



# Women in social entrepreneurship: challenges and opportunities in EU and beyond

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## Abstract

Women are increasingly becoming engaged in entrepreneurship globally, and it is crucial to understand what can be done to remove barriers, scale-up entrepreneurship access and empower women. In this sense, social entrepreneurship can play a vital role in empowering women in their professional life and business environment. Women-led social enterprises drive positive changes in societal and environmental issues, making significant impact on the lives of women. This paper presents the comparative analysis of challenges and opportunities for women to become social entrepreneurs in six European Union countries—Latvia, Ireland, Germany, Spain, Italy, and France and one country outside the European Union country—Armenia. The evidence shows that the development of social entrepreneurship and forms of social enterprises differ across various focus countries. However, there is a common objective to achieve social impact and benefits for society provided by the social entrepreneurship. Despite existing challenges, women appear to be a majority among entrepreneurs in social entrepreneurship and founders of social enterprises which makes a significant contribution in this area of entrepreneurship. Therefore, national, and local authorities should not underestimate the contribution of the social entrepreneurship to the socioeconomic development and increasing role of women in entrepreneurship in general and social entrepreneurship in particular that will help to increase the welfare level in society and stimulate economic growth.

**Keywords** Social entrepreneurship · Social enterprise · Women · Social impact

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## Introduction

This research contributes to the discussion on the development of social entrepreneurship and its role in promoting women entrepreneurship, as well as a role of women in achieving social objectives through participation in social entrepreneurship. It emphasizes socioeconomic challenges faced by women in Europe and beyond by targeting six EU countries—Latvia, Ireland, Germany, Spain, Italy, and France and one non-EU country—Armenia.

In 2022, overall, women constituted around 51% of the total European population (Eurostat, 2023a). Although women represent almost half of all employed persons in the EU (46%) they remain underrepresented in managerial positions, accounting for only 35.5. Among the countries researched, the lowest representation in 2022 was recorded in Italy at 29.5% and in Germany at 30.5%, while the highest percentage of employed women at managerial position in Latvia was at 42.7% (Eurostat, 2023b; 2023c). At the same time, OECD average share of women entrepreneurs in 2020 was only 9.2% and from the participating countries only Latvia was above this indicator with share of women employers of 11.3%, while Italy has the lowest share of women entrepreneurs among the OECD countries—2.1% (Dyvik, 2023).

Traditionally entrepreneurship is generally considered a masculine-type activity, especially in certain industries and at the highest levels of growth (Jennings & Brush, 2013). The Eurostat data also reveal that women, primarily driven by their caregiving responsibilities and family commitments, are more likely than men to refrain from seeking employment or primarily seek part-time jobs (Eurostat, 2022; 2023d). As a result, men and women entrepreneurs tend to face very different realities when it comes to accessing and mobilizing the types of resources required for starting and growing a business (Terjesen & Elam, 2009).

Appelbaum et al. (2011) emphasized that women in the corporate world are facing a lots of problem like child-care, stress, depression due to workload and it remains uncondutive for their achievement and growth, so they move toward the entrepreneurship. According to Brush et al. (1999) female-owned businesses in non-traditional sectors are lacking support. In addition, it is argued (Shashtri & Sinha, 2010) that women entrepreneurs need encouragement and support from their families, social circles and most importantly the government. Other authors, such as Cromie (1987, p. 259) and de Bruin et al. (2007) state the motivating factors for women entrepreneurs include economic compulsion, inspiration, stress from fixed job and work, economic necessity etc. and they see entrepreneurship as a means of accommodating their work and childrearing roles and deal with family issues simultaneously.

Simultaneously, a woman entrepreneur is recognized as an enterprising individual having a clear vision to identify market opportunities, immense potential to takes risk, commercial acumen, and motivation to run business (Vinze, 1987). The contemporary women entrepreneurs have emerged as strong economic contributors in global prosperity and growth (Davis, 2012). Women entrepreneurs are increasingly focusing on creating organizations to achieve social goals, driven

by necessity or opportunity, and demonstrating a greater sensitivity toward social problems (Benavides-Espinosa et al., 2012).

The existing literature on women entrepreneurs is limited, especially regarding their distinct characteristics and motivations (Cohoon et al., 2010) and the situation in this respect has not changed much over the last decade, especially in the area of the social entrepreneurship. Factors which attract women to social entrepreneurship remain a fragmented and conflicted picture, and researchers do not fully understand the capitals (e.g., symbolic, cultural, social) they draw upon to navigate the field.

Research on the enactment of gender norms in social entrepreneurship has shown how the discourse surrounding entrepreneurship is built around the ‘male norm’, a corporate ultra-masculinity (Gupta et al., 2009), pervasive across the eco-system of social entrepreneurship. In contrast, the female entrepreneur is often seen as ‘maternal, caring-giving, nurturing, and struggling to balance work and domestic responsibilities’ (Orser et al., 2011, p. 561). Many industries perceived gender biases negatively affect women’s work experiences and their chances of success (Haddon & Burnard, 2015) and women entrepreneurs face considerable constraints to participation in business associations, chambers and incubation/acceleration programs (Burnard & Stahl, 2021). Furthermore, gender bias can be a real obstacle to women social entrepreneurs raising funds from angel investors (Bischof, 2017). Recent research suggests that within social entrepreneurship there is an increase in leadership niches for women, which allows them to distance themselves from subsidiary roles in male-dominated organizations and lead mixed teams or form single-sex or women-led groups (Haddon & Burnard, 2015).

