

Financing the Circular Future: How Gendered Access to Green Capital Shapes Women's Participation in Circular Economy Enterprises

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ABSTRACT

The transition to a Circular Economy (CE) represents a critical pathway for sustainable development, yet the participation of women in CE enterprises remains constrained by systemic gendered barriers, particularly in access to specialized green finance. This study investigates how gendered access to green capital influences women's engagement, decision-making, and scaling capacity in CE initiatives across Indonesia. Using survey data from 400 respondents and applying Structural Equation Modeling (SEM), the analysis examines the direct effects of institutional fairness and financial capability on women's participation, as well as the mediating role of credit constraints. Findings reveal that equitable institutional frameworks and enhanced financial capabilities significantly increase women's participation in CE enterprises, while limited access to green capital remains a critical barrier. The results underscore the importance of integrating gender-sensitive policies within climate finance mechanisms to ensure an inclusive and effective CE transition. This research contributes to the intersectional literature on gender, finance, and sustainability, offering actionable insights for policymakers, development practitioners, and financial institutions aiming to foster equitable green economic growth.

Keywords: Circular Economy, Gender Inequality, Green Finance, Women's Entrepreneurship, Structural Equation Modeling, Inclusive Sustainability

Introduction

The imperatives of global environmental sustainability and inclusive economic development have converged in what many scholars describe as a dual crisis: the unsustainable strain on planetary resources and the persistent marginalization of women in formal economic participation (Chen, 2024; Reim et al., 2025; Morsy & El-Shal, 2020; Chakraborty et al., 2025). The conventional linear "take-make-dispose" production model has increasingly become incompatible with planetary boundaries, contributing to resource depletion, waste accumulation, and ecological degradation. Meanwhile, gender inequality manifesting through limited access to finance, credit constraints, and institutional biases remains a pervasive barrier to women's entrepreneurship, particularly in developing economies (OECD & Global Women's Entrepreneurship Policy Network, 2025; Morsy & El-Shal, 2020). Without deliberate integration of equity concerns, sustainability transitions risk reinforcing existing social disparities, undermining both environmental and social goals (Chen, 2024; Reim et al., 2025).

The Circular Economy (CE) offers a compelling alternative to linear models, representing a paradigm shift toward resource-efficient, regenerative economic systems. Rather than simply reducing waste, CE entails closed-loop production, material reuse, remanufacturing,

extended product lifecycles, and sustainable supply-chain design all of which decouple economic activity from finite-resource consumption. Recent empirical work highlights CE's potential to generate social and environmental value: small- and medium-sized enterprises (SMEs) adopting circular business models report enhanced resource and energy efficiency, waste reduction, and improved environmental performance (Dey et al., 2022; Chakraborty et al., 2025). Moreover, circular SMEs can contribute to job creation, local economic resilience, and inclusive growth — offering opportunities especially relevant for resource-constrained entrepreneurs in developing economies (Reim et al., 2025; Chakraborty et al., 2025). As such, SMEs and micro-enterprises are widely recognized as pivotal actors in translating CE principles into concrete economic and social outcomes (Chakraborty et al., 2025; Rizos et al., 2015).

Yet this potential remains contingent on the availability of financing and supportive institutional frameworks. A robust literature documents that women entrepreneurs face systemic barriers in accessing conventional finance: they are more likely to rely on personal savings or informal sources, have difficulty meeting collateral requirements, and often receive smaller or less favorable loans compared to male entrepreneurs (World Bank, 2023; OECD & Global Women's Entrepreneurship Policy Network, 2025; A Meta-Analysis, 2023). For instance, the recent meta-analysis by the Journal of Business Ethics found that women entrepreneurs' loan applications are rejected more often and that women pay higher interest rates when they receive credit (A Meta-Analysis, 2023). These structural inequalities significantly constrain women-led SMEs, limiting their capacity to invest, grow, or take on risk — even before considering the additional demands of sustainable or circular business models (OECD & GWEP, 2025; Morsy & El-Shal, 2020).

The expansion of specialized financing instruments such as green finance, climate funds, sustainability-linked loans, and impact investment offers a potential pathway to support CE adoption. However, emerging evidence suggests that access to such green capital is not gender-neutral. A recent review in *Green Finance* argues that current green finance frameworks often overlook gender dimensions: women remain underrepresented in decision-making structures, and gender-responsive financing models are rare (Chen, 2024). Furthermore, empirical research on green SMEs in Italy shows that female-led green firms have lower probability of credit approval and receive smaller loan amounts than male-led ones (Arcuri et al., 2024). These findings indicate that the transition to a green economy risks reproducing entrenched gender inequalities under the guise of sustainability, unless financing mechanisms explicitly address gendered barriers.

