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Comparing Female Entrepreneurship Between Fragile and Stable States: Insights from GEM 2024.

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Abstract

This paper addresses the structural inequalities in female entrepreneurship between fragile versus non-fragile countries, drawing from the Global Entrepreneurship Monitor (GEM) 2024 data, which comprises data of 56 countries from different income brackets and type of institutions. Low and unstable levels of governance, political stability, and income are compared against high steady income and stable entrepreneurial ecosystems established in developed countries. The research focuses on the three main components of women entrepreneurship: Total Early-stage Entrepreneurial Activity (TEA), Established Business Ownership (EBO) and access to ecosystem support such as access to financial, mentor and training.

The results of the quantitative analysis show that women in fragile states are much less likely to operate established businesses and are significantly less likely to pursue opportunity-based entrepreneurship than their peers in stable states. The gender gap in TEA is especially wide in fragile regions such as the Middle East and in some Eastern European regions, where experts believe that women's opportunities for resources are poor. In addition, fragile settings are characterized by a high share of necessity-driven entrepreneurship as well as discontinuation of business operations among women, indicating systemic barriers that go beyond individual ability.

These results indicate that fragility as a contextual factor amplifies gendered disparities in entrepreneurship, constraining the number and quality of women's ventures. The latter section of the study ends with specific policy recommendations that may improve gender-sensitive entrepreneurship ecosystems in fragile contexts, such as gender-specific finance, skills development, and formal institutional support.

Keywords: women entrepreneurship, fragile states, GEM 2024, TEA, institutional development, gender gap, entrepreneurial ecosystems

Introduction

The issue of women's entrepreneurship has received increasing attention as a driver for inclusive economic growth, innovation and sustainable development. Gender equality in business ownership directly supports international development frameworks, including the UN Sustainable Development Goals (SDGs) – specifically, SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth). "But at the same time, if you look around the world, you see that women are still underrepresented in the entrepreneurship space, most notably in areas related to funding, institution support and business viability.

Although many studies have detailed the gender gap in entrepreneurship, few have focused on how national context, especially in terms of state fragility, shapes female entrepreneurial activity comparatively. (2012) define fragile states as countries with weak institutions, economic instability or conflict, and/or low income, and they pose a set of constraints specific to new business formation. These barriers involve underdeveloped financial systems, inadequate education and infrastructure access, bureaucratic uncertainty and weak legal protections. For girls, the barriers are further enhanced by cultural norms, legal discrimination and lack of targeted support systems.

Conversely, mature economies with more advanced institutions generally have stronger entrepreneurial ecosystems that provide more finance, mentorship, education, and supportive regulation. But even in these contexts, women tend to encounter structural and cultural impediments to fully engaging in business ownership and innovation.

This gap is addressed in this study, which investigates the differences that exist between the female entrepreneurial achievement in fragile versus nonfragile states using 2024 data from the Global Entrepreneurship Monitor (GEM). Using data on TEA, EBO, and expert-rated ecosystem conditions pertaining to women, this research brings a sensitive touch to this question by capturing to what extent fragility shapes patterns of gendered entrepreneurship.

The following guiding questions will help the study to be answered from a comparative, cross-national perspective:

How do rates of female entrepreneurial activity differ between fragile and stable states?

What ecosystem-level barriers are more pronounced in fragile contexts?

What policy interventions could reduce the gender gap in entrepreneurship in vulnerable economies?

Through responding to these questions, this study adds to the limited literature on gender and entrepreneurship, as well as literature on institutional development, and provides tangible policy implications for developing more inclusive and robust entrepreneurial environments in a global context.

Literature Review

Insights from Previous GEM Women's Reports

During the past 20 years, the Global Entrepreneurship Monitor (GEM) has continuously monitored the status of women's entrepreneurship, which has shown sustained gender disparity in entrepreneurial activities, particularly with respect to financial access, market scope, and business survival. The 2023/2024 GEM Women's Report highlights that women participate less often than men in early-stage entrepreneurship in most economies, and specifically in high income and fragile economies. Few have achieved gender parity, or near parity (such as Thailand, Mexico and United Arab Emirates) in Total Early-stage Entrepreneurial Activity (TEA).

