



**OVERVIEW OF**

**WOMEN'S ENTREPRENEURSHIP**

**IN BRAZIL**



MINISTRY OF  
DEVELOPMENT, INDUSTRY,  
TRADE AND SERVICES

MINISTRY OF  
MICROENTREPRENEURSHIP,  
MICROENTERPRISE AND  
SMALL BUSINESSES











# **OVERVIEW OF WOMEN'S ENTREPRENEURSHIP IN BRAZIL**

Brasília, August 2024

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The views and conclusions expressed in this document do not necessarily represent those of UNDP, MDIC or MEMP.

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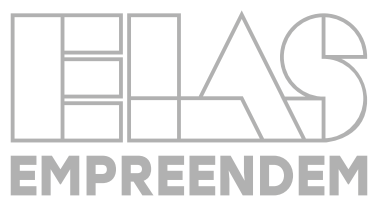
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**OVERVIEW OF  
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Brasília, August 2024

# INTRODUCTION

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It is our great pleasure to present this publication on women's entrepreneurship in Brazil. This study is the result of a partnership between the Brazilian Ministry of Development, Industry, Trade and Services (MDIC) and the United Nations Development Programme (UNDP). It has gained even more relevance with the creation of the Ministry of Entrepreneurship, Microenterprise and Small Businesses (MEMP), which is designed to focus on thinking about and implementing public policies for small entrepreneurs, with a particular emphasis on women, who face significant challenges, such as the triple working day and difficult access to credit.

The Federal Government is committed to offering fairer and more inclusive conditions for all Brazilian women entrepreneurs. We have been working to facilitate access to credit, offer support and mentorship networks, foster the formalisation of women-led businesses, and develop policies that help reconcile their professional and personal lives. Additionally, we aim to increase the participation of women in economic sectors, fostering innovation and the use of technology and promoting a culture of valuing women's entrepreneurship.

By providing a detailed assessment of the panorama of women's entrepreneurship in Brazil, this study will be an important ally for the technical areas of MDIC and MEMP in building a more equitable, fair, and inclusive business environment. We are committed to continuing our work so that women entrepreneurs have more opportunities for success, boosting Brazil's economic and social development.


Yours sincerely,

**Geraldo Alckmin**

Vice-President of the Republic and Ministry of Development,  
Industry, Trade and Services

**Márcio França**

Minister of Entrepreneurship,  
Microenterprise and Small Businesses



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Today, 1.1 billion people worldwide and more than 27 per cent of women in Latin America and the Caribbean live in acute multidimensional poverty. The UNDP, guided by the 2030 Agenda for Sustainable Development—the result of consensus among the 193 member countries of the United Nations—works to find ways and actions to reduce inequalities and promote a fairer future for all.

In this context, one of its goals is to help lift 100 million people out of multidimensional poverty by 2025, addressing not only income but also health, education, and living standards. To that end, it is essential to overcome systemic barriers and transform structures to achieve gender equality. This includes supporting the sustainable growth of smaller companies, especially those led by women entrepreneurs. Women's entrepreneurship plays a crucial role in creating economic resilience, empowerment, inclusion, and financial independence for vulnerable groups in society, including youth, women, and informal workers.

We hope that this publication will enhance understanding of the Brazilian context and provide inputs for the design of effective public policies aimed at overcoming barriers to the creation, growth, and development of women-led businesses. We believe that it is another contribution towards realising the full potential of female entrepreneurship to expand and enhance opportunities, choice, and quality of life for women and girls in all aspects of their lives.

**Claudio Providas**

Resident Representative

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# CONTENTS

EXECUTIVE SUMMARY .....	11
1. INTRODUCTION .....	14
2. METHODOLOGY .....	16
3. OVERVIEW OF WOMEN'S ENTREPRENEURSHIP IN BRAZIL .....	17
3.1 Access to financial resources .....	21
3.2 Work-life balance .....	23
3.3 Access to models, mentorship, and support networks .....	24
3.4 Access to information and digital technologies .....	25
3.5 Cultural factors .....	26
3.6 Formality versus informality .....	27
3.7 Regional inequalities .....	28
3.8 Racial inequalities .....	29
4. BEST PRACTICES .....	31
5. THE <i>ELAS EMPREENDEM</i> STRATEGY .....	32
6. FINAL CONSIDERATIONS .....	35
REFERENCES .....	37

## LIST OF FIGURES AND TABLE

<b>Figure 1:</b> Levels of analysis for promoting women's entrepreneurship .....	16
<b>Figure 2:</b> History of company openings and closings from January to April 2014–2024 (in thousands) .....	18
<b>Figure 3:</b> Distribution of the Brazilian workforce by gender, 2021 .....	18
<b>Figure 4:</b> Distribution of company size by number of employees paid by male and female employers, 2021 .....	19
<b>Figure 5:</b> Typical labour income in Brazil by gender, 2021 .....	20
<b>Figure 6:</b> Distribution of informal and formal businesses and type of entrepreneurship, 2021 .....	27
<b>Figure 7:</b> Highlights of the overview of women's entrepreneurship in Brazil .....	30
<b>Table 1:</b> Mapped projects supporting women's entrepreneurship in Brazil, 2021 .....	31



## LIST OF ACRONYMS

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<b>BRL</b>	Brazilian Reais
<b>USD</b>	American Dollars
<b>APL</b>	Local Productive Arrangements
<b>CNAE</b>	National Classification of Economic Activities
<b>GEM</b>	Global Entrepreneurship Monitor
<b>IBGE</b>	Brazilian Institute of Geography and Statistics
<b>MDIC</b>	Ministry of Development, Industry, Trade and Services
<b>MEI</b>	Individual Microentrepreneur
<b>MEMP</b>	Ministry of Entrepreneurship, Microenterprise and Small Businesses
<b>MPMEs</b>	Micro, Small, and Medium-sized Enterprises
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>SDG</b>	Sustainable Development Goals
<b>NGO</b>	Non-governmental Organisation
<b>UN</b>	United Nations
<b>GDP</b>	Gross Domestic Product
<b>SME</b>	Small- and Medium-sized Enterprises
<b>UNDP</b>	United Nations Development Programme
<b>RAIS</b>	Annual Social Information Survey
<b>SEBRAE</b>	Brazilian Micro and Small Business Support Service



Photo: © Agência Brasília – Matheus H. Souza





## EXECUTIVE SUMMARY

Within the framework of the 2030 Agenda for Sustainable Development, which reflects the consensus of the 193 member countries of the United Nations, public policies in support of women's entrepreneurship are directly related to Sustainable Development Goal (SDG) 5—Gender Equality. These policies can play a crucial role in advancing the targets associated with this goal. In Brazil, entrepreneurship is central to discussions on sustainable economic and social development, as micro and small enterprises account for the majority of formal jobs and a large share of the country's wage bill (IDB 2023).<sup>1</sup>

This publication highlights the critical importance of women's entrepreneurship concerning employment, income, productivity, and sustainable development in Brazil. It represents an important step in advocating for targeted policies that support women in this context. The publication covers the main characteristics and forecasts for women-led businesses, providing insights into key structural challenges and opportunities for public policy action.

