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AN ANALYSIS OF THE LEGAL CHALLENGES FACED BY AFRICAN IMMIGRANT  
WOMEN ENTREPRENEURS (AIWEs) IN THE UK

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Submitted in fulfilment of the requirements of the Degree of Doctor of  
Philosophy

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## **Abstract**

This research investigates the experiences of African immigrant women entrepreneurs (AIWE) in the United Kingdom using Scotland as a case study. It examines how the intricate interplay between socio-legal factors and the intersection of the multiple identities of the AIWE, i.e. race, ethnicity, immigration status, gender, and culture, shape their entrepreneurial journeys. The study employs a mixed-methods approach, incorporating auto-ethnography, ethnography, legal analysis, in-depth interviews, and case studies to comprehensively capture the multifaceted nature of these women's endeavours. This socio-legal research delves into the regulatory frameworks and institutional contexts that influence the establishment and operation of businesses owned by African immigrant women (AIW). By exploring the legal landscape, the study aims to identify enabling and inhibiting factors that contribute to the success or challenges faced by these entrepreneurs. This includes a detailed examination of immigration and labour law and policies, business regulations, and access to legal resources to identify provisions that create hurdles for AIWE entrepreneurship.

The qualitative dimension involves engaging directly with AIWEs in Scotland through observations and interviews. Twenty-five female African immigrant entrepreneurs and nine second-tier organisations in three major Scottish cities, Glasgow, Edinburgh, and Aberdeen, were interviewed via Zoom and in person. The interviews provide a platform for these women to share their narratives, aspirations, and challenges. The qualitative analysis seeks to uncover the economic, social, cultural and gender dynamics that shape their entrepreneurial identities and strategies. It also aims to highlight the role of government, social networks, mentorship, and community support in their business endeavours. Adopting the African feminist intersectionality legal framework provided the opportunity for a holistic analysis of the unique experiences of these women entrepreneurs.

This research contributes to academic and policy discourses by shedding light on the interplay of legal and social factors and how the intersection of multi-identities (Race, Ethnicity, Immigration status, and Gender) influences AIWE in the UK. This exploration offers insights into the unique challenges faced by this demographic, such as navigating legal framework, economic demands, social and

cultural expectations, and overcoming gender biases. Furthermore, the study provides recommendations for policymakers, support organisations, and the community to foster a more inclusive and supportive environment for African immigrant women entrepreneurs, enhancing their economic contributions and promoting diversity within the entrepreneurial landscape in the UK.

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Thank you all for being an integral part of this academic endeavour.

**Author's declaration**

“I declare that, except where explicit reference is made to the contribution of others, that this dissertation is the result of my own work and has not been submitted for any other degree at the University of Glasgow or any other institution.”

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Signature: \_\_\_\_\_

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## Definitions and abbreviations

### Entrepreneurship/entrepreneur vs Self- Employment/Self-Employed

Entrepreneurship is not a legal term but is closely linked to the legal categories Self-employment/Self-employed.<sup>1</sup> UK law considers all those who are not employed by employers as self-employed whereas sociologically not all self-employed people are considered entrepreneurs. For the purposes of this work self-employment and entrepreneurship are used interchangeably.

### Ethnic Minority Entrepreneur

Ethnic entrepreneur is a term that ‘often overlaps or is substituted by other terms that refer to the condition of belonging to a minority group within the economic space under analyses’.<sup>2</sup> Many scholars have defined ‘ethnic minority entrepreneurship as a business owned by the ethnic group members, the immigrants or both’.<sup>3</sup> Others also describe it as a process of ‘identifying opportunities in the market, undertaking innovative, unsafe and dangerous activities by individuals who are not members of the majority population in a given country to ensure prosperity for themselves, families and whole society’.<sup>4</sup> Furthermore, it is defined ‘as an ethnic economy that looks at the interest of migrants, i.e. self-employed and employers and co- ethnic employees’.<sup>5</sup> Also, as a ‘set of connections and regular patterns of interaction between people sharing a common national background or migration experiences’.<sup>6</sup> However, I lean towards Naomi Birdthistle who describes ‘ethnic entrepreneurs as people with similar backgrounds or migration experience, who establish a business (es) in their host country; i.e. business owners who do not belong to the majority

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<sup>1</sup> Note 1

The term Self-employment is used in the Health and Safety at Work Act 1974 subsection (2) ‘It shall be the duty of every self-employed person...’ and other labour laws (i.e., Equality Act 2010, Employment Rights Act 1996, Health and Safety at Work Act 1974, Data Protection Act 1998, Working Time Regulations 1998, and the Working Time (Amendment) Regulation 2007, and Trade Union and Labour Relations (Consolidation Act).

<sup>2</sup> Carlos Rueda Armengot, Frances Solé Parellada and Joaquín Rieta Carbonell, ‘The Immigrant Entrepreneur in the International Change’ (2010) 23 *Journal of Organizational Change Management*.

<sup>3</sup> Farid Ullah et al, ‘What Influences Ethnic Entrepreneurs’ Decision to Start-Up’: some evidence from Aberdeen (2016) 23(4) *Journal of Small Business and Enterprise Development* 1081-1103.

<sup>4</sup> Veland Ramadani et al (eds), *Informal Ethnic Entrepreneurship: An Overview* (Springer 2019).

<sup>5</sup> Julie Knight, ‘Migrant Employment in the Ethnic Economy: Why do Some Migrants become Ethnic Entrepreneurs and Others Co-Ethnic Workers?’ (2015) 16 (1) *International Migration and Integration* 575-592.

<sup>6</sup> Muhammad Naveed Anwar and Elizabeth Daniel, ‘Entrepreneurial Marketing In Online Businesses- The case of ethnic minority entrepreneurs in the UK’ (2016) 19(3) *Qualitative Market Research: An International Journal* 310-338.

population'.<sup>7</sup> Nevertheless, "Schumpeter defines an entrepreneur as an agent of change that is the source of his famous creative destruction; introduces a new good or a new method of production, opens a new market or discovers a new source of supply, or carries out a new organization of an industry".<sup>8</sup> According to Schumpeter, the entrepreneur upsets the conventional ways of doing things"<sup>9</sup> But this definition of entrepreneur by Schumpeter's definition is too narrow, and he sets the bar too high. I believe an entrepreneur is simply someone who starts a new business. So, an ethnic minority entrepreneur is a person who does not belong to the majority ethnic group in a particular society and starts a new business in that society.

### **The term Ethnic Minority Immigrant Women Entrepreneurs 'EMIWEs'.**

Ethnic Minority Immigrant Women Entrepreneurs (EMIWE) are ethnic minorities who are first generation immigrant women entrepreneurs in the UK. I use this term to describe this group of women entrepreneurs who fall in the intersection between immigrants, ethnic minority, and women. The diagram below gives a clearer picture of what this group is.

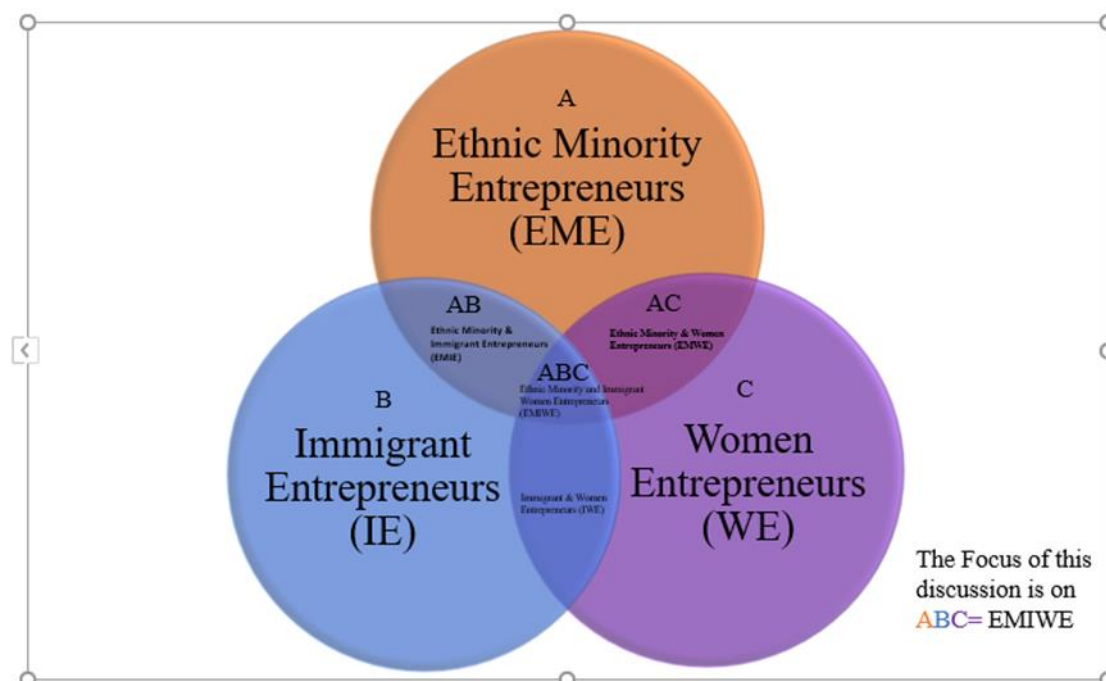
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<sup>7</sup> Naomi Birdthistle, 'Under the Microscope - An Examination of The Supports for Ethnic Entrepreneurs in Ireland' (2019) 61(6) Emerald Publishing 666-683.

<sup>8</sup> Serguey Braguinsky, Steven Klepper and Atsushi Ohyama, 'Schumpeterian Entrepreneurship' (2009) SSRN Electronic Journal.

<sup>9</sup> Anwar and Daniel, supra note 6.

Figure 1: Ethnic Minority Immigrant Women Entrepreneurs (EMIWEs)



In the Venn diagram above, we see that research has been done on circle A=Ethnic Minority Entrepreneurs (EME), circle B=Immigrant Entrepreneurs (IE) and Circle C= Women Entrepreneurs (WE). So, has research been done on the intersections AB=Ethnic Minority Immigrant Entrepreneurs (EMIE), BC= Immigrant Women Entrepreneurs (IWE) and AC= Ethnic Minority Women Entrepreneurs (EMWE). However, there is little research on the intersection of ABC = Ethnic Minority Immigrant Women Entrepreneurs (EMIWEs), of which the African immigrant woman entrepreneur (AWIE) who are the focus of this research are a subset.

### **Other Minority Category**

Refers to ethnic entrepreneurs, immigrant entrepreneurs, ethnic minority immigrant woman entrepreneur, ethnic minority, and women entrepreneurs excluding AIWE.

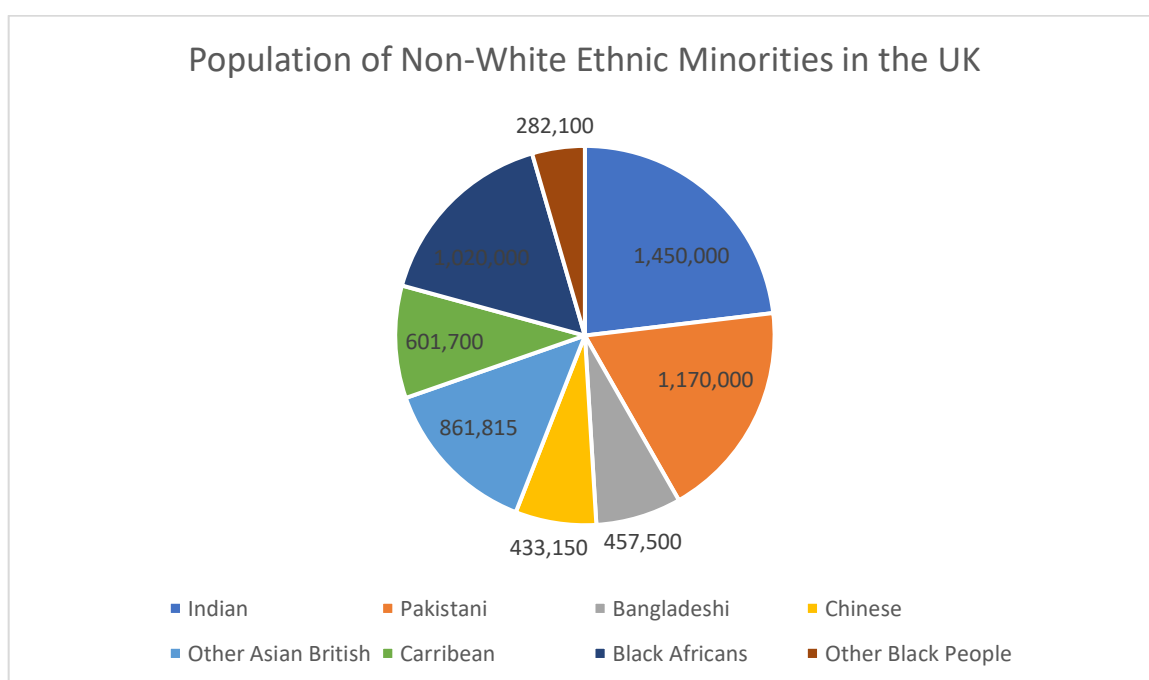
### **Ethnic Minority groupings**

Refers to the ethnic minority groups according to the 2011 Census i.e., Asian British, Black British /African/Afro-Caribbean and Gypsy/Traveller/Irish Traveller; also, Roma (a category not used in the Census) and Travellers.

## 'Non-White' Ethnic Minority groupings

Refers to the ethnic minority groups according to the 2011 Census i.e., Asian British, Black British /African/Afro-Caribbean but excludes Gypsy/Traveller/Irish Traveller; also, Roma (a category not used in the Census) and Travellers and other white ethnic minorities. According to the 2011 Census, the minority group consist of Asian British, which is made up of Indians, Pakistanis, Bangladeshi, Chinese, Other Asian British; Black British /African/Afro-Caribbean which includes the Caribbean, Black Africans, and Other Black People; furthermore Gypsy/Traveller/Irish Traveller; also, Roma (a category not used in the Census) and Travellers. However, this research focuses on the non-White<sup>10</sup> ethnic minority groups (Indians, Pakistanis, Bangladeshis, other Asian British, Caribbean, Black Africans, and other black people.

Figure 2: Population of 'Non-White' Ethnic Minorities in the UK



In the Pie Chart above, one will realise that the Indians in terms of population are the highest, followed by the Pakistani, next is the Black Africans, Other Asian British, Caribbean, Bangladeshi, Chinese and Other Black people, respectively. Ethnic minority sub-groupings

<sup>10</sup> Note 2

There are white ethnic minorities groups like those from the European countries e.g., the Romanians and a group the census refers to as Other, who are whites' non-European ethnic minorities.



This is the subgroup within a particular ethnic minority group for example the Pakistani entrepreneur within the Asian group, Ghanaian entrepreneur within the African ethnic group, Jamaican entrepreneur within the Caribbean ethnic group.

### **Other White ethnic minorities**

These are ethnic minority groups who are white like the Gypsy/Traveller/Irish Traveller; also, Roma and Travellers.

### **Natives**

Is used to represent a majority ethnic group or the indigenous White population.

### **Native entrepreneurs**

Are the indigenous White entrepreneurs/self-employed.

### **BME/BAME**

Black and Minority Ethnic or Black Asian Minority Ethnic, is a UK terminology used to describe people of non-White descent'.<sup>11</sup> This term is used interchangeably in this work.

### **Black**

The letter 'b' has been capitalised in Black because is used to represent race i.e. the Black race. The most 'common reason for using the capital 'B' signifies respect'.<sup>12</sup> For 'many advocates of the uppercase, Black with a capital 'B' refers to a group of people whose ancestors were born in Africa'.<sup>13</sup>

### **White**

The letter 'w' has been capitalised in White because it represents race, i.e. the White race. Deciding 'not to capitalise the 'w' in White while capitalising on other racial and ethnic identifiers would implicitly affirm Whiteness as the

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<sup>11</sup> 'Definitions-Institute of Race Relations' (2020) Institute of Race Relations <https://irr.org.uk/research/statistics/definitions/> accessed 10 March 2021.

<sup>12</sup> Nell Irvin Painter, 'Opinion: Why 'White' should be capitalized, too' *The Washington Post* (Washington, 22 July 2020) <<https://www.washingtonpost.com/opinions/2020/07/22/why-white-should-be-capitalized/>>accessed 24 October 2023.

<sup>13</sup> Kwame Anthony Appiah, 'The Case for Capitalising the B in Black' (*The Atlantic* June 18, 2020) <<https://www.theatlantic.com/ideas/archive/2020/06/time-to-capitalize-blackand-white/613159/>>accessed 24 October 2023.

standard and norm. Keeping White lowercase ignores the way Whiteness functions in institutions and communities.’<sup>14</sup> A ‘capitalised White’ challenges the freedom of ‘Whites’ being something vague, something unracial and separate from race. Capital ‘W’ unmask “Whiteness” as racial identity as historically important as ‘Blackness’ - which it certainly is.’<sup>15</sup>

### **Ethnic enclaves**

Enclaves refer to the concentration of ethnic groups within a geographic area.<sup>16</sup>

### **Immigration status**

Immigration status refers to an individual’s legal permission to reside in and enter the UK. It is determined by the type of visa or authorisation granted by the UK government.<sup>17</sup> The immigration status defines the individual’s rights and limitations during their stay in the UK. Some common immigration statuses in the UK include British Citizen, Indefinite Leave to Remain (ILR), Limited Leave to Remain (visa), European Union Settled Status, Refugee, and Asylum Seeker.

### **Settlement status**

Settlement status is when an individual has the right to live in the UK permanently; it is another term for a person with indefinite leave to remain.<sup>18</sup> The individual can apply to be a British citizen once they have had a settled

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<sup>14</sup> Kristen Mack and John Palfrey, ‘Capitalizing Black and White: Grammatical Justice and Equity’ (MacArthur Foundation, 26 August 2020).

<[<sup>15</sup> Painter, supra note 12.](https://www.macfound.org/press/perspectives/capitalizing-black-and-white-grammatical-justice-and-equity#:~:text=We%20will%20also%20begin%20capitalizing,function%20in%20institutions%20and%20communities.> accessed 24 October 2023.</a></p></div><div data-bbox=)

<sup>16</sup> Mario Espinoza-Kulick et al, ‘Ethnic Enclaves’ Lynette Spillman, *Oxford Bibliographies in Sociology* (Oxford University Press 2021).

<sup>17</sup> Immigration Act 2014, Chapter 22:

An Act to make provision about immigration law; to limit, or otherwise make provision about, access to services, facilities and employment by reference to immigration status; to make provision about marriage and civil partnership involving certain foreign nationals; to make provision about the acquisition of citizenship by persons unable to acquire it because their fathers and mothers were not married to each other and provision about the removal of citizenship from persons whose conduct is seriously prejudicial to the United Kingdom’s vital interests; and for connected purposes.

<sup>18</sup> ‘Check if you can get indefinite leave to remain’ (GOV.UK) <<https://www.gov.uk/indefinite-leave-to-remain>>accessed 12 October 2020.

status for 12 months while showing that they are of good and have passed the 'Life in the UK' test and have the relevant level of English.<sup>19</sup>

### **'Entreployeeship'**

This term refers to individuals who are engaged in paid employment and self-employment. They are active employees and entrepreneurs, with both employment statuses running concurrently.

### **Business(es)**

The definition of business for this study is by the definition under section 27 of the Small Business, Enterprise, and Employment Act 2015:

Business activities” means any activities carried on “by a business for the purposes of the business or by a voluntary or community body for the purposes of the body. References to a business or a voluntary or community body do not include a business or a voluntary or community body controlled by a public authority acting on behalf of a public authority in carrying out the activities.<sup>20</sup>

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<sup>19</sup> Immigration rules 245AAA, General requirements for indefinite leave to remain.

<sup>20</sup> Small Business, Enterprise, and Employment Act 2015, s27 (1-3b).

## Introduction

The entrepreneurial landscape in the United Kingdom is rich and diverse, with immigrants playing a significant role in driving its dynamism and economic growth. Notably, African women entrepreneurs are making a distinct impact, bringing fresh perspectives and innovative business ideas to the forefront. These entrepreneurs face various legal challenges that hinder their business endeavours despite their contributions.

This thesis seeks to analyse these challenges, considering the intersecting identities of these women, including race, ethnicity, immigration status, and gender. The goal is to propose solutions to create a more supportive environment for African Immigrant Women Entrepreneurs (AIWE) in the UK. The analysis will cover themes such as immigration and labour regulations, access to finance, discrimination, cultural barriers, and the intersection of gender and ethnicity in shaping entrepreneurial experiences.

This chapter will introduce the study by discussing the background and context, addressing the research gap, outlining the research aims, objectives, and questions, and reiterating the significance of understanding and addressing the legal challenges faced by African Immigrant Women Entrepreneurs. **It will also** provide the structural outline of the thesis.

## Background

The United Kingdom has witnessed a remarkable influx of economic migrants, including African immigrant women, who are the focus of this thesis. These women, driven by their dreams and a desire to contribute to the national economy, have chosen the entrepreneurial path. Their diverse skills, talents, and aspirations show their resilience and determination. Despite the complex legal landscape that often is a significant barrier to their economic ambitions, they continue to strive and succeed.

In the U.K., 'the role of Black and Minority Ethnic (BME) of which ethnic minority immigrant women are a set, in economic development agenda has been seen as significant'.<sup>21</sup> As such, there has been a growing academic

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<sup>21</sup> Marilyn J. Davidson, Sandra L. Fielden and Azura Omar, 'Black, Asian and Minority Ethnic Female Business Owners' (2010) 16 *International Journal of Entrepreneurial Behaviour and*

interest in BME business owners in the U.K.<sup>22</sup>. These discussions centre around such businesses' uniqueness and contributions to the U.K. economy.<sup>23</sup>

The government recently estimated that:

...there are almost 300,000 EMBs (Ethnic Minority Businesses) comprising around 6% of the small firm population in the United Kingdom...EMBs are unevenly distributed across the country, with higher concentrations in the main urban areas, notably London, Birmingham, Manchester, and Leeds.<sup>24</sup>

These EMBs are rejuvenating fading sectors and areas and enriching new channels for regional trade. However, they still need to shield them from all the financial and managerial challenges, etc.<sup>25</sup> A report by the Bank of England noted "the higher rate of EMB start-ups at a national level compared to White population start-ups."<sup>26</sup> But the question is, what percentage of the above-stated statistics make up ethnic minority immigrant women's businesses? The major problem is that despite significant research conducted on ethnic minorities and women, it is done in isolation from each other. Only a few studies have focused simultaneously on the experiences of EMB and women business owners.<sup>27</sup> First, there is little research on immigrant ethnic minorities; what is often researched is either immigrants or ethnic minorities. Thierry Voley made this assertion in his chapter 'Ethnic Entrepreneurship: a theoretical framework' that many definitions of ethnic groups exclude immigrants and that:

...an alternative term used to "Ethnic" is 'immigrant entrepreneurs' which in turn would only include the individuals who have immigrated over the past few decades. This definition, however, excludes ethnic

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Research

<[https://www.researchgate.net/publication/241699307\\_Black\\_Asian\\_and\\_Minority\\_Ethnic\\_female\\_business\\_owners](https://www.researchgate.net/publication/241699307_Black_Asian_and_Minority_Ethnic_female_business_owners)> accessed 12 March 2021.

<sup>22</sup> Davidson et al., supra note 21.

<sup>23</sup> Monder Ram and David Smallbone, 'Ethnic Minority Enterprise: Policy in Practice' (Small Business Service 2001).

<sup>24</sup> Sara Carter et al., 'Barriers to Ethnic Minority and Women's Enterprise: Existing Evidence, Policy Tensions and Unsettled Questions' (2015) 33 International Small Business Journal 49-69.

<sup>25</sup> Carter et al, supra note 24, p50.

<sup>26</sup> Ram and Smallbone, 'Ethnic Minority Enterprise', supra note 23.

<sup>27</sup> Carter et al, supra note 24.

minority groups living in the country for several centuries...Ethnic, on the contrary, does not exclude immigrant or minority groups.<sup>28</sup>

There is a need to establish that there are ethnic minorities who are immigrants until they have become citizens of their host countries, and there are immigrants who are not ethnic. Thus, the terms immigrants and ethnic minority are not interchangeable. That is why I use the term ethnic minority immigrant entrepreneurs (EMIE) to encompass both categories, i.e. the ethnic minority entrepreneur and immigrant entrepreneur.

Second, my research uncovered around 400 academic articles and more related to women and business ownership.<sup>29</sup> However, there is still little research on ethnic minority immigrant women despite the extensive research on entrepreneurial ethnic minority women in the U.K.<sup>30</sup> Meanwhile, some statistics show that immigrant and ethnic minority women entrepreneurs entirely exceed White female entrepreneurs.<sup>31</sup> Furthermore, research on immigrants and ethnic minority entrepreneurs has often focused on males. But the literature on entrepreneurial ethnic minority women has adopted an increasingly critical stance, denouncing the implicit maleness of the entrepreneur as a construct."<sup>32</sup>

Third, ethnic minorities and immigrant women entrepreneurs contribute immensely to the economies of their home countries and countries of origin by supplementing the labour force and skills.<sup>33</sup> It is argued that the U.K. economy is a fertile ground for immigrant entrepreneurs to flourish because its immigration regulations and some policies allow immigrants to work. On the other hand, 'under current immigration options, securing a visa to start up a business in the U.K. is harder than it needs to be'.<sup>34</sup> This is because the

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<sup>28</sup>Leo Paul Dana, *Handbook of Research on Ethnic Minority Entrepreneurship: A Co-evolutionary View on Resource Management* (Edward Elgar Publishing, 2007) 30.

<sup>29</sup> Sara Carter, Susan Anderson, and Eleanor Shaw, 'Women's Business Ownership: A Review of The Academic, Popular And Internet Literature' (Report to the Small Business Service, ResearchGate 2001).

<sup>30</sup> Frances Ekwulugo, 'Entrepreneurship and SMEs in London (U.K.): Evaluating the role of black Africans in this emergent sector' (2006) 25(1) *Journal of Management Development* 65-79.

<sup>31</sup> Ekwulugo, supra note 30.

<sup>32</sup>Anne Laure Humbert, 'Women as Social Entrepreneurs' (2012) 72 *Third Sector Research Centre* <<https://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/working-papers/working-paper-72.pdf>> accessed 20 November 2020.

<sup>33</sup> Organisation for Economic Co-operation and Development, 'Open for Business: Migrant Entrepreneurship in OECD Countries' (2010) OECD Publishing.

<sup>34</sup> Anne Morris, 'Global Britain-the place to be for start-up' (2018) <<https://www.entrepreneur.com/article/316126>> accessed 11 November 2020.

main entry route for entrepreneurs used to be the Tier 1 Entrepreneur visa (including the Tier 1 graduate entrepreneurship visa and Tier 1 investors visa, which is further discussed in this research)<sup>35</sup>, which has a 48 per cent application refusal rate. However, the main entrepreneurial visas are now the Global Talent and Innovator founder visas, which have strict visa criteria for start-ups to satisfy. Although the financial requirement is not the same as the Tier 1 investors visa, where one needs to invest a minimum of £200,000, which can be particularly prohibitive for applicants at the start-up phase, they also have restrictions that frustrate immigrant entrepreneurs in the start-ups. For instance, it can be difficult for 'business owners to give the application their full attention, applying in haste and omitting mandatory documents or information'.<sup>36</sup> This poses a challenge for Ethnic minority immigrant women entrepreneurs who can hardly access such resources.

Furthermore, according to population data, Scotland is the second-largest country in the United Kingdom, with a population of about 5,463,300.<sup>37</sup> It makes up '8.015% of the total U.K. population and has only about a tenth of the population of England, which is 56,489,000 making up 84% of the total population of the U.K.'.<sup>38</sup> However, Scotland is less diverse than England. Data from the Scotland census shows that 96% of the population is white, including 91.8% Scottish and other British and 4.2% Polish, Irish, Gypsy/Traveller, and White: other.<sup>39</sup> This means that there are about only 4% of ethnic minorities in Scotland's population, excluding 'white ethnic minorities'<sup>40</sup>. It is important to note that this 4% includes the largest non-white ethnic minority group, the Asian population (Asian, Asian Scottish, or Asian British), which makes up 2.7%,<sup>41</sup> Moreover, the second largest non-

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<sup>35</sup> Note 3

The entrepreneurial visa categories have changed several times in the three years since this research was conducted.

<sup>36</sup> Morris, *supra* note 34.

<sup>37</sup> Scotland's Census, 'Population' (*Scotland Census*, 30 July 2021) <<https://www.scotlandscensus.gov.uk/census-results/at-a-glance/population/>> accessed 02 April 2023.

<sup>38</sup> Scotland's Census, 'Population', *supra* note 37.

<sup>39</sup> Scotland's Census, 'Ethnicity' (*Scotland Census*, 30 July 2021) <<https://www.scotlandscensus.gov.uk/census-results/at-a-glance/ethnicity/>> accessed 02 April 2023.

<sup>40</sup> Note 4

Who are Irish, Polish, Polish, Gypsy/Traveller, and 'Other White'.

<sup>41</sup> Note 5

white ethnic minority group in Scotland is the African, Caribbean, or Black population, which makes up over (1%).<sup>42</sup> There are also Mixed or Other ethnic groups under (1%)<sup>43</sup>.

Non-White ethnic minority populations are significantly larger in Scottish cities than in Scottish towns and rural areas. That said, "Scottish cities such as Aberdeen, Edinburgh and even Glasgow have smaller ethnic minority populations compared to large cities in England and Wales so that four-fifths of the population are classified as White British".<sup>44</sup> Though there are more women in Scotland than men, according to the 2011 census,<sup>45</sup> there are more male-owned businesses than female-owned businesses: "For every three female incorporations in Scotland in 2022/23, there were ten male incorporations."<sup>46</sup> Though there seems to be an increase in the growth of female businesses compared to male enterprises, there has been "a 5% growth in female-led companies compared to a 1.5% growth in male-led companies."<sup>47</sup>

Finally, the current research on ethnic minority immigrant women entrepreneurs in the UK lacks an intersectional approach. It is crucial to examine how African immigrant women entrepreneurs experience intersectionality to understand the complexity of their identities, including race, ethnicity, immigration status, gender, and social status, and how these

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That is, Pakistani-50,000, Chinese-34,000, Indian-33,000, Other-21,000, Bangladeshi 4,000). This statistic is available at Scotland's census website <<https://www.scotlandscensus.gov.uk/census-results/at-a-glance/ethnicity/>> accessed 02 April 2023

<sup>42</sup> Note 6

That is, African-30,000, Caribbean just under 7,000). This is available at Scotland's census website <<https://www.scotlandscensus.gov.uk/census-results/at-a-glance/ethnicity/>> accessed 02 April 2023

<sup>43</sup> Note 7

That is, Mixed or multiple ethnic groups-20,000, Other: Arabs-9,000, Other: Other ethnicity-5,000). This is available at Scotland's census website <<https://www.scotlandscensus.gov.uk/census-results/at-a-glance/ethnicity/>> accessed 02 April 2023.

<sup>44</sup> Md Zillur Rahman, Farid Ullah, and Piers Thompson, 'Challenges and issues facing ethnic minority small business owners: The Scottish experience' (2018) 19(3) *The International Journal of Entrepreneurship and Innovation* 177-193.

<sup>45</sup> Note 8

Women are said to have outnumbered men by about 150,000; 2,728,000 women compared to 2,567,000 men. This statistic is available at Scotland's census website <<https://www.scotlandscensus.gov.uk/census-results/at-a-glance/population/>> accessed 02 April 2023

<sup>46</sup> Jilly Pay, 'Number of Female-Led Scottish Companies Rises, According to New Study' *Scottish Business News* (Scotland, 05 May 2023).

<sup>47</sup> Pay, supra note 46.



factors intersect to shape their experiences in entrepreneurship. The following points highlight the reasons why these factors must be discussed:

1. Race and Ethnicity: African immigrant women encounter specific challenges related to their racial and ethnic identities. They may face racism and discrimination in business environments, affecting their access to funding, networking, and markets.
2. Immigration Status: Immigration status adds complexity to the experiences of African immigrant women entrepreneurs. Barriers related to legal status can impact their access to resources and ability to start or grow a business.
3. Gender: Gender significantly influences the experiences of women entrepreneurs. African immigrant women may encounter gender-based discrimination and stereotypes that affect their business opportunities.
4. Socioeconomic Status: Factors such as education, income, and social capital influence the opportunities available to African immigrant women entrepreneurs. Those from lower socioeconomic backgrounds may need help accessing funding and mentorship.
5. Cultural Factors: Cultural norms and values shape the experiences of immigrant women entrepreneurs. Conflicting expectations related to gender roles, family obligations, and cultural traditions can impact their decision-making and business strategies.
6. Intersectional Identities: African immigrant women entrepreneurs experience a complex interplay of various intersecting factors, leading to unique challenges.

This thesis adopts an intersectional approach to understanding the challenges AIWEs face in the UK. Understanding intersectionality allows us to recognise the unique challenges African immigrant women entrepreneurs face. It opens the door to developing more inclusive policies and support systems to address their needs effectively. By acknowledging the intersections of race, ethnicity, immigration status, gender, socioeconomic status, and culture, we can work towards creating a more equitable and supportive environment for all entrepreneurs, fostering a sense of hope for a more inclusive future.

## Research Context

This research is motivated by my first-hand experience working as an African immigrant woman entrepreneur in Glasgow after my postgraduate studies. My two-year stint as a sustainability-focused entrepreneur exposed me to various challenges, which I observed were the shared experiences of many women considered ethnic minorities and immigrants in the U.K. Through personal research and information gathered, I discovered that ethnic minority immigrant women entrepreneurs, mainly African Immigrants Women Entrepreneurs (AIWE) in the U.K. are faced with many difficulties from the start of their enterprise, its development, and making it sustainable. Primary among these challenges is the legal and policy framework they must navigate to start their businesses and run them successfully. I lost my business to the challenges that the law and policies, prime among them the immigration law and policies, threw at my company. This has left me curious about how other immigrant ethnic minority women entrepreneurs manoeuvre the legal framework to grow and sustain their businesses, and this is what I sought to find out through research.

## Research Problem

Female entrepreneurship in the U.K. is rising, and Scotland has had its fair share; this is why Scotland is the case study for this research. In Scotland "women are seeing self-employment as an attractive career option and are choosing to set up their businesses."<sup>48</sup> It is "estimated that around 21% of Scotland's 339,000 small to medium-sized enterprises are majority-led by women and a further 22% are equally-led by women and men".<sup>49</sup> Out of the 339,000 small and medium businesses, 71,190 (21%) are led by women, 74,778 (22%) are led by women and men, and 193,743 (57%), the majority, are led by men.<sup>50</sup>

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<sup>48</sup>Business Gateway, 'Women in Business', available at <<https://www.bgateway.com/resources/women-in-business#:~:text=2.-,How%20entrepreneurial%20are%20women%20in%20Scotland%3F,led%20by%20women%20and%20men.>> accessed on 15 February 2023.

<sup>49</sup>Business Gateway, 'Women in Business', supra note 48.

<sup>50</sup> Note 9

Calculations will be made to arrive at the figures and percentages for men-led SMEs.

21% (women)+ 22% (women and men) = 43%

100%-43%=57%

339,900 × 0.57=193,743

However, there is little intersectional data on ethnic minority immigrant women entrepreneurs. Even worse, the literature on African immigrant women entrepreneurs, especially in Scotland, is scarce. One may ask why there is little information about these women and why their experiences are hardly known by academia and related organisations and institutions. Do the researchers need help gathering data on these women, or are they unavailable for qualitative research? If so, why are they not available? Is it because of trust issues? Alternatively, are their economic and social contributions having little or no impact on the economy, making them unattractive to policymakers and researchers? Is it the case that authorities are unwilling or handicapped in this research area, or are the methodologies being used skewed or outmoded? Is it the case that this group shares characteristics like other minority categories?<sup>51</sup> Hence, there is no need to interrogate their unique experiences, assuming there are any.

Also, the available research on African immigrant women entrepreneurs lacks intersectional analysis. Meanwhile, an intersectional approach to research must be adopted to understand the complexity of the identities and how various factors intersect to shape their experiences in entrepreneurship.

African immigrant women entrepreneurs significantly contribute to the economy through job creation, innovation, and economic activity. However, lacking intersectional data hinders adequate support for their endeavours, leading to missed economic growth and development opportunities. There is a pressing need for more comprehensive intersectional data on the challenges faced by African immigrant women entrepreneurs in the UK. Access to such data would enable policymakers, researchers, and support organisations to understand the obstacles these entrepreneurs encounter fully. This awareness is necessary for policies and support programs to address their unique needs effectively.

Intersectional data is not just a tool; it is a necessity. It serves as a beacon, illuminating the unique disparities in access to financing, market access, networks, and representation faced by African immigrant women entrepreneurs. This information is not just important; it is crucial for

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<sup>51</sup> Note 10

Other minority categories include ethnic entrepreneurs, immigrant entrepreneurs, ethnic minorities, and women entrepreneurs, excluding EMIWE.

advocating for equal opportunities and resources for them, which is often more challenging than for other groups.

Moreover, it's not just about understanding the challenges faced by African immigrant women entrepreneurs; it is about knowing where and how to intervene. Whether it is legal, economic, social, and cultural barriers, discrimination, or limited market access, intersectional data is the key to pinpointing these areas. It is the foundation for evidence-based policymaking, enabling policymakers to design targeted initiatives that address their specific needs. This approach not only promotes inclusivity and economic development but also fosters a sense of hope and optimism for a more equitable future, benefiting not just these entrepreneurs but the entire society.

The lack of intersectional data on the obstacles African immigrant women entrepreneurs encounter in the UK impedes their success and hinders overall economic and social progress. Gathering pertinent intersectional data and tackling the identified challenges is crucial to cultivating a more inclusive and flourishing entrepreneurial environment.

## Research Gap

The study aims to address the following gaps:

1. Limited Scholarly Attention: Despite the increasing presence of African immigrant women entrepreneurs in the UK, more dedicated academic research on their legal challenges is needed. Existing studies tend to provide broader insights into immigrant entrepreneurship or gendered experiences in entrepreneurship, leaving a gap in understanding the unique legal hurdles this specific demographic faces.
2. Complex Intersections of Identity: African immigrant women entrepreneurs navigate a complex web of intersecting identities that significantly influence their experiences of legal challenges. These identities include race, ethnicity, immigration status, gender, culture, and socioeconomic background. However, research often overlooks the nuanced ways in which these intersecting identities shape legal barriers encountered by AIWEs in the UK context.

3. **Dynamic Legal Landscape:** The legal landscape governing entrepreneurship in the UK is multifaceted and constantly evolving, with policies and regulations impacting businesses in diverse ways. However, there is limited research that systematically examines how these legal frameworks specifically affect African immigrant women entrepreneurs.

Understanding the intricacies of these legal dynamics is crucial and urgent for identifying and addressing the barriers AIWEs face.

#### Research Aim

This research aims to investigate the experiences of African Immigrant Women Entrepreneurs (AIWE) in the United Kingdom. The focus will be on understanding the complex interplay between socio-legal factors and the multiple identities that influence their entrepreneurial journeys. The research will conduct an intersectional analysis of the legal challenges faced by AIWE in the UK, explicitly identifying key legal barriers, assessing their impact on business sustainability and growth, and proposing viable strategies to address these challenges within the UK legal framework.

#### Research Objectives

Objectives of this research is to:

1. **Understand the Demographic Profile of African Immigrant Women Entrepreneurs (AIWEs):** This section analyses the demographic characteristics of AIWEs, including age, education, country of origin, and cultural background. It also examines the socio-economic attributes of AIWEs in the U.K.
2. **Examine Entrepreneurship Motivations:** Investigate the motivations behind African immigrant women's decisions to become entrepreneurs, including economic opportunities, necessity entrepreneurship, and personal aspirations. Examine the factors influencing African immigrant women to start and sustain businesses in the U.K. Further, explore the role of societal culture and family dynamics in shaping the entrepreneurial experiences of African immigrant women in the U.K.
3. **Explore Business Challenges and Barriers:** Identify the challenges and barriers faced by African immigrant women entrepreneurs in

establishing and running their businesses in the U.K. regarding accessing resources, markets, support networks, cultural differences, and discrimination.

4. Compare with Native Entrepreneurs: To compare the experiences and challenges faced by African immigrant women entrepreneurs with those of native women entrepreneurs in the U.K., highlighting similarities and differences.
5. Laws and Policies: Evaluate the impact of immigration and labour law and policies on the entrepreneurial journey of African immigrant women in the U.K.
6. Analyse Cultural Adaptation and Integration: To analyse how African immigrant women entrepreneurs navigate cultural adaptation and integration challenges in the U.K., including language barriers, cultural norms, and intercultural communication in the business context.
7. Strategies and resilience mechanisms: Examine the strategies and resilience mechanisms employed by African immigrant women entrepreneurs to overcome challenges and promote business growth. Moreover, explore the support systems available to them, including government programs, community initiatives, and networking opportunities, and assess their effectiveness.
8. Assess Business Success and Sustainability: To evaluate the factors contributing to the success and sustainability of businesses owned by African immigrant women in the U.K., including business strategies, innovation, and adaptation to market demands. To investigate the role of ethnic enclaves, social resources, and community organisations in facilitating the success of African immigrant women entrepreneurs.
9. Investigate Policy Implications: Explore the policy implications of the experiences of African immigrant women entrepreneurs, including recommendations for policymakers to create a more inclusive and supportive environment for immigrant women-led businesses in the U.K. And recommendations for practical policy frameworks that support African immigrant women and immigrant ethnic minority women entrepreneurs.

10. Contribute to a deeper understanding: of the broader implications of African immigrant women's entrepreneurship on economic development, social integration, and gender equality in the U.K.

### Research questions

#### Principal Research Question

What are the legal challenges faced by African immigrant women entrepreneurs (AIWEs) in starting up and growing their own businesses in the UK? And how can these laws and policies become tools in promoting sustainable AIWE entrepreneurship?

#### Sub-Questions

1. Who are EMIWEs and what role do they play in the economy of the UK?
2. What is the legal framework EMIWEs must operate in, in starting and growing their businesses?
3. How do AIWEs become entrepreneurs and what role does the immigration and labour law play in shaping their decisions to become entrepreneurs?
4. What are the other factors besides law that impact AIWE entrepreneurship?
5. What are the barriers that the legal framework creates for AIWEs?
6. What is the role of laws and policies in promoting sustainable EMIWE/AIWE entrepreneurship?

#### Significance of Research

The findings of this research provide valuable insights into the experiences of ethnic minority immigrant women (EMIW), ethnic minority women (EMW), and African immigrant women (AIW) in the U.K. entrepreneurial space.

I demonstrate that African immigrant women experience barriers in the U.K. entrepreneurial space is unique to ethnic women entrepreneurs and women entrepreneurs. The legal framework AIWEs must operate in is the root cause of all the obstacles they face.

My findings deepen our understanding of the differences between the various ethnic minority groupings and why the broad term BAME disadvantages ethnic minority groupings like the AIWE. This exposure will help policymakers

examine the ethnic makeup of their society so that they can formulate policies tailored to their specific needs.

I identify a specific policy framework, the U.N. women's twin indices, which could help the U.K. develop a national framework on ethnic minority immigrant entrepreneurs (EMIE) to make them more sustainable.

I also contribute to the discourse on the importance of sociolegal research and how an interdisciplinary approach to analysing the law can help reveal the law's deficit in addressing societal challenges. This research demonstrates the strengths of sociolegal research when it comes to understanding the law and how it impacts people considered to be minorities in society, including women and ethnic minorities.

Finally, this research contributes to the literature on African women's entrepreneurship, ethnic minority women's entrepreneurship, and women's entrepreneurship in Scotland and the U.K.

#### Organisation of Thesis

The first chapter of the thesis will introduce Ethnic Minority Immigrant Woman Entrepreneurs (EMIWEs). It will discuss who they are, what informs their decision to start a business instead of paid employment, what kind of businesses they establish or are likely to prove, and the challenges they encounter as they set out to start and grow their businesses in the U.K. entrepreneurial space. Ethnic minority and immigrant entrepreneurship in the U.K. has been in the spotlight because of their contributions to the growth of the U.K.'s economy. Though there is scarce literature on EMIWEs, the chapter will glean from literature on ethnic minority women and immigrant women entrepreneurs. The chapter will also discuss the characteristics of African immigrant women entrepreneurs in the U.K., who are the focus of this study.

The second chapter will examine the legal framework within which ethnic minorities must operate. Immigration law is the primary legislation that regulates, if not all, most of the activities of ethnic minorities, predominantly ethnic minority immigrant women entrepreneurs (EMIWEs). This includes policies like the Point Based System (PBS), which impacts ethnic minorities and immigrants and their businesses. A second important field of law is labour law, which regulates the Minimum Wage Act, etc. Tax and social



security laws are also important. By reviewing the laws and policies, this chapter seeks to scrutinise the impact of these laws and policies on ethnic minority and immigrant businesses and to expose the hidden challenges they present to AIWE entrepreneurship.

Chapter three is the methodology chapter, which explains the theoretical framework and research methods employed. This sociolegal study employed multiple research methods, such as autoethnography, ethnography, semi-structured interviews, and case studies. The main theories used were the feminist legal theory and the African feminist intersectionality framework.

Chapter four discusses the factors that influence African Immigrant women's entrepreneurship. Are they mostly pushed into entrepreneurship or pulled into it? Do the reasons for choosing entrepreneurship have any lasting consequences for these businesses?

Chapter Five focuses on factors that create barriers to AIWE entrepreneurship. Though the main aim of the thesis is to unearth legislation that restricts the activities of AIWE entrepreneurship, I appreciate that other factors, such as economic, social, and cultural, play significant roles in limiting the successful operations of AIWE businesses. This chapter will explore these factors by analysing data collected from AIWEs and second-tier organisations. It will reveal the extent of the impact of these factors on AIWE businesses. This helps ascertain which factors create the most barriers to AIWE entrepreneurship.

Chapter Six examines how to make AIWE businesses more sustainable. Some literature on Ethnic minority and immigrant businesses suggests that most are not sustainable, meaning they collapse within the start-up stage or become stagnant. By analysing the data collected and other literature, this chapter identifies policies that prevent AIWE businesses from becoming more sustainable. Similarly, it will reveal policies and propose frameworks promoting sustainable AIWE businesses.

The final Chapter, Chapter Seven, summarises the salient points in each preceding chapter. It draws on the various chapters to establish the extent to which laws and policies affect the creation and growth of AIWE enterprises. It suggests the need to leverage existing frameworks that reflect an intersectional approach to research and policy formulation. It also calls for further research in areas identified in the thesis.

## Chapter 1: Ethnic Minority Immigrant Women Entrepreneurs (EMIWEs) in the UK

### Introduction

This chapter introduces the figure of the Ethnic Minority Immigrant Woman Entrepreneur (EMIW). Drawing on the existing literature, it explores who these entrepreneurs are, what informs their decision to start a business instead of paid employment, the kind of businesses they establish or are likely to establish, and the kind of challenges they encounter as they set out to start and grow their businesses in the UK entrepreneurial space.

For this thesis, an Ethnic Minority Immigrant Woman (EMIW) is a non-White ethnic minority woman who owns a business in the UK. The EMIW is the mother group for all ethnic minority immigrant women subgroups. Moreover, because she is an ethnic minority woman and immigrant who owns a business or business, the term Ethnic Minority Immigrant Woman Entrepreneur (EMIWE) describes her best. Thus, wherever EMIW is mentioned in this work, it represents all the non-White ethnic minority immigrant women in the UK, i.e., the Indian, Pakistan, Bangladesh, Chinese, Caribbean, Black African, Other Black People, and Other Asian British immigrant women entrepreneurs.

It is essential to know the characteristics of the EMIW and their experiences in the entrepreneurial space to highlight the unique entrepreneurial challenges of its subgroup, the African immigrant woman entrepreneurs (AIWE), who are the focus of this thesis. There is extant literature on some minority categories, such as ethnic minority entrepreneurs, immigrant entrepreneurs, and women entrepreneurs, but there is scarce literature on the EMIWE. Gathering data and reviewing academic materials on the EMIWE exposed me to the need for more academic literature on these women. Organisations like ONS<sup>52</sup> and other stakeholder organisations expected to have data on EMIWEs need more specific data on them. This has left me with no choice but to draw from the extant literature on ethnic minority entrepreneurs and minority entrepreneurs.

The lack of literature on this entrepreneur is a significant setback because I realised there is little research on "Black African immigrant women

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<sup>52</sup> Note 11

Office of National Statistics, whom the researcher contacted on 14 March 2021, for Statistics and Figures on Ethnic Minority and Immigrant Women Entrepreneurs in the UK.

entrepreneurs, and most of their entrepreneurial experiences have been deduced from that of female entrepreneurs in general and other ethnic groups".<sup>53</sup> Though some of the entrepreneurial experiences of EMIWEs may be similar to those of other ethnic minorities, immigrants, and women entrepreneurs, they are different in other aspects. As such, this work aims to find similarities and differences in these entrepreneurs' experiences.<sup>54</sup> We might also ask why there is little information about these women and why their experiences are hardly known by academia and related organisations and institutions. Is it that the researchers need help gathering data on these women, or are these women not available for qualitative research? If so, why are they not available? Is it because of trust issues? Is it the case that this group share similar characteristics with other minority categories.<sup>55</sup> Hence, there is no need to interrogate their unique experiences, assuming there are any. In this chapter, I seek to uncover these questions and many others, such as why these entrepreneurs will start businesses instead of paid employment and why they will establish a particular type of business.

Furthermore, the chapter seeks to explore the experiences of EMIWE alongside those of other minority categories like women entrepreneurs, ethnic minority entrepreneurs, and immigrant entrepreneurs to find out whether these experiences are similar or the same. The discussions will also border on the gap in research to bring to the fore the unique entrepreneurial experiences of the EMIWE and the lack of representation of the challenges she encounters from the start of her business to its growth. In the case where these experiences of the EMIWE and the other minority categories happen to be similar, will there still be the need to conduct further research into EMIWE's experience or will we be able to rely on the extant literature on the other minority categories to represent her experience as some researchers, organisations, and institutions have done over the years? The answer is yes since the experiences are only similar and not the same.

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<sup>53</sup> Thomas Domboka, 'The Entrepreneurial Experience of 1st Generation Migrant Black African Female Entrepreneurs in Britain' (2013) 13(2) *Journal of Business Diversity* 40-51.

<sup>54</sup> Domboka, *supra* note 53.

<sup>55</sup> Note 12

This will mean ethnic entrepreneurs, immigrant entrepreneurs, ethnic minorities, and women entrepreneurs, excluding EMIWE.

This thesis aims to contribute to the discourse on entrepreneurial immigrant ethnic minorities and add to the currently sparse literature on them. As stated earlier, there are ethnic minority entrepreneurs who bear several identities: as a woman, an immigrant, and an ethnic minority entrepreneur. Whereas these are intrinsically linked, most researchers compartmentalise these women entrepreneurs' identities. It is why I adopt an intersectional approach to analyse how the identities and positionality of these women combine to create modes of discrimination as well as privileges, which makes their experiences different from that of other immigrant entrepreneurs, especially that of the AIWE a subset of this group in the chapters to follow.

In summary, drawing on the existing literature on ethnic minority women entrepreneurs, the chapter examines the similarities and differences between EMIWEs and other entrepreneurs. It will first explore who EMIWEs are and their history.<sup>56</sup> Then, it will discuss what shapes their decision to become entrepreneurs rather than look for paid employment, the nature of their businesses, and the challenges they encounter.

Immigration History of 'Non-White' Ethnic Minorities.

Over time, the UK has seen a change in the countries of origin of its immigrants. Most immigrants who came to the UK from the 1970s until the 1990s originated from new Commonwealth countries, especially the Caribbean, India, Pakistan, and Bangladesh.<sup>57</sup> This immigration started from the Caribbean from the late 1940s to the mid-1970s and then from the Indian subcontinent, i.e., the Indians, then the Pakistanis and Bangladeshis, from the 1960s.<sup>58</sup> The reason for migration 'was the great need for workers to work at key economic sectors such as the health service and public transport, as there was a heavy loss of the human capital during the Second World War'.<sup>59</sup> Many of these 'immigrants who came to work during this time settled in the UK permanently and procreated, which led to a second-generation immigrant population, especially among the Pakistanis, Indians, Bangladeshis, Chinese and other Asian British'.<sup>60</sup> That is why Asian

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<sup>56</sup> Note 13

How many are there, which countries did they come from, why did they come to the UK, etc.?

<sup>57</sup> Ken Clark, Stephen Drinkwater, and Catherine Robinson, 'Self-employment amongst migrant groups: new evidence from England and Wales' (2017) 48(4) *Small Business Economics* 1047-1069.

<sup>58</sup> Clark et al., supra note 57.

<sup>59</sup> Clark et al., supra note 57.

<sup>60</sup> Clark et al., supra note 57.

communities are usually found in large cities, especially in London, parts of the Midlands, North England, Wales, and Scotland.<sup>61</sup>

Since the end of the 1990s, immigration has become more complex than it used to be.<sup>62</sup> Immigrants from European countries arrived in the UK in large numbers due to the expansion of the European Union, which took place between May 2004 and 2007, due to the accession of 8 Central and Eastern European Countries.<sup>63</sup> The UK was then one of only three members, along with Ireland and Sweden, to allow these immigrants unrestricted access to their labour market.<sup>64</sup> However, the “UK government imposed transitional arrangements on immigrants from Bulgaria and Romania after these countries joined the EU in 2007”.<sup>65</sup> This “imposition is said to have contributed to the lower levels in immigration compared to the higher levels experienced between 2004 and 2007 until the restrictions were removed in 2013”.<sup>66</sup> However, the UK was one of many countries experiencing changes in the origin of immigrants. Immigration flows from outside the EU also became more diverse, partly because of the arrival of many refugees by the end of the 1990s and the beginning of the 2000s, especially from the Middle East and some African countries.<sup>67</sup>

Globalisation is said to be accountable for immigrants arriving from many different countries, resulting in the diverse immigrant population in the EU and the UK.<sup>68</sup> The points-based system (PBS) aims to simplify entry routes to the UK and attract immigrants with particular skills.<sup>69</sup> However, the PBS policy has become so stringent that it can be likened to the 'Hostile environment Policy', which was initially introduced in 2012 and gave birth to the Immigration Act 2014 and 2016. Under the PBS system:

Employers and education providers wanting to employ or educate foreign nationals must pay the Home Office for a 'sponsor licence', which comes with

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<sup>61</sup> Clark et al., supra note 57.

<sup>62</sup> Clark et al., supra note 57.

<sup>63</sup> Kenneth Clark and Stephen Drinkwater, 'Pushed out or pulled in? Self-employment among ethnic minorities in England and Wales (2000) 7(1) Labour Economics 603-628.

<sup>64</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>65</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>66</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>67</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>68</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>69</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

demanding conditions and can be withdrawn if those conditions are breached; this has turned the immigration system into a hostile environment.<sup>70</sup> It is worth noting that not all ethnic minorities' histories are the same. Therefore, their experiences in the labour market, social life, etc, are expected to differ. The immigration history of Black Africans, by extension the Black African women into the UK, is different from other 'non-white ethnic minorities'.<sup>71</sup> Women.<sup>72</sup> These African immigrants came to the UK in the 50s and 60s, a period known as Post-independence Africa.<sup>73</sup>, mainly males.<sup>74</sup> Nearly 'all of them came for educational purposes due to the kind of training they received from the British colonial government'.<sup>75</sup> They had better lives, unlike their counterparts, the South Asians and Afro-Caribbean, who came earlier for employment purposes.<sup>76</sup> Subsequently, when African women immigrated later, 'it was to join their husbands or gain training in fields like nursing and study'.<sup>77</sup> Nonetheless, "since the turn of the century, there has been a huge increase in asylum claimants from certain African countries, notably Zimbabwe, Somalia, and the Democratic Republic of Congo".<sup>78</sup> Notably, 'Black Africans were first officially recognised in the UK as a major ethnic group in the 1991 population census, and the 2001 census, in which they comprised 10.5% of the total ethnic minority population'.<sup>79</sup> Meanwhile, most Black African women who had lived in Britain for about ten years had come to the country intending to return to their country of origin.<sup>80</sup> Subsequent chapters will explore why they did not return but decided to start a business in the UK.

Post-independence African countries' relationship with their former coloniser still thrives. They have maintained close ties economically, politically, linguistically, culturally, etc.<sup>81</sup> This relationship remains for former British colonies, which

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<sup>70</sup> Colin Yeo, *Welcome to Britain* (Biteback, Publishing Ltd 2020).

<sup>71</sup> Note 14

i.e., the rest of the 'non-White' Ethnic Minority groupings like the Asians and Caribbean ethnic groups.

<sup>72</sup> Domboka, supra note 53.

<sup>73</sup> Note 15

Most African countries gained independence between the mid-to-late 1950s to 1975.

<sup>74</sup> Domboka, supra note 53.

<sup>75</sup> Domboka, supra note 53.

<sup>76</sup> Domboka, supra note 53.

<sup>77</sup> Domboka, supra note 53.

<sup>78</sup> Domboka, supra note 53.

<sup>79</sup> Domboka, supra note 53.

<sup>80</sup> Domboka, supra note 53.

<sup>81</sup> Domboka, supra note 53.

have been maintained through membership in the 'Commonwealth.'<sup>82</sup> This relationship is said to have given its members the privilege of travelling to study, work, and do business. However, this may be more challenging than it used to be.<sup>83</sup> This unique relationship with the former coloniser is why many immigrants made the UK their designated country. Most Black Africans came to the UK as a favoured destination because of the relationship they enjoyed through the Commonwealth.<sup>84</sup> The question is, is the UK still the country of choice for most of these immigrants? If not, what changed? Was it the many immigration policies that were introduced to make the immigration space hostile?<sup>85</sup> Is the UK truly a fertile ground for immigrant entrepreneurship?

Figure 3 below displays the immigration History of 'non-white' Ethnic minorities from the 1900s to the 2000s. It must be noted that the history of these immigrants dates back to even before the 16<sup>th</sup> century when some ethnic minorities found their way to the UK because of the slave trade.

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<sup>82</sup> Note 16

The Commonwealth is a political and voluntary association made up of 54 independent countries that were former colonies of the British Empire. Its aim is for these members to work together to promote prosperity, democracy, and peace, amplify the voice of small states, and protect the environment.

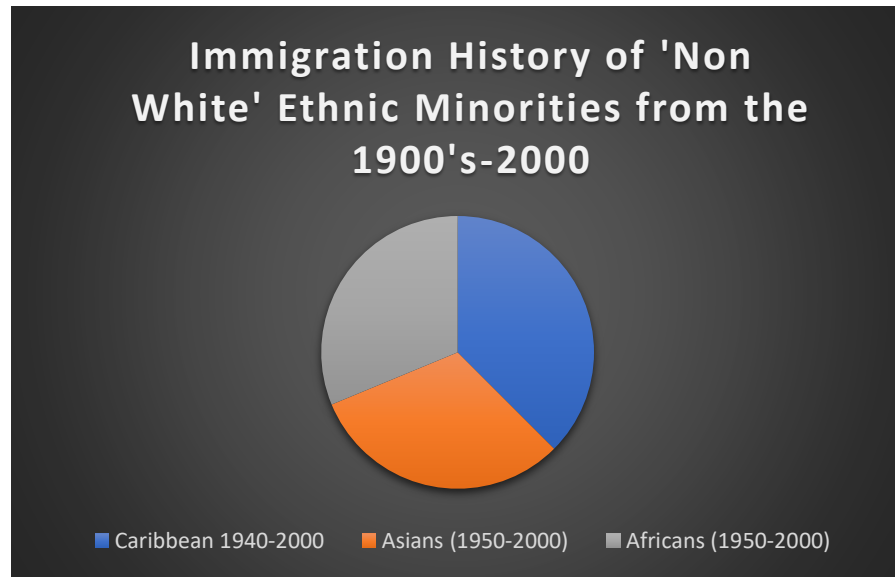
<sup>83</sup> Domboka, supra note 53.

<sup>84</sup> Domboka, supra at note 53.

<sup>85</sup> Note 17

According to Colin Yeo in his book *Welcome to Britain*, the hostile environment policy developed in 2012 when a government group known as the 'Hostile Environment Working Group' was created.

Figure 3: Immigration History of 'Non-White' Ethnic minorities from the 1900's-2000.



Source: The data used in creating the diagram above is deduced from Clark et al.'s article on 'Self-employment amongst migrant groups: new evidence from England and Wales'.

The graph shows that Caribbeans were the first EMI to arrive in the UK, followed by the Asians and African EMI in the next decade after the Caribbeans arrived.

#### 1. Who are Ethnic Minority Immigrant Women Entrepreneurs (EMIWEs)?

Many researchers<sup>86</sup> have focused on immigrant and women entrepreneurs, immigrant entrepreneurs, women entrepreneurs, and ethnic minority entrepreneurs. Some of them have lumped together the experiences of the various minority groups. In contrast, others have generalised the experiences of

<sup>86</sup> Note 18

Natalie A. Vershinina et al, 'False Self-Employment: the Case of Ukrainian Migrants in London's Construction Sector' (2018) 49(1) *Industrial Relations Journal* 2-18; Farid Ullah et al, 'What Influences Ethnic Entrepreneurs' Decision to Start-Up': some evidence from Aberdeen (2016) 23(4) *Journal of Small Business and Enterprise Development* 1081-1103; Julie Knight, 'Migrant Employment in the Ethnic Economy: Why do Some Migrants become Ethnic Entrepreneurs and Others Co-Ethnic Workers?' (2015) 16 (1) *International Migration and Integration* 575-592; Naomi Birdthistle, 'Under the Microscope - An Examination of The Supports for Ethnic Entrepreneurs in Ireland' (2019) 61(6) *Emerald Publishing* 666-683; Veland Ramadani et al. (eds), *Informal Ethnic Entrepreneurship: An Overview* (Springer 2019); Frances Ekwulugo, 'Entrepreneurship and SMEs in London (UK)' (2006) 25(1) *Journal of Management Development* 65-79; François Neville et al, 'Why Even Bother Trying?' Examining Discouragement Among Racial-Minority Entrepreneurs' (2018) 55(3) *Journal of Management Studies* 424-456; Sara Carter et al, 'Barriers to Ethnic Minority and Women's Enterprise: Existing Evidence, Policy Tensions and Unsettled Questions' (2015) 33 *International Small Business Journal* 49-69; Mark Freedland and Cathryn Costello (eds), *Migrants at Work: and the Division of Labour Law* (2014) Oxford University Press.



the diverse entire ethnic minority group, and others have tried to compartmentalise the different identities of these minority women that work simultaneously to place them in disadvantaged positions. Feiwel Kupferberg stands out as one who has studied 'women and women immigrant or ethnic minority entrepreneurial groups together, unlike some works of literature that have treated these categories separately, he aimed to achieve the synergetic effects of broadening the understanding of both groups'.<sup>87</sup> Similarly, I aim to study the group bearing the identity of an ethnic minority, immigrant, and woman entrepreneurs as one and not as separate categories.

Most studies have focused on the subgroups within the Asian ethnic minority group, such as the Indians, Pakistanis, Bangladeshis, and Chinese, to represent most of the experiences of other ethnic minorities, like the Black British/African/Afro-Caribbean ethnic minority groups, who are a subgroup within the significant ethnic minority group. An Asian ethnic minority entrepreneur has always taken centre stage in ethnic minority entrepreneurship.<sup>88</sup> This is the very reason why the term BAME<sup>89</sup> has come under criticism because: the term lumps up all the different ethnic groups that are otherwise unique. The impact of this term is discussed in subsequent chapters. I am aware of not lumping the groups together, which is why the term EMIWE represents the immigrant woman entrepreneur in the ethnic minority subgroups, as stated earlier. Therefore, there is the Pakistani EMIWE (PIWE), Indian EMIWE (IWE), Chinese EMIWE (CIWE), Bangladeshi EMIWE (BIWE) and African EMIWE (AIWE)

EMIWEs are women entrepreneurs who are not just immigrants but ethnic minorities as well. This is because we have ethnic minority women who are not immigrants but citizens, so we have immigrants who are not ethnic minorities.<sup>90</sup> However, I focus on this group with all three identities: ethnic minority, immigrant, and woman. It is essential to echo that these identities are intrinsically linked. There is no day that any of the identities of being a woman

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<sup>87</sup> Feiwel Kupferberg, 'The Established and the Newcomers: What Makes Immigrant and Women Entrepreneurs so Special?' (2010)13(1) *International Review of Sociology / Revue Internationale de Sociologie* 89-104.

<sup>88</sup> Domboka, *supra* note 53.

<sup>89</sup> Note 19

Black, Asian, and Minority Ethnic, a UK terminology used to describe people of non-White descent.

<sup>90</sup> Note 20

The 'other White' category is described above.

or an immigrant or ethnic minority goes on a holiday. This means that there is no day that these entrepreneurs must live as only a woman and face the challenges of a woman entrepreneur, nor are there days that they must live only as an immigrant and face the challenges that come out of being an immigrant entrepreneur in a host country; neither do they have to live only as ethnic minority entrepreneurs to navigate the difficulties all ethnic minority entrepreneurs face. On the contrary, these entrepreneurs discussed in this chapter, the EMIWEs, must live concurrently as an ethnic minority, immigrant, and woman entrepreneurs. Moreover, they face whatever identity presents them simultaneously. This makes them unique from all other entrepreneurs because they suffer the 'triple whammy' of their identities.

