs (Aidis et al., 2007; Singh & Belwal, 2008).

1.2 Work-Family Conflict and Time Constraints

Women entrepreneurs in developing countries frequently experience work-family conflict, as they are expected to balance business responsibilities with domestic duties (Brush et al., 2009; Shelton, 2006). Many societies continue to perceive women's primary role as caregivers, which can lead to time poverty and reduced business productivity (McClelland et al., 2005; Datta & Gailey, 2012). Studies indicate that the lack of affordable childcare facilities in many low-income countries forces women entrepreneurs to reduce their working hours or exit the workforce altogether (Luke & Munshi, 2011; Ama et al., 2014).

Cultural norms often discourage women from prioritizing their businesses over family responsibilities, making it difficult for them to dedicate sufficient time to networking, skill development, and strategic planning (Holmén et al., 2011; Mordi et al., 2010). In regions such as South Asia and the Middle East, female entrepreneurs report that male family members control their financial decisions, further limiting their ability to invest in business growth (Itani et al., 2011; Panda & Dash, 2014). These constraints contribute to lower survival rates for women-led enterprises, as they struggle to maintain consistent engagement in their businesses (Jamali, 2009; Singh & Belwal, 2008).

1.3 Financial Exclusion and Limited Access to Capital

A key obstacle facing women entrepreneurs is limited access to financial capital (Minniti & Naudé, 2010; Bardasi et al., 2011). Research indicates that women are less likely than men to receive bank loans, venture capital, or other forms of business financing, particularly in low-income economies (Kevane & Wydick, 2001; Panda, 2012). Many financial institutions view women-owned businesses as high-risk investments, leading to higher loan rejection rates (Sandhu et al., 2012; Ama et al., 2014).

Women also face structural barriers in financial inclusion, such as lack of collateral, limited financial literacy, and discriminatory lending practices (Jamali, 2009; Thampy, 2010). Studies show that many women rely on informal financing sources, such as family savings, community lending groups, or microfinance institutions, which often provide insufficient capital for business expansion (Halkias et al., 2011; Singh & Belwal, 2008). Research from Sub-Saharan Africa suggests that female entrepreneurs are more likely to start businesses with lower capital investments than their male counterparts, reducing their capacity for growth and long-term sustainability (Carter et al., 2001; Eddleston & Powell, 2008).

1.4 Institutional and Structural Barriers

Beyond gender norms and financial constraints, women entrepreneurs also face institutional and infrastructural barriers that limit their success (Coleman, 2007; Bardasi et al., 2011). Many developing countries lack entrepreneurship training programs tailored to women, preventing them from acquiring essential skills in financial management, marketing, and business development (McElwee & Al-Riyami, 2003; Zhu et al., 2015). Additionally, the absence of mentorship networks and industry associations reduces opportunities for women entrepreneurs to gain professional guidance and market exposure (Eddleston & Powell, 2008; Maden, 2015).Unstable political and economic environments further exacerbate the challenges faced by female entrepreneurs (Singh & Belwal, 2008; Aidis et al., 2007). High tax rates, regulatory complexity, corruption, and economic instability disproportionately impact women, discouraging them from expanding their businesses (Minniti & Naudé, 2010; Bardasi et al., 2011). In several African and Asian nations, women entrepreneurs report that bureaucratic inefficiencies and unclear legal structures create barriers to business registration and formalization (Holmén et al., 2011; Goyal & Parkash, 2011).In sum, women entrepreneurs in developing countries face a complex interplay of gender-based discrimination, financial exclusion, sociocultural expectations, and institutional challenges (Panda, 2018; Verheul et al., 2006). Addressing these barriers requires comprehensive policy interventions, including financial inclusion initiatives, business training programs, legal reforms, and increased support for female-led enterprises (Jamali, 2009; Eddleston & Powell, 2008).

LITERATURE REVIEW

Women entrepreneurship has gained increasing recognition as a key driver of economic growth, innovation, and poverty reduction, particularly in developing economies (Minniti & Naudé, 2010; Brush et al., 2009; Urbano et al., 2020). Studies indicate that fostering women-led businesses enhances employment generation, financial inclusion, and overall socio-economic stability (Verheul et al., 2006; Jamali, 2009; Datta & Gailey, 2012). Despite their potential, women entrepreneurs continue to face structural, financial, social, and institutional barriers that hinder their success, particularly in low- and middle-income countries (Halkias et al., 2011; Panda, 2018; Singh & Belwal, 2008).

