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Navigating Barriers to Growth: Challenges Facing Women-Led Social Enterprises in ASEAN and Japan

ASEAN-JAPAN CENTRE

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Navigating Barriers to Growth: Challenges Facing Women-Led Social Enterprises in ASEAN and Japan is co-authored by Katrina Navallo, PhD, Preechaya Kittipaisalsilpa, PhD, and Razel Andrea Navalta, PhD. The authors wish to thank the 33 participants of the Roundtable Discussion of Young Women Entrepreneurs conducted in Vientiane, Lao PDR, on 5-6 November 2024 for their invaluable insights and feedback. The narratives and quotations included in this report have been anonymized for confidentiality.

Participant narratives, quotations and enterprise-specific observations included in this report have been anonymized to protect confidentiality. The views expressed in this publication, as well as any errors or omissions, are those of the authors and do not necessarily reflect the views or positions of the ASEAN-Japan Centre, its governing bodies, member governments or partner organizations.

Foreword

Women entrepreneurs are essential contributors to economic growth, innovation and community development across the Association of Southeast Asian Nations (ASEAN) and Japan. As businesses adapt to evolving market conditions, digital transformation and sustainability imperatives, strengthening support for women-led enterprises remains an important regional priority.

As part of the ASEAN-Japan Discussion Paper Series, this report aims to strengthen economic cooperation and dialogue between Japan and ASEAN, particularly by supporting the empowerment of women entrepreneurs in the region. It draws key insights from the ASEAN-Japan Roundtable Discussion of Young Women Entrepreneurs, held in November 2024, which brought together entrepreneurs and ecosystem stakeholders from across the region. The discussions highlighted both the opportunities available to women entrepreneurs and the challenges they continue to face, particularly in accessing finance, markets, networks and business support services.

The findings underscore the value of stronger ASEAN-Japan cooperation in fostering a more enabling environment for women-led micro, small and medium-sized enterprises. Through knowledge-sharing, partnerships and targeted support, ASEAN and Japan can work together to advance inclusive and sustainable economic growth.

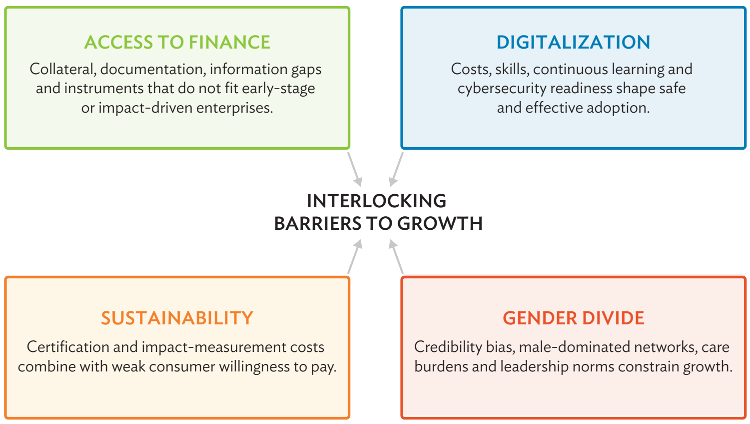
We sincerely thank all the participants and partners whose contributions made this report possible. We hope that the findings and recommendations presented here will inform future dialogue and action to support women entrepreneurs across the region.

Dr. Kunihiko Hirabayashi
Secretary General
ASEAN-Japan Centre

Executive Summary

Women-owned micro, small and medium-sized enterprises (MSMEs) contribute to employment, household resilience, community development and local innovation across Southeast Asia. However, evidence from a 2024 focus group discussion convened by the ASEAN-Japan Centre shows that women entrepreneurs continue to operate within an enabling environment shaped by interlocking constraints. These include unequal access to finance, uneven digitalization and cybersecurity readiness, high costs and weak market incentives for sustainability, and gendered expectations related to leadership, credibility and care responsibilities. This report draws on the experiences of 33 women entrepreneurs from ten ASEAN Member States and Japan who participated in the Roundtable Discussion of Young Women Entrepreneurs held in Vientiane, Lao PDR, on 5-6 November 2024.

Figure ES1. Four interlocking barriers to the growth of women-led social enterprises in ASEAN and Japan



Source: Authors' synthesis.

Four findings are central to the analysis.

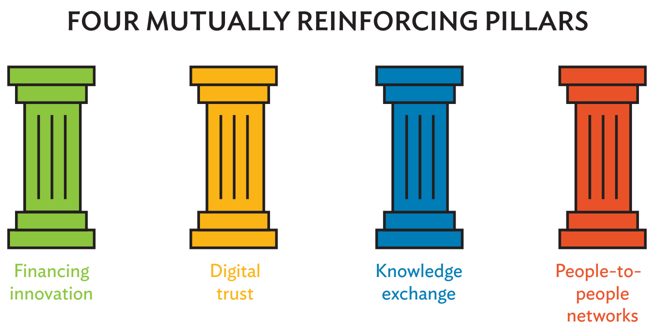
First, **access to finance remains constrained not only by the limited availability of capital but also by structural barriers embedded in financial systems.** Participants described complex and sometimes conflicting regulations, heavy documentation requirements, collateral norms that do not fit early-stage and impact-driven enterprises, and uneven information on grants, loans and investor networks. These barriers are particularly significant for women-led MSMEs that lack immovable collateral or operate through hybrid business models that combine revenue generation with social or environmental objectives.