Following scientific discussion and own findings (Elam, 2008) proposed a *practice theory* view of gender and entrepreneurship and argued that, because of traditional gender beliefs, women entrepreneurs face barriers in access to economic, social, cultural, and symbolic capital. Another important resource of this list is ‘time’, which was added by Shankar (Shankar et al., 2020). Definitions of these forms of capital are as follows:

- Economic capital: Cash and other financial assets that enable one to purchase or trade for resources needed for business creation and growth;
- Time capital: The availability of time to put into business related activities;
- Social capital: A durable network of established social ties through which one can access or mobilize resources needed for business creation and growth;
- Cultural capital: Expertise, education and training credentials, knowledge, and habitus (i.e., mindsets, mental schemas, and ways of thinking, feeling, and doing), which influence access and mobilization of resources needed for business creation and growth;
- Symbolic capital: Legitimacy (related to prestige, social status, and credibility) as defined and enforced in specific cultural contexts, limiting or enhancing individual access to, and mobilization of, resources needed for business creation and growth.

Women entrepreneurs and especially women in difficult circumstances, continue to face the multitasking whirlpool, along with the lack of financial resources,

marketing skills and support services, including poor access to business networks, technology, and digital markets. Competing successfully in today's global economy requires innovation in addition to enabling technological development within industries, organizations, and companies (Carayannis et al., 2017). Therefore, the above listed scarce resources for women entrepreneurship, were considered by authors as even more important for women–social entrepreneurs and they have been considered by researchers conducting qualitative analysis involving surveys and interviews in focus countries. Another important factor for women in social entrepreneurship is care for household and family members, which is also taken into account by this research and described in the following sections.

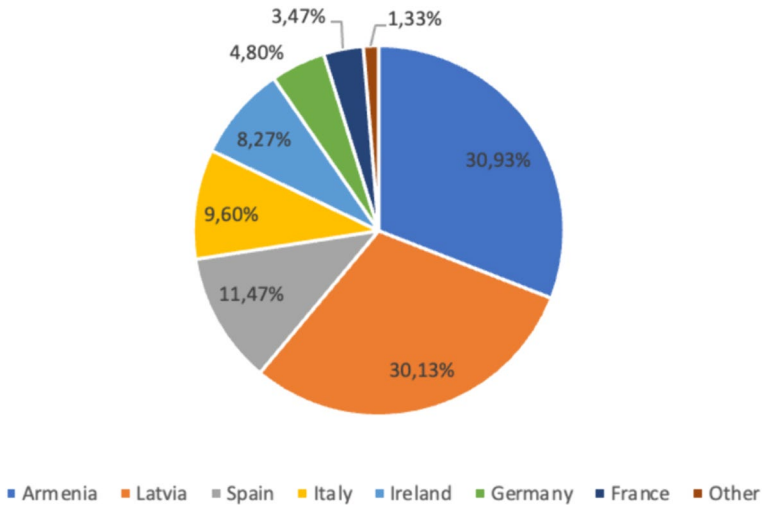
There is numerous evidence about the importance of women-led social entrepreneurship and domination of women in this economic activity. Various studies presented by such prominent groups of experts as those of the British Council stressing the empowerment of women by social entrepreneurship (British Council, 2017), World Economic Forum–The Davos Agenda 2021 emphasized that female social entrepreneurship is key to economic recovery after the Covid-19 crisis (World Economic Forum, 2021), European Social Enterprise Monitor of the Euclid Network 2020–2021 concludes that the primary goal of the social entrepreneurship must be the solution to social challenge and reveals that according to their research social enterprises employ diverse leaderships and staff but most of them are led by women (ESEM) It demonstrates that social entrepreneurship can play a vital role in empowering women in their professional life and business environment. Women-led social enterprises drive positive changes in societal and environmental issues, making a significant impact on the lives of women. In addition, social enterprises can motivate other females to start their business.

## Methodological framework

A special focus of this paper is on women aged 25–55, including those representing vulnerable groups (single mothers, refugees, persons with disabilities, etc.). The research analysis was conducted to map specific information on women social entrepreneurship in six EU countries—Latvia, Ireland, Germany, Spain, Italy, and France and one non-EU country—Armenia.

This research employs both qualitative and quantitative research methods, specifically, literature and desk analysis, statistical analysis, results of a survey launched for a group of women aged 25–55 ( $N=374$ ), interviews with social entrepreneurship experts ( $N=30$ ) in participating countries. Considering that the research represents six different countries, this paper also provides a comparative overview of the social entrepreneurship definition framework and legal forms in these states.

Overall, this paper presents a comprehensive analysis of women in social entrepreneurship or those considering becoming social entrepreneurs, addressing the needs, challenges, competencies, country-specific insights, and examples. It also analyzes the development of social entrepreneurship and social enterprise in researched countries, as well as identifies possible solutions for promoting participation of women in entrepreneurship.



**Fig. 1** The share of female respondents by country of residence. (*Source* created by authors based on the U.POWER questionnaire results  $N=374$ ). \*Other—represents Austria, Slovenia, Luxembourg, UK, New Zealand

The data used for qualitative analysis is gathered from surveys and interviews of target group representatives performed in the framework of the U.POWER (Unlocking the POtential of Women in social EntRepreneurship, 2022-1-IE01-KA220-ADU-000089829) project supported by the Erasmus+ program. Surveys and interviews were conducted in 2023 starting from March until October by project partners.

In total, 374 women from target groups participated in the survey. Most of respondents were from Armenia (30.93%) and Latvia (30.93%) followed by Spain (11.47%), Italy (9.60%), Ireland (8.27%), Germany (4.80%) and France (3.47%). Please, see Fig. 1.

In addition, 30 stakeholders from seven partner countries—three to four experts from each country<sup>1</sup>—were interviewed representing women in social entrepreneurship, educators and mentors, policy makers, and field experts from project partnership countries.