Despite increasing policy interest in both the circular economy and gender-inclusive finance, empirical research remains scarce at their intersection. There is a glaring gap in studies that systematically examine how gendered access to green capital influences women's ability to found, sustain, and scale CE-oriented enterprises (Reim et al., 2025; Chen, 2024). This gap is particularly problematic given that SMEs and among them, women-led micro-entrepreneurs are likely to play a central role in the decentralized, labor-intensive, and locally embedded nature of the CE (Chakraborty et al., 2025; Rizos et al., 2015). By investigating the causal mechanisms linking gender, green finance, and circular entrepreneurship, the present study aims to contribute evidence-based insights for gender-responsive green finance policy, inclusive CE deployment, and equitable sustainable development. Such research is timely, policy-relevant, and necessary to

ensure that the green transition does not simply reproduce existing inequalities but rather, supports a sustainable future that is inclusive and just.

Theoretical Framework and Hypothesis

Theoretical Framework

Women's participation in circular economy (CE) enterprises emerges from the interaction of cognitive, financial, and institutional factors. From a behavioral perspective, environmental knowledge shapes individuals' awareness, understanding, and perceived value of circular production systems. Higher levels of environmental knowledge strengthen motivation toward sustainable economic activity, enabling women to recognize CE opportunities within farm-based value chains. At the cognitive-behavioral level, knowledge influences self-efficacy and decision-making, which ultimately encourage participation in circular agriculture.

From a structural perspective, access to credit represents a critical enabling factor that reduces financial constraints and supports investment in CE-related technologies, inputs, and innovations. The literature on gender and microfinance highlights that women often face stricter collateral requirements, documentation burdens, and gendered lending biases. Therefore, access to credit not only functions as a financial resource but also as a pathway that allows environmental knowledge to translate into actual business participation.

At the institutional level, institutional trust plays a crucial role in shaping women's willingness to engage with formal financing and government-led sustainability programs. Trust in institutions such as banks, cooperatives, and local authorities strengthens confidence in green finance schemes, reduces perceived risk, and increases uptake of CE-related opportunities. Institutional trust also mediates behavioral pathways by enhancing the credibility and perceived fairness of CE initiatives.

Integrating these theoretical components, the proposed framework conceptualizes CE participation as the outcome of cognitive drivers (environmental knowledge), structural enablers (credit access), and institutional conditions (institutional trust). The framework further posits that credit access and institutional trust act as mediating mechanisms that strengthen or weaken the influence of knowledge on sustainable business engagement. Thus, the model combines behavioral theories with gender-responsive financial and institutional perspectives to explain women's participation in farm-based circular economy enterprises.

Hypothesis

H1: Environmental knowledge has a positive influence on women's participation in circular-economy agricultural enterprises.

H2: Access to credit has a positive influence on women's participation in CE-based agricultural enterprises.

H3: Institutional trust positively affects women's participation in agricultural CE enterprises.

H4: Access to credit mediates the relationship between environmental knowledge and women's participation in CE-based agricultural enterprises.

H5: Institutional trust mediates the link between environmental knowledge and women's participation in agricultural CE enterprises.

Research Methods

Research Design

This study adopts a quantitative, cross-sectional research design to empirically investigate the relationship between gendered access to green capital and women's participation in circular economy (CE) enterprises. Given the complex, multi-dimensional nature of the constructs, Structural Equation Modeling (SEM) is selected as the primary analytical technique to assess both direct and indirect relationships, including potential mediating and moderating effects. SEM allows for simultaneous estimation of multiple relationships, accounting for measurement error and latent constructs, which is appropriate given the interplay of institutional, financial, and gendered factors (Hair et al., 2022; Kline, 2016).

A cross-sectional survey design is chosen due to its ability to capture the current status of women-led CE enterprises and their access to green financing instruments at a single point in time. The study emphasizes emerging and developing economies, particularly in Southeast Asia, to capture the socio-economic and institutional contexts relevant to gendered barriers in CE adoption.

Population and Sample

The population consists of women entrepreneurs actively operating SMEs or micro-enterprises within circular economy sectors (recycling, upcycling, repair, remanufacturing, and sustainable product design). The study focuses on Indonesia, a representative Global South context where gendered financial exclusion and informal enterprise participation are prevalent (Dey et al., 2022; Chakraborty et al., 2025).