Second, **digitalization is increasingly necessary for productivity and competitiveness, but adoption is uneven and costly.** Participants recognized the value of social media, digital tools and generative artificial intelligence for visibility, customer engagement and operational efficiency. At the same time, they emphasized that digital transformation entails costs, continuous learning, time and organizational capacity. They also raised concerns about scams, data risks and the absence of practical cybersecurity support for MSMEs. These findings are consistent with regional evidence that women face persistent barriers to safe and effective participation in the digital economy (Marsan and Sey 2021).

Third, **sustainability is valued by many women entrepreneurs as both a mission and a market strategy, but implementation is constrained by costs, weak consumer willingness to pay and the high cost of standards certification and impact measurement.** Participants noted that sustainability narratives may be appreciated by customers, while price premiums remain difficult to sustain. Formal certification and audits can be prohibitively expensive for MSMEs, even where enterprises already contribute to environmental or community outcomes through their business practices.

Fourth, the **gender divide in business ownership and leadership persists through both visible and subtle mechanisms.** Participants described male-dominated networks, credibility bias, assumptions about age, marital status and leadership style, and the unequal burden of unpaid care work. These gendered constraints affect access to finance, time available for training and networking, confidence in entering technical or digital sectors, and women's representation in entrepreneurship policy spaces.

Figure ES2. Integrated approach to addressing the challenges faced by women-led enterprises in ASEAN and Japan



Source: Authors' synthesis.

To address these challenges from the perspective of ASEAN-Japan cooperation, this report proposes an integrated approach based on four mutually reinforcing pillars:

(1) **Financing innovation.** Development finance institutions, corporate foundations, impact investors and financial intermediaries can explore blended approaches that combine technical assistance with risk-sharing instruments, such as

small-ticket guarantee schemes, and financing facilities that support both productivity improvements and sustainability investment.

(2) **Digital trust.** ASEAN-Japan support for social enterprises can strengthen trust and resilience in cross-border digital markets by embedding digital skills in business development services, creating practical cybersecurity guidance and incident-response support for MSMEs, and aligning cross-border data and e-commerce rules.

(3) **Knowledge exchange.** Training for social enterprises can support impact measurement and reporting, help develop tiered "right-sized" standards, strengthen demand through procurement and labelling, and facilitate partnerships that share the costs of achieving community and environmental outcomes.

(4) **People-to-people networks.** Cooperation can expand and promote mentorship and peer networks, facilitate dialogue on childcare and care support policies, diversify requirements for women-led social enterprises in finance and registration systems, and increase women's representation in entrepreneurship policy forums.

Taken together, these approaches can strengthen the productivity, resilience and growth potential of women-owned enterprises, support ASEAN's inclusive digital and green transitions, and reinforce ASEAN-Japan cooperation through practical mechanisms such as blended finance pilots, cross-border digital trust initiatives, sustainability partnerships and structured women entrepreneur networks.

Navigating Barriers to Growth: Challenges Facing Women-Led Social Enterprises in ASEAN and Japan

1. Introduction

Women entrepreneurs play an important role in driving economic growth, innovation and community development across the Association of Southeast Asian Nations (ASEAN) and Japan. Women-led micro, small and medium-sized enterprises (MSMEs) contribute to employment generation, household incomes, local economic activity and the delivery of essential goods and services. They are active across a wide range of sectors, including retail, agriculture, hospitality, manufacturing, professional services, technology-enabled businesses and social enterprises. Previous studies estimate that women-owned businesses account for a significant share of ASEAN's MSME landscape and make important contributions to economic participation and livelihoods across the region (UNESCAP 2017).

Despite this growing contribution, women entrepreneurs continue to face a range of interconnected challenges that affect business creation, growth and sustainability. Access to finance remains a persistent concern, but entrepreneurs also encounter barriers related to digitalization, market access, business networks, sustainability requirements and gender-related constraints (Global Entrepreneurship Monitor 2017, 2024). These challenges often reinforce one another, shaping not only the ability of women to start and grow businesses but also their capacity to participate fully in emerging economic opportunities. The *ASEAN Gender Outlook 2024* similarly highlights that progress towards gender equality and the Sustainable Development Goals remains uneven across the region and underscores the importance of targeted and evidence-based interventions (UN Women and ASEAN Secretariat 2024). The World Bank's Women, Business and the Law project further notes that gaps often remain between formal legal equality and the systems needed to support women's economic participation (World Bank 2024).