Project partners were personally involved in the data collection process and interviews to make sure that the collected information is valid and reliable. Results of surveys and interviews are also reflected in the U. Power country reports.

<sup>1</sup> Latvia, Armenia, Ireland, Spain, Italy, Germany, and France

## Social entrepreneurship development in participating countries

According to the European Commission's definition: "A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and involves employees, consumers and stakeholders affected by its commercial activities". (European Commission, 2023)

The EC definition is not commonly and directly used in the countries participating in this research. In case of some countries, such as Armenia, Germany, and Ireland—there is not an official definition of social enterprises, thus social entrepreneurship can operate under existing legal forms. While in such countries as—concept of social entrepreneurship is defined more broadly. For example, in France it is more common to use the term "social and solidarity economy" and in Spain—"social economy" having a wider perspective comparing to the "social enterprises". At the same time, in Latvia the social enterprise is defined by the Social Enterprise Law and a legal form of its operation is a limited liability company. The available definitions emphasize the social impact of and benefits for society provided by the social entrepreneurship (See Table 1, Appendix 1). France, Italy, Latvia, and Spain have the law or set of legal regulations formalizing social entrepreneurship. In these cases, the legislation sets a legal framework and criteria for legal forms under which social entrepreneurship can operate. In Ireland, the government has launched the first National Social Enterprise Policy for Ireland in 2019 creating an enabling environment for social enterprise. Armenia and Germany do not have a legislation on social entrepreneurship, as well as an official form of a social enterprise and their criteria are too vaguely defined (See Table 1 in the Appendix 1).

In all countries—Italy, France, Spain, and Latvia, which have a legislation or a policy (Ireland) regulating social entrepreneurship in place, it has been adopted or amended during the past 10–15 years. Like as in a case of Italy, where the development of social entrepreneurship development reaches over 40 years providing an advanced legal framework with clear definitions, criteria, and regulations, which had key shift in 2017 through the introduction of the Social Enterprises Reform Act providing a possibility for non-profit organizations to qualify as social enterprises, defined a new tax regime and financial support. (Legislative Decree 112/2017). This sector in Italy primarily consists of social enterprises (regulated by Law 155/2006) and social cooperatives (Law 318/1991).

In the case of France, the concept of "social and solidarity economy" (SSE) is used to describe social entrepreneurship. It is regulated by the Law No. 2014-856 of 31 July 2014, which establishes a comprehensive regulatory framework to support traditional SSE organizations and new social enterprises.

In the case of Spain, the concept of the "social economy" is more commonly used and recognized in public discourse and policy discussions compared to the term "social enterprises." The social economy concept has gained legal

recognition through the Law on Social Economy (Law 5/2011), making Spain the first EU country to have dedicated legislation in this regard. It aims to support and promote the social economy as a distinct economic sector requiring public support and promotion.

In Latvia, the phenomenon of social entrepreneurship is relatively new. However, due to the strong involvement of social entrepreneurship stakeholders in public discussions, a dedicated legal framework—the Social Enterprise Law was adopted in 2018 which sets criteria for limited liability companies to obtain the official status of a social enterprise and ensures eligibility for applying for state provided support.

From the perspective of providing a legal status for the social entrepreneurship there can be common inherent characteristics identified between countries which have a respective regulatory framework in place as described above in the cases of Italy, France, Spain, and Latvia. These are mostly related to the fact that social enterprises can officially obtain the legal status and they can act according to provided regulatory settings. At the same time, a lot depends on tradition and experience of these countries which differ a lot in terms of principles and criteria used to establish the normative framework.

The situation with the legal recognition providing a clear status for a social enterprise slightly differs in other countries, like Ireland, Germany, and Armenia.

In Ireland, the social entrepreneurship has become a crucial element of the government's plans for revitalizing the business economy in recent years. Awareness of it has significantly grown with the appearance of advocacy organizations and government strategy (National Social Enterprise Policy for Ireland 2019–2022). However, there is a lack of clarity regarding how social enterprise differentiates itself from charity or commercial business.

In Germany, many organizations that could be considered as social enterprises strive to obtain the “public benefit status,” which is applicable to a diverse range of legal forms. In 2019, the Social Entrepreneurship Network Germany took the initiative to address the issue and developed its own definition of social enterprise. It is based on specific criteria derived from this Network and its members (Social Entrepreneurship Network Germany e. V., 2021). According to the study from 2020—Social Economy Berlin (Lorenz, 2020) or OCED In-depth policy review (OECD, 2021) there is a good basis for building social entrepreneurship, as well as common criteria used for defining social entrepreneurship in German states, while the decision to establish a special legal form for social enterprises should be adopted by the Federal parliament. One of the reasons of not adopting an official framework for social enterprises is a strong presence of traditional welfare institutions covering most of the needs of the population in Germany (European Commission, 2020).

In the case of Armenia, where social entrepreneurship is an emerging concept, an attempt has been made to provide a clear definition within a Concept Paper on Social Entrepreneurship, initially developed by the EBRD–Business Support Office in 2017 and now led by Impact Hub Yerevan. There are plans to promote this concept at the governmental level.

The most divergent characteristics are in terms of legal forms which social enterprises can take in different countries. For instance, Sengupta (Sengupta et al., 2018) reveals that there are various types of social enterprises widespread



across Europe, such as cooperatives and other similar accepted forms, associations, and mutual companies. This is also shown by the research of U.POWER project (2023) participant countries that legal forms of social entrepreneurship can vary from the limited liability company (LLC) to cooperatives, etc (See Table 1 in the Appendix 1).

