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Gender Gaps in Access to Startup Capital in Armenia

This brief examines whether women in Armenia have less access to early-stage startup funding and what may explain that gap. The available evidence points to a striking imbalance: in a sample of 45 funded Armenian startups, only 7 (15 percent) include a woman founder or co-founder. The structural features of the ecosystem likely reinforce this gap. First, Armenia's startup market is small and network-dependent — roughly 144 active startups and about USD 164 million in total funding — so access to capital runs heavily through personal connections, and each gatekeeper carries more weight. Second, women bear a heavier share of care and time burdens, leaving less room for the sustained networking on which relationship-based funding depends. The brief, therefore, makes a broader policy claim. Armenia should treat gender gaps in startup capital not only as a funding problem, but also as a market design and care infrastructure problem. A stronger response would combine better gender-disaggregated funding data, more inclusive pathways into investor networks, and more practical support for shared care responsibilities.

Armenia's startup ecosystem is young, small, and highly network-dependent — the kind of market in which who gets funded can hinge on who is known and trusted. Gender is one such line of division. This brief asks whether women in Armenia have weaker access to early-stage startup funding, and if so, what explains the gap.

The concern is grounded in broader evidence on women entrepreneurs in the country: the IFC/World Bank Women Entrepreneurship Study in Armenia finds that access to finance is the most prominent obstacle entrepreneurs report (International Finance Corporation, 2021). And the barrier is not only a matter of investor choice or founder readiness — women's access is also shaped by collateral constraints and by unequal access to productive assets tied to inheritance and land ownership.

This brief looks first at what international evidence suggests about gender gaps in startup capital. Then it turns to the Armenian evidence: what the visible funding landscape reveals about women's access to startup capital, how the small size and network dependence of the ecosystem shape that access, and how unequal care and time burdens reinforce it. It closes with a set of policy recommendations spanning funding-data transparency, more inclusive investor access, and shared care support.

What international evidence suggests

International research shows that women founders are disadvantaged in many early-stage funding markets, particularly where investor decisions rely on networks, informal signals, and subjective judgments of founder potential (Kanze et al., 2020;

Koch et al., 2025; Liao et al., 2024). Women are less likely to secure external funding and, when they do, tend to raise less: across OECD and BRICS countries, startups with at least one woman founder are 5 to 10 percent less likely to be funded and receive about one third less when funded (Lassébie et al., 2019). Part of this reflects how investors evaluate founders — women are more often asked prevention-focused questions about risks, men promotion-focused questions about growth (Kanze et al., 2018).

The gap is not driven by investor bias alone; pipeline, startup orientation, and signaling explain part of it, though a substantial share remains unexplained. Fewer women may enter the funding process at all; women-led ventures are more often presented as smaller or local businesses rather than the fast-growth companies investors seek; and investors lean on visible signals — prior startup experience, early sales, a strong team, accelerator participation, trusted referrals. Yet these factors do not close the gap: even after accounting for them, women founders still face additional barriers to capital. In the United States, female-led ventures are 63 percent less likely to obtain venture capital, about 65 percent of that difference linked to initial startup orientation, with the remainder persisting after controls (Guzman and Kacperczyk, 2019). That gap narrows when stronger growth signals are available, and, conditional on funding, women- and men-led ventures achieve exits at similar rates. This last result should be read with caution, as it covers only ventures past the selection stage — but it suggests weaker access to capital should not be taken as evidence of weaker post-funding performance.



Investor composition matters too. Bellucci et al. (2024) find that female-owned businesses receive lower funding only when the angel investor is a man — a warning sign for markets where angel investing is relationship-driven and male-dominated. A recent OECD review makes a similar point: angel investment (i.e., that by individual early-stage investors who invest their own money in startups) is especially important for women entrepreneurs, yet they are disadvantaged by thinner networks and the underrepresentation of women among angel investors (OECD, 2025).

Taken together, this literature suggests that gender gaps in startup capital are shaped by both supply-side and demand-side forces: investor perceptions and investor composition matter, but so do pipeline conditions, access to networks, and the quality of the signals founders can present.

This framing is especially relevant for Armenia. Its startup ecosystem is small and tightly networked, with a limited pool of early-stage capital concentrated among relatively few investors — precisely the conditions under which the international dynamics of network reliance, informal signaling, and a male-dominated investor base are amplified rather than offset. When capital flows through a handful of relationships, being outside those networks is more costly than in deep, liquid markets. The rest of this brief examines how these forces appear in the Armenian evidence, and what they imply for who gets to build and grow.