Recognizing these challenges, the ASEAN-Japan Centre convened the Roundtable Discussion of Young Women Entrepreneurs in ASEAN and Japan in Vientiane, Lao PDR, in November 2024 (ASEAN-Japan Centre 2024). The Roundtable brought together women entrepreneurs from across ASEAN and Japan to share experiences, identify common challenges and explore opportunities for collaboration and policy support. Discussions focused on four interconnected themes: access to finance, digitalization, sustainability and gender-related barriers to entrepreneurship.

This report presents the findings from those discussions and examines how women entrepreneurs experience and navigate these challenges in practice. By centring on the perspectives and lived experiences of entrepreneurs themselves, the report seeks to provide enterprise-level evidence and generate practical insights for policymakers, financial institutions, business associations, development partners, ecosystem builders and corporate stakeholders who support women-led enterprises in ASEAN and Japan.

The analysis is guided by four questions: Which constraints do women entrepreneurs identify as the most significant barriers to business growth? How do challenges related to finance, digitalization, sustainability and gender norms interact? What do these experiences imply for ASEAN's digital and green transitions and for ASEAN-Japan cooperation? What policy and programme interventions are most feasible in the near-to-medium term?

While common themes emerged across the discussions, the report recognizes that women entrepreneurs are not a homogeneous group. Experiences differ across countries, sectors, stages of business development, geographic locations and personal circumstances. Where possible, the analysis highlights these variations and identifies areas where more targeted or differentiated policy responses may be required. Ultimately, the report aims to contribute to ongoing efforts to strengthen women's entrepreneurship, promote inclusive economic development and advance ASEAN-Japan cooperation in support of a more resilient and sustainable regional economy.

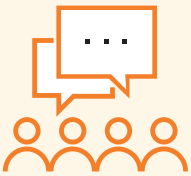
2. Methodology

The analysis draws primarily on inputs from a desk review and focus group discussion (FGD).

Figure 1. Qualitative research methodology

DESK REVIEW

Relevant regional and global evidence on women's entrepreneurship, financial inclusion, digital inclusion and sustainability was reviewed to contextualize the qualitative findings and benchmark programme recommendations.



FOCUS GROUP DISCUSSION

The Centre convened the two-day, in-person Roundtable Discussion of Young Women Entrepreneurs in Vientiane, Lao PDR, on 5-6 November 2024. Thirty-three women entrepreneurs from ten ASEAN Member States and Japan participated. Discussions were organized around four sessions: access to finance, digitalization and safe digital spaces, closing the gender divide in MSME ownership and sustainability practices. The discussions were conducted in English, audio-recorded and transcribed verbatim. Transcripts were anonymized for confidentiality.

Source: Authors' synthesis.

Qualitative data were analyzed using thematic coding. Codes were developed deductively (based on the four roundtable sessions) and inductively (based on recurrent patterns in participant narratives). The analysis emphasizes: (a) structural constraints (regulations, markets and institutions), (b) capability constraints (skills, information and networks), and (c) agency and coping strategies (workarounds, partnerships and incremental approaches). Where appropriate, the report highlights tensions and trade-offs, such as between impact and profitability, speed and safety in digital adoption, and care responsibilities and growth ambitions.

Participant narratives are cited as qualitative evidence using anonymized descriptors (e.g. “FGD participant, Cambodia, November 2024”). In this report, such data are treated as unpublished internal materials and are cited in the text. Because they are not publicly recoverable, the reference list identifies them as internal documentation.

Quotations were selected to illustrate recurring themes across the discussions while also ensuring broader country and sectoral representation. Where multiple participants raised similar issues, quotations were selected based on clarity, relevance to the section theme and regional balance.

This report has three important limitations: (a) the small sample size and purposive selection of 33 participants from 11 countries mean that the findings are illustrative rather than regionally representative; (b) the discussions were conducted in English, which may have influenced how participants framed their experiences; and (c) the sectoral concentration of participants may have led to the over- or underrepresentation of specific industries. Nevertheless, the narratives of the women entrepreneurs provide valuable insights into the mechanisms and constraints that are often not captured by regional indices.

3. Access to Finance: Structural Barriers, Information Gaps and Misaligned Instruments

Access to finance is a widely documented constraint for women-led MSMEs, and it emerged as a dominant theme in the 2024 FGD. Participants did not describe the problem as a simple absence of capital. Instead, they emphasized a “fit” problem between existing financial systems and the realities of early-stage, small-scale and impact-oriented enterprises, especially where women entrepreneurs have limited collateral and limited time to navigate complex procedures.

3.1 Regulatory and compliance burdens

Several participants highlighted that compliance burdens can be disproportionately high for micro and small enterprises, particularly those with hybrid models, such as social enterprises. A participant from Brunei Darussalam pointed to the broader regional challenge, noting that “many countries do not recognize social enterprises, so businesses still have to deal with taxes, regulations and donations that might not fit their operations” (FGD participant, Brunei Darussalam, November 2024). The same participant also highlighted inconsistent regulations for digital and social enterprise models across

ASEAN, which can create uneven access to resources and financing opportunities for women entrepreneurs.

