

WOMEN ENTREPRENEURSHIP IN GHANA: THE ROLE OF PUBLIC SUPPORT

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Abstract

The article explores the dynamics of entrepreneurship in the socio-economic and developmental context of Ghana. The research specifically focuses on women entrepreneurship, also called female entrepreneurship, in the established literature. In Ghana, as in several other developing countries, women face a unique set of structural, institutional, and socio-cultural challenges that affect their ability to successfully initiate, mitigate, and grow entrepreneurial ventures. The study aims to investigate these gender-specific barriers and opportunities by drawing on a wide array of secondary data sources, including statistical reports, policy documents, and recent academic research focused on gender and entrepreneurship development. By using available data from secondary sources and a review of recently published studies, the article serves as a starting point for policymakers in Ghana on how gender-sensitive public support mechanisms can foster entrepreneurial development. For that purpose, the article provides a conceptual framework that is used as a baseline for future research on women's entrepreneurship in Ghana. Overall, the article contributes to the growing discourse on inclusive development by highlighting how gender-sensitive public support mechanisms can serve as catalysts for sustainable entrepreneurial growth among women.

Key words: women entrepreneurship, female entrepreneurship, Ghana, public support

JEL Codes: J16, L26

Introduction

The research community and established international organizations, such as the United Nations (Rees et al., 2024; United Nations Development Programme, 2024; Sima et al., 2025), argue that entrepreneurship has the potential to drive the economic resilience of African developing countries. However, each of the African countries faces specific challenges at the national level, especially in terms of cultural, economic, institutional and political pillars shaping the local entrepreneurial ecosystem (Molla and Biru, 2023). Nevertheless, the

entrepreneurial landscape across African countries is far from homogeneous. Each country faces a distinct set of contextual challenges and constraints that affect the success and sustainability of entrepreneurial ventures (Molla and Biru, 2023). For instance, while Nigeria is plagued with challenges related to power supply, corruption, and regulatory inconsistencies that hinder small business operations, Rwanda has made significant strides in creating an enabling environment for its entrepreneurs through streamlined business registration processes and strong government support for innovation. Also, Kenyan startups benefit from a more vibrant tech ecosystem but contend with market saturation in urban centers. These variations highlight the uneven terrain of entrepreneurship across the continent (Friederici et al., 2020).

Ghana, the focal country of this study, exemplifies these dynamics. The nation is celebrated for its political stability and democratic credentials in the region. Despite this, the country still grapples with a range of barriers that impede entrepreneurial growth, particularly among women and youth. These challenges include limited access to financial and human capital, bureaucratic inefficiencies, and uneven policy implementation. Also, the interplay of the formal and informal economic practices creates a complex operating environment for entrepreneurs, often requiring them to navigate institutional ambiguities and social expectations simultaneously. Ghana is also, currently classified as a middle-income country with a population of over 30 million people, trying to foster its development by implementing goals and targets of the 2030 Agenda for Sustainable Development and African Union Agenda 2063. In line with the Sustainable Development Goals (SDGs), Ghana continuously strives to mitigate the gender gap in the labour market and enhance social cohesion and quality of life (United Nations Development Programme, 2024). In this way, additional support for women's entrepreneurship might be an opportunity to decrease the unemployment rate, increase female participation in the labour market, and enhance (productive) entrepreneurial activity in the country (Dvouletý and Orel, 2020).

Therefore, this study aims to explore the available data sources concerning gender differences and critically reflect upon how women's entrepreneurship in Ghana can be supported through various public interventions and policies. The article provides a conceptual framework that can be used as a baseline for future research on women entrepreneurship and policymaking in Ghana.

1 Literature review and theoretical foundations

The overall levels of entrepreneurship in Ghana are, based on the available data from the Global Entrepreneurship Monitor (2025), relatively high compared to global standards. Yet they reflect only the years when the Global Entrepreneurship Monitor was done, which were the years 2010, 2012 and 2013. New data are not available. As such, the findings may not reflect current entrepreneurial dynamics or recent policy impacts. The latest available data from 2013 reported that the total early-stage entrepreneurial activity (TEA) was 25.8%, the established business ownership rate (EBOR) was 25.93, and the female-to-male TEA was 1.19. The more recent data from the United Nations Development Programme (2024) estimates that women constitute approximately 46% of entrepreneurial activity. This data offers updated insights into gender-specific entrepreneurship trends and also highlights the persisting gender gap and the disproportionate concentration of female entrepreneurs in the informal sector. This trend underscores the need for current, comprehensive data and gender-responsive policy interventions to ensure that women's entrepreneurial contributions are not only recognized but also supported within the formal economic framework.