Regarding employment, the assessment reveals that Brazil's entrepreneurial landscape is dominated by smaller companies. Although women employers represent a smaller percentage of the workforce, they generate a comparable volume of jobs to men, proportionally. Concerning income—a topic frequently discussed in gender equality debates—it is noted that the monthly income of self-employed women is 21 per cent lower than that of men. In addition, when analysing data on the wage gap, while controlling for gender among entrepreneurs, results suggest that the wage gap between men and women is greater when entrepreneurship is considered. Therefore, strengthening women-led businesses could have a positive effect on the reduction of the wage gap.

The study involved mapping 81 organisations with projects and initiatives and 183 projects supporting women's entrepreneurship. Key themes in the mapping include technical and behavioural development, the creation of support and business networks, and the expansion of financial resources. The initiatives target specific subgroups within women's entrepreneurship, such as mothers, the LGBTQI+ population, and black and indigenous women.

The key points for supporting women's entrepreneurs highlighted in the publication include:

<p><b>Increasing access to financial resources:</b> There are significant challenges related to accessing financial resources, whether for subsistence or innovation-focused entrepreneurship. Evidence shows that women-led businesses are often perceived by the financial system as higher risk due to factors such as lack of collateral and information, leading to barriers in credit and financing from both the banking sector and private investors.</p>	<p><b>Improving work-life balance:</b> Women entrepreneurs face greater social obligations and challenges in balancing their family and professional responsibilities. Therefore, they often dedicate less time to their businesses compared to men.</p>
<p><b>Expanding access to models, mentoring, and networks:</b> Most women entrepreneurs lack access to mentors and mentoring networks for female leadership, which can offer valuable guidance and support for business growth. This is especially crucial for smaller companies and startups.</p>	<p><b>Expand access to information and digital technologies:</b> Brazil faces significant limitations in internet coverage and low levels of digital literacy, with basic digital skills below the Latin American average. This is particularly relevant for women's entrepreneurship, as digital trade and services offer substantial opportunities for growth and innovation for businesses.</p>
<p><b>Reducing the influence of cultural factors:</b> Gender stereotypes affect perceptions of men and women in both personal and professional spheres. Family obligations and domestic chores are often assigned to women, which can lead women entrepreneurs to select business segments that generate less added value.</p>	<p><b>Reducing informality:</b> Informality limits growth potential by restricting access to markets and human and financial capital. It also creates insecurity and diminishes households' capacities to improve their circumstances.</p>
<p><b>Mitigating racial inequalities:</b> Regional disparities in Brazil are closely linked with race, with white women in the South, Centre-West, and Southeast regions being more likely to become entrepreneurs. Conversely, in the North and Northeast regions, women with lower levels of educational attainment are more likely to engage in entrepreneurship, which may be related to subsistence entrepreneurship.</p>	<p><b>Mitigating racial inequalities:</b> Black women are more likely to start businesses out of necessity and face higher levels of informality compared to businesses led by white women.</p>

In particular, the National Strategy for Women's Entrepreneurship—***Elas Empreendem***—coordinated by the Ministry of Entrepreneurship, Microenterprise and Small Businesses (MEMP), was created in 2024 as the Federal Government's effective response to fostering a business environment led by women. This strategy aims to increase the income, productivity, and sustainability of women-led enterprises by facilitating women's access to public entrepreneurship-related policies and services, and by encouraging the production and dissemination of data and information on women's entrepreneurship.

The ***Elas Empreendem*** Strategy outlines the main ideas and best practices related to promoting women's entrepreneurship as a means of fostering social and economic inclusion in Brazil.







## 1. INTRODUCTION

The relevance of women's entrepreneurship to economic development, healthy lives, and social progress has long been recognised<sup>1</sup> (Bullough et al. 2019). Starting and growing a business is a key pathway for developing industry, generating wealth, and creating jobs, fostering innovation and economic development. In this context, women's entrepreneurship can play a significant role in advancing gender equality in industries, communities, and nations.

Entrepreneurship serves a tool for economic and personal freedom, enabling individuals to achieve their dreams, realise their potential, and transform both their own lives and society. Women, with their strength, creativity, and determination, who invest their families, in their children's education, and employ other women, become role models within their communities and agents of social change.

Despite the large number of small businesses started by women, 95 per cent of these businesses have never exceeded the six-figure revenue barrier and face various challenges to success in Brazil (GM WE 2021). Therefore, it is crucial to consider how we can better support women entrepreneurs in growing their businesses.



**MSMEs are at the core of debates around sustainable economic growth, gender equality, the creation of decent jobs, and financial inclusion, with direct and indirect effects on the 17 SDGs of the 2030 Agenda.”**

In Brazil, micro, small and medium-sized enterprises (MSMEs) face numerous barriers that can hinder their growth and sustainability. This sector is crucial for achieving the Sustainable Development Goals (SDGs), particularly due to its central role in generating formal jobs and contributing significantly to the country's wage bill.<sup>1</sup> Therefore, MSMEs are central to discussions on sustainable economic growth, gender equality, the creation of decent jobs, and financial inclusion, with both direct and indirect effects on the 17 SDGs of the United Nations' 2030 Agenda for Sustainable Development.

Specifically, public policies supporting women's entrepreneurship are directly related to SDG 5—Gender Equality—and can play a crucial role in advancing the targets associated with this goal, in

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1. According to the 2020 Annual Social Information Survey (RAIS), companies with up to 249 employees—defining the MSME segment—accounted for 99.4 per cent of all companies, 57.2 per cent of formalised jobs, and 42.8 per cent of the country's formal wage bill (IDB 2023).



terms of economic empowerment, financial inclusion, reducing gender pay gaps, implementing equal pay for equal work and gender equality in teams, and creating adequate benefits for women, among other measures.



**Public policies supporting women's entrepreneurship are directly related to Sustainable Development Goal 5—Gender Equality—and can play a crucial role in advancing the targets associated with this goal, in terms of economic empowerment, financial inclusion, reducing gender pay gaps, implementing equal pay for equal work and gender equality in teams, and creating adequate benefits for women, among others.”**

In this context, MEMP, as the coordinator of the National Women's Entrepreneurship Strategy, underscores that this agenda is a priority for the country's economic growth and development.

To contribute to this pressing debate on advancing sustainable economic and social development in Brazil, this publication—developed under the framework of the international technical cooperation project BRA/18/023—Modernization of the Economy, established between UNDP and MDIC—aims to provide inputs for public policy instruments that promote women's entrepreneurship. It also seeks to develop initiatives that address challenges and increase opportunities for women starting and growing businesses in the country.

Revised and structured in this publication format in 2024, the work was conducted in partnership with MEMP and is based on the March 2022 study by Professor Dr. Anna-Katharina Lenz, an expert in entrepreneurship. The data, findings, and recommendations reflect the period when the study was conducted and remain relevant, indicating that this agenda has undergone minimal changes.

The main objective is to gather inputs for developing public policies to support women entrepreneurs in Brazil. To this end, this document presents: (i) an overview of women's entrepreneurship in Brazil, including a diagnosis and an analysis of the main obstacles and opportunities faced by women in the country; (ii) best practices for creating public policies with a gender perspective; (iii) the *Elas Empreendem* National Strategy; and (iv) final considerations.

## 2. METHODOLOGY

This publication employs a multilevel analysis, focusing on the specific characteristics of women entrepreneurs, their contexts, the challenges they face, and the available support structures. It includes a mapping of international best practices in promoting women's entrepreneurship and an overview of women's entrepreneurship in Brazil across two levels: meso and micro<sup>2</sup> (Figure 1). The aim is to provide an overview of key perceptions regarding challenges and needs, which can assist in designing effective public policies and outlining a path forward based on these two levels of analysis.