## 2. Entrepreneurship History of the Ethnic Minority Entrepreneur (EME)

Self-employment rates had substantial growth in the 1980s, which was 'attributed to several factors like changes in attitude towards entrepreneurship and business and the prevailing policy environment which encouraged business start-ups and a push from unemployment'.<sup>91</sup>

### 2.1 Increase in Self-employment

In the 1980s, there was an "increase in self-employment for ethnic minorities especially, who recorded about 95% compared to 52% for whites".<sup>92</sup> In the 1990s, the unemployment rate fell from 10% in 1991 to less than 5% in 2001, which shows a period of economic expansion and a more favourable paid labour market.<sup>93</sup> This means a positive correlation exists between entrepreneurship and unemployment. The UK also experienced significant demographic changes over the period. The ethnic minority populations grew by 5.3% compared to 1.2% for the native population'.<sup>94</sup> Higher participation rates in post-compulsory education among the younger members of these groups led to increasing numbers of ethnic minority graduates in the labour force.<sup>95</sup>

It is therefore not surprising that the 'minority population in London in the 2001 census was about 33.9% Black population, which is said to have increased by 37%

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<sup>91</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>92</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>93</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>94</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>95</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

since 1994, and is estimated to increase by at least 3,000,000 by 2025'.<sup>96</sup> Besides other reasons, high birth rates have surfaced as one reason for the increase, directly impacting start-ups' emergence.<sup>97</sup> This could be because most immigrants who come into the UK are young adults who come in to seek employment and settle. For instance, the 'trends for Chinese/Asian minorities in entrepreneurship has changed, a situation associated with the younger second generations in the UK having access to the labour market, thus losing interest in entrepreneurship'.<sup>98</sup> Consequently, their age profile differs from that of the native population, which comprises younger adults with higher birth rates. This increase in the ethnic population has ultimately led to increased start-ups and cheap labour.<sup>99</sup>

Most ethnic minorities tap into the ethnic minority human resource to employ other ethnic minorities, paying them wages that may otherwise not 'be available at the prevailing national labour demand and competitive wage level' gives them access to cheap labour.<sup>100</sup> In addition, 'tighter immigration policy combined with other demographic factors led to much higher proportions of the second-generation ethnic minority population in 2001 compared to 1991, producing a different age distribution for the ethnic minority labour force'.<sup>101</sup>

Immigrant entrepreneurship was prevalent over the past decade, between 2006 and 2016. However, the self-employment rates of immigrants were much higher than for the domestically-born population in countries like Poland, the Czech Republic, the Slovak Republic, Croatia, Malta, Lithuania, and the United Kingdom.<sup>102</sup> Though the self-employment rate for first-generation immigrants in the European Union, including the UK and non-EU countries, increased from 14% in 2008 to 15.5% in 2014, it declined for second-generation immigrants in the same year.<sup>103</sup> So, first-generation immigrants in the European Union, including the UK, are more likely to be self-employed than second-generation immigrants. The proportion of self-employed people who were immigrants varied across member states in 2016, ranging from less than 1% in Poland to approximately

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<sup>96</sup> Clark et al., supra note 57.

<sup>97</sup> Clark et al., supra note 57.

<sup>98</sup> Anwar and Daniel, supra note 6.

<sup>99</sup> Clark et al., supra note 57.

<sup>100</sup> Clark et al., supra note 57.

<sup>101</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>102</sup> OECD and European Union, 'The Missing Entrepreneurs 2017 : Policies for Inclusive Entrepreneurship' (2017) 4 OECD Publishing.

<sup>103</sup> OECD/European Union, supra note 102.

20.1% in the United Kingdom and Cyprus 20.5%. This figure shows that first-generation immigrants are more likely to be self-employed than second-generation in the UK.<sup>104</sup>

## 2.2 Decline in Self-employment

Compared to substantial growth in self-employment in the 1980s and 1990s, overall self-employment rates plateaued.<sup>105</sup> Whereas some minority groups experienced continued growth, others, mainly the Chinese and Indian males' self-employment rates declined, and the Pakistani, Bangladeshi, and Chinese females' self-employment rates declined.<sup>106</sup> The reason for the declining self-employment of males from Pakistani, Bangladeshi, Indian, and Chinese backgrounds is associated with an increasing proportion of their second generations, who have experienced growth in their qualifications through years of education.<sup>107</sup> On the other hand, the age structure of these ethnic minority groups may explain the lower self-employment rate since second-generation ethnic minorities in the UK will be younger on average.<sup>108</sup> Some studies have equally questioned whether the decline in self-employment for minority groups could mean they have assimilated into their host countries and, therefore, can now access more job opportunities. Alternatively, they have been denied another source of economic activity.<sup>109</sup> This question is explored further in the following chapters.

## 2.3 Ethnic Minority Entrepreneurs and Ethnic Enclaves

Some studies suggested that there is a long history of ethnic minority entrepreneurs depending on ethnic enclaves.<sup>110</sup> To thrive, whereas others have disputed this fact. They believe that "high concentrations of co-ethnics in specific geographical locations can boost self-employment through the provision of food and clothing."<sup>111</sup> However, studies show a 'positive relationship between self-employment and ethnic enclaves in the US and Australia, but a negative

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<sup>104</sup> OECD/European Union, supra note 102, p98.

<sup>105</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>106</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>107</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>108</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63, p626.

<sup>109</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>110</sup> Note 21

It is a geographical location with highly concentrated ethnic economic activities.

<sup>111</sup> Clark et al., supra note 57.

effect in the UK'.<sup>112</sup> Because of 'the relatively deprived nature of ethnically concentrated areas in the UK which depresses self-employment opportunities than foster an enclave economy'.<sup>113</sup> Research conducted in the US revealed that 'ethnic-enclave entrepreneurs operated broader and diverse economic activities and did not only serve co-ethnics but other members from diverse backgrounds'.<sup>114</sup> Combined with this, 'immigrant entrepreneurship has recently become more multifaceted, complex, diverse, and a global phenomenon'.<sup>115</sup>

#### 2.4 Ethnic Minority Entrepreneurs and Other Entrepreneurs

Self-employment rates are still higher among ethnic minority groups than among natives; for example, self-employment for men is highest for first-generation Pakistanis,<sup>116</sup> with a very similar figure of 36% for the Pakistani ethnic group, which is considerably higher than the next closest group, men from other European countries (28%) and Ireland.<sup>117</sup> While self-employment has remained high for some established immigrant groups, especially the Pakistanis, high rates are also observed for immigrants from countries that acceded to the EU in 2004 and 2000.<sup>118</sup>

On one hand, the self-employment rates for men arriving after 2003 were lower than earlier arrivals for each group. This was particularly noticeable for the Asian groups, with self-employment rates of less than 10% observed for more recent male immigrants from India and Bangladesh compared to over 25% for immigrants arriving before 2004.<sup>119</sup> Meanwhile, the self-employment rates for male immigrants arriving before and after 2004 are similar.<sup>120</sup> On the other hand, 'self-employment rates for women are more concentrated across the immigrant groups, ranging only between 9 and 15%.<sup>121</sup> Second-generation immigrants in the UK and first-generation Bangladeshi women have the lowest rates. In contrast, the highest rates are observed for first-generation Pakistani women and other

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<sup>112</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>113</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>114</sup> Jennifer Nazareno, Min Zhou, and Tianlong You, 'Global Dynamics of Immigrant Entrepreneurship' (2019) 25 (5) *International Journal of Entrepreneurial Behaviour & Research* 780-800.

<sup>115</sup> Nazareno et al, supra note 114.

<sup>116</sup> Clark et al., supra note 57.

<sup>117</sup> Clark et al., supra note 57.

<sup>118</sup> Clark et al., supra note 57.

<sup>119</sup> Clark et al., supra note 57.

<sup>120</sup> Clark et al., supra note 57.

<sup>121</sup> Clark et al., supra note 57.

first-generation women across Europe'.<sup>122</sup> Moreover, the self-employment rates for women from Central and South America (Caribbean) arriving after 2003 are higher than for earlier arrivals from these countries.<sup>123</sup>

Again, a stark contrast exists between Bangladeshi immigrants and Pakistanis, whose probability of being self-employed with employees is 2% points higher than that of the UK.<sup>124</sup>

### 3. What are the characteristics of Ethnic minority Businesses (EMBs)?

One of the significant characteristics of ethnic minority businesses is their ability to 'create jobs, add vitality to the localities they establish; they have a clear stake in the prosperity, accessibility and safety of that community, add up to social, economic growth and sustainability, simply put they sustain the civic society they operate in'.<sup>125</sup> Most importantly, ethnic minority entrepreneurs 'end up solving the issue of unemployment among immigrants in ethnic minority communities'.<sup>126</sup>

#### 3.1 Ethnic Minority Entrepreneurship

Research has shown that most ethnic minorities have a higher rate of self-employment than natives in many countries. There has been an increase in immigrant entrepreneurship in the UK. One in seven businesses in the UK belongs to an immigrant ethnic minority.<sup>127</sup> For example, in the UK, ethnic self-employment is 13.4 per cent compared to 11.9 per cent for the indigenous population.<sup>128</sup> Frances Ekwulugo stresses this: 'Black businesses are more likely to be involved in autonomous start-ups than Whites or other ethnic minorities because they are highly motivated and determined'.<sup>129</sup> Between first-generation, second-generation, and natives, first-generation immigrants are likelier to have more entrepreneurial ability.<sup>130</sup> There is also a 'situation where unemployment is higher in younger people than in older people, and higher unemployment leads to higher self-employment'.<sup>131</sup> Another factor that works to the advantage of

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<sup>122</sup> Clark et al., supra note 57.

<sup>123</sup> Clark et al., supra note 57.

<sup>124</sup> Clark et al., supra note 57.

<sup>125</sup> Anwar and Daniel, supra note 6.

<sup>126</sup> Anwar and Daniel, supra note 6.

<sup>127</sup> Ullah et al., supra note 3.

<sup>128</sup> Anwar and Daniel, supra note 6.

<sup>129</sup> Ekwulugo, supra note 30.

<sup>130</sup> OECD/European Union, supra note 102.

<sup>131</sup> Ekwulugo, supra note 30.

ethnic minorities is that the ethnic minorities in the UK have a younger age structure than the Whites, and this is why 'immigration has a great impact on ethnic minority businesses because young people are bound to travel than older people so age could be a major factor'.<sup>132</sup> Unfortunately, the 'growth of African businesses (a subset of ethnic minority businesses) is said to have been under-researched'.<sup>133</sup> This research is necessary because of its contribution to the sparse literature on Black African businesses.

As much as self-employment could be a positive choice for ethnic minorities and very important for the UK, a broad generalisation conceals significant variations in self-employment rates by racial origin, gender, and over time and space.<sup>134</sup> So, it is essential to analyse ethnic self-employment and consider the diversity in each ethnic group.<sup>135</sup>

### 3.2 Nature of Self-employment

Another characteristic of ethnic minority businesses is part-time self-employment. Where full-time self-employment means working more than 30 hours a week, part-time means working 30 hours or less a week; the worker can work independently or employ others.<sup>136</sup> Some 50% of self-employed first-generation Bangladeshi men work part-time compared with less than 20% of men from other ethnic groups, like over a third of first-generation Pakistani male immigrants also work part-time.<sup>137</sup> Interestingly, ethnic minority women are said to engage more in part-time self-employment than men, "accounting for over half of all self-employed women and over 40% for all migrant groups".<sup>138</sup> Concerns have been raised about the high proportions of Pakistani men classified as self-employed but taxi drivers.<sup>139</sup> These are the ones who belong to the gig economy, and some researchers have referred to them as vulnerable, subsistence entrepreneurs, etc. Recently, a case<sup>140</sup> has been decided to favour Uber drivers, who should be treated as workers instead of genuinely self-employed. Some studies have shown that ethnic minority entrepreneurs earn less

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<sup>132</sup> Ekwulugo, supra note 30.

<sup>133</sup> Ekwulugo, supra note 30.

<sup>134</sup> Ekwulugo, supra note 30.

<sup>135</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>136</sup> Carter et al, supra note 24.

<sup>137</sup> Carter et al, supra note 24.

<sup>138</sup> Carter et al, supra note 24.

<sup>139</sup> Carter et al, supra note 24.

<sup>140</sup> *Uber BV and others v Aslam* [2018] EWCA Civ 2748, [2021] UKSC 5.

than White entrepreneurs.<sup>141</sup> Why is this the case? Could it be because of the nature of the businesses they operate or the hours they spend in them? This is a subject worthy of further research.

### 3.3 Location of Ethnic Minority Businesses

Recent government estimates suggest that “there are almost 300,000 Ethnic Minority Businesses (EMB) comprising around 6% of the small firm population in the UK’. Other estimates put the figure at 8%.<sup>142</sup> Ethnic minority businesses appear to be unequally dispersed across the UK, with higher concentrations in London, Birmingham, Manchester, and Leeds, the major cities.<sup>143</sup> Ethnic minority businesses are concentrated in urban areas.<sup>144</sup> The concentration is not just by location but also in the sectors where they establish their businesses. Most ‘ethnic minority entrepreneurs are said to be concentrated in industrial sectors with high business failure rates, such as retail, catering, and transport’.<sup>145</sup> Ethnic concentration leads to lower self-employment rates because of increased competition in these areas. Areas where minorities are typically clustered tend to suffer from high levels of disadvantage.<sup>146</sup> It is not just ethnic minority businesses that seem to be concentrated in some sectors. However, the Economic Cooperation and Department have also estimated that 75% of women are also concentrated in just 19 highly feminised sectors.<sup>147</sup> 43% of self-employed women work in childcare, teaching, cleaning, retail, and hairdressing sectors. Meanwhile, the construction sector has 2% female self-employment compared to 27% male.<sup>148</sup> It is said that Ethnic minority businesses will go into low-value businesses, usually concentrated in one location and area/sector. Because of the over-concentration, there is extreme competition between EMBs.<sup>149</sup> There is a comparatively high sectorial concentration among self-employed first-generation women from India, Pakistan, and Bangladesh.<sup>150</sup>

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<sup>141</sup> [2018] EWCA Civ 2748

<sup>142</sup> Carter et al, supra note 24.

<sup>143</sup> Carter et al, supra note 24.

<sup>144</sup> Carter et al, supra note 24.

<sup>145</sup> OECD/European Union, supra note 102.

<sup>146</sup> Clark and Drinkwater, ‘Pushed out or pulled in’, supra note 63.

<sup>147</sup> Carter et al, supra note 24.

<sup>148</sup> Carter et al, supra note 24.

<sup>149</sup> Carter et al, supra note 24.

<sup>150</sup> Clark et al., supra note 57.



To summarise, ethnic minority businesses are mostly restricted to one locality. However, this characteristic has evolved over the years as EMBs have faced the challenge of globalisation; though this may be seen as a challenge, it has its positives.<sup>151</sup> It has opened the market for some EMBs, such as those in the apparel industry, and led to the diversification of some of these firms.<sup>152</sup>

### 3.4 Sources of finance

Ethnic employers depend heavily on informal finance sources to finance their businesses. This results from the racial difference in access to start-up capital from banks.<sup>153</sup> Black Africans and Caribbeans rely on personal savings more than other means of financing because they have a weak social network and a negative concept of stereotyping by financial institutions.<sup>154</sup> Most Black African women use their savings, followed by friends and family, and will not approach banks for loans.<sup>155</sup> Some findings from Domboka's research showed that some Black women entrepreneurs did not even attempt to apply for loans because they thought they would not be given them.<sup>156</sup> Some lack a good credit score and opt for financial risk aversion.<sup>157</sup> Some women said they do not approach banks for financial assistance because of cultural and religious beliefs.<sup>158</sup> There is little evidence to substantiate the discrimination from financial institutions, but it seems to be a common belief among ethnic minority entrepreneurs.<sup>159</sup> Inadvertently, 'most ethnic minority businesses will hardly break out because of the lack of resources to do so'.<sup>160</sup>

### 3.5 Employees of Ethnic Minority Businesses (EMBs)

In 2016, approximately 28% of the EU's self-employed immigrants had employees, regardless of whether they were first-generation or second-generation immigrants.<sup>161</sup> So, first- and second-generation immigrants will employ business employees.<sup>162</sup> However, first-generation self-employed

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<sup>151</sup> Carter et al, supra note 24.

<sup>152</sup> Carter et al, supra note 24.

<sup>153</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>154</sup> Domboka, supra note 53.

<sup>155</sup> Domboka, supra note 53.

<sup>156</sup> Domboka, supra note 53.

<sup>157</sup> Domboka, supra note 53.

<sup>158</sup> Domboka, supra note 53.

<sup>159</sup> Domboka, supra note 53.

<sup>160</sup> Domboka, supra note 53.

<sup>161</sup> OECD/European Union, supra note 102.

<sup>162</sup> OECD/European Union, supra note 102.

immigrants were more likely to have employees.<sup>163</sup> Some studies seem to suggest that because a more significant number of ethnic minority businesses operate small and medium-sized companies, they mostly do not have many employees, predominantly ethnic minority women businesses. It has been found that the percentage of women employing others is like men's, at just over 20%, but is relatively high for some of the (South Asian) groups, especially first-generation Bangladeshi.<sup>164</sup> There are also significant differences in the probability of employing others, which differs across immigrant groups; entrepreneurs from Bangladesh and other Asian countries are most likely to employ others.<sup>165</sup> This probability is at least 6% points higher for these groups than it is for the second-generation group and 15 and 9% points higher for first-generation Bangladeshi and other parts of Asia, respectively.<sup>166</sup> It is common for illegal immigrants to be employed by struggling ethnic minority businesses.<sup>167</sup>

### 3.6 Co-ethnicity and Ethnic Enclaves

Another characteristic of ethnic minority entrepreneurs is their dependence on other ethnic minorities to thrive. This may be explained by the "theory of ethnic resources, which highlights traditional cultural characteristics such as thrift, hard work and reliance upon family networks and internal mechanism of self-help, which gives some immigrant groups a competitive edge in ethnic business."<sup>168</sup> The existence of co-ethnics can lead to the prevalence of self-employment as they offer extra sources of products.<sup>169</sup> Some literature suggests that ethnic self-employment in the UK creates an enclave economy based on shared language or culture or the production of ethnic goods, yet there is little evidence.<sup>170</sup>

EMBs are an excellent resource for adapting and integrating new immigrants into their local economies and communities.<sup>171</sup> Many articles have suggested that ethnic minority businesses depend on their social network and co-ethnics. However, this may not be the case across the board, as some first-generation

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<sup>163</sup> OECD/European Union, supra note 102.

<sup>164</sup> Clark et al., supra note 57.

<sup>165</sup> OECD/European Union, supra note 102.

<sup>166</sup> OECD/European Union, supra note 102.

<sup>167</sup> OECD/European Union, supra note 102.

<sup>168</sup> Kupferberg, supra note 87.

<sup>169</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>170</sup> OECD/European Union, supra note 102.

<sup>171</sup> Carter et al, supra note 24.

Black African women do not have much social capital in their host country.<sup>172</sup> Instead, they rely more heavily on their human capital and finances than other ethnic minority groups to start and build their businesses and supply goods and services not dependent on co-ethnic patronage.<sup>173</sup> Nevertheless, the demand for ethnic-specific goods and services may exhibit lower levels of consumer discrimination against minorities. It can provide easy access to networks of information, credit potential, workers, and other business services.<sup>174</sup>

### 3.7 Ethnic minority entrepreneurs and Human capital

Human capital in any business is significant, and one's human capital is tied to one's education and educational network.<sup>175</sup> The "formal education of an ethnic entrepreneur helps them gain knowledge and skills, yet education is not enough to start one's business; rather the entrepreneur needs self-efficacy, confidence and other skills".<sup>176</sup> So, 'education does not necessarily transform to entrepreneurial skills because women have been found to have some education as men, yet women are said to have less work and managerial expertise, and experience to run their businesses'.<sup>177</sup> One will wonder how this managerial experience is measured because most married women engage in many daily activities at home. Admittedly, these may be different skills, but they can be transferable when they start their businesses. Many women have an essential managerial skill set that can be improved or polished when they start their businesses.

Though formal education is an excellent avenue for human capital and a common characteristic of ethnic minority entrepreneurs, and most ethnic minority women are educated, it does not necessarily transform into the kind of business they do. For example, although generational African women have a high educational background, it is not profitable for their companies in their host country<sup>178</sup>, as we shall see in the following chapters.

The "highly educated ones like postgraduates are more into the provision of services, whereas graduates were more into hair and beauty/retail, secondary

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<sup>172</sup> Domboka, supra note 53.

<sup>173</sup> Domboka, supra note 53.

<sup>174</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>175</sup> Domboka, supra note 53.

<sup>176</sup> Domboka, supra note 53, p43.

<sup>177</sup> Domboka, supra note 53, p43.

<sup>178</sup> Domboka, supra note 53.

level retail/hair and beauty, and below secondary (very few) go into retail and hair and beauty".<sup>179</sup> Therefore, one cannot assume that a minority business will be profitable because the ethnic minority entrepreneur has a higher level of education. This has not been the case over the years, as there are factors that constrain the growth of ethnic minority businesses, which is discussed in the chapters that follow.

### 3.8 Gendered nature of Ethnic minority entrepreneurship

Immigrant ethnic minority entrepreneurs own one in ten small businesses in the UK.<sup>180</sup> The 'Data for ethnic entrepreneurship in 2006 for Pakistani males was 31.3% self-employed with African men making up 10.5%.<sup>181</sup> It is, however, not surprising that 'self-employment is lower for women compared to men in the same ethnic group'.<sup>182</sup> Although self-employment for women is said to be lower than the men in the same ethnic group, it is higher for some ethnic groups than others; 'Chinese women were highest among the women category (15.9%) and lowest for African and Caribbean women (3.8% ) for both'.<sup>183</sup> Subsequently, women's entrepreneurship among ethnic minority groups, especially Africans and Caribbeans, appears to be under-researched. Determining women's businesses has been difficult since men and women jointly own some.<sup>184</sup> Moreover, some "studies report under participation of women in self-employment, but others have challenged that their participation is widespread but disguised by dual ownership".<sup>185</sup>

In 2012, "19% of SME employers were women-led, a further 23% were equally led by men and women, suggesting that about 42% of SME employers in the UK are at least equally if not wholly led by women."<sup>186</sup> Data from the Office of National Statistics (ONS) shows that women comprise 29% of the UK self-employed population and 22% of incorporated businesses are women-led/owned businesses. These businesses generate about £75 billion in GVA, 16% of the approximate GVA that all UK SMEs generate.<sup>187</sup>

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<sup>179</sup> Domboka, supra note 53.

<sup>180</sup> Clark et al., supra note 57.

<sup>181</sup> Anwar and Daniel, supra note 6.

<sup>182</sup> Anwar and Daniel, supra note 6.

<sup>183</sup> Anwar and Daniel, supra note 6.

<sup>184</sup> Carter et al, supra note 24.

<sup>185</sup> Carter et al, supra note 24.

<sup>186</sup> Carter et al, supra note 24.

<sup>187</sup> Carter et al, supra note 24.

Men are twice as likely to start businesses as women, and women's self-employment in the UK is lower than in the USA. This may impact ethnic minority immigrant women's businesses, too.<sup>188</sup> An “additional of one hundred and fifty thousand (150,000) businesses would be created if rates of business ownership among women were the same as men in the UK, and an additional nine hundred thousand (900,000) businesses would be created per annum if the UK had the same rates of women's business ownership as in the US”.<sup>189</sup> Remarkably, whereas the United States is said to have ‘considerable evidence specifically on immigrant self-employment, previous research for the UK has focused on ethnic minorities, many of whom will be native-born rather than immigrants.’<sup>190</sup> However, this is changing as ‘recent studies have explored self-employment differences across the different ethnic groups given the high levels of immigration to the UK over the past two decades.’<sup>191</sup> Strikingly, there is a ‘positive correlation between men's and women's entrepreneurship. Where the highest rates of women's entrepreneurship are found, the same regions have the highest men's entrepreneurship; thus, men's and women's entrepreneurship is closely correlated at the regional scale.’<sup>192</sup> Nonetheless, there are significant differences between the types of women's start-ups and men's start-ups, a situation attributed to inequality in pay and glass ceilings.<sup>193</sup> The discrimination in pay and glass ceilings lead to women ‘being undercapitalised, which will impact their business choice’.<sup>194</sup> Thus, women would instead use other sources than banks since there is a connection between the start-up capital and the performance of the business.<sup>195</sup> Women entrepreneurs use one-third of the start-up capital men use, and they use less borrowed or equity capital when they start their businesses.<sup>196</sup> Hence, the structural difference between men's and women's businesses is mainly a result of the differences in financial usage, basically because of the size of the firm,<sup>197</sup> This is why there are significant differences in the characteristics of ethnic

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<sup>188</sup> Carter et al, supra note 24.

<sup>189</sup> Carter et al, supra note 24.

<sup>190</sup> Clark et al., supra note 57.

<sup>191</sup> Clark et al., supra note 57.

<sup>192</sup> Carter et al, supra note 24.

<sup>193</sup> Domboka, supra note 53.

<sup>194</sup> Domboka, supra note 53.

<sup>195</sup> Domboka, supra note 53.

<sup>196</sup> Domboka, supra note 53.

<sup>197</sup> Carter et al, supra note 24.

minority women businesses and, by extension, ethnic minority male entrepreneurs.<sup>198</sup>

Although it may be easy for women-owned firms to enter a particular market, these businesses must be more represented within service sectors, especially those related to their parenting demands.<sup>199</sup> It becomes overcrowded and more likely to be part-time and home-based, restricting their markets.<sup>200</sup> So, it is with other Black African women without support, as they cannot develop their businesses above the subsistence level'.<sup>201</sup>

More women would instead not take up financially risky businesses, so they would instead use less capital or go into businesses with less capital.<sup>202</sup> However, that is changing as self-employed women are now found in “liberal professions like information and communication and financial and insurance services, accounting for about 23% of both male and female self-employment, suggesting that more diversified increases in female self-employment may be underway”.<sup>203</sup> Women have been accused of not pursuing business growth, an assertion that needs further research as it is unclear why any entrepreneur will not seek the development of their business.<sup>204</sup> Other literature suggests that a lack of finance could be a significant constraint rather than a choice for women entrepreneurs.<sup>205</sup>

#### 4. What shapes the decision of the Ethnic minority entrepreneurs to start their own business (es) rather than look for paid employment?

It is essential to examine why an ethnic minority entrepreneur (EME) starts a business and compare that with why an ethnic minority immigrant woman entrepreneur (EMIWE) starts her own business. In this section, I will first examine why entrepreneurs generally start businesses, the push and pull factors that influence EME entrepreneurship, and why factors like education and qualification can be a pull and push factor.

Before we delve into what motivates ethnic minority entrepreneurs to start a business, let us examine what general reasons account for an entrepreneur's

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<sup>198</sup> Domboka, supra note 53.

<sup>199</sup> Domboka, supra note 53.

<sup>200</sup> Carter et al, supra note 24.

<sup>201</sup> Domboka, supra note 53.

<sup>202</sup> Carter et al, supra note 24.

<sup>203</sup> Carter et al, supra note 24.

<sup>204</sup> Carter et al, supra note 24.

<sup>205</sup> Carter et al, supra note 24.

decision to set up a business. Many reasons have been given for an individual starting a business, either by choice or force. These reasons have been given different names, such as positivity.<sup>206</sup>, situational influences<sup>207</sup>, involuntariness<sup>208</sup>, negative or positive factors,<sup>209</sup> driver factors<sup>210</sup>, push or pull factors<sup>211</sup>, etc. Some researchers propose combining all factors, both push and pull factors and any other factor generic to all entrepreneurs.<sup>212</sup> Although Cooper<sup>213</sup> has developed models which classify individuals' entrepreneurial decisions into antecedent influences<sup>214</sup>, incubator organisation<sup>215</sup> and environmental factors<sup>216</sup>, many<sup>217</sup> have also tried to group these factors into two

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<sup>206</sup> Note 22

Positivity is said to be a generic entrepreneurial attitude that influences an entrepreneur's decision to start a business. These attitudes include being innovative, opportunistic, self-confident, etc. Farid et al.

<sup>207</sup> Note 23

Because of situations like unemployment, redundancy, discomfort, etc., One decides to start their own business according to Farid et al.

<sup>208</sup> Note 24

According to Teemu Kautonen et al., involuntariness is a motive for self-employment. An individual may become self-employed even though they prefer paid employment. This is because they hope self-employment will bring more benefits than paid employment.

Teemu Kautonen et al., "Involuntary Self-Employment" As A Public Policy Issue: A Cross-Country European Review' (2010) 16 (2) International Journal of Entrepreneurial Behaviour & Research 112-129.

<sup>209</sup> Note 25

Rita Welsh et al. grouped some of the reasons influencing ethnic minorities' business entry decisions into negative and positive factors. The Negatives include the inability to find employment, low-paid alternative employment, perceived or actual workplace discrimination, and social-racial discrimination. The positive reasons include the desire for independence, financial status betterment, a niche market, or high growth potential identified.

Rita Welsh et al., 'The Challenge to C-Stores: Edinburgh South Asian Responses' (2003) 31(8) International Journal of Retail & Distribution Management 408-417.

<sup>210</sup> Note 26

According to Farid et al., driver factors include need and gap in the market, such as the demand for halal meat and/ or alcohol-free restaurants.

<sup>211</sup> Note 27

Domboka, citing Orham and Scot (2001), stated that "starting a business is driven by two opposite factors of choice and necessity," where choice translates into pull factors and necessity into push factors.

<sup>212</sup> Anwar and Daniel, supra note 6.

<sup>213</sup> Domboka, supra at note 53.

<sup>214</sup> Note 28

"Antecedent's influence considers the background such as educational background, marital status, previous employment experiences, family circumstances, and genetic factors of the individual entrepreneur and how this affects his or her motivation, perceptions, and skills".

<sup>215</sup> Note 29

"The incubator organisation is the type of organisation the individual worked for immediately before they started their own business. That includes the skills and knowledge acquired from their last employment and whether the experience from the job pushed or pulled the individual to start their own business."

<sup>216</sup> Note 30

"The environmental factors are external to the individual, and this could be the level of support given to new entrepreneurs, the norms and culture of the society they are socialised into, the availability of finance and role models".

<sup>217</sup> Like 'Orham and Scott cited by Thomas T. Domboka, supra at note 53.

categories: push and pull factors, suggesting that starting a business is driven by two opposite factors of choice and necessity<sup>218</sup>. Others<sup>219</sup> They have also argued that humans are not robots to be pushed or pulled; entrepreneurs use their agency abilities to mitigate against external structures.<sup>220</sup> Even so, among all the reasons stated above, there seem to be two major categories that cut across different discourses that motivate a person to create their own business(es). All these reasons can be classified under the push and pull factors.

The desire to become an entrepreneur appears different for different entrepreneurs. According to Farid et al., people usually create businesses when they are 'optimistic of succeeding against all odds, and gain all the rewards for themselves, families, relatives, and friends'.<sup>221</sup> He further stated that people would start businesses because of independence, the need for achievement, living with uncertainty, risk-taking, locus of control, using previous experiences in a business venture, etc.<sup>222</sup>

The 'situational influences/push factors responsible for general starts-ups are unemployment, redundancy, discomfort with one's job and disagreement at work especially with one's manager or boss'.<sup>223</sup> Similarly, the pull factors that lead entrepreneurs to start a business could be independence, achievement, recognition, wealth creation and personal development.<sup>224</sup> That said, this may only be the situation for some entrepreneurs because a distinction must be made between what Schoar calls a Subsistence entrepreneur and a Transformative entrepreneur.<sup>225</sup> Subsistence entrepreneurs will be affected by push factors to become entrepreneurs: 'people who become entrepreneurs as a means of income, to provide 'alternative employment for the entrepreneur, and possible family members'.<sup>226</sup> Conversely, according to her, transformational entrepreneurs will enter the business solely because they have identified a niche in the

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<sup>218</sup> Note 31

Most of the reasons given, such as unemployment, niche in the market, financial status betterment, low-paid jobs, etc, can be grouped under push and pull factors.

<sup>219</sup> Like 'Bourdieu and Wacquant in Thomas Domboka's work, supra at note 53.

<sup>220</sup> Domboka, supra note 53.

<sup>221</sup> Ullah et al, supra note 3.

<sup>222</sup> Ullah et al, supra note 3.

<sup>223</sup> Ullah et al, supra note 3.

<sup>224</sup> Ullah et al, supra note 3.

<sup>225</sup> Antoinette Schoar, 'The Divide between Subsistence and Transformational Entrepreneurship' (2010) 10 Innovation Policy and the Economy 57-81.

<sup>226</sup> Schoar, supra note 225.



market, which they use to create jobs for others.<sup>227</sup> However, it must be noted that people can enter entrepreneurship because of both push and pull factors. Ethnic minority entrepreneur (EME) and reason for entrepreneurship

The factors above are accountable for an individual's decision to go into entrepreneurship, and they may not be entirely different from that of the ethnic minority entrepreneur, nor are they the same. According to Ken Clark et al., a report by the UK Equal Opportunities Commission found that:

Women's entrepreneurial aspirations varied between different ethnic groups; specifically, 11% of native women wanted to be their boss, compared to 17% of Black Caribbean and 20% of Pakistani and Black Bangladeshi females.<sup>228</sup>

Unfortunately, there seems to be no data on the EMIWEs or for Black African woman entrepreneurs.

Researchers have proposed reasons why ethnic minority entrepreneurs will start up a business (es). This includes the following but is not limited to:

The locus of control, need for achievement and experience, desire to become their bosses, and dissatisfaction with work (a significant factor) because of pay and time. Also, the desire to be independent can be a factor in making their own decisions, so the need for achievement, success, fame, or respect, like the general reasons stated above, could be why ethnic minorities could go into entrepreneurship.<sup>229</sup>

To interrogate these factors properly, we will explore some push and pull factors that cause ethnic minorities to start their businesses. Then, we will uncover unique and personal reasons why an ethnic minority immigrant woman entrepreneur (EMIWE) will start her own business instead of being in paid employment. There are arguments that the motivation for starting a business has limitations, but it could change as the business (es) becomes profitable. Thus, if one should consider the initial motivation for starting a business, one could conclude that one was pushed, but then later, when one is assessed, one would conclude that one is pulled into starting the business (es).<sup>230</sup>

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<sup>227</sup> Schoar, *supra* note 225.

<sup>228</sup> Clark and Drinkwater, 'Pushed out or pulled in', *supra* note 63.

<sup>229</sup> Ullah et al, *supra* note 3.

<sup>230</sup> Domboka, *supra* note 53.

#### 4.1 Push factors

Primarily, push factors that will trigger the entrepreneurial ambitions of ethnic minorities in starting a business are said to include 'unemployment or not having a proper job, redundancy, argument with one's bosses, institutional discrimination, blocked mobility, one's experience and dissatisfaction with previous jobs can also influence the individual to engage in entrepreneurship'.<sup>231</sup> Among these factors are low-income jobs, progressing up the economic ladder, skilled positions and lack of education.<sup>232</sup> Most ethnic minorities are said first to seek employment in their host countries upon arrival. They 'sooner or later realise that they cannot climb the economic ladder; they are low paid, and some do not even get jobs that match their skill sets', which leaves them with no option but to seek alternative means of income.<sup>233</sup> An ethnic minority will start a business because of blocked opportunities in the labour market, issues related to academic qualifications, and the inability to connect with social networks to gain access to information and employment opportunities.<sup>234</sup> Subsequently, an ethnic minority will start a business after unpleasant labour market experiences.<sup>235</sup>

In addition to these, factors that could push immigrants into self-employment are racism, inequality and discrimination in the labour market.<sup>236</sup> The issue of racism and inequality that exist in the labour market in the US, which accounts for racial minority groups in the US like African Americans and Hispanic Americans<sup>237</sup> Moreover, Asian Americans venturing into entrepreneurship is also prevalent in the UK.<sup>238</sup> Research in the UK reveals that ethnic minorities respond differently to income from employment and self-employment.<sup>239</sup> As a result, paid labour market discrimination will lead to higher self-employment for groups

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<sup>231</sup> Knight, *supra* note 5.

<sup>232</sup> Knight, *supra* note 5.

<sup>233</sup> Birdthistle, *supra* note 7.

<sup>234</sup> Birdthistle, *supra* note 7.

<sup>235</sup> Birdthistle, *supra* note 7.

<sup>236</sup> Natalie A. Vershinina et al., 'False Self-Employment: the Case of Ukrainian Migrants in London's Construction Sector' (2018) 49(1) *Industrial Relations Journal* 2-18.

<sup>237</sup> Note 32

For instance, "Hispanic Americans believe that they are excluded from job opportunities due to the perceived prevalence of racial discrimination that factors into hiring, wage, and promotion decisions", according to Francois Neville et al.

<sup>238</sup> François Neville et al., "Why Even Bother Trying?" Examining Discouragement Among Racial-Minority Entrepreneurs' (2018) 55(3) *Journal of Management Studies* 424-456.

<sup>239</sup> Clark and Drinkwater, 'Pushed out or pulled in', *supra* note 63.

who feel discriminated against.<sup>240</sup> Furthermore, the difficulty of integration and the ability to penetrate and ascend the societal ladder are significant motivations for starting a business.<sup>241</sup> Additionally, the lack of legal, political or cultural rights is an essential tool that pushes ethnic minorities into entrepreneurship, as is the lack of social citizenship rights, particularly the right to participate equally in the labour market.<sup>242</sup> The importance of these rights cannot be underestimated, as the social status and self-esteem of any citizen in any European country, including the UK, are related to the quality of their socioeconomic participation.<sup>243</sup> As such, the 'underlying economic performance of an area through restricted paid Labour market opportunities is accountable for the changes in self-employment rates.'<sup>244</sup> For ethnic minorities.<sup>245</sup> Overall, entrepreneurship is seen as 'one of the most viable ways to upward mobility to prominence, relevance and influential value addition, the reason for which ethnic minorities will want to engage in entrepreneurship'.<sup>246</sup>

#### 4.2 Pull Factors.

Self-employment could be a means to explore one's talent, and one could be motivated by the financial rewards and job satisfaction it brings.<sup>247</sup> Ethnic minorities enter entrepreneurship because of the opportunities and niches they see in the market. These advantages serve as motivation for them to want to start a business. The pull factors could include 'ethnic enclaves, religion, access to informal sources of financial capital'.<sup>248</sup> Some ethnic entrepreneurs started their businesses by exploring the 'gap in the market to provide halal food and alcohol-free restaurants in their local community'.<sup>249</sup>

Furthermore, ethnic individuals could start-up businesses because of 'personal achievements and social status, human capital, education, location, financial

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<sup>240</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>241</sup> Kupferberg, supra note 87.

<sup>242</sup> Kupferberg, supra note 87.

<sup>243</sup> Kupferberg, supra note 87.

<sup>244</sup> Note 33

Self-employment rates are calculated as the proportion of all paid and self-employed people.

<sup>245</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>246</sup> Neville et al, supra note 238.

<sup>247</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>248</sup> Vershinnina et al., supra note 236.

<sup>249</sup> Ullah et al, supra note 3.

gain, personal wealth creation, personal traits or personalities, self-confidence and determination'.<sup>250</sup>

#### 4.3 Education and Qualification as a push or pull factor.

Factors like education and qualification either push or pull the EME into entrepreneurship. Education is vital in the entrepreneurial experiences of ethnic minority entrepreneurs, although it is argued that there is a negative correlation between education and entrepreneurship. This is because the increasing educational attainment experienced by the younger members of ethnic minorities who are second-generation immigrants in the UK has led to decreased entrepreneurship among them. Data shows that the "proportion of Indians with higher qualification grew from 24% to 41% in 1991 and 2001, the equivalent figures for Pakistani/Bangladeshi (Chinese) groups are 14 and 27% (33 and 43%).<sup>251</sup>

Others also argue that education 'plays a vital role in an ethnic minority's start-up, but there is no direct correlation between education and entrepreneurship'.<sup>252</sup> It is more likely that a 'young graduate'<sup>253</sup> Many people will enter entrepreneurship after being denied a job opportunity, so an individual's knowledge and education could help them succeed. This could be a pull or push factor.<sup>254</sup> The relationship between education and self-employment rates varies between ethnic groups and categories. First-generation immigrant women have lower chances of employment. They would opt for self-employment rather than second-generation immigrants, who may find it easier to absorb into the paid labour market.<sup>255</sup> Undoubtedly, within the same ethnic minority groupings, certain factors are peculiar to some ethnic groups. For example, some Polish ethnic entrepreneurs have lower skill sets, lack English language skills, and have lower educational levels before immigrating to their host country.<sup>256</sup> This makes

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<sup>250</sup> Ullah et al, supra note 3.

<sup>251</sup> Ken Clark and Stephen Drinkwater, 'Patterns of ethnic self-employment in time and space: evidence from British Census microdata' (2010) 34(1) *Small Business Economics* 330.

<sup>252</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>253</sup> Note 34

Using my experience as an example, after my graduation I saw a niche in the market (where students were creating waste with items that others could reuse); coupled with the fact that I was not getting a job that matched my qualification, my colleague and I decided to take up entrepreneurship, where we started a reuse shop in the student community.

<sup>254</sup> Ullah et al, supra note 3.

<sup>255</sup> Domboka, supra note 53.

<sup>256</sup> Ekwulugo, supra note 30.

their employability very difficult in their destination country; consequently, the next option is entrepreneurship.<sup>257</sup> In addition, 'non-White' ethnic minorities are said to be more likely to have degrees than their White counterparts.<sup>258</sup>

Most African immigrants came with first and second degrees, and other ethnic minorities, such as the Caribbean, also have higher education.<sup>259</sup> Research reveals that 'African men are highly educated and ambitious because they must succeed to improve their status in society, home and climb the social ladder abroad'.<sup>260</sup>

#### 4.4 Immigration patterns and ethnic minority entrepreneurship

An ethnic minority's migration from their country of origin to their host countries for greener pastures or better opportunities is a source of motivation for start-ups. Indeed, there are several reasons why people migrate from their countries of origin to their host countries.<sup>261</sup> Some say entrepreneurship is seen as a survival tactic, while others have said it is cultural and has become part of a person's nature.<sup>262</sup> Others argued that the reason for ethnic minorities immigrating to their host countries could explain the reasons why they become entrepreneurs.<sup>263</sup> These reasons could include 'war, civil unrest, or personal reasons such as education, health, and family.'<sup>264</sup> Others are people moving from underdeveloped or developing countries to find greener pastures in more developed countries.<sup>265</sup> For these reasons, it has been discovered that a common characteristic of these migrants is that they have high levels of entrepreneurship compared to the natives in their host countries.<sup>266</sup> Additionally, "most immigrants are economic immigrants who left home for greener pastures, and so they are highly skilled, educated, and dedicated and are likely to identify niches in the markets."<sup>267</sup>

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<sup>257</sup> Ekwulugo, supra note 30.

<sup>258</sup> Ekwulugo, supra note 30.

<sup>259</sup> Ekwulugo, supra note 30.

<sup>260</sup> Ekwulugo, supra note 30.

<sup>261</sup> Ekwulugo, supra note 30.

<sup>262</sup> Anwar and Daniel, supra note 6.

<sup>263</sup> Anwar and Daniel, supra note 6.

<sup>264</sup> Anwar and Daniel, supra note 6.

<sup>265</sup> Anwar and Daniel, supra note 6.

<sup>266</sup> Anwar and Daniel, supra note 6.

<sup>267</sup> Ekwulugo, supra note 30.

Some immigrants, like the "Polish, come to their host countries with their business ideas and do dirty jobs.<sup>268</sup>; raise capital, then become their bosses".<sup>269</sup> This means that some immigrants came in with the idea of entrepreneurship. Still, when they came, they realised they would need capital, which they cannot access from financial institutions (some because of legal restrictions and others because of the language barrier) and may not readily get from friends or family. So, they take up menial jobs to accrue capital to start their businesses. Another thing is that 'some immigrants are likely to over-stay their short-term migration if they can establish their businesses or gain access to good and better employment opportunities'.<sup>270</sup> It appears most of the ethnic entrepreneurs have ethnic minorities as workers. Because "co-ethnic workers will prefer to stick to their ethnic employers for their inability to speak the English language, i.e. language barrier".<sup>271</sup> Even though 'most co-ethnic workers are well educated because of low language skills they become co-ethnic workers'.<sup>272</sup> Similarly, immigration directly impacts African entrepreneurs because immigration laws determine the type of visas of the immigrant; so is the quality of African entrepreneurs in the UK, which is directly related to the increase in the number of admitted immigrants.<sup>273</sup> An increase in African businesses has generated competition in minority businesses and appears to be drawing in competition from the mainstream sector.<sup>274</sup> Consequently, the 'increase in population has led to an increase in demand, thus increase in the supply of specific need requirements gives the Black entrepreneur an upper hand when it comes to competition in these groups'.<sup>275</sup>

#### 4.5 Informal sector

Also, The informal economy provides individuals with business opportunities regardless of immigration status or educational qualifications, which is essential to entrepreneurs, especially ethnic minorities.<sup>276</sup> Even though "informal

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<sup>268</sup> Note 35

Low-wage, risky, complex, and unsecured labour.

<sup>269</sup> Knight, supra note 5.

<sup>270</sup> Knight, supra note 5.

<sup>271</sup> Knight, supra note 5.

<sup>272</sup> Knight, supra note 5.

<sup>273</sup> Ekwulugo, supra note 30.

<sup>274</sup> Knight, supra note 5.

<sup>275</sup> Knight, supra note 5.

<sup>276</sup> Ramadani et al, supra note 4.

entrepreneurship for ethnic groups can positively impact the group/society, it is impacted by certain factors such as political conditions, managerial skills and financial problems".<sup>277</sup> Therefore, ethnic minorities in the informal sector must find a way to navigate these hurdles. They "rely on cash-based transactions that are not taxed or subject to government regulations."<sup>278</sup> Giving them the leeway to 'operate without any legal restrictions.'<sup>279</sup> Now, the likelihood of them encountering legal challenges shortly is probable.

#### 4.6 Other factors accountable for Ethnic Minority entrepreneurship

Besides the push and pull factors, personal factors can motivate ethnic minority entrepreneurs to start-up businesses. The individual's past experiences are a factor, and entrepreneurial experiences from their home of origin or in the past could also motivate ethnic minorities to pursue entrepreneurship. There are specific expertise or skill sets that ethnic minorities have that the native does not have in the labour market, referred to as 'hard to copy expertise'; experiences/ knowledge gained first-hand from their home country.<sup>280</sup> Some first-generation ethnic minority Black African women are already said to have the expertise and replicated it when they came to their host countries.<sup>281</sup> Research has revealed that aspects of some ethnic minority cultures, particularly religion, may enhance entrepreneurial ambitions.<sup>282</sup> According to Farid et al., some of their Muslim respondents said Islam as a religion instructs them to be hardworking.<sup>283</sup>

#### 5. Ethnic minority immigrant women (EMIWE) and why they will start a business.

This section attempts to glean the experiences of EMIWEs in starting a business from the literature on ethnic minority entrepreneurs and women in general. Though ethnic minority immigrant women (EMIW) will start their business because of some factors mentioned above for the EME, other reasons may shape their decisions because of the three identities they bear.

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<sup>277</sup> Ramadani et al, supra note 4.

<sup>278</sup> Ramadani et al, supra note 4, p2.

<sup>279</sup> Ramadani et al, supra note 4, p2.

<sup>280</sup> Birdthistle, supra note 7.

<sup>281</sup> Birdthistle, supra note 7.

<sup>282</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.

<sup>283</sup> Ullah et al, supra note 3.

## 5.1 Gendered nature of the labour market

First is the issue of the labour market structure, which makes it difficult for some women, and by extension EMIW, to penetrate easily. There is a difference in the entrepreneurial experiences between men and women, which cannot be ignored. Some researchers have attributed this to the differences in education and labour market experiences, family circumstances, post-educational training, culture, and resource access.<sup>284</sup> According to some studies, women from ethnic minority backgrounds, especially immigrant women, are mostly affected by these and other factors. This is why their entrepreneurial experiences are unique to other entrepreneurs, which determines the trajectory of their entrepreneurial ambitions and successes with their businesses.<sup>285</sup>

For instance, most women are concentrated in particular areas of the labour market because of how society is structured.<sup>286</sup> The labour market is socially constructed, so women usually enter it with their handicaps and are kept out by the established group, who are mainly male.<sup>287</sup> Some women may be discouraged, which could motivate others to start their businesses since established groups will always react to newcomers to the labour market.<sup>288</sup> Besides, entrepreneurship is a way for ethnic minorities to legally enter the labour market, though that may come with restrictions and challenges.<sup>289</sup>

## 5.2 Family and Ethnic Minority Immigrant Women Entrepreneurship

The family factor is another reason ethnic minority immigrant women venture into entrepreneurship: 'taking care of children and family, earning fame and respect in society'.<sup>290</sup> Some women would also engage in entrepreneurship because they want to work part-time, and others want more flexible working hours to complement domestic commitments.<sup>291</sup> They want to take care of their families while making a living, and this is not specific to ethnic minority women

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<sup>284</sup> Carter et al, supra note 24.

<sup>285</sup> Domboka, supra note 53.

<sup>286</sup> Office for National Statistics, 'Women in the labour market: 2013' (ONS, 25 September 2013) <<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployee/types/articles/womeninthelabourmarket/2013-09-25>> accessed 11 June 2021.

<sup>287</sup> Note 36

Established groups here are the men in the labour market and society. Men occupy the most prestigious, privileged, and high-status positions.

<sup>288</sup> Kupferberg, supra note 87.

<sup>289</sup> Kupferberg, supra note 87.

<sup>290</sup> Ullah et al, supra note 3.

<sup>291</sup> Carter et al, supra note 24.



but most women entrepreneurs.<sup>292</sup> As a result, some women may work for a few hours, as little as one hour per week.<sup>293</sup> Unfortunately, it is unfortunate that some women do not even see their businesses as proper work but as a means of 'getting by'.<sup>294</sup>

### 5.3 Personal Motivation

Although ethnic minority women are said to start their businesses because of blocked upward mobility due to their perception of double disadvantage in the form of race and gender, personal motivation at the initial stage was why most women started their businesses.<sup>295</sup> Despite the blocked upward mobility debate, which is said to push women into entrepreneurship, this remains different for some ethnic minority groupings, like the first-generation Black African woman. Generally, the first-generation immigrant woman is pulled into entrepreneurship rather than pushed.<sup>296</sup> They will go into entrepreneurship because they see opportunities, others because of financial rewards, wanting to be their bosses, personal circumstances, hobby/passion, lifestyle, etc.<sup>297</sup> That notwithstanding, a school of thought believes that most women will stop entrepreneurship if they get a better employment opportunity, if the employment is in line with their parenting demands and if the entrepreneurship is in line with parenting demands.<sup>298</sup>

To conclude, studies on the entrepreneurial experiences of all ethnic minorities, immigrants, and women must be carefully examined to avoid lumping their experiences together, as they differ for the diverse groups in the various categories. This is necessary to avoid drawing their experiences from the general experiences of other ethnic minority categories.

## 6. Some barriers to Ethnic minority businesses

Different researchers have put forth challenges as impediments to the entrepreneurial dreams of ethnic minorities, immigrants, and women entrepreneurs. Various researchers have identified significant barriers, including finance, access to the labour market, over-concentration of business in a

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<sup>292</sup> Domboka, supra note 53.

<sup>293</sup> Carter et al, supra note 24.

<sup>294</sup> Carter et al, supra note 24.

<sup>295</sup> Carter et al, supra note 24.

<sup>296</sup> Carter et al, supra note 24.

<sup>297</sup> Domboka, supra note 53.

<sup>298</sup> Carter et al, supra note 24.

particular sector, deficiency in policies, nature of the business (which is mutually inclusive with the barriers)<sup>299</sup>, language barrier, and childcare. Some of these barriers to immigration are not necessarily a result of a lack of entrepreneurial skills because many immigrants come from entrepreneurial cultures.<sup>300</sup>

Immigrant entrepreneurs, in particular, "face greater barriers to entrepreneurship than the mainstream population because they face several extra challenges when settling into their host country".<sup>301</sup> These additional challenges comprise 'the understanding of the culture of their host country, the new institutional environment, and sometimes having to learn a new language can restrict, slow or cripple an immigrant's entrepreneurship'.<sup>302</sup>

The following are some barriers that ethnic minorities encounter in their entrepreneurial journey.

### 6.1 Immigration status

Immigrants must first attain their immigration status in their host countries, an essential requirement for entrepreneurship and any form of social or economic activity.<sup>303</sup> In achieving this status, the immigrant must consider the laws and the opinions of traditional groups in that society".<sup>304</sup> Immigrants and women entrepreneurs alike are afraid of not being accepted and being seen as second-class citizens: this may either discourage them from becoming entrepreneurs or motivate them to become entrepreneurs to climb that social ladder and be accepted.<sup>305</sup>

### 6.2 Labour market discrimination

Ethnic minority groups predominantly suffer discrimination in the labour market, particularly immigrants and women entrepreneurs, as the two groups are seen as newcomers in the labour market by established groups.<sup>306</sup> Because of the labour

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<sup>299</sup> Note 37

Whereas the nature of a business can be a barrier, the barrier can also lead to the nature of the business the entrepreneur will set up.

<sup>300</sup> OECD/European Union, supra note 102.

<sup>301</sup> OECD/European Union, supra note 102.

<sup>302</sup> OECD/European Union, supra note 102.

<sup>303</sup> Kupferberg, supra note 87.

<sup>304</sup> Kupferberg, supra note 87.

<sup>305</sup> Kupferberg, supra note 87.

<sup>306</sup> Note 38

Are men who occupy the most prestigious positions and the most privileged and prestigious in high-status positions, as purported by Feiwel Kupferberg.

market's structure,<sup>307</sup> For example, "some professions and careers over the last century were in the monopoly of men, and most women could not penetrate these areas until the end of the Second World War in the 1950s."<sup>308</sup> Some of these women were made to participate in the labour market until they got married, and once they were 'married, they were no longer expected to participate in the labour market'; marriage became an impediment for the woman entrepreneur and still is somewhat.<sup>309</sup> There is unequal treatment in the industrial markets where specific jobs are given to particular firms because they think some EMBs will need more expertise.<sup>310</sup> While discrimination in the workplace may lead women into entrepreneurship, they are not eschewed from discrimination in self-employment, although it may not be glaring.<sup>311</sup>

### 6.3 Challenge of finance

Finance has become one of the main barriers for ethnic entrepreneurs. Though banks are the primary sources of finance for any entrepreneur, ethnic minority businesses (EMBs) are more likely to have difficulty accessing these funds: Black firms are more than four times as likely as White firms to be denied loans outright, Black Caribbean 3.5, Bangladeshi firms 2.5 times as likely, Pakistani firms 1.5 times as likely, and Indian firms have slightly lower loan denial rates than White firms.<sup>312</sup>

Most of these entrepreneurs go into low-value businesses<sup>313</sup>. As stated earlier, this could be due to a lack of access to finance or the lack of collateral banks usually require for loans.<sup>314</sup> The 'unconscious form of discrimination that seems to exist in the financial institution and other challenges mentioned'.<sup>315</sup> As a result, most ethnic businesses are concentrated in specific sectors, increasing the number of people working in such businesses and, hence, extreme competition between EMBs.<sup>316</sup> Most ethnic minorities do not have enough

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<sup>307</sup> Kupferberg, supra note 87.

<sup>308</sup> Kupferberg, supra note 87.

<sup>309</sup> Kupferberg, supra note 87.

<sup>310</sup> Carter et al, supra note 24.

<sup>311</sup> Carter et al, supra note 24.

<sup>312</sup> Carter et al, supra note 24.

<sup>313</sup> Note 39

Businesses that do not require huge capital or investments, like baking, cleaning, childcare, hair, and beauty businesses.

<sup>314</sup> Carter et al, supra note 24.

<sup>315</sup> Carter et al, supra note 24.

<sup>316</sup> Carter et al, supra note 24.

resources to break out even if they wish to do so; at the end of the day, their business is mainly for sustenance purposes.<sup>317</sup>

In the same vein, there is the issue of discouragement, where a firm would like to apply for finance but does not for fear of rejection.<sup>318</sup> 44% of Black African, 39% of Black Caribbean, 31% of Bangladeshi, 21% of Pakistani, and 9% of Indian firms compared to 4% of White firms.<sup>319</sup> This shows that although EMBs may have similar challenges, the situation or intensity differs for the ethnic groups.

Moreover, though "there have been high-profile accusations of gender discrimination by lenders, there is virtually no evidence to support this claim."<sup>320</sup>

Also, a significant 'amount of work has been carried out regarding financing of businesses owned by ethnic minorities in general, particularly women, and there seems to be no evidence of discrimination, yet there may be prejudices in the financial sector.'<sup>321</sup>

#### 6.4 Co-ethnics

In addition, some ethnic minorities are likely to employ fellow ethnicities (co-ethnics), and the challenge this poses is that they cannot diversify their products and services.<sup>322</sup> This "tendency of ethnic minority women (EMW) enterprises to employ co-ethnics and women do little to eliminate wider inequality."<sup>323</sup>

#### 6.5 Education

Furthermore, though most ethnic minorities have high educational qualifications, others lack formal education, which can significantly affect their entrepreneurship; 'there is usually the case of square pegs in round holes'.<sup>324</sup>

Black women suffer discrimination in the labour market despite all the qualifications they have because no matter the qualification an ethnic minority immigrant may have, it loses its relevance in their host country, so they can

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<sup>317</sup> Carter et al, supra note 24.

<sup>318</sup> Note 40

The rejection could be because of the lack of financial records and low credit scores, but Asian firms are said to have a better chance than other ethnic groups.

<sup>319</sup> Note 41

Source: Y. Kon and David J. Storey, 'A Theory of Discouraged Borrowers' (2003) 21(1) Small Business Economics pp. 37-49 cited in Sara Carter et al., 'Barriers to Ethnic Minority and Women's Enterprise: Existing Evidence, Policy Tensions and Unsettled Questions' (2015) 33 International Small Business Journal 49-69.

<sup>320</sup> Carter et al, supra note 24.

<sup>321</sup> Domboka, supra note 53.

<sup>322</sup> Carter et al, supra note 24.

<sup>323</sup> Carter et al, supra note 24,p62.

<sup>324</sup> Carter et al, supra note 24.

hardly cash in on this for their human capital.<sup>325</sup> It is also reported that “highly qualified immigrants experience most disadvantages in the labour market”.<sup>326</sup> Socioeconomic factors also play a crucial role here, as statistics show that women without children earn more than men, regardless of their educational level.<sup>327</sup> This means that parenting is a pivotal determinant of economic reform. Thus, education cannot help if parenthood restricts managerial abilities.<sup>328</sup>

#### 6.6 Support for ethnic minority entrepreneurs.

More support must be given to immigrants in entrepreneurship, and where there are entrepreneurship training programmes and grant schemes, most of them need to be made aware of such support.<sup>329</sup> Additionally, the nature of some women's businesses has restricted market access as most of them operate from home and only work part-time.<sup>330</sup> It is therefore not surprising that the reported decline in ethnic minority women entrepreneurship, especially “among Pakistani and Bangladeshi women, has been attributed to the lack of access to childcare, finance and transitioning from welfare to self-employment”.<sup>331</sup> On the contrary, some immigrant women are said to not take advantage of policies for fear of meeting officials because of their immigration status, or they are just not familiar with the terrain as this is not done in the countries they may be coming from.<sup>332</sup>

#### 6.7 Entrepreneurship skills

Whereas “women are said to face stricter performance standards and have to try harder,” others are found to have less managerial experience than their male counterparts, which determines their choice of the type of business they go into, i.e., less sophisticated sectors.<sup>333</sup> Thus, a lack of managerial skills can create barriers for their businesses.

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<sup>325</sup> Domboka, supra note 53.

<sup>326</sup> Domboka, supra note 53.

<sup>327</sup> Carter et al, supra note 24.

<sup>328</sup> Carter et al, supra note 24.

<sup>329</sup> OECD/European Union, supra note 102.

<sup>330</sup> Carter et al, supra note 24.

<sup>331</sup> Clark and Drinkwater, ‘Pushed out or pulled in’, supra note 63.

<sup>332</sup> Carter et al, supra note 24.

<sup>333</sup> Carter et al, supra note 24.

## 6.8 Globalisation

Finally, globalisation and the issue of cheaper imports are killing most ethnic minority businesses in their host country. More prominent companies are overtaking areas in which ethnic minorities used to dominate.<sup>334</sup> For example, African markets used to be the only source of Asian rice, but you can purchase these brands from bigger shops like Tesco.

## 7. Some proposed solutions and recommendations.

Scholars have made some research proposals to overcome the barriers to ethnic minority entrepreneurship. Some of these solutions are generalised across the board for certain groups, such as ethnic minorities, minorities, immigrants, and women entrepreneurs. Meanwhile, per the discussions above, each minority category, ethnic grouping, and ethnic sub-group is diverse, with exceptional strengths and challenges that must be addressed individually.

Firstly, since finance appears to be one of the topmost barriers to ethnic minority business growth, banks and financial institutions have been instructed to make efforts to study the different entrepreneurs, tailor their policies to suit them, and devise means of giving loans that are not solely dependent on credit scores or credit history.<sup>335</sup>

Secondly, many policymakers contribute to helping rather than worsening these issues because specific policies are not tailored to particular categories, ethnic groups, and subgroups.<sup>336</sup> Thus, government and stakeholders should make policies that 'help support women with childcare, as childcare seems to be another major challenge to all women no matter which category, ethnic grouping, or subgroups they belong'.<sup>337</sup>

Thirdly, ethnic minorities must "create new markets, diversify their products/services, and recruit other ethnic groups" to grow their businesses.<sup>338</sup> Though 'ethnic minorities lack the resources to break out, the benefits of breaking out cannot be underestimated, and thus there is the need for them to find these resources to break out'.<sup>339</sup>

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<sup>334</sup> Carter et al, supra note 24.

<sup>335</sup> Domboka, supra note 53.

<sup>336</sup> Domboka, supra note 53.

<sup>337</sup> Domboka, supra note 53.

<sup>338</sup> Carter et al, supra note 24.

<sup>339</sup> Carter et al, supra note 24.

Furthermore, although there have been high-profile accusations of gender discrimination by lenders, there is no evidence to support this claim; further research must be conducted by governmental institutions, researchers, and banks to uncover this issue of 'unconscious discrimination'.<sup>340</sup>

Also, policy interventions have encouraged more ethnic minority women to enter entrepreneurship. However, these "policy interventions may unwittingly exacerbate market failures because encouraging ethnic minority start-ups may only increase enterprise within ethnic enclaves and, therefore, not contribute to a social integration agenda".<sup>341</sup> Rather, further entry into low-quality sectors, which most EMW enterprises are already crowded into, should be discouraged as it is counterproductive."<sup>342</sup> Support for women to enter high-value sectors should be encouraged, as some women already do; they have ventured into non-feminised sectors. The "growing numbers entering the liberal professions such as accounting law and medicine similarly has the potential to lead more women into self-employed, private practice in higher value-added sectors."<sup>343</sup> There have been proposals that 'the UK adopts some policy from the US because they focus on encouraging well-credentialed minority entrepreneurs in high value-added sectors'.<sup>344</sup>

Finally, researchers have suggested that rigorous future studies, especially by state support agencies, should uncover the differences among each group and provide a comprehensive strategy for these diverse entrepreneurs.<sup>345</sup> Otherwise, policies may encounter practical and political difficulties if they do not customise support for the various groups and identify and target some minority groups over others who may need the support the most.<sup>346</sup>

## Conclusion

Since there is scarce research on Ethnic Minority Immigrant Women Entrepreneurs (EMIWE), most of the discussions and analysis in this chapter are based on reviewing the extant literature on ethnic minority entrepreneurs, immigrant entrepreneurs, women entrepreneurs, and minority entrepreneurs by

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<sup>340</sup> Carter et al, supra note 24.

<sup>341</sup> Carter et al, supra note 24.

<sup>342</sup> Carter et al, supra note 24,p61.

<sup>343</sup> Carter et al, supra note 24.

<sup>344</sup> Carter et al, supra note 24.

<sup>345</sup> Carter et al, supra note 24.

<sup>346</sup> Carter et al, supra note 24.

experts in the field. One will realise that more statistics were available for women than ethnic minority businesses, but there was hardly enough data for them and their subcategories. For example, how many EMIWE businesses there are in the UK? How many are in specific sectors? What particular challenges does each ethnic group face?

Some researchers<sup>347</sup> did not precisely compare the characteristics of ethnic minority businesses with non-ethnic minority businesses. Still, they could compare the characteristics of women's businesses with those of male-led companies. For instance, if there is a challenge of ethnic minorities employing co-ethnics, what is the comparison with White ethnic minority businesses or natives? Do they employ natives? What is the percentage of co-ethnics employed by ethnic minorities compared to that employed by White ethnic minority businesses? Are White ethnic minority businesses likely to employ co-ethnics? If yes, can we assume that it is the norm for all entrepreneurs to employ people within their ethnic groups? These questions can hardly be answered now because of the lack data on these issues.

To add, factors relevant to minorities seem to be under-researched, like family and religion. Family plays a significant role in women's entrepreneurship; nevertheless, its impact on their entrepreneurship is yet to be fully uncovered. Women are said to make many "contributions to family firms which would normally count as male businesses."<sup>348</sup> Agreeably, 'women's self-employment will increase if policies allow greater flexibility in childcare arrangements'.<sup>349</sup> Religion is also a factor that needs to be thoroughly researched as it impacts ethnic minority businesses. The average ethnic minority is religious and holds firm beliefs. Exploring the religious factor will help policymakers discover the full extent of that institution and how they can utilise it in their quest to support ethnic minority businesses.

Furthermore, government policies and strategies have come under scrutiny as we discover how the government and some stakeholders have failed to see minority enterprises as diverse for each ethnic group. Thus, they continue to use the broad scheme approach, ignoring their unique challenges. This results in

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<sup>347</sup> Note 42

Like Sara Carter et al., 'Barriers to Ethnic Minority and Women's Enterprise'.

<sup>348</sup> Carter et al, supra note 24.