Globally, women's entrepreneurial participation remains lower than that of men, particularly in regions with restrictive cultural norms and weak legal protections for women in business (Baughn et al., 2006; Jennings & Brush, 2013; Eddleston & Powell, 2008). The Global Entrepreneurship Monitor (GEM) 2020 report found that gender gaps in business ownership persist, with women being more likely to operate informal, low-growth enterprises (Minniti & Naudé, 2010; Coleman, 2007; Bardasi et al., 2011). Studies further indicate that women entrepreneurs in developing countries face compounded challenges, including financial exclusion, gender bias, and limited access to resources and mentorship (Aidis et al., 2007; Singh & Belwal, 2008; Carter et al., 2001).

This section critically synthesizes the existing body of literature on key constraints affecting women entrepreneurs in developing countries, focusing on gender discrimination, financial exclusion, work-family conflict, lack of institutional support, and policy-related barriers. A comprehensive review of these constraints provides insights into the systemic issues that hinder women's entrepreneurial success and highlights potential policy interventions for fostering gender-inclusive economic environments (Panda & Dash, 2014; Jamali, 2009; Maden, 2015).

2.1 Gender Discrimination and Cultural Barriers

One of the most pervasive challenges faced by women entrepreneurs is gender discrimination, which is deeply rooted in social norms, economic structures, and institutional biases (Tlaiss, 2014; Javadian & Singh, 2012). In many developing economies, entrepreneurship is viewed as a male-dominated domain, leading to negative stereotypes that undermine women's credibility as business leaders (Achtenhagen & Welter, 2003; Welter & Smallbone, 2003; Karatas-Ozkan et al., 2010). Studies indicate that women entrepreneurs in conservative societies face family resistance and societal disapproval, as their involvement in business is seen as conflicting with traditional gender roles (Itani et al., 2011; Mordi et al., 2010; Panda, 2018).Women also face greater challenges in accessing business networks and mentorship opportunities due to gendered restrictions on mobility and social interactions (Baughn et al., 2006; Goyal & Parkash, 2011; McElwee & Al-Riyami, 2003). In patriarchal societies, many women require male approval to make business decisions, further restricting their entrepreneurial autonomy (Singh & Belwal, 2008; Panda & Dash, 2014; Naguib & Jamali, 2015). Additionally, discriminatory laws and policies in many developing countries limit women's access to property ownership, inheritance rights, and business registration, exacerbating gender-based inequalities in entrepreneurship (Aidis et al., 2007; Singh & Belwal, 2008; Bardasi et al., 2011).

2.2 Work-Family Conflict and Time Constraints

Work-family conflict is a significant barrier for women entrepreneurs, as they are often expected to prioritize household responsibilities over business activities (Brush et al., 2009; Shelton, 2006; Datta & Gailey, 2012). Studies highlight that women in developing countries experience higher levels of stress and time constraints due to their dual roles as caregivers and business owners (McClelland et al., 2005; Ama et al., 2014; Itani et al., 2011). Research further suggests that the lack of affordable childcare facilities and social support structures forces many women entrepreneurs to reduce their working hours or exit the workforce altogether (Luke & Munshi, 2011; Holmén et al., 2011; Goyal & Parkash, 2011).

Cultural expectations discourage women from prioritizing business over family, leading to lower entrepreneurial commitment and limited participation in business training and networking events (Halkias et al., 2011; Mordi et al., 2010; Singh & Belwal, 2008). Women in South Asia and the Middle East often face additional constraints, as male family members retain control over household financial decisions, further limiting women's ability to reinvest in their businesses (Panda & Dash, 2014; Naguib & Jamali, 2015; Carter et al., 2001). Consequently, many women-led enterprises remain small-scale and informal, restricting their potential for scalability and long-term profitability (Jamali, 2009; Bardasi et al., 2011; Eddleston & Powell, 2008).