Evidence Base and Approach

The approach in this brief is exploratory and relies on triangulation rather than causal identification. It combines international academic and institutional

research on gender gaps in startup finance, Armenian studies on women's entrepreneurship and access to finance, and ecosystem-level evidence from Armenia's startup landscape originating from [2carrots VC Database](#), an Armenian startup database.

One of the key reasons for the chosen approach is data limitations. Armenia does not yet have a systematic public dataset showing founder gender across grants, accelerators, angel investment, and venture capital. The currently visible funding landscape should therefore be read as a descriptive signal rather than a complete national census of startup finance. Even so, the available evidence is strong enough to justify policy attention, especially when combined with signs of a narrow startup market, limited capital depth, and weak supportive conditions around childcare and time use.

Key Findings

Women are underrepresented among funded startups in Armenia

The clearest visible ecosystem signal is straightforward: women rarely appear among funded founders. To examine this, we used the [2carrots VC Database](#), a public database of Armenian startups that lists startup profiles and ecosystem information. In a sample of 45 funded startups across 8 venture capital firms and angel investor groups in Armenia, only 7 (15%) appear to include a woman founder or co-founder. Even with all the caveats that come with partial data, this is a striking imbalance. It suggests that women are not achieving the same visible investment outcomes as men.



This pattern matters because it appears in a small, shallow startup market. **An article published in the Caucasus Business Journal** reports around \$164 million in total startup funding across the Armenian ecosystem, while **Seedstars** describes only 144 active startups in the country. In a larger, deeper capital market, founders may have more routes to funding and a greater chance to recover from early exclusion. In a smaller market like Armenia, each gatekeeper matters more. Under those conditions, underrepresentation among funded startups becomes more consequential because exclusion at an early stage is more likely to have a lasting effect.

Armenia's narrow early-stage market may make network access particularly important

In Armenia's small early-stage funding market, founders appear to have fewer formal and alternative routes to startup capital than they would in a larger, deeper market. This makes access to investor networks especially important. The broader venture capital literature helps explain why: Alexy et al. (2011) show that venture capitalists' social networks can shape funding decisions because networks give investors access to information about investment opportunities and help reduce uncertainty.

Armenian evidence also highlights the relevance of these connections. In a Seedstars interview, EBRD's Armenuhi Arakelyan identifies diaspora ties as a source of funding, expertise, and networking opportunities (Seedstars, 2025). The IFC's qualitative research reports limited interaction among women entrepreneurs and insufficient connections with sectoral associations and specialized NGOs, restricting their access to

information and opportunities. However, it notes that networking is more prevalent in the IT sector (International Finance Corporation, 2021).

Applied to Armenia, this suggests that when the number of visible investors and funding channels is limited, referrals, repeated contact, and personal visibility may carry greater weight. In practice, access to the right circles can therefore matter more. Such a market structure can disadvantage women founders even without explicit exclusion if they are less embedded in investor networks and therefore have fewer opportunities to build the repeated visibility and trust on which relationship-based funding depends.

Unequal care and time burdens help explain why access to those networks is not equal

Fundraising is not just about having a strong idea or writing a pitch deck. It requires repeated meetings, networking, travel, follow-up, and sustained visibility — all of which take time. And time is precisely what women in Armenia are more likely to lack. A 2021 IFC and World Bank study of more than 400 Armenian businesses found that women were more likely than men to report lack of time and work-life balance as obstacles (International Finance Corporation, 2021).

These pressures become more consequential when supportive conditions around care are weak. The World Bank's Women, Business and the Law profile scores Armenia at 75 out of 100 on legal frameworks, but only 45 out of 100 on supportive frameworks, with childcare supportive frameworks at 0 (World Bank, 2026). The practical implication is that care remains unevenly distributed and women bear more of the time cost. When fathers



are not strongly supported or incentivized to share childcare responsibilities, women have less flexibility for the intensity that early-stage entrepreneurship often demands.