A purposive sampling method was employed to select enterprises that met the inclusion criteria: (1) women must hold a formal ownership or leadership role, and (2) the enterprise must be engaged in CE activities. The final dataset consists of 400 valid respondents, providing sufficient statistical power for SEM estimation, including analysis of mediating and moderating relationships (Hair et al., 2022).

Measurement of Variables (Operational Definitions)

Each latent variable will be operationalized using multi-item reflective scales on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), following psychometric best practice (DeVellis, 2021; Hair et al., 2019; Henseler et al., 2014; Sarstedt et al., 2017).

Table 1. Operational Definition

Variable	Operational Definition	Measurement/Instrument
Gendered Access to Green Capital (IV)	Extent to which women entrepreneurs can obtain climate-focused financing, including sustainability loans, green bonds, and impact investments	5-point Likert scale adapted from OECD (2025) and UN Women (2025)
Women's Participation in CE Enterprises (DV)	Level of engagement and scale of women-led CE business operations	Composite index: enterprise size (employees, revenue), diversification of CE activities, adoption of sustainable practices (Pieroni et al., 2018)
Credit Constraints (Mediator)	Degree to which financing limitations restrict business growth	5-point Likert scale assessing loan approval difficulties, collateral sufficiency, and financing adequacy (OECD, 2025)
Institutional Trust (Moderator)	Level of confidence in formal financial institutions and government support	5-point Likert scale adapted from World Bank (2024) and Chen et al. (2024)

Data Analysis Techniques

The analysis followed the two-step PLS-SEM procedure using SmartPLS, comprising measurement model assessment followed by structural model assessment to evaluate reliability, validity, and hypothesized paths (Hair et al., 2021; Henseler et al., 2020; Ringle et al., 2022; Sarstedt et al., 2021).

Step 1 Measurement Model Assessment: Outer loadings will be inspected (≥ 0.70), with low-loading items considered for removal based on theoretical justification. Internal consistency will be assessed via Composite Reliability ($CR \geq 0.70$) and Cronbach's Alpha, convergent validity via AVE (≥ 0.50), and discriminant validity using HTMT and Fornell-Larcker criteria (Fornell & Larcker, 1981; Henseler et al., 2020).

Step 2 Structural Model Assessment: Path coefficients will be estimated and tested for significance via bootstrapping (5,000 resamples), with R^2 , f^2 , and Q^2 reported for explained variance, effect size, and predictive relevance. Mediation will be assessed through indirect effect decomposition, and moderation through interaction term significance and slope analysis. Additional checks will include multicollinearity diagnostics (VIF), multi-group analysis for contextual differences (e.g., high vs low government support), and sensitivity analyses for missing

data handling (Hair et al., 2021; Henseler et al., 2020; Ringle et al., 2022; Sarstedt et al., 2021; Becker et al., 2020).

Ethical Considerations

The study adheres to rigorous ethical standards:

- Informed Consent: All respondents were fully informed of the study's purpose and voluntarily participated.
- Confidentiality: Data were anonymized and securely stored; no personally identifiable information is disclosed.
- Non-Maleficence: Survey design avoided sensitive questions outside the study's scope.

Results and Discussion

Descriptive Statistics and Profile of Respondents

This section presents the demographic and enterprise-related profile of the 400 women entrepreneurs engaged in circular economy (CE) enterprises across Indonesia. Descriptive statistics were computed to summarize key characteristics, including age, education level, business type, years of operation, and prior access to finance. This overview provides contextual grounding for the subsequent SEM analysis by illustrating the socio-economic background of respondents and the structural conditions within which women-led CE enterprises operate.

Table 2. Descriptive Statistics and Profile of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Age	20–29 years	92	23.00%
	30–39 years	154	38.50%
	40–49 years	108	27.00%
	≥ 50 years	46	11.50%
Education Level	High School	88	22.00%
	Diploma	74	18.50%
	Bachelor's Degree	182	45.50%
	Postgraduate	56	14.00%
Marital Status	Single	144	36.00%
	Married	228	57.00%
	Widowed/Separated	28	7.00%

The sample reflects a predominantly productive-age population, consistent with prior studies showing that women entrepreneurs in sustainability sectors are concentrated in the 30–45 age group (UN Women, 2022; OECD, 2021). The high proportion of respondents with tertiary education aligns with research indicating that education is positively correlated with women's engagement in innovative green business models (Kivimaa et al., 2021). The majority being married also mirrors findings that household stability often enables entrepreneurial participation

among women in emerging markets (Dey et al., 2022) Assessment of the Measurement Model (CFA).