<sup>349</sup> Clark and Drinkwater, 'Pushed out or pulled in', supra note 63.



them being unable to benefit from interventions and worsening their situations.<sup>350</sup> A clear case is the lack of support for various language barriers experienced among immigrant entrepreneurs. To solve some of these challenges, practical public policy actions must account for the complexity of immigrants' needs since they go beyond business start-ups. The keys to success for immigrant entrepreneurship support are effective outreach and strong linkages with integration policies and programmes.<sup>351</sup>

Although discrimination has come as a particular challenge for all the minority categories, there seems to be little evidence of it in places like the banks. Efforts must still be made to obtain the appropriate data to curb this menace, which will require all stakeholders' collective efforts.<sup>352</sup>

Also, the barriers between these groups may seem to be similar; one must be conscious that the impact on the various groups is different, and among the ethnic minority groups, the rate of impact is different; some of the challenges are also very unique to each group and category, whereas some groups may already be established like ethnic minorities with citizenship status, others have first to cross the hurdle of attaining an immigration status before starting the business, a such, one size fits all policies must be avoided in addressing these issues.

To conclude, further studies are essential to ascertain the unique challenges of EMIWEs compared to the common ones they share with other minority groups. This is why I chose to examine the experience of the AIWE, a subgroup within the EMIWE, in the following chapters.

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<sup>350</sup> Carter et al, supra note 24.

<sup>351</sup> OECD/European Union, supra note 102.

<sup>352</sup> Carter et al, supra note 24.

## Chapter 2: Theoretical Framework And Methodology

### Introduction

In this chapter, I delve into the theoretical underpinnings and methodological approaches guiding the analysis of the legal challenges confronting African Immigrant Women Entrepreneurs (AIWE) in the UK. I use the socio-legal study approach because the examination of the legal difficulties African immigrant women entrepreneurs face in the UK entrepreneurial space requires an interdisciplinary lens. Additionally, a robust methodology is essential to uncovering the complexities of these challenges, ensuring validity, reliability, and ethical conduct throughout the research process. I use a mixed method approach employing doctrinal, autoethnography, ethnography, and empirical qualitative methods to examine and analyse the legal barriers.

The doctrinal and legal analysis involved reviewing and scrutinising existing literature and research papers of experts on ethnic minority immigrant women entrepreneurs (EMIWE) and examining immigration and labour laws and policies and laws on business and entrepreneurship in the UK. The empirical qualitative part involved observing three women-led ethnic minority businesses I worked with and conducting interviews with 25 African immigrant women entrepreneurs and nine second-tier organisations in Scotland to gather the unique experiences of these ethnic minority immigrant women entrepreneurs.

In subsequent paragraphs, I discuss why I chose a socio-legal study and its relevance to analysing African immigrant women's legal challenges in the UK entrepreneurial space. The theoretical frameworks influenced the choice of methodology as I sought to understand how intersectionality plays a role in the legal challenges faced by AIWEs and exacerbates these challenges. So, I discuss the theories, feminist legal theory, intersectionality, intersectional feminist legal theory, and African feminist legal framework, which aided in formulating the research questions, collecting relevant data, and interpreting selected data. Further, I also discuss the research design and justify the chosen research methodology.

The final part outlines the procedures used for sampling, data collection, and data analysis, as well as ethical considerations, limitations, and boundaries of the research.

## 1. Socio-legal studies and African immigrant women entrepreneurs

Socio-legal studies blend legal analysis with social science methodologies, providing a holistic view of how laws affect African immigrant women entrepreneurs in their social, economic, and cultural contexts. This interdisciplinary approach allows for a deeper understanding of the formal legal challenges (like visa regulations and business permits) and the informal social obstacles (like lack of financial resources and discrimination) these women face. I examined how these factors intersect with legal issues by considering African immigrant women's social and economic backgrounds. This is crucial for understanding the specific difficulties AIWEs encounter in the UK, such as navigating a new legal system or dealing with societal prejudices that may influence legal outcomes. I analysed how existing laws and policies impact African immigrant women entrepreneurs. Socio-legal studies provided me with a framework for evaluating the effectiveness of legal protections and identifying gaps where current legislation fails to support these women adequately.

Furthermore, African immigrant women entrepreneurs face unique challenges at the intersection of race, ethnicity, immigration status and gender. Socio-legal studies are well-equipped to address these intersecting identities, providing a nuanced analysis that purely legal or purely social studies might overlook. This is critical for developing comprehensive solutions that address all aspects of their experiences, especially in identifying systemic barriers within the legal system that disproportionately affect African immigrant women.

Also, the findings from these socio-legal studies can have direct implications for legal practice, advocacy, and community support initiatives. By understanding the lived experiences of AIWE, lawyers, activists, and community organisations can develop more effective strategies to support these women in their entrepreneurial endeavours.

In summary, I utilised socio-legal studies to analyse the legal challenges faced by African immigrant women entrepreneurs because it provided a comprehensive, contextual, and intersectional understanding of the issues at hand. It helped identify some systemic barriers, develop policy and legal reform recommendations, help empower African immigrant women entrepreneurs, and ultimately contribute to creating a more equitable and supportive environment for ethnic minority immigrant women entrepreneurs in the UK.

## 2. Theoretical Framework

### 2.1 Theories

#### 2.1.1 Feminist Legal Theory

Feminist legal theory is based on the belief that the law has been fundamental in women's historical subordination and seeks to explain how this has occurred.<sup>353</sup> Normatively, it aims to change women's status by reworking the law and its approach to gender.<sup>354</sup> The theory encompasses diverse perspectives that examine and critique the legal system through a gendered lens, seeking to address and rectify the systemic inequalities that disproportionately affect women.

The 'Academic work connecting gender and law began in the 1980s, but it took several more years for feminist legal theory to emerge in the legal academy and the law reviews'.<sup>355</sup> However, in the United Kingdom, "feminist legal scholarship addresses a wide and continually expanding area of law, with feminist legal academics engaging not only with mainstream 'exemption' subjects such as tort or property law but also with burgeoning new fields such as health-care law".<sup>356</sup> Although the theory 'considers many issues of law with a gender dimension in the UK in criminal law (rape, domestic violence, prostitution, and sex trafficking) family law (parental rights and responsibilities) and the increasing importance attributed to 'family-friendly' initiatives in labour, welfare, and even tax law'.<sup>357</sup> The African immigrant women entrepreneurs who are the subjects of this research navigate a complex intersection of gender, race, and immigration status, which shapes their experiences in both the business world and the broader society. When legal theory is applied to the context of African immigrant women entrepreneurs in the UK, it unveils a gendered analysis of the challenges and opportunities these women face within the legal and socio-economic landscape.

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<sup>353</sup> Austin Sarat, Maxine Eichner and Clare Huntington, *Special Issue* (Emerald Publishing Limited 2016).

<sup>354</sup> Sarat et al, *supra* note 353.

<sup>355</sup> Nancy Levit and Robert R.M. Verchick, *Feminist Legal Theory (Second Edition): A Primer* (NYU Press, 2016) 285.

<sup>356</sup> Joanne Conaghan, 'Reassessing the Feminist Theoretical Project in Law' (2000) 27(3) *Journal of Law And Society* 351-491.

<sup>357</sup> Joanne Conaghan (ed), *Law and Gender* (Oxford University Press 2013).

However, these women are not only burdened by their gender but also by the intersection of multiple identities. In this vein, I turn to employing other theories, like the feminist intersectional theory and the intersectional African feminist legal theory, which takes into consideration all the barriers that the AIWE is likely to face in the labour market because of her multiple identities and provides the framework for analysing these barriers.

### 2.1.2 Intersectionality

Intersectionality, coined by Black feminist scholar Kimberlie Williams Crenshaw in 1989, emphasises the interconnected nature of social categorisations such as race, gender, class, and immigration status and how they intersect to shape individuals' experiences and opportunities within society. It posits that Black women face unique discrimination because of their identities as 'Black' (race) and women (gender). Intersectionality is a theoretical framework that seeks to understand how multiple identity categories (like race, gender, and class) interact to create discrimination and marginalisation.<sup>358</sup> She asserts that intersectionality presents the opportunity to acknowledge our differences and negotiate how these differences will find expression in constructing group politics.<sup>359</sup> Intersectionality feminism aims to separate itself from White feminism by recognising that all women have different experiences and identities.<sup>360</sup> It is an analytical framework that identifies interlocking power systems and how they affect society's most marginalised. It seeks to find combinations of injustices felt by members of society who bear multiple identities as ethnic minorities, immigrants, and women.<sup>361</sup>

Applied to the challenges faced by African immigrant women entrepreneurs, intersectionality allows for a nuanced understanding of how multiple factors intersect to influence their experiences in starting and growing businesses. For instance, these women may face not only gender-based discrimination but also racial bias and barriers related to their immigrant status. Moreover, factors such as access to financial resources, social networks, and cultural norms within their

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<sup>358</sup> Kimberle Crenshaw, 'Mapping the Margins: Intersectionality, Identity Politics, And Violence Against Women of Colour' Karen J. Maschke (ed), *The Legal Response to Violence Against Women* (Volume 5 of Gender and American law, Taylor, and Francis, 1997).

<sup>359</sup> Crenshaw, supra at note 358.

<sup>360</sup> Joanne Conaghan, 'Intersectionality and the feminist project in law' Emily Grabham et al. (eds), *Intersectionality and Beyond: Law, Power, and the Politics of Location* (1st ed, Routledge-Cavendish 2008).

<sup>361</sup> Conaghan, 'Intersectionality and the feminist project in law', supra note 360.

ethnic community and the broader society can significantly impact their entrepreneurial endeavours.

By employing an intersectional framework, I comprehensively understand these women's complexities, inform policy interventions, and recommend tailored support mechanisms to promote their entrepreneurial success and economic empowerment.

### 2.1.3 Intersectional feminist legal theory

The legal environment plays a critical role in shaping the trajectory of African immigrant women entrepreneurs. These women's experiences are often shaped by legal intricacies ranging from immigration policies to business regulations. Unfortunately, these challenges are exacerbated by the quadruple intersection of the identities of race, ethnicity, immigration status, and gender. As such, these Black African Immigrant Women, though vital to the UK economy, are underrepresented in the business landscape.

An intersectional feminist legal theory is a framework which seeks to examine how multiple forms of discrimination and disadvantage intersect and compound one another.<sup>362</sup> It recognises that 'individuals experience oppression not because of a single identity, such as gender, but because of the intersection of various identities, which may include race, ethnicity, class, sexual orientation, disability, and more'.<sup>363</sup> An intersectional feminist legal theory is particularly relevant because it addresses the unique challenges and discrimination they face due to their race, ethnicity, immigration status and gender.

However, I employ the African intersectional feminist legal theory because it serves as an umbrella that encompasses all the theories mentioned above, i.e., feminist legal theory, intersectionality, and intersectional feminist legal framework, while focusing on the research subjects, African women. Although most women are engaged in economic activities in their host countries, their race, culture, and experiences significantly impact their financial activities in the UK. Upon their arrival in the UK, these women are met with a new legal landscape different from what they are used to in their country of origin. This

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<sup>362</sup> Conaghan, 'Intersectionality and the feminist project in law', supra note 360.

<sup>363</sup> Elizabeth Evans, 'Intersectionality as feminist praxis in the UK', (2016) 59 Women's Studies International Forum 67-75.

point is bolstered by the Critical Race Theory, which arose as a legal approach to address racial invisibility, exploitation, and injustice in the early 1980s and 1990s.<sup>364</sup> This theory “challenges the abstract model of Universal inclusion, which assumes that general principles apply equally and relevantly to individuals regardless of their particular characteristics or situations and the set assumptions about what kinds of situations and traits subsets of the population embody”.<sup>365</sup> Critical race theory also challenges the 'belief that discrimination can be adequately addressed through single-concept analytical perspectives; and that differences can be productively neglected or ignored, and addresses the absence of protections for minorities.’<sup>366</sup>

In her research, Wunpini Fatimata Mohammed highlighted the importance of decolonising methodologies.<sup>367</sup> I draw from her work the importance of using African feminism to understand these women's history and lived experiences from home and abroad. According to her, "African feminism has provided theoretical, conceptual, and methodological tools to understand the experiences and lived realities of marginalised people of African origin and provided tools to bridge theory and praxis and to move discourse and practice in feminist spaces toward liberation".<sup>368</sup> Through the lens of intersectional African feminist legal theory, I aim to examine how the legal framework in the UK impacts the economic and socio-cultural lives, rights, and status of African immigrant women. I seek to analyse and challenge the gender biases and inequalities within the legal system, especially the immigration law, and advocate for legal reforms in immigration and labour law and policies.

Employing African intersectionality feminist legal theory will aid in the holistic analysis of the experience of African immigrant women entrepreneurs in the UK in the following themes:

Multiple Marginalisation: African immigrant women entrepreneurs (AIWEs) often face various layers of inequalities and discrimination based on their race, ethnicity, immigration status, gender, and sometimes other factors such as

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<sup>364</sup> Falguni A. Sheth, 'Critical Race Theory, Intersectionality, and Feminist Philosophy' Ann Garry, Serene J. Khader, and Alison Stone (eds), *The Routledge Companion to Feminist Philosophy* (1<sup>st</sup> ed, Routledge 2017).

<sup>365</sup> Sheth, supra note 364, p359.

<sup>366</sup> Sheth, supra note 364.

<sup>367</sup> Wunpini Fatimata Mohammed, 'Bilchiinsi philosophy: decolonising methodologies in media studies' (2022) 22 (1) *Review of Communication* 7-24.

<sup>368</sup> Mohammed, supra note 367, p11.

culture or socio-economic status. An intersectional feminist legal theory acknowledges that the experiences of inequalities and discrimination are interconnected and cannot be examined in isolation.

**Business Regulations:** Business regulations and policies can disproportionately impact specific groups. An intersectional analysis can reveal how these regulations affect AIWEs differently and how legal reforms can reduce barriers to entry and growth.

**Data Collection:** Data collection on AIWEs' experiences is critical. An intersectional approach to data collection can help identify trends and disparities that inform legal reforms.

**Policy Development:** Policymaking guided by intersectional feminist legal theory can lead to more inclusive and effective policies. These policies should recognise the diverse experiences of AIWEs, ethnic minorities, and minority entrepreneurs and provide tailored support, considering factors such as race, ethnicity, immigration status, gender, and economic and socio-cultural background.

**Discrimination and Bias:** Discrimination in the workplace and the business world is a significant challenge for ethnic minority women entrepreneurs. The African intersectional feminist legal framework highlights how AIWEs may face multiple forms of discrimination. Due to their gender and ethnic background, they may encounter barriers in accessing resources, financing, and business networks.

Legal protections against gender and racial discrimination may be essential, but intersectional analysis can help identify gaps and areas where specific protections are needed.

**Empowerment and Representation:** Increasing the representation of AIWs in legal and political leadership positions is essential to ensure their voices are heard in developing legal frameworks. Empowering AIW involves not only legal support but also representation. Intersectional feminist legal theory advocates for diverse representation in legal and policymaking bodies, ensuring that laws and regulations consider the perspectives of all women, irrespective of their ethnic backgrounds.

**Access to Justice:** The legal system can be a source of inequality. AIWs face barriers to accessing justice, such as understanding the legal framework, lack of resources to access justice, and cultural insensitivity. Legal frameworks need to be designed with an awareness of these issues. Analysing the legal framework through an intersectional lens reveals the gaps in protection. Laws designed to



promote gender equality or combat racial discrimination might not effectively address the intersectional discrimination faced by AIWs; legal challenges, therefore, need to be understood in a nuanced manner.

#### 2.1.4 Intersectional African feminist legal theory

Intersectional African feminist legal theory provides a comprehensive framework for understanding the experiences of African immigrant women entrepreneurs within both legal and socio-economic contexts. Intersectional African feminist legal theory acknowledges that African immigrant women entrepreneurs face multiple forms of oppression and discrimination based on their race, gender, ethnicity, immigration status, and other intersecting identities. This perspective helps me recognise the complexities of their experiences and how various power systems intersect to shape their opportunities and challenges in entrepreneurship. African feminist legal theory emphasises the importance of centring marginalised voices in legal analysis and policymaking. This means prioritising the perspectives and experiences of these AIWEs in both my research process and the interpretation of my empirical findings. I actively sought out and amplified their voices to ensure their unique challenges and needs were adequately addressed. Intersectional African feminist legal theory provided the framework for analysing my empirical findings, and it encouraged me to look beyond surface-level data and explore the underlying social, economic, and cultural factors that shape the experiences of African immigrant women entrepreneurs. This involved considering how intersecting identities influence access to resources, networks, financing, markets, and growth opportunities and helped me generate insights that are more nuanced and relevant to policymaking and advocacy efforts. I discuss the framework below.

#### 2.1.5 African Feminist Intersectionality Legal Framework

This research employed the African feminist intersectionality framework to dissect the challenges AIWEs face in navigating the legal framework in which they must operate their businesses. The African feminist intersectionality legal framework provided insight into the type of methodology that will capture the lived experiences of AIWEs, the AIWEs' and second-tier organisations' complete

understanding of immigration and labour law and policies, and how their implementation impacted their businesses.

The focus of the ethnic minority immigrant woman entrepreneur (EMIWE) here is the African immigrant woman entrepreneur, as little research exists on the entrepreneurial experiences of African women entrepreneurs. The issues of race, ethnicity, immigration status, gender, and class cannot be ignored in the discussion of African immigrant women entrepreneurs. Thus, the methodology, participant selection, data analyses, and ethical issues are considered in light of this theoretical framework.

African feminism theorises from the lived experiences of African women; they echo the voices of these women and believe that identities are merged and not clearly demarcated and that sexism and gender are intrinsically linked. This is echoed by intersectionality, which helps to uncover these identities of (race, gender, and class), hence the use of the African feminist intersectionality legal framework. Chioma Steady developed the African women theory, which lends itself to the experiences of women of African descent on the continent and those in the diaspora.<sup>369</sup> Like the African immigrant women entrepreneurs, African feminism has provided theoretical, conceptual, and methodological tools to understand African marginalised people's experiences and lived realities—<sup>370</sup> And of African descent. African feminism interrogates positionality, i.e., how my position as a researcher could affect my research. Knowledge is believed to be co-created between me as a researcher and the participants, and honesty, above all else, and the researcher should not pose as a saviour. They should be honest with the participants about the research.<sup>371</sup> The methods include narratives, oral history, and storytelling. They believe allowing the participants to tell their stories is better than to quiz them.<sup>372</sup> African feminism encourages the researcher to be reflexive throughout the research process, to avoid substituting the researcher's voice for that of the participants, allyship, respect and solidarity.<sup>373</sup> During the study, I employed some of these tenets. During the interviews, I made them aware of my experience as an African immigrant woman

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<sup>369</sup> Filomena Chioma Steady (ed), 'The Black Woman Cross-Culturally' in Lynne Brydon, *African Studies Review* (Vol 28, 1<sup>st</sup> ed, Cambridge University Press, 1985).

<sup>370</sup> Mohammed, supra note 367.

<sup>371</sup> Mohammed, supra note 367.

<sup>372</sup> Mohammed, supra note 367.

<sup>373</sup> Mohammed, supra note 367.

entrepreneur while acknowledging my positionality as a graduate entrepreneur who was in the university environment and, as such, may have certain privileges that the AIWEs did not have. I also allowed the women to tell their stories even though I had semi-structured questions and did not stop them in the middle of the interviews even though most of them exceeded the time frame of the interview, according to them, the maximum respect. I made sure to attribute quotes to individuals who made those statements, acknowledging that we are co-creators of this work.

Overall, intersectional African feminist legal theory offers a robust framework for researching African immigrant women entrepreneurs. It enables researchers to uncover the intersecting dynamics of race, gender, class, and immigration status that shape their experiences within legal and socio-economic contexts. By centring the voices of marginalised communities, critiquing existing legal frameworks, and examining empirical findings through an intersectional lens, researchers can contribute to more informed policymaking, advocacy, and efforts to promote more significant equity and inclusion in entrepreneurship.

### 3. Methodology

#### 3.1 Research Design

To achieve the objectives of this study, a qualitative research design is adopted, allowing for an in-depth exploration of the legal challenges faced by AIWE in the UK. Qualitative methods enable researchers to capture participants' complexities, nuances, and lived experiences, which are essential for understanding the multifaceted nature of legal issues.

A qualitative approach to this research was adopted because there was scarce literature on African immigrant women entrepreneurs (AIWE). The primary research is on African immigrant women entrepreneurs (AIWEs), which fall under the broader umbrella of ethnic minority immigrant groupings.<sup>374</sup> Although this study is on the whole of the UK, Scotland is the case study because it has experienced an influx of economic immigrants and increased female

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<sup>374</sup> Note 43

This includes White ethnic minorities (Polish, Irish, Gypsy/Traveller and White Other), Asian ethnic minorities (Indian, Pakistani, Bangladeshi, Chinese, and Asian Other), Black ethnic minorities (African, Caribbean, and Black Other), available at Scotland's Census, 'Ethnicity', supra at note 39.

entrepreneurship. It is necessary to explore the characteristics of these new immigrant entrepreneurs, including the AIWE, to ascertain how unique their experience is to other ethnic minority women entrepreneurs across the UK. Because I am interested in understanding how laws (primarily labour and immigration laws) have shaped the experiences of AIWEs, an interdisciplinary or multidisciplinary approach is appropriate, combining doctrinal legal analysis with analysis of policy statements and discourse and qualitative research into the understandings, experiences, and choices of AIWEs.<sup>375</sup>

Qualitative research is ‘where meaning rather than frequencies assume paramount significance’.<sup>376</sup> The qualitative method will enable an in-depth study of AIWE’s legal challenges related to their experiences in the UK entrepreneurial space.

A combined method was employed: direct observation (autoethnographic and ethnographic research), analysis of documents (examination of literature on the field and legal instruments like immigration law and labour law and policies), and interviews (semi-structured interviews with EMIWE and second-tier organisation).

This method was employed because there is little data on ethnic minority women entrepreneurs. It will help collect relevant data on AIWEs and second-tier organisations and contribute to the sparse research in the field. Data from this research will be made available after it has been fully anonymised for future research on these women.

### 3.1.1 Qualitative methodology

#### 3.1.1.1 Autoethnography

Autoethnography is a qualitative research method that combines elements of autobiography and ethnography. Autoethnography led the way in the chosen research design. My first-hand experience working as an AIWE in Glasgow motivated the research. My two-year stint as a sustainability-focused entrepreneur exposed me to various challenges. I observed the shared experiences of many women considered ethnic minorities and immigrants in the UK. Through personal research and information gathered, I discovered that

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<sup>375</sup> Simon Deakins, ‘Labour and Employment Laws’, Peter Cane and Herbert M. Kritzer (eds), *The Oxford Handbook of Empirical Legal Research* (Oxford University Press Inc 2010).

<sup>376</sup> Jerome Kirk and Marc L Miller, *Reliability and Validity in Qualitative Research* (Sage 1989).

EMIWEs, especially African Immigrant Women Entrepreneurs (AIWE) in the UK, face many difficulties from the start of their enterprise and its development. Primary among these challenges is the legal and policy framework they must navigate to start their businesses and run them successfully.

### *3.1.1.2 Ethnography*

Ethnographic research is a qualitative research method that involves the systematic study and observation of people and cultures in their natural settings. The ethnographic research is to verify whether it is only the law and policies that hinder the operations of the EMIWE or whether there are other factors (social, economic, and cultural), such as the way they conduct their business, albeit influenced by the policies and legislation. Moreover, observe how the EMIWE interpret and works with the understanding of the law, that is, if they do understand it and implement it in the daily running of their businesses. Also, although the interviews were compelling in garnering data on the individuals, i.e., EMIWEs' perception/views on the reasoning underlying their answers to my questions, which gave me some insight into their entrepreneurial journeys (experiences), it still did not provide data on the EMIWEs behaviour in the entrepreneurial space. Therefore, the ethnographic research was essential to reveal that aspect of the EMIWE.

### *3.1.1.3 Analyses of documents*

Qualitative document analyses were done by extracting data from immigration and labour law and policy documents and working with experts in the immigration labour and business fields. It informed the recruitment of the research participants. African immigrant woman entrepreneurs (AIWE) were interviewed instead of ethnic minority immigrant women entrepreneurs (EMIWE). My analyses of the documents revealed that there was little research on the AIWE; meanwhile, they were impacted the most by immigration laws and policies.

Furthermore, it helped provide evidence of 'policy directions' regarding the visa routes for immigrant entrepreneurs, revealed the weakness in labour law at the face of immigration law, understood the interaction/intent of immigration laws

and policy, and identified shortcomings or best practices in the immigration system.<sup>377</sup>

Examining whether those responsible for administering the law understand and execute it appropriately and what this means for those it impacts is essential because "the closer formal legal rules are aligned with commonly held ideas of what is fair and what is expected behaviour in any given context, the more likely it becomes that those legal rules will be complied with and enforced".<sup>378</sup> This socio-legal qualitative empirical research aims to investigate immigration and labour laws and policies and their application through the lens of society, i.e. AIWE.

### 3.1.2 Justification of Methodology

The challenges of an average entrepreneur, whether a woman or an immigrant, differ entirely from those of the AIWE. The standard UK entrepreneurial space may 'erase from view the broader socio-economic' and legal structures within which the AIWE must operate.<sup>379</sup> Immigration law already determines the remits of the AIWE's labour: type of job (specific visa categories do not permit one to do certain jobs, operate certain businesses, or even start one), limitation on the hours to work (20 hours per week for tier 4 visa holders), and access to finances (access to loans, access government funding, etc).

African intersectional feminist legal theory framework is necessary for this work since 'race and class, and sex are mutually inclusive in the life of a Black woman and are experienced simultaneously.'<sup>380</sup> In fact, "the concept of the simultaneity of oppression is still the crux of a Black feminist understanding of political reality and one of the most significant ideological contributions of Black feminist thought."<sup>381</sup> Suppose these degrees of oppression and discrimination must be uncovered and resolved. In that case, it must be done by us women, for 'the only people who care enough about us to work consistently for our liberation are

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<sup>377</sup> Lisa Webley, 'Qualitative Approaches to Empirical Legal Research' Peter Cane and Herbert M. Kritzer (eds), *The Oxford Handbook of Empirical Legal Research* (Oxford University Press Inc 2010).

<sup>378</sup> Gregoris Ioannou and Ruth Dukes, 'Anything Goes? Exploring The Limits of Employment Law in UK Hospitality and Catering' (2021) 52(1) *Industrial Relations Journal* 255-269.

<sup>379</sup> Diamond Ashiagbor, 'Race and colonialism in the construction of labour markets and precarity' (2021) 50(4) *Industrial Law Journal* 506-531.

<sup>380</sup> Combahee River Collective, *The Combahee River Collective Statement* (Gato Negro Ediciones 2017).

<sup>381</sup> Barbara Smith (ed), *Home Girls: A Black Feminist Anthology* (Rutgers University Press 2000).

us'.<sup>382</sup> Feminist legal theory and the African feminist intersectionality framework were employed in this project to help me properly account for the subjects' race, gender, and immigration status simultaneously.

### 3.1.3 Methods

I employed a mixed-method research strategy, using autoethnography, ethnography, interviews, and some case studies. Below, I explain the importance of each method.

#### 3.1.3.1 *Autoethnography*

Autoethnographic research inspired this research. It gave me a first impression of how immigration law, labour law, business regulations and policies, and how they are administered by those responsible may hinder the growth of African immigrant women businesses (AIWE). Initially, I discovered how these laws impacted ethnic minority women entrepreneurs (EMWE). To my surprise, I realised this category was extensive as it included all women within the ethnic minority groupings in Scotland.<sup>383</sup> I realised upon further investigation of the literature on ethnic minorities that some of their experiences were distinct from my experience. I then realised it was not sufficient or even fair to lump up the experiences of all these women together. I also found that finding literature on African immigrant women took much work. That is why I narrowed the research down to understand the experiences of these 'hidden figures', African immigrant women entrepreneurs (AIWE) in the UK entrepreneurial space. The autoethnography put me in a privileged position to better interact with participants as they felt like we were in similar situations; thus, empathy.<sup>384</sup> Nonetheless, it made me even more aware of my positionality because, during my time as an African immigrant woman entrepreneur, I was in an academic environment, i.e., the University of Strathclyde, where the university's environment served as a sort of bubble and protected me from some of the harsh conditions an AIWE must endure to start a business. It was pretty 'easy'.<sup>385</sup> I need to obtain a confirmation letter, which I used to apply for a Tier 1

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<sup>382</sup> Combahee River Collective, *supra* note 380.

<sup>383</sup> Scotland's Census, 'Ethnicity', *supra* note 39.

<sup>384</sup> David N. Aspy, 'Empathy: Let's Get the Hell on With It' (1975) 5 (2) *The Counselling Psychologist* 2-59.

<sup>385</sup> Note 44

Though this route seemed easy at the time, it later caused problems, as the business had to shut down due to immigration requirements.

entrepreneurial visa to start my business in 2018. Compared to some of these women who had to go through more arduous routes, i.e., obtaining an immigration status that permits one to operate a business, which could take years. Thus, I was aware that my positionality made my experience different to theirs.

### 3.1.3.2 Observation

In my ethnographic research, I worked with 3 African immigrant women's businesses, providing newly arrived immigrants with information to integrate and settle in their communities quickly. I played significant roles as an employee and volunteer. I observed and noted how the AIWE made certain decisions, how they interpreted the law or solicited the help of others to help analyse and implement the law requirements, and the processes of running their businesses. The ethnographic study was necessary because, according to Becker and Geer, during interviews, participants may report things through a distorted lens, i.e., their own bias, which the interviewer may not be aware of. However, participant observation research makes it possible to verify such concerns.<sup>386</sup> Besides, 'different settings and interactions exact different self-presentations, and from time to time, these differences cannot be kept apart but managed'.<sup>387</sup> However, it is argued that the researcher might lose focus once they stay long in that environment (in my case, I worked seven months for the first organisation and six months for the second) because, over time, they become less critical as they become familiar with their environment. Nevertheless, being reflexive helped me examine and critically assess my assumptions and motives. narratives: views need to be more comprehensive to capture the participants' narratives; thus, some data is lost during the interviews, which could be supplemented by ethnography.<sup>388</sup> Thus, Dingwall proposes that data from interviews should be analysed alongside data collected from observations of everyday life.<sup>389</sup>

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<sup>386</sup> Howard Saul Becker and Blanche Geer, *Participant Observation, and Interviewing: A Comparison* (16th ed, Human organisation 1957).

<sup>387</sup> Robert Dingwall, 'Accounts, Interviews and Observations', Gale Miller and Robert Dingwall (eds), *Context and Method in Qualitative Research* (SAGE Publications Ltd 1997).

<sup>388</sup> Dingwall, supra note 387.

<sup>389</sup> Dingwall, supra note 387.



### *3.1.3.3 Interviews*

I employed the individual interview strategy. I intended to do the group interviews, i.e., focus group discussions, and to get data through the interaction between AIWEs and second-tier organisations. However, this was not possible because of time constraints. The snowball sampling technique was used.

### *3.1.3.4 Case studies*

Some case studies were used in some chapters to highlight distinct situations in which some of the AIWEs found themselves and to help reveal the challenges they face as opposed to other ethnic minority women entrepreneurs.

### *3.1.4 Sampling*

The sampling strategy involved snowball sampling, targeting African immigrant women entrepreneurs who reside in Scotland. Participants were selected based on criteria such as gender, ethnicity, immigration status, and entrepreneurial experience to ensure diverse perspectives were represented.

The AIWE organisations where I did my ethnographic research were my first research participants. These participants were asked to recommend other AIWEs they know and second-tier organisations that support them if there were any. Through this snowball sampling technique, 98 participants were recruited in total. However, 25 of them were interviewed. This was above the proposed minimum of 21 and below the maximum of 35. This was because most participants who could not make it for the interviews had busy schedules and could not grant the interviews at the time they had initially agreed to. They later proposed dates that were not suitable because I had others scheduled for those periods and limited time to finish the interviews, and others turned down the interviews due to busy schedules.

A range of AIWE businesses (sole enterprises, limited liability, social enterprises, franchise, and partnerships) were targeted by aiming to recruit AIWEs from the seven (7) major cities in Scotland (Glasgow, Edinburgh, Aberdeen, Stirling, Dundee, Perth, Inverness). In time, efforts to reach AIWEs in Perth, Stirling, Dundee, and Inverness proved futile, so most entrepreneurs came from Glasgow, Aberdeen, and Edinburgh. The EMIWE presence in these cities could be more extensive, especially for African immigrant women entrepreneurs, who are concentrated in certain cities because of employment opportunities.

For the second-tier organisations, ten were recruited, and nine were interviewed, which was below the proposed minimum of 14 and the maximum of 21 initially projected. Most of the second-tier organisations turned down the invite with the excuse of not having resources to take part in the research; when later quizzed as to what the lack of resources meant, they said they were short of staff due to Covid and could not get anyone to grant me the interviews. Others said they did not think they could take part in it, and others were quick to 'whisk me off' and suggest organisations that they felt would be happy to take part in the interview, while others did not reply to the email interview requests.

### 3.1.5 Data Collection

Data collection techniques included semi-structured interviews, diary records from observing participants, and document analysis. Semi-structured interviews allowed participants to share their experiences, perceptions, and insights regarding the legal and social challenges they encounter in their entrepreneurial endeavours. Participant observation provided data on how AIWEs managed their businesses and helped me record their behaviour towards managing their businesses. Additionally, document analysis involved examining relevant legal documents, policies, and reports to supplement and contextualise the interview data.

#### 3.1.5.1 Questions

Questions were semi-structured and open-ended. These were used during the interviews for the second-tier organisations. Nonetheless, though I also had semi-structured questions for the AIWEs, I allowed them to tell their stories. As soon as I told them about the background of the research and asked them to introduce themselves, they naturally just proceeded to narrate their experiences, and I chose only to interrupt if they were jeering off into areas that were outside the scope of the research. According to Dingwall, interviews are defined by the researcher as they outline the scope of what the participants should talk about with the predesigned questions; this limits the data to be collected, as one cannot necessarily tell what information a participant may give outside the prepared scope that might be relevant data.<sup>390</sup>

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<sup>390</sup> Dingwall, *supra* note 389.

So, the semi-structured questions were used as prompts to steer the storytelling process. Therefore, the storytelling approach was necessary to collect as much data as possible and not be restrictive, albeit still having some control over the discussion because of the prompts. This aided in the collection of rich and trustworthy data.

#### *3.1.5.2 Nature of Interviews*

Interviews were scheduled to take place both online and in person. Most interviews were done online, as that was the preferred space, and only three were conducted in person under strict COVID regulations. The interviews were scheduled to be between 45 minutes and 1 hour. However, most of the AIWE interviews went over 1 hour, and one of the in-person AIWE interviews even went beyond 2 hours. In contrast, most of the second-tier organisation's interviews lasted between 30 to 1 hour, staying within the estimated time frame. This could not be helped as I wanted to maintain the subjects' thought processes and the chronological narration of their experiences. Subjects had a lot to share, telling me that this was the opportunity they were waiting for to tell their stories and share their experiences. I discovered during this process that it was not just because the AIWE had a lot to say but also because the African women entrepreneurs had a unique way of talking, which was different from the second-tier participants, who were primarily natives ('Whites'). The African women I spoke to tended to talk more slowly than the White British interviewees, and these women emphasised whatever they said to make sure I fully understood the point they were making. This makes them take up more time than the White interviewees; I noticed that whereas a minute will suffice for a 'White participant' to introduce themselves, it took more than 5 minutes for the African participants to do the same. The two African second-tier participants exceeded the 1-hour limit not only because they had too much to say but also because of the slow pace at which they talked.

Interviews began with exchanging pleasantries to make participants less nervous and more comfortable. I then told them about the background of the research, consequently sharing bits of my own experience in the process (autoethnography) and yet making them aware that my experience is unique to theirs because of my positionality. I came to the UK as a student, whereas most of them came as dependants, refugees, or asylum seekers. Also, my business

only operated within a year and a half on the Tier-1 entrepreneurship visas, whereas most were on different visa routes and had operated for close to 3 or more years; thus, there was much to their experience that I wanted to know about.

The second part involved interviews with the second-tier organisations conducted concurrently with the AIWE interviews. The second-tier organisations were happy to recommend others in the space, but the exciting thing was that because there were few, the suggested list ended up being the same.

Preliminary findings showed that only some designated second-tier organisations support EMIWE enterprises, not AIWE businesses. Most of them focused on minorities, including women and immigrants in general.

### *3.1.5.3 Participant observation*

I observed African immigrant women entrepreneurs taking different organisational positions in their offices. I took detailed field notes, including direct quotes, descriptions of interactions, and any notable non-verbal cues on the observed legal challenges, any other challenges they encountered, and how they managed the situation. Later, I compared these with the interviews and document analysis to gain a comprehensive understanding.

### *3.1.5.4 Autoethnography*

I maintained a detailed journal of my experiences, thoughts, and reflections on the legal challenges I faced and observed among AIWE in the UK. This includes my initial thoughts, ongoing experiences, and reflective insights. I also document reflections of my past experiences on how challenging it was to fulfil the legal requirements of the immigration rules about my business, recalling specific instances where legal challenges were prominent. I compare these with my other data sources, such as participant observation and interviews.

## 4. Data Analysis

Thematic analysis was employed to analyse the qualitative data collected from autoethnography, interviews, participant observation, and document analysis. This approach involved identifying, analysing, and interpreting recurring patterns, themes, and categories within the data. Through inductive coding and constant comparison, thematic analysis enabled the identification of critical issues related to the legal challenges faced by AIWE in the UK.

NVivo software was used to store and organise the data. This software only aided in storing, coding, and comparing the data. I agree with Michael Patton that 'although the software helped in this regard, it cannot provide the creativity and intelligence that make each qualitative analysis unique, unlike the role it plays in quantitative research'.<sup>391</sup>

The interviews were transcribed manually, which took longer than I had anticipated. Themes were generated from the codes, and each transcript was coded sentence by sentence using the narratives and answers to the semi-structured questions that led to the content analysis. Some Key findings include: Most women interviewed are initially from Ghana, Nigeria, Uganda, Congo, Zambia, Malawi, and Zimbabwe.

Most women have leave to remain, while others are British citizens, and few are on other visa categories.

Their main reason for immigration is primarily education and joining spouses. AIWEs are first-generation immigrants and highly educated. Businesses in tertiary and quaternary sectors, such as retail, R&D, IT, education, and consulting services. Reason for entrepreneurship passion.

The source of capital is personal resources and from spouses. Some had zero start-up costs and did not require start-up capital because they started the business with their skills and talents.

Commonalities and differences exist between AIWEs and other entrepreneurs. Immigration law is the root cause of most of the challenges AIWEs face, and labour law is powerless when it comes to immigrant employees.

Other barriers like economic and social factors like lack of access to funding, mainly loans, information constraints, stereotypes, and underrepresentation COVID-19 impacted these businesses immensely, both negatively and positively. No National Policy Framework on Ethnic minority immigrant entrepreneurship in the UK

## 5. Ethical Considerations

Ethical considerations were paramount throughout the research process. All participants provided informed consent, ensuring voluntary participation and confidentiality. Measures were taken to protect participants' anonymity and

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<sup>391</sup> Michael Quinn Patton, 'Two Decades of Developments in Qualitative Inquiry' (2002) 1(3) *Qualitative Social Work* 261-283.

privacy, and ethical approval was obtained from the University of Glasgow Ethical Approval Committee.

One major problem I had was with the snowballing technique; anonymity among participants took a lot of work. This was because once the AIWE recommended someone, they knew the person was automatically going to be interviewed; they came back to tell me, 'Oh, she said she wants to be interviewed'...oh, she said she had a great time being interviewed. Though the data collected has been fully anonymised for future researchers who want access to it, anonymity will be difficult among the participants.

Upon reflection, I realised that the African women's theory proposes that African feminists echo the voices of their participants.<sup>392</sup> If I am to echo the voices of these AIWEs, then anonymising them may be silencing them instead. I was in a dilemma because while conducting the interviews, some women who made profound statements were asked if those quotes could be used and were assured that they would be anonymised. Most said they wanted their names by their quotes, and only a few wanted anonymity. It was realised that the women not only wanted to be heard but also to be seen.

Patton asked salient questions regarding such a situation:

Does the researcher, in such cases, have the right to impose confidentiality against the wishes of those involved? Is it patronising and disempowering for a university-based human subjects committee to insist that these women are incapable of understanding the risks involved if they choose to turn down an offer of confidentiality?<sup>393</sup>

If we are co-producers, should the interviewees not own the process as much as I do? Should their request not be taken into consideration? Nevertheless, ethics is an 'ongoing process which involves critical reflection, action, and accountability throughout the research and not just to satisfy compliance and approval of the beginning of research'.<sup>394</sup> Upon further reflection, the best solution I came up with was either to allow the women who wanted to be seen and their voices heard to choose their own anonymised names or communicate to them whatever anonymised names were used for them; the latter seems plausible. I plan to do

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<sup>392</sup> Mohammed, *supra* note 367.

<sup>393</sup> Patton, *supra* note 391.

<sup>394</sup> Christine Halse and Anne Honey, 'Unravelling Ethics: Illuminating the Moral Dilemmas of Research Ethics' (2005) 30(4) *Signs: Journal of Women in Culture and Society* 2141-2162.

this after the completion of the thesis. That way, they can see and hear themselves in the work while being fully anonymised to the public and other participants. Throughout this work, the pseudonymised names of the AIWE were used.

## 6. Limitations and boundaries of the research

The research was conducted on African immigrant women entrepreneurs in Scotland, not all ethnic minority women. This subgroup within the EMIWE category includes the Pakistan EMIWE (PIWE) and Bangladeshi EMIWE (BIWE). Thus, the AIWE experiences are unique to the entire ethnic minority group. Because their immigration stories and how they started their business are different from others, how they interpret legislation and policies due to information available to them, and their level of education is entirely different from other ethnic minority groups. So, the findings of this research cannot be used as a generalisation for all ethnic minority immigrant women entrepreneurs as well as other ethnic minority categories. However, it can serve as a backdrop for further research on these categories.

Furthermore, some questions still needed to be answered, as the second tier expected to be interviewed, especially the banks. Most women raised financial challenges about the banks, which were left unanswered as the banks have yet to get back to me or participate in the interview. It was important to interview the banks because of the discrimination perceptions that some AIWEs had. It was also challenging to contact immigration lawyers because of their busy schedules. It was necessary to get their views on the changing immigration rules and how they manage the situation to help their clients despite these challenges. Thus, no data was produced there, but this was substituted with legal analysis.

Nevertheless, it must be noted that immigration law is not devolved in the UK, so most of the analysis of the immigration rules on the AIWE in Scotland could apply to the AIWE and other ethnic minority immigrant entrepreneurs in other parts of the UK. However, considering their business challenges, which could be entirely different, the entrepreneurial policies in Scotland are diverse from those in other parts of the UK.

## Conclusion

Adopting a socio-legal approach was necessary for this research because I needed to investigate the interaction between the law and African immigrant women entrepreneurs. Since there was scarce research on these women, the qualitative method contributed new data to increase the literature on their experience. Furthermore, because of the multiple identities they bore, which could not be detached from their experience as entrepreneurs, it was necessary to employ the African feminist intersectionality legal framework to uncover how the intersection of their race, ethnicity, immigration status, and gender poses barriers and constraints the creation and sustainability of AIWE businesses. In conclusion, the theoretical framework and methodological approach outlined in this chapter provide a robust foundation for investigating the legal challenges confronted by African Immigrant Women Entrepreneurs in the UK. By drawing on Feminist legal theory, intersectionality theory, and the African intersectionality Feminist legal framework, alongside qualitative research methods and legal analysis of relevant documents, this study aims to generate valuable insights into the complex dynamics shaping the experiences of AIWE and inform policy and practice interventions aimed at addressing their legal needs and promoting their entrepreneurial success.



## Chapter 3: Legal Framework for African Immigrant Women Entrepreneurs (AIWE) in the UK

### Introduction

There has been increased research and evidence of the importance of ethnic minority and immigrant entrepreneurship. Ethnic minority immigrant women entrepreneurs (EMIWEs), including African immigrant women entrepreneurs (AIWEs), contribute significantly to the economy they belong to. More than a decade ago, i.e., "in 2010, it has been estimated that although immigrants constitute only 8% of the population in the UK, they contribute approximately 10% to the Gross Domestic Product (GDP)".<sup>395</sup> These are entrepreneurs from immigrant and ethnic minority backgrounds who face challenges of varied forms: legal, social, and economic. Incredibly significant among these challenges is the legal framework these businesses must navigate. The legal framework for ethnic minority immigrant women entrepreneurs in the UK is multifaceted, encompassing various laws and policies, such as labour law<sup>396</sup>, immigration laws and policies<sup>397</sup>, and laws concerning the running of businesses.<sup>398</sup> Thus, this chapter examines the legal framework in which ethnic minority immigrant women entrepreneurs (EMIWE) and African immigrant women entrepreneurs (AIWE) must operate in the UK. In my initial focus on the legal framework AIWEs must follow in the UK, I centred on labour law as the primary governing framework. However, my literature review revealed that immigration law establishes the foundation for immigrant labour, thus relegating labour law to a secondary position. The data from my interviews further solidified these findings, as the women I spoke with confirmed that their working hours, job roles, wages and benefits were all subject to control by immigration regulations. They mentioned that their visa category often prevented them from pursuing specific job opportunities, even if they were qualified. This chapter delves into

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<sup>395</sup> Glenice Wood, Marilyn J Davidson, and Sandra L Fielden, *Minorities in Entrepreneurship: An International Review* (Edward Elgar Publishing Limited 2012) 232.

<sup>396</sup> Note

Employment Rights Act 1996, Equality Act 2010, National Minimum Wage Act 1998, Working Time Regulations 1998, Health and Safety at Work Act 1974, Data Protection Act 2018 (incorporating GDPR), Trade Union and Labour Relations (Consolidation) Act 1992, Employment Equality (Age) Regulations 2006, The Parental Leave and Pay Regulations 2010 and The Employment Relations Act 1999 (Blacklists) Regulations 2010.

<sup>397</sup> Note

Immigration Act 1971 and immigration rules

<sup>398</sup> Company Act, Insolvency Act, Employment Law and Tax

how immigration law takes precedence over labour law in regulating migrant labour and other regulations that govern African immigrant entrepreneurship in the UK.

The legal framework is split into three parts. The first part discusses immigration law and policies since that is the first point of engagement of the AIWE before they enter the country and is the primary legal framework they must navigate throughout their stay there. The major themes emerging here are the role of the Secretary of State for the Home Office's powers in the entrepreneurial journey of the AIWE, restrictions in the visa application process, uncertainty surrounding immigration status, the hostile environment, and access to justice. Immigration law in the UK is not only cumbersome but also complex. It includes but is not limited to multiple acts of parliament, secondary legislation, immigration rules (currently totalling about 1000 pages), immigration directorate instructions, and nationality guidance. These and many more laws impact the responsibilities and rights of the AIWE and their ability to operate a business. However, the primary reason why the immigration rules and policies have become complex and complicated overtime is because of the powers bestowed on the secretary of state for the home office by the immigration act 1971 s24, which has enormous powers to the secretary of state to make regulations as and when it pleases. The challenge posed by the powers bestowed on the Secretary of State for the Home Office on ethnic minority immigrant women entrepreneurs create barriers for these women in starting and growing their businesses.

The second part of the chapter focuses on labour legislation. The central theme arising here is the deficiency in labour law and the inefficiency of the employment contract in securing the rights of the AIWE, which eventually impacts the AIWE's decision to become an entrepreneur. Discussions are centred around how AIWEs are protected, especially under the employment contract, and what happens when immigration rules and labour law interact in the labour market.

The third part discusses the legislation on running small businesses in the UK. The central theme arising from this is intersectionality. I discuss how AIWEs grapple with navigating unfamiliar business regulatory environments and

practices in the UK because of the intersection of their race, ethnicity, immigration status, and gender.

These three bodies of legislation impact AIWEs on different levels but also intertwine to create hurdles for the successful running of these businesses. Using data from my interviews and analysis of legal documents, I explore the AIWE's interaction with this legal frame and examine how these laws impact and influence the entrepreneurial journey of the EMIWE and AIWE.

## 1. Immigration Legislation

Immigrants are individuals who come to a country where they were not born to live or settle. Although there is no accepted definition of who a migrant or immigrant is, it is essential to know that the immigrant used in this discussion is 'a person who is subject to immigration control'.<sup>399</sup> Everything an immigrant in the UK seeks to do, including starting a business, is hinged on their immigration status. Immigration is reflected in every aspect of their lives, from renting a house and securing a job to starting their business.

The ethnic minority immigrant entrepreneur (EMIWE) migration can be analysed in four terms: where-route/destination (UK), why-purpose (economic activities), when-length of stay (temporarily or permanently), who-demographic/nationality/ race/ ethnicity/gender (ethnic minority immigrant women).<sup>400</sup> It is essential for an EMIWE to successfully integrate into their host country if they achieve all four immigration terms.

In the following sections, I discuss the role of immigration legislation in promoting and impeding the entrepreneurship of African immigrant women (AIW).

### 1.1 Powers of the Secretary of State for the Home Office and Immigration Rules

Immigration rules and policies are not static; they evolve in response to various political, economic, and social factors. Throughout the years, successive governments have amended these rules to address changing needs

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<sup>399</sup> Section 115(9) of the Immigration and Asylum Act 1999

<sup>400</sup> Thomas Spijkerboer and Sarah van Walsum (eds), *Women and Immigration Law: New Variations on Classical Feminist Themes* (1<sup>st</sup> ed, Routledge-Cavendish 2006) 288.

and concerns, often reflecting broader shifts in public opinion and priorities. The Secretary of State for the Home Office is responsible for these changes in immigration rules.

The Immigration Act of 1971, mainly Section 24, has been a cornerstone of immigration policy in the United Kingdom. It grants the Secretary of State for the Home Office significant powers to regulate immigration. Over the decades, these powers have shaped immigration rules and policies, impacting various communities, including African immigrant women.

Section 24 of the Immigration Act 1971 empowers the Secretary of State for the Home Office with wide-ranging authority to control immigration. Under this provision, the Secretary of State can make rules governing individuals' entry, stay, and departure from the UK. These rules are pivotal in shaping the landscape of immigration, determining who can enter the country, under what conditions, and for how long. The root cause of the constraints in the immigration law that poses barriers for the AIWE lies in the powers that have been given to the Secretary of State for the Home Office "...and the power to give leave to remain in the United Kingdom, or to vary any leave under section 3(3)(a) (whether as regards duration or conditions) or to cancel any leave under section 3C(3A)], shall be exercised by the Secretary of State."<sup>401</sup> The impact of the Secretary of State for the Home Office's excessive powers results in the following challenges: restrictions in visa routes, uncertainty surrounding immigration status, hostile environment, and access to justice, which are discussed below.

#### 1.1.1 The Hostile Environment

Research has shown that in 2008, immigration policies like the point-based system, which is still used today to regulate the immigration system, were deliberately designed to create a hostile environment for immigrants. Such policies have become tighter over the years, creating even more restrictions for the AIWE.

The point-based system, which was introduced to include the routes of entrepreneurship for immigrants, is structured such that you must earn points to qualify for your application. These points are necessary for you to

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<sup>401</sup> Section 4 of the Immigration Act 1971,

qualify; it is like writing a 'true or false' exam where there can be no middle ground. Simply put, the point-based system is stringent. Even if the applicant's situation is exceptional to what is required, they cannot explain their situation to the Home Office as there is no room for subjectivity like the other visa categories. If the applicant meets the expected set mark, they have succeeded because the PBS does not allow the applicant to tailor their situation to the requirements: it is a straitjacket system. Consequently, when my colleague and I faced endorsement challenges and consulted immigration lawyers, they were at a loss as to what to do. There were no other options under this system; the lawyers were simply helpless.

The problem is that the sponsorship concept that birthed the point-based system in 2008 was introduced without an act of parliament, making it difficult to challenge it or go to court.<sup>402</sup> In this system, 'licensed sponsors (like the higher education institutions) have to fulfil onerous conditions, ones which, if they flaunt their sponsorship, will be withdrawn, directly impacting their sponsorship'.<sup>403</sup> It has been recorded that 'in 2017, a total of 605 employer licences were revoked, and in 2018, the total fell to 265. Inadvertently, these sponsors serve as watchdogs for the Home Office. Non-compliance is tantamount to existentialism.<sup>404</sup> Besides the Sponsor organisations, others acted as watchdogs for the government in immigration matters, like 'landlords, who were made to check immigration statuses of tenants and refuse or deny accommodation for those without the proper papers'.<sup>405</sup> Even to date, landlords and letting agencies still request immigration status documents before renting out their homes. It is this sponsorship system that an ethnic minority immigrant woman entrepreneur must rely on.

The British immigration environment is said to be so 'hostile' that the immigrant's immigration status determines their way of life and their very survival. Papers are needed in every aspect of the immigrants' lives, including employment, accommodation, banking, driving, healthcare,<sup>406</sup> welfare, and marriage. Meanwhile, the Home Office cannot be said to be up to task in

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<sup>402</sup> Yeo, *supra* note 70, pp.33-34.

<sup>403</sup> Yeo, *supra* note 70, pp.33-34.

<sup>404</sup> Yeo, *supra* note 70, p.39.

<sup>405</sup> Yeo, *supra* note 70, pp.33-34.

<sup>406</sup> Yeo, *supra* note 70, pp.33-34.

making immigrants' lives less complicated. Concerns were raised by the Independent Chief Inspector, whose role was established by the UK Borders Act 2007 14, which is to inspect the efficiency and effectiveness of the Home Office in terms of immigration, asylum, nationality, and customs matters.<sup>407</sup>

In his 2019-2020 annual report, he stated that the Home Offices' Borders, Immigrant and Citizenship System (BICS):

Needs to get the basics right by creating and maintaining accurate and retrievable records; quality assuring decisions; generating and making use of reliable data and management information to inform policies, priorities, and performance; communicating clearly (which includes listening) to staff and the users of its services; and developing the right tools and IT to support its business.<sup>408</sup>

Unfortunately, not much has been done by the Home Office over the years to resolve some of the genuine challenges these immigrants face, as reflected in the above report. Moreover, pre-migration, migration process, and post-migration can all impact the EMIWE positively and negatively. However, those who are at the helm of affairs do not seem to acknowledge how much impact immigration policies have on the lives of immigrants. An observation made by the 'Public Accounts Committee in its report argued that the Home Office does not make decisions based on evidence; it instead risks making them based on anecdote, assumption and prejudice'.<sup>409</sup> This is worrying because any decision by the Home Office directly impacts the entrepreneurial journey of the EMIWE. For instance, there has been a recent review of the immigration rules, which has affected the dependants of international students. International students can no longer bring their dependants from next year, 2024.<sup>410</sup> However, my data shows that 10 of 25 women came to the country as students. This means this policy already restricts the number of international students who can enter the country or

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<sup>407</sup> Independent Chief Inspector of Borders and Immigration, 'Independent Chief Inspector of Borders and Immigration Annual Report for The Period 1 April 2019 to 31 March 2020' (Open Government Licence v30 2020).

<sup>408</sup> Independent Chief Inspector of Borders and Immigration, *supra* at note 407.

<sup>409</sup> House of Commons Public Accounts Committee, 'Immigration Enforcement' (House of Commons 2021).

<sup>410</sup> Statement of Changes in Immigration Rules, *HC 1160* (2023).

even stay afterwards since they will be unable to bring their dependents, i.e., spouses and children.

## 1.2 Restrictive Visa Routes

### *1.2.1 Visa routes and application process*

The major challenge for any immigrant in the UK has been the frequent changes in the immigration system. The most recent change in rules has replaced the entrepreneurial visa routes available to immigrant entrepreneurs. Until recently, when the immigration rules changed again, there were three major routes to starting a business in the UK as an immigrant. The Startup Visa replaced the Tier 1 Graduate Entrepreneur visa, the Innovative visa, and the Global Talent visa. Presently, the major visa routes available to immigrants interested in entrepreneurship are the Global Talent visa and the Innovator Founder visa, although the Graduate visa could also be an option.

The table below shows the visa categories that are no longer open to new applicants and the new visa routes.

Table 1: Old and New Visa Routes

Old visa route	Date Opened	Date closed	What can be done	Replaced by
<b>Tier 1 (Entrepreneur) visa</b>	March 2008	March 2019	Closed to new applicants but old applicants can switch no extension	Innovator visa
<b>Tier 1 (Investor) visa</b>	Reviewed June 2008	February 2022	Closed to new applicants but old applicants can switch, and extend	The Global Talent visa
<b>Tier 1 (Exceptional Talent) visa</b>	August 2011	February 2020	Closed to new applicants but old applicants can switch, no extension	Global Talent visa
<b>Tier 1 (Graduate Entrepreneur) visa</b>	April 2012	6 July 2019	Closed to new applicants but old applicants can switch, no extension	Graduate visa route
<b>Innovator visa</b>	March 2019	April 2023	Closed to new applicants but old applicants can switch extend	Innovator founder visa
<b>Startup visa</b>		29 <sup>th</sup> March 2019	Closed to new applicants but old applicants can switch, no extension	Innovator founder visa

Source: this data was created using immigration rules on entrepreneurship visas.

### 1.2.1 Global Talent visa

The Global Talent Visa replaced the Tier 1 Exceptional Talent Visa in February 2020. With this visa route, individuals can work in the UK if they are leaders or potential leaders in one of the following fields: academia or research, arts and culture, and digital technology.<sup>411</sup> Like the above working visa categories, the individual needs an endorsement before they can apply for the Global Talent visa, i.e. if they are successful, their endorsement body can prove that they are leaders or potential leaders in their chosen field. The application fee is at least £152, depending on that individual's nationality and situation. The applicant also stands the danger of losing money for both the endorsement application and the visa fee if they should make the application concurrently. For each dependent, a payment of at least £608 is paid depending on the circumstances, and a payment

<sup>411</sup> Global Talent Visa Guide, available at 'Apply for the Global Talent visa' < <https://www.gov.uk/global-talent>> accessed 10 December 2020.



of at least £400 per year is paid for health surcharges for each person depending on their circumstances. However, there have been some changes to this visa route. Whereas the previous cost of application was £456 for endorsement and £152 for the visa application, the price is now £524 and £192 respectively. Dependants are expected to pay the same amount as the applicant, and one can choose how long they want to extend the visa, with each extension lasting up to 5 years.<sup>412</sup>

### 1.2.2 Innovator Founder Visa

The Innovator Founder visa is now the major entrepreneurial route for immigrants wanting to start business(es) in the UK. This visa route was opened in April 2023 and has come to replace the Innovator and Startup visas. To be eligible, the 'business must be new, innovative-different from anything on the UK market, viable and scalable.'<sup>413</sup>. This will be done by 'an endorsement body which assesses whether the business or business ideas meet this requirement'.<sup>414</sup> The visa application costs £1,191 per person outside the UK and £1,486 per person to extend or switch inside the UK.

This visa's requirements are similar to those of the original Innovator and Startup visas. However, there are some positives that the previous visa did not have. One advantage of this visa route is that there is no longer a minimum investment requirement of £50,000, which was required previously under the Innovator visa.<sup>415</sup> The check-in with endorsing bodies has also been reduced from 3 to 2 since one only needs to meet the 'endorsing body after 12 months and 24 months to show the progress of the business'.<sup>416</sup> One can stay up to 3 years on this visa and extend for another three years by going through the same old process of applying for endorsement. Their business can employ one, and secondary employment is permitted where founders can work outside of their business as long as it is 'skilled work'.<sup>417</sup>

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<sup>412</sup> 'Global Talent', < <https://www.gov.uk/global-talent> > accessed November 2023

<sup>413</sup> "Innovator Founder visa" <<https://www.gov.uk/innovator-founder-visa>> accessed 15 November 2023.

<sup>414</sup> Innovator Founder visa, supra note 413.

<sup>415</sup> Innovator Founder visa, supra note 413.

<sup>416</sup> Innovator Founder visa, supra note 413.

<sup>417</sup> Note 47

Should not be less than RQF level 3 (equivalent to A-levels)

Although this visa may have more attractive offers than its predecessors, significant challenges will be encountered, such as getting an endorsement from 'endorsing bodies', 25 financial requirements, and pressure on the visa route. I need help in getting an endorsement.

The endorsement bodies have been streamlined to four: the UK Endorsing Service, Innovator International, Investors Limited, and Global Entrepreneurs Programme (GEP), down from the '68 Legacy Innovator endorsing bodies'.<sup>418</sup>

There are now few options for all immigrant entrepreneurs embarking on this visa route, leading to over-compliance by entrepreneurs wanting to meet requirements. Furthermore, endorsing bodies will become highly overwhelmed, which could lead to the rejection of business plans or ideas that would otherwise pass through the endorsement process.

### Monopoly

Because only four endorsement bodies are authorised to review the business plan<sup>419</sup>, they can reject or accept businesses they believe have 'novelty, viability and scalability'.<sup>420</sup> Once they reject an application, the potential entrepreneur will be out of alternatives, unlike when they were spoilt for choice. Rejecting the business idea means the applicant can only apply for this visa category if they have already lost out on 50 points out of the 70 points to be awarded for clearance.<sup>421</sup> The challenge is determining whether the idea is novel or not. Aspiring entrepreneurs may have to do extra to please these institutions, and it is just a matter of time before these endorsing bodies become too powerful to control even by the government.

### Applying as a team

The novel requirement of this visa poses a challenge for two immigrant co-founder applicants. The Home Office must determine if the applicant's idea is original. Thus, the onus lies on an innovative team or co-founders to

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<sup>418</sup> Note 49

These organisations "no longer accept new Startup/Innovator applications but are authorised to continue maintaining and monitoring their existing endorsed migrants" The list of these organisations is available here < <https://www.gov.uk/government/publications/endorsing-bodies-innovator-founder-and-scale-up-visas/innovator-founder-and-scale-up-visas-endorsing-bodies#legacy-innovator-endorsing-bodies>> accessed 20 September 2023.

<sup>419</sup> Note 50

The business plan is worth 30 points.

<sup>420</sup> Note 51

This requirement is worth 20 points under the PBS.

<sup>421</sup> Note 52

Points requirement for the Innovator Founder route

appropriately divide the labour in their business to meet this criterion. If their visas are accepted, they will be accepted.

### Demand

At least six major entrepreneurial visa routes were listed in the table above between 2008 and 2022, available to potential immigrant entrepreneurs. However, only two significant entrepreneurial visa routes (Global Talent and Innovator Founder) are available. These visa routes will be in high demand, which will pressure the application process. First, there will be a significant level of competition for endorsement from the endorsement bodies, and then, the visa will be approved by the Home Office.

### Settlement

Like its predecessors, there are better routes to settlement in the UK than this one. Before applying for settlement, the entrepreneurs must meet the following requirements: They must first meet validity requirements.<sup>422</sup>, suitability requirements<sup>423</sup> The third requirement, which is the primary requirement, is the endorsement requirement, where the applicant's endorsement letter from the endorsing body or legacy endorsing body must prove the following:

Confirmation that the applicant has shown significant achievements, judged against the business plan assessed in their previous endorsement; business is registered with Companies House, and the applicant is listed as a director or member of that business; active and trading; sustainable for at least the following 12 months, based on its assets and expected income, the applicant has demonstrated an active key role in the day-to-day management and development of the business; business venture has met at least two of the following requirements: at least £50,000 has been invested into the business and actively spent furthering the business, or the number of the business's customers has at least doubled within the most recent three years...<sup>424</sup>

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<sup>422</sup> Note 53

Validity requirements for settlement by an Innovator Founder  
Immigration rules, INNF 15.1-INNF 15.4.

<sup>423</sup> Note 54

Suitability Requirements for Settlement by an Innovator Founder  
Immigration rules, INNF 16.1-16.2 (b)

<sup>424</sup> Note 55

Endorsement Requirement: Innovator Founder- Settlement  
Immigration rules, INNF 17.1-INNF 17.5.

They must also meet other requirements, such as the qualifying period, continuous requirements for settlement, and Knowledge of life in the UK requirement.<sup>425</sup>

Failure to meet the requirements means you must go through the entire process of applying for this visa until you can finally meet the settlement criteria. This shows that this visa's path to settlement or citizenship must be more transparent and accessible. The UK visa categories offer various routes for immigrants to seize the opportunity to start their businesses. Because a critical analysis of the regulations and policies will make one wonder if this is not an illusory opportunity. The three old visa categories available to immigrants for exploration to start their businesses came with many restrictions, including financial restrictions. Furthermore, all three previous visa categories needed sponsorship from an endorsement body, so once the endorsement body thinks the business idea is not viable, the individual cannot apply for the entrepreneurship visa. They may have the money, the ability, and the needed resources for the business, but once the endorsement body rejects the idea, that is the end; there are no other routes that the individual could take towards entrepreneurship. Unless they return with a reviewed business proposal or a new idea that the endorsement body now agrees with. This is a possible ground to breed discrimination and monopoly, as there is potential to restrict specific business ideas that pose competition for indigenous businesses. One would have thought that with the updates on the Global Talent visa and the introduction of the Innovator Founder visa, endorsement bodies would be increased for variety or, better still, scrapped. However, there has been a decrease in the number of bodies that can endorse this business, leading to an even worse situation of increased competition among applicants and a monopoly on the parts of the endorsing bodies.

Also, as an entrant<sup>426</sup>, The challenge is not knowing the business opportunities on the ground and the challenges that come with them in detail. An individual cannot thoroughly explore the UK business environment before applying to set up their business. However, there is the option to come via a visitor visa.<sup>427</sup>

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<sup>425</sup> Immigration rules, INNF 18.1-INNF 20.1.

<sup>426</sup> Immigration Act 1971 s 33 refers to people seeking to enter the UK as entrants.