The largest variety of legal forms is available in Spain, France, and Italy (countries where the meaning of SE is having a broader perspective), and Germany—where SE primarily operates based on the self-recognized principle and the most common legal form of a legal entity is the association dealing with relevant social issues. In France a social enterprise can take many different forms (cooperatives, mutual societies, associations, or foundations and various forms of commercial companies (subject to specific criteria), and their internal functioning and activities are based on a principle of solidarity and social utility (OECD, 2017; Euclid Network, 2023). Also, in Italy various legal forms are possible: social cooperatives, associations and foundations, mutual aid societies, limited liability companies, and traditional cooperatives (e.g., community cooperatives). In Spain, the social enterprise status can be legally obtained by associations, foundations, groups, or NGOs.

The situation differs in Latvia, where the Social Enterprise Law stipulates that only the limited liability companies can obtain the “official” status of a social enterprise and ensures eligibility for applying for state provided support (*de jure*). However, there are also entities which consider themselves as social enterprises are operating as NGOs, associations, foundations, etc. (*de facto*).

Irrespective of a legal form, social entrepreneurship it is common for all researched countries that operating social enterprises must serve societal needs and correspond to social objectives, but it involves entrepreneurial or economic dimension, as well as has limitations with respect to distributing and using profits. In order to operate as a social enterprise, it must have social objectives and activities related to solving societal problems. In a case of Ireland, another consideration for any social enterprise is to understand, whether its activities bring it within the realm of charity regulation.

The main areas of social impact in participating countries are also common. These are related to employment, labor relations and integration of vulnerable groups, including people with disabilities; empowerment of women, particularly those outside main urban centers; provision of flexible income generation opportunities to parents of children with disabilities; community (village) development; youth empowerment, etc.

Inclusion of disadvantaged and disabled people is another common area of social impact in researched countries. However, social entrepreneurship can impact many other socioeconomic areas and societal challenges. Another important challenge that social entrepreneurship is addressing is environmental issues and social sustainability (e.g., reduction food waste).

The main economic sectors targeted by social enterprises of countries in focus most often are the service, especially hospitality sector; manufacturing of handmade gifts, souvenirs, and other small items; agriculture, including processed items such as jams, and honey; cultural and artistic activities; sports; social work and assistance; social housing and accommodation; civil protection; environmental services;



education and training; health services; financial and insurance services (insurance advisor, customer manager, etc.).

Obtaining clear and comprehensive statistical data appears to be a challenge for nearly all partner countries. This challenge is largely attributed to the lack of legal framework or the difficulty in measuring a wide range of legal forms, as well as a comparatively small number of social enterprises in some countries. Consequently, measuring the number of social enterprises led by women appears to be challenging. Nonetheless, estimates available in partner countries, including the European Social Enterprises Monitor 2021–2022 (Dupain et al., 2022) data, suggest that in most European countries women play a significant role in the development of social enterprises, constituting most of managers and founders (ranging between 60 and 70%).

Further research of country specific challenges, barriers, benefits and opportunities is taking place in the framework of the U.POWER project, which will result in country-specific conclusions and recommendations for the promotion of female social entrepreneurship in partner countries. However, this is not in a scope of current research paper.

## **Obstacles preventing women from starting social entrepreneurship and needs for support and training**

The obstacles preventing women from starting social entrepreneurship and needs for support and training were studied based on a comparative analysis of survey results mainly coming from target countries<sup>2</sup> involving 374 women who provided their answers. The average age of respondents was 33.4 years. Almost a half of the respondents (49%) were employed, and one quarter of all respondents were self-employed (25%). One tenth of all respondents (10%) were unemployed and one tenth (10%) were students.

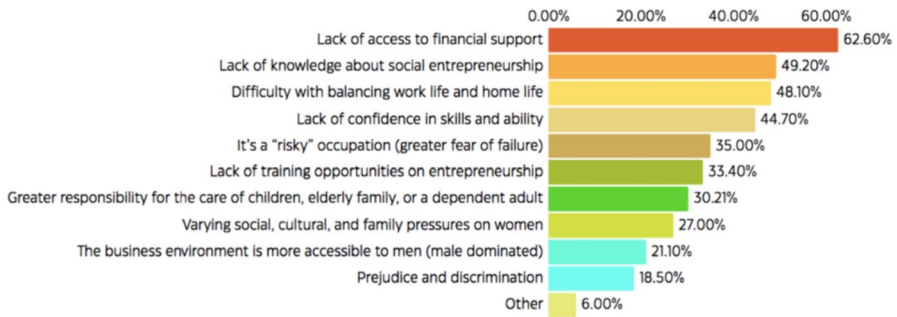
In total, 53% (198) or more than half of the respondents did not identify that they belonging to any of the vulnerable groups<sup>3</sup>. In total, 176 of all respondents (47%) belong to vulnerable groups and around 15% of them have a low-income status and the same part (15%) of the respondents come from rural areas. In many cases respondents were identified having multiple situations. For example, participant who wase on a low income was also a single mother, having a disability or caring for a family member.

All respondents answered the question about their interest of participating in the social entrepreneurship. On the scale from 1 (“Not at all interested”) to 5 (“Yes, definitely interested!”) the average score was 4. This signifies that there is high interest among women to work in social entrepreneurship.

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<sup>2</sup> Latvia, Armenia, Ireland, Spain, Italy, Germany, and France.

<sup>3</sup> Low-income status; living in a rural area; long-term unemployed (over 1 year); single mother; having a disability or having a family member with disability that can reduce employment opportunities; 1st or 2nd generation migrant (ethnic minority); refugee.