The problem is likely exacerbated by the network design. The problem may be exacerbated by the timing of networking events. For example, Startup Grind Yerevan's Pitch Battle on 15 January 2025 was scheduled for 18:30–20:30, with representatives of angel investor networks among its judges (Startup Grind, 2025). Armenia's National Services Gateway states that most kindergartens close at 17:30, with some extending to 18:30 (National Services Gateway, n.d.). Attending such evening events may therefore require additional childcare arrangements, potentially limiting participation among founders with substantial care responsibilities.

In that sense, the care burden is not separate from the capital access problem. It is one of the conditions that helps explain why women may have weaker access to the networks, meetings, and repeated relationship-building through which early startup funding often flows. This is why childcare policy should not be treated as unrelated to startup finance. In the Armenian context, it forms part of the wider structure that shapes who can participate fully in entrepreneurial life.

Policy Recommendations

The evidence in this brief suggests that Armenia should address gender gaps in startup capital on two fronts simultaneously. The first is the funding market itself: who gets seen, introduced, and funded in a small, network-dependent ecosystem. The second is the time constraints brought about by uneven allocation of household duties and

childcare that shape who can participate fully in that market. Policy should therefore focus not only on improving women founders' access to investors, but also on reducing the structural constraints that make that access unequal in the first place.

Build a gender-disaggregated startup funding dashboard

The first priority is visibility. Armenia should begin systematically tracking founder gender across grants, accelerator cohorts, startup competitions, angel-backed deals, and venture investments that involve public or donor support. Without basic visibility on who gets funded, the debate will continue to rely on partial signals and anecdotes. This tracking should cover not only the number of women-led teams funded, but also ticket size, stage, and follow-on outcomes. A stronger evidence base would make it easier to identify where the gap is largest and whether existing support programs are helping to close it.

Make investor access more inclusive and less dependent on informal evening networking

A second priority is to widen the channels through which founders can reach investors. Public and donor-backed startup programs should create more daytime networking opportunities, more online investor sessions, more structured introductions, and less reliance on informal evening gatherings as the main route into capital. In a small ecosystem, relationship-building may remain essential. But if that is the case, then the formats through which relationships are built should not systematically advantage founders with fewer care constraints and easier access to late-



evening social environments. Making investor access more inclusive is not a peripheral adjustment. It is part of improving how the market works.

Strengthen shared childcare support as part of the economic infrastructure

Better access to startup capital cannot be separated entirely from the wider care environment, although childcare support should be understood as an enabling condition rather than a stand-alone solution to the funding gap. The evidence does not show that better childcare arrangements automatically translate into better startup funding outcomes. However, it does show that care and time constraints shape women's ability to participate fully in entrepreneurial activity. Armenia should therefore treat shared childcare support as part of the economic infrastructure that makes entrepreneurship more feasible, not as a substitute for finance and network reforms. This means improving childcare availability and affordability, encouraging fathers' active participation in care, protecting men who use care-related leave or flexible work arrangements, and using public messaging to frame childcare as a shared responsibility. For women founders, the expected benefit is practical: more time and flexibility for networking, travel, investor meetings, and sustained visibility. Startup programs can reinforce this by offering hybrid participation, flexible scheduling, and childcare support where feasible.

Overall recommendation

Taken together, the evidence reviewed in this brief supports a combined policy response rather than a single intervention. Armenia should improve

gender-disaggregated startup funding data, broaden women founders' access to investors through more inclusive and structured networking channels, and treat shared childcare support as complementary economic infrastructure. This approach reflects the literature's broader finding that funding gaps can arise from both investor-side mechanisms and unequal access to the networks, signals, and conditions needed to compete for startup capital. In Armenia's small and network-dependent ecosystem, addressing these constraints together is likely to be more effective than treating the funding gap as a stand-alone financing problem.

Concluding Remarks

This brief suggests that gender gaps in startup capital in Armenia are not simply a matter of who pitches better or who investors prefer. They reflect a deeper interaction between market structure and care structure: a small, network-dependent funding ecosystem on the one hand, and unequal time and childcare burdens on the other. As a result, women's weaker access to startup funding should be understood not only as a gender gap in outcomes, but also as a question of how entrepreneurial opportunity is organized.

The implication is clear. Armenia should address this problem not only by widening women founders' access to investors, but also by reducing the structural constraints that make that access unequal in the first place. A more open funding market, combined with stronger support for shared care, would not only improve fairness but also strengthen the system. It would also strengthen the reach and overall effectiveness of the Armenian startup ecosystem.



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