

# Conditions for high-potential female entrepreneurship

## Individual and environmental factors can lead women to start innovative market-expanding and export-oriented ventures—or block them

Keywords: female entrepreneurship, high-potential entrepreneurship, institutions, export-oriented ventures, high-growth start-up

### ELEVATOR PITCH

Female-led ventures that are market-expanding, export-oriented, and innovative contribute substantially to local and national economic development, as well as to the female entrepreneur's economic welfare. Female-led ventures also serve as models that can encourage other high-potential female entrepreneurs. The supply of high-potential entrepreneurial ventures is driven by individuals' entrepreneurial attitudes and institutional factors associated with a country's conditions for entrepreneurial expansion. A systematic assessment of those factors can show policymakers the strengths and weaknesses of the environment for high-potential female entrepreneurship.

### KEY FINDINGS

#### Pros

- ⊕ Favorable conditions for high potential female entrepreneurship can be measured by the annual Female Entrepreneurship Index.
- ⊕ High-potential female-led ventures can contribute greatly to individual welfare and to regional/national economic development, while also serving as role models for potential entrepreneurs.
- ⊕ Factors that foster high-potential female entrepreneurship include qualities of the individual and of the institutional environment.
- ⊕ Factors interact to form a national entrepreneurship ecosystem with a unique set of strengths and weaknesses, and a country's ranking changes based on ongoing developments.

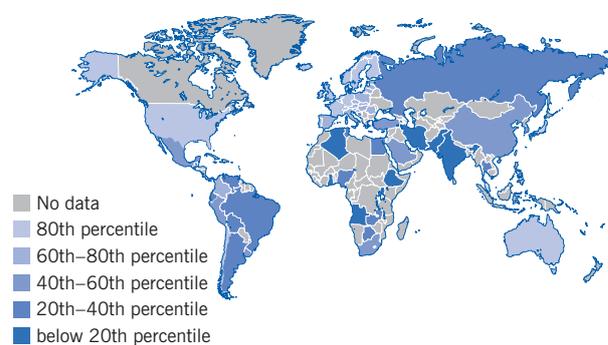
#### Cons

- ⊖ A national index is not a perfect substitute for fully understanding each country's context, and it does not account for potentially vast regional differences within countries.
- ⊖ Despite growing awareness of the importance of high-potential female entrepreneurship, a majority of countries do not have good environments to support high-potential female entrepreneurs.
- ⊖ There are many additional factors that should be considered but for which there are no consistent data.
- ⊖ There are major data gaps for individual countries, particularly in Africa.

### AUTHOR'S MAIN MESSAGE

The growing body of research on female entrepreneurship provides the evidence base for an index on female entrepreneurship, a tool for understanding the individual and institutional factors that influence high-potential female entrepreneurship. Such a tool can guide supportive policies to eliminate country-specific bottlenecks and improve the conditions for high-potential female entrepreneurship, such as increasing the stock of entrepreneurial mentors and start-up networks (social capital), improving access to financing, and ensuring that women have the same rights as men to work and travel freely.

Countries' support of high-potential female entrepreneurship



Source: [1].