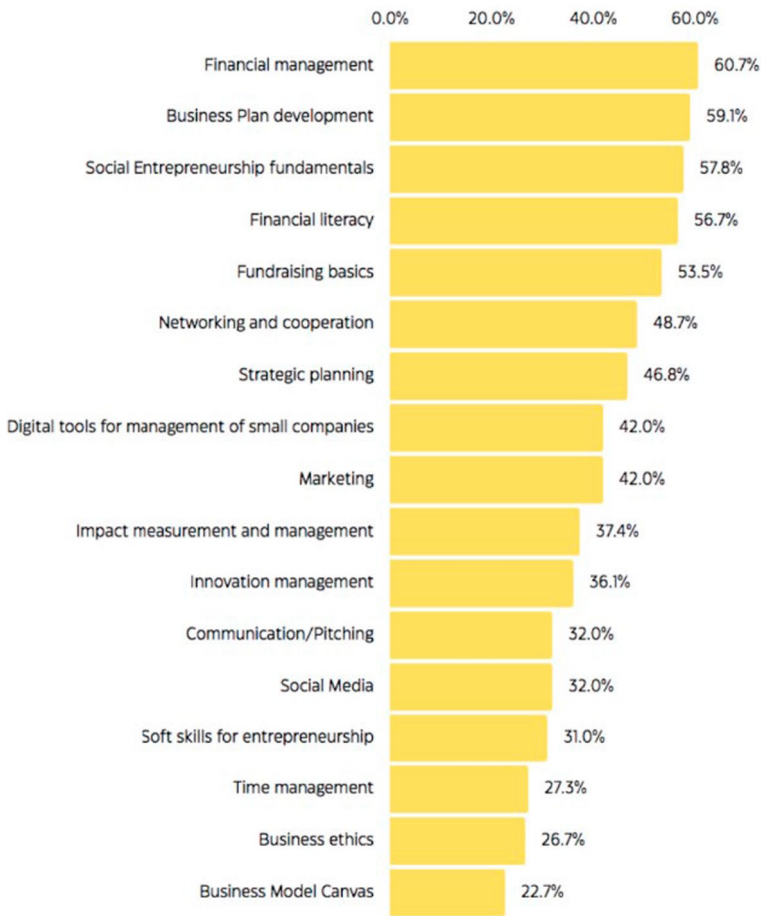


**Fig. 2** Obstacles for women in entrepreneurship. (Source created by authors based on the U.POWER questionnaire results  $N=374$ , multiple responses accepted)

The most prevalent obstacle facing women who want to start social entrepreneurship is the lack of access to financial support (63%) followed by the lack of knowledge about SE (50%), difficulty with balancing work and home life (48%), and lack of confidence in skills and ability (45%). According to the results, most of the respondents (around 80%) do not believe that the business environment is more accessible to men or that prejudice and discrimination is a major obstacle (81.5%). Factors such as a fear of failure, a lack of training opportunities, and social, cultural, and family pressures on women are also at play.

These results were also analyzed for a group of 176 women who were identified as belonging to a vulnerable group. In result, the two most important obstacles for women from vulnerable groups were the same as for an overall group of respondents—lack of access to financial support (65%) and lack of knowledge about SE (45%), while the third most important obstacle with the same impact is varying social, cultural and family pressures on women (45%), which is considered as much more important for vulnerable groups of women than for an overall group of respondents. Surprisingly, difficulty with balancing work life and home life (40%); lack of confidence in skills and ability (38%); greater responsibility for the care of children, elderly family, or a dependent adult (26%) were not weighted as high in comparison. The remaining obstacles, such as a lack of training opportunities (37%), fear of failure (34%), accessibility of the business environment (20%), as well as prejudice and discrimination (17%) had similar weight for both groups of respondents.

The findings of the survey confirm that many women seek ways to balance work and home life, and family issues that hinder their participation in entrepreneurial activities. Unfortunately, important obstacles holding back women in vulnerable groups from getting involved in social entrepreneurship remain. Following the analysis this can be identified that women belonging to vulnerable groups experience more social, cultural, and family pressures, which is an important obstacle for those women to start a social enterprise and lowers motivation to become economically active. Also, the varying social, cultural, and family pressures on women differentiate women entrepreneurs from their male counterparts.



**Fig. 3** Results of answers—which of the topics would you most need to investigate when considering pursuing a career as a social entrepreneur?. (Source created by authors based on the U.POWER questionnaire results  $N=374$ , multiple responses accepted)

The most pressing obstacles identified by all respondents relate to the lack of financial support and knowledge on social entrepreneurship.

Social entrepreneurship encounters similar challenges as traditional enterprises. Therefore, this is important for social entrepreneurs to obtain additional entrepreneurial skills and knowledge, which is confirmed by most survey respondents and could help to overcome barriers to start social entrepreneurship. The lack of knowledge was recognized as the second most important obstacle by half of participants and the lack of training opportunities on entrepreneurship by one third (33.4%). Also, entrepreneurship education and training could help to overcome such barriers as lack of access to financial support which was recognized as the most important obstacle (62.6%) and lack of confidence in skills and ability (44.7%). See also Fig. 2.

From the perspective of educational needs, according to the survey results the most sought-after knowledge was on the topics of financial management (61%), business plan development (59%), social entrepreneurship fundamentals (58%), and financial literacy (57%) and fundraising basics (54%). Topics and interests resulting from the survey are reflected in Fig. 3.

Almost 70% (69%) of respondents (of which 126 women were from vulnerable groups) expressed an interest in participating in training opportunities, specifically opportunities with no fees. Additionally, participants' preferred method of delivery was online, on a flexible schedule. Participants were asked to identify training or support opportunities which were available in their country or region on social entrepreneurship. At the time of filling-in survey respondents were not aware of training or support opportunities on social entrepreneurship. Therefore, the development of training resources is very important to raise awareness and educate on social entrepreneurship and support opportunities.