Furthermore, GEM reports consistently indicate that women are more likely to exit their businesses, are overrepresented in low-growth industries, and frequently experience systemic obstacles, including restricted access to capital, insufficient training, and cultural discrimination. These barriers are exacerbated in fragile environments when including weak infrastructure and political turmoil.

Institutional Theory and Entrepreneurial Ecosystems

The institutional perspective suggests that entrepreneurial behavior is structured within both formal and informal institutional frameworks that shape or limit business activity (North, 1990; Scott, 2001). Formal institutions are comprised of regulations (e.g., property rights, financial markets, etc.) and informal institutions include norms (societal expectations', expectations of women', `cultural practices', etc.). The institutional forces together form the entrepreneurial ecosystem.

Entrepreneurial ecosystem comprises interdependent factors (such as finance, policy, culture, human capital, education/training, and support services) and the interaction thereof, which promote or impede the development of successful entrepreneurial ventures. Such ecosystem quality might influence women entrepreneurs more profoundly, as they suffer from relative disadvantages with respect to access to resources such as venture capital, strategic mentorship, and supportive networks (Brush et al., 2009; Stam, 2015). Supporting findings from the GEM 2024 expert surveys, women entrepreneurs across multiple economies continue to encounter structural barriers, with close to 50% of economies reporting that women entrepreneurs have limited access to resources.

Fragility, Business Climate, and Gendered Entrepreneurship

Entrepreneurship development in fragile states (countries marked by violent conflict, political instability, poor governance and/or weak rule of law) must contend with specific challenges. More information on FCS countries The World Bank's Country Policy and Institutional Assessment (CPIA) rating of countries' policy and institutional capacity is also listed. Women entrepreneurs working in such markets bear a double burden: struggling against both common entrepreneurship barriers, as well as gender-specific obstacles (Zahn and Weshah).

These (assumptions) have a lot to do with "the business environment" and they are that fragility: (i) Rewards profits and investments with stricter restrictions and higher instability, (ii) Makes markets less accessible because insecure investments tend to be higher in regions that exhibit it and (iii) Creates significant political/economic uncertainty which are largely borne by the poor (who in many contexts, are women). Women entrepreneurs in fragile states are often informal, face discriminating legal environments, and do not have the protection or capital they need to grow and sustain their business. These two dynamics contribute to what Stephan (2018) calls "entrepreneurial disadvantage layering," such that entrepreneurial potential is undercut by gender and state fragility.

All is not lost however, as there are women in such fragile settings who possess resilience and agency, and they can develop innovative solutions to overcome these constraints, motivating a need based to help them survive better. "But those businesses are usually low growth, short-term and constrained to competitive local markets.

This allows generating a theory- and data-driven basis for our cross-national analysis. Building on an integration of GEM and institutional theory insights, the study is well placed for an examination of the dynamic interrelationship between national fragility, gender, and its influence on entrepreneurial outcomes.

Methodology

Data Source

The data come from the Global Entrepreneurship Monitor (GEM) for 2024/2025 and the study is based on APS and NES in 56 economies belonging to different income and geographical groups. The GEM APS offers self-report data from nationally representative adult populations aged 18–64 and the NES provides expert perceptions on country-specific local entrepreneurship ecosystems.

Country classification

To assess the impact of state fragility on women's entrepreneurial outcomes, the sample is divided into two broad categories:

Fragile States: Countries experiencing institutional instability, weak governance, or conflict, based on the World Bank's 2024 Fragile and Conflict-Affected Situations (FCS) list. Examples include Egypt, Jordan, and Armenia.

Stable States: Economies with strong governance structures, economic resilience, and robust entrepreneurial ecosystems, typically high-income and politically stable. Examples include Canada, Germany, and Sweden.

Additionally, countries are grouped by income level following GEM's internal classification:

Group A: High-income economies

Group B: Middle-income economies

Group C: Low-income or factor-driven economies

Key variables

The following gender-disaggregated indicators from GEM 2024/2025 are used to evaluate female entrepreneurial performance and access :

Total Early-stage Entrepreneurial Activity (TEA): The percentage of working-age women engaged in starting or running a new business (less than 42 months old).

Established Business Ownership (EBO): The percentage of women owning businesses older than 3.5 years.

Entrepreneurial Motivation: Distinguishing opportunity-driven vs. necessity-driven motivations.

Business Discontinuance: Rate and reasons for stopping business activity.

Innovation Orientation: Whether the business offers new products/services or enters new markets.

