

Defining and Characterizing Women Entrepreneurship

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Abstract

Entrepreneurship plays a key role in sustaining economic development, ensuring economic growth, launching innovative products and/or services, and satisfying social needs of communities and/or societies. Last decades have witnessed the rapid development of women entrepreneurship all over the world. As women have been increasingly involved in business startup since the beginning of the 21st century, the number of women entrepreneurs has soared in most countries of the world. The paper aims to briefly define and characterize women entrepreneurship. To attain the purpose of the paper the author used a qualitative scientific research method. The paper contributes to the expansion of the scientific literature regarding women entrepreneurship. It analyses various definitions and identifies several main characteristics of women entrepreneurship.

Key words: women entrepreneurship, entrepreneurship, women entrepreneurs, women

J.E.L. classification: L26

1. Introduction

Entrepreneurship plays a key role in sustaining economic development, ensuring economic growth, launching innovative products and/or services, and satisfying social needs of communities and/or societies. Last decades have witnessed the rapid development of women entrepreneurship all over the world. In 2022, the global women's startup activity reached 10.1% against 12.7% for men (Global Entrepreneurship Monitor, 2023) and, in 2023, 10.9% women compared to 13.8% men (Global Entrepreneurship Monitor, 2024).

A plethora of factors, such as socio-economic progress, better access to education and higher urbanization, led to a spurt in women entrepreneurship. As women have been increasingly involved in business startup since the beginning of the 21st century, the number of women entrepreneurs has soared in most countries of the world. It is said that one in three businesses are owned by women at a global level (Halim, 2020) which demonstrates their contribution to increasing economic development worldwide (Brush *et al*, 2012; Sajjad *et al*, 2020).

This is why encouraging and supporting women to set up their own businesses and become entrepreneurs constitutes an important issue in the policy-makers agenda. In this respect, the European Union (EU) created the online-platform WEgate and the Enterprise Europe Network (EEN) in order to support women entrepreneurs (WEgate, 2024) and to facilitate the connections among them (Enterprise Europe Network, 2024), and the World Bank launched the Women Entrepreneurs Finance Initiative (World Bank Group, 2024). Moreover, numerous studies about women entrepreneurship and women entrepreneurs have been published in recent decades (Fischer *et al*, 1993; Shelton, 2006; McGowan *et al*, 2012).

The paper aims to briefly define and characterize women entrepreneurship. This study is structured as follows: the theoretical background is displayed in the second part. The next part of the paper illustrates the research methodology. The findings are presented in the fourth part. The conclusions are shown at the end of the paper.

2. Theoretical background

In the past decades, women entrepreneurship has increasingly become a subject of interest for researchers and practitioners all over the world. Numerous studies regarding this topic have appeared in the literature as women entrepreneurs play an important role in the global economy (Organisation for Economic Co-operation and Development, 2021). For example, they are job creators and income generators (International Finance Corporation, 2024).

Originating in the United States of America (Jennings *et al*, 2013), the field of women entrepreneurship emerged in the 1970s (Yadav *et al*, 2016). Women entrepreneurship is defined as:

- “an act of owning a business which makes women economically independent” (Chhabra *et al*, 2020, p.77).
- „an expansive concept much more profound than the merging of ‘women’ and ‘entrepreneurship’” which „signifies a move towards the path of empowerment, approaching the world of business through innovation and a distinct outlook” and it is about “women taking charge in the business world, exploring opportunities and driving their companies towards success” (Stewart, 2023, p.1).
- “the process of creating, managing, and developing a business enterprise by a woman or group of women” which “involves the identification of opportunities, developing and executing business strategies, managing financial resources, and taking calculated risks to achieve business objectives” (Geektonight, 2024, p.1).
- „an act of business ownership and business creation that empowers women economically, increases their economic strength, decision making capacity as well as position in society” (Law Insider, 2024, p.1).