*Also, findings of researchers (Davis, 2012) confirm that the absence of leaning, training and professional development opportunities for women entrepreneurs is found to be an almost universal phenomenon. In the few examples where training has been planned and provided, the results have been very significant. Further, women and their businesses are disadvantaged by the lack of training available and that this comes at a high cost to their businesses.*

## **Common challenges, benefits and opportunities for women in social entrepreneurship**

The interviews of stakeholders from participating countries provided insight into the drivers behind women becoming social entrepreneurs, the obstacles preventing more women becoming social entrepreneurs, the required competencies, and skills to run a social enterprise. The situation of women from vulnerable groups was also explored.

The interviewed experts confirmed that the social entrepreneurship is more female oriented sector in all seven participant countries, except Italy. While the commercial business sector tends to be dominated by men, social entrepreneurship provides women with their own niche where they can pursue their ideas and vision, achieving self-realization and building confidence. Social enterprises set up by women are often born out of a natural need, as women desire to improve the well-being of society or address environmental issues, reflecting their inherent nature to care for others. Women in social enterprises focus on a different set of issues, such as education, health, and eliminating poverty in comparison to their male counterparts.

All interviewed experts unanimously confirmed that social entrepreneurship is a valuable tool for empowering women and maximizing their potential. Moreover, experts from Spain also believe that women are better equipped to come up with sustainable solutions due to their increased understanding of the complexities of societal issues.

Findings during interviews with experts in Latvia indicate that social entrepreneurship often serves as a transition point for gaining entrepreneurship experience

and skills, which may lead to further transformation into traditional businesses or switch to becoming contracted employees if women conclude that the business activity is not suitable for them.

Common drivers for women to become social entrepreneurs were such factors as the flexibility to manage their schedule freely and allowing them to balance between professional and personal commitments. Women are also motivated by the potential to engage with other women, their empathy to empower others, and the desire for financial autonomy. They are also more likely to hire other women and provide them with opportunities for leadership and advancement.

Experts also stressed that running a social enterprise does not always ensure a stable income and financial stability. Social enterprises require more effort to maintain them in the long term compared to traditional enterprise. Women often must rely on support from their family or financial support available in their state or region. At the same time, it is believed that women are more resourceful in making the most of limited financial resources compared to men thus expanding their entrepreneurial potential.

Following this analysis, it can be assumed that women motivations for starting their own social enterprise differ from those of men because it provides them with more flexibility to manage their time and take better care of their families, as well as to deal with social issues which is not always bringing greater profits. Therefore, women have a greater motivation to create a social enterprise than men that is also confirmed by the research findings which reveal that in most cases, except Italy, social entrepreneurship is a female dominated sector.

The main obstacles preventing women from becoming social entrepreneurs vary across project countries and regions. Based on the results of interviews, some common challenges include: difficulty balancing work and family responsibilities, which are particularly felt in regions with a lack of support services for childcare and for single mothers. Women are often seen as primarily responsible for running the household and taking care of the children, which adds to the complexity of their entrepreneurial endeavors.

Another common obstacle lies in the lack of access to financial resources. Many women may not have savings that could be invested for launching and sustaining a social enterprise due to other priorities such as family and is even more challenging for those belonging to vulnerable groups. Experts admitted that registering a social enterprise is relatively easy, but building a sustainable social enterprise that can operate in the long term is far more challenging because women need to ensure that their profit is reinvested into their social enterprise, as well as generate some income to sustain themselves and family. Moreover, as a social enterprise expands, there is an even greater requirement for financial resources, support, and skills expansion.

Women often struggle to create or access a suitable professional network, which is crucial for the success of social entrepreneurship, along with an individual support from experienced entrepreneurs. This network is essential for practical advice, mentoring or moral support. When starting a business alone, women may risk ending up in burnout and struggle to find collaborative partners without sufficient financial resources.

Other common barriers related to the lack of support for those without any managerial experience, “fear of failure,” lack of self-confidence and encouragement, gender bias, and limited knowledge on sustaining a business. Bureaucratic and administrative complexities, as well as a lack of awareness about social entrepreneurship and available support possibilities outside the sector, can also pose challenges for aspiring social entrepreneurs.

Interviewed experts suggested that women should avail of support to build self-confidence as they may receive more negative feedback and messages of discouragement in comparison to their male counterparts. In addition, women must also confront unnecessary stereotypes regarding the business and their potential.

Despite these challenges, women continue to make significant contributions in the field of social entrepreneurship and there are many examples of successful female social entrepreneurs.

## Conclusions

All participating countries have common objectives of social enterprises—the must serve societal needs and correspond to social objectives, but it involves entrepreneurial or economic dimension, as well as has limitations with respect to distributing and using profits. Also, they also have common main areas of social impact and a focus on inclusion of disabled and disadvantaged people. In terms of regulatory framework and legislation with respect to social entrepreneurship, there are common inherent characteristics between countries which have a respective regulation in place (Italy, France, Spain, and Latvia) that allows to officially obtain the legal status of a social enterprise and act according to provided regulatory settings. The most divergent characteristics are in terms of legal forms which social enterprises can take in different participating countries, which very much depend on existing tradition, as well as principles used in adopting normative settings.

The evidence indicates that women are still underrepresented in the labor market as employers and managers worldwide since men and women entrepreneurs tend to face very different realities when it comes to accessing and mobilizing the types of resources required for starting and growing a business. However, women are increasingly becoming engaged in entrepreneurship globally and it is crucial to understand what can be done to remove barriers, scale-up entrepreneurship access and empower women.