Thus, more males than females are engaged in entrepreneurial activity. Despite the country's relatively high engagement in entrepreneurship, we need to outline that women mostly dominate the informal sector, thus being part of the shadow economy (United Nations Development Programme, 2024). Rees et al. (2024) explain that women entrepreneurs in Ghana struggle to legalize their business due to the prevailing value system, which still includes patriarchal beliefs and gender stereotypes, therefore questioning women's legitimacy by the family and local community. This results in women being restricted from enhancing their education and skills, representing an obstacle to creating and managing a productive and successful enterprise (Asante and Lao, 2024). This is an issue, especially for the youth generation of Ghanaian women who have limited skills, struggle to find jobs and result in unemployment. These barriers are acute for the younger generation of Ghanaian women, many of whom already struggle with high youth unemployment and limited access to quality education or vocational training. Therefore, enhanced access to training funded through the government aims to overcome the initial barriers and allow them to start an active and legitimate career (Quagraine, 2016). Government-supported training initiatives, as noted by Quagraine (2016), can play a pivotal role in equipping women with the tools needed to transition from informal, vulnerable self-employment to more stable, legitimate business operations.

We can adapt the human capital theory to support this assumption based on the existing theories. The Human Capital Theory of Becker (1964) posits that individuals and organizations can improve productivity and performance through investments in knowledge, skills, and competencies. In the entrepreneurial context, public interventions such as training programs, mentorship, and business development services serve as critical vehicles for enhancing the human capital of women entrepreneurs. These non-financial support mechanisms equip business owners with the tools, information, and strategic thinking needed to improve operations, access markets, and innovate (OECD, 2023; Cowling and Dvouletý, 2024). In Ghana, where many women-owned enterprises operate in the informal or micro sectors with limited formal education or exposure to structured business development opportunities, public support has the potential to bridge this critical gap. This often results in suboptimal business practices, poor recordkeeping, low productivity, and restricted access to formal credit. By offering structures and sustained human capital development programs, public institutions and development partners can help bridge these gaps, equipping female entrepreneurs with the skills and confidence needed to formalize their businesses, scale operations, and compete more effectively in both domestic and international markets.

Another challenge for Ghanaian women entrepreneurs is access to financial capital to start their own ventures. Policy response could then address better access through financial forms of support, especially through start-up grants, interest-free loans or the promotion of micro-financial institutions (Oteng-Abayie et al., 2023). A combination of human and financial capital would then provide sufficient resources for challenging youth unemployment and enhancing legitimate (official) micro, small, and medium-sized enterprises. While many women in Ghana possess innovative ideas and entrepreneurial potential, their ability to translate these into sustainable business ventures is often constrained by limited access to essential resources, particularly financial capital.

We can also adapt the Feminist Theory to support this assumption by examining how structural gender inequalities influence women's access to entrepreneurial opportunities and resources. Rooted in the broader discourse of social justice, this theory challenges the systemic power imbalances and patriarchal norms that have historically marginalized women in economic and public life. In the context of entrepreneurship, this theoretical lens shifts the focus from individual capacity alone to the broader social, cultural, and institutional barriers that shape women's entrepreneurial experiences and outcomes (Jamali, 2009). Public interventions, when designed through a gender-sensitive and feminist lens, can play a transformative role in

dismantling these structural barriers. Beyond providing technical skills, such interventions must actively address gender biases, empower women to claim space in male-dominated sectors, and challenge institutional frameworks that perpetuate inequality (Dhiman, 2023). For instance, programs that combine entrepreneurship training with gender rights education, leadership development, and legal literacy can enhance women's agency and enable them to advocate for more inclusive policies. Moreover, support systems that provide childcare services, promote shared domestic responsibilities, or recognize unpaid labor are essential to ensuring equitable participation in entrepreneurship. In Ghana's context, adopting a feminist approach to women's entrepreneurship policy means more than merely including women in existing programs—it requires rethinking the entire ecosystem to prioritize inclusivity, voice, and power redistribution. By recognizing the interplay between gender and entrepreneurship, development actors and policymakers can create more holistic and sustainable interventions that not only improve business outcomes but also contribute to the broader goals of gender equality and social transformation.

