

Barriers and Solutions for Female Entrepreneurship

Introduction

As an advocate for social justice, civil rights, and women's equality, it is my honor to submit this written submission to the Women's Equality Committee.

This submission addresses the systemic barriers faced by women—especially those from ethnic minority backgrounds—in their pursuit of entrepreneurship in the UK and globally. It also explores ways to support women in overcoming these barriers, with an emphasis on funding, sectoral challenges, and best practices for supporting female-led businesses.

1. Barriers Facing Women in Entrepreneurship

Women entrepreneurs, particularly those from ethnic minority backgrounds, face several interconnected barriers to starting and growing successful businesses in the UK and globally.

These barriers stem from systemic issues that include:

A. Access to Funding

Women, especially women of color, face significant challenges accessing venture capital and financial support.

A 2020 report from The British Business Bank revealed that only 1p in every £1 of venture capital investment went to female founders in the UK. Minority women often face even steeper challenges, with funding disproportionately going to male-led enterprises.

Racial bias and gender bias play a key role in the funding gap. Research by Goldman Sachs shows that women of color in the UK are 30% less likely to be funded than their white counterparts.

B. Network and Mentorship Gaps

Women, particularly from ethnic minorities, often lack access to the networks and mentorship that are crucial for entrepreneurial success.

Studies show that white male entrepreneurs benefit significantly from social networks that help them navigate challenges and gain access to opportunities.

C. Societal and Cultural Barriers

Societal expectations about women's roles and cultural biases against female entrepreneurship persist globally. Gendered expectations often require women to balance caregiving duties, making it difficult to dedicate the time and resources necessary for growing a business. Women of color face compounded racial and gender stereotypes that undermine their entrepreneurial credibility.

2. Sectors Where Women Face the Greatest Barriers to Entrepreneurship

Women face the greatest barriers in sectors that traditionally receive the most venture capital investment, particularly in technology, construction, finance, and manufacturing.

The reasons for this disparity are:

A. Gender Imbalance in Male-Dominated Industries

The technology and engineering sectors are notorious for their gender imbalance, which limits the opportunities for women to thrive.

According to Tech Nation's 2020 report, less than 17% of the UK's tech entrepreneurs are women, and even fewer are women of color.

B. Structural Barriers and Stereotypes

Finance and construction industries have deeply entrenched gender norms, where women are often not taken seriously as business owners or innovators.

These industries also suffer from unconscious biases where women are seen as less capable of scaling businesses in these male-dominated fields.

C. Access to Capital

Female entrepreneurs often face difficulties securing financing, particularly in high-growth sectors such as tech startups. Studies by PitchBook (2021) show that only 3% of tech founders are female, and the situation worsens for women of color, who are significantly underrepresented in the sector.

3. Supporting Women to Overcome Funding Challenges

To bridge the funding gap, several interventions are needed:

A. Inclusive Investment Initiatives

Financial institutions, both public and private, must make deliberate efforts to support female-led businesses by investing in funds and grants that prioritize women entrepreneurs.

One promising initiative is the Angel Investment Network which has introduced gender lens investing, focusing on empowering women entrepreneurs by providing access to capital.

B. Government-Backed Funding

Government schemes like the Start Up Loans program and British Business Bank should be enhanced, ensuring they are inclusive and accessible for women of color. The British Business Bank's Enterprise Finance Guarantee (EFG) can be tailored to offer more equity options and lower-risk loans for women entrepreneurs.

Governments should also consider tax breaks or incentive programs that reduce entry barriers for female founders.

4. Best Practice Examples in Supporting Female Entrepreneurship

A. UK Initiatives

The Women in Innovation Program, run by Innovate UK, has been instrumental in providing grants, mentorship, and funding to female entrepreneurs in the tech and STEM sectors.

The Female Founders Fund, based in the UK, has successfully supported women-led startups in diverse sectors such as tech, fintech, and healthcare.

B. International Examples

In Kenya, women's cooperatives have seen an increase in business success, particularly in agriculture, by empowering women with access to both funding and training. The Kenya Women Microfinance Bank (KWFT) has facilitated numerous loans for women entrepreneurs.

In India, organizations like SEWA (Self-Employed Women's Association) provide low-interest loans and financial literacy training to women in the informal economy, enabling them to start and grow their businesses.

5. Steps for Government Support for High-Growth Female Enterprises

To help female-led businesses scale, governments must take the following steps:

A. Inclusive Policy Reform

Enact policies that prioritize women entrepreneurs, particularly in underfunded sectors.

This includes expanding access to capital and supporting diverse female-led startups.

Ensure government procurement contracts are set aside for women-owned businesses.

B. Infrastructure Development

Invest in accelerators, incubators, and mentorship networks for female entrepreneurs, particularly in underserved regions.

Increase access to educational resources, offering financial literacy programs, entrepreneurship training, and business management workshops.

6. Data for Monitoring Progress in Female Entrepreneurship

The following data points should be tracked:

Funding and Investment Trends: How much funding is being allocated to women entrepreneurs, broken down by race and industry.

Business Growth Metrics: Metrics on the survival rate of female-led businesses and their ability to scale within the first 5 years.

Sector Representation: Data on the percentage of women in various industries, especially in STEM, technology, and construction.

(NGO's & Women Rights Movements, 2024)

Conclusion

The road to female entrepreneurship must be paved with equity, access to resources, and fair opportunities for women, particularly those from ethnic minority backgrounds. The barriers to success are real, but so too are the solutions—by addressing funding gaps, supporting women through mentorship, and enacting inclusive policies, we can create an entrepreneurial ecosystem that is diverse, dynamic, and sustainable.

Now is the time for the UK government and global leaders to act decisively and swiftly to empower women entrepreneurs across the world.

Thank you for your consideration.

#WomenEntrepreneurs #SocialJustice #Equality #FemaleEmpowerment
#Entrepreneurship

Signed: A-CAkinsanya

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