Research findings confirm that women have a greater motivation to create a social enterprise than men and, in most cases, except Italy, social entrepreneurship is a female dominated sector with around 60–70% share of all social entrepreneurs. Women-led social enterprises can drive positive changes in societal and environmental issues, making a significant impact. In addition, social enterprises can motivate other females to start their business. Also, results of interviews of this research confirm that social entrepreneurship is a valuable tool for empowering women and maximizing their potential.

Social entrepreneurship provides an opportunity for women to pursue their desires, gain independence, and achieve self-realization. Social enterprises set up

by women are often born out of a natural need, as it is inherent in women's nature to care for others, and social entrepreneurship could serve as a first step for them to enter the business world. Women are often motivated to address social issues due to personal experiences, such as disabilities within their families. Women in social enterprises focus on a different set of issues, such as education, health, and eliminating poverty in comparison to their male counterparts. In addition, social entrepreneurship can serve as a tool to empower women by offering them opportunities to achieve financial independence and enhance their social status.

Women often face self-confidence issues caused by stereotypical societal attitudes. Balancing work and family responsibilities is particularly challenging, especially in regions with a lack of support childcare services or among single mothers, as well as women from disadvantaged groups. Women are often seen as primarily responsible for running the household and taking care of the children, adding to the complexity of their entrepreneurial endeavors. Sometimes women do not believe in their own ability to grow beyond these roles.

The most critical obstacle lies in the lack of access to financial resources, especially for women from vulnerable groups, which also experience more social, cultural, and family pressures, which lowers their motivation to start entrepreneurship. Many women may lack savings to invest in launching and sustaining a social enterprise due to other priorities such as family living, particularly those from vulnerable groups. While registering a social enterprise is relatively easy, building a sustainable one that can operate in the long term proves more challenging. Women must ensure not only a profit for reinvestment into their social enterprise, but also generate income to sustain themselves and their family. Moreover, as social enterprise expands, there is even greater requirement for financial resources, support, and skills expansion.

Building and accessing a suitable professional network is also a critical issue for social entrepreneurship success, along with individual mentorship from experienced entrepreneurs. This network is essential for practical advice or moral support. When starting a business alone, women may risk burnout and struggle to find collaborative partners without sufficient financial resources.

Additional barriers include lack of support for those without any managerial experience, "fear of failure," insufficient self-confidence and encouragement, gender bias, and limited knowledge on social entrepreneurship and sustaining a business. Bureaucratic complexities, as well as a lack of awareness about social entrepreneurship and available support outside the sector further hinder aspiring social entrepreneurs.

Nevertheless, it can be concluded that challenges faced by women entrepreneurs are not solely gender specific.

The importance of entrepreneurial education suited for social entrepreneurship is essential for improving the performance of social entrepreneurs and to promote this area of activity, which is confirmed by important obstacles identified in this research related to the lack of knowledge in social entrepreneurship and needs of training, particularly in financial management, business plan development, social entrepreneurship fundamentals, financial literacy, and fundraising basics,



as well as leadership and self-confidence. The most desired learning mode would be online settings following a flexible schedule.

Overall, it can be concluded that despite existing challenges, women continue to make significant contributions to the field of social entrepreneurship and their impact is growing as the social entrepreneurship sector continues to expand. Therefore, national, and local authorities should not underestimate the contribution of the social entrepreneurship to the socioeconomic development and increasing role of women in entrepreneurship in general and social entrepreneurship in particular. As the evidence shows, initial engagement in social entrepreneurship can often lead to setting up traditional enterprise. Therefore, action plans are required to effectively deal with existing barriers and provide support mechanisms, including financial support, training, as well as tailored approach to various target groups.

## **Appendix 1**

See Table 1

**Table 1** Definitions, legislation, and legal forms of social enterprises in researched countries (Source Based on the U-Power project (2023) results and authors own analysis.)

Country	Definition of social entrepreneurship or social enterprise and/or the most used description	Title of the Law on social entrepreneurship or another regulatory document	Legal forms of social entrepreneurship/entities which can carry out activities with social goals
Armenia	No official definition Social enterprise is an organization that carries out business activities not for the purpose of increasing its profit and distribution among shareholders, but for the benefit of human and community needs	No legislation yet Concept paper on development of social entrepreneurship	No specific legal forms, social entrepreneurship can operate under existing legal forms. LLCs, foundations, NGOs, sole proprietors, closed-stock companies, and open-stock companies
France	Official definition: The social and solidarity economy is a form of enterprise and economic development adapted to all areas of human activity, to which legal persons under private law belong who meet the several cumulative conditions defined in the Law Commonly used description: A social enterprise is an enterprise whose main objective is to have a social impact	Law no. 2014–856 of 31 July 2014 on the Social and Solidarity Economy (SSE) Decree no. 2015–719 of 23 June 2015 on the “socially useful solidarity enterprise”	Examples of legal forms: The sole proprietorship ( <i>Entreprise individuelle</i> ), the EURL ( <i>Entrepreneur individuel à responsabilité limitée</i> ), the SAS and SASU ( <i>Société par actions simplifiée, société par actions simplifiée unipersonnelle</i> ), the SA ( <i>La société anonyme</i> ) and EURL ( <i>L’entreprise unipersonnelle à responsabilité limitée</i> ), the SE ( <i>Entreprise sociale</i> ) and finally the SEL ( <i>Sociétés d’Exercice Libéral</i> )
Germany	There is no officially recognized definition by the state However, the Social Entrepreneurship Network Germany took the initiative to address this issue and developed its own definition in 2019. This definition is based on specific criteria derived from the network and its members: “The primary goal of social entrepreneurship is to solve social challenges. This is achieved through the continuous use of entrepreneurial resources and results in new and innovative solutions. Steering and controlling mechanisms ensure that the social goals are lived out internally and externally.”	No law or regulating documents	No legal form of a social enterprise Social enterprises can be incorporated under a variety of legal form: Cooperative ( <i>Genossenschaft</i> ) foundation ( <i>Stiftung</i> ) registered association ( <i>eingetragener Verein = e.V.</i> ) limited liability company ( <i>GmbH</i> ) and non-profit limited liability company ( <i>gemeinnützige GmbH</i> ) entrepreneurial company ( <i>UG haftungsbeschränkt</i> ) and non-profit entrepreneurial company ( <i>gemeinnützige UG haftungsbeschränkt</i> ) non-profit stock company ( <i>gAG</i> ) mutual aid society ( <i>Versicherungsverein auf Gegenseitigkeit</i> )