From a policy perspective, these narratives point to a structural mismatch: regulatory systems often assume a binary distinction between non-profit and for-profit models, while the region's entrepreneurship landscape increasingly includes hybrid enterprises that pursue both revenue and social or environmental outcomes. Without legal clarity and "right-sized" compliance pathways, women-led enterprises may remain informal or rely on family financing, limiting their ability to scale and participate in formal procurement and export markets.

3.2 Documentation and collateral: a credibility barrier

Participants described documentation, collateral and credibility requirements as overlapping barriers to finance. A participant from Myanmar explained that access to funding had become more difficult because women-led businesses often face "more scrutiny" and are expected to prove their credibility beyond standard business requirements (FGD participant, Myanmar, November 2024). A participant from the Philippines similarly noted that competitive grant systems often favour larger organizations and require extensive documentation, making it difficult for growing enterprises to secure long-term funding support (FGD participant, Philippines, November 2024). A participant from Indonesia emphasized the scale of the "paper trail" required for loans and noted that collateral requirements are particularly difficult for newer businesses that have not yet built track records (FGD participant, Indonesia, November 2024).

These experiences mirror broader global evidence showing that women tend to have less access to assets and collateral owing to legal, cultural and market factors, and that compliance and documentation costs can be particularly burdensome for women entrepreneurs balancing business and care responsibilities (World Bank 2024; UN Women and ASEAN Secretariat 2024).

3.3 Information asymmetries and network dependence

Beyond formal eligibility constraints, participants described a "visibility gap" in funding opportunities. Two participants from the Philippines and Viet Nam noted that many MSMEs "do not even know what funding is available or where to start looking for it, especially in rural areas", while others explained that they "rely heavily on platforms like LinkedIn and incubator events because information on grants and loans is rarely centralized" (FGD participants, Philippines and Viet Nam, November 2024). In practice, knowledge about grants, loans, impact investors and corporate social responsibility funding often travels through informal networks and incubator ecosystems. Those outside large cities and those in traditional sectors, such as crafts, agriculture and logistics, may be disadvantaged.

This points to a policy opportunity: transparency and the centralization of information, such as through single-window portals for MSME finance and standardized public communication about eligibility and timelines, can reduce reliance on insider networks and make financial markets more contestable for women entrepreneurs.

3.4 Inflexibility of traditional instruments and the "impact-profitability" tension

A recurring tension was the expectation of rapid profitability, especially in investor or grant spaces that prioritize scalability and short-term returns. Participants explained that impact-driven models can be viewed as higher risk. They also noted that grant structures are frequently reimbursement-based, which shifts cash flow risk onto entrepreneurs. A participant from the Philippines added that many financing schemes focus on "short-term outcomes, which do not align well with the long-term commitments" of women-led social enterprises (FGD participant, Philippines, November 2024).

At the system level, these accounts underscore that "impact finance" is not a single category. Enterprises move through stages (ideation, early market validation, growth and scaling), and different instruments (grants, concessional loans, equity and blended finance) are appropriate at different stages. A participant from Malaysia cautioned that "transitioning from a purely business-driven model to one that integrates social or environmental impact can feel like running two businesses simultaneously", especially when costs and reporting requirements are not matched by suitable support mechanisms (FGD participant, Malaysia, November 2024).

3.5 Readiness for external funding

Financial literacy is a foundational capability for women entrepreneurs seeking to engage strategically with external funders. A clear understanding of funding instruments, whether grants, loans, equity or crowdfunding, enables entrepreneurs to align capital sources with their stage of growth and business objectives. As one Indonesian participant noted, "understanding the differences between grants, loans and crowdfunding is essential for choosing the right option at the right stage of your business" (FGD participant, Indonesia, November 2024).

Beyond familiarity with funding types, readiness requires a firm grasp of internal financial dynamics. Entrepreneurs must understand their pricing structures, cost drivers, revenue streams and growth projections to determine an appropriate funding request and articulate a credible use of funds. This includes the ability to link financial projections to measurable impacts and outcomes, which is an increasingly important expectation among impact-oriented funders.

However, premature capital raising can create structural risks. Several participants cautioned that seeking external funds too early, such as before validating the business model or strengthening operational systems, may result in unsustainable expansion or excessive debt burdens. Poor financing decisions, such as accepting high-interest loans or partnering with investors who do not align with the enterprise's social mission, can be particularly damaging during the early stages of growth. As one Malaysian participant reflected, “choosing the right type of funding is essential … and it is better to find partners who understand the business” (FGD participant, Malaysia, November 2024). A participant from Thailand similarly noted that “grants help during the experimental phase, while loans are very important in building a business’ credibility” (FGD participant, Thailand, November 2024).