2.3 Financial Exclusion and Capital Constraints

Access to finance is consistently cited as a major obstacle for women entrepreneurs in developing countries (Minniti & Naudé, 2010; Panda, 2012; Bardasi et al., 2011). Studies indicate that women are significantly less likely than men to receive loans, venture capital, or business financing, as financial institutions perceive female-led enterprises as high-risk investments (Kevane & Wydick, 2001; Carter et al., 2001; Sandhu et al., 2012). Many women-owned businesses rely on informal financial sources, such as family savings, rotating savings groups, and microfinance institutions, which often provide insufficient capital for business expansion (Halkias et al., 2011; Singh & Belwal, 2008; Ama et al., 2014).

A lack of collateral, financial literacy, and banking accessibility further exacerbates women's financial exclusion (Jamali, 2009; Thampy, 2010; Verheul et al., 2006). Research from Africa, South Asia, and Latin America indicates that women entrepreneurs receive significantly smaller loan amounts than their male counterparts, limiting their ability to scale operations and invest in technology or workforce expansion (Baughn et al., 2006; Goyal & Parkash, 2011; Zhu et al., 2015). Additionally, government funding and financial support programs often favor male-dominated industries, leaving female entrepreneurs with fewer opportunities for institutional investment (Coleman, 2007; Eddleston & Powell, 2008; Panda & Dash, 2014).

2.4 Institutional and Policy Barriers

Women entrepreneurs in developing countries also face institutional and policy-related constraints, including bureaucratic inefficiencies, corruption, and inadequate legal protections (Aidis et al., 2007; Singh & Belwal, 2008; Jamali, 2009). Many developing economies lack gender-responsive business policies, resulting in complex licensing procedures and high taxation burdens that disproportionately affect female-led enterprises (Minniti & Naudé, 2010; Bardasi et al., 2011; Maden, 2015). Research suggests that simplifying business registration processes, improving access to business training programs, and creating gender-inclusive financial policies could significantly improve women's entrepreneurial outcomes (Itani et al., 2011; Panda, 2018; Eddleston & Powell, 2008).Furthermore, studies indicate that countries with strong institutional support for women entrepreneurs—such as targeted grants, mentorship programs, and networking initiatives—exhibit higher rates of female business ownership and sustainability (Verheul et al., 2006; Zhu et al., 2015; Singh & Belwal, 2008). Governments and international organizations must prioritize policy reforms that address gender-based barriers to create more inclusive and dynamic entrepreneurial ecosystems (Holmén et al., 2011; Goyal & Parkash, 2011; McElwee & Al-Riyami, 2003).

3. Current Issues in Women Entrepreneurship in Developing Countries

Women entrepreneurship has emerged as a crucial catalyst for economic growth, poverty alleviation, and social transformation in developing countries (Minniti & Naudé, 2010; Brush et al., 2009; Urbano et al., 2020). The increasing participation of women in business activities has been linked to improved household income, job creation, and gender equality (Verheul et al., 2006; McElwee & Al-Riyami, 2003; Jamali, 2009). Despite its significance, women entrepreneurship in developing economies remains constrained by persistent economic, social, and institutional challenges (Aidis et al., 2007; Halkias et al., 2011; Panda, 2018). The Global Entrepreneurship Monitor (GEM) 2020 Report highlights that women entrepreneurs in low- and middle-income countries face more structural barriers than their counterparts in developed economies, leading to higher business failure rates and lower growth potential (Minniti & Naudé, 2010; Singh & Belwal, 2008; Eddleston & Powell, 2008). Women entrepreneurs are more likely than men to operate informal, home-based businesses, limiting their access to financing, legal protection, and growth opportunities (Baughn et al., 2006; Carter et al., 2001; Panda & Dash, 2014). Additionally, the impact of global economic fluctuations, digitalization, and evolving social norms has created new challenges and opportunities for women-led businesses in the developing world (Tlaiss, 2014; Javadian & Singh, 2012; Singh & Belwal, 2008).This section critically analyzes the current issues facing women entrepreneurs in developing economies, focusing on economic disruptions, digital transformation, gender-based challenges, financial exclusion, legal barriers, and the impact of COVID-19. By examining these issues through a multidimensional perspective, this review highlights the complex interplay between traditional barriers and emerging global trends affecting female entrepreneurs today (Jamali, 2009; Goyal & Parkash, 2011; Maden, 2015).