**Figure 1: Levels of analysis for promoting women's entrepreneurship**



Source: Elaborated by the consultant.

This publication is based on both primary and secondary data. **Primary data** were collected through approximately 20 qualitative, semi-structured interviews with national and international professionals and experts in gender-focused entrepreneurship. These interviews explored perceptions regarding the levels of analysis in supporting women's entrepreneurship.

**Secondary data** used to contextualize the state of women's entrepreneurship in Brazil and the country's position relative to other countries were selected from:

- Scholarly articles in journals relevant to entrepreneurship.
- United Nations publications on entrepreneurship from the last five years.
- Publications on best practices in women's entrepreneurship by key institutional players, such as the European Union, UN Women and Oikos.

2. The study used to prepare this publication, under the framework of Project BRA/18/023, also included a macro level analysis of the political-administrative environment. However, this aspect was not explored in this material.

- *Global Entrepreneurship Monitor 2020/2021 Global Report.*
- *Global Entrepreneurship Monitor 2018/2019 Women's Report.*
- Podcasts, videos, and conference materials to understand the latest trends and best practices.

Still regarding **secondary data**, analyses were conducted on the landscape of women's entrepreneurship in Brazil using both quantitative and qualitative data on entrepreneurship in the country. The main data source was the Continuous National Household Sample Survey (PNADC).

Additionally, two mappings by influential entrepreneurship support organizations were analysed: the Interactive Map of Support for Brazilian Entrepreneurship by *Aliança Empreendedora*, and the Map of the Support Ecosystem for Brazilian Women by *Instituto Rede Mulher Empreendedora* (IRME).

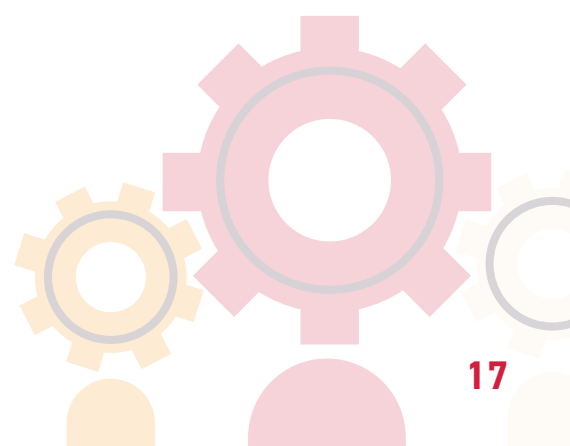
This methodology and the analyses conducted provided valuable inputs for strengthening entrepreneurship in Brazil, which could support public policies aimed at fostering human development and a more prosperous life for all.

### 3. OVERVIEW OF WOMEN'S ENTREPRENEURSHIP IN BRAZIL

Entrepreneurship is at the heart of the Brazilian economy, with the number of active companies steadily increasing over time (Figure 2). By the end of April 2024, there were 21.7 million active companies in Brazil,<sup>III</sup> of which 12.1 million were Individual Microentrepreneurs (*Microempreendedor Individual—MEI*) (Mapa de Empresas 2024). Thus, the predominant structure of entrepreneurial activity in Brazil consists of micro and small-sized businesses, with few or no employees.

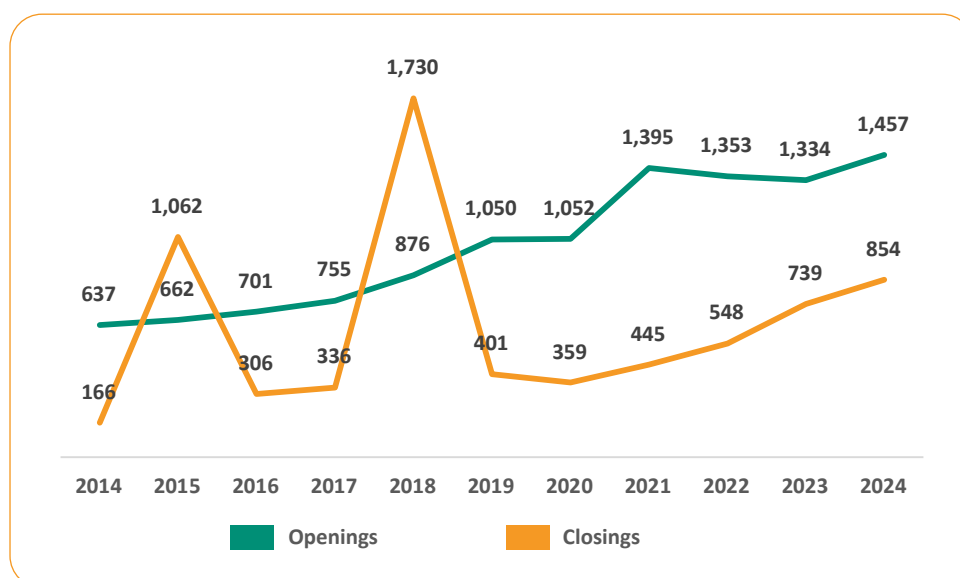


**By the end of April 2024, there were 21.7 million active companies in Brazil, of which 12.1 million were Individual Microentrepreneurs (MEI)."**





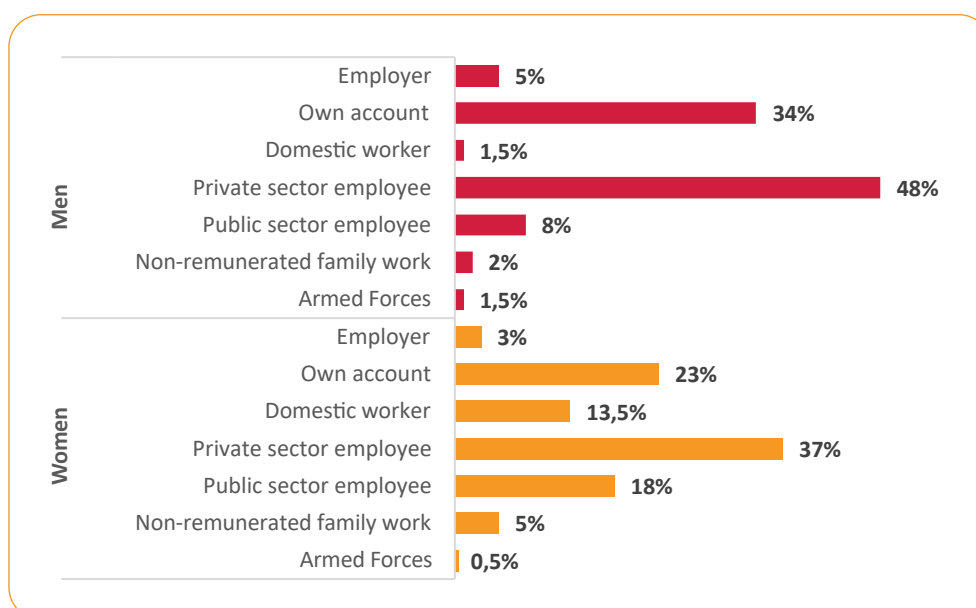
**Figure 2: History of company openings and closings from January to April 2014-2024 (in thousands)**



Source: Author's elaboration based on data from Mapa de Empresas (1/2024).

According to data from the 2021 PNADC<sup>IV</sup> (Figure 3), 34 per cent of the total male workforce in Brazil is classified as 'own account workers', while self-employed women represent 23 per cent of the total female workforce.