These findings suggest that fundraising readiness is not merely about access to capital but also about informed financial decision-making, mission alignment and strategic sequencing. Strengthening these capabilities is therefore critical to ensuring that external funding accelerates, rather than destabilizes, women-led impact enterprises.

First, legal recognition and simplified compliance pathways for social enterprises and other hybrid models can lower barriers to formalization and reduce “double compliance” costs. Second, collateral alternatives (e.g. cashflow-based lending, movable collateral registries, credit guarantees, group guarantees and purchase-order financing) are essential for women entrepreneurs with limited immovable assets. Third, transparency and outreach mechanisms are required to ensure that women entrepreneurs outside highly connected ecosystems can access the same information and networks.

4. Digitalization, Productivity and Safe Participation in Digital Markets

Digitalization was framed by participants as both an opportunity and an obligation. Most acknowledged that market visibility and competitiveness increasingly depend on online channels, yet the costs of tools, training and cybersecurity readiness remain high. These findings resonate with regional evidence that the digital gender divide persists not only in access to devices but also in access to skills, entrepreneurship opportunities and leadership in the digital economy (Marsan and Sey 2021).

4.1 Digital transformation costs

Participants emphasized that digital transformation entails more than simply adopting a social media account. It requires equipment, processes and the capability to evaluate tools under time pressure. A participant from Brunei Darussalam emphasized that artificial intelligence (AI) should not be treated as a “black box”, noting the importance of distinguishing between decision-making tasks and productivity tasks while ensuring that human intervention remains central to business operations (FGD participant, Brunei Darussalam, November 2024). A participant from Malaysia similarly cautioned that digital tools such as the Internet of Things and AI can remain “buzzwords” if businesses lack the skills, education and people needed to operate them effectively (FGD participant, Malaysia, November 2024). In agriculture, a participant from Viet Nam noted that farmers may resist digital data entry because they are focused on offline production and sales, illustrating that adoption depends not only on the availability of technology but also on its usability and daily business realities (FGD participant, Viet Nam, November 2024).

This suggests that digital inclusion programmes must move beyond basic literacy and provide continuous, modular upskilling, including guidance on "how to choose tools" and "how to redesign workflows", rather than only on how to use a single platform.

4.2 Social media as market access and a learning incentive

Participants highlighted that social media can provide a low-cost means of reaching customers and building brand recognition, especially when paired with practical incentives. A participant described an initiative in which access to funding competitions required an active social media presence as a key performance indicator, which "pushes you to learn" (FGD participant, Indonesia, November 2024). She also described intergenerational learning, whereby older entrepreneurs asked younger relatives for help with posting and short-form content creation. A participant from Singapore noted that AI can support idea generation and marketing, but creative industries still require "personal touch and character", limiting the extent to which automation can replace human creativity (FGD participant, Singapore, November 2024).

This suggests that digitalization programmes can be designed to create "learning by doing" incentives by linking grants or capacity-building programmes to measurable but attainable digital milestones, such as consistent posting, basic analytics tracking and safe account management, while avoiding one-size-fits-all expectations, such as follower counts.

4.3 Cybersecurity and trust: scams, screening and liability awareness

A major theme was the rise of scams and the burden on smaller enterprises to establish trust in digital markets. A technology entrepreneur from the Philippines stressed that "awareness and education remain very low, which increases the space for cybercriminals to thrive", emphasizing that digitalization efforts must assess community readiness and include cybersecurity awareness from the outset (FGD participant, Philippines, November 2024). A participant from Brunei Darussalam also emphasized the importance of baseline cybersecurity practices, including data audits, incident response plans, trusted communication channels and organization-wide awareness, to reduce operational vulnerabilities (FGD participant, Brunei Darussalam, November 2024). These narratives demonstrate that "safe digital spaces" require shared responsibility across platforms, regulators and businesses, but small enterprises often bear the immediate operational burden.

Practical policy support can include simplified cybersecurity guidance tailored to small enterprises, such as minimum standards for password management, phishing awareness, data minimization, backups and incident response; legal helplines or consultation services for enterprises affected by cyberattacks; and clearer cross-border cooperation mechanisms, given that many cyber threats are transnational.

The digitalization findings point to a dual agenda: enabling productivity gains and reducing risk exposure. Investments in broadband and affordability remain important, but the more binding constraints for many women-led MSMEs are skills, time and risk management. Digital policy for MSMEs should therefore integrate: (a) modular, sector-sensitive training; (b) incentives for adoption linked to tangible business outcomes; and (c) accessible cybersecurity support and awareness programmes. Regional dialogue on data governance and digital trade rules can further reduce uncertainty for MSMEs operating across borders.

5. Sustainability: High Costs, Weak Demand and the Role of Partnerships and Measurement

Women entrepreneurs in the FGD frequently framed sustainability as part of their business identity and as a response to community needs. However, they described three consistent barriers: the cost of sustainability standards and certification, weak consumer willingness to pay and limited capacity to measure and communicate impact in ways that funders and markets recognize.