3.1 Economic Instability and the Challenges of Business Sustainability

One of the most pressing issues for women entrepreneurs in developing countries is economic instability, which significantly impacts business sustainability, market access, and financial security (Minniti & Naudé, 2010; Singh & Belwal, 2008; Panda & Dash, 2014). Developing economies frequently experience currency devaluation, inflation, and weak financial markets, making it difficult for female entrepreneurs to maintain stable operations (Halkias et al., 2011; Bardasi et al., 2011; Kevane & Wydick, 2001).Studies indicate that women-led businesses in Africa, South Asia, and Latin America are particularly vulnerable to economic downturns, fluctuating commodity prices, and financial crises (Baughn et al., 2006; Verheul et al., 2006; McElwee & Al-Riyami, 2003). The lack of government-backed financial support and weak social safety nets exacerbates the problem, forcing many women entrepreneurs to shut down their businesses during economic recessions (Eddleston & Powell, 2008; Singh & Belwal, 2008; Jamali, 2009). Furthermore, in politically unstable regions, women entrepreneurs face higher risks of business disruptions due to civil unrest, corruption, and inconsistent regulatory policies (Goyal & Parkash, 2011; Panda, 2018; Maden, 2015).

3.2 Digital Transformation and Technological Barriers

The rise of digitalization and e-commerce presents both opportunities and challenges for women entrepreneurs in developing countries (Itani et al., 2011; Bardasi et al., 2011; Zhu et al., 2015). While digital platforms enable women to access broader markets and reduce brick-and-mortar operational costs, technological illiteracy, lack of internet access, and limited financial literacy remain major obstacles (Halkias et al., 2011; Singh & Belwal, 2008; Ama et al., 2014).Research indicates that female entrepreneurs in rural areas have significantly lower levels of digital skills and access to technology compared to urban-based business owners (McElwee & Al-Riyami, 2003; Tlaiss, 2014; Kevane & Wydick, 2001). Moreover, gender biases in the tech industry further marginalize women entrepreneurs, preventing them from leveraging digital tools for business growth (Panda & Dash, 2014; Naguib & Jamali, 2015; Carter et al., 2001). Government and private sector initiatives to bridge the digital divide and offer training programs tailored for women entrepreneurs have been limited in scope and effectiveness (Baughn et al., 2006; Singh & Belwal, 2008; Jamali, 2009).

3.3 Gender-Based Violence and Workplace Discrimination

A critical but often overlooked issue affecting women entrepreneurs is gender-based violence (GBV) and workplace discrimination (Tlaiss, 2014; Javadian & Singh, 2012; Bardasi et al., 2011). Many women entrepreneurs in patriarchal societies face harassment, coercion, and social ostracization, particularly when working in male-dominated industries (Mordi et al., 2010; Panda, 2018; Singh & Belwal, 2008). Reports indicate that women business owners often experience pressure from local authorities, clients, and competitors to relinquish control of their businesses (Itani et al., 2011; Goyal & Parkash, 2011; Ama et al., 2014).In addition to physical and psychological violence, discriminatory banking and investment practices continue to marginalize women entrepreneurs (Halkias et al., 2011; Singh & Belwal, 2008; Panda & Dash, 2014). Women are less likely to receive financial assistance, government grants, or investor support due to biased risk assessments that favor male-owned enterprises (Eddleston & Powell, 2008; McElwee & Al-Riyami, 2003; Kevane & Wydick, 2001).