**Figure 3: Distribution of the Brazilian workforce by gender, 2021**



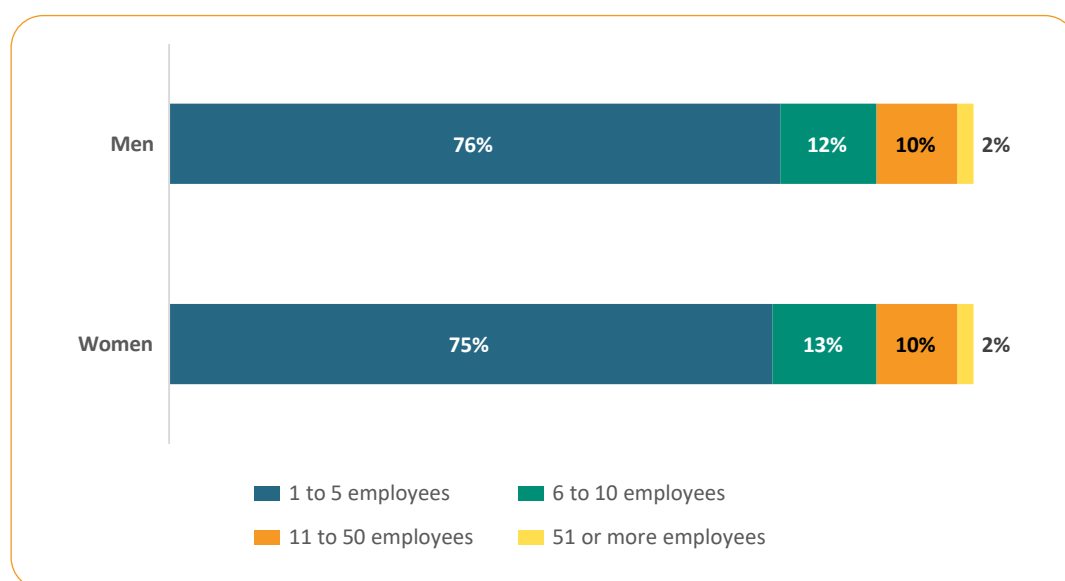
Source: Elaborated by the consultant based on data from the 2011 PNADC.

The 'own account' category refers to business owners without employees or self-employed workers, including those in the MEI category, while 'employer' refers to entrepreneurs with at least one paid employee. It is important to note that women are less involved in own account work compared to men and represent a smaller share of employers: 3 per cent versus 5 per cent, respectively. However, when considering the number of employees, men and women show a similar distribution regarding company size (Figure 4). This may indicate that when women entrepreneurs overcome barriers to creating jobs, they are able to generate a similar number of positions compared to men.



**When women entrepreneurs overcome barriers to creating jobs, they are able to generate a similar number of positions compared to men.”**

**Figure 4: Distribution of company size by number of employees paid by male and female employers, 2021**

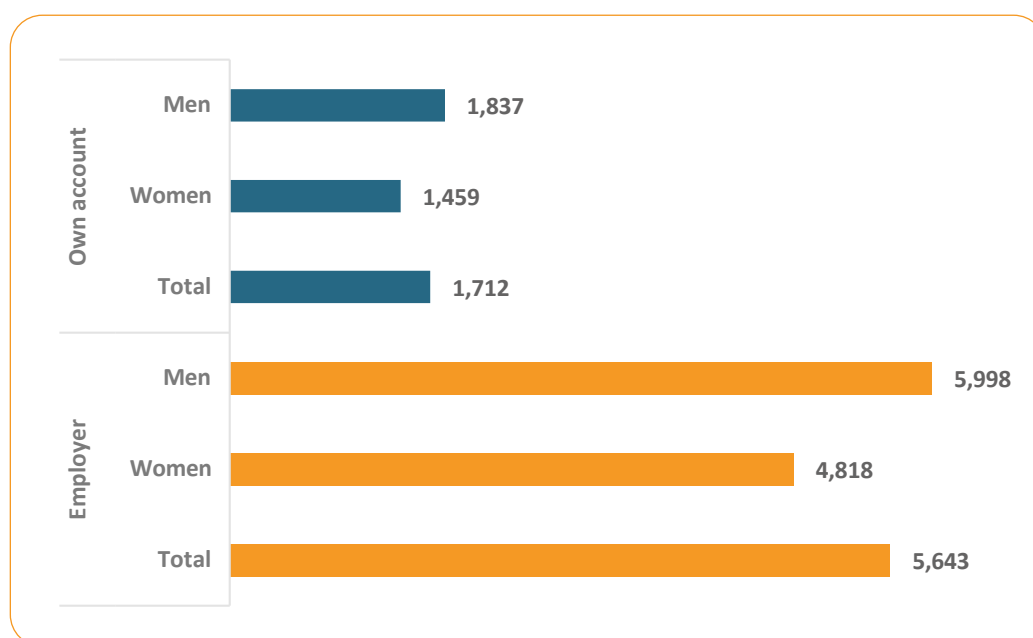


Source: Elaborated by the consultant based on data from the 2011 PNADC.

A key characteristic of women's entrepreneurship in Brazil, which is also observed in other countries, is the income gap compared to men. Until the 1990s, Brazil had one of the largest wage gaps between men and women in Latin America. Improvements in the 2000s reduced this gap to 29 per cent (GTZ et al. 2010).<sup>v</sup> Recent data indicate that it has since dropped to 17.5 per cent (PNADC 2021). Women employers and own account workers earn, on average, 20 per cent less per month than their male counterparts (Figure 5). This difference remains significant, especially considering that women typically have more years of schooling than men (GEM WE 2021).

The lower income of women entrepreneurs reflects the generally lower incomes of women in the labour market. Data in Figure 5 show that own account female workers have an average income of BRL 1,459, while female employers earn an average of BRL 4,818. Thus, the average monthly income of women entrepreneurs—both own account workers and employers—is BRL 3,139, representing a gap of nearly 25 per cent compared to the income of male entrepreneurs. In addition, according to data from the 2021 PNADC, when excluding entrepreneurs, the gender wage gap narrows to 15.5 per cent. This suggests that a portion of the income gap between women and men is related to entrepreneurship and is driven by the incomes of both employers and own account workers. Strengthening women's entrepreneurship could therefore help reduce the wage gap in Brazil.

**Figure 5: Typical labour income in Brazil by gender, 2021**



Source: Elaborated by the consultant based on data from the 2011 PNADC.

Regarding sustainability, women's entrepreneurship in Brazil stands out among Latin American countries. Nine out of ten women reported practices aimed at maximising the environmental sustainability of their businesses; and four out of five reported activities focused on achieving social sustainability goals (GEM WE 2022/2023).



In this context, it is important to note that several structural issues prevent women entrepreneurs from reaching their full potential. These issues are listed below and will be described and analysed in the following sections:

1. Access to financial resources.
2. Work-life balance.
3. Access to models, mentorship, and support networks.
4. Access to information and digital technologies.
5. Cultural factors.
6. Formality versus informality.
7. Regional inequalities.
8. Racial inequalities.

### 3.1 ACCESS TO FINANCIAL RESOURCES

Globally, women entrepreneurs face greater challenges in accessing financial resources (See Bruhn and Love 2009; Mel et al. 2010).<sup>vi</sup> This issue affects both women engaged in subsistence entrepreneurship—who turn to entrepreneurship as an alternative source of income for themselves or their households—and for growth-oriented women focused on innovation.