5.1 The willingness-to-pay gap

A participant from Lao PDR described the difficulty of communicating the value of sustainability to customers: "The business also has a tag on the clothes that says, 'natural dye' and the price is so high ... Clients, they don't have any knowledge about the sustainable concept, so we have to introduce it to them" (FGD participant, Lao PDR, November 2024). This leads to a demand-side constraint. Even when sustainability is valued rhetorically, purchasing decisions may prioritize lower prices, especially in lower-income markets or where consumers have limited awareness of environmental and social externalities. For social enterprises, the inability to pass on higher costs can quickly undermine viability.

5.2 Sustainability costs and the certification barrier

The cost of formal standards and certification was highlighted as a major barrier to scaling sustainability claims and accessing green or impact finance. One participant stated that "getting a sustainability certification like ISO costs about $10,000 ... almost impossible unless a major client funds the project" (FGD participant, Cambodia, November 2024). A participant from Thailand similarly noted that smaller organizations may struggle with the cost of audits and certifications, particularly when specialized auditors or experts are required (FGD participant, Thailand, November 2024). Such costs are often fixed, making them regressive for micro and small enterprises. Without tiered or subsidized pathways, sustainability becomes a privilege of larger firms, even though many MSMEs already contribute to sustainability through local production, waste reduction or community employment.

5.3 Partnership models and impact reporting as coping strategies

Where participants reported progress on sustainability, it often relied on partnerships that shared costs and expanded capacity. A participant from Thailand emphasized that businesses need to begin quantifying sustainability practices now because “regulatory and market demands” increasingly require measurable data and transparent reporting (FGD participant, Thailand, November 2024). A participant from the Philippines recommended that MSMEs start small by embedding sustainability tracking into existing workflows, even through simple tools such as Excel spreadsheets, before moving towards more formal impact reporting or third-party verification (FGD participant, Philippines, November 2024). A Japan-based participant in sustainable tourism also noted the importance of clearly communicating tangible benefits to local providers, particularly when working with rural communities that may be hesitant to participate despite the potential economic and community gains (FGD participant, Japan, November 2024).

These narratives suggest that support for sustainability among women-led MSMEs should prioritize accessible impact measurement and “right-sized” standards. For many, indicators aligned with the Sustainable Development Goals can provide an entry point, especially when grants and public procurement increasingly request reporting on the Sustainable Development Goals or environmental, social and governance factors (UN Women and ASEAN Secretariat 2024).

To promote sustainability among women-led MSMEs, policy interventions must address both supply and demand. On the supply side, governments and partners can reduce fixed costs through subsidized certification, pooled auditing or tiered standards for MSMEs. Business development services can support impact measurement and reporting through simple tools before enterprises move towards formal audits or certification. On the demand side, sustainability-aligned procurement policies, labelling and consumer education can strengthen market incentives. Partnership platforms involving corporates, universities, foundations or local governments can help share costs and integrate MSMEs into sustainable value chains.

6. The Gender Divide in Entrepreneurship: Credibility, Care Burdens and Leadership Norms

The FGD highlighted that gender constraints are not merely “background conditions”; they actively shape enterprise decisions relating to finance, digitalization and sustainability. Participants consistently pointed to three interconnected challenges: credibility bias in business environments, unequal care responsibilities and persistent expectations regarding women’s leadership roles.

6.1 Credibility bias and male-dominated networks

Women entrepreneurs described having to "go above and beyond" to gain trust in male-dominated business environments. Participants reported facing greater scrutiny of their qualifications, experience and leadership capabilities than their male counterparts, particularly in sectors associated with technology, innovation and high-growth entrepreneurship.

A participant from Myanmar observed that women entrepreneurs are often questioned about their marital or family status "to validate [their] success", illustrating how gender and age biases continue to shape perceptions of business credibility (FGD participant, Myanmar, November 2024). Similarly, a participant from the Philippines noted that women in technical fields continue to face assumptions that they are less capable in technology and mathematics, with some girls internalizing these stereotypes from an early age (FGD participant, Philippines, November 2024).

These biases can create additional barriers to accessing finance, partnerships and market opportunities. Women entrepreneurs may need to invest additional time and effort in building trust, establishing professional credibility, securing deals, negotiating terms and asserting their authority as business leaders. As a result, gender bias can increase the costs of entrepreneurship and divert time and resources that could otherwise be directed towards innovation, business development and market expansion.

6.2 Care responsibilities and time poverty

The discussions also highlighted the continued influence of unpaid care and household responsibilities on women's entrepreneurial activities. Many participants described balancing business leadership with caregiving roles, often resulting in competing demands on their time, mobility and professional engagement.