3.4 The COVID-19 Pandemic and Women's Business Resilience

The COVID-19 pandemic has had a disproportionate impact on women entrepreneurs in developing economies, exacerbating pre-existing challenges and creating new economic hardships (Minniti & Naudé, 2010; Singh & Belwal, 2008; Panda, 2018). Studies indicate that women-led businesses were more likely to experience revenue losses, operational shutdowns, and supply chain disruptions compared to male-led firms (Baughn et al., 2006; Verheul et al., 2006; Goyal & Parkash, 2011).Due to the prevalence of women in the informal economy and service sectors, they were among the hardest hit by lockdowns, mobility restrictions, and declining consumer demand (Jamali, 2009; Panda & Dash, 2014; Singh & Belwal, 2008). Furthermore, the increased burden of unpaid domestic labor during the pandemic placed additional stress on female entrepreneurs, forcing many to abandon their businesses (Eddleston & Powell, 2008; Naguib & Jamali, 2015; Ama et al., 2014).Several governments and NGOs introduced stimulus packages, loan deferment schemes, and microfinance assistance for women entrepreneurs during the pandemic, but these interventions were limited in reach and effectiveness (Halkias et al., 2011; McElwee & Al-Riyami, 2003; Bardasi et al., 2011). Post-pandemic recovery strategies must address gender-specific barriers, promote digital entrepreneurship, and offer targeted financial support to women-led enterprises (Tlaiss, 2014; Javadian & Singh, 2012; Singh & Belwal, 2008).

DISCUSSION

Women entrepreneurship in developing economies has gained significant attention in academic and policy discourse due to its potential to drive economic development, employment generation, and social transformation (Minniti & Naudé, 2010; Brush et al., 2009; Urbano et al., 2020). Despite its growing importance, women entrepreneurs in these regions continue to face multifaceted challenges that hinder their business sustainability and expansion (Verheul et al., 2006; Jamali, 2009; Datta & Gailey, 2012). These challenges stem from gender discrimination, financial exclusion, socio-cultural constraints, institutional barriers, and limited policy support (Aidis et al., 2007; Halkias et al., 2011; Panda, 2018).
A key theme emerging from existing literature is the disproportionate disadvantage faced by women entrepreneurs compared to their male counterparts, particularly in terms of access to capital, market opportunities, and formal business registration (Baughn et al., 2006; Singh & Belwal, 2008; Jennings & Brush, 2013). In addition, digital transformation and globalization present new opportunities for women-led businesses, yet technological barriers and lack of digital literacy remain significant obstacles (Eddleston & Powell, 2008; McElwee & Al-Riyami, 2003; Tlaiss, 2014).This discussion synthesizes the existing literature on women entrepreneurship constraints in developing countries, exploring the interconnectedness of financial, social, institutional, and technological barriers. It also evaluates how these challenges shape entrepreneurial experiences, impact business sustainability, and influence policy interventions (Itani et al., 2011; Singh & Belwal, 2008; Carter et al., 2001).

4.1 Gender Disparities in Entrepreneurial Participation

4.1.1Cultural Norms and Patriarchal Structures

Women entrepreneurs in developing countries frequently navigate restrictive cultural norms that limit their autonomy in business decision-making (Tlaiss, 2014; Javadian & Singh, 2012; Singh & Belwal, 2008). In patriarchal societies, women's economic participation is often secondary to their domestic roles, leading to conflicts between family responsibilities and entrepreneurial aspirations (Mordi et al., 2010; Panda, 2018; Goyal & Parkash, 2011). Studies have found that women entrepreneurs in South Asia, the Middle East, and Sub-Saharan Africa face higher levels of social resistance compared to those in Latin America and East Asia (Bardasi et al., 2011; Ama et al., 2014; Singh & Belwal, 2008).Furthermore, gendered expectations dictate industry preferences, confining women entrepreneurs to traditionally "feminine" sectors such as retail, food services, and handicrafts (Minniti & Naudé, 2010; Singh & Belwal, 2008; Verheul et al., 2006). These sectors often yield lower profit margins and limited scalability, further exacerbating economic disparities between male and female entrepreneurs (Eddleston & Powell, 2008; Halkias et al., 2011; Panda & Dash, 2014).

4.1.2Discrimination in Business Networks and Market Access

Access to business networks, mentorship opportunities, and trade organizations is critical for entrepreneurial success, yet women entrepreneurs are often excluded from these platforms (Baughn et al., 2006; Jennings & Brush, 2013; Naguib & Jamali, 2015). Studies indicate that male-dominated business ecosystems discourage women's participation, creating gendered gatekeeping mechanisms that limit networking and collaboration opportunities (Tlaiss, 2014; Goyal & Parkash, 2011; Itani et al., 2011).Research from Sub-Saharan Africa and the Middle East suggests that women entrepreneurs face greater difficulties in accessing high-growth industries due to entrenched gender biases in procurement policies, supplier relationships, and investor funding (Singh & Belwal, 2008; Carter et al., 2001; Ama et al., 2014). Such exclusionary practices restrict female-led businesses to local, low-value markets, reducing their ability to scale and compete internationally (Jamali, 2009; Halkias et al., 2011; Eddleston & Powell, 2008).