Table 3. Enterprise Characteristics of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Type of Circular Economy Enterprise	Recycling & Waste Upcycling	158	39.50%
	Sustainable Agri-Food	96	24.00%
	Eco-Friendly Products (textile, crafts)	112	28.00%
	Repair/Refurbishment Services	34	8.50%
Years of Operation	< 2 years	86	21.50%
	2–5 years	172	43.00%
	6–10 years	98	24.50%
	> 10 years	44	11.00%
Business Size	Micro (≤ 5 employees)	244	61.00%
	Small (6–19 employees)	122	30.50%
	Medium (≥ 20 employees)	34	8.50%

The dominance of micro and small enterprises aligns with global research indicating that women’s green entrepreneurship is heavily concentrated in micro-scale operations due to persistent financing constraints (World Bank, 2023; Chen et al., 2024). The high presence of recycling and eco-product ventures mirrors findings that women frequently engage in socially and environmentally oriented business models that require lower entry barriers (Pieroni et al., 2018). The majority operating for 2–5 years suggests an emerging but stabilizing segment, similar to trends observed across Southeast Asia’s CE ecosystems (Kiviluoma et al., 2020).

Nearly 34% have never applied for formal loans, reflecting global patterns where women entrepreneurs are less likely to engage with financial institutions due to structural and cultural barriers (Global Findex, 2021). Only 18% accessed green financing, supporting the literature that women remain significantly underrepresented in climate finance and green capital opportunities (UNEP, 2022). The high incidence of moderate to severe financial constraints reinforces the known systemic issue of credit discrimination and collateral bias documented in gender finance research (Chakraborty et al., 2025; OECD, 2021).

Table 4. Financial Access Profile of Respondents

Variable	Category	Frequency (n)	Percentage (%)
Previous Loan Applications	Never applied	136	34.00%
	Applied and approved	182	45.50%
	Applied and rejected	82	20.50%
Type of Financing Accessed	Conventional bank loan	112	28.00%
	Microfinance (KUR, cooperatives)	146	36.50%
	Green/Sustainability-linked financing	72	18.00%
	Family/Informal sources	70	17.50%
Financial Constraints Experienced	None	64	16.00%
	Moderate	198	49.50%
	Severe	138	34.50%

Measurement Model Assessment

Before examining structural relationships, the measurement model was evaluated for reliability, convergent validity, and discriminant validity. Cronbach's alpha and composite reliability (CR) were used to assess internal consistency, while Average Variance Extracted (AVE) measured convergent validity. Discriminant validity was examined using the Heterotrait-Monotrait (HTMT) ratio.

Table 5. Measurement Model Assessment

Construct	Cronbach's Alpha	Composite Reliability (CR)	AVE	HTMT (Max)
Gendered Access to Green Capital (GAGC)	0.902	0.935	0.712	0.68
Women's Participation in CE Enterprises (WCE)	0.914	0.942	0.726	0.71
Credit Constraints (CC)	0.887	0.919	0.701	0.66
Institutional Trust (IT)	0.875	0.906	0.694	0.65

All constructs exceeded recommended thresholds for reliability and validity (Hair et al., 2022; Henseler et al., 2015). These results align with previous studies indicating that well-designed measurement instruments can accurately capture gendered financial access and enterprise participation in emerging economies (OECD, 2021; UN Women, 2022). This confirms

that the operationalization of green capital, credit constraints, and institutional trust is consistent with established constructs in the literature.

Structural Model Assessment

The structural model was tested to examine the direct effect of gendered access to green capital on women's participation in CE enterprises. Path coefficients, t-values, and p-values were computed using bootstrapping with 5,000 resamples.

Table 6. Structural Model – Direct Effects

Path	Path Coefficient (β)	t-value	p-value	Hypothesis
GAGC \rightarrow WCE	0.624	18.32	<0.001	Accepted
GAGC \rightarrow CC	-0.521	14.05	<0.001	Accepted
CC \rightarrow WCE	-0.298	7.84	<0.001	Accepted
IT \rightarrow WCE	0.203	5.11	<0.001	Accepted

The significant positive effect of gendered access to green capital on CE participation ($\beta = 0.624$) is consistent with prior findings that access to specialized finance empowers women entrepreneurs to scale sustainable businesses (Pieroni et al., 2018; Kiviluoma et al., 2020). The negative path from GAGC to credit constraints supports studies showing that financing access reduces operational barriers for women-led enterprises (Dey et al., 2022; Chakraborty et al., 2025). Institutional trust also positively affects participation, echoing previous evidence that confidence in financial and regulatory institutions enhances entrepreneurial activity in the Global South (Chen et al., 2024; World Bank, 2023).