The relevant theoretical approach originates in the Resource-Based View theory, advanced by Barney (1991), which focuses on the internal and external resources that firms can use to gain and sustain competitive advantage. According to the Resource-Based View theory, valuable, rare, inimitable, and non-substitutable (VRIN) resources, such as industry-relevant knowledge, networks, and institutional linkages, are essential for superior firm performance. Women entrepreneurs often operate in environments with limited institutional support, restricted access to credit, and social norms that inhibit business expansion (Ghosh et al., 2018). As such, the ability to acquire and leverage VRIN-type resources is critical for achieving business stability and growth. In the context of women entrepreneurship in Ghana, the RBV theory underscores the critical importance of both human and financial capital as key determinants of entrepreneurial viability and competitiveness. In the context of entrepreneurship, especially among women in Ghana's informal and shadow economy, this framework offers a compelling lens through which we can analyze the constraints and opportunities that pertain to women's entrepreneurial performance. Human and financial capital emerge as very crucial resources within this theory (Taher, 2011). In Ghana's resource-constrained informal economy, women's access to these forms of capital often determines their ability to innovate, formalize their businesses and expand their operations. Thus, by applying the RBV theory to the study of women's entrepreneurship in Ghana, one can better understand

not only the internal resource configurations that lead to success, but also the structural limitations that hinder the accumulation and strategic development of such resources.

2 Conceptual framework

The introduced theoretical approaches and observations from previous studies identified youth unemployment and shadow-economy-based women entrepreneurs as policy objectives to be addressed by the public policies promoting entrepreneurship. Inspired by the systematic work of Romanello et al. (2025), we present a conceptual framework in Figure 1, which includes the stated objectives for the Ghanaian entrepreneurship policies (e.g., reduced unemployment and improved entrepreneurial performance), theoretical approaches (e.g. human capital theory and resource-based view) that would help to understand the link between the policy initiatives (e.g. mentoring and training activities) and improvements of the policy recipients over the time (e.g. youth women).