Women entrepreneurs in innovative, high-growth ventures often encounter challenges related to a lack of trust in their ability to succeed and expand. This scepticism, particularly from venture capitalists—who are mostly men—results in lower confidence in the scalability of women-led businesses.<sup>vii</sup> Consequently, women-led startups frequently face initial financial difficulties due to lower capital before their new products or services can generate sufficient revenue to cover their costs.

Globally, in 2023, women-led startups received only a small share of total venture capital investments. Brazil reflects a similar trend: according to [Startups.com](#) (2023),<sup>viii</sup> startups founded by women receive less than 12 per cent of all venture capital investments in the country.



Despite these challenges, there are some positive developments. For example, in the USA, women-led startups captured 27.8 per cent of the total value of business investments in 2023. Although this figure is still relatively low, it represents an increase of 18 percentage points over 2022 and marks a historical high for women-led startups.<sup>ix</sup> (PitchBook 2023).



**Women entrepreneurs face challenges in obtaining loans due to factors such as gender bias, lack of collateral, and insufficient credit history.”**

On the other hand, women entrepreneurs at the subsistence level face financial, educational, geographical, and social barriers. They have less access to the traditional banking system compared to men, resulting in reduced access to credit. For example, a survey by the *Rede Mulher Empreendedora* Institute (2021) found that 42 per cent of women entrepreneurs who participated in the survey were denied credit. This difficulty is exacerbated by the collateral often required by banks, to which women have less access—assets are typically registered in the name of their male spouses. Additionally, a significant portion of these women, due to cultural reasons, have had limited access to financial education throughout their lives, which often undermines their confidence in their ability to acquire financial knowledge.

Thus, female subsistence entrepreneurs often have a more distant relationship with financial institutions and may feel less comfortable applying for loans or engaging in negotiations. Additional factors complicating their access to loans include gender bias, lack of collateral, and insufficient credit history.

## 3.2 WORK-LIFE BALANCE

Women face greater social obligations, such as caring for children and elderly family members, supporting their children's education, and managing household chores. For women entrepreneurs, these responsibilities represent an additional challenge to balancing the limited time they can dedicate to their businesses in light of their family, household, and community obligations.

Data from the 2021 PNADC show that women microentrepreneurs spend an average of 17 per cent less time on their businesses compared to their male counterparts. They also experience increased fatigue, stress, and a lack of time to devote to both their businesses and management training courses.



As a result, women are often perceived as underrepresented among high-growth entrepreneurs due to their household and social responsibilities.

Despite having less time to devote to their businesses, nearly half of women entrepreneurs are also heads of household. A SEBRAE survey based on data from PNADC 2021 shows that this percentage is as high as 49 per cent. Therefore, policymakers face the challenge of creating support structures that acknowledge the dual responsibilities of women entrepreneurs—balancing business and family commitments. Such support structures are crucial, as they directly impact business development and the economic growth of households in particular and of society in general.

### 3.3 ACCESS TO MODELS, MENTORSHIP, AND SUPPORT NETWORKS

Role models and mentoring for women entrepreneurs provide not only symbolic examples but also valuable lessons. They offer representation and facilitate the sharing of experiences, knowledge, and life trajectories.

In a country where only 17 per cent of CEO positions are held by women,<sup>x</sup> female leadership references and role models are crucial. It is vital for women entrepreneurs to see other women in high leadership roles or as business owners to believe that they too can achieve similar positions.

Mentoring plays a significant role in the growth and expansion of businesses, particularly for entrepreneurs in small and medium-sized enterprises (SMEs) and startups. It is also critical for leadership development, as research<sup>xi</sup> indicates that women business leaders often report greater professional insecurities and doubts about their capabilities in the business space compared to their male counterparts. Furthermore, women face additional challenges in attracting investors. Effective mentorship can guide them towards securing greater capital and help build a stronger perception of their abilities, potentially leading to increased expansion and profitability.



**Women business leaders often report greater professional insecurities and doubts about their capabilities in the business space compared to their male counterparts.”**

Despite the growth in mentoring and mentoring networks for women leaders, driven by organisations such as *Rede Mulher Empreendedora* (Network for Women Entrepreneurs), most women entrepreneurs in Brazil lack access to mentoring and, consequently, do not benefit from these resources.

In terms of networks, entrepreneurial success is often determined by the strength of personal connections, which can provide crucial resources such as financing and knowledge. Literature indicates that women entrepreneurs are less involved in formal networks compared to men. Reasons include "lack of personal confidence, anxiety about discrimination, perceived lack of competence relative to men, and concerns about the amount of time and effort required to advance within these networks."<sup>xii</sup>

Moreover, evidence suggests that women often feel they must make significant investments before seeking help or advice, unlike men who may not face the same level of perceived investment.<sup>xiii</sup> This network bias remains a persistent challenge, particularly for those engaged in subsistence entrepreneurship.

### 3.4 ACCESS TO INFORMATION AND DIGITAL TECHNOLOGIES

According to GSMA Connected Women 2020, women entrepreneurs in Brazil face significant challenges in accessing information and technology due to two main factors: limited internet coverage and low digital literacy. Digital literacy, in turn, is closely linked to the ability to read and think critically.

Data from the 2022 PNADC reveal that 6.4 million households in Brazil lack internet access,<sup>xiv</sup> representing 8.5 per cent of the total 75.3 million registered households. Among fully connected internet users—those with regular and continuous access—only 11 per cent belong to social classes D and E.

In terms of education and digital literacy, Brazil lags behind the Latin American average. According to the Inter-American Development Bank (IDB) (Meaningful Connectivity Seminar 2023), the average rate of basic digital skills among member states of the Organisation for Economic Co-operation and Development (OECD) is just over 64 per cent of the economically active population. In Latin America, this rate drops to an average of 29 per cent, and in Brazil, it is even lower at 24.4 per cent. For intermediate skills, which require the 'use of a basic arithmetic formula', Brazil's rate is just 11 per cent.

Improving digital inclusion for women can help overcome entrepreneurial limitations related to time and mobility, which are deeply intertwined with the identities of women entrepreneurs and mothers. These women must balance significant social and family responsibilities, making digital access and literacy crucial for their success.

Another relevant issue is that women can leverage digital commerce, services, and other innovative business ventures to expand their entrepreneurial opportunities, foster business growth, and drive innovation.



**Women can leverage digital commerce, services, and other innovative business ventures to expand their entrepreneurial opportunities, foster business growth, and drive innovation.”**

In this context, it is worth noting that following the COVID-19 pandemic, women have invested the most in digital knowledge. There is an opportunity to further support this trend by providing women, particularly women entrepreneurs, with resources to fully capitalise on the opportunities offered by the online environment. This includes advancing their education, exercising their citizens' rights, and entering the labour market.

### 3.5 CULTURAL FACTORS

Both men and women encounter challenges related to entrepreneurship in Brazil, but women face additional barriers rooted in societal and cultural norms.

Historically, Brazilian women faced legal restrictions on entering the labour market until very recently. Laws required their husband's permission to work, with such regulations remaining in force until 1962 under Law No. 4.121, of 27 August 1962, on the Married Woman's Statute.<sup>xv</sup>

From childhood, gender stereotypes shape the education of boys and girls and influence how men and women are perceived in their personal and professional lives. Additionally, the burden of domestic responsibilities on women is a consequence of these cultural norms. Such norms can influence women entrepreneurs' choices regarding which sectors they engage in, often leading them towards areas that generate less added value. Data from the 2022 GEM reveal that technology companies, which offer the highest profit potential, are predominantly led by men, illustrating this issue.