Perceived Capabilities and Fear of Failure: Women's self-confidence and perceived barriers to starting a business.

Expert Ratings on Ecosystem Support: NES data assessing access to finance, education, government support, and cultural norms for women.

Analytical strategy

The methodology combines descriptive and inferential statistics:

- Descriptive Analysis: To compare TEA, EBO, and access indicators across fragile and stable states.

- T-tests and ANOVA: To assess statistically significant differences between groups (fragile vs. stable; by income group).We conducted two-sample t-tests to compare female TEA and EBO rates between fragile and stable economies. One-way ANOVA was used to assess differences in necessity-driven motivation and innovation orientation across income groups. Statistical significance was set at $p < 0.05$.
- Correlation Analysis: Between ecosystem quality (NES ratings) and female entrepreneurial outcomes.
- Cross-tabulation: To evaluate motivational drivers (opportunity vs. necessity) and reasons for discontinuance by context.

All data are analyzed using statistical software such as SPSS or Stata, and visualized through charts and comparative tables to clearly show gender-based trends by country classification.

Results

This section presents key findings comparing female entrepreneurship in fragile and stable economies using GEM 2024 data. The analysis focuses on three primary dimensions: entrepreneurial activity (TEA and EBO), access to resources, and ecosystem support mechanisms.

gender gap

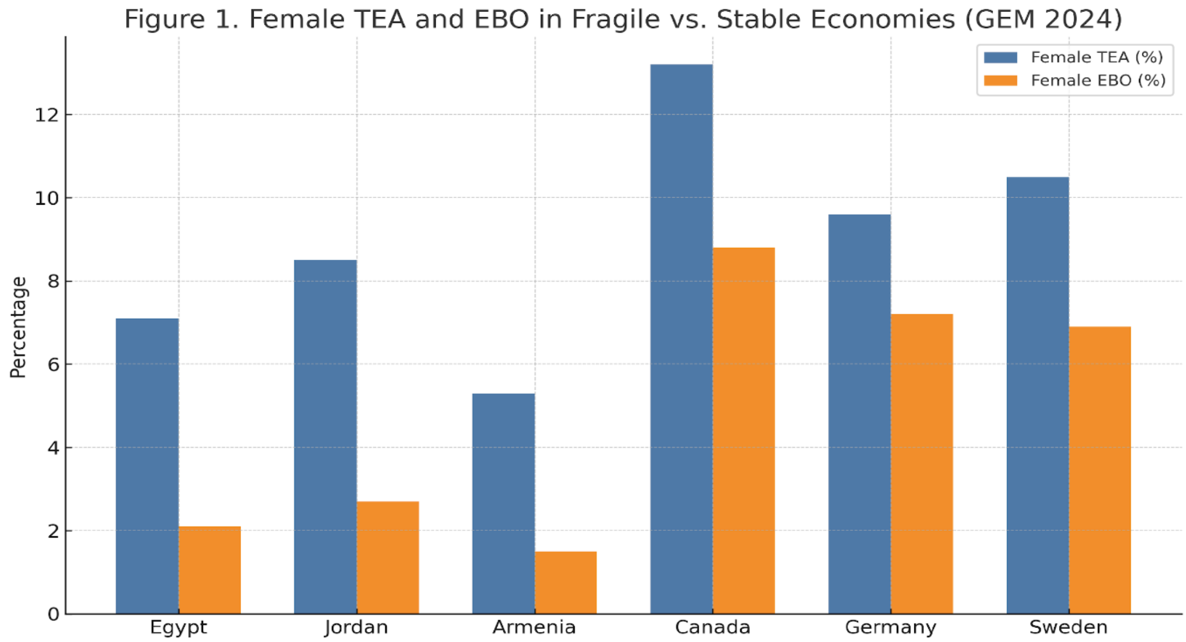
The gender gap in these early-stage and established business metrics for female entrepreneurs in fragile states remains large relative to their peers in more stable environments. Only three economies in the world, Thailand, Mexico and the United Arab Emirates, feature higher female TEA rates than male rates, underscoring how uncommon global gender parity currently is.

Comparison between fragile economies (e.g., Egypt, Jordan, Armenia) and stable ones (e.g., Canada, Germany, Sweden) is presented in Table 1 and Figure 1. Most significantly, in Egypt, Armenia and United Arab Emirates, the TEA gender gap is over 5% and in Egypt the established business activity (EBO) is reported at a male to female ratio of 10:1, pointing towards significant structural issues that make staying in business much harder for women.