<sup>427</sup> Note 56

route to explore the business opportunities and the costs involved and examine the business climate before investing.<sup>428</sup>

In addition, an entrepreneur applying for an entrepreneurship visa outside of the UK stands the risk of miscalculating the viable business opportunities and constraints; upon arrival, the individual may soon realise that due to the changing policies and regulations, the business idea may not flourish or generate the necessary profits as anticipated. For example, immigrants may not be entitled to or denied investment opportunities because their visas do not permit access to public funds. This may lead to loss of capital, stunted growth of the business, total shutdown of business and worse case, cancellation of visa, which may lead to the entrepreneur staying on as an illegal immigrant or returning to their countries of origin or other countries.

### *1.2.3 Graduate visa and Graduate Entrepreneurs*

Immigration rules do not permit international students on tier 4 visas to start businesses while in school.<sup>429</sup> International students can start a company only after they have completed school, i.e., when they become graduates. The Graduate Route visa, formerly known as the Post-Study Work visa, is a route for international students who have completed a degree in the UK to stay and work or look for work in the UK after their studies. It allows eligible students to stay for up to 2 years (or three years for PhD graduates) without needing a sponsor. To be eligible, you must have completed a degree at an approved UK higher education provider, have a valid Tier 4 or Student visa at the time of application, and meet specific other requirements. It is an excellent opportunity for international students to gain valuable work experience or start a business in the UK after completing their studies.

At the time I became a graduate, there was no graduate visa; what was available was the Tier 1 Graduate Entrepreneurship Visa route, which was

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The Visitor visa application fees vary depending on the duration of time one intends to stay (6 months to up to 10 years); up to 6 months is £100, 2years-£376, 5years-£670, 10years-£837. One will also need at least £4000 in savings to prove they can care for themselves during their visit. Source: <https://www.gov.uk/government/publications/visa-regulations-revised-table/home-office-immigration-and-nationality-fees-6-april-2022#fn:1>

<sup>428</sup> Note 57

The application visa fee is £95 if a UK company pays you to come as an expert in your profession and up to £822 if you are coming on a business trip and not paid by a UK company.

<sup>429</sup> Note 45

What you can and cannot do on the Tier 4 visa available at 'Student visa' <<https://www.gov.uk/student-visa>> accessed 13 December 2020.

designed to allow international graduates who have completed a degree in the UK to stay and develop their business ideas. This was the opportunity I seized to start my entrepreneurial journey. After my master's degree, I set up a business with my international graduate student colleague. We identified a problem, which turned out to be a niche in the market and wanted to provide a solution. The Tier 1 Graduate entrepreneurship visa was the available and cheapest route then. We passed a business pitch organised by the University of Strathclyde and received endorsement since they were to be our sponsors as required by the immigration rules. We then applied for the Tier 1 Graduates Entrepreneurship visa, a category that was supposed to be for two years. However, we were given a one-year visa to start the business, and after a year, the business is subjected to an annual review for a new endorsement, and a fresh application is submitted to the Home Office at a cost. In addition to the endorsement by a UK higher education institution per Home Office regulations, it was further required that after a year of operation, the business be able to prove that it can make £50,000 profit by the second year per entrepreneur. This summed up to £100,000 for us since we were two individuals. When it comes to the monetary evaluation of the business, even though it is the same business, we are evaluated as separate entrepreneurs. After the first year of operations, if the business is not able to show a potential of making £50,000 per individual, or you are unable to prove that the business can make that amount, in our case, £100,000 by the second year of operation, you are denied endorsement by the sponsor. A denial by the sponsor to endorse your form amounts to a denial of the Tier 1 graduate visa as the system is strictly point-based, and the approved form is the essential and significant requirement needed to apply for starting or continuing the business. Unfortunately, this was precisely what happened in our case. Although the business was entirely in operation and had been expanded with the help of the student union at the time, the university, which was the endorsement body and our sponsor, refused to endorse us for the second-year operation of the business.

According to the endorsement body, the business could not make at least half of the £100,000 by the end of the first year of operation, so they are not convinced, despite all the investment opportunities available to the business in the coming year, refused to endorse. This is partly because they, as an

endorsement body, risk revoking their sponsorship if, for example, our business cannot make the £100,000 in the second year, should they endorse us. We were denied the opportunity to grow our business after a year because, per the sponsor's estimation, we may not meet future targets presented by the immigration rules.

That is how *Cosy Students Limited*, a business targeted at the needs of students and reducing environmental waste and geared towards the circular economy policy of Scotland, shut down because of the requirements from the Home Office. Sadly, as this visa was also the only route for our stay in the country, i.e., immigration status, my colleague and I had to quickly abandon the business and leave the UK immediately within two weeks of receiving the letter to leave the country. The company was left in the care of the student union, which could not run it and, therefore, finally had to shut it down.

This was the primary legal framework an international graduate system must navigate in starting and operating their business. However, these visas have changed over the three years that this research was conducted. It is not surprising that they have been replaced because of the numerous restrictions to the growth of graduate business. The Innovator Founder visa and Global Talent are now available to student graduates, as discussed in the sections above.

### 1.3 Visa Conditions and Visa Renewal/Extension Conditions

All the visa routes have different restrictions, such as expiration dates, costs, limited funding for business (es), changing regulations, or changes in the visa routes entirely.

#### 1.3.1 Time

For an EMIWE, time is a rare but essential commodity, as they must pay for the amount of time needed to operate a business. Moreover, they must either leave once their purchased time is due or pay for extra time to continue operation, no matter how successful their businesses are, or how much it has impacted their hosts' economy, the lives of the indigenes, or how promising it looks for future economic exploits. For example, the Global Talent and Innovator visas have 5 and 3 years of stay, respectively, subject to review and extension at an extra cost. Consequently, once the business starts

operating, one is time-bound, and the clock starts ticking. So, in this case, 'time becomes a method of subtle regulation that can trumpet the possibility of an immigrant starting a business and running it successfully'.<sup>430</sup> The immigrant entrepreneur has no choice but to do everything in a rush to extend their visa, directly expanding the life span of their business. Even the endorsement letters are time-bound. Within three months of endorsement, the individual must apply for the visa; otherwise, the letter will expire.<sup>431</sup> Not only is the individual time bound, but he has to look forward to fulfilling the requirement for the extension; in some cases, they will have to meet a profit margin to prove that their business was viable, and the visa qualifies to be extended. All these legal requirements leave the entrepreneur focused on fulfilling the requirements of the Home Office to stay in business rather than make lasting business decisions for the expansion and growth of their business.

### *1.3.2 Costs*

The application costs are restrictive as visa application fees keep changing constantly and always at a higher price. All these visa categories were costly for the average EMIWE. The individual needs to have the required fee of the endorsement body in addition to the visa application process to apply for an entrepreneurship visa. For example, the cheapest visa category, which was the Startup visa, costs up to about (£3,030.20); next is the Global Talent visa (£3747.20), then the Innovative visa (£54,438.40). Unfortunately, except for the £50,000 requirement removed for the Innovator founder route, all other costs are higher than those for the previous Innovator visa. Also, the new updates on the Global Talent visa increased the endorsement fees from £456 to £524 and the visa application fee from £152 to £192. These prices, including the health surcharge, are reviewed frequently and are likely to change upwards. Therefore, I agree that:

Immigration law exposes how the right to establish one's domicile within the nation continues to be the privilege of those who adhere to the dominant male model of citizenship, defined as a full-time breadwinner.

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<sup>430</sup> Spijkerboer and Walsum (eds), *supra* note 400, p124.

<sup>431</sup> Innovator Founder visas: Guidance for endorsing accessed 10 December 2020.



This is evident in the income requirements and rules regulating family reunification.<sup>432</sup>

The costs of these visas could be more friendly to immigrant women entrepreneurs, which could be one reason we have few EMIWEs in the UK.

#### *1.3.4 Information*

The changing information on these visas can be restrictive. When the immigrant entrepreneur begins to understand the rules surrounding their immigration status, the visa process changes. Moreover, they have to start studying the new rules all over again. Mainly, it is not just the cost of the visa that changes but the cost of living, the timeline for the visa, and the documents to be used in the application process. At other times, the visa itself would have been scraped off. For instance, within four years of this thesis (2020-2023), the entrepreneurial routes have been reviewed and changed several times.

An example is the Tier 1 Entrepreneurship visa, which the Startup visa has replaced as of 2019. The Innovator Founder visa has replaced the Startup visa. This leaves the immigrant entrepreneur to leave in anxiety and uncertainty, which inadvertently impacts their businesses.

#### *1.3.5 Public Funds*

Most immigrants have no recourse to public funds. This is a discretionary power (this power does not have to be used) given to the Secretary of State for the Home Office by the Immigration Act 1971<sup>433</sup> To impose conditions when an immigrant is granted the leave to enter.<sup>434</sup> The Immigration and Asylum Act 1999 section 115 also prevents immigrants from accessing various

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<sup>432</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>433</sup> Immigration Act 1971 s 3:

if he is given limited leave to enter or remain in the United Kingdom, it may be given subject to all or any of the following conditions, namely,

(i) a condition restricting his work or occupation in the United Kingdom.

(i) a condition restricting his studies in the United Kingdom.

(ii) a condition requiring him to maintain and accommodate himself and any dependants without recourse to public funds...

<sup>434</sup> Immigration Act 1971 s 3(2):

The Secretary of State shall, from time to time (and as soon as may be), lay before Parliament statements of the rules or of any changes in the rules laid down by him as to the practice to be followed in the administration of this Act for regulating the entry into and stay in the United Kingdom of persons required by this Act to have leave to enter, including any rules as to the period for which leave is to be given and the conditions to be attached in different circumstances.

welfare benefits, although some exceptions exist.<sup>435</sup> This condition can be linked to the Nationality, Immigration and Asylum Act 2002<sup>436</sup> which states that:

It is in the public interest and the interest of the economic well-being of the United Kingdom that persons who seek to enter or remain in the United Kingdom are financially independent. Such persons are not a burden on taxpayers and can better integrate into society.<sup>437</sup>

This is exceptionally unfair because all immigrants in the UK have national insurance numbers and pay tax once they are eligible to. Even asylum seekers are willing to work and not be a burden on the government. Because of this restriction of no recourse to public funding, most immigrant entrepreneurs can hardly access funding like those available to small businesses. So, an immigrant entrepreneur who has suffered the severe impact of the economic crisis caused by the coronavirus is likely not to enjoy the financial support given by the government to businesses that have sustained the COVID-19 impact. Because the immigration rules do not permit immigrants access to public funds.

#### 1.4 Impact of immigration requirements

The immigration requirements of the immigration route an EMIWE is on affect their business growth because certain restrictions come with the kind of visa they are on. One major issue with the entrepreneurial visa is that although one can be innovative, innovation must yield profits within the shortest possible time. An EMIWE who may want to start a business must think of a company that can accrue profit within the shortest possible time. They need the luxury of coming up with development-based projects. For instance, though my colleague and I had a brilliant idea for a 'social enterprise', it was not profitable enough to satisfy the Home Office requirements. So, the

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<sup>435</sup> Note 58

In all cases where limited leave is granted outside the rules on Article 8 grounds under paragraph 276BE(2), leave will usually be granted subject to a condition of no recourse to public funds unless the applicant has provided the decision-maker with (i) satisfactory evidence that the applicant is destitute as defined in section 95 of the Immigration and Asylum Act 1999, or (ii) satisfactory evidence that there are particularly compelling reasons relating to the welfare of a child of a parent in receipt of a meagre income.

<sup>436</sup> Nationality, Immigration and Asylum Act 2002 s 117B (3).

<sup>437</sup> Nationality, Immigration and Asylum Act 2002 s 117B (3).

changing immigration policies continue to pose a challenge as the immigrant entrepreneur situation is not considered holistically.

The source of funding and investment opportunities suffers from the restrictions on the EMIWE's immigration status. For instance, the Global Talent and Innovator Founder visa does not give one access to public funds. So, even if organisations are willing to invest in the business, they must be private organisations. The immigrant entrepreneur cannot access funding from the government to grow their business if they are not on a visa that permits them to, even if their business aligns with the government's initiatives and policies. Only when an EMIWE acquires settlement status or British citizenship can it access multiple funding sources.

### 1.5 Uncertainty of Immigration status

As discussed above, the laws and policies continue to change depending on which government is in power and what the current immigration situation in the UK is. This is why visa regulations can sometimes change, impacting the immigrant's immigration status negatively or positively. Leaving the immigrant in a situation where they either must readjust their business, re-register, hand it over to another organisation to run or shut it down entirely; there is so much uncertainty as an ethnic minority immigrant woman entrepreneur in the UK. Immigration rules are constantly changing, which means that any activities, including entrepreneurial activities, that AIWEs participate in will witness that constant change. In the stock market, an unstable market impacts stock prices, which in turn affects the economy; this is the reality of the AIWE, where the 'immigration market' is never stable; it keeps fluctuating. The Home Secretary recently made some changes in the immigration rules, which are captured in the Statement of Changes. The implementation period of paragraphs in the Statement of Changes in immigration rules varies, whereas some paragraphs shall take effect on 12 April 2023, and others shall not take effect until February 2024.<sup>438</sup> AIWEs must adjust their life, including business activities, to reflect changes in the rules or bear the consequences. For this reason, some AIWEs will

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<sup>438</sup> UK Visas and Immigration, 'Immigration Rules: statement of changes: Statement of changes in Immigration Rules: 1994 to 2022' (*Open Government Licence v3.0*, 22 January 2014) <<https://www.gov.uk/government/collections/immigration-rules-statement-of-changes> > accessed 12 April 2023.

stay away from the law and not interact with it. However, whether they engage the law and policies, they are still impacted by it.

One may think that ethnic minority entrepreneurs with settlement status, i.e. who have indefinite leave to remain (ILR) or are citizens in their new countries' experiences, may differ entirely from those of their immigrant counterparts. Unfortunately, that is not the case. The fact that an ethnic minority immigrant has settlement status does not mean they are eschewed from immigration control. The hostile environment created in 2012 was to make life uncomfortable for everyone who has ever gone through the immigration process since immigration papers are required in all walks of life.<sup>439</sup> Even lawful residents become collateral damage from that policy.<sup>440</sup> As such, the varied immigration issue does not rest with EMIWE; ethnic minority women entrepreneurs (EMWE) must navigate some of these laws.

In addition, there are 'legal citizenship and social citizenship, the latter of which is challenging to penetrate by ethnic minorities'<sup>441</sup>, mainly because of their immigration tag. So, although EMWEs may be legally recognised as citizens, socially they may be excluded as:

Citizenship evokes a state of democratic belonging and inclusion, which is true. However, this belongingness or inclusion is usually premised upon a conception of a country that is itself bound and exclusive. These boundaries are estimated and policed under social practices and institutions we call citizens.<sup>442</sup>

EMWEs' settlement status or British citizenship does little for their business if the society they must operate in does not recognise it.

The Home Office is said to have the wrong database on the immigration status of residents.<sup>443</sup> A case scenario was when the Home Office contracted a private company, Capita Company, to track 174,000 so-called 'unlawful' residents on the Home Office database.<sup>444</sup> The company was "reported to be sending threatening messages even to British citizens who were on the home office's database as

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<sup>439</sup> Yeo, *supra* note 70, p.28.

<sup>440</sup> Yeo, *supra* note 70, pp.27-61.

<sup>441</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>442</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>443</sup> Yeo, *supra* note 70.

<sup>444</sup> Yeo, *supra* note 70.

'unlawful residents',<sup>445</sup> Although the figures are said to be in the minimum".<sup>446</sup> The scheme 'targeted lawful but undocumented immigrants like the Windrush generation who are lawfully long-term residents from commonwealth countries and their children'.<sup>447</sup> Some ethnic minorities who cannot prove their immigration status due to no fault of theirs are victims of this scheme; they are known as "surprised Brits".<sup>448</sup> people live in the UK, including immigrants, ethnic minorities, and foreign nationals, of whom the Home Office is unaware.<sup>449</sup> This is not surprising because research shows no population database or register for British citizens.<sup>450</sup> As such, EMWEs could still face challenges that their EMIWE peers face.

Nevertheless, the good news is that the ethnic minority woman entrepreneur (EMWE) can use one of the two entrepreneurial routes available to the immigrant minority woman entrepreneur (EMIWE). The EMWE can register a company any day once she fulfils the Company House requirements, financial obligations, and other laws regarding the running of a business, such as labour and employment law, tax laws, policies, and capital acquisition, which is discussed in the next session.

The importance of an immigrant's immigration status in starting a business cannot be overemphasised since one's immigration status can lead to business growth or death. The immigration law has killed many budding companies. This is because, with the AIWEs that do not have indefinite leave to remain in the country or citizenship and use the entrepreneurial visa route as their immigration status, they might not be able to renew because of finances or immigration requirements. The truth is that the Home Secretary can decide to deny the applicant leave to remain in the country. Please renew one's visa to avoid the end of the business since the entrepreneurial visas for establishing enterprises are usually the same for confirming the individual's immigration status. Indeed, Monder Ram et al. rightly say that the 'institutional environment and wider policy context is a key element in any analyses of immigrant or ethnic

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<sup>445</sup> Note 60

It is worth noting that undocumented and unlawful residents are not the same; undocumented residents are not necessarily unlawful residents. Yeo, supra note 70, p.49.

<sup>446</sup> Yeo, supra note 70, p.49.

<sup>447</sup> Yeo, supra note 70.

<sup>448</sup> Yeo, supra note 70.

<sup>449</sup> Yeo, supra note 70.

<sup>450</sup> Yeo, supra note 70.

business development because state regulatory environment and financial incentive can be both enabling and constraining'.<sup>451</sup> The sad reality is that immigration rules have their tentacles in every aspect of the AIW's life, creating hurdles in their entrepreneurial journey.

## 1.6 Access to justice

Immigration exacerbates the unfairness of the law on EMIWEs.<sup>452</sup> Therefore, it is essential to assess the implementation of the legal framework to determine its impact on EMIWE and its businesses.

### 1.6.1 *Cumbersome nature of the law*

As we can see, there are myriads of laws that even lawyers and judges (the doyens of the art) are overwhelmed by, and how much more the ordinary minority person.<sup>453</sup> It is not as if authorities and parties involved are unaware of the complexities of the law; they are. Judges have tried to state its structure complexities; for example, 'Lord Justice Jackson is said to have said that the provisions have now achieved a degree of complexity which even the Byzantine emperors would have envied'.<sup>454</sup>

A simplification bill was drawn up between 2007 and 2009, intended to consolidate the legal framework for immigration law.<sup>455</sup> This was to abolish the Mother Act of 1971 and its babies, but the bill was abandoned, leaving the citizenry at the mercy of the law, and the rules are tweaked daily.<sup>456</sup> Even Lord Justice Underhill acknowledges the difficulty faced by entrepreneurs, saying, 'The web of rules and guidance has become so tangled that even the spider has difficulty controlling it'.<sup>457</sup> The EMIWE lives in anxiety as she does not know when a law will be changed or added that will affect her immigration status and her business.

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<sup>451</sup> Monder Ram, Trevor Jones and Maria Villaires-Varela, 'Diversity, Economic Development and New Migrant Entrepreneurs' (2018) 56 *Urban Studies* 960-970, p.10.

<sup>452</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>453</sup> Yeo, *supra* note 70.

<sup>454</sup> Yeo, *supra* note 70.

<sup>455</sup> Yeo, *supra* note 70.

<sup>456</sup> Yeo, *supra* note 70.

<sup>457</sup> Yeo, *supra* note 70.

### *1.6.2 Accessibility of the law*

The fundamental requirement of the rule of law is that laws are clearly expressed and easily accessible; people should know the law.<sup>458</sup> The question is how accessible the law is to the EMIWE. Accessibility comes in many forms, including availability, language, and comprehension. Do the EMIWE know the law? Have they been made available to them? Some of these women 'have little information about business practices and legislation specific to their host country'.<sup>459</sup> They will only chance upon these requirements when they start creating the business. It will take a curious or research-oriented EMIWE to know all the laws required for business operations. Most of the current legislation is said to be either unavailable or unreliable.<sup>460</sup> Also, some of the laws need to be better written, with ambiguous words, different laws contradicting each other, and sometimes the structure could be more coherent and coherent.<sup>461</sup>

### *1.6.3 Understanding the law.*

The cost of understanding the rules to avoid being a victim and the price one pays (albeit through no fault of theirs) when one becomes a victim is immeasurable. Immigration law is incredibly complex, and many EMIWEs need the assistance of a lawyer or solicitor to understand the legal underpinnings of starting and running a business. Although there is legal aid in Scotland, 'legal aid for immigration cases was effectively ended in 2013'.<sup>462</sup> Because of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO), civil legal aid reduced the areas of law for which legal assistance is available.<sup>463</sup> This disadvantages the EMIWEs who do not have the financial means to go through the legal process and would instead give up on justice rather than spend excessive amounts (which they do not have) trying to understand their situation or find justice they are not even sure they will be given.

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<sup>458</sup> Yeo, *supra* note 70.

<sup>459</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>460</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>461</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>462</sup> Yeo, *supra* note 70.

<sup>463</sup> Yeo, *supra* note 70.

#### *1.6.4 Interpretation and implementation of the law by institutions*

Different institutions interpret and implement immigration laws differently. The interpretation of the law by various institutions and organisations can severely impact those at the receiving end.<sup>464</sup> Because the law has become overwhelmingly burdensome, everybody, including landlords, has been deployed to participate in the implementation process, as discussed earlier. This was 'thought to be the simplest way of prosecution, where the whole UK populace is involved in implementing the immigration law'.<sup>465</sup> This intensifies discrimination and racism as one can call the immigration hotline or fill out the online reporting form if they dislike or are suspicious of an immigrant.<sup>466</sup> As discussed above, my colleague and I were denied opening a business account because we had only six months on our visas to operate the business. However, the Immigration Act 2014 gives authority to banks and building societies to open current accounts for individuals in the UK unlawfully. They could have allowed us to open the business account and then use the authority given to them by the Immigration Act 2014 (as amended by the Immigration Act 2016) to close the account after six months if we were not qualified.<sup>467</sup> To hold one. However, the bank still denied us opening the bank account. Although we were still lawful residents in the UK at the time, we wanted to open a bank account. Because we had registered our business with Company House with the same immigration status, if Company House finds it acceptable to register the business although we, the directors, had only six months remaining on their visas to stay in the country, why then do the banks have issues with them opening an account for that same business? In this case, the requirements from the banks needed to be in sync with Company House regulations. Both institutions interpreted and implemented the rules differently.

Overall, the law that the EMIWE must navigate to birth and grow their business is more challenging than one would have been made to believe; it

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<sup>464</sup> Spijkerboer and Walsum (eds), *supra* note 400.

<sup>465</sup> Yeo, *supra* note 70.

<sup>466</sup> Yeo, *supra* note 70.

<sup>467</sup> "A disqualified person is a person who is in the UK, who does not have the required leave to enter or remain in the UK, and whom the Home Secretary considers should not be permitted to open a current account". Immigration Act 2016 sch 7(40A) (1-7).



is a daily route of uncertainty, an adventure many would rather not be a part of.

## 2. Labour legislation

Like many immigrant entrepreneurs, African immigrant women entrepreneurs (AIW) are economic migrants. This means they are bound to engage with the labour laws immediately upon arriving in the UK and when they become entrepreneurs. It is, therefore, worrying to know that there have been concerns that the labour law no longer serves the needs of most employees, particularly EMIWs. There has been recent discourse regarding a labour law crisis, where labour law has come under severe criticism for being unable to protect the rights of the employee and worker because of the constant changes in employment relations. In the sections below, I discuss how the labour law can protect AIWEs in the labour market and how they navigate the labour laws when they become entrepreneurs.

### 2.1 Protection of AIWEs in the labour market

UK labour law aims to protect the rights of employees and workers, but not self-employed, unless they fall within the limb (b) workers category. This is achieved through various regulations such as the Employment Relations Act 1999, Equality Act 2010, Health and Safety at Work Act 1974, National Minimum Wage Act 1998, Data Protection Act 2018, Pensions Act 2008, and other regulations relating to discrimination and inequality. This section will explore the labour law policies that apply to ethnic minority immigrant women in the UK labour market. While many UK employment laws and regulations aim to protect all workers' rights, including those of African immigrant women, these policies are only sometimes effective in practice. Employment laws are designed to protect workers' rights to be treated fairly and equally in all aspects of employment, including recruitment, pay, training, and promotion. They aim to ensure that workers are paid a fair wage for their labour, have appropriate working hours, enjoy rest breaks and annual leave entitlements, and are protected against unfair treatment or dismissal due to pregnancy or maternity-related reasons. These laws also ensure that employers provide employees with a safe and healthy working

environment, with measures to prevent workplace accidents and injuries and protection from harassment and bullying.

However, despite these laws and policies, African immigrant women often face barriers to accessing their rights due to the intersection of different identities such as race, ethnicity, immigration status, and gender. As a result, these women often cannot enjoy the same rights and protections as other workers, such as the right to join trade unions to collectively bargain for better working conditions, pay, and benefits. While UK labour law aims to protect workers' rights, including those of African immigrant women, it does not address the challenges and barriers these women face in accessing their rights and protections.

African immigrant women living in the UK should be aware of their employment rights to seek support or demand compensation if violated. However, the nature of contract employment is constantly changing, which creates a fundamental problem in labour law. Employers often need to find new ways of formulating contracts to deny employees their employment rights, and the employment contract can no longer keep up with the constant changes in employment relations. This obscures the rights that African immigrant women can access. For example, the recent Uber case was about determining whether Uber drivers were employees or workers and what employment rights they were entitled to.<sup>468</sup> Due to the fragmentation and commercialisation of working relations, there have been calls to redefine the "contract for work" to cover employment contracts and other forms of work, such as zero-hours contracts, casual work, and gig economy work.<sup>469</sup>

One another legislation expected to ensure the AIWE is treated relatively on all fronts is the Equality Act 2010. The Act provides that all employees and workers have equal opportunities at work and are not discriminated against. Unfortunately, it does not make provision for every type of discrimination. Though there is legislation to support the Equality Act to fight discrimination in these areas of employment like the Part Time Workers (prevention of less favourable treatment) Regulations 2000/1551, Fixed Term Employee's Status (prevention of less favourable treatment) Regulations 2002/2034, Agency

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<sup>468</sup> [2018] EWCA Civ 2748

<sup>469</sup> Ruth Dukes, 'The Economic Sociology of Labour Law' (2019) 46(3) *Journal of Law and Society* 396-422.

Workers Regulations 2010/93, AIWEs still suffer discrimination because of some inconsistencies in the law. For instance, there are so many gaps in the Agency Worker Regulation 2010; aside from the fact that it does not cover the self-employed with their own business, it also does not cover agency workers in open-ended assignments.<sup>470</sup> For an agency worker to enjoy primary work conditions, they must work continuously for the hirer for 12 weeks; if they start a new role, the 12 weeks are invalid and must start from scratch.<sup>471</sup> Also, in the recruitment process, the agency worker has the right to receive information regarding a job advert from the hirer; this does not mean that the agency worker cannot be treated less favourably, as there are no terms for recruiting for the post.<sup>472</sup> There are enforcement issues where the agency can escape liability if it can show that it took reasonable steps to obtain the worker's working conditions from the hirer.<sup>473</sup> There are other issues concerning pay parity,<sup>474</sup> i.e., the definition of terms like 'temporarily'.<sup>475</sup> There are also issues with the fixed-term regulations. Although a fixed-term worker is to be informed about available vacancies,<sup>476</sup> and the mode of communication<sup>477</sup> gives the right to secure permanent employment, same as other employees,<sup>478</sup> regulation 2 requires that one gets an actual comparator who is a permanent employee at the same establishment<sup>479</sup> Alternatively, at a different establishment of the same organisation when the damage occurred.<sup>480</sup> However, the fixed-term workers' rights are better than those of the agency workers, who only get informed of the vacancy.<sup>481</sup> Most employers try to avoid their responsibilities by awarding

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<sup>470</sup> Note 67

In the *Moran v Ideal Cleaning Services Ltd* [2013] UKEAT 0274/13 (DM), the Employment Appeal Tribunal (EAT) held that the Employment Tribunal (ET) has remained the same in interpreting the word temporary. Instead, the appellant's submission that all agency workers who meet the 12-week qualification period fall within the scope of the Regulations was wrong because it would give no meaning or effect to the word "temporary" at all.

<sup>471</sup> The Agency Workers Regulations 2010, s 7(2).

<sup>472</sup> The Agency Workers Regulations (AWR) 2010, s 13.

<sup>473</sup> AWR 2010, s 6.

<sup>474</sup> AWR 2010, s 6.

<sup>475</sup> Note 68

The Employment Appeal Tribunal (EAT) had to define that term as the regulation does not define it in the *Moran v Ideal Cleaning Services Ltd* case.

<sup>476</sup> AWR 2010, s 3 (6).

<sup>477</sup> AWR 2010, s 3 (7).

<sup>478</sup> AWR 2010, s 3 (2)(c) fixed term.

<sup>479</sup> AWR 2010, s 2 fixed term.

<sup>480</sup> *Matthew v Kent and Medway Towns Fire Authority* [2004] EWCA Civ 844, [2006] UKHL 8.

<sup>481</sup> *Coles v Ministry of Defence* [2015] UKEAT 403, [2016] ICR 55 [27]-[28] (Langstaff J).

successive fixed-term contracts instead of indefinite ones to not pay for benefits and protections accrued to indefinite contract holders.<sup>482</sup>

The central issue with part-time regulation is determining the workers' part-time status. Even though the regulation defines part-time workers, it does not spell out any specific number of hours to determine who a part-timer is; instead, 'part-time status is determined by full-time status, and both workers must be employed under the same contract'.<sup>483</sup> These discrepancies lead to issues of direct and indirect discrimination. Meanwhile, the Equality Act defines indirect discrimination as unlawful.<sup>484</sup> Still, indirect discrimination must be interpreted by European legislation and case law because some terms are not defined in the Equality Act or any other antecedent legislation. For example, the term PCPs (Provision Criterion or Practice) and disadvantage. However, some steps have been taken to fight indirect discrimination. For example, the court of appeal has provided some authoritative guidance on identifying PCPs and 'cost plus's approach to justification in the *Ishola v Transport and Heskett v Secretary of State*, respectively.<sup>485</sup> In the next chapter, we will discuss how the challenges in the labour law framework eventually push the AIWE to become entrepreneurs.

## 2.2 Interaction between labour and Immigration law

Most EMIWEs are economic migrants; therefore, labour law is expected to regulate most of their financial activities in the labour market since it regulates the relationship between workers, employers, and trade unions. However, my findings have shown that immigration law and policies have

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<sup>482</sup> *Duncombe v Secretary of State for Children, Schools, and Families* [2009] EWCA Civ 1355, [2011] UKSC 14 & 36 [10] (Lady Hale).

<sup>483</sup> Note 69

In the *Hudson v University of Oxford* [2007] EWCA Civ 336 [2007] 2 WLUK 673, the Court of Appeal held that (a) Hudson's argument that, in reality, he had a full-time post did not necessarily preclude him from having been a part-time worker as defined in reg.2(2) of the Regulations; (b) to the extent that he had been a part-time worker under the non-academic contract, he had on account of his job been treated less favourably than relevant full-time comparators; (c) he had been so treated on the ground that he had been contractually and within the terms of reg.2 a part-time worker. Furthermore, Hudson could pursue his claim under the Regulations before the employment tribunal.

<sup>484</sup> Equality Act 2010, s.19.

<sup>485</sup> Note 70

Other cases help to give further meaning to PCPs, for example, the *British Airways PLC vs Stamer*, [2005] UKEAT 0306, [2005] IRLR 862, and *Pendleton v Derbyshire County Council and others*, [2016] UKEAT 0238 cases.

taken over the role of labour law in this regard and are the primary legislation the EMIWE has to navigate not only in the labour market as workers and employees but also as self-employed/ entrepreneurs.

The labour law and immigration law, on their own, impact the AIW on different levels. However, the interaction between these two laws also affects the businesses of AIWEs. The immigration law is already a cumbersome framework that AIWEs struggle to navigate how much more its interaction with the labour law. The outcome of the interaction between these two laws determines the nature of the economic activities AIWEs can embark on, the duration of the timeframe of starting their business, financial resources, and the characteristics of their businesses.

### *2.2.1 Nature of economic activities*

Immigration and labour law impact AIWE employment and influence their decisions on different levels. It assumes the position of the labour law in employment matters. However, the intersection of these two laws is even more restrictive. The immigration law determines the immigration status of the AIWE, which can determine the economic activities the AIWE can do, i.e., the type of paid job, underemployment, wage, and social benefits. In summary, it determines their access, flexibility, and bargaining power in the labour market, which forces them out of the market to seek other forms of employment.

Meanwhile, leaving the job market for entrepreneurship does not necessarily guarantee AIWEs economic security and freedom. Regulatory controls, blockages or barriers to markets, educational and labour market discrimination, and different forms of racism confront them.<sup>486</sup> Is it the case of falling from the frying pan into the fire?

### *2.2.2 Timeframe of AIWE entrepreneurship*

The interaction of immigration and labour law determines when an AIWE can stop paid employment and venture into entrepreneurship. Depending on their immigration visa route, this can take years for some AIWEs.

The table below shows the data collected on 25 women. It displays how long it took them to start a business as an impact of the interaction between

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<sup>486</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

labour law and immigration law, which determined the pace of their entrepreneurial journey.

Table 2: Duration of stay before an African immigrant woman entrepreneur starts a business.

	Name	Length of Stay(years)	Years of Operation	Years of stay before starting business
1	Abena	20	7	13
2	Adzo	6	Operated 1 ½	4 ½
3	Afi	6	1	5
4	Akosua	18	12	6
5	Aku	15	9 and 4	6
6	Ama	15	12	3
7	Amara	18	2	16
8	Anopa	16	3	13
9	Asante	13	3	10
10	Awa	23	19	4
11	Chioma	15	3	12
12	Dalitso	20	12	8
13	Danai	17	3	14
14	Dembe	24	10	14
15	Efe	16	11 and 2	5

1 6	Ife	14	8	6
1 7	Minata	9	2	7
1 8	Ngozi	12	3	9
1 9	Nyoka	33	2	31
2 0	Oni	4	2	2
2 1	Sanaa	9	2	7
2 2	Sita	17	4	13
2 3	Upendo	35	3	32
2 4	Vimbo	20	6	14
2 5	Yawa	16	Operated 3	13

Source: Data from interviewees

*To get the total number of years it will take an AIWE to set up a business upon their arrival in the UK will mean deduct their years of operating the business from the length of stay-Length of stay (LS) minus (-) Years of operation= duration of stay before AIWE business set up.*

*NB: The most extended operating business is used for those with two firms, as it was the entrepreneur's first business.*

Table 3: Summary of the duration of stay before an African immigrant woman entrepreneur starts a business.

Years	2-5	6-10	11-15	16-20	21-25	26-30	31-35	36+
No.	6	8	8	1	0	0	2	0
Highest	6-10, and 11-15							

*From the table above, 6 of the AIWEs lived in the UK for between 2 and 5 years, 8 of them stayed between 11 and 15 years, only one between 16 and 20 years, and two between 31 and 35 years before starting their businesses. In total, 16 AIWEs lived in the UK between 6 and 15 years before starting their businesses.*

The data reflects the immigration requirements of an immigrant who is expected to stay in the UK continuously for at least five years before getting indefinite leave to remain (ILR).<sup>487</sup> The interesting thing is that the two AIWEs who fell within this range were asylum seekers. The entrepreneurial journey is, on average, longer for asylum seekers because it takes them longer to establish their immigration status, i.e. refugee status. Refugee status at least guarantees them some economic activities, including entrepreneurship.

### 2.2.3 Building Financial Capital

Entrepreneurship walks hand in hand with financial resources. However, the immigration process drains the AIWE of her finances. This process is from when they first enter the UK to the point where they qualify for settlement status or British citizenship; money is spent every step of the way. Immigration law determines their wage in the labour market, and labour law can do nothing about it. It does not permit them to work enough hours to accrue the money lost during the immigration process because of the 'restrictions that come with specific visa categories'.<sup>488</sup> Even when they can

<sup>487</sup> Note 73

Indefinite leave to remain is a settlement route that allows immigrants to start businesses with fewer restrictions than starting a business on an entrepreneurship visa.

<sup>488</sup> Note 528



work, it is still in low-paid jobs, areas where the employment contract needs to do more to secure their rights. This leaves most AIWEs with little to start a business with right away, so they need more time to pool resources. And, they must find a funding source, mostly settling on paid labour to accrue capital for their business.

### 2.3 Characteristics of the business

The interaction between the labour and immigration law affects the structures and operations of the AIWE businesses. It affects the type of business, employees, image, and business growth.

#### 2.3.1 *Type of Business*

AIWEs mostly use personal investment or family support to start their businesses due to the lack of access to bank loans or other financial resources, as the sizes of their businesses are micro or small. Five women had said they needed more capital to start their businesses. When asked whether they would do a different business if they had access to more considerable capital, they said no and would start the same business on a larger scale. This means the lack of capital does not necessarily affect the business choice but the size and how it is operated. Thus, the sizes of the AIWEs business are either micro or small because they started with minimal or no capital. Some of the businesses have no employees, and others have few. To categorise the type of businesses these AIWEs have, I found that most of them fall under micro-enterprises as their employees are fewer than 10. In the table below, I used the number of employees of the AIWB to categorise them into the type of business (es) they operate.

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On the Tier 4 student visa, one cannot work for more than 20 hours per week. You are also restricted to certain types of work and prohibited from certain economic activities.

You are not permitted to:

Be employed as a doctor in training (except on a recognised foundation programme).

Be employed as a professional sportsperson (including a sports coach).

Be an entertainer (including actors, musicians, dancers etc).

Be self-employed or engage in business; or

fill a full-time, permanent vacancy (except on a recognised foundation programme or as a student union sabbatical officer).

Tier 4 student guide.

Table 4: Type of business

Enterprise	No employees	Micro (fewer than 10 employees) (1-9 employees)	Small (10 to 49 employees)	Medium-sized (50 to 249)
No.	11	13	1	0
Highest	Micro enterprise			

*From the table, eleven businesses had no employees but had either subcontracted the work or had volunteers. Those manning charities and social enterprises <sup>489</sup> We had more volunteers working with them. Thirteen businesses have between 1 and 9 employees, and only one has 10 employees.*

### 2.3.2 Type of employees

Regarding employees previous studies have shown that ethnic minority businesses usually employ people from their ethnicity, known as co-ethnics. This is because job adverts from ethnic businesses mostly turn up migrants.<sup>490</sup> My data also shows that there were more ethnic employees than non-ethnic employees. Nonetheless, most of the AIWEs were indifferent about the ethnicities of their employees so long as they could do the work. However, others said employing people from their ethnic minority group helps reduce unemployment within their group, as it is difficult for ethnic minority immigrants to find good jobs due to their immigration status, which influences their employability.

Interestingly, when some of the AIWEs were asked why they did not have many employees, the answers came down to finances. Some second-tier organisations buttress the point that most AIWEs cannot employ because *“obviously, if you employ people, you have insurance contributions, pension contributions, those can start to have a huge cash implication on the business. Moreover, other tax obligations that are there.”*<sup>491</sup> However, many AIWEs believe they can employ more employees from diverse backgrounds as their businesses grow. The table below shows the breakdown of the exact number of employees each business has and their ethnicity.

<sup>489</sup> Note 75

Some of the women first owned charities and then later created social enterprises on the side, which would bring in some form of revenue to support the charities.

<sup>490</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p.970.

<sup>491</sup> Interview with Blessings LLP (Glasgow, Scotland, 9 March 2022).

Table 5: Employees

	Name	No of Employees	Ethnicity
1	Abena	3	1 Black, 2 Whites
2	Adzo	2	2 Blacks
3	Afi	0	N/A
4	Akosua	0 and (2 contractors)	No comment
5	Aku	4	2 Blacks, 2 Whites
6	Ama	0	N/A
7	Amara	0 and (volunteers)	Black
8	Anopa	0 and (Volunteers)	Different ethnicities
9	Asante	0	N/A
10	Awa	10	10 Blacks
11	Chioma	0 and (volunteers)	Different ethnicities
12	Dalitso	0	N/A
13	Danai	0 and (volunteers)	Whites
14	Dembe	Three and (3 contractors)	2 Blacks, 1 Whites
15	Efe	Five and (volunteers)	5 Blacks
16	Ife	0	N/A
17	Minata	0 and (volunteers)	Black
18	Ngozi	1	1Black

19	Nyoka	3	1 Black, 1 Asian, 1 White
20	Oni	7	4 Blacks, 1 Asian, 2 Whites
21	Sanaa	Three and (volunteer)	2 Blacks, 1 Asian
22	Sita	3	1 Black, 2 Whites
23	Upendo	One and (2 contractors)	1 Black
24	Vimbo	One and (volunteers)	1 White ethnic minority
25	Yawa	1	1 White
		47 employees	32 (B), 11(W), 3 (A), 1 (WEM)

*Out of the 47 employees, 32 are Blacks, 11 are Whites(natives), 3 are Asians, and 1 is a White ethnic minority. This excludes contractors like consultants and volunteers.*

Thus, it is evident that AIWE businesses are likely to employ from within their group. Whether this is peculiar to ethnic minority businesses or whether other entrepreneurs, like native entrepreneurs, will do the same for their ethnic group is a topic for research.

### 2.3.3 Type of image

Another impact of the interaction between immigration and labour law is that it creates a specific image for ethnic minority and immigrant businesses, including AIWB. They are seen as businesses that contribute little to the UK economy and only serve their ethnic community.<sup>492</sup> However, Monder Ram et al. disputed these arguments about migrant businesses not contributing significantly to the creation of jobs and the prosperity of the UK.<sup>493</sup> Who, through empirical research, found that the economic and social contribution of what they call 'unsung migrant' firms cannot be neglected as the data they

<sup>492</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

<sup>493</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

collected on new migrant firms showed that even the most marginal business owners created employment, catering for the needs, and help integrate new communities into the British society.<sup>494</sup>

#### 2.3.4 Type of growth

Labour law deficiency, coupled with restrictive immigration rules, contributes to the slow growth of most AIWE businesses. Because labour law does not offer security and welfare for the self-employed and there is a lack of access to public funding for immigrants under the immigration rules, most women continue in wage employment to benefit from the welfare system until their businesses have grown and can offer them suitable security and welfare. This affects the hours dedicated to the business, leading to the slow or stunted growth of these AIWE businesses.

#### 5.2 Immigration Law and the African Immigrant Women Entrepreneurs (AIWEs)

Unlike other employees, labour law takes centre stage in their economic activities; with AIWEs, immigration law takes that spot. Everything an AIWE does in the UK is dependent on immigration law, as it has the power to influence other laws like labour law and to determine which economic activities to engage in and at what time. Meanwhile, immigration law is not exactly friendly to AIWEs.

#### 2.4 Asylum seekers

The immigration rules restrict asylum seekers from working or starting a business while their visas are being considered because "entering the country for economic reasons is not the same as seeking asylum; it is important to keep the two separate".<sup>495</sup> Dias-Abey and Bales mentions how "market access for asylum seekers is intentionally limited by policymakers due to the unsubstantiated assumption of that the right to work is a pull factor for

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<sup>494</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p.961.

<sup>495</sup> UK Visas and Immigration, 'Guidance: Working in the UK while an asylum case is considered' (*Open Government Licence v3.0*, 21 February 2014) <<https://www.gov.uk/government/publications/working-while-an-asylum-claim-is-considered/working-in-the-uk-while-an-asylum-case-is-considered#:~:text=Most%20asylum%20applicants%20are%20not,straightforward%20claims%20within%206%20months.>> accessed 12 January 2023.

asylum seekers coming to the UK”.<sup>496</sup> Some second-tier organisations describe how this policy restricts EMIWEs. According to Grace consultancy ‘A lot of people feel the same way, they cannot see the sense in the policy around refugees and asylum seekers; it leaves people in precarious temporary situations when they must establish a life’.<sup>497</sup> Everyone “will tell you that is precisely what they want to do: get a job and get the security that comes with having a job and contributing to the community”.<sup>498</sup>

However, there have been some recent changes, including the ability of asylum seekers to apply to work if their applications have been under consideration for a year.<sup>499</sup> Some critics, including the AIWEs I interviewed, believe that something more can be done about this policy where the period can be reduced to 3 or 6 months. This asylum seekers policy particularly discourages entrepreneurship among ethnic minorities with asylum backgrounds. My interview data shows that the AIWEs (Anopa and Minata) who came through the asylum route took longer to start their businesses than other AIWEs. For example, Minata had lived in the UK for nine years at the time of the interview, but her business is only two years old; this means that it took her seven years to be able to start her business, although she was one of the women with a business background and has engaged in business activities in her home of origin. Likewise, Anopa has lived in the UK for 16 years, but her business is only three years, meaning she lived 13 years in the UK before finally starting her business.

### 3. Business legislation

The EMIWE still has general requirements to establish and successfully run her businesses. African immigrant women entrepreneurs must comply with other business regulations, such as licensing requirements, data protection laws, and consumer rights regulations. In this section, I discussed how the interconnectedness of AIWEs’ race, ethnicity, and immigration status influences their interaction with business laws.

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<sup>496</sup> Manoj Dias-Abey and Katie Bales, *Migration, and Work in Post-Brexit UK* (1<sup>st</sup> edn, Chapel Press 2023)24.

<sup>497</sup> Interview with Grace Consultancy (Glasgow, Scotland, 1 March 2022).

<sup>498</sup> Interview with Grace Consultancy, *supra* note 497.

<sup>499</sup> Melanie Gower, CJ McKinney, and Lulu Meade, *Asylum seekers: the permission to work policy* (Research Briefing, The House of Commons library 2022).

### 3.1 Financial resources

#### 3.1.1 *Bank accounts*

Some bank regulations do not permit ethnic minority immigrant entrepreneurs (EMIE) to open a business account if they do not have more than six months of stay on their resident permit, i.e., even if they have a personal account. For instance, my colleague and I were denied access to opening a business account. However, we had registered the business with the Company House and had all the required documents, except that we had only six months of stay remaining on our visas. Meanwhile, a business account is essential for any business to receive any form of funding or investment or even just for the day-to-day running of the business. Most investors will request an official business account in which they will transfer anything of monetary value to the business for tracking and documentation purposes. The lack of a bank account could blow the business, as happened in the case of my colleague and me. These grey areas in the law leave the immigrant at the mercy of the institutions executing these laws.

#### 3.1.2 *Loans*

Loans have been a significant challenge for most EMIE. Although banks have internal regulations and guidance in their relationship with the customer, different legislation defines the scope and operations of their activities. The following laws, i.e. the Financial Services and Market Act 2000, the Financial Services and Markets (Regulated Activities) Order 2001, Consumer Credit Act 1974 (amended in 2006), Financial Services and Market Act 2000, etc, regulate the activities of banks including licensing, consumer credits like loans, mortgage activities, deposit taking and investment funds. Research shows that 'most ethnic minority immigrant businesses (EMIB) are less likely than White businesses to be denied a loan outright, although this unfavourable credit outcome may vary among EMIBs'.<sup>500</sup> This can be a result of the prejudice that ethnic minority immigrant entrepreneurs (EMIE) will not pay back loans.<sup>501</sup> Alternatively, the 'reality is that EMIEs are likely to

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<sup>500</sup> Note 61

'Black African firms are more than four times as likely as White firms, Black Caribbean firms are 3.5, Bangladeshi firms are 2.5, Pakistani firms are 1.5, and Indian firms have slightly lower loan denial rates than White firms'. Carter et al, supra note 24, page 52.

<sup>501</sup> Carter et al, supra note 24.

miss loan repayment, have bad financial track records, or sometimes exceed their overdraft limit, probably because of banks' high loan refusal rate.<sup>502</sup>

### *3.1.3 Collateral*

For loan acquisition, the EMIWE needs a business track record and collateral to access loans or get financial support from banks.<sup>503</sup> Some bank regulations make it almost impossible for EMIWE to access loans. Accessing loans is difficult, if not almost impossible, for many immigrant women entrepreneurs (IWE). Because most of them do not have financial track records needed in their host countries, others do not have collaterals from their countries of origin

‘Also, some of these women do not have any financial capital as most of them would have used their funds in the payment of immigration fees in order to acquire permanent status.

My observations from the three women-led organisations I worked with were that there are many immigrant and ethnic minorities here, like refugees and asylum seekers, who do not even have bank accounts. Some women the organisations worked with did not see the need to open bank accounts; others thought that because they used their husbands' bank accounts, that should be sufficient as that is their culture, so they did not have any banking history. In fact, for some of the women, "coming into the UK and leaving their countries of origin means they can escape the control of a patriarchal moral order, thus challenging and disrupting that order by claiming certain freedoms abroad".<sup>504</sup> While this is not the banks' fault, in a culturally diverse country like the UK, some of these things should be considered when the need arises for such women to access these financial institutions, especially if they are starting a business.

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<sup>502</sup> Carter et al, supra note 24.

<sup>503</sup> Wood et al, supra note 395.



## 3.2 Business Management

### 3.2.1 Business Space

Housing is an essential capital for a business start-up. Although "the right to adequate housing is considered a cardinal human right",<sup>505</sup> An immigration status can determine the kind of housing one can obtain, even for business space. This is because one needs to present legal documents of their immigration status and provide guarantors with access to personal housing or business space. The EMIWE's guarantors must be someone with a settlement status or citizenship. As most cases reveal, EMIWE may not readily know such people and must rely on their social networks to pull this through. Also, the law does not permit UK landlords to allow business operations from home, so the EMIWE cannot run a business from a rented flat.<sup>506</sup> However, if the entrepreneur owns<sup>507</sup>, The building or a part of the building has an assured tenancy.<sup>508</sup> Moreover, a tenancy cannot be assured tenancy if it is one of the exceptions listed in the Housing Act 1988.<sup>509</sup> This may differ from the culture of many EMIWEs in their country of origin. For instance, for AIWEs from Ghana, it is common practice to operate a business from a rented home, albeit the landlord must be informed. Nonetheless, with the recent impact of COVID-19, most companies have been operating from home. This will change the narrative for the UK, where most landlords will be permitted to accept the operation of businesses from homes.

### 3.3.2 Licensing, Certifications and Qualifications

Different laws give authority to other bodies to regulate the activities of specific professions and sectors, including the certification and qualifications of its members. The Licensing Act 2003 provides power to licensing

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<sup>505</sup> The International Covenant on Economic, Social and Cultural Rights (adopted 16 December 1966 UNGA Res 2200A (XXI)) (ICESCR), art 11 (1) states that the present Covenant recognises the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing, and housing, and to the continuous improvement of living conditions.

<sup>506</sup> Spijkerboer and Walsum (eds), supra note 400.

<sup>507</sup> Housing Act 2004, a person owns any common parts of a building if he owns the building or part of the building concerned or (or in the case of external common parts) of the premises in which the common parts are comprised.

<sup>508</sup> A lifelong tenancy which only ends if you leave or are evicted.

<sup>509</sup> Note 66

Tenancies Which Cannot be Assured Tenancies  
Housing Act 1988 schedule 1-13 (4)

authorities to regulate licensable activities.<sup>510</sup> The European Union (Recognition of Professional Qualifications) Regulations 2015 also gives European Union authorities the authority to regulate professional qualifications. Although the Act allows for the recognition of qualifications of professionals from Third World countries (the home of origin to most of these EMIWEs), it is only for those coming to the UK temporarily.<sup>511</sup> Suppose an individual decides to settle in the UK. In that case, they will have to retake their professional programme or undergo certificate scrutiny for their qualification to be recognised. However, members from the European Union are exempted from provisions in sections 12 and 25, but this has changed since the UK exited the EU; this Act no longer applies. Instead, discussions are ongoing for a 'bilateral agreement between the EU and the UK, but if that does not materialise, an interim system will be put in place by January 2021'.<sup>512</sup> Which 'would allow holders of EEA and Swiss qualifications to seek recognition of their qualifications where they meet UK standards'.<sup>513</sup> There are other Acts<sup>514</sup> That give power to regulatory bodies.<sup>515</sup>, professional

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<sup>510</sup> Licensing Act 2003.

<sup>511</sup> European Union (Recognition of Professional Qualifications) Regulations 2015, s 12 (1)-s13 (3):

12. (1) Subject to the provisions in regulations 13 to 24, a competent authority may not, for any reasons related to professional qualifications, restrict an applicant who moves to the United Kingdom to provide professional services.

(2) In this part, references to "professional qualifications" include those qualifications for an applicant whose qualifications were obtained in a third country.

13(1) The provisions of this part only apply where the applicant moves to the United Kingdom to provide professional services on a temporary and occasional basis.

(2) The competent authority must assess on a case-by-case basis whether the provision of professional services is on a temporary and occasional basis concerning its duration, frequency, regularity, and continuity.

(3) Where the applicant moves to the United Kingdom, the applicant will be subject to the professional rules of the relevant body or bodies referred to in Parts 1 and 3 of Schedule 1.

<sup>512</sup> The Department for Business, Energy, and Industrial Strategy, *The Recognition of Professional Qualifications and Regulation of Professions: Call for Evidence* (1<sup>st</sup> ed, Open Government Licence v30 2020) 11.

<sup>513</sup>The Department for Business, Energy, and Industrial Strategy, *supra* at note 477, p12.

<sup>514</sup> Legal Services Act 2007, Health and Social Care Act 2012, The Health and Social Care (Safety and Quality) Act 2015, Mental Health Act 1983, The Medical Act 1858, Midwives Act 1902 and the Nursing Registration Act 1919, NHS Reform and Health Care Professions Act 2002, The Education (Recognised Bodies) (England) Order 2000, Banking Act 2009, Education Act 2011, Public Health (Control of Disease) Act 1984.

<sup>515</sup> Note 62

Four renowned regulators are present in the UK: Ofqual (England), Qualifications Wales (Wales), CCEA (Northern Ireland), and SQA (Scotland).

bodies<sup>516</sup>, agencies/ councils<sup>517</sup> and standard authorities<sup>518</sup> to recognise the qualifications of their members.

Most of these organisations or institutions will only accept accreditations and certificates not acquired in the host country, citing that they do not meet the UK's standard or cannot ascertain whether they were acquired genuinely. Consequently, most EMIWEs must reacquire their certificates, qualifications, and accreditations in the UK, as the credibility of qualifications received in another country is less valid than its equivalent.<sup>519</sup> Also, the process an EMIWE must go through to get their qualifications recognised is particularly restrictive because most are economic immigrants who aim to start work or business immediately after they arrive. Therefore, waiting for their qualifications and certificates to be scrutinised and recognised, wondering if they will pass the quality checks, only prolongs their access to employment or their journeys to entrepreneurship.

### 3.3.3 Taxes and Insurance

The Income and Corporation Taxes Act, Financial Act 2004, Financial Acts 2014, and Corporation Tax Act 2010 are the principal legislation that spells out the financial and insurance responsibilities of entrepreneurs and their businesses. The Finance Act 2004 section 25 pegged the corporation tax rate at 30% for the financial year.<sup>520</sup> These rates change as the years go by; 'every entrepreneur is expected to give notice of coming within the charge to corporation tax and payments are to be done through the HMRC'.<sup>521</sup> However, some organisations, primarily NGOs and Non-profit organisations, are recognised and exempt from paying corporation tax.

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<sup>516</sup> Note 63

Association of Chartered Certified Accountants, Chartered Insurance Institute, Chartered Institute of Credit Management, Chartered Institute for Securities and Investment, Chartered Institute of Legal Executives, Institute of Leadership and Management, and Chartered Institute of Marketing.

<sup>517</sup> Note 64

Health and Care Professions Council (HCPC) - The HCPC regulates the profession of social work and social work education in England and other countries.

<sup>518</sup> Note 65

The Bar Standards Board (BSB) is the regulator of barristers and specialised legal services businesses in England, Wales, and other countries.

<sup>519</sup> Wood et al, supra note 395.

<sup>520</sup> Finance Act 2004, s 25.

<sup>521</sup> Finance Act 2004, s 70(a).

The Act also extensively outlines the registration of pension schemes, and the penalties should a company default.<sup>522</sup> Section 275 also talks about insurance companies, and it is the responsibility of every employer to pay their National Insurance (NI) and make sure an employee's NI is deducted from their salaries as well. Employees are expected to pay Class 1 NI contributions, 12% for those who earn between £792 to £4,167 a month) Moreover, 2% for those who earn £4,167 a month and over.<sup>523</sup> Entrepreneurs (self-employed) pay Class 2 and Class 4 National Insurance. They are expected to calculate this through the Self-Assessment platform, which could be cumbersome for an EMIWE using this system for the first time. It is not tech-savvy since most need more financial muscle to hire an accountant and handle their finances.

### *3.3.4 Employees*

As stated earlier, immigration laws affect all aspects of an immigrant's life. For example, the Immigration Acts of 2014 and 2016 expanded immigration checks into new areas.<sup>524</sup> The Asylum and Immigration Act 1996 had rules for employers who employed an illegal worker (an immigrant without papers); these employers would be prosecuted criminally.<sup>525</sup> Since EMIWEs are the most likely to employ fellow ethnicities, they must be careful not to employ fellow immigrants whom they may not be aware do not have the correct immigration papers. Because they may find themselves in trouble during 'workplace raids and arrests of illegal workers, albeit this is no longer the case.'<sup>526</sup> What has also changed is the criminal prosecution of workers in the 'Asylum and Nationality Act 2006. One has received civil sanctions such as fines ranging from £2000 per illegal worker to as much as £20000 per worker since 2014.<sup>527</sup>

### *3.3.5 Minimum Wage*

The National Minimum Wage Act 1998 directs 'all employers to pay their workers irrespective of their job at least the minimum wage that the

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<sup>522</sup> Finance Act 2004, s153-153(c).

<sup>523</sup> National Insurance Guide, available at 'National insurance' <<https://www.gov.uk/national-insurance>> accessed 12 December 2020.

<sup>524</sup> Yeo, *supra* note 70.

<sup>525</sup> Yeo, *supra* note 70.

<sup>526</sup> Yeo, *supra* note 70.

<sup>527</sup> Yeo, *supra* note 70.

Secretary of State may from time to time prescribe'.<sup>528</sup> As of April 2024, 'the national living wage for those 21 and over is at £11.44, and the national minimum wage as of April 2023 for ages 23 and over is £10.42, ages 21-22 is £10.18, ages 18-20 is £7.49, under 18 is £5.28 and apprentice rate at £5.28'.<sup>529</sup> Every employer must pay this amount to employees or face the law. EMIWB, who cannot pay this wage, would either employ co-ethnics or not have any employees at all. My observation from the three women-led organisations was that the employers who did not have enough to pay the minimum wage resorted to taking on more volunteers who were paid money to cover expenses like travel and food. This impacts the business since the expertise needed to grow certain areas may be lacking.

#### 4. African immigrant women entrepreneurs and their journey through the legal framework

The legal framework the AIWE must navigate is not only made up of immigration and labour law and policies, but there are also other regulations and policies regarding the running of small businesses, which include the payment of tax/HMRC, insurance, licenses, understanding of the laws and compliances discussed above. Aside from the fact that there are many laws, most of them are very new to the AIWE. One of the second-tier organisations said, *"There are multiple laws that any business setting up in the UK will have to abide by. Many migrants may have the mindset of their home countries where the laws are there, but the implementation is not there"*.<sup>530</sup> He pointed out that, indeed, there are multiple pieces of legislation that the AIWE must acclimatise to, and this becomes difficult because of the differences in the regulatory regimes of the countries of origin and that of their host countries. Abena, who operated businesses in Ghana, her country of origin, before moving to the UK, is a good case study regarding the number of regulations and requirements she had to comply with to establish her business and start its operation fully. She spoke about registering her business with the local council and how environmental officers came to check to see if her premises met the hygiene standard. She said, *"The hygiene standard*

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<sup>528</sup> Minimum Wage Act s 1-3.

<sup>529</sup> National Minimum Wage and National Living Wage rates available at <<https://www.gov.uk/national-minimum-wage-rates>> accessed on 13 January 2020

<sup>530</sup> Interview with Blessings LLP, supra note 491.

*before you will be accepted to cook, or when you start, they will come and check it.*

*Moreover, if it is not the standard, either they will close your business down or ask you to improve the hygiene".<sup>531</sup> She also narrated how she had to register for tax and insurance, secure a licence to sell certain products and join a union. All these, she said, were very necessary for the starting of the business and its successful running and growth:*

*When the business is up to the profit that you can pay tax, you cannot do it without registering with the revenue...also, you must get insurance for the business, so there are many laws about this...if it is with alcohol too, then you need a licence for the alcohol. As for the insurance, you cannot even operate it if you do not have it. Moreover, there is a union and another thing that you must join many things around it.<sup>532</sup>*

In her country of origin, she can start her business without fulfilling all these requirements, but as the business grows, you gradually upgrade to putting all the proper standards in place.

Also, those engaged in international trade have laws from other countries besides the UK to battle with. Akosua, who trades between Ghana and the UK, said she must comply with regulations from both countries: Ghana, where she sourced her products and services, and the UK, where she sold her goods and services.

*It's a pretty cumbersome process because you must register as an importer in Ghana and the UK. The Ghana government has its regulations, and when you bring the goods into the UK, we, the importers or the business owners, must also consider who is making these garments for my business. We are running an ethical business, not taking advantage of people. My business is on the balance of fair trade.<sup>533</sup>*

Yawa also voiced her frustration with the many laws she must navigate. According to her, the myriads of statutes is simple, but understanding what the law is saying or getting someone who fully understands the law is the problem. She said you are expected to read and understand and comply with

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<sup>531</sup> Interview with Abena, an African immigrant woman entrepreneur (Glasgow, Scotland, 1 February 2022).

<sup>532</sup> Interview with Abena, supra note 531.

<sup>533</sup> Interview with Akosua, an African immigrant woman entrepreneur (Glasgow, Scotland, 10 January 2022).

the law you barely understand, and failure to comply means you face any repercussions that come with it. She narrated how she had to figure out which rules to comply with when importing goods into the UK as there was too much conflicting information online.

*I thought, okay, I could get those things from home, but then you need a licence. They even gave me only a permit to import garlic. Can you imagine garlic? Yes. So, there are certain things you cannot import into the country.*

*Moreover, that is why when my goods came, all the dry fish in it, they seized everything. Moreover, because the policy says that you cannot bring so and so, it was just because nobody was explaining anything to you. Everything is online. You can't even get anybody to talk to you and find out, so can I bring this?<sup>534</sup>*

Some second-tier organisations admitted that some laws can be quite limiting, as there are cost implications for compliance and satisfying the obligations of all these laws.

*Understanding of certain aspects of the law. Some excellent detail goes into that; it's a bit complex. Just being able to follow those laws has enormous costs, significantly if you need help understanding them. There's a whole host of regulations that could be more relaxed, which can start to cause many problems quickly.<sup>535</sup>*

This is not to say that the laws should be relaxed for AIWEs because, of course, some of these laws are necessary for the safety of the consumer, including the AIWE. Instead, they should get more guidance from implementation bodies and support organisations to thrive in the business environment because their burden is heavier than that of the average entrepreneur.

## Conclusion

In conclusion, the legal framework that AIWEs must navigate, from the inception of their businesses to their expansion, is a vast and financially demanding labyrinth. It is a complex and ever-evolving system, particularly immigration law,

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<sup>534</sup> Interview with Yawa, an African immigrant woman entrepreneur (Glasgow, Scotland, 28 January 2022).

<sup>535</sup> Interview with Blessings LLP, supra note 491.

which permeates every aspect of immigrants' lives. The intricate interplay between immigration laws, anti-discrimination legislation, and business regulations forms the foundation of the environment in which these entrepreneurs operate, ultimately placing constraints on EMIWB's activities.

Immigration policies have a profound impact on the entrepreneurial aspirations of ethnic minority women in the UK. The journey to entrepreneurship is often complicated by visa requirements and limitations, which can impede the full realisation of their entrepreneurial potential. This is primarily due to the powers vested in the Secretary of State for the Home Office by Section 24 of the Immigration Act 1971, which allows for changes to the immigration rules at their discretion. This dynamic affects African immigrant women entrepreneurs in various ways, including restrictive visa routes, uncertainty about immigration status, the hostile environment, and access to justice.

AIWE must deal with the law's inaccessibility, unintelligibility, unclearness, and unpredictability. Lawyers and judges have struggled to keep up with the UK immigration system and have called for reform.<sup>536</sup> Immigration law is a 'total nightmare, not just to the migrant but to citizens, lawyers, businesses, in fact even to the Home office'.<sup>537</sup> For an AIWE, starting and establishing a business is particularly expensive because of all the costs involved in the visa application processes, acquisition of license/certification/ qualifications, housing/ collateral, justice, etc. Not much can be done about these costs, as they keep escalating as the laws and policies keep changing.

The interaction between immigration and labour law constrains AIWB entrepreneurship because of the authoritative nature of immigration law over labour law. Employment contracts cannot secure the rights of African immigrant women in the labour market because immigration rules have predetermined the type of economic activities and how they can engage in the labour market. Moreover, even when this forces some AIWs to become AIWEs, the interaction of these two laws dictates the characteristics of their businesses, i.e. type of business, employees, image, and business growth.

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<sup>536</sup> Yeo, *supra* note 70.

<sup>537</sup> Yeo, *supra* note 70.



The AIW, however, can do little about the relationship between these two laws than find ways to circumvent it.

This does not suggest that all the legal framework which oversees the activities of EMIWBs does is to restrict or stall the growth of these businesses; on the flip side, it legitimises these businesses for investment opportunities. Neither are these legal frameworks the only barriers that constrain the smooth operation of AIWE businesses; other factors are discussed in Chapter 5 of the thesis.

Reforming the immigration system and all the other laws relating to EMIWB will allow these businesses to thrive. That way, their tax net can be more extensive, and the returns can be massive. Why cook the egg (AIWB) or fry it with immigration rules, labour policies and operational regulations before it hatches? It is profitable to wait for them to hatch so we can enjoy a proper McDonald's!

