

WOMEN ENTREPRENEURS IN DEVELOPING CONTEXTS: A JUSTIFICATION FOR CONTEXTUALISED RESEARCH THROUGH AN ISLAMIC LENS

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Abstract: *Women entrepreneurs have emerged as significant contributors to economic growth, reductions in poverty, and the resilience of communities, particularly in countries that are still in the process of modernisation. Despite this, a significant portion of the existing body of literature continues to be controlled by Western-centric paradigms that ignore the socio-cultural, religious, and institutional realities that women in non-Western settings are confronted with. This paper presents a conceptual rationale for the need to conduct localised research on women entrepreneurs. Drawing on the unique intersection of gender, social, and Islamic values within the Malaysian context, this paper calls for an inclusive research agenda that acknowledges the structural, cultural, and relational dimensions shaping women's entrepreneurial sustainability.*

Keywords: *Women entrepreneurship, Business sustainability, Microfinance, Contextual research*

Introduction

Entrepreneurs, especially women entrepreneurs, are realising the need of company sustainability in the current global context. Business sustainability is not a one-size-fits-all concept; its meaning varies across companies, small and medium enterprises (SMEs), and small business owners based on their unique operational and strategic contexts. Al-Shami et al. (2016) stated that the notion of company sustainability is complex and diverse, with its interpretation differing among various market groups. When talking about businesses, sustainability is often referred to as corporate or business sustainability. These terms mean applying the idea of sustainable development to how businesses operate. This approach focuses on balancing environmental, social, and economic goals. Companies usually support it with structured plans, reports to stakeholders, and formal sustainability commitments (Nunhes et al., 2020).

Small and medium-sized businesses, on the other hand, adopt sustainability in a less formal and rigid way. For SMEs, sustainability is becoming a competitive advantage by enhancing corporate procedures, minimising mismanagement, and supporting ethical operations. It helps SMEs improve their social and environmental performance and expand steadily. Many businesses adopt sustainability to meet external expectations, improve their company image, and succeed long-term (Setiawati & Mastarida, 2024). For small business owners, sustainability is more about personal morals, helping the community, and making sure the business stays open for a long time than about following formal sustainability models. Mohamad & Chin (2019) assert that the concept of sustainability for small rural business proprietors includes the potential of the firm to persist and be effectively transmitted to future generations.

Women entrepreneurs are a unique and growingly important group within these diverse approaches. A lot of the time, their interest in sustainability comes from a mix of business needs, moral obligations, and ideals that care about the community. Women usually use sustainability in useful, moral ways, focussing on things like making a difference in the world, building trust, and using resources wisely, especially in small and medium-sized businesses. As a result, their approach blends economic goals with relational and community-based values. This orientation aligns closely with the United Nations Sustainable Development Goals (SDGs), which emphasize inclusive growth, gender equality, and solutions to global challenges through equitable and sustainable development (United Nations, 2023).

Despite the growing importance of women entrepreneurs in advancing sustainability, certain limitations persist in the existing research. First, most entrepreneurship studies are based on Western ideas that emphasise individual success, profit, and competition. Second, as a result, these frameworks overlook the realities of developing contexts, where family roles, religious values, and community bonds strongly influence entrepreneurial behaviour. Third, women entrepreneurs frequently face structural barriers, including limited access to capital, restricted mobility, and exclusion from influential business networks. Finally, success in entrepreneurship research is predominantly assessed through financial metrics, overlooking the social, ethical, and community-focused contributions that are central to many women-led firms, particularly in developing and religiously grounded contexts.

Objective of the paper

Guided by these gaps, this paper sets out to:

1. Justify the need for contextualised and localised research on women entrepreneurs in developing economies.

2. Explore how socio-cultural structures, Islamic values, and microfinance shape women's entrepreneurial practices in Malaysia.
3. Address gaps in mainstream entrepreneurship literature by incorporating religious, cultural, and relational dimensions into the discourse on business sustainability.
4. Provide a conceptual contribution that informs both academic scholarship and policy interventions for inclusive entrepreneurship development.

The Global and Local Significance of Women Entrepreneurs

Women entrepreneurs are playing an increasingly vital role in global economic development. Research from the Global Entrepreneurship Monitor suggests that women startup activity rates have almost doubled in recent decades, increasing from approximately 6 percent (in 2001 to 2005) to over 10 percent by 2023. These statistics highlight that enhancing women's entrepreneurial capabilities is not merely an issue of gender fairness, but also a strategic economic necessity (Global Entrepreneurship Monitor, 2024). Across many countries, they contribute to job creation, innovation, and income diversification, particularly in underserved sectors. Their businesses often prioritize inclusive practices and community well-being, making them key drivers in achieving the United Nations SDGs specifically SDG 5 (Gender Equality) and SDG 8 (Decent Work and Economic Growth) (United Nation, n.d.). Women-led enterprises have also been found to reinvest more in family and community welfare than their male counterparts, amplifying their long-term developmental impact.