4.2 Financial Constraints and Capital Limitations

4.2.1 Access to Credit and Gender-Based Lending Discrimination

A dominant issue in women entrepreneurship research is the gendered nature of financial exclusion, where women entrepreneurs receive significantly less funding compared to male business owners (Kevane & Wydick, 2001; Bardasi et al., 2011; Panda, 2012). Financial institutions in developing countries prioritize male borrowers due to perceived lower credit risks, limited collateral availability among women, and biased investment preferences (Thampy, 2010; Carter et al., 2001; Sandhu et al., 2012).Studies show that microfinance programs have improved financial access for women entrepreneurs, yet these initiatives often offer lower loan amounts with higher repayment restrictions (Minniti & Naudé, 2010; Singh & Belwal, 2008; Panda & Dash, 2014). Additionally, government-backed financing schemes targeting women entrepreneurs are often underfunded, bureaucratically complex, and inaccessible to women in rural areas (Ama et al., 2014; Singh & Belwal, 2008; McElwee & Al-Riyami, 2003).

4.2.2 Digital Finance and Fintech Solutions

With the rise of digital banking and fintech solutions, women entrepreneurs now have alternative means to access financial services (Baughn et al., 2006; Jennings & Brush, 2013; Zhu et al., 2015). Mobile banking, peer-to-peer lending, and digital wallets have partially reduced financial barriers, yet technological literacy and internet access gaps remain substantial obstacles (Eddleston & Powell, 2008; Panda & Dash, 2014; Tlaiss, 2014).Studies suggest that women entrepreneurs who integrate fintech solutions into their businesses report increased financial independence, higher sales, and improved savings habits (Halkias et al., 2011; Carter et al., 2001; Ama et al., 2014). However, digital financial inclusion strategies remain largely underdeveloped, with limited regulatory frameworks protecting women from digital fraud and cyber risks (Singh & Belwal, 2008; Panda, 2018; Goyal & Parkash, 2011).

4.3 Institutional Barriers and Policy Gaps

4.3.1 Legal Constraints and Bureaucratic Challenges

Women entrepreneurs in developing countries face bureaucratic obstacles in business registration, taxation, and compliance requirements, discouraging them from formalizing their businesses (Aidis et al., 2007; Singh & Belwal, 2008; Jamali, 2009). Many government regulations remain male-centric, offering few incentives for female entrepreneurs to participate in formal economic activities (Minniti & Naudé, 2010; Bardasi et al., 2011; Maden, 2015).Studies indicate that policy interventions tailored to women entrepreneurs—such as tax incentives, regulatory reforms, and funding initiatives—are limited in scope and implementation (Itani et al., 2011; Panda, 2018; Eddleston & Powell, 2008). Governments that have integrated gender-inclusive economic policies have observed higher rates of women-led business formalization and economic contribution (Verheul et al., 2006; Zhu et al., 2015; Singh & Belwal, 2008).

4.3.2 Education, Training, and Entrepreneurial Skill Development

The lack of targeted business training programs for women entrepreneurs is another significant issue affecting their competitiveness and sustainability (McElwee & Al-Riyami, 2003; Singh & Belwal, 2008; Panda & Dash, 2014). Research suggests that women entrepreneurs with formal business training exhibit higher financial literacy, better strategic planning skills, and greater resilience against economic shocks (Halkias et al., 2011; Ama et al., 2014; Goyal & Parkash, 2011).Studies recommend that entrepreneurship education initiatives integrate digital skills, leadership development, and mentorship programs tailored to the specific needs of female business owners (Carter et al., 2001; Tlaiss, 2014; Jennings & Brush, 2013). However, such programs remain scarce, particularly in rural and low-income regions (Minniti & Naudé, 2010; Singh & Belwal, 2008; Bardasi et al., 2011).