Mediation Analysis

The mediating effect of credit constraints on the relationship between green capital access and CE participation was tested using bootstrapping.

Table 7. Mediation Effect of Credit Constraints

Mediation Path	Indirect Effect (β)	t-value	p-value	Mediation Type
GAGC \rightarrow CC \rightarrow WCE	0.155	6.48	<0.001	Partial

The partial mediation of credit constraints is consistent with previous research highlighting that financial barriers are a key bottleneck for women-led sustainable enterprises (OECD, 2021; UN Women, 2022). This indicates that access to green capital not only directly supports CE participation but also indirectly facilitates enterprise growth by mitigating credit limitations, corroborating findings in gendered entrepreneurship literature (Kivimaa et al., 2021; Pieroni et al., 2018).

Moderation Effect of Institutional Trust

The moderating effect of institutional trust on the relationship between gendered access to green capital and women’s participation was examined.

Table 8. Moderation Effect of Institutional Trust

Interaction Path	Path Coefficient (β)	t-value	p-value	Hypothesis
GAGC × IT → WCE	0.112	3.97	<0.001	Accepted

The significant moderation effect indicates that institutional trust strengthens the impact of green capital access on women’s CE participation. This supports prior research showing that trust in financial institutions and policy environments enhances the effectiveness of specialized finance instruments (Chen et al., 2024; World Bank, 2023; Kiviluoma et al., 2020). Women entrepreneurs who perceive supportive institutions are more likely to leverage green capital successfully.

Model Fit and Predictive Relevance

The model’s predictive accuracy was assessed using R² and Q² values.

Table 9. Model Fit

Dependent Variable	R ²	Q ²
Women’s Participation (WCE)	0.581	0.447
Credit Constraints (CC)	0.271	0.238

The model explains 58.1% of the variance in women’s participation, indicating moderate-to-strong predictive power (Hair et al., 2022). These results are consistent with previous SEM-based studies on entrepreneurship and gendered finance, confirming that the model is robust, valid, and aligned with theoretical expectations (Dey et al., 2022; Pieroni et al., 2018).

Conclusion, Implications, Suggestions, and Limitations

This study examined how institutional justice and financial capabilities jointly shape women’s participation in circular agricultural practices within smallholder farming systems. Drawing on data from 400 respondents, the analysis demonstrates that equitable institutional arrangements manifested through transparent procedures, fair treatment, and accountable local governance substantially enhance farmers perceived agency and trust, which in turn strengthen women’s engagement in productive activities. Financial capabilities further amplify these effects by enabling households to access credit, invest in productivity-enhancing inputs, and manage livelihood risks, thereby reducing gendered barriers to participation.

Taken together, the findings underscore that closing the gender gap in agriculture is not solely a function of resource allocation, but critically depends on the quality of institutional

environments and the inclusiveness of financial mechanisms. By highlighting the interplay between justice-oriented institutions and financial empowerment, this study contributes to the growing body of evidence linking institutional reforms with gender-responsive rural development.

The results also carry clear policy relevance. Strengthening local governance, improving transparency in agricultural programs, and expanding gender-sensitive financial services can accelerate progress toward sustainable and inclusive agricultural systems. For practitioners and policymakers, the evidence suggests that interventions anchored in fairness, accountability, and financial capability building offer a viable pathway for enhancing women's roles in circular and climate-resilient agriculture.

Overall, the study advances theoretical understanding of gendered agricultural participation while offering practical insights for designing more equitable rural development strategies. Future research may extend these findings by exploring how contextual features—such as household bargaining dynamics, climate risks, or digital inclusion interact with institutional justice to shape gendered outcomes across diverse agrarian settings.

Theoretical Implication

Theoretically, this study contributes to three intersecting bodies of scholarship: gendered entrepreneurship, climate and development finance, and circular economy transition theory. First, by demonstrating the causal pathway between gendered access to green capital and CE participation, the findings extend research on gendered resource control, positioning green finance as a contemporary site where structural inequities are reproduced. This widens existing models that have traditionally focused on land, education, and formal credit, suggesting that emerging environmental finance regimes represent a new frontier of gendered economic stratification.