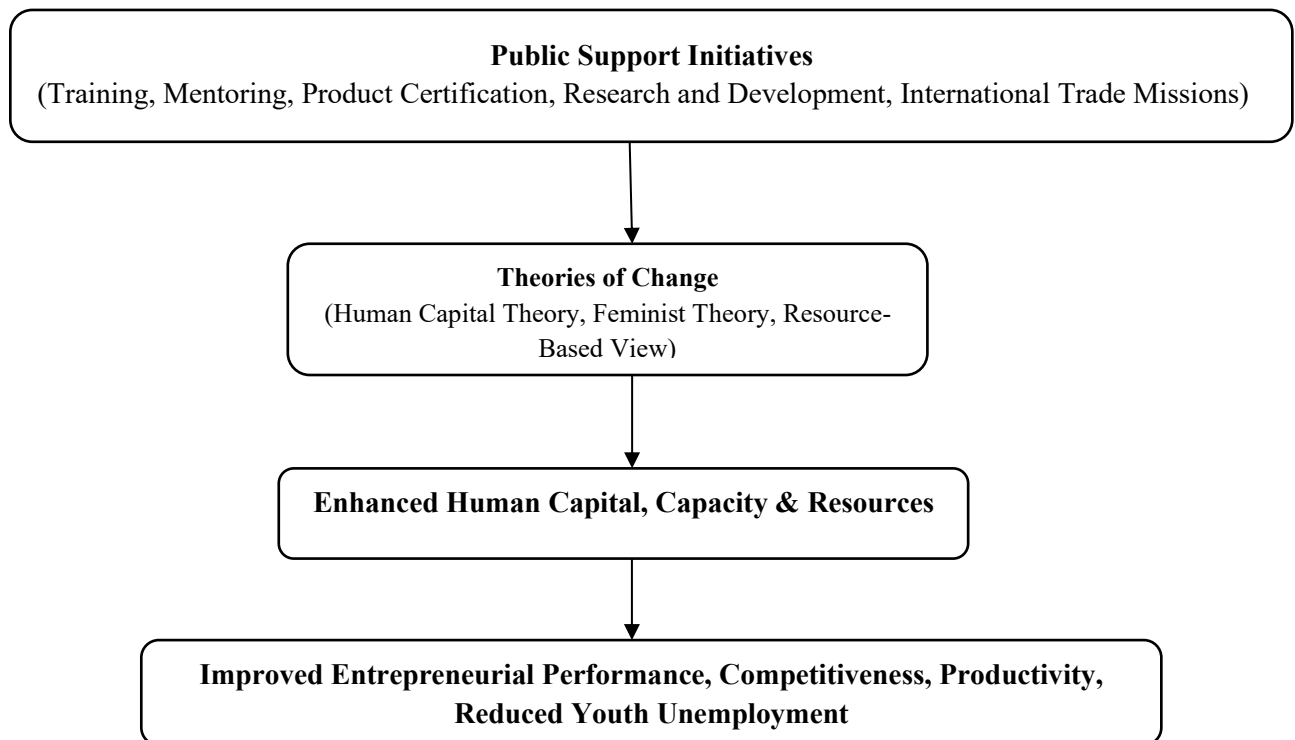
By aligning public interventions with these theories, the framework conceptualizes entrepreneurship policy as not merely a tool for business generation but as a developmental strategy that builds capabilities over time. The incorporation of structured support mechanisms is expected to create a ripple effect, leading to increased entrepreneurial success, sustainable employment, and greater formalization of economic activities among marginalized populations. Furthermore, the dynamic element of the framework anticipates the iterative nature of policy implementation and beneficiary growth, accounting for continuous learning, adaptation, and feedback. This framework articulates a policy logic model that connects clearly defined objectives for Ghanaian entrepreneurship policies, such as reduced unemployment, increased formalization of businesses, and improved entrepreneurial performance, with the mechanisms by which these outcomes can be achieved. At the core of the framework are the guiding theoretical approaches, namely the Human Capital Theory, the Feminist Theory and the Resource-Based View. These frameworks allow for a more nuanced understanding of how targeted policy interventions, such as skills training, mentorship programs, start-up support, access to microfinance, and business development services, can enhance the competencies, confidence, and long-term viability of policy recipients, particularly young women entrepreneurs.

The starting point would be to map the local entrepreneurial ecosystem actors and existing governmental agencies to review what kind of policies already exist, what their effects are and how these could be adjusted with the proposed theoretical framework so the resources

spent reach the expected outcomes as recommended by the OECD (2023). Based on the internet and local research, we identified the following main agencies to be the subject of further investigation:

- *Ghana Enterprises Agency (GEA)*, website: <https://gea.gov.gh/>
- *Ghana Innovation Hub*, website: <https://ghanainnovationhub.com/>
- *Ghana Climate Innovation Centre (GCIC)*, website: <https://ghanacic.ashesi.edu.gh/>
- *Microfinance and Small Loans Centre (MASLOC)*, website: <https://www.masloc.gov.gh/>
- *The Meltwater Foundation*, website: <https://meltwater.org/>
- *National Entrepreneurship and Innovation Plan*, website: <https://neip.gov.gh/>

Fig. 1: Framework for Policy Support of Female Entrepreneurship in Ghana



Source: Own elaboration based on the previous research of Becker (1964), Barney (1991), Romanello et al. (2025)

Conclusion

This study reinforces the central role of women entrepreneurs in Ghana's socioeconomic progress and stresses the importance of public policies promoting entrepreneurship as a tool to advance female entrepreneurship in the country and reduce its prevalence in the informal shadow economy. Female-focused entrepreneurship policies aiming to enhance women's human capital and the resources required for successfully starting and managing their venture are presented as an option to reduce youth women's unemployment and further enhance the country's economic development through productive entrepreneurship.

The review of existing literature and resources emphasizes the need to continuously monitor entrepreneurial activity in Ghana, for example, through the updated participation in the Global Entrepreneurship Monitor survey. The proposed conceptual framework is introduced as a baseline for the development of the local entrepreneurial ecosystem, mapping its stakeholders, organizations, agencies and existing public policies and understanding their effects. This would open a critical discussion on which existing policies promoting female entrepreneurship are efficient and delivering the expected outcomes and reformulation of those that do not meet the expectations, as outlined by OECD (2023) recommendations.

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