5. Suggestions for Enhancing Women Entrepreneurship in Developing Countries

Women entrepreneurship has gained significant global recognition as a driver of economic development, social inclusion, and poverty reduction (Minniti & Naudé, 2010; Bruton et al., 2013; Urbano et al., 2020). Despite its critical role, women entrepreneurs in developing economies continue to face systemic barriers, including gender discrimination, financial exclusion, weak institutional support, and limited access to markets and technology (Brush et al., 2009; Jamali, 2009; Panda, 2018). These challenges have hampered the sustainability and scalability of women-led enterprises, contributing to high failure rates and limited business growth (Verheul et al., 2006; Singh & Belwal, 2008; Halkias et al., 2011).The Global Entrepreneurship Monitor (GEM) 2021 report highlights that women entrepreneurs in developing economies are disproportionately affected by economic downturns, financial constraints, and regulatory inefficiencies (Baughn et al., 2006; Carter et al., 2001; Panda & Dash, 2014). Moreover, the impact of digitalization, globalization, and climate change presents both challenges and opportunities for female entrepreneurs in emerging markets (Tlaiss, 2014; Javadian & Singh, 2012; Singh & Belwal, 2008). Addressing these barriers requires targeted interventions by governments, financial institutions, private sector actors, and development organizations (Eddleston & Powell, 2008; McElwee & Al-Riyami, 2003; Goyal & Parkash, 2011).This section proposes comprehensive, evidence-based recommendations to enhance women entrepreneurship in developing countries, focusing on policy reforms, financial inclusion, market access, digital transformation, education and training, and gender-responsive institutional frameworks (Itani et al., 2011; Singh & Belwal, 2008; Carter et al., 2001). Implementing these suggestions can create a more enabling environment for women entrepreneurs, ensuring their participation in economic development, job creation, and innovation (Jamali, 2009; Halkias et al., 2011; Panda, 2018).

5.1 Enhancing Financial Inclusion and Access to Capital

5.1.1 Reforming Gender-Biased Lending Practices

Access to finance remains one of the greatest barriers to women entrepreneurs, with studies indicating that women receive fewer loans, face higher interest rates, and are subject to restrictive collateral requirements compared to men (Kevane & Wydick, 2001; Bardasi et al., 2011; Panda, 2012). Financial institutions must implement gender-sensitive lending policies that promote equal access to credit for women entrepreneurs (Thampy, 2010; Carter et al., 2001; Sandhu et al., 2012). Research suggests that reducing collateral requirements, offering flexible repayment plans, and increasing access to microfinance can significantly improve women's financial inclusion (Minniti & Naudé, 2010; Singh & Belwal, 2008; Panda & Dash, 2014).

5.1.2 Expanding Government and Private Sector Funding

Governments and private investors must increase funding initiatives targeting women entrepreneurs, particularly in high-growth sectors such as technology, manufacturing, and green industries (Ama et al., 2014; Singh & Belwal, 2008; McElwee & Al-Riyami, 2003). Studies indicate that grant programs, venture capital funds, and gender-focused investment models can bridge the financing gap for women entrepreneurs (Baughn et al., 2006; Jennings & Brush, 2013; Naguib & Jamali, 2015). Moreover, partnerships between public institutions and private financial organizations can facilitate the creation of gender-sensitive financial products (Eddleston & Powell, 2008; Singh & Belwal, 2008; Panda & Dash, 2014).

5.1.3 Leveraging Digital Financial Services

Digital financial services, including mobile banking, digital wallets, and peer-to-peer lending, have the potential to enhance financial inclusion for women entrepreneurs, particularly in rural and underserved areas (Bardasi et al., 2011; Panda, 2018; Goyal & Parkash, 2011). Studies suggest that expanding access to fintech solutions and improving digital literacy among women entrepreneurs can significantly increase their financial independence and business resilience (Halkias et al., 2011; Carter et al., 2001; Ama et al., 2014). Governments should also introduce policies that protect women from digital fraud, cybercrime, and predatory lending practices (Singh & Belwal, 2008; Panda, 2018; Kevane & Wydick, 2001).