In local contexts, such as Malaysia, women entrepreneurs are particularly active in the micro and small enterprise segments. Over the past decade, Malaysia has experienced a significant rise in women entrepreneurship, with government support, microfinance access, and training programs playing key roles in empowering women to start and grow businesses. As reported by the Department of Statistics Malaysia, there were 219,015 active women-owned establishments in 2022. This represented 20.1 percent of all registered establishments. The number increased from 187,265 in 2015, showing an average annual growth of about 2.3 percent. Within the SME sector, 185,582 were women-owned, making up 17.0 percent of all SMEs in Malaysia (The Malaysian Reserve, 2025).

Funds are being allocated through alternative platforms, such as MARA's Special Business Financing Scheme for Women (DanaNITA), Tekunita financing under TEKUN Nasional, microfinance loans by Amanah Ikhtiar Malaysia (AIM), and others, all of which are designed to motivate women to increase their income from business (Ministry of Finance Malaysia, 2021). Entrepreneurship courses, trade exhibition opportunities, leadership and management seminars, dialogue with relevant authorities, and discussions on financing facilities are all provided by women-related associations, including the Association of Bumiputera Women in Business and Profession (also known as Perniagawati), Women of Will (WOW), and local-based women associations. All the aims to broaden markets and facilitate networking for entrepreneurs to enhance their visibility both locally and internationally.

Despite their substantial contributions and the availability of various support initiatives, women entrepreneurs continue to encounter structural barriers such as limited access to formal financial services, restricted mobility, and underrepresentation in influential business networks. However, their approach to entrepreneurship often rooted in ethical conduct, social responsibility, and long-term community commitment presents a unique model of sustainable business practice (Habib, 2020; Mohd Ali & Ab. Aziz, 2014; Selamat & Endut, 2020). Recognizing the global and local significance of women entrepreneurs is essential for

developing inclusive economic policies and research frameworks that reflect their values, constraints, and potential.

Why Context Matter in Research of Women Entrepreneurs

Understanding the broader environment where women operate is essential. Contextual factors not only influence business practices but shape what success means. The Malaysian case illustrates how socio-cultural expectations, Islamic values, and state-supported microfinance schemes combine to form a unique entrepreneurial ecosystem. Women-owned businesses have shown considerable promise in creating jobs, sustaining household income, and fostering inclusive economic growth (Ministry of Women Family and Community, 2021; Muhamad Badri, 2016). In many developing countries, they play dual roles as income generators and social stabilisers, often reinvesting profits into family welfare, children's education, and health (Kim et al., 2020). Yet, despite these contributions, their significance remains underrepresented in scholarly discourse, where assumptions of universal motivations and outcomes fail to account for diverse realities.

Socio-Cultural Structures

Women entrepreneurs in non-Western contexts often navigate complex socio-cultural expectations that directly shape their business participation and behavior. In many societies, especially within Southeast Asia, family obligations, gendered expectations, and community norms can limit women's ability to fully engage in entrepreneurial activities. For instance, cultural expectations that women should prioritise household and family duties, and maintain conservative behaviour in public life, may restrict their movement, networking opportunities, and risk-taking in business. These limits are especially visible in rural or traditional settings, where women's public roles are strongly linked to community reputation and family respect.

In Malaysia, cultural and religious values intersect in unique ways that influence entrepreneurial pathways for Malay-Muslim women. Selamat & Endut (2020) observed that many Malaysian women entrepreneurs often face the challenge of balancing business responsibilities with family obligations. Similarly, Teoh & Chong (2014) found that Malaysian women often struggle to balance their business goals with family responsibilities. In some cases, their husbands make key decisions about the business, causing delays in its growth. This situation forces women to either follow their spouse's wishes or risk losing the chance to run a business. As a result, many women must work within a business environment that limits their freedom due to traditional gender roles.

Gender roles within Malay-Muslim families, for instance, often define what is considered appropriate economic behavior for women, including preferences for home-based or online businesses over public-facing ventures. While these norms can be limiting, they also create space for innovation within boundaries leading many women to leverage digital platforms and informal networks to meet both family expectations and business goals. Thus, socio-cultural structures can be both barriers and enablers, depending on how women negotiate their identities and resources within them.

Religious And Moral Economy

Islamic values offer a distinct moral framework for economic behavior, grounded in principles like *ta'awun* (mutual cooperation), *amanah* (trustworthiness), and *adl* (justice). For women entrepreneurs in Muslim-majority societies, these values often shape business practices that emphasize ethical dealings, community responsibility, and fairness. Rather than focusing purely

on profit, many adopt a relational approach to entrepreneurship, prioritizing long-term relationships, social impact, and spiritual fulfillment. This moral economy supports the idea of doing business as a form of service (*ibadah*) and contribution to society, aligning economic activity with personal and religious values.

The Qur'an reminds that the ultimate purpose of human existence is to worship Allah SWT (Surah az-Zariyat, 51:56). Within this framework, engaging in business is not merely an economic activity but also an act of devotion, as it provides a means to support society while fulfilling spiritual obligations (Mohd Zain, 2006). The Prophet Muhammad SAW further highlighted the significance of business by affirming that "Nine-tenths of sustenance is obtained through business" (Hadith Riwayat Tirmizi). This perspective positions entrepreneurship as both a source of livelihood and a highly valued form of worship, elevating women's economic participation as part of their religious and social duty.