These constraints can affect participation in networking events, training programmes, investor meetings and market expansion activities. The challenge is particularly significant for early-stage entrepreneurs, who often depend on intensive relationship-building and ecosystem engagement to secure funding, partnerships and new business opportunities. These reflections suggest that policies and programmes should not only "add women" to existing systems but also broaden the understanding of effective leadership and credible entrepreneurship.

6.3 The case for women's representation and mentorship

Participants emphasized the importance of women role models, peer support and women's inclusion in policy processes. A participant from Thailand argued that mentorship should be structured as an ongoing system rather than a one-off interaction, with clear expectations and accountability for both mentors and mentees (FGD participant, Thailand, November

2024). A participant from Malaysia also emphasized that transparency and reciprocity are essential in women's networks, warning that one-sided participation can weaken trust and long-term collaboration (FGD participant, Malaysia, November 2024). These insights suggest that mentorship should be treated not only as informal support but also as part of the entrepreneurship ecosystem that connects women to knowledge, networks, markets and decision-making spaces. This aligns with global and regional discussions that emphasize the economic benefits of gender equality and the need for supportive systems beyond formal rights (World Bank 2024; UN Women and ASEAN Secretariat 2024).

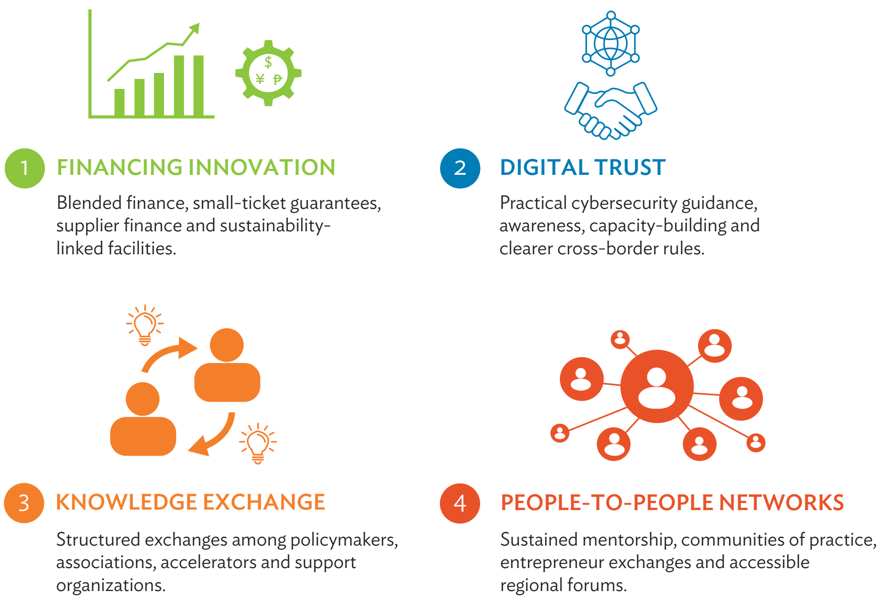
7. ASEAN-Japan Cooperation Pathways to Support Women Social Entrepreneurs

The findings demonstrate that the barriers facing women-led enterprises are interconnected and often mutually reinforcing. Addressing a single constraint in isolation is therefore unlikely to yield lasting results. Accordingly, the recommendations are organized under four complementary pillars that together form an integrated approach to strengthening the resilience, competitiveness and growth potential of women-led enterprises across ASEAN.

The interconnected nature of these challenges is reflected in a common trajectory described by participants throughout the FGD. A woman entrepreneur who lacks immovable collateral (section 3.2) and faces additional scrutiny of her credibility because of her gender or age (section 6.1) is more likely to rely on personal savings or family financing, limiting the capital available for equipment, digital tools and workforce development. Limited digital adoption (section 4.1) can then reduce market visibility and restrict the generation of transaction histories, customer data and digital sales records that increasingly serve as alternative indicators of creditworthiness in fintech and platform-based lending. At the same time, the costs associated with sustainability certification and reporting (section 5.2) may be difficult to absorb when profit margins are narrow and market access remains constrained, even where enterprises already contribute to environmental or social objectives. Across these challenges, unpaid care responsibilities (section 6.2) further limit the time available for training, networking, fundraising and regulatory compliance. As a result, interventions that address only one constraint, such as expanding loan guarantee schemes without improving access to digital skills, information and business support services, are unlikely to achieve their full potential. The recommendations that follow should therefore be understood as a mutually reinforcing package of measures designed to address the structural, capability and gender-related barriers faced by women-led enterprises.

The findings identify several areas where ASEAN-Japan cooperation can help translate regional policy priorities into practical support for women-led MSMEs. While many of the barriers identified in this report require action at the national level, ASEAN-Japan cooperation can add value by facilitating knowledge exchange, piloting innovative approaches, strengthening cross-border collaboration and connecting entrepreneurs to networks, markets and sources of finance. These pathways should be viewed as complementary to national policies and regional mechanisms rather than as standalone solutions.

Figure 2. ASEAN–Japan cooperation pathways



Source: Authors' synthesis.