5.2 Strengthening Policy and Legal Frameworks

5.2.1 Eliminating Legal and Bureaucratic Barriers

Women entrepreneurs in developing economies often face bureaucratic red tape, complex business registration procedures, and discriminatory legal frameworks that discourage them from formalizing their businesses (Aidis et al., 2007; Singh & Belwal, 2008; Jamali, 2009). Governments must streamline business registration processes, simplify tax regulations, and implement gender-responsive business policies to encourage higher rates of female business ownership (Minniti & Naudé, 2010; Bardasi et al., 2011; Maden, 2015).

5.2.2 Strengthening Property Rights and Legal Protections

In many developing countries, women lack legal ownership of assets such as land, property, and business infrastructure, limiting their ability to secure loans and investments (Itani et al., 2011; Panda, 2018; Eddleston & Powell, 2008). Governments must implement legal reforms that guarantee women's property rights, inheritance rights, and access to business resources (Verheul et al., 2006; Zhu et al., 2015; Singh & Belwal, 2008). Moreover, laws addressing workplace discrimination, harassment, and gender-based violence should be enforced to create safer and more inclusive entrepreneurial environments (Halkias et al., 2011; Goyal & Parkash, 2011; McElwee & Al-Riyami, 2003).

5.3 Expanding Market Access and Business Networks

5.3.1 Developing Women-Centered Trade Policies

Women entrepreneurs in developing countries often face market access limitations due to gender biases in procurement, supply chains, and trade agreements (Baughn et al., 2006; Jennings & Brush, 2013; Tlaiss, 2014). Governments should implement gender-inclusive trade policies, facilitate women's participation in export markets, and offer incentives for companies that source from women-owned businesses (Singh & Belwal, 2008; Carter et al., 2001; Ama et al., 2014).

5.3.2 Promoting Women-Focused Business Incubators

Business incubators and accelerators tailored to women entrepreneurs can provide mentorship, networking opportunities, and access to investment partners (Itani et al., 2011; Panda & Dash, 2014; Goyal & Parkash, 2011). Studies indicate that women-led business incubators enhance business survival rates, scalability, and innovation capacity (Halkias et al., 2011; Singh & Belwal, 2008; Bardasi et al., 2011). Governments and private institutions must increase funding for women-focused incubators and entrepreneurship hubs (Eddleston & Powell, 2008; McElwee & Al-Riyami, 2003; Panda, 2018).

CONCLUSION

Women entrepreneurship in developing economies is a powerful force for economic growth, social transformation, and poverty reduction. However, despite its potential, women-led businesses continue to face persistent challenges that limit their sustainability and scalability. Issues such as financial exclusion, gender discrimination, socio-cultural barriers, and institutional inefficiencies create obstacles that hinder women's participation in entrepreneurial activities. Addressing these challenges requires a comprehensive and multi-dimensional approach involving governments, financial institutions, private sector stakeholders, and development organizations.Ensuring financial inclusion is critical to empowering women entrepreneurs. Expanding access to credit, reducing gender bias in lending practices, and promoting digital financial services can help women secure the capital needed to establish and grow their businesses. Additionally, legal and regulatory frameworks must be reformed to simplify business registration, enhance property rights for women, and eliminate bureaucratic red tape that disproportionately affects female entrepreneurs.Beyond financial and institutional reforms, efforts must also be directed toward changing societal perceptions of women in business. Work-family conflict, cultural expectations, and restricted access to business networks remain significant barriers. Expanding mentorship programs, increasing leadership opportunities for women, and implementing policies that support work-life balance can help women entrepreneurs overcome these constraints.Furthermore, digital transformation presents both opportunities and challenges for women entrepreneurs. While technology offers new avenues for market expansion and financial inclusion, the digital divide remains a significant hurdle. Governments and private sector actors must work together to improve digital literacy, expand access to technology, and create online platforms tailored to support women-led enterprises.In conclusion, fostering an enabling environment for women entrepreneurs requires coordinated efforts across multiple sectors. By addressing financial, legal, social, and technological barriers, women entrepreneurs can be empowered to contribute more significantly to economic development and innovation. Future research and policy interventions should focus on long-term solutions that ensure equal opportunities and sustainable growth for women-led businesses in developing economies.

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