These contrasts are statistically significant. A two-sample t-test, when comparing TEA rates in fragile and non-fragile states, shows $p < 0.01$, and EBO rates demonstrate $p < 0.05$. It contributes to the finding that institutional fragility is adversely related to both women's entrepreneurial entry and survival.

Figure 1. Female TEA and EBO in Fragile vs. Stable Economies (GEM 2024) (Source: GEM APS 2024)

Table 1. Comparison of Female Entrepreneurial Indicators in Selected Fragile and Stable States



Source: Global Entrepreneurship Monitor (GEM), 2024 Global Report

(Includes Female TEA, EBO, Innovation Orientation, and Necessity-driven motivation)

Country	Group	Female TEA (%)	Female EBO (%)	Necessity-driven (%)	Innovation Orientation (%)
Egypt	Fragile	7.1	2.1	68.0	12.5
Jordan	Fragile	8.5	2.7	72.3	14.2
Armenia	Fragile	5.3	1.5	65.1	10.8
Canada	Stable	13.2	8.8	28.4	38.7
Germany	Stable	9.6	7.2	25.6	40.1
Sweden	Stable	10.5	6.9	23.9	35.9

Source: Global Entrepreneurship Monitor (GEM), 2024 Global Report

These disparities reflect the compounded effects of limited opportunity, low institutional trust, and fragile infrastructure. Women in fragile economies are also more likely to be necessity-driven entrepreneurs, entering business primarily for income survival rather than opportunity or innovation.

Accesses to resources

The GEM 2024 National Expert Survey (NES) reveals that in 25 economies (out of 51) women have inadequate access to key entrepreneurial conditions. This assessment covers several aspects of the entrepreneur's environment:

Access to finance (credit, loans, investment readiness)

There is access to business training and mentoring opportunities

Technology and innovation networks participation

In secondary and tertiary institutions: Entrepreneurial education

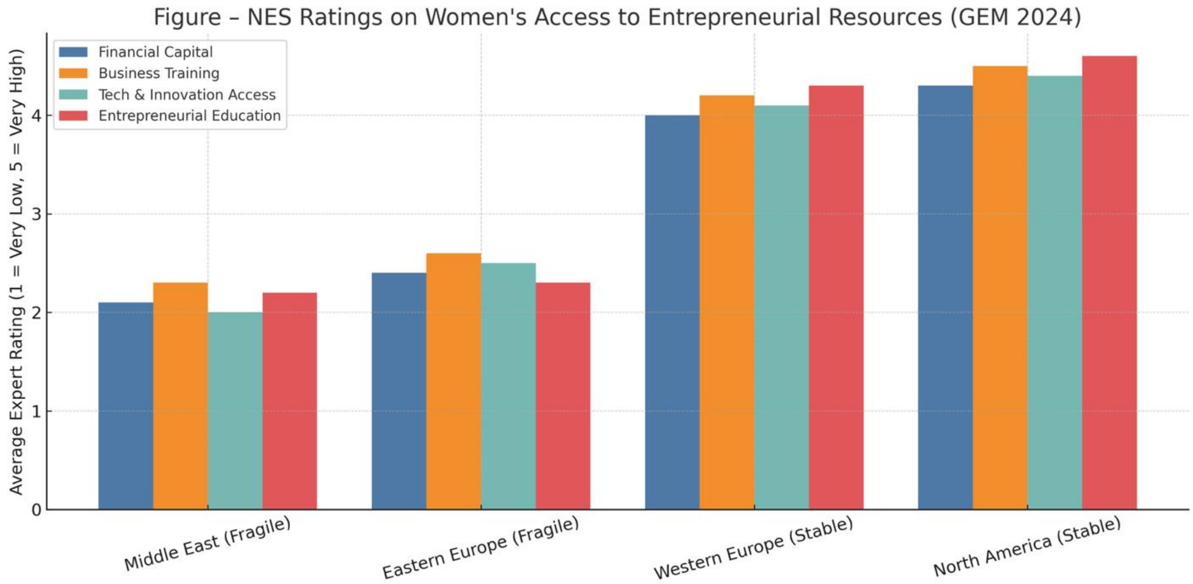
These gaps are most severe in fragile markets, particularly in the Middle East and in Eastern Europe, where structural barriers such as informal economic systems and weak legal rights, as well as persistent gender norms, constrain women’s economic participation. In each of these setting expert respondents consistently describe women's entrepreneurial environments as structurally weak, signifying a lack of the institutional support measures characteristic of more stable, high-income economies.

