**Women in Entrepreneurship: Uncovering the Barriers**

**A Review of the Literature**

In recent years, there has been a rise in entrepreneurial activity among women worldwide. In the process, women entrepreneurs are creating jobs, fostering innovation, generating revenues and making valuable contributions to the national and global economy. Yet, women entrepreneurs continue to face major challenges to starting and running businesses. What are these challenges? What policy support can be provided to enable women to become entrepreneurs? To answer these questions, [Ami Iwakami](https://sg.linkedin.com/in/amiiwakami), an INSEAD MBA’16, conducted a literature review of research on female entrepreneurs, with a particular focus on Singapore, for [Female Founders](http://www.femalefounders.com/), an independent non-profit, non-governmental organization dedicated to supporting gender equality in entrepreneurship and leadership through research, policy and advocacy action.

The research was conducted under the supervision of Assitant Professor [Zoe Kinias](http://www.insead.edu/faculty-research/faculty/zoe-kinias) and coordinated with [Supriti Bezbaruah](https://sg.linkedin.com/in/supritibezbaruah) and [Katarina Hasbani](Public%20Profilehttps%3A/sg.linkedin.com/in/katarinauherovahasbani) from Female Founders.

The main findings from the report are summarized below. For the main report, including the references, click here.

**Key findings**

The literature review summarizes the main challenges faced by women entrepreneurs. The main findings include:

**The definition of entrepreneurship is highly contested and varies greatly:** The entrepreneurship is a dynamic concept that is highly debated and can vary depending on the area of entrepreneurship in focus, such as the process, structure or activity. For the purposes of this literature review, *entrepreneurship is defined as an activity that establishes a new entity and generates economic profit*. This excludes corporate entrepreneurship, intrapreneurship, non-profit enterprises and joint ventures and self/employed independent workers.

**The Women in Entrepreneurship Framework suggests that women face more barriers to starting or growing businesses than men:** The framework notes that there are “3Ms” that are factors that affect the potential for successful entrepreneurship for both men and women: Management, Market, and Money. In addition, three other factors are highlighted for women: Motherhood, Macro and Meso environment. The Macro and Meso factors highlight the importance of external environmental factors such as societal and cultural norms, as well as national and local policies. The Motherhood factor is a metaphor for internal, or family conditions of the entrepreneur.

**Making a change and improving society were the main motives for starting a business:** Women were predominantly motivated by the purpose of improving the community, society or environment when starting a business.

**Women are significantly more ambitious, risk-takers and critical than perceived:** Research suggests that women have higher ambitions than men (47.4 percent of women were extremely interested in growth versus 32.4 percent of men) (Finks, 2015). Women entrepreneurs also ranked higher in such as identifying risk, and ability to face failure. They were also more critical of the effectiveness of networks in facilitating entrepreneurship.

**Contrary to popular perceptions, childcare was not the most frequently cited barrier to female entrepreneurship:** Only 17 percent of respondents (Finks, 2015) cited childcare as a barrier. The top 3 barriers were: team capabilities, high level of competition, and dealing with rapid growth.

**Funding for women entrepreneurs from VCs is likely to increase:** While funding for companies with women on the executive board are still low in volume (18% in 2011) and in amount (9% of total) (Brush *et al*., 2014), the average VC dollar investment for teams with women is similar or slightly above than for all male team. Together with the projected increase of women entrepreneurs, the total number and volume of funding is likely to increase.

**Gender stereotypes are still evident in funding from banks and external investors:** Investors and banks tend to rank women entrepreneurs lower than men for leadership, autonomy, risk taking, readiness for change, and endurance (among other factors). As a consequence, women receive less financial support then men for their business (Buttner and Rosen, 1988).

**Women entrepreneurs face similar challenges globally, but some barriers are magnified due to cultural factors:** For instance, in China, many business connections are built on networking through late night events, drinking and smoking. Women are often excluded from such events due to cultural norms (Scott and Jin, 2014).

**Singapore is emerging as a vibrant entrepreneurial hub, but there is no evidence of special remedies to specifically target female entrepreneurship:** Singapore has created a strong ecosystem for entrepreneurship through a hospitable business environment; strong government support; and active government involvement for fostering a social movement and culture of entrepreneurship, including through creating entrepreneurship through tertiary education (Anthony, 2015; PWC, 2016). While well-rounded support for entrepreneurship is provided through infrastructure, funding and advocacy, there does not appear to be any specific measures aimed at increasing female entrepreneurship.

Singapore also has a low female to male entrepreneurship ratio, and research (Saul and Mickiewicz, 2011) suggest that there is significant opportunity for Singapore to increase its activities to support female entrepreneurship.

**Singaporean women cite gender differences as a major challenge to starting a business:** Among six countries surveyed for women’s entrepreneurship (Singapore, South Africa, Australia, New Zealand, Canada and Ireland) (McClelland *et al*., 2005), Singapore had the highest percent of respondents (100 percent) who cited gender difference as a major challenge to starting a business. However, once the business was established and the business performance had been proven to stakeholders, this challenge declined.

**Main recommendations**

Based on the articles reviewed, the key measures to improve the ecosystem for female entrepreneurship are:

* create more effective networking opportunities
* educate and sensitise funders and investors about female entrepreneurs to reduce gender stereotypes
* promote the business success of women rather than focusing on gender stereotypes.

Advocacy and PR around success stories of women entrepreneurs in the media will also lead to a change in mindset regarding female entrepreneurship. Moreover, better information about female entrepreneurship in Singapore could facilitate more targeted action across the ecosystem.