## Chapter 4: Why African Immigrant Women become Entrepreneurs in the UK

### Introduction

Research on ethnic minority entrepreneurs shows that the reasons ethnic minority entrepreneurs will start businesses are because of two significant factors: push and pull factors. My analysis of data from my interviews with 25 African women entrepreneurs in Scotland shows that push and pull factors draw African women into entrepreneurship. However, the data also revealed factors besides push and pull factors that will make African women entrepreneurs venture into entrepreneurship. In this chapter, I examine the push and pull factors that influence African immigrant women entrepreneurs to start a business instead of staying in wage labour and how immigration and labour laws and policies shape their decisions. Then, I discuss the other factors, which I term 'idiosyncratic factors' for this study, that account for AIW's entrepreneurship. Subsequently, I explore how different the experience of an AIW becoming an entrepreneur is from that of other entrepreneurs.

Why do African immigrant women become entrepreneurs rather than stay in paid employment? Is it because of push or pull factors or other factors yet to be identified for which people generally decide to become entrepreneurs? The African immigrant woman's decision to become an entrepreneur is due to diverse reasons. Though there is literature on how push and pull factors are the significant reasons why ethnic minorities will start business, their interaction with these factors is not the same as that of other ethnic minorities. In Chapter 1 of this thesis, I examined the literature on the pull and push factors that influence ethnic minority immigrant entrepreneurs and entrepreneurs in general's decision to become entrepreneurs in the U.K. However, in this chapter, I build on these previous discussions with original data drawn from interviews conducted with 25 African immigrant women who have established their businesses in Scotland in significant cities, including Glasgow, Edinburgh, and Aberdeen, and with 9 Second tier organisations that support ethnic minority women entrepreneurs. Because I am using my original data, I focus more narrowly on the experiences of these African immigrant women whom I interviewed.

The aim is to discover why AIWs become entrepreneurs instead of engaging in wage labour, which offers employees some safety net. I will also analyse how labour and immigration laws shape this decision and how distinctive their reason for entrepreneurship is from that of other ethnic minority entrepreneurs.

I will first discuss the history of immigration and African immigrant women in Scotland. I examine the characteristics of these 25 women AIWs in Scotland, i.e., their country of origin, the reason for migrating to the U.K., their educational and qualification background, where they choose to live in Scotland, and why. Also, their nationality and immigration status, length of stay, age, marital status, and whether they are first- or second-generation migrants. All these characteristics can influence, to some extent, an AIWs decision to become an entrepreneur.

Secondly, I examine the push factors influencing the AIWEs' decision to become entrepreneurs. I will discuss how immigration and labour laws and policies are push factors. In this chapter, although there are other push factors like Lack of access to wage employment (LAWE) and Family and childcare duties (FACD). This is because immigration and labour law still influence the AIWs' ability to access wage employment and childcare and are the major factors that push AIWs into entrepreneurship. In chapter one of this thesis, I examined the literature on the general legal framework of ethnic minority immigrant women entrepreneurs (EMIWE) and the array of legislation like labour, immigration, minimum wage, taxes, welfare, etc, that they must operate in starting and growing their businesses. However, this chapter focuses on the extent to which immigration and labour law influence the entrepreneurial journey of AIWEs.

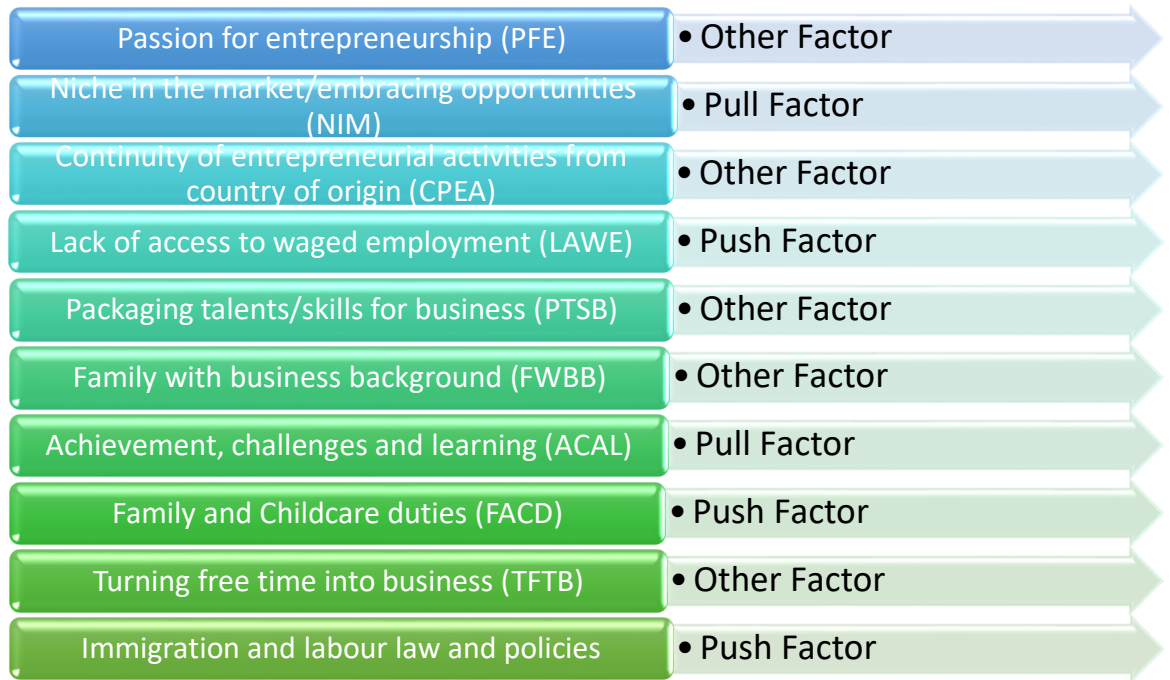
Furthermore, I will discuss how opportunities in the U.K. market draw AIWs into entrepreneurship. Research shows that immigrants are highly entrepreneurial than some of the natives in their host countries, and AIWs are no different. They can quickly discover opportunities in the communities in which they reside. I will discuss how pull factors like Niche in the market/embracing opportunities (NIM), Achievement, challenges, and learning (ACAL) influence the decision of the AIW to become an entrepreneur. Also, as data from the interviews have revealed, other factors influence the AIWs' decision to become entrepreneurs, such as their Passion for

entrepreneurship (PFE), Continuity of entrepreneurial activities from their country of origin (CPEA), Packaging talents/skills for business (PTSB), Family with a business background (FWBB), and Turning free time into business (TFTB). These factors are unique to the AIWE, distinguishing their entrepreneurial journey from the general ethnic minority entrepreneurs' experience.

Finally, I will outline the AIWE's entrepreneurial journey, summarising their initial experience, progress, and failure.

The table below shows the factors that pushed or pulled AIWs into entrepreneurship. Other factors are discussed in the sections that follow.

Figure 4: Entrepreneurship factors.



Source: Data from interviewees.

From the image above, five of the reasons given by the AIWE fall under other reasons, followed by two pull factors, NIM and ACAL, and three push factors, LAWE and FACD.

#### 1. History of immigration and the African immigrant woman (AIW) in the U.K.

The late 20th century witnessed changes in immigration policies, with a shift towards more restrictive measures. Policies like the Immigration and Asylum Act 1999 and subsequent legislation had implications for African immigrant women and their families, but this has not stopped AIWs from migrating to the U.K. Africans came to the UK and still come because of two primary causes: remote and immediate.<sup>538</sup> The remote cause is slavery, and the immediate cause includes wars, disasters, educational pursuits, work or professional pursuits, marital ties, family reunions and adoptions.<sup>539</sup> The 21st century has seen continued immigration from African countries, both through regular migration channels and, in some cases, forced migration due to conflict and persecution.

In 2021, approximately 6.0 million people with non-British nationality lived in the U.K. (i.e. 9% of the population), and 9.6 million people were born

<sup>538</sup> John Ogie, *Africans, and Racism in the diaspora* (Academy Press Plc 2014).

<sup>539</sup> Ogie, supra note 538.

abroad. By the end of June of the following year, 1.1 million people migrated to the U.K., and 560,000 people emigrated, leaving net migration at 504,000 people.<sup>540</sup> In March 2020, the main reason people immigrated to the U.K. was formal study, which accounted for 36%, followed by work, 32%.<sup>541</sup> Also, in the year ending June 2022, among non-EU nationals arriving in the U.K., the study was the most common main reason (around 277,000 people), and 'other' reasons (276,000 people), including arrivals under humanitarian schemes and family migrants.<sup>542</sup> An estimated 151,000 non-EU nationals came primarily for work in that year.<sup>543</sup>

In the following sections, I will discuss the AIW's immigration background, the history of immigration law, immigration law and AIWs in Scotland, the relevance of Indefinite leave to remain or settlement status, and the challenges of becoming a citizen in the U.K. for the AIW. These will provide background as to why immigration law is a catalyst for AIW entrepreneurship.

### 1.1 Migration background of the African immigrant woman

Most AIWEs who come to the U.K. fall within one of the points-based system tiers and come on visa categories that permit them to do some form of work since they are primarily economic migrants. Most of the ethnic minority immigrants, especially those from Africa, are coming from countries with economic challenges, which have been rated globally as developing or underdeveloped countries. The African women I interviewed are from some of these countries: Ghana (7), Nigeria (10), Zimbabwe (1), Rwanda (1), Congo (1), Zambia (1), Malawi (3), Angola (1), Uganda (2). Three of the AIWEs come from two different countries: Sita (Congo and Zambia), Vimbo (Zimbabwe and Malawi) and Nyoka (Angola and Congo). The figure below shows the countries of origin of these African women.

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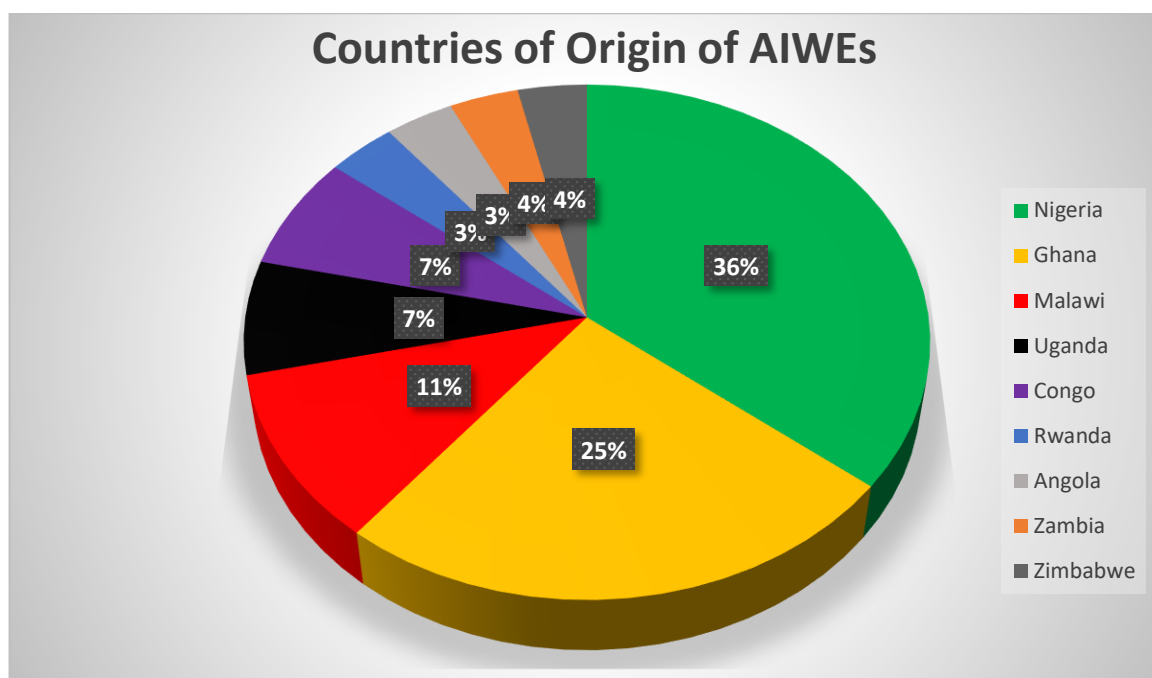
<sup>540</sup> Georgina Sturge, *Migration Statistics* (Research Briefing, The House of Commons Library 2022).

<sup>541</sup> Sturge, *supra* note 540.

<sup>542</sup> Sturge, *supra* note 540.

<sup>543</sup> Sturge, *supra* note 540.

Figure 5: Countries of origin of African immigrant women entrepreneurs.



Source: Data from interviewees.

Although the AIWs came into the U.K. through different immigration arrangements, the common intention is to find greener pastures. This is not uncommon, as the primary reasons most people immigrate are economic, safety and security, and, above all, welfare. The reasons why these women migrated include coming to join their families who were already residents in the U.K. (10) 7, coming for studies (10)<sup>544</sup>, seeking asylum (2)<sup>545</sup> and to work (3).<sup>546</sup> Although these women arrived in the country on different visa routes, it is indisputable that they were ready to engage in economic activities on arrival.

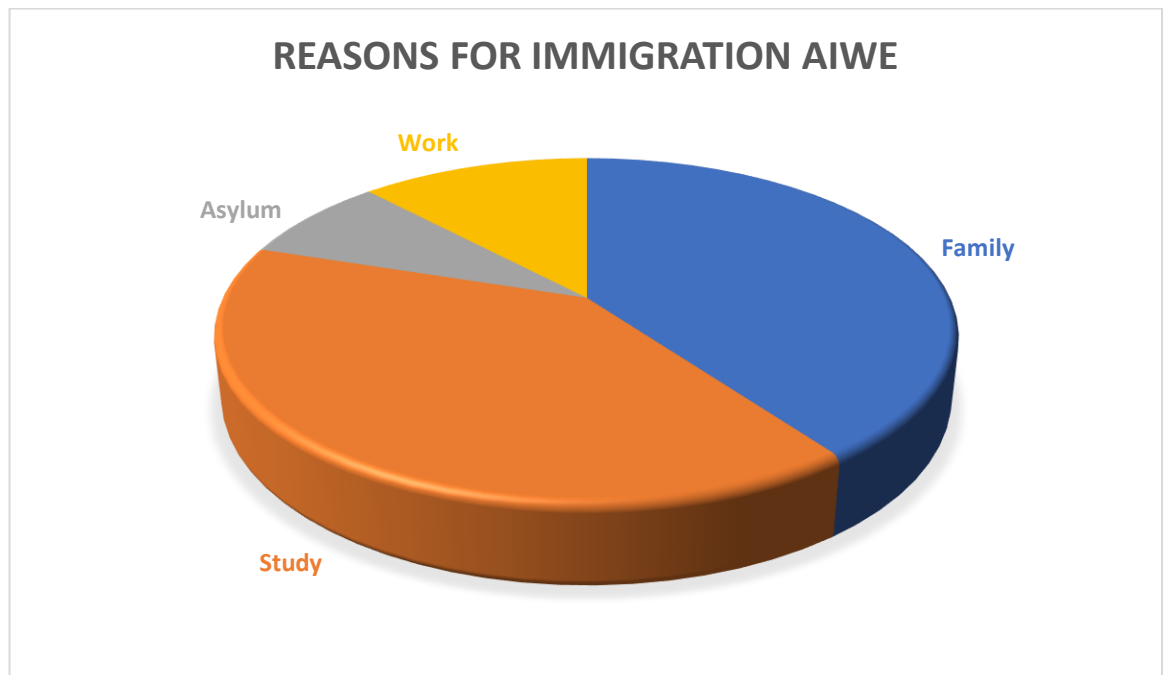
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<sup>544</sup> Tier 4 visa

<sup>545</sup> Asylum visa

<sup>546</sup> Skilled workers visa

Figure 6: Reasons for immigration.



Source: Data from interviewees.

### 1.2 History of Immigration law and the African immigrant woman (AIW)

To understand why immigration is a push factor, one must understand the history of immigration and the AIW in the U.K. Many developed countries have tried to control immigration because of its impact on their economy. This they do through the formulation of legislation and policies.

The U.K. has tried to control the influx of immigrants since the 1960s. The '1962 Commonwealth Immigrant Act was passed to prevent further non-White immigration to the U.K.<sup>547</sup> There were restrictions on movement with a system of work vouchers based on three skills tiers (A, B, C), where Caribbean and Asian migrants were in category C (the low-skilled category).<sup>548</sup> The 1968 Commonwealth Immigration Act further restricts the flow of immigration from commonwealth countries, i.e. to keep East African Asians out of the U.K.<sup>549</sup> It introduced the 'concept of partiality, entrenched differences in citizenship according to one's ethnicity through ancestral connections to the U.K.'<sup>550</sup> Interestingly, the Immigration Act 1971, which repealed all previous

<sup>547</sup> Will Somerville, *Immigration under New Labour* (1st ed, Bristol University, Policy Press 2007)240.

<sup>548</sup> Somerville, supra note 547.

<sup>549</sup> Somerville, supra note 547, pp.15-16.

<sup>550</sup> Somerville, supra note 547.



legislation except a few provisions, stated that Britain was a country of 'zero immigration'.<sup>551</sup> It had robust control procedures and immigration sanctions only in selected cases.<sup>552</sup> The 1971 Act declared an end to economic migration and introduced new restrictions on family reunification, ultimately stopping primary migration in 1971.<sup>553</sup>

Current immigration law is rooted in the 1971 Act; part 1 gives the Home Secretary power to make detailed rules on entry and exit.<sup>554</sup> Part 2 covers those with the right of abode, and Part 3 covers those without.<sup>555</sup> Hence, the 'Immigration Acts of 1962, 1968 and 1971 are seen as acts that halted immigration from commonwealth countries,<sup>556</sup> Including the countries of origin of the AIWs. Racism is said to be a driver behind these acts since the acts were in response to the volume of 'coloured' immigrants and had support from the two major political parties as both introduced restrictive measures.<sup>557</sup> Subsequent acts, like the 1993 Asylum and Immigration Appeals Act, introduced restrictive measures, such as fast-tracking procedures for applications judged to be without foundation.<sup>558</sup> The Act allowed the detention of asylum seekers while their claims were being decided and separated inferior provisions in housing and social security.<sup>559</sup>

Also, the 1996 Immigration and Asylum Act introduced new measures and concepts like the; 'fast track appeals process, sanctions for employers, welfare restrictions and removal of subsistence benefit, devised to restrict severely the entry of Asylum seekers, refugees and immigrants'.<sup>560</sup> These restrictions have not stopped but only evolved over the years, 'indeed, so regular are these changes that many are not even press-released by the Home Office'.<sup>561</sup>

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<sup>551</sup> Somerville, supra note 547.

<sup>552</sup> Somerville, supra note 547.

<sup>553</sup> Somerville, supra note 547.

<sup>554</sup> Immigration Act 1971 s 1 (4).

<sup>555</sup> Immigration Act 1971 s 2-3.

<sup>556</sup> Somerville, supra note 547, pp.16-17.

<sup>557</sup> Somerville, supra note 547, pp.16-17.

<sup>558</sup> Somerville, supra note 547, p.20.

<sup>559</sup> Somerville, supra note 547, p.20.

<sup>560</sup> Somerville, supra note 547.

<sup>561</sup> Somerville, supra note 547, p.29.

## 2. Immigration law and African immigrant women in Scotland

The U.K. immigration law and regulations are central to the life of any ethnic minority immigrant, like the African Immigrant Woman (AIW). It has the potency of making the AIW poor or prosperous wherever they live in the U.K. and whatever they do because immigration rules and policies cover the whole of the U.K. and are not devolved to Scotland, where this study was conducted. The Scotland Act of 1998, which set out the ground rules for devolution, reserved immigration control to Westminster.<sup>562</sup> However, the Scottish Government attempted after the Brexit vote in 2016 to secure bespoke devolution of powers over immigration north of the border, but the London ministers snubbed it.<sup>563</sup> Suffice it to say that the powers they yield are to reject bills on immigration policies, such as Scotland and Wales' recent rejection of the U.K. government's new package of immigration reforms.<sup>564</sup> Consequently, AIWs in Scotland are not exempt from the U.K. immigration controls.

### 2.1 Indefinite leave to remain (ILR)

Establishing one's immigration status is necessary to engage in the U.K. labour market. This is not an event but usually an unending process for the African Immigrant Woman Entrepreneur (AIWE). This can go on for years until one has permission to remain in the U.K., known as indefinite leave, to remain or citizenship. This power of who has the right of abode has been given to the Secretary of State for the Home Office. The Immigration Act 1971 s1 states, 'The rules laid down by the Secretary of State as to the practice to be followed in the administration of this Act for regulating the entry into and stay in the United Kingdom of persons not having the right of abode'.<sup>565</sup> This has given immense power to the Home Secretary, who can decide to make, change, or remove immigration rules at any time. Such is the Home Secretary's power that in *R (on the application of X) v Secretary of*

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<sup>562</sup> Thomas M. Devine and Angela McCarthy (eds), 'Introduction: The Historical and Contemporary Context of Immigration to Scotland since 1945' Thomas M. Devine et al. (eds), *New Scots: Scotland's Immigrant Communities since 1945* (In the series Studies in British and Irish Migration, Edinburgh University Press 2018)288.

<sup>563</sup> Devine and McCarthy (eds), *supra* note 562.

<sup>564</sup> Frey Lindsay, 'Scotland Joins Wales in Rejecting U.K. "Anti-Refugee" Bill' *Forbes* (23 February 2022) <<https://www.forbes.com/sites/freylindsay/2022/02/23/scotland-joins-wales-in-rejecting-uk-anti-refugee-bill/>>accessed 13 January 2023.

<sup>565</sup> Immigration Act 1971, s1(4).

State for the Home Department, the Home Secretary deferred the consideration of an application for leave to remain of a Yemeni family because the father was being investigated, and the court upheld the Home Secretary's decision.<sup>566</sup>

According to immigration rules, which keep changing at the tick of the clock, to be on an ILR will depend on an individual's visa category, i.e., work, family, study, or asylum. To get an indefinite leave to remain on a work visa, the individual must usually have lived and worked in the U.K. for five years or more. For entrepreneurship visas like the Innovator Founder and Global Talent, one must have lived in the U.K. for 3 to 5 years or more. All these come with financial requirements, especially one's living expenses requirement. Those on family visas, like the dependent partner, may get the ILR if their partner, parent, child, or other relatives have settled in the U.K. either as a British citizen or a person with indefinite leave to remain.<sup>567</sup> Students or others on limited leave can apply for indefinite leave to remain only after living in the U.K. for at least ten years.<sup>568</sup> Alternatively, if they have a visa based on their private life, they must have lived in the U.K. for at least seven years.<sup>569</sup> Those who are on Asylum, humanitarian protection or discretionary leave can apply for five years after they have gained their refugee status.<sup>570</sup> Also, one must reapply for indefinite leave to enter if they were once on that visa and had been outside the U.K. for 2 years or more:

Where the holder has stayed outside the United Kingdom for a continuous period of more than two years, the leave (where the leave is unlimited) or any leave then remaining (where the leave is limited) shall thereupon lapse.<sup>571</sup>

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<sup>566</sup> *R. (on the application of X) v Secretary of State for the Home Department* [2016] EWHC 1997 (Admin) [2016] 7 WLUK 870.

<sup>567</sup> Immigration rules 34C Applications made by dependants.

<sup>568</sup> Immigration rules part 7, paragraph 276A.

<sup>569</sup> Immigration rules part 7, paragraph 276A.

<sup>570</sup> Note 78

There have been changes under the new Nationality and Borders Act 2022 regarding how many years an Asylum and those under humanitarian protection or discretionary leave can be granted depending on when the application was made. Where the protection claim was made before 28 June 2022, people granted refugee status and humanitarian protection will continue to be granted five years of leave to remain. In contrast, where a protection claim is made on or after 28 June 2022, the type and length of leave granted on a successful application will depend on several factors.

<sup>571</sup> Immigration (Leave to Enter and Remain) Order 2000 (SI 2000/1161) Article 13(4)(a).

The indefinite leave to remain is essential to the AIWE because this is how they settle in the U.K. It gives them the right to live, work, and study in the U.K. for as long as they want and the entitlement to apply for benefits to which they were previously not entitled because they were not entitled to public funds. This is also a starting point, the surest way of getting British citizenship. However, the whole process can be very daunting for most people. Aside from the fact that it has a lot of financial implications and can be time-consuming, one must note that the decision is entirely at the discretion of the Secretary of State for the Home Department.<sup>572</sup> So, if the Home Secretary decides that even though one has lived in the U.K. for more than ten years and provided all the necessary documents, according to government policies, they only want, for example, 1000 migrants in a particular area, and that has been achieved, then one's visa can be denied. However, in some visa categories, one is entitled to appeal decisions the Home Secretary makes, whereas in others, one cannot.<sup>573</sup>

## 2.2 The crux of dual citizenship for the African immigrant woman entrepreneur

AIWEs are in a dilemma about which country to become citizens of since some states still need to permit double citizenship.<sup>574</sup> Some AIWEs find it challenging to become citizens of their host countries as their countries of origin do not permit dual citizenship, for example, Cameroon, Congo, Equatorial Guinea, Eritrea, Ethiopia, and Tanzania. They either renounce or revoke their country-of-origin citizenship for British citizenship or remain on the indefinite leave to remain visa. Once they renounce their country's citizenship, they cannot take up political positions or appointments; even those with dual citizenship cannot take up certain political appointments. For instance, there were recent cases in Ghana where two members of

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<sup>572</sup> Immigration Act 1971 s1.

<sup>573</sup> Note 79

“This section sets out all the circumstances in which a person can have a right of appeal under immigration legislation where the Immigration Act 2014 applies”.

Home Office, *Rights of appeal* (Published for Home Office staff on 11 December 2023) <<https://assets.publishing.service.gov.uk/media/65786efa095987001295def0/Current+rights+of+appeal.pdf>>accessed 10 November 2023.

<sup>574</sup> Note 80

It was only recently that some countries amended their constitutions to allow dual citizenship. For example, Uganda amended its constitution in 2005, Zimbabwe in 2013, Malawi in 2018, and Liberia in 2020.

parliament were dragged to court for holding dual citizenship.<sup>575</sup> While having British citizenship seems to open various opportunities for the AIWE, those who plan to return to their home country must consider matters of this nature.

### 2.3 Immigration Status

Until an AIWE establishes their immigration status, they cannot start a business because of restrictions on certain visas, like the tier 4 visa.

One of my interviewees said, "You know, the funny thing is, you cannot even think right, you cannot! Immigration!!, if you are going through immigration, it robs you of your creativity". As Albert F. Arcaron says, 'It is essential to consider the immigration status and ethnic origin of immigrant women as there are significant variations with different ethnic groups when it comes to their labour force participation.'<sup>576</sup> An AIW immigration status is critical to the kind of employment activities they engage in.

So important is one's immigration status, which most of the women interviewed alluded to, as it was almost impossible to do anything, especially business unless you have your indefinite leave to remain (ILR) or citizenship. This is evident in the data collected as out of the 25 AIWE, 12 are Black British, whereas 8 have ILR, summing up to 20 women with settlement status and British citizenship. One of the interviewees, Adzo, in her interview, recalled.

*"That reminds me. When we first came in, I told my family I wanted to start the business as I was doing in Ghana. However, it is like you are dependent; I was dependent on my husband, and we did not have an indefinite yet at that moment. It is like you do not have any stand on it to start. Yeah, it would help if you were on indefinite or citizen before; that makes it easier".<sup>577</sup>*

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<sup>575</sup> Note 81

One of these cases involved *Joshua Emuah and Dorcas Toffey Bonnyere and the electoral commission of Ghana* [2022] DLHC11799 (High Court of Justice). The case was dismissed by the high court as the petitioner failed to provide sufficient proof that the <sup>first</sup> respondent did not qualify at the time of the election organised by the second respondent.

<sup>576</sup> Albert F. Arcaron, "The Working Mother-in-Law Effect on the Labour Force Participation of First and Second-Generation Immigrant Women in the U.K." (2020) 46(5) *Journal of Ethnic and Migration Studies* 893-912.

<sup>577</sup> Interview with Adzo, an African immigrant woman entrepreneur (Glasgow, Scotland, 23 April 2022).

Being able to participate in the labour market for AIWs will mean that they have fulfilled all righteousness under immigration law, including establishing their immigration status. They will need visas that allow them to look for appropriate jobs in the job market, and these visas will be under the points-based system.<sup>578</sup>

### 3. Push Factors

Most literature on ethnic minority entrepreneurship has shown how push factors such as unemployment, redundancy, institutional discrimination, etc, have shaped the entrepreneurial decisions of ethnic minorities. However, others like Sara Carter et al.<sup>579</sup> and Thomas Domboka<sup>580</sup> have argued that this is not the same for all ethnic groups, as first-generation Black African immigrants are likely to be pulled into entrepreneurship rather than pushed into it. While this is true to some extent, some push factors still shape the decisions of AIWs when starting a business.

Though I found out from my interviews that the Lack of access to wage employment (LAWE) and Family and childcare duties (FACD) are among the factors that push AIWs into entrepreneurship, they will not be discussed in detail in this chapter as this has been discussed extensively by ethnic minority entrepreneur researchers because it is a common factor that pushes other ethnic minority immigrants into entrepreneurship. The discussions will border on immigration and labour law as push factors and their impact on AIW's decisions to become entrepreneurs, a topic rarely discussed in academic discourses.

Under immigration law, I discuss the history of immigration law and the African immigrants in the U.K., then examine how immigration status and restrictions in the labour market because of immigration policies push AIWs into entrepreneurship. I will then discuss how issues relating to the contract of payment, continuity of employment, complicated contractual arrangements, and temporary and agency work shape the decisions of AIWs to become entrepreneurs and how the interaction between immigration and labour law pushes AIWs into entrepreneurship.

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<sup>578</sup> Immigration rules part 6(A) (paragraphs 245AAA to 245ZZE).

<sup>579</sup> Carter et al, supra note 24.

<sup>580</sup> Domboka, supra note 53.

### 3.1 Immigration law and policies as a push factor

Immigration law plays a significant role as a push factor in influencing AIW entrepreneurship. I will discuss ways in which immigration law can act as a catalyst for AIW entrepreneurship. There are two overarching roles that immigration plays that force AIWs into entrepreneurship; it limits employment opportunities for them, leaving them with no choice but to venture into entrepreneurship. Because of the complex and restrictive nature of immigration rules, when the AIWE is on a specific immigration status, entrepreneurship becomes an escape route to these restrictive immigration requirements.

### 3.2 Restrictions in the Labour Market

African immigrant women face the challenge of securing traditional employment opportunities due to their immigration status and immigration requirements. This limitation in the job market caused by immigration law can act as a push factor, encouraging individuals to explore entrepreneurship as an alternative.

In the year ending June 2022, 'Skilled Work Visas'<sup>581</sup> (formerly known as Tier 2) were the largest category of work visas, with around 119,000 issued to principal applicants.<sup>582</sup> 40% of the skilled worker visas were issued in the 'health and care' category.<sup>583</sup> Most of the remainder were in the 'general' category, and over half of the temporary work visas issued were for 'seasonal work' and the second largest category in the 'youth mobility scheme'.<sup>584</sup> Temporary work (formerly Tier 5) visas are the second largest category, with around 70,000 granted to principal applicants in the year ending June 2022.<sup>585</sup> The smallest work visa category is for high-skilled or high-value migrants, including entrepreneurs, investors and those with exceptional talent (formerly Tier 1). Around 4,000 visas were issued in this category in the year ending June 2022, with just over half in the 'global talent' sub-category.<sup>586</sup>

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<sup>581</sup> Note 82

These are visas for sponsored skilled workers with a job offer.

<sup>582</sup> Sturge, supra note 540.

<sup>583</sup> Sturge, supra note 540.

<sup>584</sup> Sturge, supra note 540.

<sup>585</sup> Sturge, supra note 540.

<sup>586</sup> Sturge, supra note 540, pp.23-24.

Students entering the country can work a maximum of 20 hours a week and cannot engage in self-employment.<sup>587</sup> Finding part-time jobs that operate 20 hours is a hurdle for student workers. When they find jobs, the hours are either less than 20 20hrs per week or more than 20 hours. The challenge here is that if the hours are less, most of them cannot meet the high cost of living, especially students not on scholarships. If the hours are higher, they can only take up the job as they can work up to 20 hours per week. There are dire consequences on their immigration status should they decide to do the work. So dire are the repercussions that, in some cases, their visas are revoked by the Home Office, which could lead to deportation should the academic sponsor redraw their sponsorship.<sup>588</sup> For example, 20 students were deported, and Tesco was fined £115,000 for allowing international students to work more than 20 hours per week.<sup>589</sup> regardless of a student's qualifications in the U.K., they will eventually be underemployed or unemployed.

Those on family visas, like the dependent partner visa, can work full-time and start a business. The challenge is usually the visa their partner has. Suppose the partner is on a limited leave-to-remain visa like a worker's visa, tier 1, 2, or a student visa that will expire in a year or two. In that case, it becomes challenging to explore other economic activities. The individual needs more time to research opportunities but must jump to the next available one to make income before the visa expires.

Once they are on a worker's visa, they should be able to engage in all economic activities, but this is different as workers are in categories. There are long-term work visas, short-term work visas, investors, business development and talent visas, and other work visas and exemptions.<sup>590</sup> Interestingly, some visas do not allow paid work. For example, a Charity Worker visa (Temporary Work) in the short-term visa category allows only

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<sup>587</sup> Immigration Rules Appendix Student paragraphs ST 26.1 to 26.8.

<sup>588</sup> Note 83

Once your sponsor redraws the individual's sponsorship, they are given a maximum of two weeks to leave the country.

<sup>589</sup> Lorraine Mullaney, 'Tesco Fined £115,000 as 20 Illegal Workers Deported' (*William Reed Ltd*, 14 November 2012) <<https://www.foodmanufacture.co.uk/Article/2012/11/14/Tesco-fined-for-employing-illegal-workers>> accessed 15 December 2022.

<sup>590</sup> Immigration rules: part 5, paragraphs 128A to 199B) and Part 6 (paragraphs 200A to 237).



voluntary work.<sup>591</sup> The only clear route for many economic opportunities is the ILR because even with the worker's visas, they also have restrictions and are limited to remaining visas, which must be extended, renewed or switched to different visa categories.<sup>592</sup> Some workers' visas require sponsorship from an employer or organisation.<sup>593</sup>

### 3.3 Entrepreneurial route as an escape to restrictive immigration requirements

The restrictions that AIWs without a settlement status or British citizenship face in the U.K. are enormous. They range from visa requirements to work and study restrictions, Lack of public funds, Healthcare access, probationary periods, and even deportation and removal.

Some AIWEs use entrepreneurship to navigate restrictive immigration requirements. Because starting a business provides an avenue for them to potentially secure a more stable immigration status, enjoy welfare benefits, establish themselves in a new country, and contribute to the local economy. For instance, asylum seekers, per immigration requirements, are not permitted to engage in economic activities but to engage in unpaid employment.<sup>594</sup> Nonetheless, they plan to engage in economic activities, especially immediately after they are granted refugee status. Entrepreneurship will provide further benefits and reduce the restrictions they face.

Students on tier 4 visas have the most restrictions, particularly work restrictions. To engage in self-employment, an international student on a tier 4 visa must wait until they graduate and apply for a graduate visa, Global Talent visa or Innovator Founder visa. They can also partner with someone with a settlement status or British citizenship. Unfortunately, in most cases, students who choose the latter route lose their businesses if they cannot renew their visas. When this happens, the student must leave the country and the partner with the settlement status or British citizenship takes over

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<sup>591</sup> Immigration Rules Appendix Temporary Work - Charity Worker.

<sup>592</sup> Immigration Rules Appendix A : attributes.

<sup>593</sup> Immigration Rules Appendix A : attributes.

<sup>594</sup> Note 84

Immigration rules paragraph 6 defines unpaid employment underemployment as 'Employment' that includes paid and unpaid employment, paid and unpaid work placements undertaken as part of a course or period of study, self-employment, and engaging in business or any professional activity.

the business unless other arrangements were made beforehand in anticipation of such a situation.

Most women are eager to get their indefinite leave to remain and British citizenship as they believe this guarantees them more security and increases their chances in the labour market. Unfortunately, indefinite leave to remain does not necessarily entitle the individual to welfare support, including child benefits, income support, tax credits, housing benefits, or housing provisions.<sup>595</sup> However, when one secures better jobs depending on their immigration status, they can accumulate benefits based on employment and the payment of national insurance contributions, including a job seekers' allowance and a state pension.<sup>596</sup>

To conclude, immigration law indeed pushes AIWs to start businesses, but the primary concern is whether these women can succeed in entrepreneurship. They do not necessarily succeed since AIWEs, in trying to use entrepreneurship as an escape route, have yet to guarantee they will obtain the benefits they seek.

#### 3.4 Immigration law as a 'hold factor'.

Although immigration law can catalyse AIW's entrepreneurship, it can also inhibit them from engaging in entrepreneurial activities.

Findings from my interviews showed that most AIWs do not engage in entrepreneurship upon arrival because of challenges with immigration law. Most immigrants to the U.K. spend much money, sometimes their entire savings, on the visa application process, which could cost a fortune depending on the visa route they decide to take. Upon arrival, most have no recourse to public funds; the various visa categories available to AIWEs do not allow access to public funds. Consequently, upon arrival, they must quickly engage in economic activities to survive and thrive. The most accessible form of employment they could access is waged employment, usually in precarious jobs due to the restrictions of the various visas these

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<sup>595</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p. 970.

<sup>596</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

women come with. Indeed, 'migration for many is initially associated with downward occupational mobility'.<sup>597</sup>

The data also revealed that though the women had qualifications up to at least a bachelor's level before coming into the country, they had been underemployed in different jobs, such as cleaning, shop attendants, security guards, etc. This is not to say that other factors do not play a role in the kind of jobs AIWEs can access. Factors such as discrimination in the labour market and their roles in the family play a part in the type of jobs AIWEs do when they arrive in the U.K.

Most women were employees or engaged in waged employment before becoming entrepreneurs. Push factors may be why most women moved into entrepreneurship since an unfavourable labour market will mean self-employment. While this might be true for many ethnic minorities, many women interviewed already had entrepreneurial backgrounds and mindsets. A few interviewed women gave reasons that could be seen as push factors that made them start their entrepreneurial journey.

To conclude, the number of years most women had to stay in Scotland before starting their businesses. However, they had entrepreneurial backgrounds or passion for enterprises, varied because of the different visa routes they came with. Though this could be due to other reasons, including finance, the established pattern was that most women waited until they had indefinite leave to remain or citizenship before starting a business. The women must stay in the U.K. for at least two years and at most 28 years before starting a business. They must establish their immigration status, which could take years, especially for asylum seekers and refugees. This situation is even worse for asylum seekers because they cannot even engage in any economic activities until their refugee status has been granted, which could take forever or never happen, albeit there is some form of employment they can engage in should the decision from the Home office delay for 12 months or more. Therefore, most of the skills these women acquire in the U.K. are made redundant until they complete their asylum process, which may cause them to become rusty even as entrepreneurs. The case is not very different

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<sup>597</sup> Linda McDowell, *Working Lives: Gender, Migration and Employment in Britain, 1945-2007* (John Wiley and Sons Ltd 2013)296.

for other AIWEs on other visa routes who must also go through the long haul of the immigration process before they can start a business.

### 3.5 Labour law as a push factor

Why would an AIW leave the paid labour market, which offers job security, pensions, and other welfare benefits, to start their businesses, which they may not even have the necessary resources to start? This is because of 'issues relating to 'employment contract, continuity of contract, and complicated contractual arrangements'.<sup>598</sup> Issues relating to the labour market segregation, such as the gendering of social structures, facilitate or constrain these migrant entrepreneurs.<sup>599</sup> All these serve as reasons for which the AIW might consider entrepreneurship.

#### 3.5.1 *Employment contracts*

Labour law better protects the rights of employees than any other 'worker'.<sup>600</sup> And the self-employed. Moreover, while the U.K. prides itself on its rule of law, it is not all injustices that its law can address. Labour law is one law that struggles to address discrimination and inequality issues. Because U.K. labour law primarily sets out to protect people with an employment contract, 'where there is a visible servant and master relationship and provides a binary distinction between employee, who is employed under a contract of service and an independent contractor, also known as self-employed'.<sup>601</sup> This binary distinction cuts across 'regulatory regimes, such that the growing body of non-standard workers fall outside the scope of collective bargaining, employment protection rights, and the national insurance system'.<sup>602</sup> Diamond Asiago observed how the COVID-19 pandemic aggravated existing inequality for racialised 'clustering' into non-standard work like zero-hours contracts, agency work, casual work, etc.<sup>603</sup> Most AIWs were in these forms of non-standard work before becoming entrepreneurs. Therefore, it is

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<sup>598</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p. 8.

<sup>599</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p. 8.

<sup>600</sup> Note 85

Workers are people who work for themselves yet are not necessarily self-employed; they may be employed by an organisation to do the work themselves. Work is less structured and considered casual work.

<sup>601</sup> Ashiagbor, supra note 379.

<sup>602</sup> Ashiagbor, supra note 379, p.27.

<sup>603</sup> Ashiagbor, supra note 379, p.50.

unsurprising that some AIWE businesses were started during the pandemic. The table below shows the year some of the AIW businesses were started.

Table 6: Year of registration/operation

	Names	Year of registration	Years of operation
1	Abena	2015	7
2	Adzo	2018	1 ½*
3	Afi	2021	1
4	Akosua	2010	12
5	Aku	2013/2018	9/4
6	Ama	2010	12
7	Amara	2020	2
8	Anopa	2019	3
9	Asante	2019	3
10	Awa	2003	19
11	Chioma	2021	3
12	Dalitso	2010	12
13	Danai	2020	3
14	Dembe	2012	10
15	Efe	2011/2020	11/2
16	Ife	2014	8
17	Minata	2020	2
18	Ngozi	2019	3
19	Nyoka	2020	2
20	Oni	2020	2
21	Sanaa	2015	2
22	Sita	2018/2020	4/2
23	Upendo	2019	3
24	Vimbo	2021	6
25	Yawa	2014	3*

*Source: Data from interviewees.*

\* -No longer being operated

*The table above shows ten businesses registered between 2020 and 2021 during COVID-19. The year of registration does not match the year of operation because some businesses were in operation before they were registered.*

*NB: Since most of the interviews were conducted in 2022, 2022 is the base year for the calculations.*

The GEM report also revealed that, unlike White TEA 67, which held steady in 2020, it grew by 31% in 2021. However, the TEA rate for the non-White ethnic group saw a marked decline in 2020 and, with slower growth in 2021, is yet to recover to pre-pandemic levels.<sup>604</sup>

Employment law also tries to differentiate between those with a contract of employment (employee), those who are in business on their account and undertake work for their clients (self-employed), and those who are intermediaries between employees and self-employed, known as 'workers'.<sup>605</sup> Though the AIWs may not entirely have 'genuine economic independence',<sup>606</sup> I do not classify them as workers but as entrepreneurs because most have found alternative means of funding their businesses.

Most labour law academics have discussed the category 'worker', as the law has been unsuccessful in explicitly defining those who fall into this category, known as the grey area. Sandra Freedman and Judy Fudge state that the 'initial assumptions made by labour law that the contract of employment, which is a particular legal format for subordinated labour, is taken as the foundation of labour law'.<sup>607</sup> The 'alleviation of unequal bargaining power between employees and employers, one of the justifications for providing legal support for collective bargaining after World War 2, is taken as the normative justification for regulation'.<sup>608</sup> However, 'these assumptions no

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<sup>604</sup> Niels Bosma et al, 'GEM 2020/2021 Global Report' (Global Entrepreneurship Research Association 2021).

<sup>605</sup> Ewan McGaughey, *A Casebook on Labour Law*, vol 58 (Hart Publishing, Oxford 2019) 897.

<sup>606</sup> Ashiagbor, *supra* note 379.

<sup>607</sup> Sandra Fredman and Judy Fudge, 'The Legal Construction of Personal Work Relations and Gender' (2013) 7(1) *Jerusalem Review of Legal Studies* 112-122.

<sup>608</sup> Fredman and Fudge, *supra* at note 607.

longer reflect the current reality of work relations, and they do not capture the range of justification for regulating work arrangements'.<sup>609</sup>

### 3.5.2 *Complicated contracts*

Labour law has been outwitted by the various forms of employment relations that have emerged over the years, like contracting out, outsourcing, declaring a Lack of mutuality of obligation, or providing substitution clauses to avoid being regarded as a personal work contract.<sup>610</sup> Employers have also successfully moved costs and any form of responsibility or risk entirely onto the worker.<sup>611</sup> Relationships on the surface do not appear like master-servant relations, but when examined critically, it becomes evident that there is some form of servant-master relationship. Most ethnic minorities, including AIWs, tend to work in jobs where employee status is not straightforwardly established, which disadvantages them. Though employers are said to value migrants for their positive traits of reliability, flexibility, and productivity, employers know that migrants have weakened bargaining power.<sup>612</sup> Also, immigrants, particularly those sponsored by their employers to work in the UK will naturally fear to demand employment rights even if they know they are being mistreated for fear of losing their jobs which automatically leads to their departure from the UK.<sup>613</sup> So, the reality is that AIWs lack the autonomy and bargaining power within the market to secure the essential prerequisite for employment protection, namely, continuous employment under a contract of employment.<sup>614</sup> This could be attributed to the restrictions of their immigration status, being new to the labour market, and gender, which forces them into employment where one can hardly determine who the employer is. And with the 'absence of an employer against whom employment rights can be claimed, it becomes tough to protect them'.<sup>615</sup> Though 'there has been a scourge of attempts to find appropriate ways of regulating the informal sector which constitutes many ethnic minority immigrants'.<sup>616</sup>

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<sup>609</sup> Fredman and Fudge, *supra* at note 607.

<sup>610</sup> Fredman and Fudge, *supra* at note 607.

<sup>611</sup> Fredman and Fudge, *supra* at note 607, p.119.

<sup>612</sup> Devine and McCarthy (eds), *supra* note 562.

<sup>613</sup> Dias-Abey and Bales, *supra* note 496.

<sup>614</sup> Fredman and Fudge, *supra* at note 607, p.116.

<sup>615</sup> Fredman and Fudge, *supra* at note 607.

<sup>616</sup> Fredman and Fudge, *supra* at note 607, p.119.

Unfortunately, while the Equality Act seeks to protect all those engaged in employment by including a contract "personally to do work" within its definition of employment, it does not expressly include 'workers.'<sup>617</sup> Labour law does not recognise that "one can effectively be one's boss and still be a worker."<sup>618</sup> An example is the *Uber BV and others v Aslam and others* case, where a group of drivers claimed they were workers and not self-employed.<sup>619</sup> They were also entitled to the minimum wage, paid leave, and other employment rights per the provisions of the Employment Rights Act 1996, the National Minimum Wage Act 1998, and the Working Time Regulations 1998.<sup>620</sup> However, the appellants, who were members of a group of companies that provide private hire vehicles and a smartphone app through which passengers can connect with drivers, argue that the respondents (Uber drivers) were independent third-party contractors, not workers.<sup>621</sup> The EAT and Court of Appeal upheld that the respondents were workers.<sup>622</sup>

Research has shown that most ethnic minority immigrants find themselves in these kinds of contracts, this grey area where they are supposed to be workers, but with careful examination, one will realise that there is some form of master-servant relationship going on. The 'neo-classical economic way of thinking about labour relations (where demand and supply are the determinants of production, pricing and consumption of goods and service) has become generally accepted' is the bane of the AIW.<sup>623</sup> Because 'it has influenced different governments' policies and legislation, and even workers' perceptions of work have changed over the period'.<sup>624</sup> This thinking has 'led governments to further weaken the existing protections and lower labour standards in the name of flexibility and job creation'.<sup>625</sup> Accounting for workers taking up identities as entrepreneurs to plunge themselves into the labour market rather than look for jobs.<sup>626</sup> The interdependent systems of

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<sup>617</sup> McGaughey, *supra* note 605.

<sup>618</sup> McGaughey, *supra* note 605.

<sup>619</sup> [2018] EWCA Civ 2748.

<sup>620</sup> [2018] EWCA Civ 2748.

<sup>621</sup> [2018] EWCA Civ 2748.

<sup>622</sup> The EAT and Court of Appeal upheld that the respondents were workers.

<sup>623</sup> Dukes, *supra* note 469.

<sup>624</sup> Dukes, *supra* note 469.

<sup>625</sup> Dukes, *supra* note 469.

<sup>626</sup> Dukes, *supra* note 469, p.397.



privilege and oppressions of race, class, and gender reproduce how migrant entrepreneurs navigate available opportunities in the market.<sup>627</sup> The AIW would instead become a neoliberal entrepreneur<sup>628</sup> and suffer the consequences of complex contractual arrangements.

### *3.5.3 Working Conditions.*

Most AIWs come to the U.K. for work, as stated earlier; upon arrival, they find out that their qualifications still need to be accepted in the U.K. upgrade, or it is almost impossible to find jobs in their areas of interest. To earn and make a living to cover their cost of living, they go for readily available jobs found through agencies. On the one hand, the role of agencies in the life of an AIW in the labour market must be considered because most AIWs need to understand the job market, and the agencies are the ones who bridge this gap. On the other hand, these same agencies can take advantage of these new arrivals, as they are novices in the market. Most of the women interviewed expressed the difficulty of finding work initially.

Moreover, they should be more prominent when they find work through agencies. In cases where the hours are too much, they must accept jobs because they might not be given work for a couple of weeks, sometimes months. They are monitored closely at work, given more workloads and can hardly take breaks, unlike their White counterparts.<sup>629</sup>

Ethnic and immigrant workers complain about the 'absence of social wages like holiday entitlements or paid leave, sick pay, pay rise (some people working at the same rate for as long as five years, working overtime (even on bank holidays), company pension, etc.)'.<sup>630</sup> They also stated that they are mostly given odd jobs at odd hours but cannot reject them.<sup>631</sup> This is extremely difficult for most AIWs with families and childcare duties. Most of

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<sup>627</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p.8.

<sup>628</sup> Note 87

McGuigan discusses the neo-liberal self as a concept. This ideology fundamentally depends on the individuals' skills, intelligence, capability, and ability to analyse and control the market. Jim McGuigan, 'The Neoliberal Self' (2014) 6(1) *Culture Unbound: Journal of Current Cultural Research* 223-240.

<sup>629</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

<sup>630</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p. 970.

<sup>631</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

them stated that they reported discrimination and unequal treatment on the job to their agencies, who rarely did anything about it. The agencies are said 'to inform the workers that they are not responsible for what happens to them at work as they are not their employers'.<sup>632</sup> In cases where the agencies were guilty of treating them this way, it was difficult to report to anyone as they saw them as those helping them. Besides, they did not think anybody would do something about it anyway.<sup>633</sup> This is not a new phenomenon. In the 1950s, new Black workers found that their trade union associations and unions were often unwilling to address their grievances about working conditions, facilities, and lower wages; they had to come together and organise separately.<sup>634</sup> Today, though "the Temporary and Agency Work Directive 2008 Article 2 required courts to recognise "temporary work agencies as employers," most AIWs are unaware.<sup>635</sup> Those who are aware are still unable to report this discrimination and inequality because they say they will lose their source of income, they do not have money to pursue a court case, it is time-consuming, and they need the time to work, and a court process can be daunting.

Though there appear to be some support organisations like Advisory, Conciliation and Arbitration (ACAS), Employee Assistance Scotland (EAP), Scottish Public Service Ombudsman, etc, because most of these AIWEs usually work with agencies who categorise them as self-employed but use them as 'workers' or even employees, it becomes difficult for the women to report any form of unequal treatment meted out to them because labour laws only protect employees right.

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<sup>632</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

<sup>633</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451.

<sup>634</sup> Mcdowell, supra note 597, p.124.

<sup>635</sup> McGaughey, supra note 605, p.133.

### 3.5.4 Labour unions

Different researchers like Lucio and Perrett,<sup>636</sup> Wrench,<sup>637</sup> Connolly et al.,<sup>638</sup> have criticised the traditional nature of labour unions and have made suggestions as to how they can engage more ethnic minorities and immigrants and renew their structures and framework to include their challenges and needs as members of the unions. The difficulty immigrants have in exercising collective bargaining and industrial action adds to their vulnerability in the labour market.<sup>639</sup> Akosua, one of the AIWs who belonged to a labour union, recounted how she could not strike with other members at her workplace because she did not want to jeopardise her immigration status as the strike could have implications for the visa she was on. Also, she needed money to care for herself and her family, and she could not afford to let the strike affect her salary. Some also said that agencies communicate and could quickly be blocked and need help finding work to do. When informed that there is free legal aid in Scotland for some cases, they said they did not trust that the 'White solicitors' would pursue their interest if they were not paying them. This has encouraged many Agency employers who know that the workers will not be able to sue them as it is difficult even to prove that they have been mistreated. The most the employees can do is quit the agency and look for a more stable form of employment or pretend that nothing has happened between them and their employers and hope for better treatment.

### 3.5.5 Limited access to justice

Ethnic minorities are cautious when it comes to matters involving the courts. Because they are sensitive about their immigration status, 'about a third of the 429 workers we surveyed appeared to lack the papers to work'.<sup>640</sup> Even those with 'the right documents to work become very vulnerable at the face

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<sup>636</sup> Miguel Martínez Lucio and Robert Perrett, 'Meanings and Dilemmas in Community Unionism' (2009) 23(4) *Work, Employment and Society* 597-822.

<sup>637</sup> John Wrench, 'Trade Union Responses to Immigrants and Ethnic Inequality in Denmark and the U.K.: The Context of Consensus and Conflict' (2004) 10 (1) *European Journal of Industrial Relations* 7-30.

<sup>638</sup> Heather Connolly, Stefania Marino, and Miguel M Lucio, 'Trade Union Renewal and the Challenges of Representation: Strategies towards Migrant and Ethnic Minority Workers in the Netherlands, Spain and the United Kingdom' (2014) 20(1) *European Journal of Industrial Relations* 5-20.

<sup>639</sup> Dias-Abey and Bales, *supra* note 496.

<sup>640</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', *supra* note 451, p.970.

of litigation, even if there is a clear case of wrongdoing against them'.<sup>641</sup> Alan Bogg also emphasises how these concerns will be elevated in the context of irregular migrants where:

The various kinds of statutes which migration law accord to immigrants may be a course or source of vulnerability on the part of those working as migrant-endangering multiple types of openness to exploitation or abuse.<sup>642</sup>

We have seen how critical labour law is for the AIWE's effective participation in the labour market and their economic lives. How does one need to be under the traditional definition of an employment contract to enjoy the rights and protections that come with it? Unfortunately, a space you will not find the AIWEs as they have been forced into the grey areas of employment. This has left them to face challenges like unpaid wages, unpaid holidays, overtime, odd hours, discrimination, etc, which are hardly addressed because they are not reported for fear of losing jobs, Lack of awareness and information, etc. The failure of labour law to protect AIWEs and the challenges they face in the employment circles we discovered could serve as catalysts for self-employment, and researchers may be partly right to say that most ethnic minorities end up working for themselves because of the different restrictions in the labour market.

#### 4. Pull Factors

Most women were engaged in some form of entrepreneurship before coming to the U.K. and had a passion for entrepreneurship before emigrating to Scotland. Thus, their entrepreneurial journey started outside the host country; there were factors in the entrepreneurial space. According to data analysis from the 25 AIWs, the significant factors that pull them into entrepreneurship include Niche in the market/embracing opportunities (NIM) and Achievement, challenges, and learning (ACAL).

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<sup>641</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p.970.

<sup>642</sup> Alan Bogg, 'Illegality, Public Policy, and the Contract of Employment' Mark Freedland (ed.) et al., *The Contract of Employment* (1<sup>st</sup> ed, Oxford University Press 2016)397.

#### 4.1 Niche in the Market (NIM)

Of the 25 AIWE interviewees, 7 104 stated they started entrepreneurship by identifying a market niche. Therefore, they embraced the opportunity to create a business (es). For example, Awa recounted how they were the first Blacks in Aberdeen and how difficult it was to get African food.<sup>643</sup> One day, they had to ask a friend in London to buy them Maggie stock and plantain that was almost ripe before it got to Aberdeen; this was one of the reasons why she decided to start a business.<sup>644</sup>

#### 4.2 Achievement, challenges, and learning (ACAL)

Of 25 AIWE interviewees, 8 of<sup>645</sup> said they started their businesses because of Achievement, challenges, and learning. Most of these women wanted things done differently in their communities and decided to make an impact. This challenge they took gave them a sense of Achievement. One said, "Basically, the purpose of me setting up that company is to build applications and software or to digitise processes that will help bridge the gap between Africa and the U.K. or Africa and the rest of the world."<sup>646</sup>

If AIWs are pulled into entrepreneurship, then why did they not launch themselves into entrepreneurship upon arrival in the U.K. but instead chose to engage in waged employment? Or why did they not come through visa routes that would allow them to start their businesses on arrival? The chapter will discuss this further.

### 5. Idiosyncratic factors

Data from my research revealed that there are other factors which I term 'idiosyncratic factors.'<sup>647</sup> For this study. Aside from push and pull factors that account for an AIWE decision to become an entrepreneur in their host countries. The factors range from their passion for entrepreneurship (PFE),

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<sup>643</sup> Interview with Awa, an African immigrant woman entrepreneur (Aberdeen, Scotland, 18 February 2022).

<sup>644</sup> Note 88

Awa "We were like the first few blacks in Aberdeen. Moreover, when somebody is going to London, we will give them 10 pounds five pounds per person and say, could you please help me buy Maggie? I had a friend post plantain to me from London. She said what, it is just two pounds here in London; by the time it got to me here in Aberdeen, it was ripe. I said to my husband, I will sell African food."

<sup>645</sup> Oni, Dembe, Danaï, Anopa, Adzo, Amara, Sanaa, and Vimbo.

<sup>646</sup> Interview with Oni, an African immigrant woman entrepreneur (Edinburgh, Scotland, 18 February 2022).

<sup>647</sup> Note 89

Some reasons are peculiar to the AIWE, i.e., innate characteristics.

continuity of entrepreneurial activities from the country of origin (CPEA), packaging talents/skills for business (PTSB), family with a business background (FWBB), and turning free time into business (TFTB).

The table below shows the reasons the AIWs gave for venturing into entrepreneurship.

Table 7: Reason for entrepreneurship

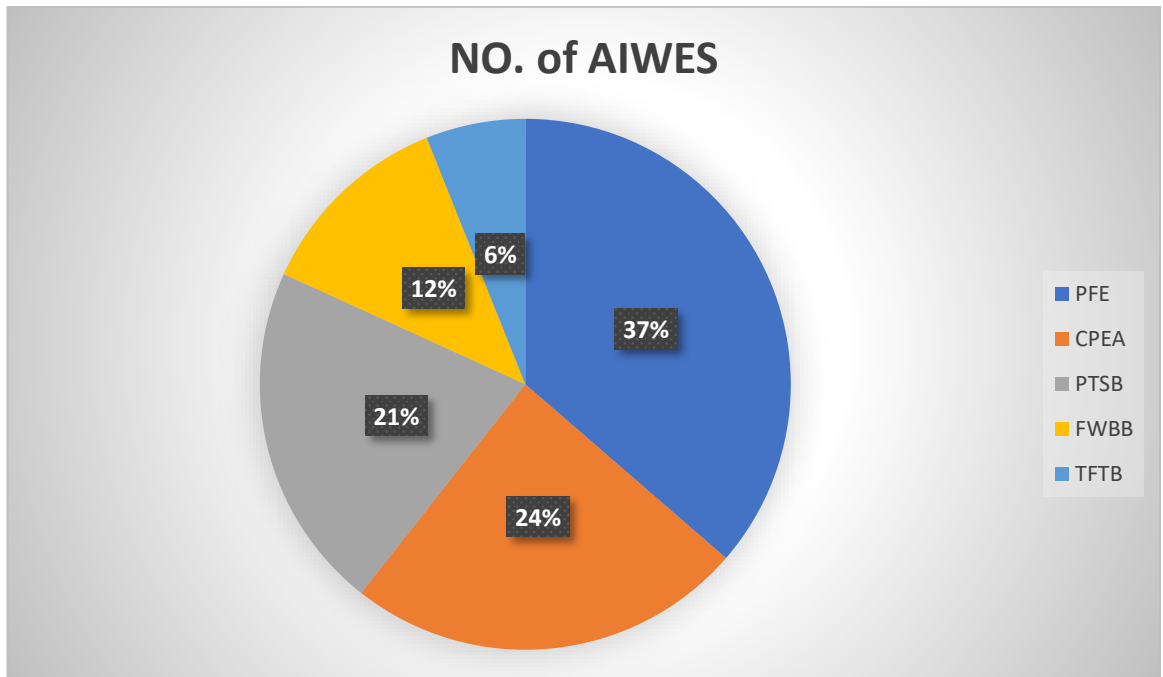
PFE	NIM	CPEA	LAWE	PTSB	FWBB	ACAL	FACD	TFTB
Afi	Afi	Abena	Danai	Ama	Dalitso	Adzo	Dalitso	Ama
Akosua	Aku	Efe	Dembe	Amara	Minata	Amara	Ife	Ife
Aku	Ama	Minata		Asante	Sita	Anopa		
Awa	Awa	Nyoka		Chioma	Upendo	Danai		
Chioma	Dalitso	Oni		Ife		Dembe		
Ngozi	Nyoka	Sita		Ngozi		Oni		
Minata	Yawa	Vimbo		Nyoka		Sanaa		
Nyoka		Yawa				Vimbo		
Oni								
Sita								
Vimbo								
Yawa								
12	7	8	2	7	4	8	2	2

Source: Data from interviewees.

Note that the total number of participants is higher because the women gave multiple reasons for starting entrepreneurship. Also, the same women gave different reasons for becoming entrepreneurs, so they appeared in other factors.

The above table shows five reasons AIWEs give for starting a business, which fall within other factors. Passion for entrepreneurship (12), continuity of entrepreneurial activities from the country of origin (8), family with a business background (4), packaging talents/skills for business (7), and turning free time into business (2) are the other factors that influence AIWEs.

Figure 7: idiosyncratic factors summarised.



*Source: Data from interviewees.*

The above chart shows the percentage of women under each category for other reasons, with the highest being passion for entrepreneurship (PFE) and the lowest Turning free time to business (TFTB).

The above factors are neither pull nor push factors; they are innate characteristics of the AIWE towards entrepreneurship.

#### 5.1 Passion for Entrepreneurship (PFE)

Akosua said, "I think I had a passion for entrepreneurship. I have always had that before travelling." This means that most women wanted to start a business even before travelling. Interestingly, none of them came to the U.K. on an entrepreneurial visa, and they said that the visa route was costly. So, they used a cheaper route to go the long mile to become entrepreneurs. This route of becoming an entrepreneur is not more affordable.

#### 5.2 Continuity of entrepreneurial activities from country of origin (CPEA)

Some women said that their entrepreneurial activities are just a continuation of what they did in their countries of origin. Some<sup>648</sup> owned businesses in their countries before travelling, "I have always been an entrepreneur

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<sup>648</sup> Efe, Yawa and Minata



because when I was in Nigeria, I started a cyber cafe, an internet café."<sup>649</sup> Minata had expressed how her husband owned a business in Rwanda that flourished, but it was challenging to start a business here in the U.K.:

*My husband was doing business in Africa; we are doing well." So, we decided to try business. Yeah. It was challenging to start. We just jumped in because it's in Africa, but it isn't easy because we sell African food.*<sup>650</sup>

While some of these businesses in their countries of origin are still operational, others still need to be operational. This agrees with research showing that immigrants are likelier to start businesses in their host countries than natives.

### 5.3 Packaging talents/skills for business (PTSB)

Closely related to this group are those who became entrepreneurs because their relatives, primarily parents, were entrepreneurs. These entrepreneurs have families with a business background (4)<sup>651</sup>. For some of them, the seed of entrepreneurship was planted while they were still young and knew little about business. Some had also watched their parents or relatives engage in business activities and had helped them in one way or another. For example, Dalitso said, "Come to think of it, my mom was a bit entrepreneurial because I remember we were having animals. We would rear different animals, and my mom would sell."<sup>652</sup> This is not the same as 'family business succession in some Asian families, where parents establish businesses and get their children (heirs) to take over these businesses'.<sup>653</sup> This is hardly the case for AIWEs, as some will hardly take over their parents' businesses. They might not even become entrepreneurs or start different businesses altogether. But even 'second-generation Asians may suffer the same fate of not wanting to take over their family businesses'.<sup>654</sup> Because they may have 'assimilated into the host country, and no longer attached to the culture of small business

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<sup>649</sup> Interview with Efe, an African immigrant woman entrepreneur (Edinburgh, Scotland, 11 February 2022).

<sup>650</sup> Interview with Minata, an African immigrant woman entrepreneur (Glasgow, Scotland, 15 February 2022).

<sup>651</sup> Dalitso, Minata, Sita and Upendo.

<sup>652</sup> Interview with Dalitso, an African immigrant woman entrepreneur (Glasgow, Scotland, 03 March 2022).

<sup>653</sup> Darshan Bachkaniwala, Mike Wright, and Monder Ram, 'Succession in South Asian family businesses in the U.K.' (2001) 19(4) *International Small Business Journal: Researching Entrepreneurship* 15-27.

<sup>654</sup> Bachkaniwala et al, *supra* note 654.

ownership'.<sup>655</sup> Nevertheless, some women expressed how their parents guided them into entrepreneurship.

*“So, my mom introduced me to social entrepreneurship 12 years ago, and at the time, the Scottish Government were encouraging ethnic minorities to get into social entrepreneurship. So, she introduced me to a couple of people.”<sup>656</sup>*

On the contrary, some women said that although they saw their parents manage businesses, they had very little interest until they came to their host countries and must fall on what they may have learned unknowingly from their parents growing up.

*‘I have resisted it; I have seen my mom, you know, do her things. Moreover, she has got a farm, she has got two schools in the city. Yeah, she has this goddess. Moreover, yeah, I feel like, you know, she has got farms for cattle and plantain. I have always lived with that, but I must be honest. I have resisted it’.*<sup>657</sup>

#### 5.4 Family with a business background (FWBB)

Furthermore, some other women (7) said they decided to package their skills, talents, and passions for business. The skills/talents/passions vary, including baking, make-up, reading, etc.

