

Executive summary

There are persistent gender gaps in entrepreneurship

Women are less likely to be entrepreneurs than men...

Women, overall, are less involved in entrepreneurship than men. For example, women in OECD countries are 1.5 times less likely than men to be working on a business start-up. This gap varies greatly across countries, however, there is no OECD country where women are more active than men in business creation. The gender gap – when measured by the share of women and men who are self-employed – had reduced between 2000 and 2019 in 25 out of 31 OECD countries, where data are available (covering a period before the onset of the COVID-19 pandemic). This progress reflected factors such as improving framework conditions and women's entrepreneurship policies, as well as a slight decline in the share of men who are self-employed.

...and tend to operate smaller and less dynamic businesses

Women entrepreneurs tend to operate different types of businesses than men. Women-operated businesses are most likely to operate in personal service sectors, retail, tourism, health care and education. Moreover, women entrepreneurs tend to operate businesses that are less likely than those operated by male entrepreneurs to create jobs for others, export, or to introduce new products and services.

These gender gaps are caused by many inter-related factors...

The explanations for these gaps are not clear-cut. Some of the differences are due to institutional barriers that constrain women in entrepreneurship. These include family and tax policies that discourage labour market participation and entrepreneurship, and negative social attitudes towards women's entrepreneurship. There are market failures, for example in financial markets, which make it more difficult for women to access the finance needed to be successful in business creation and self-employment. Furthermore, public policy initiatives aimed at addressing barriers to entrepreneurship may not be effective at reaching potential women entrepreneurs. However, it is important not to overlook the element of personal choice, since women often have different motivations and intentions in entrepreneurship compared to men.

...and the COVID-19 pandemic risks undoing progress made in closing the gender gap

The evidence suggests that women entrepreneurs have been hit harder by the COVID-19 pandemic. The impacts, in large part, reflect the sectors in which they operate and disproportionately higher burdens managing domestic responsibilities, such as home-schooling, during confinement periods. Other factors were at play. Initial emergency policy support measures for entrepreneurs and small business owners were gender biased, such that women had greater difficulties accessing relief. The combination of greater impacts on women-owned businesses and uneven access to COVID-19 support measures may result in the pandemic erasing much of the progress made in strengthening women's entrepreneurship over recent years.

Governments are using a wide range of instruments to encourage and support women's entrepreneurship but work remains

The policy insight notes in this report argue that mainstream entrepreneurship policies and programmes are not gender-neutral. Explicit approaches are needed to address barriers to entrepreneurship that are experienced differentially by men and women, and to ensure that women have equal access to policy support aimed at entrepreneurs.

To an extent, this reality is recognised by the wide range of dedicated policy interventions for women's entrepreneurship that have been put in place internationally across many contexts. The interventions address barriers in the areas of entrepreneurship culture, entrepreneurship skills, access to finance, entrepreneurship networks and ecosystems, and regulatory institutions, as well as approaches to designing and delivering policies to achieve gender equality. These approaches illustrate the dynamic nature of women's entrepreneurship policy, as well as the gains that are being made as policy makers recognise the needs and contributions of women entrepreneurs.

However, women's enterprise policy initiatives are often fragile – time-limited, small-scale, sparse, symptom-oriented – and not sufficiently underpinned by a genuine vision and framework for women's entrepreneurship. To address these limitations, there is a need to increase awareness and knowledge about policies that engage and support women entrepreneurs within entrepreneurial ecosystems. Adherence to gender-blind entrepreneurship policies will be ineffective in achieving the benefits to be had from truly stimulating equal opportunities in entrepreneurship.

There are three main priorities for further policy development:

Overarching policy frameworks for women's entrepreneurship need to be introduced

Governments need to ensure that policy interventions are appropriate for the institutional, cultural and social contexts. The policy insight notes describe vastly different contexts, ranging from developed economies where gender inequalities persist but are relatively subtle to developing economies with strong patriarchal systems. Women's entrepreneurship policy can be effective in any context, but the objectives, instruments and delivery mechanisms must be selected accordingly.

Women's entrepreneurship policy interventions must reflect context

In some countries, policy frameworks for women's entrepreneurship are well-developed and women's entrepreneurship programmes work effectively towards the global objectives and priorities set out in these frameworks. However, in other countries, women's entrepreneurship policies are incomplete or ineffective, often because the programmes are not consistent with global policy objectives. Governments should do more to strengthen policy frameworks for women's entrepreneurship. They also need to dedicate greater resources to ensure that programmes are informed by frameworks and are sustainable in the long-term.

More evaluation evidence is needed as a foundation for scaling policy initiatives

A wide variety of policy instruments and delivery approaches have been put in place in many countries. A key challenge is to assess the effectiveness of these approaches in different situations and different combinations and to scale and transfer the most effective approaches. More evidence is needed on the effectiveness of women's entrepreneurship supports in different contexts. This includes, for example the impacts of measures for training and mentoring, financing, and the role of measures that influence underlying institutional conditions. Information is also needed on the extent to which measures need to be applied as packages. The lack of evaluation evidence represents a lost opportunity to learn from high impact policy interventions and may lead to the vulnerability of women's enterprise programme funding.