However, this religious and moral lens is often absent from mainstream entrepreneurship theories, which largely stem from Western models centered on individual profit-maximization and market competition. As a result, the unique ways in which Muslim women embed religious ethics into decision-making and sustainability practices remain under-researched. Integrating this perspective into entrepreneurial studies could offer a richer understanding of how values, spirituality, and economic behavior intersect, particularly in Muslim-majority countries like Malaysia. It also offers a culturally grounded framework for designing policies and support systems that resonate with the lived experiences of women entrepreneurs.

Microfinance And Structural Support

Microfinance institutions like Amanah Ikhtiar Malaysia (AIM) have played a crucial role in expanding access to capital for women entrepreneurs, especially in low-income and rural areas. These Islamic microfinance models are often designed with an emphasis on equity, group accountability, and ethical lending, aligning with religious and cultural values. By offering financing without interest (*riba*) and fostering peer-group models, AIM and similar institutions help reduce financial exclusion for women who may lack traditional collateral or credit histories. These initiatives are often paired with entrepreneurship training, mentorship, and business development support.

Yet, financial capital alone is rarely sufficient for long-term success. Women entrepreneurs also require strong social capital—networks of trust, mutual support, and legitimacy within their communities. These informal support systems help women navigate market challenges, build customer loyalty, and gain access to knowledge and opportunities often unavailable through formal institutions. Programs that fail to recognize these non-financial needs risk falling short of their impact potential. Therefore, understanding how women leverage and expand their relational networks is vital for designing more effective, context-sensitive entrepreneurship interventions.

Women entrepreneurs struggle to find mentorship, support, and networking opportunities. These technologies are essential for improving skills, sharing knowledge, and making professional contacts to grow businesses. Without suitable support networks, women entrepreneurs may struggle to navigate the complexities of entrepreneurship, resolve conflicts, and sustain their businesses. The research conducted by Kim et al. (2020) indicates that new business entrepreneurs struggle in the absence of mentors. Women entrepreneurs depended on family, social, and personal networks rather than professionals.

Gaps In the Existing Literature

Although interest in women's entrepreneurship has grown, several critical gaps remain in the literature. First, many studies treat women as a homogenous group, overlooking the diverse experiences shaped by local socio-cultural, religious, and economic contexts. This generalisation limits the relevance and applicability of findings across different regions, especially in developing settings. Second, the theoretical frameworks most employed such as the resource-based view and human capital theory are predominantly individualistic and market-oriented. These models rarely account for the relational, communal, and value-driven dynamics that significantly influence women entrepreneurs in non-Western contexts. Third, there is a notable cultural blind spot in mainstream research, where religious values, moral obligations, and social norms are often ignored despite their centrality to entrepreneurial practice in Islamic and traditional societies. Finally, entrepreneurship studies typically measure success using narrow financial indicators such as profit, growth, or market share. This approach neglects other crucial dimensions of sustainability, including family stability, social responsibility, community development, and spiritual fulfilment, which are highly valued by many women entrepreneurs in developing economies.

Conceptual Contribution

This paper contributes conceptually by advancing the case for a contextualised and culturally grounded approach to women's entrepreneurship research. First, it highlights how socio-cultural structures, religious values, and community obligations uniquely shape entrepreneurial practices in Malaysia, offering insights that extend beyond Western-centric models. Second, it incorporates Islamic principles such as *ta'awun* (cooperation), *amanah* (trustworthiness), and *adl* (justice) into the discourse on business sustainability, framing entrepreneurship not only as an economic activity but also as a moral and social endeavour. Third, it underscores the importance of social capital particularly bonding, bridging, and linking ties in enabling women entrepreneurs to navigate structural barriers and sustain their businesses. By foregrounding these dimensions, the paper addresses theoretical blind spots in mainstream literature and proposes a broader understanding of entrepreneurial success that includes family well-being, community development, and spiritual fulfilment alongside financial outcomes. Collectively, this conceptual contribution provides a more inclusive framework for both scholarship and policy, ensuring that women entrepreneurs are recognised not merely as economic actors but as agents of resilience and value-driven enterprise.

Conclusion

Understanding women entrepreneurs requires more than just quantitative data; it demands empathy, cultural awareness, and theoretical innovation. Their lived experiences are shaped by diverse socio-cultural, religious, and economic realities that generalised models cannot fully capture.

This paper has achieved its objectives by:

1. Justifying the need for contextualised research on women entrepreneurs in developing economies.
2. Highlighting the role of socio-cultural structures, Islamic values, and microfinance in shaping women's entrepreneurial practices.
3. Addressing gaps in mainstream entrepreneurship literature by incorporating religious, cultural, and relational dimensions.
4. Offering a conceptual contribution that can inform inclusive policies and academic scholarship.

Ultimately, research must move beyond “what works” to explore “what matters” in women’s entrepreneurial lives. By acknowledging these nuances, policymakers and scholars can co-create inclusive, sustainable pathways that recognise women not only as economic agents but as leaders of resilient, value-driven enterprises.

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