One of the AIWs said she initially did not have the intention, but her skills led the way; *“My business was sort of, I did not want to do business if I am honest. My business is a passion because I am creative”.*<sup>658</sup>

Chioma also had this to say:

*“So, you know, after sharing some of my ideas with one or two people, I saw that there was a great potential for me to turn my passion into what could help people and generate a little income, however small, you know, and put the income back into the community or into the business”.*<sup>659</sup>

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<sup>655</sup> Bachkaniwala et al, supra note 654.

<sup>656</sup> Interview with Upendo, an African immigrant woman entrepreneur (Glasgow, Scotland, 21 January 2022).

<sup>657</sup> Interview with Sita, an African immigrant woman entrepreneur (Glasgow, Scotland, 09 March 2022).

<sup>658</sup> Interview with Asante, an African immigrant woman entrepreneur (Glasgow, Scotland, 14 March 2022).

<sup>659</sup> Interview with Chioma, an African immigrant woman entrepreneur (Glasgow, Scotland, 11 February 2022).

These skills, talents, and passions may be acquired from their countries of origin or in their host countries. Most could have picked up these during wage employment and their studies.<sup>660</sup> They could have purposely learned them when they were not working full-time, searching for a job, or caring for the family.

### 5.5 Turning free time into business (TFTB)

Finally, among other factors for which AIWEs decide to become entrepreneurs are those who choose to turn their free time into business (2). This is closely linked with those who turned their skills/talents/ passion into business. They are primarily mothers who work part-time and take care of their children. As these kids grow up, the parents are left with some 'free time' to do other things like learn a skill. There is nothing like 'free time' in the life of an AIWE; in fact, the percentage (6%) in the figure above shows it. Because every time, an AIW must be converted into something fruitful to make their lives and family more comfortable in their host countries.

The above-stated reasons show how AIWEs can birth or nurse their entrepreneurial ambition through their experiences in their countries of origin and their host countries.

Most AIWEs may leave their field of expertise or specialisation to adjust to the demands of their host countries to survive or make ends meet. This means some would have to learn new skills, unlearn old ones, and polish or upgrade them. They will go to great lengths to make their businesses or their vision as entrepreneurs come into reality.

## 6. Entrepreneurial Journey of an African Immigrant Woman Entrepreneur

The entrepreneurial journey of the AIWE will explain how different factors intersect to influence the decision of the AIWE to start a business and grow it successfully. An AIW's entrepreneurial journey could begin upon arrival in the U.K. or later when they acquire settlement status or British citizenship. Push factors in the labour market could influence their decision to pursue entrepreneurship, 'entrepreneurship being an escape route from low-paid

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<sup>660</sup> Note 90

According to the data from my interviews, 10 of the African immigrant women entrepreneurs came through the study route.

jobs, discrimination, and unemployment'.<sup>661</sup> Nevertheless, most of the women interviewed said they had a passion for entrepreneurship before coming to the U.K., meaning that, in their cases, push factors only served as catalysts for starting their businesses.

It is common knowledge that immigrants and females are at the bottom of the labour structure. A South African proverb expresses this so well: "A Woman Holds the Knife at the Sharp End" This is because of the array of hardships that all females go through, from period poverty to domestic violence, higher levels of unemployment and underemployment, unpaid care work etc. AIWEs are the minorities of all the minority groupings; they simultaneously hold membership in the different minority groupings, which are Black (racial minority), African (ethnic minority), and women (sex), and to top it all as immigrants (class minority).

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<sup>661</sup> Mcdowell, supra note 597.

Figure 8: Minority groupings.



*Source: Data from interviewees.*

It is, therefore, not surprising to see that AIWEs are at the very bottom of the economic and labour structure. Consequently, these women are disadvantaged in the labour market from the start. They must simultaneously battle the challenges of being a Black African immigrant woman. Although with various qualifications, most women interviewed had to start from scratch in the U.K. labour market. Most of them must resort to menial jobs if they want to start earning immediately or wait until their certificates or qualifications they brought from their home country, are verified, and passed or rewrite the U.K. version of whatever qualifications they have as the U.K. labour market does not accept qualifications from some countries, especially developing countries. You find women with accounting degrees or master's degrees working in areas such as cleaning, stocking, selling at supermarkets, care, etc.

Moreover, because most of them are square pegs in round holes, they need help to climb the waged employment ladder to the top. This is not to say that they get stuck at the bottom of the ladder till infinity. While some women climb up the waged labour ladder by switching to a more suitable job, others climb off the waged employment ladder entirely to become self-employed.

Asylum seekers' entrepreneurial journey slightly differs from those who came through the work, study, and family visa routes.' This is because, whereas immigrants on family, work, and study visas can engage in some form of economic activity upon arrival, asylum seekers can only engage or participate in economic activity once they receive their refugee status, which can take years. According to the Home Office, the reason is to distinguish between economic migrants and asylum seekers.<sup>662</sup> A new policy has been formulated that permits them to do some form of work if their asylum claim has taken 12 months or more.<sup>663</sup>

My findings showed that most women had entrepreneurial backgrounds before coming to the U.K. They owned a business (es), or their families owned a business(es). The table below shows reasons why AIWEs go into entrepreneurship.

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<sup>662</sup> Home Office, *Permission to work and volunteering for asylum seekers* (Published for Home Office staff 2023) <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1114501/Permission\\_to\\_work\\_and\\_volunteer.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1114501/Permission_to_work_and_volunteer.pdf)> accessed 17 January 2022.

<sup>663</sup> Home Office, '*Permission to work and volunteering for asylum seekers*', supra note 667.

Table 8: Reason for African Immigrant Woman Entrepreneurship

	<b>Names</b>	<b>Reason for Entrepreneurship</b>
1	Abena	Continuity of previous entrepreneurial activity from country of origin
2	Adzo	Challenge and Learning
3	Afi	Passion for entrepreneurship, a niche in the market/embracing opportunities
4	Akosua	Passion for entrepreneurship
5	Aku	Passion for entrepreneurship and coming from a family with a business background
6	Ama	Packaging of talent/skills into a business, a niche in the market/embracing opportunities, turning free time into the business.
7	Amara	Challenge and learning, and Packaging of talent /skills for business.
8	Anopa	Challenge and Learning.
9	Asante	Packaging of talent/skills for business
10	Awa	Passion for entrepreneurship and Niche in the market/embracing opportunities.
11	Chioma	Passion for entrepreneurship, Packaging of talent/skills into a business.
12	Dalitso	Family and Childcare duties, coming from a family with a business background and Niche in the market/embracing opportunities.
13	Danai	Lack of access to waged employment, and Challenges and learning.
14	Dembe	Lack of access to waged employment, and Challenges and learning.
15	Efe	Continuity of previous entrepreneurial activities.

16	Ife	Family and Childcare duties, turning free time into business and packaging talent/skills for business.
17	Minata	Family with a business background, continuity of previous entrepreneurial activities and passion for entrepreneurship.
18	Ngozi	Packaging talents/skills for business and passion for entrepreneurship.
19	Nyoka	Packaging talent/skills for a business, Niche in the market/embracing opportunities, passion for entrepreneurship, continuity of previous entrepreneurial activities.
20	Oni	Challenge and learning, continuity of entrepreneurial activities, and passion for entrepreneurship.
21	Sanaa	Challenge and learning.
22	Sita	Coming from a family with a business background, continuity of previous entrepreneurial activity, and passion for entrepreneurship
23	Upendo	Coming from a family with a business background
24	Vimbo	Continuity of entrepreneurial activities, passion for entrepreneurship, and Challenge and learning.
25	Yawa	Niche in the market/embracing opportunities, passion for business, continuity of entrepreneurial activities, and needed extra income

*Source: Data from interviewees.*



Table 9: Reasons for entrepreneurship summarised.

Reason for entrepreneurship	P	N	C	L	P	F	A	F	T
	F	I	P	A	T	W	C	A	F
	E	M	E	W	S	B	A	C	T
			A	E	B	B	L	D	B
No.	1	7	8	2	7	4	8	2	2
Highest reason	Passion for entrepreneurship								

Source: Data from interviewees.

PFE- Passion for entrepreneurship

NIM- Niche in the market/embracing opportunities.

CPEA- Continuity of previous entrepreneurial activities from the country of origin

LAWE-Lack of access to waged employment

PTSB- Packaging talents/skills for business

FWBB- Family with a business background

ACAL- Achievement, challenges, and learning

FACD- Family and Childcare duties

TFTB- Turning free time into business.

From the table above, one will notice that passion for entrepreneurship is why AIWEs pursue entrepreneurship. This passion could have been developed in their country of origin, as most had a business background. Contrary to what is stated, only two women said that Lack of access to waged employment was why they started their businesses. The multiple factors stated showed that many factors could account for an AIWE entrepreneurial journey. These factors include the continuity of entrepreneurial activities from their country of origin. Eight women had said they owned and operated businesses back in Africa before coming to the U.K. They were waiting for the right time while gathering resources to start the business.

Six of the women started their entrepreneurial journey after discovering a market niche. They saw it as an opportunity and embraced it. For example,

one of the women shared with me how they were the first few Blacks in Aberdeen. When somebody goes to London, they will give them about £5 to £10 to buy things like Maggie (stock cube). She narrated how a friend of hers in London posted plantain, which was about £2 to her, and by the time it got to her in Aberdeen, it was ripe. She then told her husband that she would sell African food. For continuity of entrepreneurial activities from the country of origin, this could be because 'self-employment rates are said to be higher on average in developing than developed countries'.<sup>664</sup> Four women stated they grew up seeing their mother and father in business. They were engaged in or observed some of these activities, and that seed of entrepreneurship was planted. However, some had yet to explore it before coming to the U.K.

Most women had engaged in entrepreneurial activities and owned businesses before migrating to the U.K. Efe said, "I think I have always been an entrepreneur because when I was in Nigeria, I started a cyber cafe, an internet café". This means she is an entrepreneur from families with a business background. Some women from families with business backgrounds continued their entrepreneurial activities in the U.K. from their countries of origin. They mirrored the same or similar businesses in the U.K. I have observed that the importance of the countries of origin of these AIWEs cannot be ignored as they played a vital role in their entrepreneurial journeys; sadly, 'most studies of migrant workers do not take sufficient accounts of their previous lives, ignoring the connections they have with their countries of origin'.<sup>665</sup> Eight women said they want to use their knowledge to solve challenging societal problems. These are problems they have encountered themselves or observed over time in the society they belong to. They have the urge to create solutions to these problems. For instance, Adzo started her business because her education was in sustainable development. As a fire warden, she had seen the waste generated by students at the end of the term that goes to landfills. As an international student, knowing that students will come and spend more money buying those things, she became passionate about starting something that could solve these problems.

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<sup>664</sup> Simon C. Parker, *The Economics of Self-Employment, and Entrepreneurship* (Cambridge University Press 2004)323.

<sup>665</sup> Mcdowell, supra note 597, p.22.

Those within the family and childcare duties and turning free time into business are also closely linked. Two women stated they started their businesses to have more time for their children. Two women said they had free time and decided to turn those hours into something productive. One stated that she had free hours because her children no longer needed childcare, which was why they had those free hours. Another had indicated that she had free hours because she only worked part-time, and her schedule could not allow her to take up another waged employment, so she decided to convert those hours to work for herself. Overall, one reason was not sufficient as an AIWE reason for entrepreneurship. However, an assortment of factors made their entrepreneurship journey plausible.

Yet, AIWEs are only partially accessible when they become entrepreneurs. Though the women had said they were passionate about entrepreneurship and would choose self-employment over waged employment any day, some were still engaged in some form of waged employment. The table below shows the employment status of the AIWEs.

Table 10: Employment status

Status	Entrepreneur	Entrepreneur and Employee	Employee
No.	13	10	2
Highest	Entrepreneurs		

Source: Data from interviewees.

*The table shows that most AIWEs are entrepreneurs, i.e. 13 out of 25. However, this is followed closely by AIWEs, entrepreneurs and employees, 10 out of 25. Only 2 are employees.*

When asked why they are still employees, most said they needed capital and a business funding source. Others said it was so they could have a 'plan B' if the business did not go as planned. Others also said they needed this to have a pension and some form of welfare, as being self-employed does not entitle them to these benefits. Most AIWEs accrue resources from their wage employment and invest in their businesses.

Most of the women believe that if the Government reckons that there is inequality in the business space when it comes to women, 'since it is a well-established fact that self-employed females earn less on average than self-employed men or employees of either gender'.<sup>666</sup> Then, the Government must know that AIWEs will earn even less. Such a government should make suitable provisions for African Immigrant Women Entrepreneurs who suffer inequality on all levels. In this light, I quote Adzo, who said, "You see, in this country, there are benefits for disabled people. There are benefits for children, there are benefits for war, but there is no form of benefits or exemptions for ethnic minority women entrepreneurs, and ethnic minority women face many challenges".<sup>667</sup>

## Conclusion

My analysis of the data from my research, showed that a diversity of factors accounts for an AIWE's decision to become an entrepreneur. Some factors include immigration and labour law and policies, which fall under push factors, which is a significant factor that influences the decision of the AIWE to become an entrepreneur. This is because elements of immigration and labour law are found in all other factors. Under pull factors, including Niche in the Market (NIM) and Achievement, challenges, and learning (ACAL), I found that most women observed that the products and services Africans and other immigrants needed were lacking and decided to seize the opportunity. Immigration and labour law and policies restrict the full participation of the AIW in the waged labour market and even the entrepreneurial space. Even under other factors, such as women stating that they were passionate about entrepreneurship and some having already started businesses in their countries of origin before coming to the U.K., they still could not readily start their businesses because of immigration laws and policies. Thus, the impact immigration and labour law and policies and their interaction have on the AIWE's decision to become entrepreneurs cannot be underrated, nor can it be overemphasised; the impact is enormous.

However, this has not deterred AIWEs from establishing businesses, although this has impacted the sizes of businesses they operate and the number of

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<sup>666</sup> Parker, *supra* note 664, p.126.

<sup>667</sup> Interview with Adzo, *supra* note 526.

employees because of the Lack of resources, which is mainly caused by the expensive procedure of establishing their immigration status and satisfying immigration requirements in the host country, the U.K.

Furthermore, though most of the AIWEs stated in other factors that they were passionate about entrepreneurship, none came through the entrepreneurial visa route. This observation is quite interesting but not surprising because of the expensive nature of the said visa route. They prefer to go the long road to acquire their indefinite leave to remain before starting their businesses as they seek stability.

In addition, my analysis revealed that although the AIWE may experience factors similar to other ethnic minorities, which might influence their decisions to become entrepreneurs, some unique situations or reasons will make an AIWE become an entrepreneur. In most cases, some may have the passion to become entrepreneurs. Still, due to the economic situations they encounter in their host countries, they would instead opt for wage employment until they get the resources to start their business. They are a subgroup within the ethnic minorities. They may share general factors that motivate them, like any other ethnic minority entrepreneur, to start their businesses, which has been classified under push or pull factors. I have seen that there are unique reasons these AIWEs start up their businesses, like passion for the business, continuation of business from host countries, and packaging their talent for business. It is, therefore, evident that most of them have already set off from home, intending to engage in economic activities in their host countries and succeed, which is why they are called economic migrants. Therefore, they are highly motivated and determined to start their businesses and invest in them to make them flourish, even if this means that they should invest in themselves.

In conclusion, it is evident that starting a business in the U.K. as an ethnic minority is difficult. Though you may have the passion to start a business like everyone else, you would have to wait to establish your immigration status, satisfy other legislation, and acquire the needed resources before you can begin to think of starting a business, a situation that is exacerbated by immigration and labour law and policies.

## **Chapter 5: Socio-Economic Barriers to African Immigrant Women Entrepreneurship**

### **Introduction**

In this chapter, I discuss barriers that African Immigrant Women Entrepreneurs (AIWEs) face in the entrepreneurial space in Scotland, where this research was conducted. While the previous chapter focused on legal barriers, this chapter focuses on structural challenges, highlighting the economic and social factors that create the obstacles that restrain these businesses' successful start-up and growth. I will also look at the AIWEs' roles in creating barriers for their businesses.

According to existing literature, it is pretty clear that ethnic minority women entrepreneurs (EMWE), ethnic minority immigrant women entrepreneurs (EMIWE) and other minorities experience barriers in the UK entrepreneurial space, and African Immigrant Women Entrepreneurs (AIWEs) in Scotland are no exception. This literature highlights the challenges women and ethnic minority women face, such as lack of access to finance, male-structured entrepreneurial space, childcare and many others.

Although these challenges are reflected in the data, I gathered from my interviews with 25 AIWEs in Scotland and nine second-tier organisations, my analysis shows that the AIWE's experiences differ. Neither are the impacts on their businesses the same. It is distinct from that of ethnic minority women entrepreneurs, female entrepreneurs, and other minority women entrepreneurs because the challenges that AIWs face are exacerbated by the multiple identities of their race, ethnicity, immigration status, and gender, which influences their participation in the market and distinguishes them from other ethnic minority entrepreneurs. They face the dilemma of the quadruple whammy of race, ethnicity, immigration status and gender, and the intersection of these worsens any of the barriers that other entrepreneurs experience in the market economy. Therefore, particular attention must be paid to the multiple identities that these women bear to unravel and critically analyse the unique barriers they face.

While structural barriers may hinder or constrain AIWE entrepreneurship, these women entrepreneurs acknowledged that they faced other barriers

that arose because of their inability to make certain decisions, albeit influenced by factors beyond their control to some extent.

Using data from my interviews and existing literature, I first discuss the economic factors constraining AIW entrepreneurship. These factors include limited access to capital, sources of finance, and support. Some entrepreneurs generally need help with these problems. However, I will uncover how AIWE struggles to access resources for their businesses and what choices they must adopt to fund them.

Secondly, I examine the social and cultural factors that hinder AIWE entrepreneurship. These factors include issues of integration, information constraints, discrimination, racism, underrepresentation, childcare, and the impact of COVID-19. The combination of economic and socio-cultural factors reveals the structural challenges that limit the AIWEs' access to the market economy.

The third section delves into the barriers to the entrepreneur's agency, including insufficient business management skills, lack of resources, commitment challenges, and fear. Here, I discuss the AIWEs' role in creating barriers to their entrepreneurship.

## 1. Economic factors that create barriers for African immigrant woman entrepreneur

Mobilising resources, especially start-up capital, is one of the significant barriers to ethnic minority women's and African immigrant women's entrepreneurship. However, the situation is especially difficult for the latter because of the multiple identities they bear as Blacks, Africans, immigrants, and women. In this section, I will discuss how AIWEs' multiple identities influence their financial resources, how they struggle to access capital, and the alternatives available. I will uncover the funding streams available for the day-to-day running of their businesses and comment on the level of financial support available to them.

### 1.1 Challenges of multiple identities

#### *1.1.1 Race and Ethnicity*

The culture of the AIWEs impacts their economic activities in the host countries. For instance, Africans, particularly those from West African, come

from countries that mainly do not practice credit but debit culture, which in countries like Ghana and Nigeria is termed 'pay as you go' or 'cash and carry'.

### *1.1.2 Immigration status*

From the time they arrive in the country until they are done with their immigration process (becoming British citizens), which is never-ending, immigrants are left with little or no finances. However, they must establish their immigration status before starting their business because 'immigrants must first attain their immigration status in their host countries as this is an essential requirement for entrepreneurship and any form of social or economic activity'.<sup>668</sup>

### *1.1.3 Immigration status and gender*

As immigrant women, they are faced with the challenge of having no assets in their host countries; they must start the acquisition of assets afresh. This is difficult because of the 'negative experiences in the labour market such as low pay compared to men and lack of upward mobility (or glass ceiling), which means they have less finances to acquire assets to start their businesses'.<sup>669</sup> As women, they struggle to access investments as most investors are turned towards investing in male businesses. Research shows that "Female-led companies attracted less than 12% of the 1.3 million investments made in UK firms in 2021, i.e., 0.1% of UK private equity investments (by value) and 0.5% of UK venture capital investments (by value), whereas male-led companies attracted two-thirds (66%) of all investments."<sup>670</sup> Consequently, whatever business ideas these AIWEs may have, they must wait to establish their immigration status and identify a significant income stream before starting the business.

## 1.2 Limited access to capital

Capital is a significant asset for every entrepreneur: without it, you cannot have a business. Start-up capital is crucial because it provides the financial foundation for entrepreneurs to turn their ideas into viable businesses. Unfortunately, this is one of the significant challenges AIWEs face. In general,

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<sup>668</sup> Kupferberg, *supra* note 87.

<sup>669</sup> Domboka, *supra* note 53.

<sup>670</sup> ICAEW Insights, 'Women Mean Business - but Can They Access Investment?' (ICAEW, 5 April 2022) <<https://www.icaew.com/insights/viewpoints-on-the-news/2022/may-2022/women-mean-business-but-can-they-access-investment>> accessed 10 October 2023.



whatever resources they need to start their business or businesses will go into securing places for the company, registration, money for administrative purposes, payment of staff, etc. However, it is difficult for these women to accrue amounts that will cater to a business start-up' basic needs. As such, they try to overcome this hurdle by starting businesses requiring little or no capital.

### 1.2.1 Sources of African Immigrant Women Entrepreneur Start-up Capital

Most women said they did not need huge sums to start their businesses since they required little or no capital. When asked whether they would have started a different business with more capital, most said no. They would start big instead of waiting for the business to grow the capacity to scale up: "I think if I had more capital, I would keep on doing it, doing it at a bigger scale".<sup>671</sup> Hence, the amount available to the AIWE does not necessarily influence the kind of business they start; rather, it affects the size of the business. When asked about the sources of their capital for their businesses, 13 stated it was their savings, four said it was from their spouse, Bank loans (two), Government grants and subsidies (two) and Business partners (one). Five of them said that they started their businesses with the skills they had and that they needed no capital to start the business.<sup>672</sup> The table below shows the sources of capital for the AIWE.

Table 11: Sources of Start-up Capital

Sources	Personal Investment	Bank Loans	Government and Subsidies	Family Support	Skills and Talent	Business Partners
No.	13	2	2	4	5	1
Highest	Personal investment					

Source: Data from interviewees.

### 1.2.2 Unfamiliarity with the Credit Culture

Credit scores are a bane for most women needing access to loans or financial capital to start or grow their businesses. Lenders will assess the risk of

<sup>671</sup> Interview with Upendo, supra note 656.

<sup>672</sup> Amara, Anopa, Dembe, Sanaa and Sita.

lending money to borrowers based on their credit scores, income, employment history, and other financial factors. Lower average incomes or limited access to economic resources can result in weaker credit profiles, leading to higher interest rates or difficulty obtaining credit altogether. Most women come from African countries where credit is not a 'thing'. They pay for whatever they purchase on the go, so this whole system of credit score is new to them, a system they must quickly adapt to access funds. Those who came as dependents may have their partners guiding them on how to build credit scores as they may have been better acquainted with the system. However, those who came to study, among other reasons, will have to figure that out by themselves or get help from other friends or family members if they have one who is also acquainted with the system. Acquiring a credit card, which helps the AIWE build her credit score, is also challenging. They first need good credit scores to purchase a credit card, which most women still need to acquire. Conversely, they need the credit card to build the score they need to purchase the loan; they are, therefore, left in a 'chicken and egg' situation. Though some credit card companies help individuals with weak credit scores, the interest rates are usually high because of the risk perceived by the lenders; this is equally disadvantageous to the AIWEs with meagre resources.

### *1.2.3 Limited access to Bank loans*

Getting a bank loan should be an easy option for the AIW. However, this is not the case since multiple factors, like a lack of a good credit profile and collateral, can be disadvantageous. Also, in certain instances, discrimination is 'one of the reasons why ethnic minorities lack access to loans, although no concrete evidence has been found'.<sup>673</sup> Meanwhile, the Investing in Women Code, which is the government's commitment to supporting the advancement of female entrepreneurship in the United Kingdom by improving female entrepreneurs' access to tools, resources, and finance from the financial services sector, recommends organisations that are signatories.<sup>674</sup> to have a

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<sup>673</sup> Carter et al, supra note 24.

<sup>674</sup> Note 92

As of June 2022, The number of Code signatories reached 160. <https://www.british-business-bank.co.uk/press-release/second-investing-in-women-code-annual-progress-report-published/>

nominated senior leadership team member responsible for supporting equality in all interactions with entrepreneurs.<sup>675</sup> The code also urges them to provide HM Treasury or relevant industry body data concerning all-female-led businesses, mixed-gender-led businesses and all-male-led businesses'.<sup>676</sup> They are to 'adopt internal practices that aim to improve the potential for female entrepreneurs to access the tools, resources, investment, and finance they need to build and grow their businesses successfully, working with relevant players in the ecosystem, etc.'<sup>677</sup>

If HM Treasury determines that a signatory to the Investing in Women Code still needs to fulfil these obligations, sanctions will be removed.<sup>678</sup> In addition to the Investing in Women's code, the Women in Finance charter pledges gender balance across financial services.<sup>679</sup> Nevertheless, AIWs' access to bank loans still needs to be improved.

Most Black African women entrepreneurs are not to have collateral in the UK as they are immigrants who have yet to acquire any property. Research shows that 'Blacks on average have lower wealth than Whites', hence less collateral.<sup>680</sup> Most AIWEs said that coming to the UK means starting from zero, and they are the ones without collateral and operating businesses that may not be considered safe sector businesses. They need a good credit score and collateral to make getting bank loans more accessible to start their businesses. AIWEs, as a subgroup of the EMIWEs, are more disadvantaged when it comes to access to loans, as research has shown that Asians have a higher probability of getting bank loans than Afro-Caribbeans and even Whites.<sup>681</sup>

Discrimination has come up as one of the reasons why AIWEs do not get bank loans as well, although, as mentioned above, there is yet to be concrete research to show this. Even if 'banks do not discriminate based on ethnicity,

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<sup>675</sup> HM Treasury, *Investing in Women Code: Annual Progress Report 2021* (Open Government 2021).

<sup>676</sup> HM Treasury, *supra* note 675.

<sup>677</sup> HM Treasury, *supra* note 675.

<sup>678</sup> Note 93

The code's signatories are the UK Business Angels Association, the British Private Equity and Venture Capital Association, UK Finance, and the British Business Bank.

<sup>679</sup> 'Women in Finance Charter' (UK Finance 2023) <<https://www.ukfinance.org.uk/about-us/our-commitments/women-finance-charter>> accessed 10 October 2023.

<sup>680</sup> Parker, *supra* note 664.

<sup>681</sup> Parker, *supra* note 664, p.116.

the competition may generate lending rules that reward high collateral and safe sector start-ups with larger loans, resulting in outcomes that resemble discrimination'.<sup>682</sup>

Nevertheless, some women have had access to bank loans to operate their businesses. Various reasons were given as to why they took or did not take bank loans, but others should have commented on why they did not apply for loans. The table below shows the number of AIWEs who had access to loans and those who had nothing to do with bank loans.

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<sup>682</sup> Parker, *supra* note 664, p.116.

Table 12: Bank loans

	Name	Bank loan	Reason
1	Abena	Yes	Because I did not have enough income to invest in it personally.
2	Adzo	No	Because I was not eligible
3	Afi	No	The bank told me that my credit score was not good, so I was not eligible
4	Akosua	No	No comments
5	Aku	Yes	We needed a more significant amount to buy infrastructure and equipment for business.
6	Ama	No	No comments
7	Amara	No	Personal decision not to go for loans, and finance culture of country of origin
8	Anopa	No	No comments
9	Asante	No	I intend to never go for it. Advice from friends and family here to only use it as a last resort
10	Awa	No	No comments
11	Chioma	No	The banks rejected the partner for no reason.
12	Dalitso	No	No comments
13	Danai	No	I would not say I like loans because of the

			finance culture of the country of origin
14	Dembe	No	Because of the anti-debt policy, I am not comfortable going for it.
15	Efe	No	No comments
16	Ife	No	I never thought of going through that financial route before.
17	Minata	No	No comments
18	Ngozi	No	Because they will look at my background. Also, I did not need it.
19	Nyoka	No	No comment
20	Oni	Yes	Because the loans were being offered at zero interest.
21	Sanaa	No	Because we were all students, businesses might need to make more profit to repay the loan.
22	Sita	Yes/No	Yes, for the first business, but No for the second business because it needs to operate longer.
23	Upendo	No	No comments
24	Vimbo	No	No comments
25	Yawa	Yes	The bank offered me a loan, and I took it to start the shop.

Source: Data from interviewees.

From the table above, only 5 out of the 25 women have accessed loans successfully, yet 20 said they had not accessed loans; out of the 20, 2 applied for them but did not get them because they were told they were not eligible. The remaining 18 have never applied for loans. When asked why, eight did not comment on why they did not apply for the loan. Ten gave reasons such as the debit culture of the country of origin, the partner being rejected for no reason, and so needed to feel more confident to apply. Some were also advised by fellow Africans who had a bad experience with the financial system that they should not apply for a loan and that the last option should be available if the need arises.

In general, AIWEs have a negative perception of bank loans. Some recounted how difficult it was to open a bank account, let alone get a bank loan.

*"You know, you go there, and they start telling you, okay, you are not British. They give different excuses. However, you are saying it is free for all; it is not for all. I have seen how they treated my husband; they told him, as a bank told him, that they would give you a holiday loan if you applied for one. So, imagine that. They will give him a loan for a holiday but not to start his business."<sup>683</sup>*

### 1.3 Limited sources of finance

While start-up capital is crucial for entrepreneurs to turn their ideas into viable businesses, the funding for the day-to-day running of their business is essential for its sustainability. An entrepreneur can access various sources for financing their businesses' day-to-day running. Some of these sources include accelerator or incubator programmes, which are popular among tech businesses; venture capital funds, primarily for high-growth start-ups; angel investors, which are mainly for start-ups; crowdfunding; government grants, loans from a financial institution, support from friends and family, and finding one's own business usually called bootstrapping. I have already discussed how difficult it is for AIWEs to access bank loans. If bank loans are inaccessible, what alternative financial sources are available to these women? My research showed that most AIWEs have barriers to accessing most

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<sup>683</sup> Interview with Chioma, supra note 659.

of the finance sources available to other entrepreneurs and tend to depend more on their income to fund the day-to-day running of their businesses. This is because of the following reasons:

### *1.3.1 Limited access to funding and investment*

The issue of funding is one of the significant barriers constraining the success of AIW businesses. The women need help attracting investors and getting funding from other stakeholders, including the government. Some of them believe that their inability to access funding is linked to their identities as Black African women because the successes of their businesses are in doubt. Thus, investors are not eager to invest in them. Chioma recounts how she was refused funding because the name of her business clearly showed that it was an African business. She said, "There was a time I put in for funding, and it was refused. And I called the people that okay, I want to know why it was refused. And honestly, all the excuses that were given did not match up".<sup>684</sup> The interviewees who complained about the difficulty in accessing funding also believe it is because of the type of businesses they operate or because the funders do not necessarily understand what they do. One of the second-tier organisations did confirm that most of the organisations that support small enterprises are not able to support the unique needs of ethnic minority businesses: *"...a real lack of help or support for entrepreneurs from an African background, and non-Asian background"... because most of the organisations do not collect data on African businesses.*<sup>685</sup> This means most support organisations for SMEs know little about AIW businesses and the barriers they face: *"We do not have access to that kind of data because we do not have the funds to conduct that kind of research."*<sup>686</sup> The situation regarding funding was so bad that some AIWEs were forced to change their legal structure, and others started new businesses to access funding. For example, Efe said that they had to change the legal structures of their businesses to access funding:

*"Because we were not getting funding, and we need funding to work. We now said let us set up a community interest company solely for*

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<sup>684</sup> Interview with Chioma, supra note 659.

<sup>685</sup> Interview with Peace Enterprise, Second tier organisation (Glasgow, Scotland, 21 January 2022).

<sup>686</sup> Interview with Grace Consultancy, supra note 497.



*the community's purpose, and then we will leave the charity to continue in the work".<sup>687</sup>*

This means that some AIWEs ventured into businesses that could attract public and government funding, like social enterprise, to save them the trouble of needing more funding for their businesses. What is evident is that the lack of funding affected the size of the AIWEs business because most were small-scale, and the rest were medium scale. *As I said, I do not have a shop because I cannot afford to run one now. It is expensive to run a shop. So, most of my business is done from home. I have a storage facility to hold my textiles.*<sup>688</sup>

The lack of funding or investment opportunities affects the size or structure of AIW businesses and leads to stunted growth or even death. Consequently, most women use their income from paid employment to fund their businesses.

### 1.3.2 "Entreployeeship"?

Because of the barriers to accessing finance from other sources, most AIWEs have resorted to paid employment to accrue funds to start and run their businesses. This means they are both entrepreneurs and employees, a situation I term 'Entreployeeship'.<sup>689</sup> To accrue funds for their businesses, they must work over some period to save their start-up capital and continue to be in paid employment to sustain their business. As a result, there is a wide gap between the date of their arrival in the UK and the start date of their business, though most of them had entrepreneurship in mind initially. According to my research, an average AIWE can take 4 to 15 years to start a business. This will vary according to their visa route, how early they can establish their immigration status, and other factors like access to finance already discussed. Subsequently, I discovered that most women entrepreneurs were still employees. Besides working to save for capital and run their businesses, they also gave other reasons why they kept their paid jobs alongside their businesses. For instance, they said it was difficult for

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<sup>687</sup> Interview with Efe, supra note 649.

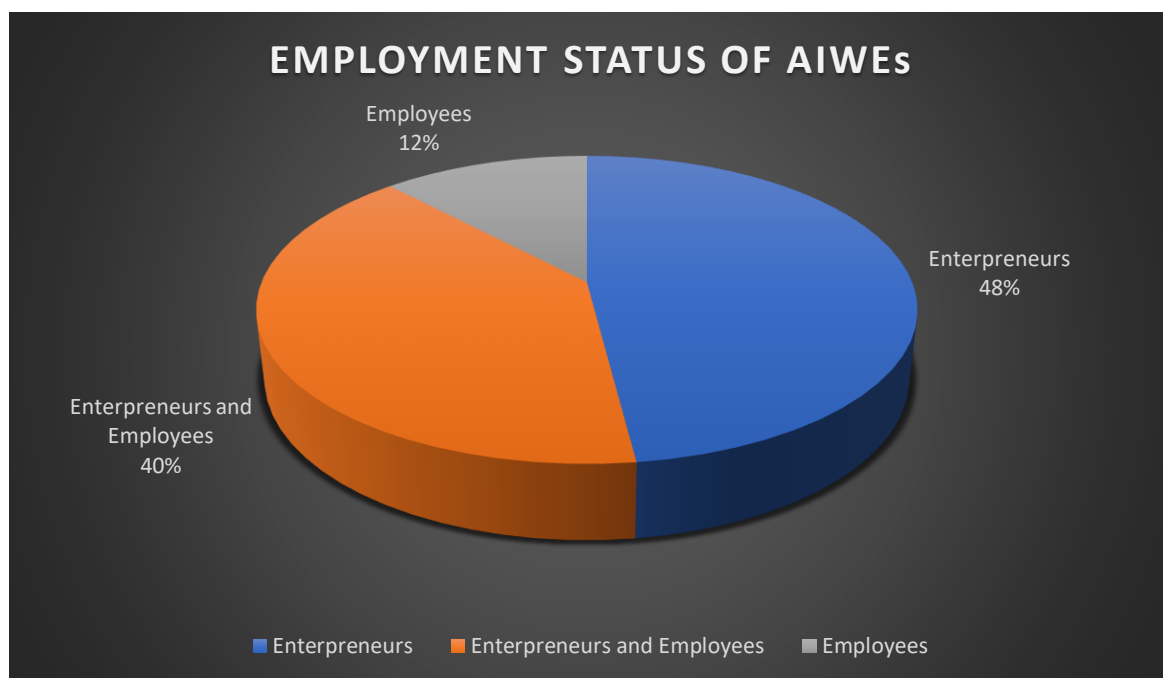
<sup>688</sup> Interview with Akosua, supra note 533.

<sup>689</sup> Note 94

This term is most appropriate because some AIWEs are active entrepreneurs and active employees, with both employment statuses running concurrently.

entrepreneurs to access social and welfare benefits, and their businesses could not provide the needed insurance. Having a job on the side while operating the business provides some form of security for them, and that is one sure way they believe their businesses will thrive. Even though some businesses were over three years old and had passed the dangerous stage of going under, the women were still in paid employment. Nevertheless, being an "entreplooyee."<sup>690</sup> Comes with its challenges as well.

Figure 9: Employment status of African immigrant women entrepreneurs.



Source: Data from interviewees.

The chart shows that 48% of the AIWEs were entrepreneurs only, whereas 40% were both entrepreneurs and employees, and 12% were 'employees only'.<sup>691</sup>

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<sup>690</sup> Note 95

The term used here defines the AIWEs (10) as entrepreneurs and employees.

<sup>691</sup> Note 96

They no longer ran businesses at the time of the interview.

### 1.3.3 Limited Support

Most businesses, especially start-ups, will require some level of (non-financial) support, but a lack of support for businesses has been identified as an additional barrier that AIWEs face. For businesses to thrive, the onus lies on governments to create a positive environment for private businesses to flourish. This is because the public sector can only employ some of its working population, and one of the critical roles of the private sector is to provide employment. For the government to keep unemployment levels low, the government must make sure that most businesses survive, ensuring there is a level playing field for every business to compete and succeed. Sadly, every business in the UK can thrive in the business space, as some entrepreneurs need more support. Support comes in different ways; aside from financial assistance, there is also the creation of access to the market, diversity and inclusion initiatives, access to information, government partnerships, and childcare support.

### 1.3.4 Limited access to Government support

Some dedicated government organisations support women in business, such as the Business Gateways, Scottish Enterprise, Social Enterprise Scotland, etc. However, most women said they do not get the support they need. Some second-tier organisations supporting these women entrepreneurs admitted that they do not specifically offer table services to ethnic minorities<sup>692</sup>. Blessing LLP, a second-tier organisation, bolstered this, "especially the more public sector ones do not offer the kind of support that they wish or wish to get. So, it is a prevalent complaint; I think it is made worse for ethnic minorities".<sup>693</sup>

Not many organisations cater to the needs of ethnic minorities in Scotland. So far, one central organisation is the Council of Ethnic Minority Voluntary Sector Organisations (CEMVO), an intermediary organisation and strategic partner of the Scottish Government Equality Unit.<sup>694</sup> They aim to 'build the capacity and sustainability of the Ethnic Minority (EM) voluntary sector and

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<sup>692</sup> Peace Enterprise, Joy Unlimited, Hope Inc., Faith Institute, and Mercy Partnership.

<sup>693</sup> Interview with Blessings LLP, supra note 491.

<sup>694</sup> CEMVO Scotland, 'Who We Are' < <https://cemvoscotland.org.uk/who-we-are/> > accessed 10 August 2023.

its communities'.<sup>695</sup> CEMVO has secured £16,000,000 in funding for the Ethnic Minority sector since 2006. Though I cannot state how much of this funding CEMVO received from the government, some of this funding<sup>696</sup> was obtained from other 'funding organisations'<sup>697</sup> That support them. They have supported 2,000 organisations through this funding through their 'programmes'.<sup>698</sup> Nevertheless, upcoming organisations like Dechomai Ltd, Salt Consult, etc., focus on the specific needs of ethnic minority entrepreneurs, including AIWEs. Considering the ethnic minority population in Scotland, which is 4% of the total population (5,463,300), it is evident that a single organisation, no matter how big or efficient, can cater to a diverse group of ethnic minorities.

AIWEs need support to start and grow their businesses because of the different structural barriers they encounter. One AIW said *they needed someone to build their business capacity and compete equally with their British peers*.<sup>699</sup> Although there is the argument that these are businesswomen and should be capable of running their businesses, my discussions have made it evident that this would be attainable if only the playing field (entrepreneurial space) were levelled from the get-go.

#### 1.3.4 Limited access to social capital

African immigrant women entrepreneurs need more important non-financial support, including social capital.

Social capital is "the value of social networks, involving the family, friends, colleagues, and business and personal contacts through which opportunities

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<sup>695</sup> CEMVO Scotland, 'Vision, Mission and Values' < <https://cemvoscotland.org.uk/vision-mission-and-values/>>accessed 10 August 2023.

<sup>696</sup> Note 97

Climate Challenge Fund - £13Million secured for EM organisations and 90 projects fully funded by CCF.

Capacity Building Programme - £2.5Million secured for the EM sector.

Social Enterprise Capacity Building Programme(s) - £3.5Million secured for the EM sector.

Fundraising Support Programme - £0.5Million secured for the EM sector.

Three projects funded by The National Lottery Community Fund (£979,040 awarded in total) (<https://www.tnlcommunityfund.org.uk/funding/grants/recipients/GB-SC-SC034104>)

<sup>697</sup> Note 98

Some funders are the Community Fund, National Lottery Fund, and Charity Aid Foundation.

<sup>698</sup> Note 99

Ethnic Minority Development Fund (EMDF), Capacity Building and Infrastructure Development Programme, Scottish Minority Ethnic Women's Network (SMEWN), and Social Enterprise.

<sup>699</sup> Interview with Anopa, an African immigrant woman entrepreneur (Glasgow, Scotland, 17 March 2022).

are received".<sup>700</sup> The importance of social capital in starting and running a successful business cannot be underestimated, as it "provides access to knowledge, networks of clients, suppliers and professional support, and can therefore increase an individual's chances of business success".<sup>701</sup> Evidence suggests that many Asian entrepreneurs in the UK benefit from social capital where they are well-resourced by fellow Asians who may already be operating in a similar business field. According to Deakins et al., in their qualitative and quantitative analysis of the role of social capital in ethnic minority businesses in Scotland, many Asian business owners referred to the support of Asian families".<sup>702</sup> They quoted some Asian business owners who were interviewed: "The family was a very much help and emotional support; my friends as well who had business-he was more or less giving me background advice on how you can run your business".<sup>703</sup> Others said they relied heavily on family finance: " My brother bought the first property, and I am doing my professional qualifications. We bought one and two, and then we thought they could be a way of earning money. I work closely with my brother..."<sup>704</sup> These entrepreneurs significantly benefit from knowledge, finance, and information before they even start operating.

In comparison, most AIWEs do not have the kind of social capital that some Asian communities do.<sup>705</sup> Some said they benefited from the network of the religious bodies they belonged to, primarily churches.

*"What helped was me being in the church network. So, someone else within the church has an office who helped me, and she knew they were looking for more people. So, she just told me."*<sup>706</sup>

Without social capital, they must look for funding sources by themselves, although those with spouses did say they got some support from their partners. It is common for the AIWE to start her businesses from scratch by herself since some areas of business they venture into may be entirely new in the geographical area she finds herself. Alternatively, they may need to

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<sup>700</sup> OECD/European Union, supra note 102.

<sup>701</sup> OECD/European Union, supra note 102.

<sup>702</sup> David Deakins et al., 'Ethnic minority businesses in Scotland and the role of Social capital' (2007) 25(3) International Small Business Journal 307-326.

<sup>703</sup> David Deakins et al., supra note 702.

<sup>704</sup> David Deakins et al., supra note 702.

<sup>705</sup> David Deakins et al., supra note 702.

<sup>706</sup> Interview with Sita, supra note 657.

learn from a fellow African or AIWE in the field of business to glean some knowledge. This does not necessarily mean that most AIWEs are inexperienced or need to gain knowledge about the business area they want to pursue. Because 8<sup>707</sup> of the AIWEs have engaged in entrepreneurial activities from their country of origin and are continuing it here, and 4<sup>708</sup> come from families with business backgrounds. Therefore, they have a fair idea of what business to venture into.

Summarising the findings from part 1 of this chapter, although an AIWE may come into a country to start a business or may discover a business opportunity, she is unlikely to initiate this immediately because of financial constraints, which are exacerbated by the intersection of multiple identities. The challenges of access to funding sources such as bank loans, soft loans, or lack of funding from government or funding organisations and investors create further barriers to AIWE entrepreneurship.

## 2. Social and Cultural Barriers

The social construction of immigrants' identities in their host countries plays a critical role in the success of their journeys. Historically, a negative perception of Black people has eaten into the fabric of most societies, which is still being addressed today. The UK is no exception, as there have been cases of racism across the healthcare sector,<sup>709</sup> professional sector,<sup>710</sup> by police<sup>711</sup>, public places<sup>712</sup>, etc. Ethnic minority entrepreneurs<sup>713</sup> They are not spared from racism either. Thus, we must recognise that the odds are already against these women entrepreneurs before they consider starting a business. Some of the social and cultural factors that might pose obstacles to AIWE

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<sup>707</sup> Abena, Efe, Minata, Nyoka, Oni, Sita, Vimbo, and Yawa.

<sup>708</sup> Dalitso, Minata, Sita and Upendo.

<sup>709</sup> Adrienne Yong and Sabrina Germain, 'Ethnic Minority and Migrant Women's Struggles in Accessing Healthcare during COVID-19: An Intersectional Analysis' (2022) 26(1) *Journal for Cultural Research* 65-82.

<sup>710</sup> Doyin Atewologun and Val Singh, 'Challenging Ethnic and Gender Identities' (2010) 29(4) *Equality, Diversity and Inclusion: An International Journal* 332-347.

<sup>711</sup> Shaka Yesufu, 'Deaths of Blacks in Police Custody: A Black British Perspective of over 50 Years of Police Racial Injustices in the United Kingdom' (2021) 4(1) *EUREKA: Social and Humanities* 33-45.

<sup>712</sup> Nadine White, 'Black Millionaire Denied Entry to Top London Bar Claims He Was Racially Profiled' *Independent* (London, 17 October 2023) <<https://www.independent.co.uk/news/uk/home-news/lamar-berko-100-wardour-street-racism-b2430872.html>> accessed 19 October 2023.

<sup>713</sup> Mohammed Ishaq, Asifa Hussain, and Geoff Whittam, 'Racism: A Barrier to Entry? Experiences of Small Ethnic Minority Retail Businesses' (2010) 28(4) *International Small Business Journal* 362-377.

that were uncovered during my analysis include integration, discrimination, stereotypes, racism, underrepresentation, lack of collaboration and childcare, and the impact of COVID-19. I will discuss these issues and how they create barriers for AIWE entrepreneurship.

*"And sometimes people might still think, is there a need for this? However, once there is still no equality, once there are still barriers, there will always be a need. Sometimes, yeah, people are getting sick of the ethnic minority. Still, their issues have not changed; it is still there. And then there is a gap in the job we do in Scotland..."*<sup>714</sup>

## 2.1 Issues of Integration

I see integration as a process where not only migrants adapt to the host society but also host societies accept these migrants. Some scholars believe that "integration is not one but a series of processes which involves participation in the labour market and social institutions (such as education), social interaction, changing attitudes and cultural practices and civic participation".<sup>715</sup> Many scholars acknowledge that integration is a complex concept, as public and political discourses vary with the changing times.<sup>716</sup> As such, a single national policy framework for integration has yet to exist.<sup>717</sup> Ethnic minority immigrants have a task to adapt and integrate into their host countries but must do this with the help of the host communities as well.

### 2.1.1 Is language a barrier?

Although most ethnic minority literature states language barriers as the significant challenge of integration, some second-tier organisations say, "We find out that generally, the kinds of things that we identify as challenges for our clients are first language."<sup>718</sup> However, only 3 of the women interviewed (Minata, Sita and Sanaa) could not speak English properly upon arrival in the UK; the rest of the 22 AIWEs could speak fluent English. This means language is not necessarily a reason why AIWEs cannot integrate

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<sup>714</sup> Interview with Upendo, supra note 656.

<sup>715</sup> Jacqui Broadhead, 'Policy Primer - Integration' (Migratory Observatory, University of Oxford 2020).

<sup>716</sup> Ilse van Liempt, 'From Dutch Dispersal to Ethnic Enclaves in the UK: The Relationship between Segregation and Integration Examined through the Eyes of Somalis' (2011) 48(16) *Urban Studies* 3385-3398.

<sup>717</sup> Broadhead, supra note 733.

<sup>718</sup> Interview with Grace Consultancy, supra note 497.

successfully. However, other factors, such as the non-availability of a system or structure to support AIW who want to start a business, are also factors. For example, Sanaa recounted how difficult it was for her as a young graduate student who wanted to start a business in the UK: *"I think for the minorities, especially for young entrepreneurs, I think most of us start businesses after university, which we probably do not have families, you know, living with us here, which is an additional burden"*.<sup>719</sup>

Though language significantly facilitates EMIWEs' integration into society, most AIWEs I interviewed did not have language issues; only Sita and Minata had initial language challenges.

### 2.1.2 Lack of ethnic enclaves

Ethnic enclaves can help peoples' transition successfully into the new community they find themselves in, as they will have a wealth of resources from which to benefit. Extensive literature on ethnic minorities suggests that all ethnic minorities benefit from social capital and ethnic enclaves.<sup>720</sup> According to my interview data, most AIWEs do not benefit from social capital and ethnic enclaves, as a lot of them live apart and are not clustered in an area like some ethnic minority groups. Let us take, for instance, an area like Glasgow; one can trace a lot of Asians to a location like Pollokshields. Research shows that:

The Pakistani ethnic group resides in the south of the city. 1/4 of the population in Pollokshields ward and 12% of the population in Southside Central ward have a Pakistani ethnic identity. The African ethnic group is geographically less concentrated, making up 11% of the population of Springburn ward, but more evenly spread across other areas of Glasgow.<sup>721</sup>

This development can also be attributed to the fact that most of the AIWEs are first-generation immigrants, unlike most of the Asian community that consists of 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> generation immigrants like the Pakistanis who guide

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<sup>719</sup> Interview with Sanaa, an African immigrant woman entrepreneur (Glasgow, Scotland, 8 February 2022).

<sup>720</sup> Note 100

David Deakins et al. defined social capital as decision-makers ability to draw on resources from their social networks.

<sup>721</sup> Kelly Brian and Stephen Ashe, 'Local Dynamics of Diversity: Evidence from the 2011 Census, Ethnic Mixing in Glasgow' (ESRC Centre On Dynamics of Ethnicity (CoDE), University of Manchester 2014).



as to how to start businesses and new entrepreneurs in a particular community and give them the needed support.

Most of the women who were interviewed are first-generation immigrants. Therefore, they do not benefit from any support from predecessors. These first-generation immigrants hardly have any ethnic enclave to lean on. As stated earlier, they may benefit from some social capital, as some admitted that they benefited from religious organisations when starting and growing their businesses. *"I just feel that we start up, we start on our own. We are quite isolated. And the few people, if I had not been in church, I think I would struggle".*<sup>722</sup> Conversely, within Asian groups like the Pakistanis, there are more second and even third generations in the entrepreneurial space. These generations guide new entrepreneurs in a particular community on how to start businesses and give them the needed support. So, if not for some religious bodies and partners, AIWEs hardly enjoy any ethnic enclave support.

However, since integration is a two-way process, some women acknowledge that their business(es) must be diversified to cater to the broader community's needs. *"Sometimes you are working with people, and you work in the community, and you want them to accept you as well. So, if everything is about just you, you might as well buy and eat what you sell."*<sup>723</sup> A second-tier organisation reiterated this, believing that the more diversified the products and services of AIWEs and ethnic minorities are, the more likely they are to tap into broader markets.<sup>724</sup> *"I have White people who would want to eat Jollof and who would want to try anything else. So, if they see you are that diversified, they are more than willing to do business with you."*<sup>725</sup>

Also, some AIWEs have made deliberate efforts to integrate into the local community, including employing 'non-ethnic' employees. So, we try to be more diversified, even if it means taking one person who is White, who will be on a zero-hour contract, which I have. It is much better than to think of

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<sup>722</sup> Interview with Sita, supra note 657.

<sup>723</sup> Interview with Sanaa, supra note 719.

<sup>724</sup> Interview with Peace Enterprise, supra note 535.

<sup>725</sup> Interview with Sanaa, supra note 719.

making it all Blacks."<sup>726</sup> Because they know that an AIWE that can integrate successfully into the community can access the 'non-ethnic' networks within and outside the community, Sita had support from a non-ethnic entrepreneur in starting her second business because she had previously worked with a Scottish colleague. *"I worked with a Scottish person. So, for this one, I was, again, introduced by a Scottish. So, it was someone I worked with who said, okay, I do this; would you like to do that? So, the first client I got was referred by him".*<sup>727</sup>

### 2.1.3 A double-edged sword?

The literature suggests that integration can be a smooth transition for some ethnic minorities because of their ethnic minority enclaves or because their host societies are welcoming since they may have already mingled with people from an ethnic minority background. Some communities may not have experienced any contact with certain ethnic minority groups like the African ethnic minority group. This makes it even harder for AIWEs to fully integrate into such societies, which can impact their entrepreneurial journey. For instance, starting an African shop in Scotland will be more challenging for an AIWE than starting an Asian shop since 'Scotland has about 96% of its population to be White, 2.7% Asian, and 1% African, Caribbean or Black'.<sup>728</sup> One of the women stated that, for example, she had thought starting a shop like an African shop would not be that difficult because she had seen fellow Africans with flourishing businesses who started their businesses in cities like London.<sup>729</sup> She needed to have understood then that different cities had different markets for whichever African products they wanted to sell. Another said she was not surprised that she was the only one in her field: *"I find that the type of work that I do, it is not unusual for me to be the only Black person... do not get me wrong, in England, there are loads of Black people but in Scotland, you know, like, most of these types of things are still very native led".*<sup>730</sup>

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<sup>726</sup> Interview with Aku, an African immigrant woman entrepreneur (Edinburgh, Scotland, 10 February 2022).

<sup>727</sup> Interview with Sita, supra note 657.

<sup>728</sup> Scotland's Census, 'Ethnicity', supra note 39.

<sup>729</sup> Interview with Awa, supra note 643.

<sup>730</sup> Interview with Sita, supra note 657.

Some of the AIWEs started businesses as a means of integrating into society. Because their businesses<sup>731</sup> They wanted to meet the needs of the society or locality they found themselves in and provide goods and services for their ethnic group or people within that community. Some of the AIWEs that were interviewed stated how the community or location they found themselves influenced their entrepreneurial prowess and that they started the business because they wanted to serve the needs of a particular group and community:

Adzo

*"Because I was also a fire warden, I had seen the number of ends of term waste that was left, and knowing the implication of it going to landfills; and also, as an international student, knowing that students will come and spend more money buying those things, I was quite passionate about starting something that could solve these three problems."*<sup>732</sup>

*"And in that period, we became much more aware of what happens with migrant communities. We have become more aware of the systemic structures, the barriers, racism, and all these issues relating to that. So, when we got our residence permit, and we could not find work, after six months, we decided just to set up a business supporting people to get into employment; how contradictory you could not find work, now we are going to find employment for others".*

Awa

*"I looked around; we were like the first few Blacks in Aberdeen. Moreover, when somebody is going to London, we will give them ten pounds, five pounds per person and say, could you please help me buy Maggie? I had a friend post plantain to me from London. She said what, it is just two pounds here in London; by the time it got to me here in Aberdeen, it was ripe. I said to my husband, I will sell African food."*

A successful integration saves the AIWE from making mistakes that could have dire consequences for their businesses.

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<sup>731</sup> Note 101

Seven of them identified a niche in the market: Afi, Aku, Ama, Awa, Dalitso, Nyoka, and Yawa.

<sup>732</sup> Interview with Adzo, supra note 526.

The same way the community can influence an AIWE to start a business is the same way that a business can experience stunted growth or death if it does not gain a favourable business environment or a support system from that society or locality.

## 2.2 Information constraints

The lack of information on AIWEs in the UK business space creates barriers for AIW businesses. In an age where information is the key to managing a successful business, many AIWEs reckon that lack of access to information in their host countries has been a significant barrier to the growth of their businesses. First, the question is, what kind of information do they need? How will they access that information? How will they utilise the information accessed to benefit their business(es)? One AIWE said, "We need information, training, and skilling up; they are all connected. One of the biggest things we face is that, for example, we have not grown up here and do not understand all the systems. So, for something that a British-born person will take for granted, we do not know it".<sup>733</sup>

### 2.2.1 Scarce information

Some women acknowledged that sometimes they only knew they needed certain services for their business once someone recommended it. Yawa recounted how she struggled to source things for her shop. Around a decade ago, she only knew a few people in London who were well-established in her business to show her where she could source products. Nobody in her area in Scotland knew who could advise or direct her where to source her goods because her business was new to the market then. She had to return to her country of origin, where her family purchased the items and shipped them to her. Later, she discovered that she could find wholesale shops in London to buy goods for her shop.

*"When I started, because I did not know where to get things, I imported things from Ghana. That is where I started having the challenge. I did not know anybody in London, and I did not know much; there was no one here to seek advice. What I did was I gave my sisters money to buy the things,*

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<sup>733</sup> Interview with Anopa, supra note 717.

*and then I tried to get somebody from the airport who works in like the air, the travel and tour or something to ship them to me".<sup>734</sup>*

This process was too expensive and could only be continued if the business collapsed. Aku also narrated how expensive it was to get food items to Scotland because they needed to know exactly where to source them: *"And sometimes before you can get the food up to Scotland, you end up paying more than required. So that increases the amount placed on the food item as well. Moreover, sometimes it gets the food quite expensive".<sup>735</sup>* Information on AIWE trading in the host countries is scarce; there must be more information on the AIW entrepreneur or her enterprise. The women said they usually struggled to access information, especially on ethnic entrepreneurship.

*"And starting up, so what I found hard is not knowing, or even like what we have just said about opening a bank account. A place where you can get a small quantity of information, or you are in this business, this is the best bank account to go to. Alternatively, it would help if you had this; this is the best place to get money. We are just out there. Moreover, there is very little support".<sup>736</sup>*

### 2.2.2 Lack of customised information

Besides the information scarcity, the one available is mostly conventional to native enterprises. The AIWEs stated that the information available to support their business(es) had been tailored for White businesses or entrepreneurs for some time. The government agencies' sources of information for the AIWE are so general that they can only benefit from some of them.

Sanaa said that although Business Gateway, a government organisation, provides some information, more is needed, which is, again, too general. *"Some information is available to us, but not enough; they help tell you how to create a business plan. Nevertheless, to make business contacts, I think there are many limitations."<sup>737</sup>*

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<sup>734</sup> Interview with Yawa, supra note 534.

<sup>735</sup> Interview with Aku, supra note 744.

<sup>736</sup> Interview with Sita, supra note 657.

<sup>737</sup> Interview with Sanaa, supra note 719.

## 2.3 Stereotypes, Bias, Prejudice, Discrimination, and racism

Qualitative research conducted in Scotland revealed how ethnic minorities in small-scale enterprises experience racism, 'when respondents were asked if they had ever suffered racial discrimination at their premises, 64% said 'yes' while 36% said 'no'; the majority had therefore experienced racism'.<sup>738</sup> Although most issues of discrimination and racism are prevalent in the labour market, ethnic minorities do not escape from it when they become entrepreneurs; instead, 'discrimination appears to continue after business entry too'.<sup>739</sup> I will, therefore, discuss the barriers that stereotypes, bias, discrimination, and racism create for AIWEs in the section below.

### 2.3.1 Limited access to resources

I have discussed above how difficult it is for AIWEs to access bank loans and investments. Though research has not shown that these are related to acts of discrimination, "there is undoubtedly a deterrent effect in which lending institutions are perceived as unwelcoming and lacking empathy. This is perfectly captured by the plea from a retailer, who said they need a Black bank for Black businesses."<sup>740</sup>

Most of the women raised concerns regarding discrimination by funders. They believe that funders can identify their business(es), especially by the names of the business(es) and the owners, and stereotypes deny them access to funding. Chioma, an AIWE, recounted how it was difficult for them even to register their chosen business name and how some people had refused to call the business by its name because they thought it was too difficult to pronounce since it was an indigenous African name. *"Even when we wanted to register the business, there were many questions around that, oh, what is the name? We are not trying to be funny here, but do you think that name will not be difficult for people to pronounce, you know, all manner of excuses"*.<sup>741</sup>

Others complained about proving to the funders that they can deliver beyond expectations before accessing funding. *"Because we, as Black people, always*

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<sup>738</sup> Ishaq et al., supra note 731, p367.

<sup>739</sup> Trevor Jones et al., 'Mixed Embeddedness and New Migrant Enterprise in the UK' (2014) 26(5-6) *Entrepreneurship and Regional Development* 500-520.

<sup>740</sup> Jones et al., 'Mixed Embeddedness', supra note 757.

<sup>741</sup> Interview with Chioma, supra note 659.

*must prove what we can, our ability, and stuff like that. So, a lot of what we've done has been very much of, they needed to see the evidence of the impact.*"<sup>742</sup> They said they will not provide support until the funders see the business's impact: *"Nobody's going to trust your work; they are only going to trust what they see."*<sup>743</sup> They stated how it is even trickier with investors because they would want to see how much impact you have made compared to *"your counterpart, maybe male colleague, or your White male colleague, all they need to do is to say, oh, I have this good idea, and somebody says tell me about it, and they talk about it, and people are like okay, I am happy to invest in it"*.<sup>744</sup> However, for the AIWE, *"I have to say, and I have done this, and I have done that to validate the idea, and this is the result before anybody will consider putting their money in"*.<sup>745</sup>

Though there is a higher expectation for the AIWE, there is still the notion that they cannot deliver. Dembe shared how, out of frustration, a friend told her that *"they place expectations on us, and they do not even live out those expectations. If you over-expect somebody, you should over-expect from them because you know that they deliver over and above. Nevertheless, you over-expect from them and treat them like they cannot deliver; what is that?"*<sup>746</sup> Furthermore, the women stated how some people think that women are emotional beings who cannot take risks or logical decisions, coupled with the fact that one is a Black woman, investment becomes almost impossible".<sup>747</sup> Vimbo said that some funders try to 'box them in' to stay in line with what ethnic minority businesses are supposed to be like. *"There is that assumption that you are biting off more than you can chew, and people try to steer you from your vision to side-track you to where they think you are to be...many instances where people tried to sway my vision because I was told my vision was too big for someone like me"*.<sup>748</sup>

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<sup>742</sup> Interview with Nyoka, an African immigrant woman entrepreneur (Edinburgh, Scotland, 24 January 2022).

<sup>743</sup> Interview with Oni, supra note 646.

<sup>744</sup> Interview with Oni, supra note 646.

<sup>745</sup> Interview with Oni, supra note 646.

<sup>746</sup> Interview with Dembe, an African immigrant woman entrepreneur (Glasgow, Scotland, 25 March 2022).

<sup>747</sup> Interview with Oni, supra note 646.

<sup>748</sup> Interview with Vimbo, an African immigrant woman entrepreneur (Edinburgh, Scotland, 14 March 2022).

Although most of these are problems of stereotypes, discrimination, and racism, some second-tier organisations also think that sometimes AIWEs have high expectations when it comes to funding from the government and other funding organisations. For instance, one of the second-tier organisations did say that some of the women who applied for funding had expectations that social enterprises were the most accessible means to funding their businesses and were disappointed when their expectations of accessing funding were not met:

*"Some people perceive that social enterprise means they will be more eligible for funding. So that would be a way for them to start an enterprise, you know, with very little money that might be more accessible to them than a straight business".<sup>749</sup>*

Grace consultancy believes this may account for the high disappointment since AIWE's expectation of getting funding from a particular organisation has yet to be measured. So, when they are rejected, they may be tempted into thinking and attributing their failure to access the funding to discrimination and racism. Meanwhile, research has shown that "those that have heard about, or used public support, have little trust in such agencies for a combination of reasons: perceptions of discrimination based on race, language or nationality; negative past experiences; or just a general mistrust and cynicism about the efficacy of government support programmes all together".<sup>750</sup>

Nonetheless, concerns were raised that though the Scottish government talks about diversity and inclusion, very little is being done about the issue of discrimination and racism, especially against Blacks.

*"Yeah, so in all of them, the more they put these people on top, the trans women, the this, the that, Black keep going at the bottom, because right now go and say anything about gay, go and say anything about transgender, police will be on your door. However, meanwhile, racism has been there for so long, and nobody gets arrested for it".<sup>751</sup>*

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<sup>749</sup> Interview with Grace Consultancy, supra note 497.

<sup>750</sup> Samuel Mwaura et al., 'Starting Over: Migrant Entrepreneurship in Scotland' (FSB Scotland 2019).

<sup>751</sup> Interview with Vimbo, supra note 748.



### 2.3.2 Restricts market access.

One of the barriers that AIWEs encounter with stereotypes, prejudice, discrimination, and racism is that there are specific business areas where people do not expect to see a female, let alone a Black woman. In such cases, the AIWE must work twice as hard to make customers believe they can provide the products and services they want.

*“People look at you first; they already have a preconceived notion that you are not qualified or capable of discussing at that level. So, now, you must, as a woman, work twice as hard as a Black woman; you must even work twice as much as a woman.”<sup>752</sup>*

In most cases, customers will only contact you based on a recommendation. Getting a White customer who randomly walks in or contacts you to patronise your products and services is difficult. This is not because AIWE's abilities and capabilities in providing certain services are always in question or because they do not have non-ethnic products or services, but rather because of perceptions and stereotypes.

*“Another thing that is a barrier is how to break into the Caucasian market because so many times, let us forget even about makeup, whatever business you are doing, you stand the chance of people not patronising you because you are a dark-skinned person...the stereotype that dark-skinned people are substandard”.<sup>753</sup>*

Although there are opportunities in the market for AIWEs, some experience the challenge of not having non-ethnic goods and services: *“Commercially, there are opportunities, but there are also some challenges, and having to tap into that market, your products and services may not appeal to a diverse, heterogeneous group of business models.”<sup>754</sup>* However, even those with diverse goods and services still need help attracting a broader market, like the business-to-business (B2B) sector. Because most of these companies are managed by *“White, middle-class, middle-aged men, chances of getting that business are lower as a young African female entrepreneur, which*

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<sup>752</sup> Interview with Oni, supra note 646.