The observed mediation by credit constraints advances theoretical debates in the climate-finance literature by highlighting that financial frictions carry gender-specific effects in sustainability transitions. Rather than viewing climate finance merely as a technical instrument for emission mitigation, this study underscores its embeddedness in social and institutional structures opening a pathway for a more intersectional understanding of green financial architecture.

The results enrich circular economy theory by foregrounding the distributional dimensions of CE participation. Much CE scholarship has emphasized technological innovation and material efficiency, often overlooking how access to enabling resources particularly gendered access conditions who can meaningfully engage in CE markets. By integrating gender and finance into CE transition frameworks, this study aligns with the emerging strand of literature calling for “socially inclusive circularity,” thereby reinforcing the argument that the CE cannot be analytically or operationally separated from questions of social justice.

The significant role of institutional trust suggests the need to incorporate institutional legitimacy more explicitly into models of sustainable entrepreneurship. The CE transition, as evidenced here, is not solely dependent on economic incentives or regulatory mandates but is also shaped by the relational dynamics between entrepreneurs and the institutions governing

environmental finance. This finding offers a conceptual bridge between institutional theory and green entrepreneurship, opening new avenues for examining how trust, transparency, and administrative capability structure participation in sustainability-focused economic systems.

Practical Implications

The results of this study carry several policy-relevant implications for governments, financial institutions, and development organizations seeking to advance a gender-responsive circular economy. First, the strong association between gendered access to green capital and women's participation in CE enterprises indicates that financial policy is not gender-neutral. Climate finance instruments green loans, sustainability-linked microcredit, and blended-finance schemes must be deliberately redesigned to account for gendered barriers in application procedures, collateral requirements, and environmental-compliance documentation. Without such recalibration, green capital risks reproducing the same exclusionary patterns historically observed in conventional credit markets.

The mediation effect of credit constraints suggests that easing liquidity barriers can have sizable downstream effects on CE engagement. This underscores the need for targeted credit guarantee programs, simplified documentation processes, and gender-focused de-risking mechanisms that allow women entrepreneurs to adopt CE technologies and meet certification standards. Financial regulators and intermediaries could enhance the effectiveness of these measures by integrating CE performance indicators into loan-assessment criteria, thereby encouraging both access and environmental upgrading.

The significant role of institutional trust implies that financial inclusion within the CE transition hinges as much on perceptions of fairness and transparency as on the availability of capital itself. Strengthening institutional credibility through clearer guidelines, responsive customer support, and localized outreach may be particularly crucial in settings where women have historically been marginalized by formal finance systems. Development agencies and local governments may therefore prioritize capacity-building programs that demystify green finance mechanisms, enabling women-led enterprises to engage with emerging CE opportunities from a more informed and empowered position.

These insights point to a practical agenda where gender-responsive climate finance becomes a central, rather than peripheral, component of national CE strategies. Integrating such considerations into green industrial policy, SME programs, and municipal waste-management reforms can significantly expand the pool of women-led enterprises capable of contributing to low-carbon economic transformation.

Based on the findings of this study, several practical recommendations can be proposed to strengthen women's participation in circular economy enterprises. First, green financing instruments should be redesigned to be more gender-responsive by simplifying administrative requirements, reducing collateral biases, and improving application procedures to make them more accessible for women-led micro and small enterprises. Second, government and financial institutions are encouraged to introduce credit guarantee schemes, gender-sensitive de-risking mechanisms, and streamlined documentation processes to alleviate liquidity barriers that often constrain the growth of women's circular businesses. Third, enhancing the transparency, credibility, and accessibility of financial institutions is essential for building institutional trust,

including through improved customer support, technical assistance, and targeted literacy programs that help women better understand and utilize green finance opportunities. Capacity-building initiatives should also be expanded to demystify the procedures, benefits, and requirements of sustainability-linked financing. Lastly, policymakers are advised to integrate gender-responsive climate finance into national circular economy strategies, green industry policies, and SME development programs to ensure that the transition to a circular economy is inclusive, equitable, and sustainable. Overall, strengthening local governance, improving transparency in development programs, and expanding gender-sensitive financial services are critical steps toward creating an enabling environment that empowers women in the shift toward a green economy.

Although this study provides empirical insights into how institutional justice and financial capabilities narrow the gender gap in smallholder agricultural systems, several limitations should be acknowledged. First, the data were derived from 400 respondents across selected rural provinces, which, while statistically adequate, may not fully represent the heterogeneity of smallholder communities nationwide. Future studies should expand the sampling frame to include more geographically diverse regions as well as minority agricultural groups, particularly those operating in marginal agro-ecological zones.

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