Other cultural issues include women reporting less confidence in their ability to start a business, having a greater tendency to be intimidated by fear of failure, a focus on local rather than national markets, and less aggressive pursuit of sales opportunities.



### 3.6 FORMALITY VERSUS INFORMALITY

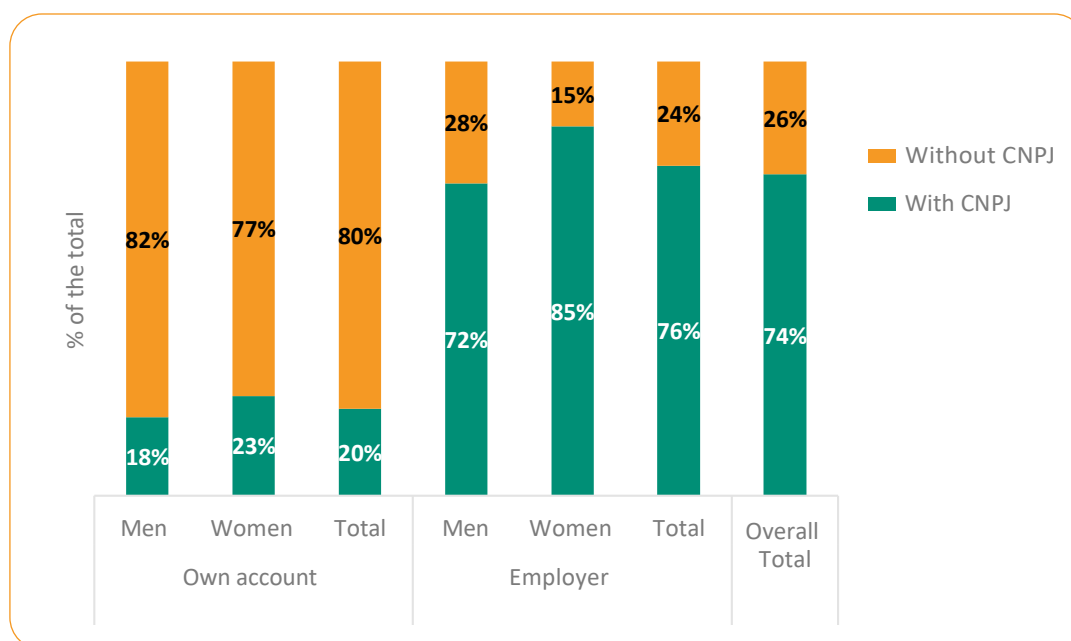
Informal and formal market dynamics present an additional challenge for entrepreneurs in Brazil. According to the Brazilian Institute of Geography and Statistics (IBGE), data from PNADC indicate that the country had an informality rate of 39.1 per cent in the fourth quarter of 2023,<sup>xvi</sup> underscoring the difficulty of generating formal income, employment, and production in Brazil. Informality hampers growth by restricting access to formal markets, including suppliers and customers, and limiting access to human and financial capital. This can create income stability, leading to insecurity or even an inability to work, reducing the capacity of workers to improve their family's situation. It also contributes to one of the country's longstanding social issues, as informal micro-entrepreneurs do not contribute to social security.

Regarding women's entrepreneurship in Brazil, although women entrepreneurs have a higher rate of formalisation than men (23 per cent versus 18 per cent among own-account workers, and 85 per cent versus 72 per cent among employers), informality remains high across the board.



**Women entrepreneurs have a higher rate of formalisation than men.”**

**Figure 6: Distribution of informal and formal businesses by gender and type of entrepreneurship, 2021**



Source: Elaborated by the consultant based on data from the 2011 PNADC.

Implementing public policies that encourage the formalisation of women entrepreneurs can lead to business growth, enhance social protection through social security, and increase access to resources such as training, financing, and human capital. Additionally, formalisation opens opportunities for receiving government subsidies and support.

### 3.7 REGIONAL INEQUALITIES

Data from the SEBRAE study, cross-checked against IBGE population projections from the 2nd quarter of 2021, reveal the distribution of women entrepreneurs across Brazil's regions. The percentage of women entrepreneurs relative to each region's population is highest in the Southeast (44 per cent), followed by the Northeast (23 per cent), South (15 per cent), North (8 per cent) and Centre-West (7 per cent).

The study also highlights that regional disparities in Brazil are closely related to race. White women are more prominently represented among entrepreneurs in the South, Centre-West and Southeast compared to the North and Northeast. In the Northeast, white women are less involved in entrepreneurship relative to other racial groups (Rosa, Orellana, and Menezes 2020),<sup>xvii</sup> while in the North region this racial difference is not significant.

Moreover, there is considerable heterogeneity in the characteristics of women entrepreneurs across Brazil's regions. For example, women with 9 to 11 years of schooling are less represented among entrepreneurs in the North and Northeast (4.9 per cent and 3.6 per cent, respectively), whereas women with 1 to 4 years of schooling are more prominent in entrepreneurship in these regions (10.1 per cent and 11.1 per cent, respectively). This suggests that in the North and Northeast, women with lower levels of educational attainment are more likely to become entrepreneurs, potentially due to the high demand for subsistence entrepreneurship and the low supply of formal jobs for women with lower levels of educational attainment.



**In the North and Northeast, women with lower levels of educational attainment are more likely to become entrepreneurs, potentially due to the high demand for subsistence entrepreneurship and the low supply of formal jobs for these women.”**

On the other hand, in the Centre-West and Southeast regions, the study found no significant correlation between years of schooling and the likelihood of entrepreneurship. In the South region, women with 12 or more years of schooling are more likely to engage in entrepreneurship, suggesting a higher prevalence of opportunity-driven entrepreneurship.

Compared to women entrepreneurs in other regions, those in the Northeast experience lower incomes, manage smaller businesses, represent a higher share of those running informal businesses, and report lower levels of subjective well-being. An analysis of entrepreneurial activities based on the National Classification of Economic Activities (*Classificação Nacional de Atividades Econômicas*) shows that activities relating to science, technology, and health are underrepresented in the North and Northeast regions of Brazil.

Additionally, women entrepreneurs in the Northeast face greater restrictions in accessing credit. This disparity is not found in the gender comparison between entrepreneurs in the South, Southeast, and Centre-West regions.<sup>xviii</sup>

These regional disparities may be a consequence of gender discrimination in the Northeast and underscore the need for public policies specifically aimed at the economic empowerment of women in this region in particular.

### 3.8 RACIAL INEQUALITIES

Women entrepreneurs are divided into 5 million white women and 4.7 million black women, representing almost half of this contingent in Brazil (SEBRAE 2021).<sup>xix</sup> The study reveals that black women entrepreneurs are more likely to start businesses out of necessity compared to white women—50 per cent and 35 per cent, respectively.

Black and white women entrepreneurs also differ in the amount of time they devote to their businesses. Among black women entrepreneurs, 59 per cent devote fewer than 40 hours a week to their business. In contrast, 49 per cent of white women entrepreneurs devote fewer than 40 hours a week to their business (*ibid.*).