<sup>753</sup> Interview with Ama, an African immigrant woman entrepreneur (Aberdeen, Scotland, 24 February 2022).

<sup>754</sup> Interview with Peace Enterprise, supra note 703.

*means your target market is reduced, and your chances of survival are reduced".*<sup>755</sup>

### 2.3.3 Need to attract talents.

African immigrant women entrepreneurs face the challenge of attracting employees from 'non-ethnic' backgrounds. Meanwhile, they must employ these backgrounds to diversify their products and services and break out of the market. One of the second-tier organisations admitted that most of the women they supported had these issues because *"if you are advertising for a position as a start-up business, and you like some graduate with an engineering degree, about five years of experience, that person is likely to be a young man from a middle-class background"*. But the situation may not necessarily be because the business is a start-up but rather *"there may be a sense of bias or whatever. I do not know if they will readily come and work for a young, Black woman of African origin. That is a clear ratio discrimination on the part of the potential employee"*.<sup>756</sup>

To conclude, the women believe that if AIW business(es) will thrive, then the issue of stereotype discrimination and racism in all its forms, even the subtle ones that go unnoticed, must be tackled head-on by the government and other bodies like they do other kinds of discrimination against other groups. Because *"it makes it difficult for you to progress on all fronts, never mind the fact that trying to set up business as a Black person and trying to convince people that you will deliver to the same standard, is difficult anyway; racism and perception related issues have had a direct impact on the decisions we have had to make as well."*<sup>757</sup>

## 2.4 Underrepresentation

The underrepresentation of ethnic minority women entrepreneurs and AIWEs in the UK can have significant implications on various aspects of their entrepreneurial journey. These are caused by factors such as the categorisation of all ethnic minorities under the BAME umbrella, the lack of data, and the lack of representation. This means that the policy environment may not adequately address the unique challenges faced by ethnic minority

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<sup>755</sup> Interview with Blessings LLP, supra note 491.

<sup>756</sup> Interview with Blessings LLP, supra note 491.

<sup>757</sup> Interview with Dembe, supra note 746.

women entrepreneurs, hindering their ability to access government support and other resources.

#### *2.4.1 Disadvantages of classifying African Immigrant Women under the term Black Asian Minority Ethnic (BAME)*

The AIWEs talked about government support towards women and how their experiences suggested that it has been generalised so that those who need help the most hardly get it. This issue borders around BAME, where all 'non-White' ethnic minorities have been classified as Black Asian Minority Ethnic. This has affected the way policies are made, where Africans who are the minorities within a minority group, not to talk of the African women within that group, hardly get any form of support. The support, as my interviewees see it, is handed over to the most organised and dominant group, the Asian ethnic minority group. The BAME umbrella is not the best classification of 'non-White' ethnic minorities since:

*"you have people that come from everywhere, that have different religions, which have different cultures, which have different this and different that. So, it does not make sense to put everyone under that umbrella because everybody has different needs. Moreover, those needs cannot be met under just that one umbrella. So, it would help if you came away from that umbrella".<sup>758</sup>*

The BAME umbrella is disadvantageous to the Africans because when *"African people do go to these BAME services, they are also underrepresented within those services...people that come from Africa are at the bottom of the pile of all the problems that everyone else has".<sup>759</sup>* One second-tier organisation said that the classification of all Black ethnic minorities is never going to work for any of the ethnic minority groups. Moreover, it is becoming clear to some politicians that the term BAME is causing more harm than good in terms of policymaking.

*"A classification of Black ethnic group, by the British government... it has always been a hindrance. So, the BAME classification has always been where I think the Black ethnic group have not benefited from ...classifying the whole continent to another continent does not just work. You have Africa as a continent, which is a Black continent. We have got other regions like the Caribbean. We have got Black Europeans; you have got*

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<sup>758</sup> Interview with Vimbo, supra note 748.

<sup>759</sup> Interview with Vimbo, supra note 748.

*Black Americans in South America. So having that classification as BAME, it is just not; it will never work for the Black ethnic group".<sup>760</sup>*

The argument is that the term Black is so broad and contains different continents, countries, people, and cultures to want to merge them all as one and then merge it with other people from different continents, with different people with different cultures and experiences, and then further merge them with a group called minority ethnic. It is simply a fruitless venture for policymakers as the policies will not be tailored to the needs of these groups within the more extensive ethnic classification. To make matters worse, some of the women also complained about how the government uses poster boys and girls to implement specific policies that did not impact any of them. Because sometimes these poster boys and girls do not even belong to their community and just the general BAME community, in effect losing touch with them. *"I do not like how we are not represented in Holyrood. How many Black MPs have you seen? How many Black Ministers have you seen? You know, and then when they put one poster girl there, the poster girl starts behaving like the Queen to all of us".<sup>761</sup>*

#### 2.4.2 Lack of Data

My interviewees reported that there are few statistics on the African community, especially women in entrepreneurship. Government institutions, as well as private organisations or businesses, hardly research African entrepreneurs. I emailed the Office of National Statistics requesting data on AIWs and received a reply that they need such data.<sup>762</sup> Most research on ethnic minority entrepreneurship captures the White ethnic minority, the more extensive Asian community and sometimes the broader Black community, which includes Caribbeans and Other Black or Mixed ethnicities but scarcely African entrepreneurs. There is rarely any female entrepreneurship discourse on African women entrepreneurs. Some of the second-tier organisations that support SMEs did admit that they do not have data on African women entrepreneurs. *"We do not, we do not have access to*

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<sup>760</sup> Interview with Happiness LLC, Second tier organisation (Glasgow, Scotland, 16 March 2022).

<sup>761</sup> Interview with Danai, an African immigrant woman entrepreneur (Edinburgh, Scotland, 11 March 2022).

<sup>762</sup> Note 102

Office of National Statistics, whom the researcher contacted on 14 March 2021, for Statistics and Figures on Ethnic Minority and Immigrant Women Entrepreneurs in the UK.

*that kind of data because we do not have the funds to conduct that kind of research..., but in terms of overall data about the sector and the number of women, we do not have that, so we do not specify between men and women...*<sup>763</sup>

#### 2.4.3 Lack of representation

Some second-tier organisations also admitted that because most of the AIWE have yet to see many Africans within a particular sector or enterprise, it can be challenging for them to venture into such sectors themselves. Also, they could not approach mainstream organisations because they could not see any Africans engaging with such organisations. *"Something that came back was that they did not feel those organisations were catering to them"*.<sup>764</sup> Such is the power of representation, which should be considered.

*"So, if you look at our community, you can count the poster girls and boys that represent us in Scotland that the government is backing. And that creates an unfairness for organisations like mine"*.<sup>765</sup>

AIWEs want to see fellow Blacks and Africans in business and decision-making spheres. Most of them were concerned about how the lack of representation in these places has affected how their issues are presented or even discussed. They 'want to be able to go into, for example, Business Gateway and be able to see a Black woman as a support officer, and even if they do not get to speak with her directly, there will be an assurance of another day, where they will get to meet them for a better understanding of their needs'.<sup>766</sup> Most are unhappy that they *"are not represented in Holyrood. How many Black MPs have you seen? How many Black Ministers have you seen?"*<sup>767</sup> Being represented at the decision-making table, especially on issues regarding ethnic minority entrepreneurship, is critical to the survival of AIW businesses.

#### 2.5 Childcare

Childcare is also a significant barrier that affects all women who do some work, whether as employees or self-employed. Though this is a general

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<sup>763</sup> Interview with Grace Consultancy, supra note 497.

<sup>764</sup> Interview with Grace Consultancy, supra note 497.

<sup>765</sup> Interview with Danai, supra note 779.

<sup>766</sup> Interview with Blessings LLP, supra note 491.

<sup>767</sup> Interview with Danai, supra note 779.

barrier for female entrepreneurs, it can create problems for AIWE, who experience a cultural shock when they come to the UK in this regard.

*"One of the things that has affected me is childcare. My children's school, their after-school club, closes at five. I have two children under 10. So, whatever I want to do, I need to pick them up; no matter how much I earn from that business, I must pick my children up at five".<sup>768</sup>*

In most African countries where these AIWEs come from, they enjoy the support of family and friends. Some extended family or friends volunteer to care for children when the AIWE must go to work or travel. They also benefit from domestic workers who may be distant family members or whose services are otherwise affordable. Some of these 'house help' even live with the women and are primarily responsible for childcare duties. Unfortunately for African women, the services of a babysitter or nanny in the UK are mostly not affordable. They are not able to get friends or family (social capital) who will be readily available to take up their kids so they can go to work since most Africans who come to the UK are economic migrants and are primarily at work. So, childcare becomes a big hurdle for AIWEs to navigate. A second-tier organisation said that one of the significant barriers for an AIWE is childcare: *"So childcare, especially because most people have come into the country, and they have let their families and friends back where they come from, and childcare if you have got an under three, you are having to pay for childcare".<sup>769</sup>*

Luckily, the Scottish government funds up to 30 hours per week term time, and up to 1140 hours per year, for 3–and 4-year-olds and sometimes 2-year-olds.<sup>770</sup> the child's eligibility is not tied to the parent's immigration status. Thus, the children are not affected by their immigration status.<sup>771</sup> Despite this support, childcare problems are aggravated for most African women because both partners must work to sustain the family, and the woman must find a way to take care of the family still and work to maintain her business.

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<sup>768</sup> Interview with Amara, an African immigrant woman entrepreneur (Glasgow, Scotland, 19 March 2022).

<sup>769</sup> Interview with Grace Consultancy, supra note 497.

<sup>770</sup> Education (Scotland) Act 1980, and Children and Young People (Scotland) Act 2014.

<sup>771</sup> COSLA, NRP Network and JUSTRIGHT Scotland, 'Migrants' Rights and Entitlements to Local Authority Services and Support: National Guidance' (Scottish Government 2023).

Indeed, many African immigrant women entrepreneurs are full-time mothers, part-time employees, and part-time entrepreneurs.

## 2.6 Impact of COVID

COVID revealed the vulnerabilities of most AIW businesses. It showed how most businesses lacked resilient systems to withstand shocks in adversity. Most of the AIWs were in sectors gravely impacted by the pandemic. Nine women were in the hospitality and catering sector, badly hit by the pandemic. Some of the challenges they faced during COVID-19 included the inability to operate their businesses, difficulty in transitioning online, loss of employees, low income, and inability to import and buy goods for their shop within the UK and outside of the UK. Some women felt COVID-19 created business opportunities, but most said it impacted them negatively. Some of the AIWs did say that they received support from the government, but others said they did not. In this section, I will discuss the impact of COVID-19 on the AIWE business and the support they received from the government.

### 2.6.1 Impact of Corona Virus on African Immigrant Women (AIW) Businesses

My interviews were conducted during and after the COVID period, and COVID-19 was an essential topic for the interviewees. Most businesses suffered during the pandemic. The situation worsened for some AIWE businesses in the hospitality and retail (cosmetics) sectors. Some complained about being unable to import products between the UK and other countries, even cities within the UK. They needed help paying old employees and could not recruit new employees during the pandemic, with sales of products and services falling. Akosua said that *'COVID impacted the cost of operation and the profit she made in her business, especially during the lockdown. She said, "In 2020, because the side of the country, Ghana, where I source my textiles, was also on lockdown like the United Kingdom, I could not do business".*<sup>772</sup> Upendo also said, *"Our income stream completely stopped because of COVID. We had to decide whether to stop the company or keep going."*<sup>773</sup> Abena intimated, *"I used to have until this Omicron. I had the boy, one, two, three, plus me, but because of the Omicron, you know, payment was becoming hard, so the*

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<sup>772</sup> Interview with Akosua, supra note 533.

<sup>773</sup> Interview with Upendo, supra note 656.

*boy has to go, and even the rest are students, so I am looking for volunteers".<sup>774</sup>*

The table below shows how many AIWE businesses were negatively affected by the COVID-19 virus compared to those with a positive impact and others with both negative and positive effects.

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<sup>774</sup> Interview with Abena, supra note 531.



Table 13: Impact of COVID

Covid impact	Positively	Negatively	Positively & negatively
No.	6	13	5
Highest	Negatively		

Source: Data from interviewees.

Whereas 11 women felt COVID-19 created business opportunities, 18 said it negatively impacted their businesses.

### 2.6.2 Support from Government

Some AIWEs said they had support from the government and other organisations during the pandemic. They said they were beneficiaries of some of the relief the government provided for entrepreneurs in the form of finance and legal support for their businesses in the form of visas. The following are some of the benefits AIWEs had from the government during the pandemic:

Abena

*"So yes, through the coronavirus pandemic, the pandemic problem that brought upon the hospitality, any help they are giving out, we also receive ours".<sup>775</sup>*

Oni

*"So, I found out that the government put in new legislation that you can extend your startup visa for one year, to give you time, just because of COVID. Because they are realising that you have had these two years to run your business, but you have not because everything has been shut down".<sup>776</sup>*

Anopa

*"When we heard about funding from the Refugee Council about combating COVID effects, we got that funding".<sup>777</sup>*

<sup>775</sup> Interview with Abena, supra note 531.

<sup>776</sup> Interview with Oni, supra note 646.

<sup>777</sup> Interview with Anopa, supra note 717.

While some of the AIWEs said they had support from the government, others said they could not even access the support that the government was providing for businesses that were severely hit by the pandemic or from other support organisations:

Sita

*"I tried to get a loan. I tried to because the business was affected by COVID... for example, as I said, although I have an office, I could not use it much because of COVID-19. So, I needed money for the setup. I never got; I never got it".<sup>778</sup>*

Oni

*"After COVID, even office spaces and all those things were supposed to be available to us. But since COVID, those things have been repurposed for other things, so we do not have as much support".<sup>779</sup>*

Efe

*"It is kind of disappointing when you are not getting the support; you are not even getting support from the government, funders, nobody wants to fund, and meanwhile, certain people are just getting all the funds".<sup>780</sup>*

Some surveys have been conducted to evaluate the impact of COVID-19 on ethnic minority businesses. One of these surveys<sup>781</sup>, showed that most Black businesses were likely to go under because the pandemic was having a devastating impact on Black people.<sup>782</sup> This survey also revealed that because most of the ethnic businesses were startups and SMEs, the impact of the pandemic would be severe.<sup>783</sup>

In May 2020, the government commissioned Public Health England (PHE) to review the factors exacerbating the pandemic's impacts. Ethnicity is

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<sup>778</sup> Interview with Sita, supra note 657.

<sup>779</sup> Interview with Oni, supra note 646.

<sup>780</sup> Interview with Efe, supra note 649.

<sup>781</sup> Note 103

Extend Ventures and Your Startup Your Story (YSYS) carried out surveys on black and ethnic minority founders in collaboration with the community organisations CGV, 10x10, Kwanda, BYP, Colorintech, and BGV to understand how they are surviving in this economic climate and whether the current government support meets their needs.

<sup>782</sup> Extend Ventures and YSYS, 'Impact of COVID-19 on black and ethnic minority-led businesses' (Extend Ventures 2020).

<sup>783</sup> Extend Ventures and YSYS, 'Impact of COVID-19', supra note 800.

featured in the terms of reference for the review.<sup>784</sup> Published on 2 June 2020, the review noted ‘the disproportionate mortality rate of BAME people when compared to White counterparts’.<sup>785</sup> A report by the House of Commons Women and Equalities Committee summarises the findings of the research, which reveals the adverse impact of COVID-19 on the Black ethnic group. However, it was still under the broader umbrella of BAME.

*Throughout the coronavirus pandemic, Black, Asian, and minority ethnic (BAME) people have been acutely affected by pre-existing inequalities across a vast range of areas, including health, employment, accessing Universal Credit, housing, and the no recourse to public funds policy.*<sup>786</sup>

Some AIWE businesses indeed enjoyed some form of government support during the pandemic. However, many others struggled during the pandemic and are still struggling to recover from its impact or could not even survive. *“They started businesses for a couple of months before, who sold them on a peer shop because it has to be legally closed.”*<sup>787</sup> Even some of the second-tier organisations stated that *“most businesses could not recuperate from the impact of the pandemic; for the past two years, many businesses have gone under, Black businesses”*.<sup>788</sup> They exist no more.

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<sup>784</sup> Women and Equalities Committee, *Unequal impact? Coronavirus and BAME people* (HC 384, 2019-21).

<sup>785</sup> Women and Equalities Committee, *supra* note 802.

<sup>786</sup> Women and Equalities Committee, *supra* note 802.

<sup>787</sup> Interview with Peace Enterprise, *supra* note 703.

<sup>788</sup> Interview with Happiness LLC, *supra* note 760.

## Chapter 6: The Future of Sustainable AIWE Entrepreneurship in the UK

### Introduction

The chapter analyses the measures that stakeholders and the government can employ to make African Immigrant Women Businesses (AIWB) sustainable. To achieve this, the U.K.'s policy measures on ethnic minority entrepreneurship is scrutinised from the 20<sup>th</sup> Century. With the help of data collected, case studies and literature on the field, the shortcomings of previous and current policy measures, and proposed policy measures that stakeholders can employ to make African Immigrant Women (AIW) and Ethnic Minority (E.M.) businesses sustainable are examined.

Literature on ethnic minority and immigrant businesses suggests that most ethnic minority and immigrant businesses, including AIWB, are not sustainable.<sup>789</sup> They collapse within the start-up stage or become stagnant during their growth stage. A report by the Hunter Centre for Entrepreneurship shows that 1.2% of ethnic minority businesses closed, compared to about 0.2% of White or Irish businesses, between 2013 and 2016 in Scotland, where this study was conducted.<sup>790</sup> Many reasons for these businesses' stagnation and failure have been given, including financial constraints, "financial management skills, lower levels of investment activities, and overrepresentation in the higher risk economics."<sup>791</sup> In previous chapters, I have discussed how immigration and labour law and policies and the interaction of these two are the underpinning factors for most of the reasons given above. They are the root cause of most of the barriers that ethnic minority entrepreneurs, including AIWEs, face, which leads to the stagnation or death of their businesses. Despite the obstacles that ethnic minority businesses face, there are 'about 250,000 ethnic

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<sup>789</sup> Note 104

British Business Bank and Oliver Wyman, 'Alone Together: Entrepreneurship and diversity in the U.K.' (Survey services provided by Ipsos MORI, British Business Bank 2020); Ezenam Agubretu, 'Ethnic Diversity in Business: Removing barriers impeding business success' (London Chamber of Commerce and Industry (LCCI) 2022) and Georgina Hutton, 'Business statistics' (The Commons library 2022).

<sup>790</sup> Note 105

In a report by Samuel Mwaura et al., 'Taking steps to combat barriers to ethnic minority enterprise in Scotland' (Hunter Centre for Entrepreneurship 2018), figure 8 shows how businesses closed in the last 12 months because they were unprofitable or could not raise funds.

<sup>791</sup> Mwaura et al., 'Taking steps to combat barriers', supra note 790, p13.

minority-led firms in the U.K.'.<sup>792</sup> These Ethnic minority businesses (EMBs) are 'contributing £25 billion per annum to the U.K. economy with a gross added value (GVA) matching or surpassing that of major cities like Birmingham or sectors like pharmaceutical and agriculture'.<sup>793</sup> They also can increase fourfold, to £100bn GVA, if the proper policy framework is employed to support them.<sup>794</sup>

Another reason that leads to the stagnation and death of ethnic minority businesses (EMB) is attributed to the sectors they are found in. EMBs are heavily concentrated in sectors that are termed to be low-value-added and low-profit sectors.<sup>795</sup>, such as catering, retail, transport and construction.<sup>796</sup> Although this is true to some extent, there is evidence that some ethnic minorities 'are also in leading-edge sectors such as computer manufacturing and software design, I.T. consultancy, private healthcare, broadcasting, graphic design, financial services, and fashion design'.<sup>797</sup> Moreover, "Africans and African Caribbeans appear even better represented in these innovative lines, settling for quality and not quantity".<sup>798</sup> For instance, I interviewed seven African immigrant women entrepreneurs (AIWEs) who work in these leading sectors.<sup>799</sup> The table below reflects data collected from the AIWE interviews, showing the sectors and areas that they are represented.

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<sup>792</sup> Eva Kašperová, Richard Roberts and Monder Ram, *Time to change: A blueprint for advancing the U.K.'s ethnic minority businesses* (Centre for Research in Ethnic Minority Entrepreneurship (CREME), Aston University 2022).

<sup>793</sup> Kašperová et al, supra note 792.

<sup>794</sup> Kašperová et al, supra note 792.

<sup>795</sup> Note 106

This typically refers to sectors that do not contribute significantly to economic growth, innovation, or productivity.

<sup>796</sup> Kašperová et al, supra note 792, pp 53-56.

<sup>797</sup> Monder Ram and Trevor Jones, 'Ethnic-Minority Businesses in the U.K.: A Review of Research and Policy Developments' (2008) 26(2) *Environment and Planning C: Government and Policy* 287-476.

<sup>798</sup> Ram and Jones, 'Ethnic-Minority Businesses in the U.K.', supra note 797.

<sup>799</sup> Note 107

Private health; Financial services; I.T. consultancy-Oni and Sanaa; Computer and software design and Sanaa; Fashion design and Asante.

Table 14: Industrial classification of African immigrant women entrepreneurs' businesses

Section	Industrial classification	AIWE(s)	Type of business	SIC (Standard Industrial Classification) Code
A	Agriculture, forestry, and fishing	0	-	-
B	Mining and quarrying	0	-	-
C	Manufacturing	0	-	-
D	Electricity, gas, steam, and air conditioning supply	0	-	-
E	Water supply, sewerage, waste, and remediation activities	0	-	-
F	Construction	0	-	-
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	Akosua	African Textiles	46160
		Adzo	Reuse shop for students	47799
		Dalitso	Franchised selling and	46460

			marketing of health supplements	
H	Transport and storage	0	-	-
I	Accommodation and food service activities	Awa	African grocery store	56290
		Upendo	Social entrepreneur in the hospitality industry	56210
		Ngozi	Decorations and Events	56210
		Minata	African shop	56290
		Yawa	African shop	56290
		Ife	Making cakes	56290
		Sita	Service accommodation	55900
		Aku	Afro Caribbean foods	56290
		Abena	African Restaurants and products	56101

J	Information & communication	Afi	Online business owner	63990
		Oni	Tech Company	62012
		Efe	Charity: Broadcasting (radio and T.V., and social media)	60200
		Sanaa	Tech startup, building mobile apps, web development.	62012
K	Financial and insurance activities	Amara	Stock exchange/shares investor	64999
L	Real estate activities	Ngozi	Accommodation Consultancy	68209
M	Professional scientific and technical activities	Asante	Fashion design	74100
		Efe	Strategy consulting	70229
N	Administrative and support	Chiomaa	A social enterprise providing	78109



	service activities		services to help new immigrants integrate	
		Dembe	A social enterprise that supports ethnic minorities to get employment, start businesses, and support businesses seeking to employ	78109
		Nyoka	Social enterprise: a hub that supports the employability of ethnic minority women and their well-being	78109
0	Public admin & defence; compulsory social security	0	-	-

P	Education	Danai	a social enterprise that supports kids with cultural awareness using literacy as a vehicle	85590
		Amara	consulting business to coach and mentor people	85590
Q	Human health and social work activities	Sita	Private clinic and legal consultancy	86220
R	Arts, entertainment, and recreation			
S	Other service activities	Anopa	A charity that supports African women	94990
		Ama	fashion and beauty industry	96020

		Vimbo	charity that supports people of African heritage.	94990
T	Activities of households as employers; undifferentiated goods and services-producing activities of households for own use	0	-	-
U	Activities of extraterritorial organisations and bodies	0	-	-

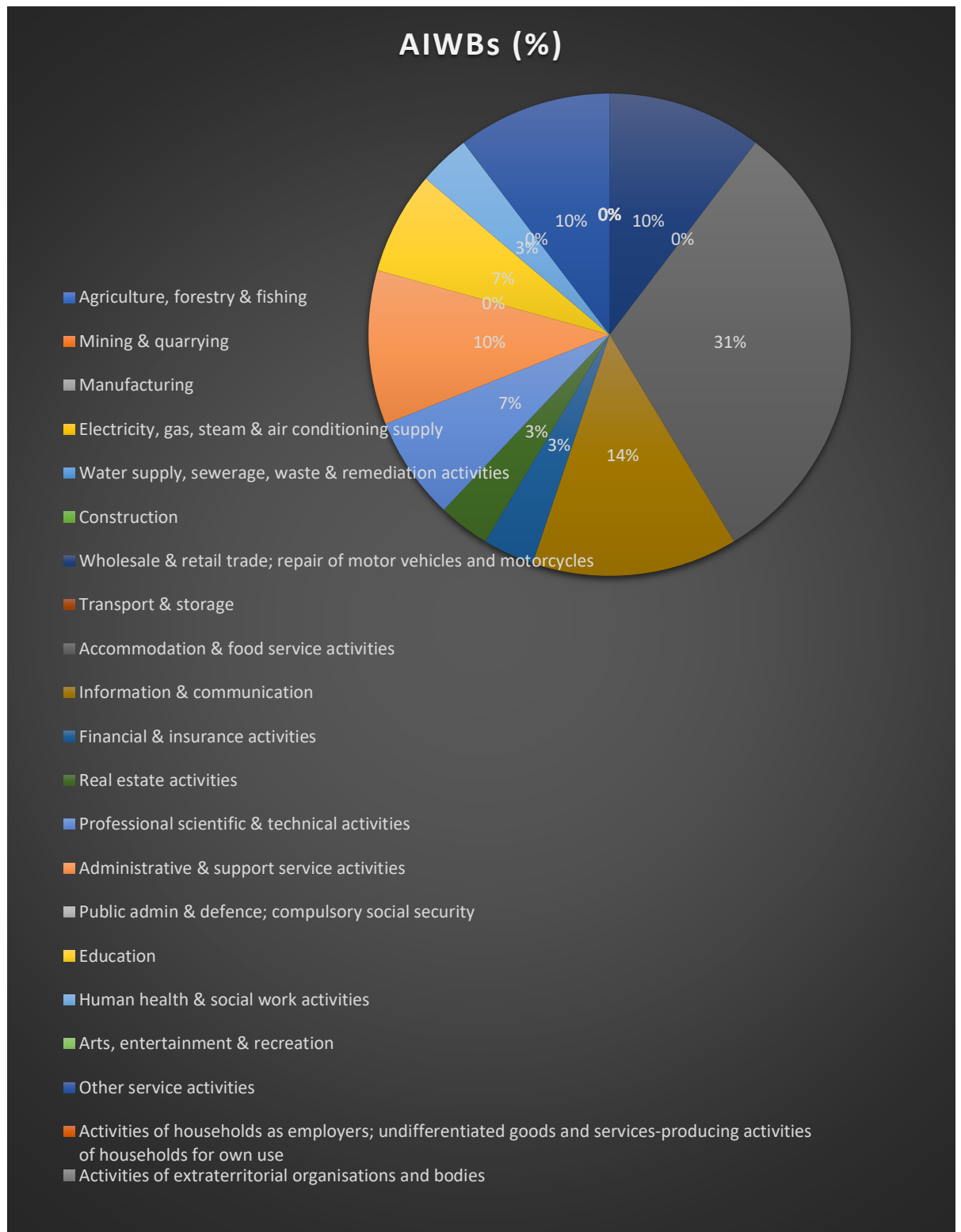
Source: Data from interviewees.

From the table above, no AIWBs are found in Sector A-F. However, from Sector G, we have three AIWB (Akosua, Adzo, Dalitso) in the Wholesale and Retail industry. No AIWB exists in the Transport and Storage industry (Sector H). Nine AIWB (Awa, Upendo, Ngozi, Minata, Yawa, Ife, Sita, Aku, Abena) are in the Accommodation and Food service industry. This group is followed by the Information and Communication industry, where four AIWBs (Afi, Oni, Efe, Sanaa) are represented. Only one AIWB (Amara) is represented in the Financial and Insurance industry. Likewise, only one AIWB (Ngozi) is found in the Real Estate industry. Two AIWBs (Asante and Efe) exist in the Professional Scientific and Technical industry. The following industry is the Administrative and Support service, where three (Chioma, Dembe, Nyoka) AIWBs are represented. None of the AIWBs is represented in the Public Administration and Support services: compulsory social service industry (Sector O). In the

Education industry, two AIWBs (Danai and Amara) are represented. One AIWB (Sita) is found in the Human Health and Social Work industry. None of the AIWEs are in the Arts, entertainment, and recreation industry (Sector R). Three AIWBs are represented in Other Services industries. None of the AIWBs are found in the last two industries (Sectors T and U).

The pie chart below shows the percentages of AIWBs in the different sectors and the percentages represented in the low-value-added and low-profit sectors.

Figure 10: Percentages of African immigrant women businesses in the U.K. industry.



Source: Data from interviewees.

From the pie chart above, no AIWEs are found in Agriculture, forestry and fishing, mining, and quarrying, Manufacturing, Electricity, gas, steam and air conditioning supply, Water supply, sewerage, waste and remediation

activities, and construction, representing 0% in these industries. However, 3 AIWEs are in the Wholesale and Retail industry, representing 10% of AIWBs in this industry—no AIWEs in the Transport and Storage industry, representing 0%. Nine AIWEs are in the Accommodation and Food service industry, also known as the hospitality and catering industry, where EMBs are concentrated. This represents 31% of AIWBs in this industry. This group is followed by the Information and Communication industry, with 4 of the AIWEs representing 14% of the AIWBs in this industry. Only 1 AIWE is in the financial and insurance industry, accounting for 3% of AIWBs. Likewise, only 1 AIWE is found in the real estate industry, representing 3% of AIWBs. There are 2 AIWEs in the Professional Scientific and Technical industry, making up 7% of AIWBs. The following industry is the Administrative and Support service with 3 AIWEs, representing 10% of AIWBs in this industry. None of the AIWBs is represented in the Public Administration and Support services; the compulsory social service industry represents 0%. There are 2 AIWEs in the Education industry, representing 7% of the AIWBs. One AIWE is found in the human health and social work industry, which accounts for 3% of AIWBs in this industry. None of the AIWEs are in the arts, entertainment, or recreation industry, representing 0%. Three AIWEs are in Other Services industries, representing 10% of AIWBs in this industry. None of the AIWEs are found in the last two industries: Activities of households as employers, undifferentiated goods and services-producing activities of households for own use, and Activities of extraterritorial organisations and bodies, representing 0% each.

Table:15 Highlights the percentages of African immigrant women entrepreneurs' representation in each industry.

Industries	Industrial classification	AIWBs (%)
A	Agriculture, forestry & fishing	0%
B	Mining & quarrying	0%
C	Manufacturing	0%
D	Electricity, gas, steam & air conditioning supply	0%
E	Water supply, sewerage, waste & remediation activities	0%
F	Construction	0%
G	Wholesale & retail trade; repair of motor vehicles and motorcycles	10%
H	Transport & storage	0%
I	Accommodation & food service activities	31%
J	Information & communication	14%
K	Financial & insurance activities	3%
L	Real estate activities	3%
M	Professional scientific & technical activities	7%
N	Administrative & support service activities	10%
O	Public admin & defence; compulsory social security	0%
P	Education	7%
Q	Human health & social work activities	3%
R	Arts, entertainment & recreation	0%
S	Other service activities	10%
T	Activities of households as employers; undifferentiated goods and services-producing activities of households for own use	0%
U	Activities of extraterritorial organisations and bodies	0%

Source: Data from interviewees.

In the table above, the sectors highlighted in red are those in which none of the AIWBs are represented. The sectors highlighted in yellow are those in the low-value-added sectors, and those highlighted in green are the AIWBs represented in the high-value-added sectors.

Although 41% of the AIWBs are represented in traditionally low value-added sectors (catering, retail, transport, and construction), the remaining AIWBs, a total of 59%, are represented in high value-added sectors (computer manufacturing and software design, I.T. consultancy, private healthcare, broadcasting, graphic design, financial services, and fashion design). As for why none of the AIWBs are represented in the red highlighted industries, it is a subject for further research.

Nonetheless, with the 'economic and social contributions.'<sup>800</sup> Ethnic minority businesses, including African immigrant women businesses, bring to the U.K. measures must be taken to ensure these businesses achieve their full economic potential and become even more sustainable.

There have been different schools of thought on how to make ethnic minority businesses sustainable. The first school of thought believes that building the capacity of the ethnic minority entrepreneur is critical<sup>801</sup>, i.e. their language

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<sup>800</sup> Note 108

Category of contribution	Details
Contribution to GVA	Estimates suggest EMBs contribute between £25bn and £74bn per annum to the economy
Employment	EMBs employ nearly 3 million people across the U.K.
Profits	EMBs generate £21.4bn in post-tax profits
Taxes	EMBs pay £4.7bn in corporation-tax payments
Exports	In 2018, 15% of minority SMEs exported, compared with 14% of other SMEs
Innovation	21% of ethnic minority businesses introduced a "process innovation" in 2019 compared to 15% of non-ethnic minority firms. 30% introduced at least one "product innovation" in 2019, compared to 19% of non-ethnic minority businesses.

Source: Richard Hyde, 'Unlocking the potential of ethnic minority businesses: Tackling the barriers to success' (The Social Market Foundation, 2021) 12.

<sup>801</sup> Jann Rath and Anna Swaggerman, 'Promoting Ethnic Entrepreneurship in European Cities: Sometimes Ambitious, Mostly Absent, Rarely Addressing Structural Features' (2016) 54(1) International Migration 152-166.



proficiency<sup>802</sup>, financial management skills<sup>803</sup>, integration<sup>804</sup>, and skill set.<sup>805</sup> This will equip them to effectively manage their businesses and make them sustainable. Meanwhile, the second school of thought believes that the challenges that ethnic minority entrepreneurs encounter with the social structure, for example, "discrimination, and racist exclusion, lack of access to capital, etc."<sup>806</sup> If these issues are addressed, ethnic minority entrepreneurs will have a conducive environment in which to compete in the market economy. However, a third school of thought believes that ethnic minorities should be capable of managing their businesses and that the government should not intervene.<sup>807</sup> I am afraid I have to disagree with the last school of thought, which seems to be popular among strict neoliberals.<sup>808</sup> They are suggesting that the 'government should not invest in EMBs and that they should be allowed to navigate and compete in the market economy like every other entrepreneur'.<sup>809</sup> This could have been a rational suggestion if the experiences of ethnic minorities were the same as those of other entrepreneurs. However, I have discussed in previous chapters the unique experiences of ethnic minority entrepreneurs and AIWEs in the market economy. They need to start their entrepreneurial journey on a level playing field with other entrepreneurs, leaving them struggling to find their footing in the market economy. How can one expect a fledgling to fly high up in the sky without giving it a push?

I agree with the first school of thought, which believes that the enhancement of the human capital of the ethnic minority will impact positively on their businesses. This may be true for other ethnic minority businesses but will have an insignificant impact on AIWEs because most have the competence to run these businesses, per my data. For instance, eight of the AIWEs started businesses to continue the businesses they were managing in their country

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<sup>802</sup> Levent Altinay and Eser Altinay, 'Factors Influencing Business Growth: The Rise of Turkish Entrepreneurship in the U.K.' (2008) 14(1) *International Journal of Entrepreneurial Behaviour and Research* 24-46.

<sup>803</sup> Mwaura et al., 'Taking steps to combat barriers', supra note 790, p6.

<sup>804</sup> Mwaura et al., 'Taking steps to combat barriers', supra note 790, p18.

<sup>805</sup> Rath and Swaggerman supra note 841, p154.

<sup>806</sup> Monder Ram, Trevor Jones, and Maria Villares-Varela, 'Migrant Entrepreneurship: Reflections on Research and Practice' (2016) 35 *International Small Business Journal: Researching Entrepreneurship* 3.

<sup>807</sup> Rath and Swaggerman supra note 841, p164.

<sup>808</sup> Rath and Swaggerman supra note 841.

<sup>809</sup> Rath and Swaggerman supra note 841.

of origin. At the same time, four came from families with business backgrounds running these businesses. Thus, they had the necessary skills, at least the basic ones, to start and run a business, albeit the entrepreneurial environment was different.

I fully agree with the second school of thought, which believes that addressing the inequalities within the social structure, for example, "empowering certain depressed city districts; or the structural embedding of immigrant's ethnic minorities and their organisations into mainstream organisations."<sup>810</sup> It will have an immense impact on the AIW businesses. More importantly, in addition to addressing issues in the social structure, when restrictive legislation is removed within the legal framework EMBs operate, the AIWBs will thrive. In agreement with this second school of thought, this chapter explores what measures stakeholders can employ to fully address the barriers that AIW businesses face to make these businesses sustainable. This was achieved with the help of data collected, literature on the field, and case studies.

For the first part of the chapter, I will trace the emergence of ethnic minority entrepreneurship, focusing on the history of the U.K.'s policies on ethnic minority entrepreneurs from the 20th Century.

In this section, I examine what has been done in the past, why it was done, how it was done and what impact it made.

In the second part of the chapter, I will scrutinise recent policy measures on EMB from the 21<sup>st</sup> Century onwards to the present. I will discuss how distinct these measures are from those of the 20<sup>th</sup> Century and their impact on AIW businesses.

The third part will focus on case studies of 6 of the 25 African Immigrant women entrepreneurs interviewed. Their cases will help highlight the unique challenges that AIWs face compared to other ethnic minority businesses and whether the general policies on ethnic minority businesses are sufficient to make AIW businesses sustainable.

This leads us to the fourth and final part of the chapter, which will examine other measures stakeholders can employ to help AIW businesses and ethnic minority businesses grow to attain their full potential. The U.N. Women's

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<sup>810</sup> Rath and Swaggerman supra note 841.

'paths to equal twin indices on women's empowerment and gender equality' is analysed.<sup>811</sup> To ascertain whether this will be a good framework for the U.K. to adopt to measure the level of entrepreneurial participation of African women in their access to the market economy and their sustainability potential compared to native female entrepreneurs.

## 1. History of U.K.'s policies on ethnic minority entrepreneurs in the 20<sup>th</sup> Century

The early 20<sup>th</sup> Century saw 'post-war migration from the West Indies, mainly the Caribbean, to Britain between 1948 and 1962'.<sup>812</sup> These were 'skilled or semiskilled migrants from urban settings, who came to Britain for economic reasons, i.e., to achieve upward mobility to middle-class status, and were primarily in manufacturing and service jobs'.<sup>813</sup> Within the same period, i.e., the 1950s, there was the influx of 'South Asian immigrants, India and Pakistan to Britain, and later the Bangladeshi in the 1980s'.<sup>814</sup> The '1948 British Nationality Act 'allowed people from the British Empire and Commonwealth unrestricted rights to enter Britain because they carried a British passport'.<sup>815</sup> Conversely, 'the resolution of the 1962 Commonwealth Immigration Act restricted the entry of Black Caribbean migrants into the United Kingdom'.<sup>816</sup> This led to a period where many immigrants faced discrimination and barriers to economic opportunities, which necessitated the establishment of small firms for these migrants within their communities.<sup>817</sup> Some legislation at the time includes the Race Relations Acts of 1965<sup>818</sup> and 1968<sup>819</sup>, among the earliest measures to address racial discrimination and lay the foundation for promoting racial equality.

Nevertheless, 'ethnic minority businesses (EMB) policy discourse in the U.K. was non-existent in the 1970s, even when most other strands of U.K.

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<sup>811</sup> U.N. Women and UNDP, 'The Paths to Equal: Twin Indices on Women's Empowerment and Gender Equality' (U.N. Women 2023).

<sup>812</sup> Marcia E. Sutherland, 'African Caribbean Immigrants in the United Kingdom: The Legacy of Racial Disadvantages' (2006) 52(1) *Caribbean Quarterly* 26-52.

<sup>813</sup> Sutherland, *supra* note 852.

<sup>814</sup> Ceri Peach, 'South Asian Migration and Settlement in Great Britain, 1951-2001' (2006) 15 *Contemporary South Asia* 135

<sup>815</sup> Sutherland, *supra* note 852, pp.27-28.

<sup>816</sup> Sutherland, *supra* note 852, pp.27-28.

<sup>817</sup> Sutherland, *supra* note 852, pp.27-28.

<sup>818</sup> Race Relations Act 1965.

<sup>819</sup> Race Relations Act 1968.

enterprise policy had emerged in May 1979'.<sup>820</sup> It was not 'until 1981 and 1982 that 'EMB policy debates surfaced when overall enterprise policy was in decline'.<sup>821</sup> The emergence of 'publicly funded initiatives to support EMBs became a feature of the small firm agenda'.<sup>822</sup> Which 'was initially introduced as a result of the collapse of the manufacturing industries, that led to Black and Asian workers being disproportionately affected, as they were the workers that were easily discarded'.<sup>823</sup> As a result, riots took place, for example, 'Southall, West London, St Pauls, Bristol (1980), Chapeltown Leeds, Toxteth Liverpool to establish the dissatisfaction of the discrimination meted out to them'.<sup>824</sup> The highlight of these riots was the 'Brixton Disturbances'<sup>825</sup> In 1981'.<sup>826</sup> Where 'Scarman's report in 1981 played a critical role in exposing how ethnic minorities were treated by highlighting racial tensions and discrimination'.<sup>827</sup> Reading this has led to 'increased awareness of the challenges faced by ethnic minorities, including those in the business sector'.<sup>828</sup> This propelled the government, led by 'the Home Office, to launch policies on ethnic minority entrepreneurship'.<sup>829</sup> Most of the "initial initiatives came from the Home Office rather than the economic or industrial departments with projects worth £3m in funding and selected solely in response to local pressures".<sup>830</sup> Often "at first on police advice and mainly in locations with a large Black West African population".<sup>831</sup> Indeed, "even though the first Minister for Ethnic Minorities in February 1982 (Sir George

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<sup>820</sup> Trevor Jones, Richard Roberts, and Monder Ram, 'Much Ado about Very Little: The Dubious Connection between Ethnic Minority Business Policy and Ethnic Minority Entrepreneurship' (2021) 61(2) *International Migration* 9-26.

<sup>821</sup> Jones et al., 'Much Ado about Very Little', supra note 860.

<sup>822</sup> Jones et al., 'Much Ado about Very Little', supra note 860.

<sup>823</sup> Jones et al., 'Much Ado about Very Little', supra note 860, p14.

<sup>824</sup> Jones et al., 'Much Ado about Very Little', supra note 860, p14.

<sup>825</sup> Note 109

The Brixton disturbance was a series of riots by the Black community because of a fire incident at New Cross. The police were accused of being racist in handling the incident, and the government was accused of 'playing ostrich'. This led to a series of demonstrations and riots, with violent clashes between community members and police. You can read the full story of the Brixton disturbances here: 'The Brixton Riots: Policing the Black Community in the Last 40 Years', available at <https://www.gresham.ac.uk/watch-now/brixton-riots> accessed 15 September 2023. p4-6.

<sup>826</sup> Ram and Jones, 'Ethnic-Minority Businesses in the U.K.', supra note 798, p358.

<sup>827</sup> Leslie Thomas, 'The Brixton Riots: Policing the Black Community in the Last 40 Years' (Gresham College 2022).

<sup>828</sup> Thomas, supra note 867.

<sup>829</sup> Jones et al., 'Much Ado about Very Little', supra note 860.

<sup>830</sup> Jones et al., 'Much Ado about Very Little', supra note 860.

<sup>831</sup> Jones et al., 'Much Ado about Very Little', supra note 860.

Young) was an environment post, the Home Office retained a leading influence in policy development for EMB support for several more years”.<sup>832</sup> This is because whereas “government policy at the time saw entrepreneurship in general as a source of economic growth and innovation, ‘Black people's business’ was seen more as a means of keeping trouble off British streets”.<sup>833</sup>

Furthermore, in 1983, the Enterprise Allowance Scheme<sup>834</sup>, which some refer to as Margaret Thatcher's only successful policy<sup>835</sup>, was introduced to support disadvantaged groups, including ethnic minorities, in starting their businesses by providing financial incentives and mentoring.<sup>836</sup> In 1985, “the Ethnic Minority Business Initiative (EMBI) was launched, which led to the establishment of some ethnic minority-led business support agencies in areas of high ethnic concentration, for example, Black Business Birmingham and the Bolton and Bury Enterprise Centre ”.<sup>837</sup>

Also, around this same time, other government initiatives like the 'Loan Guarantee Scheme, Business Start-up Scheme, Venture Capital Scheme, Investment Interest Scheme, and Development Agencies to assist new and small firms in Britain'.<sup>838</sup> Although some of these schemes were not necessarily targeted at ethnic minority businesses, EMB were indirectly impacted as they were within the small business space.

Sadly, these policy initiatives did not last. 'Public order policy started to fade as a driver force for targeted policy intervention and was replaced by a much simpler policy known as the 'levelling agenda'.<sup>839</sup> This levelling-up agenda tasked all aspiring entrepreneurs to exploit their entrepreneurial potential to the fullest, using about 300 enterprise agencies to execute the policy

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<sup>832</sup> Jones et al., 'Much Ado about Very Little', supra note 860, p15.

<sup>833</sup> Jones et al., 'Much Ado about Very Little', supra note 860, p15.

<sup>834</sup> Marc Cowling and Peter Mitchell, 'The Evolution of U.K. Self-Employment: A Study of Government Policy and the Role of the Macroeconomy' (1997) 65(4) *The Manchester School* 427-442.

<sup>835</sup> Stephen Dorril, 'Margaret Thatcher's only successful policy - and its unintended consequences' (*The Guardian*, 1 August 2023) <<https://www.theguardian.com/politics/2023/aug/01/margaret-thatchers-only-successful-policy-and-its-unintended-consequences>> accessed 13 September 2023.

<sup>836</sup> Cowling and Mitchell, supra note 862.

<sup>837</sup> Monder Ram and David Smallbone, 'Policies to Support Ethnic Minority Enterprise: The English Experience' (2003) 15(2) *Entrepreneurship and Regional Development* 158.

<sup>838</sup> Mark Froud, 'New and Small Firms in the U.K.: an Analysis of the Policy Process' (1985) 16(4) *Geoforum* 369-386.

<sup>839</sup> Daniel Harari et al., 'The Levelling Up Agenda' (House of Commons Library 2021).

through public and charitable funding sources.<sup>840</sup> Subsequently, this led to a 'decrease in the EMB policy issues in political discourse and further falling back in volume to a low point in 1990, then surged again between 1992 and 1993'.<sup>841</sup> To elaborate, most of the policies and regulations in the 20<sup>th</sup> Century were not focused on ethnic minority entrepreneurship. To some extent, they may have aided ethnic minority entrepreneurs in setting up small businesses.

In conclusion, we have seen that the emergence of ethnic entrepreneurial government initiatives to support ethnic minority businesses in the 20<sup>th</sup> Century was not initially targeted at ethnic entrepreneurship; instead, it was partly a solution to the high-level unemployment among ethnic minorities and a way to curb the prevalence of racial discrimination at the time which led to a series of riots. Whether these policy initiatives were streamlined to support ethnic minority businesses in the coming years is the subject of discussion in the next section.

## 2. Policy framework/initiatives on ethnic minority businesses in the 21<sup>st</sup> Century

It is important to note that the focus on ethnic minority entrepreneurship as a specific policy area emerged in the U.K. in the 20<sup>th</sup> Century and gained prominence in the 21<sup>st</sup> Century. The 21<sup>st</sup> Century saw its' own influx of immigrants from "Post-Soviet Eastern Europe and asylum-seeker inflows from conflict zones in Africa, South-West Asia and Afghanistan".<sup>842</sup> Consequently, the U.K.'s population became even more diverse, with 'growing populations of Congolese, Rwandans, Somalis, Syrians, Kurds, Palestinians, Tamils, Chinese, Philippines, etc'.<sup>843</sup> A host of geographical origins characterises these migrants, and unlike the 20<sup>th</sup>-century immigrants, they are driven by various motives.<sup>844</sup> Ushering 'the U.K. into an era of 'super-diversity'.<sup>845</sup> At the same

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<sup>840</sup> Jones et al., 'Much Ado about Very Little', supra note 860.

<sup>841</sup> Jones et al., 'Much Ado about Very Little', supra note 860.

<sup>842</sup> Jones et al., 'Much Ado about Very Little', supra note 860, pp.18-19.

<sup>843</sup> Heidi Safia Mirza and Ross Warwick, 'Race and Ethnicity' (An IFS initiative funded by the Nuffield Foundation, Inequality: IFS Deaton Review 2022).

<sup>844</sup> Jones et al., 'Much Ado about Very Little', supra note 860, p20.

<sup>845</sup> Note 110

"Superdiversity" is "a condition distinguished by a dynamic interplay of variables among an increased number of new, small and scattered, multiple-origin, transnationally connected, socio-economically differentiated and legally stratified immigrants" Steven Vertovec, 'Super-Diversity and Its Implications (2007) 30(6) Ethnic and Racial Studies 1024-1054.

time, ethnic minority entrepreneurship was rising.<sup>846</sup> This necessitated the government to develop various policies to support EMBs.

## 2.1 First half of the 21<sup>st</sup> Century (2000-2010)

Some of the policies introduced in the first half of the 21<sup>st</sup> Century include the Small Business Service 2000<sup>847</sup> Ethnic minority employment Taskforce 2003<sup>848</sup>, RDA's and Business Link Taskforce 2005<sup>849</sup>, Equality Act 2010<sup>850</sup>, Local Enterprise Partnerships in England<sup>851</sup>, Business in You campaign in 2012<sup>852</sup>, McGregor Smith Review 2016/2017,<sup>853</sup> Bounce Back loan scheme (withdrawn)

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<sup>846</sup> Jones et al., 'Much Ado about Very Little', supra note 860, p20.

<sup>847</sup> Note 111

The Small Business Scheme was a dedicated agency within the DTI whose role was "to build an enterprise society in which businesses of all sizes thrive and achieve their full potential by listening to their needs and influencing government to think small first and to provide more coherent delivery of services from government departments, by sharing objectives and working collaboratively at all levels: nationally, regionally and locally". Francis Greene and Priyen Patel, 'Enterprise 2050: Getting UK enterprise policy right' (Federation of Small Businesses (FSB) 2013).

<sup>848</sup> Note 112

This was a strategy not to necessarily support ethnic entrepreneurship but to develop policies to improve ethnic minority employment and to ensure that government departments work together and make the most of existing expertise in the private sector and non-departmental bodies. Work and Pensions Select Committee - *Fourth Report* (H.C. 2004-05) paras 175-180.

<sup>849</sup> Francis Greene and Priyen Patel, 'Enterprise 2050: Getting UK enterprise policy right' (Federation of Small Businesses (FSB) 2013)13.

<sup>850</sup> Note 113

Equality Act 2010 introductory text Chapter 15:

"An Act to make provision to require Ministers of the Crown and others when making strategic decisions about the exercise of their functions to have regard to the desirability of reducing socio-economic inequalities; to reform and harmonise equality law and restate the greater part of the enactments relating to discrimination and harassment related to certain personal characteristics; to enable certain employers to be required to publish information about the differences in pay between male and female employees; to prohibit victimisation in certain circumstances; to require the exercise of certain functions to be about the need to eliminate discrimination and other prohibited conduct; to enable duties to be imposed concerning the exercise of public procurement functions; to increase equality of opportunity..."

<sup>851</sup> Greene and Patel, supra note 877.

<sup>852</sup> Note 114

The 'Business in You' is a partnership between private enterprises and the government to highlight support for startups and growing businesses and encourage entrepreneurial spirit. Department for Business, Innovation & Skills, 'Tell us about the Business in You' (*GOV.UK* 12 December 2012) < <https://www.gov.uk/government/news/tell-us-about-the-business-in-you> > 18 September 2023.

<sup>853</sup> Note 115

The review 'identified several changes that can be made by employers in the public, private and third sectors to improve diversity within their organisations; to recruit a more diverse workforce, take full advantage of their existing talent, and service their customer base more effectively by having a more representative workforce'. Department for Business and Trade and Department for Business, Energy and Industrial Strategy, 'Race in the workplace: The McGregor-Smith review' (*GOV.UK* 28 February 2017) <<https://www.gov.uk/government/publications/race-in-the-workplace-the-mcgregor-smith-review>> accessed 19 September 2023.

or closed 31 March 2021,<sup>854</sup> And Coronavirus Business Interruption Loan Scheme (CBILS).<sup>855</sup>

Although most of these schemes still targeted small businesses, some focused on ethnic minority businesses, like the Ethnic Minority Employment Taskforce 2003.

## 2.2 Second half of the 21<sup>st</sup> Century (2010 till date)

These schemes did not last long, since 2010, when there was an introduction of 'rigorous measures and a widespread termination of publicly funded business support including reduction in the funds for community organisations assisting EMB's'.<sup>856</sup> Consequently, 'face to face publicly funded advice service was swapped for online and telephone services that offered a more generic advice while signposting those needing intensive advice to private providers'.<sup>857</sup> This resulted in the 'undermining of all the previous efforts to create a more inclusive business support environment, especially for women entrepreneurs, who were twice as likely as men to use publicly funded business support schemes'.<sup>858</sup> Since then, the EMBs have yearned for a period of deliberate policies targeted at their unique needs because the 'random provision of material assistance like incubator services' is being offered.<sup>859</sup>

That notwithstanding, the government continues to make an effort to support ethnic minorities through second-tier organisations like "The Entrepreneurship Refugees Network (TERN)." This scheme, funded by the Home Office and the National Lottery community fund, helps refugees launch

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<sup>854</sup> Note 116

The 'scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover'. Department for Business, Energy and Industrial Strategy, 'Apply for a coronavirus Bounce Back Loan' (GOV.UK 27 April 2020) < <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>> accessed 19 September 2023.

<sup>855</sup> Note 117

The 'CBILS supported businesses that needed finance to survive the challenges of the coronavirus pandemic and recover afterwards. These businesses could access financial support of up to £5 million if they had been adversely affected by COVID-19'. British Business Bank, 'Coronavirus Business Interruption Loan Scheme' < <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/>> accessed 11 September 2023.

<sup>856</sup> Kašperová et al, supra note 792.

<sup>857</sup> Kašperová et al, supra note 792.

<sup>858</sup> Kašperová et al, supra note 792.

<sup>859</sup> Rath and Swaggerman supra note 841.



companies.<sup>860</sup> A news story Sky News Shaman Freeman published in 2021 captured the progress made by the government's pilot project TERN.<sup>861</sup> The policy director Matt Smith is reported to have said that “the pilot proves that tailored business support for refugees work and is now calling for it to go further”.<sup>862</sup> If truly tailored business support works for refugees, as realised by Matt Smith, then there is evidence to show the immense impact tailored support will have on AIWE businesses. Again, as in the 80s, the Home Office was one of those who funded this initiative. Does this mean that if the government takes the initiative to support ethnic minority businesses and is led by its arm (Home Office) that oversees and regulates most of the activities of the AIWE, ethnic minorities and immigrants, there will be a boost in ethnic minority entrepreneurship? Nonetheless, the problem is that these policies and measures are absent, those that are available are riddled with flaws, and no matter which organisation or stakeholder leads them, their “service delivery of these measures does not tackle the social structure conditions of the entrepreneur but rather the agency of the entrepreneur”.<sup>863</sup>

Moreover, the deficiencies in these EMB policies and measures have been blamed on the 'lack of communication between government and non-government sectors and lack of a lead agency or primary actor in ethnic entrepreneurship'.<sup>864</sup> Also, the 'lack of reliable data on EMBs and the absence of a U.K.-wide mechanism to reinforce their importance of support for EMBs further weakened existing efforts to promote inclusive entrepreneurship and monitor progress'.<sup>865</sup>

There have been calls for the government to begin 'taking steps towards a national policy, gleaning from the better entrepreneurship policy tool created by the OECD and drawing on lessons from best practice'.<sup>866</sup> The 'U.K. government has been urged to ask all U.K. Financial Times Stock Exchange

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<sup>860</sup> Shamaan Freeman-Powell, 'Refugees Are More Likely to Be Self-Employed in the U.K.', *Sky News* (U.K., 30 June 2021) < <https://news.sky.com/story/refugees-are-more-likely-to-be-self-employed-in-the-uk-this-scheme-gives-them-business-training-12336740>> accessed 19 September 2023.

<sup>861</sup> Freeman-Powell, *supra* note 900.

<sup>862</sup> Freeman-Powell, *supra* note 900.

<sup>863</sup> Freeman-Powell, *supra* note 900.

<sup>864</sup> Freeman-Powell, *supra* note 900.

<sup>865</sup> Kašperová et al, *supra* note 792.

<sup>866</sup> Kašperová et al, *supra* note 792.

with 250 members, as well as firms with a U.K. banking licence or regulated by the Financial Conduct Authority (FCA), to undertake a voluntary audit of their business engagements with U.K. -based ethnic minority-led suppliers'.<sup>867</sup>

It is 'an accountability challenge which should be extended to all public departments responsible for tax-funded spending:

Firms, Governments, and other institutions have been encouraged to start by publishing their share of their U.K. supplier base with ethnic background, including a summary of any specific actions or initiatives they have in place to protect, enhance, or increase this share of activity over the years ahead.<sup>868</sup>

This will aid in intersectionality data collection, which is almost non-existent, including that on gender (ethnic women) and race (Black African women) from firms, government, and other institutions.

Furthermore, the 'government have been urged to introduce new measures to deliver social values in public procurements'.<sup>869</sup> For example, to 'show how a supplier would tackle inequality, and whether they have the potential to increase engagement of EMBs, paid social enterprise with public procurements, etc, since there are no comparable requirements in the private sector to diversify supply chains'.<sup>870</sup> Equally important are some policy suggestions made by AIWEs to the government/stakeholders, including collaborating with the banks to give interest-free loans,<sup>871</sup> support to hire staff,<sup>872</sup> representation of their challenges,<sup>873</sup> harmonisation of policies,<sup>874</sup> tax exemptions,<sup>875</sup> and welfare benefits".<sup>876</sup> According to Sanaa, *'If you are an employee, you enjoy welfare benefits, but not when you are self-employed. That's a risk for women entrepreneurs. We need policies that will serve as a buffer in the early stages of our entrepreneurship.'*<sup>877</sup> While some of the women are open to receiving support from the government and

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<sup>867</sup> Kašperová et al, supra note 792.

<sup>868</sup> Kašperová et al, supra note 792.

<sup>869</sup> Kašperová et al, supra note 792.

<sup>870</sup> Kašperová et al, supra note 792.

<sup>871</sup> Separate interviews with Upendo, Yawa, and Adzo, AIWEs (2022).

<sup>872</sup> Interview with Ama, supra at note 753.

<sup>873</sup> Interview with Sita, supra note 657.

<sup>874</sup> Interview with Chioma, supra note 659.

<sup>875</sup> Interview with Adzo, supra note 526.

<sup>876</sup> Interview with Sanaa, supra note 719.

<sup>877</sup> Interview with Sanaa, supra note 719.

other stakeholders, others, like Amara, are very sceptical about the support given by the government:

"Maybe I have not asked because if the U.K. government gives you £1, they are ready to collect £7." I need to read the tiny print; I need to read them well. If not, the only support I need from them is to open a daycare centre for entrepreneurial women where I could drop my kids off after school club until 7:30 p.m.<sup>878</sup>

Asante also recounted an incident where she dropped an organisation's support for friends and family support because she was initially denied it when she needed it the most. However, they later reached out to offer her support; she said, *"I emailed them and told them I did not get any support from you. And I do not need any now; it was going to be very bureaucratic. Goodbye. No organisation has supported me thus far"*.<sup>879</sup>

Other researchers have also suggested how to make ethnic minority businesses sustainable. A report by the Centre for Research on ethnic minorities suggests three support areas to make ethnic minority businesses more sustainable. The first one "is promoting long-term partnerships that build stronger networks of support for EMBs, second, is valuing the diversity of enterprise and supporting ambitious ethnic minority businesses to grow, then the third is to develop a U.K. wide inclusive enterprise policy that signals the importance of support for ethnic minority businesses".<sup>880</sup> Richard Hyde, in his report, made the following suggestions that will help sustain AIWE businesses:

A review of past EMB policy success and failure, taking stock of the existing EMB support landscape, identify a more precise and more consistent role for local economic bodies (e.g., Local Enterprise Partnerships (LEPs)) towards EMBs, based upon providing incentives to LEPs to foster effective support measures in their areas and taking steps to widen access to finance and exploring the possibility of adapting industry lending standards. Hence, they are more sensitive to different socio-economic and cultural circumstances.<sup>881</sup>

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<sup>878</sup> Interview with Amara, supra note 786.

<sup>879</sup> Interview with Asante, supra note 658.

<sup>880</sup> Kašperová et al, supra note 792.

<sup>881</sup> Richard Hyde, 'Unlocking the potential of ethnic minority businesses: Tackling the barriers to success' (The Social Market Foundation, 2021) p7.

There are many suggestions. However, the optimum question all stakeholders should ask when drawing up policies should be, 'What is the rationale for the support, and who are the ultimate beneficiaries of the enterprise policy?'<sup>882</sup>

### 2.3 Recent policy initiatives

This section discusses the U.K. government's recent policy initiative, Inclusive Britain, on ethnic minority entrepreneurship. Also, I examine Scotland's National Strategy for Economic Transformation and its impact on African immigrant women entrepreneurs in Scotland.

#### 2.3.1 *Inclusive Britain*

In 2022, the government introduced the Inclusive Britain Strategy in response to the Commission on Race and Ethnic Disparities (the 'Sewell Commission').<sup>883</sup> The government has committed 74 actions "to level up unjust ethnic disparities, focussing on increasing trust and fairness, promoting equality of opportunity, nurturing agency, and fostering greater inclusion." All 74 actions will be implemented by the end of March 2024, and 32 have already been delivered.<sup>884</sup> Although this is not a national policy on ethnic minority entrepreneurship, it has themes and actions that border on it: 'Trust and fairness, Opportunity and agency and Inclusion'.<sup>885</sup> Each broad theme has sub-themes with different action plans that will help implement them. Some of the themes and sub-themes relevant to our discussions include, 'Trust and fairness (promote fair pay), Opportunity and agency (increase opportunities for ethnic minority entrepreneurs to access finance, improve the productivity of entrepreneurs from ethnic minority backgrounds, and support families), and Promote inclusion at the workplace'.<sup>886</sup>

#### 2.3.2 *Trust and Fairness*

This theme addresses the issue of discrimination, as most ethnic minorities do not believe that the current systems and structures favour them.<sup>887</sup> It aims

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<sup>882</sup> Ram and Jones, 'Ethnic-Minority Businesses in the U.K.', supra note 798.

<sup>883</sup> 'Inclusive Britain update report', (GOV.UK, Published 17 April 2023) available at <<https://www.gov.uk/government/publications/inclusive-britain-update-report/inclusive-britain-update-report>>accessed 10 September 2023.

<sup>884</sup> Inclusive Britain update report, supra note 883.

<sup>885</sup> Inclusive Britain update report, supra note 883.

<sup>886</sup> Inclusive Britain update report, supra note 883.

<sup>887</sup> Minister of State for Equalities, 'Inclusive Britain: government response to the Commission on Race and Ethnic Disparities', (GOV.UK, 17 March 2022)

to assure ethnic minority groups of their trust in the system as they, the stakeholders, take steps to remove any obstacles that cause unfairness and discrimination and rebuild trust.<sup>888</sup> Under this theme is the subcategory fair pay, which discusses closing the pay gap and eliminating inequalities.

### 2.3.2.1 *Promote fair pay*

Employers are encouraged to report their ethnicity pay to identify ethnicity pay gaps.<sup>889</sup> This means employers will help the government collect 'ethnicity data on pay, calculate ethnicity pay, analyse and understand the results, and consider evidence-based actions to address unfair disparities'.<sup>890</sup> This is particularly important because two.<sup>891</sup> The AIWEs said they became entrepreneurs because they needed more employment access. This lack of access includes not getting jobs that meet their qualifications and skills, meaning they will be underemployed and paid less for the value of their abilities. It is, therefore, essential that data is collected to know how many ethnic minorities are underemployed and paid less compared to other non-ethnic employees. So that more ethnic minorities can access jobs that meet their qualifications and skills and stay in these jobs instead of being pushed out to become entrepreneurs. The question is whether employers will collect such data just by encouraging them.

### 2.3.2.2 *Opportunity and Agency*

This theme particularly touches on ethnic minority entrepreneurship. It aims to create opportunities for people from ethnic minority backgrounds to make the most of their skills and talents. " At the heart of our approach is a fervent commitment that no one's destiny should be determined by their background."<sup>892</sup> I find this theme particularly interesting because 7<sup>893</sup> AIWEs said they packaged their skills and talent for business. 4<sup>894</sup> The AIWEs said they started their businesses with skills and talent and did not use personal

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<<https://www.gov.uk/government/publications/inclusive-britain-action-plan-government-response-to-the-commission-on-race-and-ethnic-disparities/inclusive-britain-government-response-to-the-commission-on-race-and-ethnic-disparities>> accessed 10 September 2023.

<sup>888</sup> Minister of State for Equalities, supra note 887.

<sup>889</sup> Inclusive Britain update report, supra note 883.

<sup>890</sup> Inclusive Britain update report, supra note 883.

<sup>891</sup> Interview with Dembe and Danai, AIWEs (2022).

<sup>892</sup> Minister of State for Equalities, supra note 887.

<sup>893</sup> Separate interviews with Ama, Amara, Asante, Chioma, Ife, Ngozi, Nyoka, AIWEs (2022).

<sup>894</sup> Separate interviews with Sita, Amara, Dembe, Anopa, AIWEs (2022).

investment, bank loans, or other start-up capital. Their skills and talent were their start-up capital. Under this theme, some subcategories emphasise increasing and improving opportunities for ethnic minority entrepreneurs.