Table 1 (continued)

Country	Definition of social entrepreneurship or social enterprise and/or the most used description	Title of the Law on social entrepreneurship or another regulatory document	Legal forms of social entrepreneurship/entities which can carry out activities with social goals
Ireland	<p>Official definition: In Ireland there is no official definition of social enterprise, with some differences it relies on the EU for the definition</p> <p>An enterprise whose objective is to achieve a social, societal, or environmental impact, rather than maximizing profit for its owners or shareholders. It pursues its objectives by trading on an ongoing basis through the provision of goods and/or services, and by reinvesting surpluses into achieving social objectives. It is governed in a fully accountable and transparent manner</p> <p>Commonly used description: Social enterprises are businesses that work primarily to improve the lives of people. Their core objective is to achieve a social, societal, or environmental impact. They frequently work to support disadvantaged groups such as the long-term unemployed, people with disabilities, travelers, etc., or to address issues such as food poverty, social housing, or environmental matters</p>	<p>Companies Act, 2014</p> <p>Sale of Goods Act, 1893</p> <p>Charities Act, 2009</p>	<p>No specific legal structure for setting up a social enterprise. The most popular forms are: Company Limited by Guarantee (CLG)-only a CLG can apply to Charitable Status</p> <p>Designated Activity Company (DAC)</p> <p>Limited Liability Company (LTD)</p>

**Table 1** (continued)

Country	Definition of social entrepreneurship or social enterprise and/or the most used description	Title of the Law on social entrepreneurship or another regulatory document	Legal forms of social entrepreneurship/entities which can carry out activities with social goals
Italy	<p>Due to an advanced legal framework, social entrepreneurship in Italy can act under different legal forms, each with specific criteria set by the law. The most common forms are social enterprises and social cooperatives</p> <p>Commonly used description: A social enterprise is defined as a business with specific social objectives that serve its primary purpose. Social enterprises want to maximize profits while maximizing benefits to society and the environment, and the profits are principally used to fund social programs</p>	<p>Law 155/2006 (before Law 118/2005)                      Law 318/1991                      Legislative Decree 112/2017                      Law 106/2016</p>	<p>The various legal forms are possible:                      Social cooperatives (A-type and B-type), associations and foundations, mutual aid societies, limited liability companies, and traditional cooperatives (e.g., community cooperatives)</p>

Table 1 (continued)

Country	Definition of social entrepreneurship or social enterprise and/or the most used description	Title of the Law on social entrepreneurship or another regulatory document	Legal forms of social entrepreneurship/entities which can carry out activities with social goals
Latvia	<p>Social enterprise is a limited liability company which in accordance with the procedures laid down in this Law has been granted the status of a social enterprise and which performs the economic activity that creates a positive and important social impact by employing the target groups or improving life quality of groups in society the life of which is affected by fundamental societal challenges (for example, provision of social, health care, or education services, and also production of specialized goods), or carrying out any other activities of relevance to society that create a lasting positive social impact (for example, formation of an inclusive civil society, support for science, environment protection and conservation, protection of animals, or ensuring of cultural diversity)</p> <p>Social entrepreneurship is the production of goods and services with the aim of creating social impact through business methods. It aims to solve a social problem or benefit society at large, without making maximum profit for the entrepreneur personally. Social entrepreneurship can be local or international in scope and can vary in the way goods are produced and services are provided (Ministry of Welfare of Latvia, 2020)</p>	Social Enterprise Law (effective since 2018)	<p>A legal entity (LLC) with social enterprise status granted by the Social Enterprise Commission of the Ministry of Welfare</p>

**Table 1** (continued)

Country	Definition of social entrepreneurship or social enterprise and/or the most used description	Title of the Law on social entrepreneurship or another regulatory document	Legal forms of social entrepreneurship/entities which can carry out activities with social goals
Spain	<p>No official definition of a social enterprise. In Spain, the term of the “social economy” is more commonly used and it refers to a broader concept that encompasses various economic activities and organizations with a social and solidarity-oriented purpose</p> <p>Commonly used description: Social entrepreneurship is the start-up of a company whose final objective is not the maximization of economic benefit, but the creation of value for society (Mayor, 2018)</p>	<p>Law 14/2013, of September 27th, to support entrepreneurs and their internationalization Social Economy (Law 5/2011)</p>	<p>Associations, foundations, groups, or NGOs</p>

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## Declarations

**Conflict of interest** On behalf of all authors, the corresponding author states that there is no conflict of interest.

**Ethical approval** The methodology and instruments for this study were approved by the Humanitarian and Social Sciences Research Ethics Committee at the University of Latvia Decree No.7-43/69 on 8 May 2024. On behalf of all authors, the corresponding author confirms that the research was performed in accordance with relevant guidelines/regulations applicable when human participants are involved.

**Informed consent** Informed consent was obtained from all participants prior to participation in the study.

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