Data from the 2021 PNADC reveal that businesses owned by black women are smaller and have a lower rate of formalisation. There are significant income disparities between black and white women entrepreneurs. While 24 per cent of black women entrepreneurs' businesses are formalised, the rate of formalised businesses owned by white women is 41 per cent. This discrepancy directly impacts social security coverage, with notable consequences for black women's social protection. Specifically, 49 per cent of white women contribute to social security, compared to only 27 per cent of black women.

Black women experience an average income gap of 32 per cent compared to white women—earning BRL 1,852 versus BRL 2,706, respectively. This disparity extends to the number of employees as well: data indicate that only 8 per cent of businesses led by black women employ 11 or more people, whereas 15 per cent of businesses led by white women fall into this category (SEBRAE 2022).





**Businesses owned by black women are smaller and have a lower rate of formalisation.”**

Data from the 2021 PNADC indicate that black women entrepreneurs are generally more prevalent in commercial activities related to food and less involved in businesses related to scientific and technical activities.

**Figure 7: Highlights of the overview of women's entrepreneurship in Brazil**



## 4. BEST PRACTICES

One of the key steps in gathering inputs for the design and implementation of public policies to support women entrepreneurs is mapping out good practices. This includes examining both general entrepreneurship support initiatives and specific cases that can inform policies aimed at promoting women's entrepreneurship. To this end, information was gathered from *Aliança Empreendedora* (Entrepreneurial Alliance), particularly from the interactive map on the *Empreender 360* platform, and a mapping of the Brazilian support ecosystem for women, organised by the *Rede Mulher Empreendedora* Institute. A total of 81 organisations and 183 projects dedicated to supporting and promoting women's empowerment in Brazil were identified (see Table 1).<sup>3</sup>

**Table 1: Mapped projects supporting women's entrepreneurship in Brazil, 2021**

Support focus	Region					Total projects
	Nationwide	Northeast	North	Southeast	South	
Youth	8	2		1		11
Black	8	4		2		14
Indigenous	1	2		2		5
Artisans	5	4		1		10
Mothers	8	1		1		10
Low income	12	6		5		23
Women entrepreneurs	34	7	1	6	3	51
Non-entrepreneurial women	25	5		6	2	38
Startups	12		1	1	2	16
No specific focus—general	5					5
Total projects	118	31		25	7	183

Note: The mapping was conducted in 2021, and the initiatives listed are still active. New initiatives that emerged after this period have also been mapped and included in the publication.

The vast majority of these projects (75 per cent) focus on supporting entrepreneurship, concentrating on initiatives aimed at low-income women both with and without businesses. Most institutions operate at the national level or in three or more states (65 per cent). Regionally, the North and Southeast stand out, with 38 per cent and 30 per cent of the mapped projects, respectively. The sample indicates that nearly all projects concentrate on urban centres, regardless of the region.

3. For more details on data collection, refer to Section 2: Methodology.

Projects focused on black women's entrepreneurship account for 17 per cent of the total mapped initiatives. These projects primarily emphasise networking to strengthen the black community, develop skills, provide training for women entrepreneurs, and foster business networks. Only 6 per cent of support projects specifically target indigenous women.

In summary, the main projects address technical and behavioural development, the creation of support and business networks, the expansion of financial resources to boost women's businesses, and/or focus on specific subgroups within women's entrepreneurship, such as mothers, the LGBTQI+ community, and black and indigenous women.

## 5. THE *ELAS EMPREENDEM* STRATEGY

The National Strategy for Women's Entrepreneurship—*Elas Empreendem* was established on 10 April 2024, through Decree No. 11.994,<sup>44</sup> signed by President Luiz Inácio Lula da Silva, Minister for Women Cida Gonçalves, and the Minister for Entrepreneurship, Micro-enterprise and Small Businesses, Márcio França. This strategy focuses on women's entrepreneurship as an instrument for social and economic inclusion in the country and is structured around the following axes:

1. Access to market and socioproductive inclusion.
2. Access to technology and innovation.
3. Access to credit.
4. Education on entrepreneurship.



**The *Elas Empreendem* Strategy sets Brazil on a path towards sustainable, inclusive economic and social growth, empowering women to lead with courage and inspiration in building a better future for all.”**

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4. Decree No. 11.994, dated 10 April 2024, is available at: [D11994 \(planalto.gov.br\)](https://planalto.gov.br/D11994).



The objectives of the *Elas Empreendem* Strategy include: fostering a business environment that supports entrepreneurship, with a specific focus on fostering women-led businesses; increasing the income, productivity, and sustainability of women-led businesses; providing women with access to public entrepreneurship policies and services; and encouraging the production of data and the dissemination of information on women's entrepreneurship.

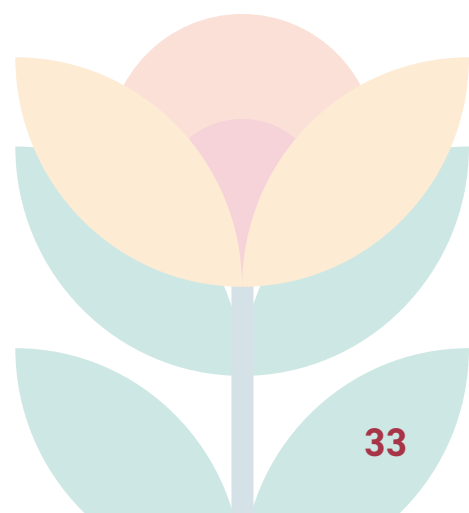
Additionally, the Strategy's guidelines include: ensuring ethnic-racial equity for self-declared black or brown women entrepreneurs; predictability, transparency, continuity, and coordination in the development of support policies and services; and prioritising women registered in the Federal Government's Single Registry of Social Programmes (*CadÚnico*) in future initiatives.

The Decree also established the Women's Entrepreneurship Steering Committee, which will be coordinated by MEMP and include representatives from the Ministries of Women; Science, Technology and Innovation; Development, Industry, Trade, and Services; Human Rights and Citizenship; Education; Racial Equality; and Labour and Employment; as well as representatives from Banco do Brasil, the Brazilian Development Bank (BNDES), Caixa Econômica Federal, SEBRAE, and civil society organisations.

The information and insights presented in this publication, as well as its conclusions and best practices, will form the basis for the development and targeting of public policies within the framework of the Strategy, with the support of the Steering Committee.



**The *Elas Empreendem* Strategy focuses on women's entrepreneurship as a tool for social and economic inclusion in the country."**







## 6. FINAL CONSIDERATIONS

This publication aimed to inform the discussion on promoting women's entrepreneurship in Brazil by providing an overview of the current landscape, useful ideas, and best practices applicable for designing public policies to support women entrepreneurs. It presented data and insights on Brazilian women entrepreneurs, analysed references and studies reflecting the main challenges and opportunities they face, and included observations based on expert interviews. Additionally, it listed a set of best practices mapped from various projects and initiatives and introduced the *Elas Empreendem* Strategy as the Federal Government's approach to fostering women's entrepreneurship in Brazil, linking it to these challenges.

