

State of the Art Review



What Do We Know About Ethnic and Migrant Women Entrepreneurs? A Review of Evidence



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Evidence suggests that ethnic and migrant women are more likely than other women to select into self-employment due to discriminatory challenges which constrain their access to mainstream employment (Dy, Marlow and Martin, 2017). In the case of the UK, such women own and lead approximately 14 per cent of female led ventures, whilst one in seven new start-ups are initiated by migrants per se (CEF/Duedil 2014). From a review of extant evidence, Romero and Valdez (2016) found that the recent expansion in women's self-employment has been dominated by migrant and Black and Minority Ethnic women (BAME). Within this review, we define migrants as individuals who voluntarily relocate permanently to a country different from the one in which they were born, and ethnic minority as an established community that has different characteristics to the indigenous majority population of the country in which they reside. Whilst there is a body of evidence regarding the entrepreneurial motivations and experiences of migrant and ethnic minorities, this literature tends to be gender blind, assuming a male prototype. There is relatively little evidence focused specifically upon women; this presents a gap given the intersectional challenges of gender, race, ethnicity and migrant status facing such women (von Berlepsch, et al., 2019). BAME and migrant women who enter self-employment have to navigate additional barriers to those encountered by white women including racism, language barriers and, for some, cultural constraints within BAME communities arising from patriarchal concerns about women's autonomy and legitimacy to act as entrepreneurs (Knight, 2016). The confluence of these challenges has complex and varied affects upon the type of firms that BAME and migrant women create and their potential

for sustainability and growth. It calls for policy and support with an intersectional sensibility (Crenshaw, 1991).

Background

Within contemporary debate, there is increasing acknowledgement of the absence of BAME and migrant women entrepreneurs within the wider entrepreneurship literature (Ram, Jones, and Villares-Varela, 2017). This has implications for our knowledge of their contribution to enterprise and to the development of relevant policy initiatives to support entrepreneurial activities by such women. There has been a tendency to assume that BAME and migrant entrepreneurs are a homogenous group of men and women who face similar and gender neutral constraints and enablers for entrepreneurial activity. For example, whilst it is reported that ethnic minority enterprises contribute approximately £25-£32 billion per annum to the UK economy (Carter, Mwaura, Ram, Trehan, and Jones 2015), it is unclear how much of this is generated by enterprises owned (or less visibly co-run) by ethnic and migrant women entrepreneurs. Within this review we outline the key issues influencing ethnic and migrant women entrepreneurs in the UK and the potential sustainability and growth of their enterprises, concluding with suggestions for future research.

Key Issues

Enterprise as an unsafe ‘safety net’: Migrant and BAME women are more likely to trade in small businesses than white women primarily because they lack employment opportunities and so use self-employment as a safety net (Carter, El al., 2015). Sustainable trading, however, is precarious, due to low and unreliable incomes and resource constraints that inhibit business progression (Rath and Swagerman, 2016). For women in some South Asian British cultures, self-employment rates are low, mirroring low levels of economic activity by women (Rouse and Mirza, 2014). However, women play a key (but often invisible) role in family businesses. Again, their position tends to be marginalised as it is largely invisible (Ram *et al.*, 2017). Self-employment can be seen as a rather unsafe safety net, therefore, under current conditions of scarce support and a lack of any medium-term view of how enterprise might be used as a route to resource enhancement and integration for migrant and BAME women.

Discrimination and resource constraints: The evidence regarding ethnic and migrant entrepreneurs originating from the developing economies of the Global South suggests that first generation migrants (those making the move from their country of origin to a host country) engage in entrepreneurship as a necessity to overcome barriers related to anticipated or substantive discrimination (Naudé, Siegel and Marchand, 2017). These include employment discrimination, gender discrimination, and constrained resources required to integrate into the host country such as language skills, accredited qualifications, financial and social capital (Knight 2016). Access to resources is also a key barrier for ethnic and migrant women entrepreneurs, negatively affecting access to finance, business support and markets (von Berlepsch *et al.*, 2019; Ram *et al.*, 2017). Such discriminatory barriers are compounded by generic gender discrimination and its specific articulation within diverse ethnic and migrant communities. Cumulatively, they constrain venture performance, sectoral choices and market reach. So, for example, forms of necessity entrepreneurship draw on BAME and migrant women's particular resource endowments and enable them to serve local ethnic and migrant communities.

This creates a double-edged sword as the ethnic/migrant community is better served with specialised products or services not available in mainstream markets, but the ethnic and migrant women entrepreneurs become trapped within such enclaves, operating very small and sometimes unprofitable enterprises with constrained potential for venture growth. In a report for Oxfam UK, Rouse and Mirza (2014) suggest, for example, that British Bangladeshi women require business start-up to be embedded in a long-term pathway of resource enhancement if first generation migrant women, in particular, are to have a realistic chance of trading profitably.

The ethnic and migrant family business shield: Evidence on ethnic and migrant family businesses has identified labour intensity and reliance on flexible and cheap family labour as core managerial strategies (Ram *et al.* 2017). This generates particular vulnerabilities for both the ethnic and migrant family businesses, and specifically the women within them, where the boundaries between the gendered roles in the household and those in the business are blurred and shielded. Here, women are not running the business but are pivotal actors for the survival of their ethnic and migrant family enterprises (Villares-Varela *et al.* 2017). These relationships are shaped by patriarchal arrangements that take new forms and shapes alongside migration and the consequential broader processes of social exclusion. To avoid the ‘gender-blindness’ of academic study of migrant family businesses, these power relations amongst family members, gender and intergenerational dynamics (Vershinina, *et al.* 2019), and the role of women in the productive and reproductive spheres, should be taken into account when researching migrant family businesses (Alsos *et al.* 2014; Aygören and Nordqvist 2015).