First, ASEAN-Japan cooperation can support innovation in financing mechanisms for women-led enterprises. Participants repeatedly highlighted challenges related to collateral requirements, limited access to investor networks, and the mismatch between conventional financing instruments and the realities of impact-driven businesses. Development finance institutions, corporate foundations, impact investors and financial intermediaries across ASEAN and Japan can explore blended approaches that combine technical assistance with risk-sharing instruments. Examples include small-ticket guarantee schemes, supplier finance linked to regional value chains and financing facilities that support both productivity improvements and sustainability investments. Pilot initiatives that incorporate monitoring, evaluation and knowledge-sharing components can generate practical lessons for replication across different country contexts.

Second, cooperation can strengthen knowledge exchange and capacity-building among entrepreneurship support ecosystems. Although many policy challenges are shared across ASEAN and Japan, the institutional responses to those challenges vary considerably. Japan's experience with support programmes for small and medium-sized enterprises, local government financing initiatives and entrepreneurship promotion can provide useful insights for ASEAN stakeholders. At the same time, ASEAN economies have developed innovative approaches in areas such as mobile finance, platform-based commerce and community-driven enterprise development that may offer valuable lessons for Japan. Structured exchanges among policymakers, business associations, accelerators and entrepreneurship support organizations can facilitate mutual learning and adoption of good practices.

Third, ASEAN-Japan cooperation can contribute to strengthening trust and resilience in cross-border digital markets. As MSMEs increasingly rely on digital platforms to access customers, suppliers and partners, issues related to cybersecurity, consumer protection, data governance and digital trust become increasingly important. Participants emphasized that many entrepreneurs lack the resources and expertise needed to manage digital risks effectively. Regional dialogue and cooperation could therefore focus on developing practical guidance for MSMEs, promoting cybersecurity awareness, supporting capacity-building initiatives and facilitating a greater understanding of cross-border digital regulations. Such efforts could help reduce compliance uncertainty and improve the operating environment for enterprises engaged in regional trade.

Fourth, people-to-people networks represent an important avenue for strengthening women's entrepreneurship ecosystems. Throughout the FGD, participants consistently emphasized the value of mentorship, peer learning, role models and professional networks in overcoming barriers to growth. ASEAN-Japan cooperation can support the development of structured and sustained networking platforms, including mentorship programmes, sector-specific communities of practice, entrepreneur exchanges and annual forums that facilitate ongoing collaboration rather than one-time engagement. Particular attention should be given to ensuring accessibility for entrepreneurs outside major urban centres and for women balancing business activities with caregiving responsibilities.

These cooperation pathways are feasible within existing ASEAN-Japan economic cooperation and people-to-people exchange frameworks and align closely with regional priorities on inclusive digitalization, sustainable development and women's economic empowerment. At the same time, the diversity of regulatory environments, market structures and institutional capacities across ASEAN Member States means that implementation approaches will need to be adapted to national contexts. Measures that are effective in highly digitalized economies may not be directly transferable to countries where digital infrastructure, financial inclusion or institutional support systems remain less developed. Similarly, differences in collateral frameworks, social enterprise regulations, sustainability standards and care-support policies shape the opportunities and constraints faced by women entrepreneurs across the region.

The findings also highlight several areas where further research and policy dialogue would be beneficial. Cross-border issues identified by participants, including digital trade governance, data protection and cybersecurity standards, sustainable finance mechanisms and the recognition of sustainability certifications, require greater comparative analysis to translate shared priorities into practical and interoperable frameworks. Future country-level and sector-specific studies would further strengthen the evidence base by examining how barriers vary according to enterprise size, industry, geographic location and stage of business development. Such research would support the more effective sequencing, targeting and adaptation of policies and programmes designed to advance women's entrepreneurship across ASEAN and Japan.

8. Conclusion

The 2024 FGD demonstrates that women entrepreneurs in ASEAN and Japan navigate a complex environment in which barriers are interlinked: financing constraints are intensified by credibility bias and collateral norms; digital tools create productivity gains but also new risk exposure; and sustainability ambitions are constrained by costs and weak demand. Yet participants also demonstrated agency and innovation through partnership models, incremental sustainability strategies, the practical use of social media and AI, and the strategic building of peer networks.

Programme support should therefore be integrated. A finance-only intervention will not succeed if time poverty, digital risks and market barriers remain. Similarly, digitalization programmes must address safety and trust, while sustainability agendas must be "right-sized" to MSME realities. ASEAN-Japan cooperation can add value through knowledge exchange, blended finance pilots, cross-border digital policy dialogue and joint platforms that connect women entrepreneurs to markets and partners.

The evidence presented in this report shows that supporting women entrepreneurs is both an inclusion objective and a strategic economic investment. A more enabling ecosystem for women-led MSMEs can strengthen ASEAN's inclusive growth, digital transformation and sustainable development while creating practical entry points for deeper ASEAN-Japan cooperation.

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