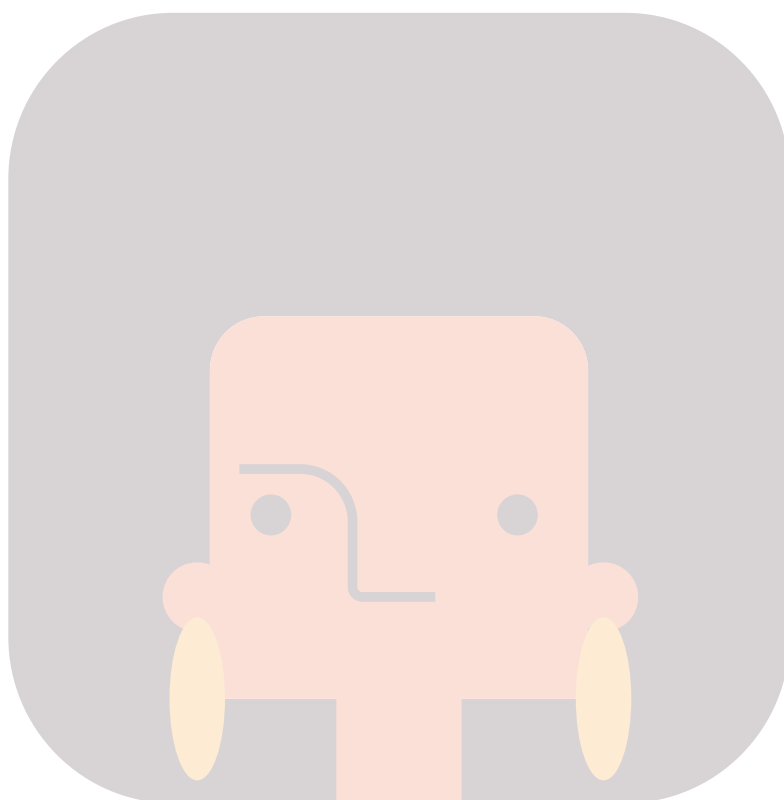
The work provided an overview of women-led enterprises in Brazil, highlighting that women entrepreneurs constitute a significant portion of the workforce. When these women overcome barriers to entrepreneurship, their businesses exhibit a company size distribution similar to that of men, as measured by the number of employees. This indicates that women have a comparable capacity to generate jobs through their businesses. Additionally, women entrepreneurs show a higher rate of formalisation compared to their male counterparts. However, persistent issues remain, including the fact that women have significantly lower incomes than men, both within companies and in the broader labour market.

The main challenges preventing women entrepreneurs from reaching their full potential have been identified and include issues such as access to financial resources, work-life balance, role models, mentoring, and business networks. Additional challenges encompass access to information and technology, as well as cultural norms. These difficulties are further compounded by regional disparities, racial inequalities, and the need to increase business formalisation. Together, these factors create significant obstacles for the growth and development of women-led businesses, and must be addressed effectively through targeted public policies.

In this context, the design of public policies to support women's entrepreneurship benefits from drawing on existing initiatives and projects. By gathering inputs, identifying best practices, and learning from past experiences, policymakers can create intelligent and effective strategies to enhance impact and achieve their goals. This publication highlights key aspects in defining these initiatives, such as: addressing technical and behavioural development; creating support and business networks; expanding financial resources for women-led businesses; and focusing on specific subgroups within women's entrepreneurship, including mothers, the LGBTQI+ community, and black and indigenous women. Reflecting on these insights can help assess and develop public policies that amplify the positive impacts for women entrepreneurs in Brazil.

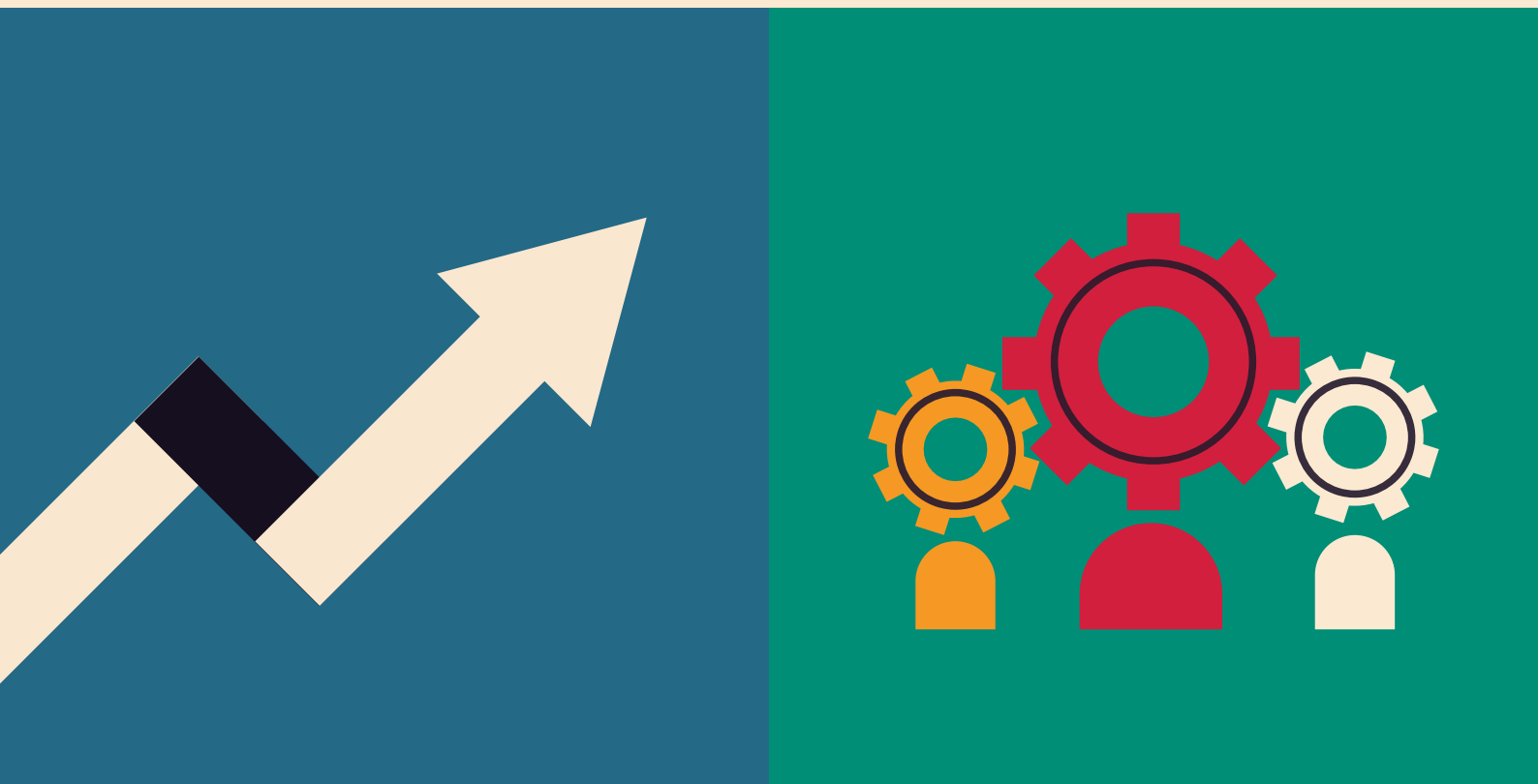


The National Strategy for Women's Entrepreneurship—*Elas Empreendem*—shares the main ideas and best practices for advancing women's entrepreneurship as a tool for social and economic inclusion in Brazil. This strategy aims to foster an environment that promotes income generation, productivity, and sustainability in women-led businesses, while addressing critical challenges related to access to credit, technology, education and inclusion, and ethnic-racial equality. The *Elas Empreendem* Strategy sets Brazil on the path towards sustainable and inclusive economic and social development, empowering women to lead with courage and inspiration in building a better future for all.



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