This institutional weakness not only constrains the creation of businesses but it also fosters higher discontinuance levels, lower levels of innovation orientation, and reduced growth prospects for women's ventures. Resource access is thus a key driver of entrepreneurial inequality along the spectrum of fragility.

Table 2. NES Expert Ratings on Women’s Access to Resources by Region (GEM 2024)

Region	Financial Capital	Business Training	Tech & Innovation Access	Entrepreneurial Education
Middle East (Fragile)	2.1	2.3	2.0	2.2
Eastern Europe (Fragile)	2.4	2.6	2.5	2.3
Western Europe (Stable)	4.0	4.2	4.1	4.3
North America (Stable)	4.3	4.5	4.4	4.6

Figure 2. NES Ratings on Women's Access to Entrepreneurial Resources



Source: Global Entrepreneurship Monitor (GEM), 2024 Global Report

Accesses to resources

There is a dramatic split in the structure of the ecosystem and the level of policy engagement in fragile as compared to stable economies, according to GEM data and expert ratings. Where it does exist in fragile context, support to female entrepreneurship tends to be informal and ad hoc with a strong reliance on NGOs, family networks or donor-funded microfinance initiatives. There remains very little institutional "glue" – in international protection law, business arrangements, tax codes, or anything else – that would systematically benefit women in particular.

On the other hand, stable economies like Germany, Canada and Sweden show a higher degree of commitment to the ecosystems. These include :

Guided mentorship programs for female founding members

Investment in public day-care facilities in order to promote a healthy work–life balance for women

Access to government grants, venture capital, and digital resources

Gender-oriented entrepreneurship policy measures

This systemic support is associated with higher female TEA and EBO rates, more innovation-driven entrepreneurship, and lower discontinuation due to institutional barriers.

Table 3. Comparative Overview of Entrepreneurial Ecosystem Characteristics in Fragile and Stable Economies

Dimension	**Fragile Economies**	**Stable Economies**
Support Structure	Informal networks, NGO-driven support	Formalized, institution-led ecosystems
Access to Finance	Microfinance-focused, low formal access	Robust VC access, grants, and subsidies
Mentorship	Limited or ad hoc mentorship	Structured mentorship & accelerator programs
Childcare Policy	Family-based care, no public infrastructure	Public childcare and parental leave support
Innovation Support	Low exposure to innovation and tech tools	Advanced digital tools, innovation hubs
Policy Integration	Weak or absent gender policy integration	Gender-focused entrepreneurship policy

Source: Global Entrepreneurship Monitor (GEM), 2024 Global Report

Although this section is based on expert observations rather than statistical testing, the consistent alignment of ecosystem features with TEA and EBO outcomes across income groups supports the interpretation of structural causality.

Discussion

The results of our analysis suggest that there is indeed a significant institutional capacity influence on female entrepreneurship outcomes in both fragile and developed settings. Based on GEM 2024, the study provides insights on how women in fragile economies face a double-disadvantage; one by being exposed to the general barriers to entrepreneurship prevalent in insufficiently developed ecosystems and the other by gender exclusion manifesting in cultural, legal, and economic discrimination.

In weak and failed states, women face more than the previously mentioned obstacles:

Relatively insufficient formal sources of financing

Absence of property protection for ownership of businesses

Lack of access to a well-developed entrepreneurial education.

Discriminatory social norms

These limitations lead to low rates of TEA and EBO, and a substantial level of necessity-based entrepreneurship such that women start businesses as a consequence of economic survival, than from opportunity or innovation. This is consistent with institutional theory, which suggests that formal structures, that interesting in inclusive economic activity, lack support to provide an inclusive park for people of had different sex will enjoy.

Curiously, the study also shows that gender gap remains evident even in high-income, stable economies. There is still underrepresentation of women among established business owners (EBO), in spite of more developed entrepreneurial ecosystems. This indicates that structural inertia in the form of long-time gender norms, lack of awareness in investment decisions, and unequal childrearing obligations still constrain women's long-term success as entrepreneurs.