Tailored business support: A review of policies in 32 European countries (Rath and Swagerman, 2016) reveal that these have focused mainly on the individual/group characteristics of migrant entrepreneurs. As such, they overlook the role of structural factors that cluster migrant entrepreneurs into low value added/poor return (Ram *et al.*, 2017). This acknowledges how the host country’s institutional, regulatory, political, social and cultural structures shape the agency of disadvantaged ethnic and migrant women entrepreneurs. Addressing this issue requires collaborative work with ethnic and migrant women entrepreneurs and Engaged-Activist Scholarship has a role here in giving women a voice and co-creating change with policy makers and business support providers (Rouse and Woolnough, 2019). It may involve designing tailored programmes that identify and address specific needs for resource enhancement (such as language or educational skills), empower disadvantaged women to act entrepreneurially, to pool resources in partnerships or collectives, and to take leadership roles in family businesses. The aim here is to value and deploy the particular resources available through migrant or BAME community membership but also to offer other resource endowments to create market offerings that are competitive beyond ethnic market enclaves. Such an approach may be more expensive than providing basic business start-up support aimed at all new ventures, or even women-specific support. Without proper investment recognising that migrant and BAME women face disadvantages arising from social forces not of their choosing, policy aims such as moving vulnerable migrant or BAME families out of poverty or away from welfare support seem unlikely to work (Rouse and Mirza, 2014). Of course, specialist provision is problematic if it reproduces isolation or disempowering norms of womanhood (McAdam *et al.*, 2019). The evidence shows that mainstream services must be challenged to make their offer more inclusive and targeted towards integrating and elevating BAME and migrant women so they can thrive as entrepreneurs, alongside white men and women. And specialist and mainstream services must work together to form a collaborative ecosystem to enable migrant and BAME women entrepreneurs to succeed. This will demand ‘intersectional sensibility’ (Crenshaw, 1991), or the ability to see how conditions of inequality and cultural specificity make-up a particular entrepreneur’s context.

Mentoring: Facilitating access to established women entrepreneurs and mentors operating within the same or complementary sector and/or geographical location, and irrespective of ethnicity, can potentially provide beneficial business support for ethnic and migrant women entrepreneurs as they engage in peer exchange and learning (Birdthistle, 2019). Such a model remains largely under researched and limited in formal practice, although there are many examples of informal practices (Al Dajani, Carter, Marlow and Shaw, 2015).

Diversity amongst ethnic and migrant women: Stereotypically, migrant and ethnic minority women are largely represented as one homogenous group whose decision-making capacity is constrained by fathers, husbands and other male relatives (Ram, et al., 2017). Such patriarchal constraints may be an issue for a minority of migrant and BAME women but is not so for all – particularly not for the majority who are second, third or fourth generation ethnic or migrant women residing in the UK (Mitra and Basit, 2019). Acknowledging this diversity of experience amongst ethnic and migrant women entrepreneurs, and displaying intersectional sensibility when responding to individual women, will help us to develop a better in-depth understanding of the impact of being a particular ethnic or migrant woman entrepreneur in the UK. For example, to what extent does her gender, class positioning, religion, culture, ethnicity, marital status, age, education, length of stay in the UK, life course phase and location affect her becoming an entrepreneur or growing a business? How do these factors combine and influence ethnic and migrant women to engage in entrepreneurship? And how do these combinations of factors, which create a diverse spectrum of ethnic and migrant UK communities, impact upon the contributions that ethnic and migrant women entrepreneurs make to their families, local communities and wider British society? Could we think in more medium or long-term ways about the role of enterprise in migration and integration processes, pathways of resource enhancement, female emancipation and sustainable, diverse community development (Rouse and Mirza, 2014)?

Future Concerns

Despite their engagement in entrepreneurship and contribution to the national economy, there remains no large scale or comparative study on the aspirations, trajectories, barriers and opportunities of different BAME and migrant women entrepreneurs in the UK. As such, the evidence remains patchy at best, making it challenging to provide a systematic and comprehensive understanding of the complexity of these entrepreneurial pathways. Until knowledge is advanced, the existing evidence suggests that the enterprise community and business support agencies in the UK need to better engage with ethnic and migrant women entrepreneurs, rather than enforcing their marginalisation by continuing to label them as a '*hard to reach*' group. Indeed, we call upon policymakers, practitioners and researchers to work with different communities, building their voice and co-creating innovative directions that really tackle disadvantaged contexts (Rouse and Woolnough, 2019). Identifying and celebrating ethnic and migrant women entrepreneurs and working with them to mentor and support white as well as ethnic and migrant women will help to soften the '*othering divide*' that continues to separate women entrepreneurs in the UK. With regards to policy and practice implications for the women's movement in the UK, the evidence shows that entrepreneurship and business ownership are not necessarily the best way forward for the empowerment and labour mobility of ethnic and migrant women. Indeed, we caution approaching entrepreneurship as the only answer for overcoming discrimination in the labour market and escaping traditional patriarchal relationships, since, at times,

entrepreneurship can unintentionally or intentionally block ethnic and migrant women from paid employment, gaining independence, and achieving an enhanced quality of life.

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Other SOTA Reviews are available on the Enterprise Research Centre web site www.enterpriseresearch.ac.uk. This SOTA Review is one of five published in March 2020 in partnership with the Institute of Small Business and Entrepreneurship's Gender and Enterprise Network. This set reviews the state of knowledge on women's entrepreneurship. The views expressed in this review represent those of the authors and are not necessarily those of the ERC or its funders.

