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Ethnic Minority Women and Barriers to Entrepreneurship

Ethnic minority women experience entrepreneurial segregation and perceived discrimination in the UK during their entrepreneurial journey. The United Kingdom is home to a vast number of ethnic minority population of which 51% are women, as per 2021 England Wales Census.

Of this population, there is a mix of those who arrived in the UK from other countries and others who are born within ethnic minority populations living here.

The following evidence to the select committee is based on anonymised primary data collected from women who are in ethnic minority population in the UK and are either born here or , are immigrants to the UK in the last 10 years, approximately. This evidence is not published anywhere else but will refer to the author's previous work (in hyperlinks) in similar domains to establish credentials.

Background:

Research has shown that entrepreneurship for ethnic minorities is not just about economic benefits but also about realising societal benefits through increased integration with host population. Past published evidence in the UK including the Alison Rose Review on female entrepreneurship showed how there has been a 250bn gap in contribution to the UK economy due to female entrepreneurship not at par with men in entrepreneurship.

The entrepreneurial gender gap stems from multiple factors- some intrinsic but mostly extrinsic. It is not new to note that women lag in accessing finance from external, often traditional sources, for e.g., banks. The picture of alternative entrepreneurial finance is not much more encouraging either. Data from within the UK and globally shows that there are strong bias against women in Venture Capital funding. A more democratised platform such as crowdfunding platforms show huge variability in data- from equal accessibility for both genders on non-investment type platforms including rewards-based platforms to [women underperforming in winning the investments needed on equity-based platforms](#).

Various other forms of external barriers impact on women entrepreneurs' ability to start, grow and scale up their businesses including access to business networks; childcare costs and the burden of family responsibilities, to list only a few.

Covid-19 exacerbated the impact on women's entrepreneurship due to the increase in family responsibilities which stood out as a key barrier factor. Numerous organisations including the Cherie Blair Foundation, World Economic Forum, OECD and the UK government has provided evidence to this. This was not limited to the UK but globally. The author of this report undertook multiple initiatives including [global panel with women entrepreneurs in November 2020](#)¹ and research outputs to provide evidence on how women navigate the

¹ <https://blogs.bournemouth.ac.uk/research/2020/11/25/women-entrepreneurs-and-covid-19-celebrating-global-entrepreneurship-week-2020/>

intersectionality of gender, cultural expectations and family responsibilities during the pandemic².

Current Context:

This section will highlight current evidence (unpublished) to highlight the experiences of segregation and perceived discrimination experienced by ethnic minority women entrepreneurs in the UK. The data is limited to women entrepreneurs living and working in Bournemouth, Christchurch and Poole (BCP) conurbation.

The participants in the research were identified using snowball sampling and interviews conducted mostly online. The participants are between the ages of 25-50 and include those who have mothering responsibilities to those to have caring responsibilities for the elderly and disabled within the family set up. The businesses they started and lead are within various sectors and business models including cafes; handcrafts sold online; small catering; pottery; IT services and others.

Using data from 60 interviews, the research finds multiple obstacles listed as below

- Ethnic minority women face a higher and disproportionate impact of cultural perceptions, from external sources- for e.g few women noted, how, when they went to business networking sessions, due to their ethnicities, they felt ignored; often questions they would want to ask would be unanswered and there were multiple observable perceptions displayed including – language abilities; cultural behaviour, and even the supposed business sectors they are part of
- There were numerous experiences from external funders including banks on perceived business competence and impact of gender roles within family set ups.
- Women in STEM businesses said they struggled in the first meeting with finance providers because of the perception due to their choice of outfits, for e.g. hijab.
- Whilst it is true that the caring responsibilities create a disproportionate burden on the participants' abilities to work in their businesses but this is exacerbated by the costs of say, childcare, or lack of networks to build their social capital.
- Women in the sample highlighted the huge amounts of support they received from other women entrepreneurs, both ethnic minority and others
- The key highlight here is the stark difference between the rejection and patronising behaviour they experienced from other Male entrepreneurs and Male entrepreneurial ecosystem actors and the huge amounts of nurturing, safe and supportive behaviours they experienced from their Female counterparts.
- In line with the author's past work, these findings too highlight that interpersonal relationships/social relationships both within and outside family set up is critical to ethnic minority women entrepreneur's ability to engage in entrepreneurial actions.
- There is a strong sense that the entrepreneurial ecosystem is largely dominated by male actors which is not offering the support these women need and there is a need for ecosystem that supports women's entrepreneurial activities.
- There are privately run organisations in BCP that provide, albeit paid, memberships and mentoring and business support to women entrepreneurs but the limitations of social integration within the wider community has resulted in lack of information and awareness on where and how to seek help.

² <https://doi.org/10.1108/IJGE-09-2020-0142>

- The conversation with the participants led to the understanding that the local universities can offer high levels of knowledge exchange to support the growth of women-led businesses in the region and actions to support communication and awareness of information needs to be strengthened.
- And finally, early integration with entrepreneurial ecosystems and wider community within the same industry provides a much needed impetus in business development and growth and also offers a sense of psychological security.
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This concludes the evidence the author would like to provide to the select committee on Female Entrepreneurship and would like to confirm that she will be available to provide oral evidence, if needed.

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