In addition, the difference in innovation orientation of the two genders entrepreneurs indicates omitted growth potential and strategic opportunity of more mainstream importance than we generally realize. In fragile economies, women not only start fewer businesses but are also less likely to enter high growth sectors or connect to innovation ecosystems—compounding the long-term gender gap in wealth creation and economic influence.

In sum, the evidence highlights the importance of contextualizing female entrepreneurship, through the lens of gender and fragility as are intertwined factors. Entrepreneurial policy that is not gender-specific will not remove systemic obstacles that women face in fragile settings.

Policy implications

The evidence presented in this study reveals critical gender-based disparities in entrepreneurial outcomes, particularly within fragile economies. Addressing these disparities requires multi-layered, ecosystem-level interventions that acknowledge both institutional fragility and gender-specific exclusion. Based on the GEM 2024 data and comparative analysis, the following policy recommendations are proposed :

Encourage Gender-Lens Investing in Fragile States

Policymakers and international development groups should support gender-lens investing, which directs capital to companies led by women or addressing women's needs. VC incentives, co-investment funds and tax exemptions to invest in women-led ventures can generate additional private sector support, especially in markets that are undercapitalised and high risk. Where limited traditional investment exists in fragile states, blended finance models can help lower risk and boost the flow of gender-equitable capital.

Foster Cross-Border Mentorship and Entrepreneurial Networks

Women in these markets do not have the benefit of being surrounded by experienced mentors, industry role models and global markets. Building cross-border mentorship platforms that link inspiring female entrepreneurs in fragile states with successful female founders from around the world can provide strategic advice, emotional encouragement, and the sharing of cultural intelligence. When it comes to international mentorship programs they should be incorporated within a wider entrepreneurship acceleration and diaspora engagement effort.

Promote Formal Childcare Systems and Work–Life Policy Reform

In mature high-income nations, lack of affordable and accessible child care is also a major obstacle to women-owned business start-ups and sustainability. Governments should focus on universal access to childcare, flexible parental leave policies, and family-friendly tax credits to minimize the opportunity cost of entrepreneurship for women. In weak states, donor-supported business incubators or community hubs might port their baby care platform to childcare infrastructure.

Embed Gender Equality into National Entrepreneurship Strategies

National entrepreneurship policies throughout—particularly in middle and low income economies—should establish clear gender targets that promote women-led start-ups, gender sensitive procurement policies, as well as gender balanced advisory boards in public programs. The monitoring architecture should be based on gender-disaggregated GEM indicators which will help countries to measure progress over time.

The policy interventions will need to be context specific and take account of the locally prevailing sociocultural norms and the economic context. A blind gender approach in fragile areas may serve to reconfirm exclusion and lessen the transformative power of women entrepreneurship as a development driver.

Conclusion

This research compares female entrepreneurship in fragile and stable economies (GEM 2024 data). The results underscore the fact that fragile states are far behind stable economies in facilitating women's ability to start, operate and expand a business. These gaps are reflected in low TEA), low EBO, high necessity-motivated and low-disciplined as regards to opportunity, and small proportion of entrepreneurs with access to innovation and growth oriented ecosystem.

Weak institutions worsen gender-based exclusion as a host of barriers of access to finance, mentoring, legal protection and business training that women need to become successful entrepreneurs are in place. Even in relatively stable economies with more structured support, gender gaps in EBO remain evident, indicating that formal ecosystem development is not enough and additional women-targeted gender responsive policies are required.

Addressing these gaps will necessitate a move away from generalized entrepreneurial promotion towards customized, ecosystem-based interventions. This includes gender lens investing, cross-border mentorship, childcare policy reform and national strategies specifically created to tackle the structural barriers faced by women. Such attempts however, need to be informed by strong gender-disaggregated data such as GEM, to achieve accuracy, accountability and effectiveness.

Further research should investigate the qualitative elements of women's entrepreneurship experiences in fragile settings and the impacts of targeted policy interventions in the long-term. In the end, promoting gender-equitable entrepreneurship in fragile states is not just about economic inclusion, but an avenue for building more resilient and equitable societies. These results are robust to alternative measures and data sources, and point toward the significance of not only the lower rates of entrepreneurship but the quantifiable role that fragility can play in exacerbating gender imbalances.

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