The above-mentioned definitions emphasize the fact that the concept of women entrepreneurship puts women in the center of its process. Women are the main actors within this type of entrepreneurial process because they create and develop businesses. Consequently, a women-owned business represents “a business that is than 50 % owned by one or more women, whose management and control lie with one or more women, where a woman is a signatory of the business’s legal documents and financial accounts, and which is operated independently from businesses that are not owned by women” (International Standard Organization, 2021, p. 1). Achieving business success in a highly turbulent (Toma, 2005; Toma *et al*, 2015) and increasingly digitalized (Toma *et al*, 2018a) environment requires women entrepreneurs to design and implement clear strategies (Toma *et al*, 2016a; Toma *et al*, 2016b) and sound business models (Tohănean *et al*, 2018; Toma *et al*, 2019) which comprise various ingredients, such as strategic planning (Toma, 2008a) and thinking (Toma *et al*, 2013a; Toma *et al*, 2016c), strong leadership (Cornescu *et al*, 2004; Catană *et al*, 2020), agile management (Toma, 2023), lean management (Naruo *et al*, 2007; Marinescu *et al*, 2008), quality management (Toma, 2006; Toma *et al*, 2009), entrepreneurial (Grădinaru *et al*, 2017; Grădinaru *et al*, 2018) and creative (Toma *et al*, 2013b; Toma *et al*, 2018b) mindset, social responsibility (Toma *et al*, 2011; Imbrișcă *et al*, 2020) and corporate citizenship (Toma, 2008b; Marinescu *et al*, 2010), marketing mix (Toma, 2013c; Catană *et al*, 2021), Six Sigma (Toma, 2008c) and balanced scorecard (Toma *et al*, 2010).

The global progress of women entrepreneurship is measured through various indicators, such as the Mastercard Index of Women Entrepreneurs which comprises the following three components (Mastercard, 2024):

- women’s advancement outcomes,
- knowledge assets and financial access,
- entrepreneurial supporting conditions.

All in all, women entrepreneurship has represented one of the fastest rising topics in the business literature since the start of the 21st century (Gundry *et al*, 2002; de Bruin *et al*, 2006). Following this trend, the paper tries to identify some of its main characteristics in the fourth part.

3. Research methodology

To attain the purpose of the paper the author used a qualitative scientific research method. First, he obtained the needed information from various secondary data sources, such as books, reports and articles. Second, the author reviewed the literature. Third, he carefully analyzed the information. Then, the author wrote the paper.

4. Findings

Since its emergence, women entrepreneurship has expanded all over the world. Important advancements were recorded in the majority of the countries of the world. However, women in high income economies are better placed than others and United States, Switzerland and Canada are good examples (Table no. 1 and Table no. 2).

Table no. 1. Mastercard Index of Women Entrepreneurs 2020 global ranking

Ranking	Country	Score
1	Israel	74.7
2	United States of America	74.0
3	Switzerland	71.5
4	New Zealand	70.1
5	Poland	68.9
6	United Kingdom	68.7
7	Canada	68.6
8	Sweden	68.3
9	Australia	67.5
10	Spain	67.3

Source: (Mastercard Index of Women Entrepreneurs, 2020)

Table no. 2. Mastercard Index of Women Entrepreneurs 2021 global ranking

Ranking	Country	Score
1	United States of America	69.9
2	New Zealand	69.8
3	Canada	68.6
4	Australia	67.2
5	Switzerland	66.7
6	Taiwan	66.3
7	Germany	66.2
8	Israel	65.3
9	United Kingdom	64.9
10	Sweden	64.9

Source: (Mastercard Index of Women Entrepreneurs, 2022)

A comprehensive literature review allowed the author to better understand the concept of women entrepreneurship and to decipher some of its key characteristics. Starting from the above-mentioned definitions and based on the review of numerous studies, he concluded that:

- Women entrepreneurship has become a global phenomenon and, therefore, constituted a topic of interest for many people around the world.
- As society has recognized the high potential of women, governments and policy-makers worldwide have understood the importance of promoting and stimulating women entrepreneurship.
- The intensity of women entrepreneurship varies across the world.
- Women entrepreneurship contributes to economic development.
- In spite of the fact that gender bias still persists in various aspects of the business world, women entrepreneurship is continuously growing at a global scale.
- Women entrepreneurship places women entrepreneurs at its core.
- The gender gap makes more difficult for women to establish a business.

- Women entrepreneurship can bring new and innovative solutions to a plethora of problems.
- Women entrepreneurship is present in any industry and service of economy.
- In most cases, women entrepreneurship provides women the possibility of gaining their economic independence.
- As women are also involved in household activities, women entrepreneurship may lead to an imbalance between their personal and professional life.

5. Conclusions

Despite the existence of a gender bias, women entrepreneurship succeeded in becoming a topic of interest for both theoreticians and practitioners. From a theoretical point of view, the concept of women entrepreneurship has been and is still analyzed from various perspectives. This is why numerous studies and books were published worldwide on this topic. From a practical point of view, the emergence and development of women entrepreneurship represents a global phenomenon. In this respect, there are numerous initiatives and programs aiming at promoting and stimulating women entrepreneurship.

The paper contributes to the expansion of the scientific literature regarding women entrepreneurship. It analyses various definitions and identifies several main characteristics of women entrepreneurship. Further studies may broaden this research by emphasizing other important elements of women entrepreneurship.

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