### 2.3.2.3 Increase opportunities for ethnic minority entrepreneurs to access finance.

The 'government aims to work with stakeholders, including lenders, to understand the challenges ethnic minorities face in accessing finance and initiate the appropriate interventions as it is evidence that the financial policies can influence the ethnic minority entrepreneurship output'.<sup>895</sup> The government has programmes like start-up loans, which give loans at a fixed rate of 6% to new entrepreneurs and other kinds of support. About 21% of these loans have been given to ethnic minority entrepreneurs.<sup>896</sup> There is no further breakdown of data to show how many from the Black ethnic group have accessed this funding, how much each ethnic minority group accessed, and how many of these were accessed by ethnic minority women and Black women. These are the issues where ethnicity data is unavailable or needs to be broken down into granular forms for further analysis. The breakdown of these statistics will help the government and stakeholders ascertain whether each minority group and ethnic minority group has reasonably accessed the funds these programmes roll out to support them.

However, the government 'has asked the Department for Business, Energy and Industrial Strategy (BEIS) to work with "Code signatories".<sup>897</sup> Moreover, their trade associations will pilot data collection on the ethnicity of entrepreneurs applying for finance.<sup>898</sup> This will "inform future options for data collection and follow-up actions designed to improve access to finance for ethnic minority entrepreneurs".<sup>899</sup>

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<sup>895</sup> Minister of State for Equalities, supra note 887.

<sup>896</sup> Minister of State for Equalities, supra note 887.

<sup>897</sup> Note 118

Are financial institutions who have committed to "collecting and reporting gender-disaggregated data and taking further action to improve female entrepreneurs' access to the tools, resources and finance needed to grow successful businesses" as part of the 'Investing in Women Code' initiative.

<sup>898</sup> Minister of State for Equalities, supra note 887.

<sup>899</sup> Minister of State for Equalities, supra note 887.

#### 2.3.2.4 *Improve productivity of entrepreneurs from ethnic minority backgrounds*

An updated report under this theme stated that the BEIS supports banks like HSBC UK to pilot a competition-based entrepreneurship support programme in partnership with U.K. universities.<sup>900</sup> This is 'targeted at ethnic minority students wishing to enter business'.<sup>901</sup> It 'provides a model for the banks to liaise with universities to support aspiring entrepreneurs from underrepresented backgrounds across the U.K.'. <sup>902</sup> Although I reckon this is a pilot, all the four universities selected Aston (Britain), University of Bedfordshire (Bedford/Luton), De Montfort University (Leicester) and Kingston University (London),<sup>903</sup> are Universities in England. This is a cause for worry as the piloted projects/programmes seem limited to specific regions like England and not nationwide, especially Scotland, which has become a hub for international students, mainly ethnic minority immigrants.

#### 2.3.2.5 *Inclusion*

According to the policy, 'inclusion is at the heart of the U.K.'s equality strategy'.<sup>904</sup> This theme aims to "strive for a society where no individual is treated differently because they belong to a particular group."<sup>905</sup> The subcategory under this theme relevant to this discussion is inclusion in the workplace.

3.1 Promote inclusion at the workplace: Action no. 69 will launch an inclusion at-work panel to develop and disseminate resources that can help employees achieve fairness and inclusion in the workplace.<sup>906</sup> Moreover, action 71 is for the panel to create a 'new voluntary inclusion confident scheme for employers who want to demonstrate their commitment to improving race equality and progression in the workplace (action 71)'.<sup>907</sup> We will ensure better working conditions for the ethnic minorities to prevent them from being pushed into entrepreneurship.

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<sup>900</sup> Inclusive Britain update report, supra note 883.

<sup>901</sup> Inclusive Britain update report, supra note 883.

<sup>902</sup> Inclusive Britain update report, supra note 883.

<sup>903</sup> Inclusive Britain update report, supra note 887.

<sup>904</sup> Minister of State for Equalities, supra note 887.

<sup>905</sup> Minister of State for Equalities, supra note 887.

<sup>906</sup> Inclusive Britain update report, supra note 883.

<sup>907</sup> Inclusive Britain update report, supra note 883.

While the above strategy seems like a nationwide strategy to help bridge the gap between ethnic minorities in different areas and provide them with equal opportunities, ethnic entrepreneurship is still not fully explored. Even though there is evidence that U.K. governments have made some efforts to support EMBs, most of this support "is often within a system which lacks coherence, instability, and fragmentation."<sup>908</sup> Therefore, the government must develop a nationwide policy framework on ethnic minority entrepreneurship.

#### 2.4 National Strategy for Economic Transformation (NSET)

The Scottish government has been acknowledged for taking some steps to tackle racism and providing better support for EMBs, unlike the U.K. government.<sup>909</sup> For example, they must 'set procurement targets and encourage partnership working'.<sup>910</sup> Scotland has joined the U.K. government in supporting ethnic minority entrepreneurs through its policy framework, 'Scotland's National Strategy for Economic Transformation (NSET)'.<sup>911</sup> This is one of the most recent policies that could significantly impact AIW businesses in Scotland.

The policy aims for Scotland to have a well-being economy that thrives across economic, social, and environmental dimensions.<sup>912</sup> This policy is expected 'to be implemented over ten years and comprised of various projects under each program'.<sup>913</sup> There are five transformational programmes of action: 'entrepreneurial people and culture, new market opportunities, productive business and regions, skilled workforce, and a fairer and more equal society'.<sup>914</sup> The first programme of the NSET policy is on entrepreneurship, titled Entrepreneurial People and Culture. The programme aims to "establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes and celebrates entrepreneurial activity in every sector

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<sup>908</sup> Ram and Jones, 'Ethnic-Minority Businesses in the U.K.', supra note 838.

<sup>909</sup> Kašperová et al, supra note 792.

<sup>910</sup> Kašperová et al, supra note 792.

<sup>911</sup> 'Scotland's National Strategy for Economic Transformation Equality Impact Assessment (Record and Results)' (The Scottish Government, 2022).

<sup>912</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>913</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>914</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.



of our economy".<sup>915</sup> This program is discussed below because it borders on AIW entrepreneurship.

#### 2.4.1 *Outline of Programme 1 of NSET*

Under the first NSET programme, there are four projects in total. Project 1 aims to "embed first-rate entrepreneurial learning across the education and skills systems."<sup>916</sup> Project 2- "Create a major, new world-class entrepreneurial infrastructure of institutions and programmes providing a high-intensity pathway for high-growth companies".<sup>917</sup> Project 3- "Attract and retain the best entrepreneurial talent from home and abroad".<sup>918</sup> Moreover, project 4- "Build an entrepreneurial mindset in every sector of our economy".<sup>919</sup>

#### 2.4.2 *Attract and retain the best entrepreneurial talent from home and abroad.*

Project 3 of the programme touches on 'attracting entrepreneurial talent from abroad, and one of the ways is for universities to provide post-education pathways to help. Simply put; international students to stay in the country and retain their expertise'.<sup>920</sup> Because, the two year post graduate visa for masters student, which is supposed to be 'unrestricted, entitling the holder to work and also bring dependants was introduced in July 2021'.<sup>921</sup> However, the recent changes to the immigration rules have stated that 'master students can no longer bring their dependants from January 2024'.<sup>922</sup> The Home Secretary Suella Braverman, in a statement in parliament, said the changes included:

'Removing the right for international students to bring dependants if they are on postgraduate courses currently designated as research programmes. Removing the ability for international students to switch out of the student route into work routes before their studies have been completed'.<sup>923</sup>

This is a disincentive for students on tier 4 visas because they cannot bring their dependants, which will cause them to quickly leave the U.K. to their

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<sup>915</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>916</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>917</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>918</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>919</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>920</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>921</sup> Dias-Abey and Bales, supra note 496.

<sup>922</sup> Statement of Changes in Immigration Rules, *HC 1160* (2023).

<sup>923</sup> *HC Deb* 23 May 2023, vol 733, cols 15 W.S.

countries of origin or relocate to a country that allows them to bring dependants. When will they birth business ideas or even start one? This policy will also deter potential students from coming into the U.K. since they cannot come with family. My data shows that ten women<sup>924</sup> migrated to the U.K. as dependent on their husbands. This defeats the purpose of the policy, which is to retain the expertise of master's international students. Unfortunately, since immigration rules are not devolved to Scotland and are the reserves of the U.K. government, I foresee the difficulty in achieving this goal.

Furthermore, entrepreneurial visas have become even more expensive. How can international entrepreneurs be attracted to Scotland? Nevertheless, the policymakers admit that all the groups with protected characteristics have a partial intersectional picture of the barriers these groups face to entrepreneurship.<sup>925</sup> Moreover, Ana Stewart's review on women's entrepreneurship 'is looking to close knowledge gaps on women's experiences, which is what they are looking at to close the gaps as they move forward'.<sup>926</sup>

The challenge here is going through Ana Stewart's review, which discusses ethnic minority women-led organisations only in a graph on the incorporation by gender and ethnicity. According to the review, the 'most recent data showed that there has been an increase in ethnic female-led incorporations in 2021'.<sup>927</sup> However, this is 'below 5000 and lower than ethnic male-led incorporations, which is above 5000, but lower than non-ethnic female-led incorporations, which is about 10,000 and lower than non-ethnic male-led incorporations, above 20,000'.<sup>928</sup> This means the ethnic minority female entrepreneur is always at the bottom of the entrepreneurial ladder. Also, the review failed to break down further the percentage of each female ethnicity-led incorporations, which would have revealed that African ethnic minority female-led incorporations would have been at the bottom of the entrepreneurial ladder. There are obvious gaps in achieving the policy goals

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<sup>924</sup> I conducted separate interviews with Abena, Aku, Amara, Awa, Efe, Ife, Ngozi, Nyoka, Upendo, and Yawa, AIWEs (2022).

<sup>925</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>926</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>927</sup> Ana Stewart and Mark Logan, *Pathways: A New Approach for Women in Entrepreneurship* (An independent review commissioned by the Scottish Government, The Scottish Government, 2023).

<sup>928</sup> Stewart and Logan, supra note 927.

regarding protected characteristics, which this policy partly aims to support. Although I appreciate that there has been an equality impact assessment of the NSET, what further steps is the Scottish government taking to bridge these gaps so the AIWE can fully reap the benefits of NSET.

### 3. Case Studies

These case studies border on how AIWB can become sustainable. Six women (Adzo, Ama, Minata, Oni, Sita, and Vimbo) were carefully selected out of the 25 women interviewed to represent the barriers these women face. The stories of these women highlight the economic, social, and legal challenges that AIWEs typically face from the start of their businesses to their growth. Each two-case represents one category of challenges. These cases will help reveal the unique challenges AIWEs face in informing policy initiatives that can target AIWB to make them sustainable.

#### 3.1 Economic Challenges

##### *3.1.1 Minata*

Minata is a 37-year-old married woman with a kid who lives in Glasgow. She originally comes from Rwanda, and her nationality is Rwandan. She is currently on the Indefinite Leave to Remain (ILR). She migrated to the U.K. as an asylum seeker and has lived in the U.K. for nine years but only started her business after seven years. She is a 1st generation immigrant. She has a certificate in SVQs foundation apprenticeship and was a care assistant before starting her business. She is the owner of an African Shop located in Glasgow. Her business is registered with the Glasgow City Council. She started her business in 2020, so it is still a start-up, as it is only two years old at the interview. She is a sole trader. She invested in her business, which means the source of her capital is personal investment. Minata comes from a family with a business background, so she wanted to continue her entrepreneurial activities in her country of origin, as she naturally had a passion for entrepreneurship.

The significant economic challenge Minata faced was money. She used most of her startup capital to rent the shop space and ran out of money to buy stocks for her shop. Moreover, she could not buy certain items in bulk since her space was tiny, even though she urgently needed money to buy a fridge

for her shop. She has not gone for bank loans and did not give reasons for not. She used to make £10 daily sales, but this has picked up with time. She still had to close her shop to pick up her son from school, affecting the sales hours as she had no employees.

### *3.1.2 Sita*

She is a 47-year-old entrepreneur who lives in Glasgow, and her business location is also in Glasgow. Her immigration status is indefinite leave to remain, and she has been in the U.K. for 17 years. She started her business 13 years after living in the U.K. She is a first-generation immigrant and first came to the U.K. to study as a medical student. She is a postgraduate with a master's degree in medicine and a second master's in public health and research; she is a consultant psychiatrist.

She owns a service accommodation and a private clinic where she performs legal consultancy, among other services. Both businesses have been registered with Companies House, the first in 2018 and the second in 2020. The legal structures of both businesses are Partnership and Private Limited Companies, respectively. The first business is four years old, whereas the second business is only two years old at the time of the interview; both are start-ups. She is an employee and an entrepreneur. She is an entrepreneur from a family with a business background, so she continued her entrepreneurial activities from her country of origin as she has a passion for entrepreneurship. Interestingly, she did not start her business with any funds but used her skills and talents to start her own. She has gone for a loan for her first business but could not secure a loan for the second business as it was not eligible because it had not operated for long.

She has three employees, one Black and two Whites. COVID had a positive impact on the service accommodation but a negative impact on the legal consultancy. She had a challenge opening a bank account, later had her account shut down, and had difficulty accessing the remaining £3000 stuck in that account. She has been trying to claim it to no avail.

She believes that people have talents and skills but need support and the necessary resources to make economic contributions. She mainly spoke about how mentally detrimental it is for asylum seekers who are not allowed to work. She recounts the significant influx of Rwandan refugees and asylum

seekers in Zambia. Moreover, one of the things she observed that made the refugees or asylum seekers flourish, integrate, and have everyday lives was that they could work and trade, and it was often the women who traded and did business(es).

She also believes that "encouraging healthy trading business for a lot of the African women is key, because "that is what we do...that is how we are brought up, in that setting. So just maybe supporting the growth, supporting the management, investment".<sup>929</sup>

### 3.2 Social Challenges

#### 3.2.1 Ama

She is a 43-year-old entrepreneur who lives in Aberdeen. She is Black British and originally from Nigeria. She has lived in the U.K. for 15 years and started her business only three years after returning to the U.K. She came back to the U.K. for work purposes; she is a 2nd generation immigrant. She is a postgraduate with a master's degree in accounting and finance, a Scrum master, and a certified makeup artist. She owns a business in the Fashion and Beauty industry. Ama started her business in 2010 in Aberdeen and has been a sole trader for 12 years at the time of the interview and the growth stage of her business. She was a compliance accountant before starting her business and still works as a compliance accountant. Although she is an entrepreneur, she has no employees. She became an entrepreneur because she decided to package her talents/skills for business as she identified a niche in the market, an opportunity she embraced since she had some free time. She invested in her business and did not take a loan because she said if you "get a start-up loan, you cannot meet up with a repayment". COVID negatively impacted her business because the makeup industry is a close contact service. She said she hardly gets any support because her industry is not recognised like others. It seems to be "subservience to other industries and does not get into government or business discourse as they do not see it as lucrative". She compared how someone in the social work industry has gained so much recognition and likened a makeup artist's work to a cleaning job.

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<sup>929</sup> Interview with Sita, *supra* note 657.

She said one way the government can make her business sustainable is for the government to make entry into the market easy for everybody, not monopolise it sometimes. There are places you go to, for example, the runway and fashion show, and you can hardly see any Black makeup artists; they are mainly behind the scenes. She says diversity and inclusion are needed, and she has heard many people say there is diversity and inclusion. However, she thinks diversity and inclusion only support some people rather than the key people who need it. She is sceptical about the government's support and would not readily receive it if she did not fully understand the consequences, "if the government wants to give me food, it should give me good food, let me enjoy, do not give me good food and put purgatives in it".

### 3.2.2 *Oni*

She is a 35-year-old Nigerian living in Edinburgh and originally from Nigeria. She is on limited leave to remain (LLR) and has only been in the U.K. for four years. She started her business after her second year of staying in the U.K. She came to the U.K. for studies and was a 1<sup>st</sup> Generation immigrant. She is a postgraduate and has a master's degree in project management. She owns a Tech Start-up company in Edinburgh, which she registered under Companies House in 2020 as a Private Limited Company. Her start-up capital was her fund, but she could secure a loan later to invest in her business since it was offered at a 0% interest rate. She has operated this business for two years, employing seven people: four Blacks, one Asian, and two Whites. Before starting this Tech company, she owned an interior architecture/ Project management company. She began her business to continue her entrepreneurial activities from her country of origin, achieve, challenge, and learn. After all, she has so much passion for entrepreneurship.

COVID negatively impacted her business, but she is still sustaining it. She is also an employee and entrepreneur, using her wage employment to maintain her business. She says there is a cultural difference in the field of work in both countries. In her country of origin, priority is given to educational background and qualification, but in the U.K., it is experienced and the number of skills one has acquired. The problem with this is that the transferable skills that one needs in the U.K., although they have qualifications, are usually present. Moreover, in the U.K., even someone who

has just finished High school is an M.D. of a company because the U.K. prefers skills/ experience over education and qualifications.

She also has concerns over organisational culture, where women are perceived as overly emotional and incapable of making logical decisions. Moreover, to make matters worse, as a Black woman, she is at the "bottom of the totem pole", which even affects the way she accesses funding. No one trusts her work unless they see results, whereas her male White colleagues only need to say they have a good idea, and somebody is ready to talk about it with them and ready to invest. It is a different reality in which Black women entrepreneurs live: "People look at you first; they already have a preconceived notion that you are not qualified and incapable of discussing at that level. So now you must, as a woman, work twice as hard as a Black woman; you must even work twice as much as a woman.

She believes there is a need to change the societal mindset towards women. However, women have a considerable role and must start changing that mindset. She recounts her experience on the field installing power transformers and a female house officer. However, men stood where she kept screaming to come out because the crane was moving towards them, forgetting that she was installing it and properly kitted in her PPE. She feels society has pre-conditioned women that they should not be in certain places, which has affected even the choice of businesses of female entrepreneurs; for example, when they want to start a business, the first choice will be things that have to do with women.

*"No matter what we tell ourselves, women need to start believing that we deserve a seat at the table before other people can start seeing us as deserving of that seat; we can also run businesses, we can also own engineering companies, we can also own robotic companies, and we can also own all those companies that do great things. We do not always have to own the hospitality, interior decoration, baby shop, or other things."*

### 3.3 Legal Challenges

#### 3.3.1 Adzo

She is a 32-year-old Ghanaian lady who lives in Glasgow. She is originally from Ghana and came to the U.K. to study. She is on a Limited Leave to Remain (Tier 4 visa). She has been in the U.K. for nine years. She started her business

after four and half years of staying in the U.K. She is a 1st Generation immigrant and a postgraduate with a master's degree in law. She owned a sustainable student shop registered under Companies House as a Private Limited Company in 2018. She ran her business for a year and a half before abandoning it because of visa issues. At the time, the business was a Start-up that employed two Blacks. She started her business because of a sense of achievement, challenges, and learning. She invested in her business and used personal investment because she could not secure a loan since the banks informed her that she was not eligible. COVID prevented her from restarting the business when she returned to the U.K. to further her studies in late 2019. She is now an employee since her business has gone under.

She said the major legal challenge she faced was visa challenges. She was challenged to fulfil the requirements of Tier 1 (entrepreneurship visa) at the time while ensuring that her business was viable, as these two were interdependent. Because the entrepreneurship visa was not only for starting a business but also as a visa route for her. So, the success of the business depends on the type of visa she had, whereas the kind of business also influences the type of visa. She recounts how they could not open a business account because of her visa type and the number of months left on her visa, as well as how the visa dictated the legal structure of her business, which made it difficult to access specific funding.

Also, the visa required that she and her business partner make £100,000 profit at the end of the second year of running the business, a requirement she could not meet, which led to the closure of the business. She said she and her co-founder saw the impact of immigration in the everyday management of their business. "Because we were immigrants, if let us say we were citizens, it would have been, I think, easier establishing, continuing, getting partners, getting recognition and expanding it". She believes that if the government can help sustain AIWE businesses, it must first examine its immigration policies. She thinks discretion should be given to ethnic minority women, especially graduate students who want to start a new business. Bank laws and policies, for example, opening a bank account for a business, should be reassessed. She also thinks exemptions should be given, especially tax exemptions for ethnic minority start-ups.



She said there are all kinds of benefits for different people, like people with disabilities, children, and benefits for war veterans, but little or no form of benefits or exemptions for ethnic minority women entrepreneurs who face lots of challenges. If discretion is given to AIWEs regarding funding or tax support in starting their business and building up businesses, "they will get more women going into entrepreneurship, building a greater and stronger market".

### 3.3.2 *Vimbo*

She is a 46-year-old entrepreneur who lives in Edinburgh. She is a Black British and originally comes from Zimbabwe and Malawi. She has been in the U.K. for 20 years. She initially came to work in the U.K., but as situations worsened in her country, she could not return and had to claim asylum. She only started her business after 13 years of living in the U.K. She is a 1st generation immigrant. She has an undergraduate degree in contextual theology. She operated her business for six years before registering it with the OSCR in 2021, a Charity that supports Africans. She worked different good jobs before starting her business. She became an entrepreneur to continue entrepreneurial activities from her country of origin (CPEA) since she has a passion for entrepreneurship (PFE) and wants to achieve, challenge herself, and learn (ACAL). Her start-up capital came from a government grant, and she has benefited from government subsidies in sustaining her business and has no need to go to financial institutions for loans. She has one employee, a White ethnic minority, and many volunteers since it is a charity. COVID negatively impacted her business. The major challenge she faced was establishing her immigration status.

She said that most African women are bound by immigration, which is the biggest problem of AIWEs. This is because immigration determines whether they should work or not, the kind of employment, their working hours, the type of income, which is usually low, no recourse to public funds even though they are working and paying tax, and as an entrepreneur, they struggle even to make their businesses thrive. She said the situation is not the same for all ethnic minorities because most Africans come into the country from underdeveloped, developing, or war-torn countries into the U.K. She said that she has observed how immigration policies apply differently to

immigrants depending on which country they are coming from. She noticed with concern how the recent Ukrainian refugees who came into the U.K. were treated as compared to how she was treated and how other African asylum seekers and refugees are treated. Because the Ukrainians were not just any refugees but 'White' European refugees. Although Brexit was in force, immigration policies were revised to accommodate Ukrainian refugees. However, these same policies still needed to be revised to serve the needs of asylum seekers from Afghanistan, Syria, and Sudan.

According to her, the African immigrant when, upon arrival in the U.K., must work hard to migrate to a more favourable visa; this is why most Africans fail socio-economically. They must satisfy one visa requirement after the other. Even supports or benefits that are said to be available are not; there is always a grey area that makes things difficult for African immigrants. For example, even though there is legal aid in Scotland, it depends on who needs it; there are too many clauses that the individual must satisfy to enjoy it.

She reiterated that asylum seekers should be allowed to work because society always complains that immigrants are taking benefits, free health, and others. In contrast, the immigrants want to work and contribute their economic quota to the development of their host countries. She speaks about a Sudanese female asylum seeker who was a doctor before coming to the U.K. and how she has been living in the asylum system. She was given 67 pounds a week and was not allowed to work. Nevertheless, day in and day out, the U.K. recruit's health practitioners from other countries, "if the asylum process takes ten years, like what happens today, by the time they can work, they are ready to retire anyway. That is a whole life wasted. That is not fair." Vimbo believes immigration policy must change significantly because it is the "groundwork of whether or not you thrive in this country". These case studies have shown that African women face unique barriers in their entrepreneurial journey and will need unique support. Proper policy formulation through efficient data collection and research is required.

#### 4. Deregulation

It is indisputable that the biggest challenges faced by the AIWE are legislation, regulation, and policy bias.<sup>930</sup> These regulatory barriers exist, and they burden AIW and EMIW entrepreneurs throughout their entrepreneurial journey. Some are obstacles to becoming a formal entity, i.e., legally registering a business, or remaining informal, i.e., operating illegally and not complying with regulations.<sup>931</sup> Is what AIW and EMIW entrepreneurs are burdened with excessive legislation and regulations. Some AIWEs have suggested removing some laws, the technical term being deregulation. Aside from immigration rules, labour law, and policies, many other legislations, such as licensing, certification, and taxation, restrict the successful operation of AIWE businesses and must be reviewed. However, deregulation is also a problem because, in the past, it did more harm than good to some ethnic minority businesses where the 'government lifted restrictions on shop opening hours, which favoured the already dominant supermarkets to the detriment of thousands of small Asian grocery shops and newsagent'.<sup>932</sup> While deregulation of the labour market could positively impact AIWEs, this is only possible if specifically targeted at them. For example, it removes provisions in immigration rules and regulations that are intertwined with the labour market for AIWs. In June this year (2023), the Rt Hon. John Glen mentioned the deregulation of the financial sector, saying, "We are implementing a set of reforms that will sharpen our competitive advantage in financial services."<sup>933</sup> Although these financial sectors have argued that they provide investment that creates jobs across the country, bank lending to small and medium-sized businesses is less than 5%.<sup>934</sup> As such, this exercise will spell doom for the AIWE, as there have been concerns that deregulating the financial sector will negatively impact SMEs, and most EMBs

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<sup>930</sup> Kašperová et al, supra note 792.

<sup>931</sup> Kašperová et al, supra note 792.

<sup>932</sup> Ram and Jones, 'Ethnic-Minority Businesses in the U.K.', supra note 838.

<sup>933</sup> John Glen, 'Speech by the Economic Secretary to the Treasury' (TheCityUK's Annual Conference, London 30 June 2023) <<https://www.gov.uk/government/speeches/economic-secretary-to-the-treasury-at-thecityuks-annual-conference>> accessed 12 September 2023.

<sup>934</sup> Fran Boait, 'Deregulation of the U.K. financial sector on top of a fragile economy will be disastrous' (*The Guardian*, 19 July 2022) <<https://www.theguardian.com/commentisfree/2022/jul/19/deregulation-uk-finance-sector-fragile-economy-disastrous>> accessed 15 September 2023.

and AIWBs fall within this category.<sup>935</sup> The deregulation of the financial sector will only 'add salt to injury for small and medium-sized businesses as it will increase the debts which these businesses are already struggling with'.<sup>936</sup> Deregulating specific sectors will negatively impact the AIWE because they will struggle to compete in a more accessible market. They do not have a competitive advantage over other businesses unless perhaps those within their ethnic enclave.

When the AIWEs were asked what areas, they thought when supported would contribute to the sustainability of their businesses, one of them, Ama, answered:

"I think they should take some laws out, not put laws. If they lack a better word, they should tone down...they should bring down the barriers. I would not say they should add policies and laws because that will kill another African woman who wants to become an entrepreneur".<sup>937</sup>

My research revealed that most of the barriers AIW faces are due to their multiple identities. Although AIWs face several challenges, they only end up being treated for the most obvious ones because it is easy to overlook them if there is a deliberate effort not to. For example, there are policies such as the NSET to aid the growth of SMEs, but an AIWE may not benefit because aspects of the immigration law hinder her from accessing that support.<sup>938</sup> Because immigration law is not devolved to Scotland, where this research is conducted, Policy formulators must factor in the challenges associated with the intersection of these women's multiple identities. They must also pay specific attention to the challenges immigration law will likely pose to successfully implement these policies while conducting equality assessments.

## 5. Twin Indices

The U.K. has had different fragmented policies on empowering ethnic minority entrepreneurs. However, to make AIWE businesses sustainable, the U.K. must develop a holistic framework involving all government toolkits,

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<sup>935</sup> Boait, supra note 934.

<sup>936</sup> Boait, supra note 934.

<sup>937</sup> Interview with Ama, supra note 753.

<sup>938</sup> Note 119

One has no recourse to public funds on the Tier 1 entrepreneurship visas.

i.e., its convening power, ability to create legislation, money, and procurement abilities.

In this section, I examine the U.N. Women's Paths to Equal Twin indices on women's empowerment and gender equality framework. I propose that the U.K. adopt it and develop its framework on ethnic minority women's entrepreneurship. The twin indices' provide a more complete picture of countries' progress towards women's empowerment and gender equality<sup>939</sup> These 'indices use the women's empowerment index to measure women's power and freedoms to make choices and seize opportunities in life'.<sup>940</sup> The global gender parity index, the second index, 'accesses the gender gap across four dimensions of human development: health, education, inclusion, and decision making, known as the indicators'.<sup>941</sup>

If the U.K. adapts this framework, it will help create a holistic national policy framework for ethnic minority immigrant women entrepreneurs in the U.K. to become more sustainable. The figure below is the U.N. framework for measuring women's empowerment and gender equality.

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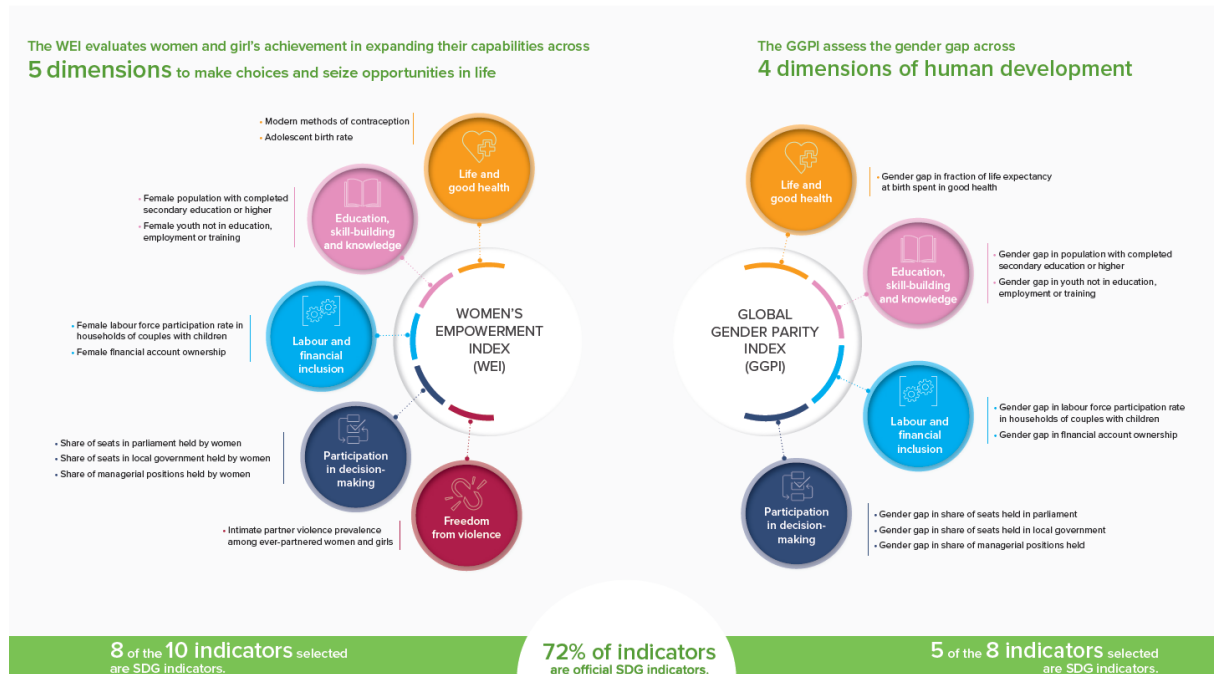
<sup>939</sup> 'U.N. Women and UNDP, 'The Paths to Equal: Twin Indices on Women's Empowerment and Gender Equality' (U.N. Women 2023).

<sup>940</sup> U.N. Women and UNDP, 'The Paths to Equal' supra note 939.

<sup>941</sup> U.N. Women and UNDP, 'The Paths to Equal' supra note 939.

Figure 11: U.N. Women Twin indices measuring women's empowerment and gender equality.

A multidimensional measurement framework aligned with the Sustainable Development Goals (SDGs):  
Twin indices measuring **WOMEN'S EMPOWERMENT** and **GENDER EQUALITY**



Source: Technical note: Twin indices on women's empowerment and gender equality

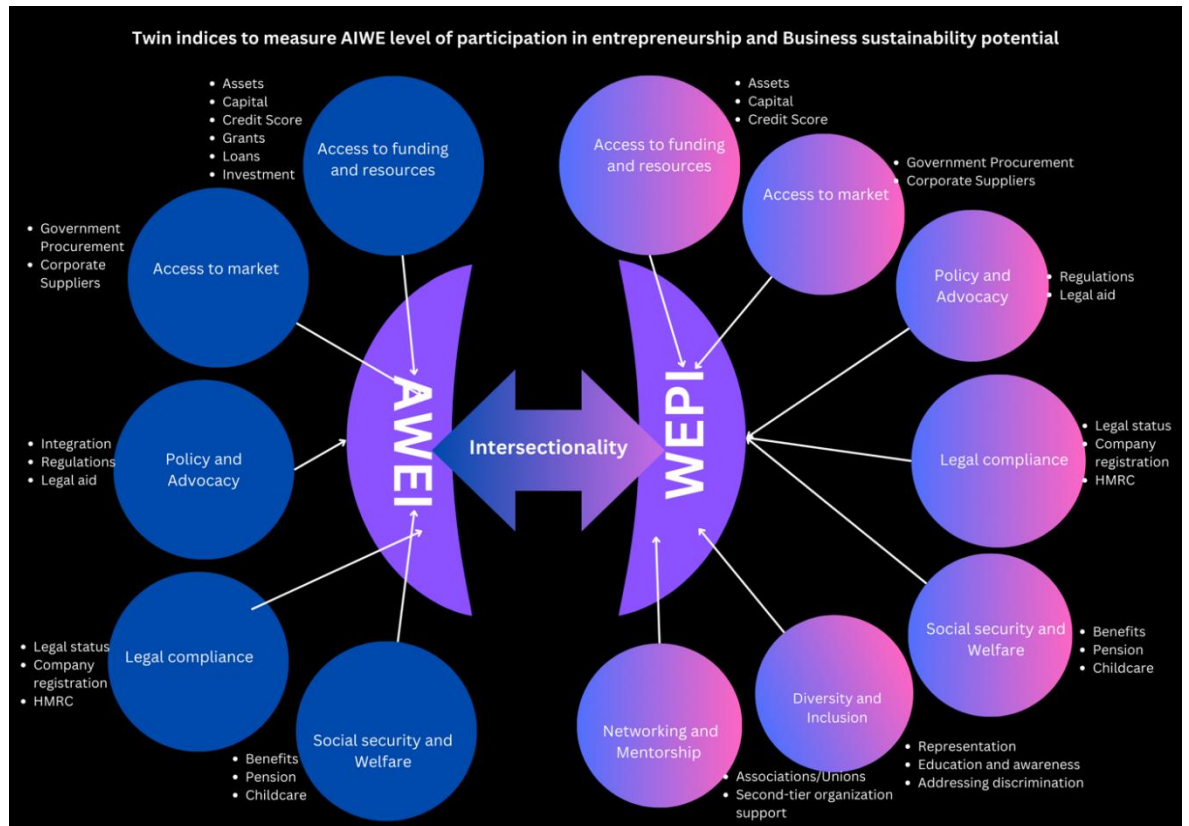
Suppose the above framework is adapted for African immigrant women entrepreneurs. In that case, the government will first have to measure the level of participation of AIWEs in entrepreneurship and the level of AIW business sustainability compared to native women entrepreneurs. The first index is the African Women Entrepreneurship Index (AWEI). The government will use the following five dimensions and indicators: finance and resources (asset, capital, credit score, grants, loans, investment), access to market (government procurement, corporate supplier), policy and advocacy (Integration, regulation, and legal aid), legal compliance (immigration status, company registration, HMRC), and social security and welfare (benefits, childcare, pension), to measure the AIWEs ability to participate in the U.K. entrepreneurial space.

The second index is the Women Entrepreneurship Parity Index (WEPI). This will use seven dimensions and indicators, i.e., all the above-mentioned dimensions. An additional two, diversity and inclusion (representation,

education and awareness, and discrimination) and Networking and Mentorship (Association/Unions, second-tier organisation support), will measure how sustainable an AIWE business is or can be compared to a native woman entrepreneur.

When the U.K. adopts the U.N. twin indices for AIWE entrepreneurship, it will look like the illustration below.

Figure 12: Twin indices to measure African immigrant women entrepreneurs' level of participation in entrepreneurship and their business sustainability potential.



Source: Data created using information from the U.N. Women Twin indices framework.

The Twin indices framework can be adapted to measure the level of entrepreneurship participation and business sustainability for different ethnic minority groups like Black Africans, subgroups like Ghanaians and Nigerians, and different minority categories like female and immigrant entrepreneurs. However, the government must use intersectionality as the tool for equality impact assessment, as this tool will help the government review wholistically the challenges of different ethnic minority entrepreneurs.

### Conclusion

The U.K. has made strides in policy measures on ethnic minority entrepreneurship. However, the impact on these ethnic minority businesses is minimal, particularly on African immigrant women entrepreneurs. I have discussed how the genesis of these policies in the 20<sup>th</sup> Century was almost accidental. They were policies used to tame angry ethnic minority



immigrants who were fighting against discrimination and racism. Consequently, the policies were not necessarily streamlined to boost ethnic minority businesses. They were policies targeted at small businesses, including ethnic minority businesses.

It was not until the 21<sup>st</sup> Century that policies targeted at ethnic minority businesses began to emerge. Even then, most of these policies were advisory, and low-level support was given to ethnic minority entrepreneurs. Sadly, this support could not be sustained and dwindled drastically from 2010 onwards. Nevertheless, recent policy measures have been targeted at ethnic minority businesses. An example is 'The Entrepreneurial Refugee Network (TERN), which supports refugees in starting businesses. However, there is still no national policy framework on ethnic minority entrepreneurship in the U.K. I have discussed fragmented policies on ethnic minority businesses. It is no wonder that there have been calls from several stakeholders to the government to come up with a national policy on ethnic entrepreneurship that will help streamline government measures towards the specific needs of these ethnic minority entrepreneurs.

The government's attempt at something other than that national policy is the Inclusive Britain Strategy launched in 2022. Since this is a national policy framework on ethnic minorities, it is not a framework that targets the activities of ethnic minority entrepreneurs. Its broader scope is geared towards tackling and addressing general inequalities and discrimination issues on ethnic minorities. Sections that touch on ethnic minority entrepreneurship include trust and fairness (promote fair pay), opportunity and agency (increase opportunities for ethnic minority entrepreneurs to access finance, improve the productivity of entrepreneurs from ethnic minority backgrounds, and support families) and promote inclusion at the workplace.

Even if this is a step towards a national framework on ethnic minority entrepreneurship, the projects launched because of this strategy state otherwise. Most of the pilot schemes, for example, the HSBC student incubators programme, are being piloted in English universities. Since this is a national pilot programme, it could have been done across the U.K. since the U.K., especially Scotland, has become a hub for international students who are ethnic minorities.

On the other hand, it is commendable that the Scottish government launched "National Strategy Economic Transformation (NSET)," which is closer to a national policy framework on entrepreneurship. However, NSET is also without flaws since the projects that are targeted at ethnic minority entrepreneurs like students fall short in the presence of immigration policies, hindering the successful execution and achievement of the goals within these projects. The equality assessment that was carried out showed that there are lapses in the framework as it cannot resolve issues of intersectionality in the entrepreneurial space, coupled with the fact that the EMIWE particularly the AIWE is not necessarily the centre of these policies. This shows that the NSET policy framework is inefficient in addressing the barriers that AIWEs and ethnic minorities face; thus, it cannot be adopted by the U.K. as a national policy framework for ethnic minority immigrant women entrepreneurs.

In this vein, the U.N. women's path to equal twin indices has been proposed as a plausible policy framework. Suppose the U.K. should adopt this strategy for its national policy framework on ethnic entrepreneurship. In that case, it will efficiently measure to what extent ethnic minority women entrepreneurs participate in the market economy and whether they are as sustainable as native women entrepreneurs.

The case studies have demonstrated that most of the government's policy measures on ethnic minority entrepreneurs do not necessarily trickle down to all those in the ethnic minority subgroups. Hence, the indices will help reveal the full extent of AIWEs' challenges, as discussed in the case studies, and produce appropriate measures to boost and sustain these businesses.

To conclude, the AIWEs believe that the U.K. can promote and sustain African immigrant and ethnic minority women's entrepreneurship if it sets its mind.

## Chapter 7: Conclusion

### 1. Summary

This thesis explores the legal challenges African Immigrant Women Entrepreneurs (AIWEs) face in the UK entrepreneurial space. The findings have shown that the legal framework these women must navigate is complex and capable of terminating their entrepreneurial journey. With the help of socio-legal research and adopting qualitative methodology and using the African intersectionality feminist legal theory, data of 25 African immigrant women entrepreneurs and second-tier organisations in Scotland were collected, organised with the NVivo software, and analysed to ascertain the factors that impact AIWE entrepreneurship. Although the findings revealed other challenges, such as economic and socio-economic factors and personal factors that serve as barriers to AIWE entrepreneurship, immigration law and policies emerged as the significant and underlying factors to most of the challenges that pose obstacles to AIWE entrepreneurship in Scotland.

Ethnic minority entrepreneurship in the UK has been the subject of academic study because of its significance. Ethnic minorities are said to have a higher rate of entrepreneurship than the average native entrepreneur: ethnic self-employment is 13.4 percent compared to 11.9 percent for the indigenous population.<sup>942</sup> Their businesses generate between '£25bn and £74bn in Gross Value Added (GVA) each year'.<sup>943</sup> Research shows that they sustain their civic society as they can create jobs, add vitality to the localities they live in, and have a clear stake in the prosperity, accessibility, and safety of their communities, contributing to social and economic growth and sustainability.<sup>944</sup> Because no data shows the breakdown of each ethnic minority group's contribution to the GVA, one may be tempted to think that all minority entrepreneurs excel in the UK market economy. However, my research has revealed that minority entrepreneurs are not the same, and neither are the experiences of ethnic minorities in the UK entrepreneurial market the same.

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<sup>942</sup> Anwar and Daniel, *supra* note 6.

<sup>943</sup> Hyde, *supra* note 921.

<sup>944</sup> Anwar and Daniel, *supra* note 6.

Some reasons why ethnic minority entrepreneurs start businesses include 'difficulty in penetrating the labour market, blockage in upward mobility, taking care of family, opportunities, financial rewards and wanting to be their bosses'.<sup>945</sup> Further, they encountered barriers like labour market discrimination 'where certain jobs are given to particular firms because they think some EMBs have expertise in that area'.<sup>946</sup> They also need help with issues regarding limited access to finance, the challenge of employing co-ethnics, lack of managerial skills, lack of support and challenges posed by globalisation. Whereas the experiences of the EMIWE and the subgroups like the AIWE can be gleaned from these general motivations and barriers of ethnic minority and minority entrepreneurs, it is not the accurate representation of the unique challenges, as well as the level of impact of the barriers on their entrepreneurial journey. This is why it became necessary to conduct qualitative research, which helped me reveal the unique challenges faced by African immigrant women entrepreneurs.

Using socio-legal research has helped me to show how the law is silent, if not blind, to the plights of immigrants, immigrant women, immigrant women entrepreneurs, and African immigrant women entrepreneurs. The legal framework these women must navigate to start their businesses is enormous. The laws and policies range from labour law and immigration law policies to the laws and regulations governing small businesses in the UK. Labour law alone comprises four principal Acts and four main sets of rules, i.e., the Employment Rights Act 1996, the National Minimum Wage Act 1998, the Employment Relations Act 1999, The Equality Act 2010, and The Maternity and Parental Leave Regulations 1999, Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, Transfer of Undertakings (Protection of Employment) Regulations 2006, Agency (Workers Regulations 2010). The AIWE cannot avoid the labour laws and policies since most of them come into the UK as economic migrants. If they employ staff, they must navigate these laws as employees, workers, and entrepreneurs. Furthermore, the AIWE must understand the rules and regulations governing small businesses like the Financial Services and Markets (Regulated Activities)

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<sup>945</sup> Domboka, supra note 53.

<sup>946</sup> Carter et al, supra note 24.

Order 2001, Consumer Credit Act 1974 (amended in 2006), Income and Corporation Taxes Act 1988, Financial Act 2004, Financial Act 2014, and Corporation Tax Act 2010, Licensing Act 2003, The European Union (Recognition of Professional Qualifications) Regulations 2015, and Housing Act 1988. Most importantly, they must understand and navigate immigration laws and policies.

Whereas some ethnic minorities and minority entrepreneurs must only focus on engaging with labour law, the AIWE must concurrently navigate labour law, laws concerning the running of small businesses and immigration law and policies. Immigration legislation includes but is not limited to its primary legislation like the Immigration Act 1971, British Nationality Act 1981, Human Rights Act 1998 (incorporates the ECHR into UK law), Nationality, Immigration and Asylum Act 2002 (rights of appeal, grounds of appeal, etc), Asylum and Immigration (Treatment of Claimants, etc.) Act 2004, Immigration, Asylum and Nationality Act 2006, Borders, Citizenship and Immigration Act 2009, secondary legislation such as Immigration (Notices) Regulations 2003, and Asylum and Immigration (Procedure) Rules 2005. Then, the Immigration rules are made under section 3 (5) of the Immigration Act 1971 and regulate who is qualified to come and live or not in the UK. Then, there are policies such as the point-based system, the European Union Settlement Scheme (EUSS), and the Windrush Scheme. Immigration rules and policies are constantly changing, and immigrants must stay updated with guidelines to avoid the danger of not fulfilling the immigration requirements and losing their living rights in the UK. Legislation on immigration is broad and has its tentacles in every aspect of the AIWE. The complexities of the immigration law have left lawyers and judges who are the doyens of the art helpless; 'Lord Justice Jackson remarked that the provisions have now achieved a degree of complexity which even the Byzantine emperors would have envied'.<sup>947</sup> Therefore, the legislation on immigration alone has left the AIWE with an enormous task of understanding the myriads of laws surrounding starting and growing their business(es).

In addition, looking at the myriads of laws that the AIWE must operate in to start a business and grow it, one will wonder why an African immigrant

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<sup>947</sup> Yeo, *supra* note 70.

woman entrepreneur would want to go into entrepreneurship instead of staying in paid employment, which is less demanding and ensures some level of security. Notably, the immigration and labour laws and policies and the interaction of these two were the factors that pushed AIWEs into entrepreneurship. Labour law's inability to protect the rights of the AIWE entrepreneur in the labour market is a disincentive for them to continue being employees. AIWEs work jobs like gig and platform work,<sup>948</sup> Where employee status is not straightforwardly established, creating a disadvantage for them. So, the AIWE needs more autonomy and bargaining power within the market to secure the fundamental prerequisite for employment protection, namely, continuous employment under a contract of employment.<sup>949</sup> As such, contractual relations, such as the contract of employment, continuity of contract, and complicated contractual arrangements, are the major factors that push AIWEs into entrepreneurship. Issues of labour market segregation, such as the gendering of social structures, facilitate or constrain these migrant entrepreneurs, but these have received little attention from theoretical perspectives.<sup>950</sup> To make matters worse, labour law is helpless in the face of immigration law, as immigration law can determine the level of rights that the AIWE can enjoy under labour law. Not only is the interaction of labour law and immigration law disadvantageous to the AIWE, but immigration law on its own regulates every economic activity of the AIWE. Since the 1960s, laws have been drafted in such a way as to restrict the financial activities of immigrants to deter other immigrants from migrating to the UK. The 1962 Commonwealth Immigrant Act is said to have been passed for this purpose: to 'prevent further non-White immigration to the UK'.<sup>951</sup> A 'hostile environment' was purposively created in 2012, which gave birth to the Immigration Acts 2014 and 2016. Now, the Point-Based System has taken over.<sup>952</sup> The AIWE must satisfy the

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<sup>948</sup> Note 120

It "refers to the kind of platform-mediated work. They were performed prominently by Uber drivers, Deliveroo couriers, and many people who work from home, performing online micro-tasks within minutes or a few seconds duration" Dukes supra at note 469, p.664.

<sup>949</sup> Fredman and Fudge, supra at note 607, p.116.

<sup>950</sup> Ram et al., 'Diversity, Economic Development and New Migrant Entrepreneurs', supra note 451, p.970, p.8.

<sup>951</sup> Somerville, supra note 564.

<sup>952</sup> Yeo, supra note 70.

requirements of the immigration laws and policies to participate in the labour market, as the immigration status of an AIWE must be established first before they engage the labour market. Once this is done, their immigration status will determine their worth in labour. For example, a Tier 4 visa holder's immigration status is that of a student. As a student, they are limited to 20 hours per week and cannot work more than this; they can only work part-time. These restrictions can serve as a disincentive for an AIWE to go into entrepreneurship.

Furthermore, the main factors that push AIWE into entrepreneurship are immigration and labour laws and policies, which impact her access to the wage economy and family and childcare duties. What is noteworthy is that only a few AIWEs are pushed into entrepreneurship. In total, only 4 AIWEs were forced into entrepreneurship. This suggests that AIWEs are less likely to be pushed into entrepreneurship but pulled into it. In total, 15 AIWEs were pulled into entrepreneurship, where they identified a niche in the market that embraced opportunities for achievement, challenges, and learning. What is more, the AIWEs gave various reasons which are peculiar to them as reasons why they will go into entrepreneurship, like the passion for entrepreneurship, continuing previous entrepreneurial activities from their country of origin, packaging their talents and skills for business, and turning free time into the business. These reasons are peculiar to the AIWE because they are neither pushed nor pulled factors.

Also, an AIWE is hit with the fact that they still must overcome hurdles, some of which they have faced in the wage economy, to start and grow their business upon entering the market economy. Though the research examined the legal challenges that AIWE face in the labour market, my analysis of the data from my interviews with the 25 AIWEs revealed that economic and socio-economic factors create barriers for AIWE's businesses. Even more intriguing is that the law, especially immigration law, is the root cause of these economic and socio-cultural challenges. Regarding economic barriers, by the time the AIWE satisfies the immigration rules and policies, they would have been out of capital, forcing them to start small businesses. Thirteen of the AIWEs personally provided the startup capital they needed for their businesses, whereas 5 of them did not need capital at all since they used their skills and talents to start their businesses, and 4 received some family

support. The lack of capital is not a reason for the type of business an AIWE starts since most said they would have started the same business on a larger scale if they had more capital.

Furthermore, AIWEs need help getting financing because their immigration status does not allow them access to public funds. It restricts their access to financial services, such as opening a business account, when they are left with about six months on the visa. Also, the credit culture, which only permits an individual with a great credit score, restricts AIWEs from accessing resources because most come from countries where credit is separate from the culture. Their immigration status prevents most financial institutions from granting them loans since they will have low or no credit scores when ready for a business loan.

My data revealed that only five women had accessed loans and had been successful, whereas the other 20 AIWEs said they had not accessed loans. Of the 20, 2 applied for it but did not get the loans because they were informed of their illegibility. Eighteen of the women did not just apply for the loan, 8 of them did not comment as to why they did not apply for the loan, whereas 10 gave reasons such as the debit culture of the country of origin, partner being rejected for no reason, and so did not feel confident to apply. Though the issue of lack of resources is shared among ethnic minority and minority entrepreneurs, the situation is exacerbated for AIWEs because of their immigration status and multiple identities.

Aside from economic barriers are socio-cultural barriers involving integration challenges, information constraints, stereotypes and discrimination, and underrepresentation. Integration is vital for the success of every ethnic business; however, integration is not easy for the AIWE. Language has been a major challenge for ethnic minority integration; only two of the AIWEs said they could not speak English clearly upon arrival in the UK, but now they are fluent. There are also other issues, like a lack of ethnic enclaves, that hinder the successful integration of AIWE. They mostly do not have ethnic enclaves and live in less concentrated areas. (Compare, for instance, the Pakistani communities: a quarter of the population in Pollokshields ward and 12% of the population in Southside Central ward have a Pakistani ethnic identity.) This means that most AIWEs would have to start their entrepreneurial



journey without a fellow AIWE's guidance, making it difficult to understand the terrain.

Even though discrimination is one of the barriers to AIWE entrepreneurship, there are still challenges with data to prove how these discriminations manifest, especially in financial institutions and among funding bodies. Another pressing issue is underrepresentation, where most of the AIWEs complained that they are not represented because the terms Black, Asian and Minority Ethnic lump up all the ethnic minority groups and suffocate those at the bottom who are unable to access support and resources. This issue of underrepresentation must be addressed because, per my findings, when you put all ethnic minority immigrant women entrepreneurs (EMIWEs) together in one basket, they bear three identities: ethnic minority, immigrant, and woman. However, when you split them into the subcategories of PIWE, BIWE, and AIWE, some bear four identities: their race (Black), ethnicity (African), immigration status (immigrant) and gender (woman). Meanwhile, omitting that one identifier will mean obscuring the many challenges of that identity.

COVID-19 had an impact on the AIWE businesses both positively and negatively. Eleven women felt COVID-19 created business opportunities, but 18 said it negatively impacted their businesses. The above barriers have little to do with the lack of managerial skills prevalent in most ethnic minority entrepreneurs' discourse as the significant barrier to their entrepreneurship. Instead, the barriers have to do with the institutional structures rather than the capacity of the individual entrepreneur, as most of them come from families with entrepreneurial backgrounds and have some entrepreneurial histories.

Nonetheless, my analysis shows that the AIWE has a role in some of the barriers they encounter in the labour market. The decisions they made as entrepreneurs in the day-to-day running of their business were related to the board of directors, changing the business structure to adapt to changing situations, products and services, and customer satisfaction. Others also blamed their challenges on their financial decisions, for example, not going for loans because of their debt-free principles. This made it difficult for them to access resources for their business, and they had to find other means to fund their businesses, such as wage employment while still being

entrepreneurs. I describe this group of entrepreneurs who own a business and are still in wage employment as "Entreployees"; there are ten total. Although the entreployee gets the needed amount to fund the business to some extent, on the other side, it means less time is committed to running the business, creating impediments. However, it is not only engaging in wage employment that steals time from the business of an AIWE but also family duties. However, this is not exceptional to the AIWE because it is a common challenge for women entrepreneurs. However, the AIWE does not only have to care for the family but must also make a living. Without ethnic enclaves and social capital, they must juggle childcare duties with employment while operating their businesses.

In summary, most of the barriers that African immigrant women face in the entrepreneurial space are due to the details of the law, especially immigration law, which has been drafted, in part, precisely to make immigration to the UK more complex and less attractive. It assumes the position of labour law in the economic activities of the AIWE, leaving no space for labour law to secure and protect these women in the labour market.

The law is also gender-blind to the plights of ethnic minority women. It does not recognise or is unaware of the intersection of the multiple dimensions of the identities of these women, which creates hurdles for their economic activities and makes their experience in the labour market different to that of other entrepreneurs.

## 2. Recommendations

How can we alleviate the plights of these women if they must reach the full potential of their entrepreneurial prowess? Most AIWEs have said that the UK is a fertile ground for entrepreneurship despite the hurdles they must cross. They also believe the government could remove and minimise the barriers they must navigate in starting, establishing, and sustaining their businesses in the UK if they take the following actions and more.

## 2.1 Legal and Policy Reforms

### 2.1.1 *Reforming Immigration Policies*

Addressing the excessive powers of the Secretary of State for the Home Office is a matter of fairness and inclusivity. It requires a concerted effort across multiple fronts. A comprehensive review of the laws and regulations that grant excessive powers to the Secretary of State must be conducted. These laws must be amended to introduce checks and balances, ensuring that decisions are subject to greater scrutiny and transparency. An independent oversight body must be established to monitor the decisions made by the Home Office, particularly those affecting immigration and entrepreneurship. This body should have the authority to review and overturn unjust decisions. In addition, data on the impact of Home Office decisions on African immigrant women entrepreneurs must be collected and analysed to identify patterns of discrimination or unfair treatment and use it to inform policy changes and advocacy efforts. There is a need for an impact assessment of any new policies or regulations introduced by the Home Office, considering the specific effects on immigrant entrepreneurs and including input from affected communities.

Furthermore, streamlining the visa application processes will help reduce bureaucratic barriers that disproportionately affect African immigrant women. Special visa categories for entrepreneurs, including African immigrant women, should be introduced. These visas should offer more extended periods of stay and fewer restrictions, allowing AIWE to focus on growing their businesses without constant immigration-related uncertainties.

Also, clear and attainable pathways to permanent residency should be created for immigrant entrepreneurs demonstrating sustained business success and contributions to the UK economy. This will encourage long-term investment and stability in their ventures, fostering a more vibrant and diverse entrepreneurial landscape in the UK.

### 2.1.2 *Enhancing Labour Laws*

Introduce flexible working regulations that acknowledge and accommodate the unique challenges faced by AIWE since the employment law falls short of this responsibility. This includes policies on part-time job options, maternity leave, and childcare support, enabling them to balance entrepreneurial activities with family responsibilities. AIWEs should be provided with targeted education on UK

labour laws and rights. This can be facilitated through community centres, online platforms, and collaboration with non-profit organisations to ensure these entrepreneurs are well-informed and empowered. Also, anti-discrimination laws should be strengthened and enforced to protect African immigrant women from workplace biases. Establish specialised support services for AIWE to report and effectively address instances of discrimination.

### *2.1.3 Supporting Business Law Adjustments*

Regulatory compliance requirements for small businesses should be simplified. This involves reducing red tape and offering guidance on legal obligations, helping AIWE navigate the business environment more efficiently. The government and relevant stakeholders should facilitate access to funding through grants, low-interest loans, and microfinance specifically designed for AIWE. They should also collaborate with banks and financial institutions to create products that consider immigrant entrepreneurs' often limited credit history and collateral. Furthermore, business support programs that cater specifically to the needs of African immigrant women entrepreneurs should be developed. These should include mentoring, training, and financial advice tailored to their unique circumstances and challenges.

## 2.2 Collect Ethnic Data

The major challenge of the lack of data on ethnic minority immigrant women and African immigrant women entrepreneurs cannot be emphasised enough. One of the second-tier organisations made an essential point by asking how to measure something it does not have.<sup>953</sup> How can the government tell that its entrepreneurial policies have reached all ethnic minority subgroups if it has not collected such data? All stakeholders involved in ethnic minority entrepreneurship must collect relevant data on them. Merely encouraging organisations to collect ethnic minority data will yield little results. Putting more rigorous structures in place to collect data on ethnic minorities in every sphere, particularly their participation in the labour and market economy, is the way to go. The defence of not collecting data because of its sensitivity can no longer be an issue since GDPR bridges that gap. It is time that financial institutions, if not all, start conducting internal, if not external, research to

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<sup>953</sup> Interview with Mercy partnership (Glasgow, 22 April 2022).

debunk or confirm suspicions of discrimination within the financial sector, especially regarding the access to loans for ethnic minority immigrant women entrepreneurs.

### 2.3 Eschew the use of the term Black Asian and Minority Ethnic (BAME)

The term BAME is no longer helpful in the classification of ethnic minorities in the UK. I do not see why ethnic minorities cannot be referred to by their nationalities, like Ghanaians, Nigerians, Zambians, Bangladeshi, Pakistani, etc and must be lumped together by their race. The natives in the UK are referred to by their nationalities as British, English, Scottish, Welsh, and Irish; hardly are they referred to as Whites, which is their race. Why can this not be replicated for ethnic minorities in government policies? Besides the fact that the identities of these groups are diminished under the term, it affects other areas of policymaking.

### 2.4 Proposed National policy framework on ethnic minority entrepreneurship.

Although Scotland's National Strategy for Economic Transformation is a stepping stone towards ethnic minority framework, it still has shortfalls as the 'policymakers themselves did admit that for all the groups 'with protected characteristics, they do not have a full intersectional picture of which barriers these groups face concerning entrepreneurship".<sup>954</sup> As discussed in Chapter 6, I propose the UN Women Paths to Equal Twin indices on women's empowerment and gender equality framework. This policy framework allows for a more comprehensive assessment of women's status in various aspects of life and measures women's power and freedom to make choices and seize opportunities.<sup>955</sup> The Scottish and UK governments can adopt this framework to create a national policy on ethnic minority women's entrepreneurship. This will help address some, if not all, of the areas of inequality and reveal the areas of challenge specific to African immigrant women entrepreneurs. The UN Women Paths to Equal, Twin indices on women's empowerment and gender equality framework policy framework, provide the UK with the best

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<sup>954</sup> 'Scotland's National Strategy for Economic Transformation', supra note 911.

<sup>955</sup> UN Women and UNDP, 'The Paths to Equal', supra note 939.

template to bark on a national policy framework for ethnic minority entrepreneurs, including the AIWE.

To sum it up, this thesis has delved into the multifaceted landscape of African immigrant women entrepreneurs in the UK, shedding light on their experiences, challenges, and contributions to the socio-economic fabric of their adopted country. Several key findings have emerged by comprehensively exploring the existing literature, empirical studies, and interviews with 25 African immigrant women entrepreneurs and second-tier organisations.

Firstly, the entrepreneurial journey of African immigrant women in the UK is shaped by many factors, the major one being the legal framework within which they must operate. The resilience and determination exhibited by these women in overcoming barriers posed by immigration and labour laws and policies, limited access to finance, information constraints, lack of data, underrepresentation, discrimination, and stereotypes are noteworthy. Their ability to navigate these challenges underscores their strength and highlights the potential for policy interventions and support mechanisms to facilitate their entrepreneurial endeavours.

Secondly, the study focused on the importance of recognising the diversity within the group of ethnic minority entrepreneurs (EMEs), ethnic minority immigrant entrepreneurs (EMIEs), ethnic minority immigrant women entrepreneurs (EMIWEs), and African immigrant women entrepreneurs (AIWE). Emphasising that while commonalities exist, variations in experiences, aspirations, and social capital and the impact of multiple identities underscore the need for nuanced approaches to support. Policymakers, business support organisations, and academic institutions can benefit from a more tailored understanding of the unique needs of this demographic.

Furthermore, the thesis has brought attention to the positive impact of African immigrant women entrepreneurs on the UK economy and society. Their businesses contribute to job creation, cultural enrichment, and community development. Recognising and celebrating these contributions fosters a more inclusive entrepreneurial ecosystem and challenges stereotypes and biases associated with immigrant entrepreneurs, ethnic

minority women entrepreneurs, and African immigrant women entrepreneurs.

As we move forward, it is essential to consider the implications of these findings for policy, practice, and future research. Policymakers should prioritise initiatives that address the specific challenges faced by African immigrant women entrepreneurs, including improved access to finance, tailored mentorship programs, and culturally sensitive business support services, considering the challenges that immigration can pose to these policies. Businesses and organisations, especially funding and financial institutions, can enhance diversity and inclusion by fostering environments that value this demographic's unique perspectives and contributions.

I recognise that this is an analysis of the data collected from 25 AIWEs and nine second-tier organisations in Scotland, specifically Glasgow, Edinburgh and Aberdeen and may not represent the views and capture all the experiences of AIWEs across the UK. Nonetheless, the findings contribute to the literature that needs to be improved on AIWEs and their entrepreneurial experience in the UK. The narrative of African immigrant women entrepreneurs in the UK is one of resilience, innovation, and untapped potential, deserving attention and recognition in both academic discourse and policy considerations.

To conclude, this thesis lays the groundwork for further exploration and comprehension of the experiences of African immigrant women entrepreneurs in Scotland and the UK. Recognising and tackling the impact of immigration, labour, and business laws on African immigrant women entrepreneurs in the UK necessitates a comprehensive approach. Through reforming immigration policies, improving labour laws, supporting adjustments to business laws, celebrating their achievements, implementing tailored support measures, and fostering inclusive ecosystems, we can collectively contribute to a more inclusive, fair, and sustainable entrepreneurial environment in the United Kingdom. Ultimately, this will help unlock the entrepreneurial potential of African immigrant women entrepreneurs, contributing to economic diversity and growth.

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## Appendix

Table 16: Information on African immigrant women entrepreneurs' participants.

No.	Names*	Age	Level of Education	Location	Countries of Origin	Immigration Status	Type of Business	Years of operation
1	Abena	58	DipHE	Glasgow	Ghana	Indefinite leave to remain	African Restaurant and products	7
2	Adzo	32	PhD	Glasgow	Ghana	(Limited leave) Tier 4 Visa	re-use shop for students.	1 ½*
3	Afi	51	HNC	Glasgow	Ghana	EU citizenship	online business owner	1
4	Akosua	39	Undergraduate degree	Glasgow	Ghana	British citizenship	African textiles	12
5	Aku	45	Undergraduate degree	Edinburgh	Ghana	British citizenship	Afro Caribbean foods and Event company	9/4
6	Ama	43	Master's degree	Aberdeen	Nigeria	British citizenship	fashion and beauty industry	12



7	Amara	47	Undergraduate degree	Glasgow	Nigeria	Indefinite leave	stock exchange /shares investor, consulting business to coach and mentor people.	2
8	Anopa	47	Masters' degree	Glasgow	Malawi	Limited leave	Charity that supports African women	3
9	Asante	32	MBA	Glasgow	Uganda	Discretionary leave	Fashion designer	3
10	Awa	57	Masters' degree	Aberdeen	Nigeria	British citizenship	African grocery store	19
11	Chiomaa	45	Masters' degree	Glasgow	Nigeria	Indefinite leave	Social enterprise providing services to help new immigrants to integrate	3
12	Dalitso	44	Masters' degree	Glasgow	Nigeria,	British citizenship	Franchised selling and	12

							marketin g of health suppleme nts	
13	Danai	44	Masters' degree	Edinburg h	Nigeria.	British citizenship	social enterpris e that supports kids with cultural awarenes s using literacy as a vehicle	3
14	Dembe	47	Undergrad uate degree	Glasgow	Uganda.	British citizenship	social enterpris e that supports ethnic minority to get employm ent, to start business, and support for businesse s seeking to employ	10

15	Efe	50	Master's degree	Edinburgh	Nigeria	British citizenship	Charity that supports musicians, radio, TV, social media, and Strategy consulting.	11/2
16	Ife	45	Undergraduate degree	Glasgow	Nigeria	British citizenship	making cakes	8
17	Minata	37	SVQs	Glasgow	Rwanda	Indefinite leave	African shop	2
18	Ngozi	35	Undergraduate degree	Glasgow	Nigeria	Indefinite leave	Accommodation Consultancy, and Decorations and Events.	3
19	Nyoka	38	Undergraduate degree	Edinburgh	Angola/Congo	British citizenship	Social enterprise: a hub that supports the employability of ethnic minority women	2

							and their well being	
20	Oni	35	Master's degree	Edinburgh	Nigeria	Tier one visa	Tech company	2
21	Sanaa	31	Undergraduate degree	Glasgow	Ghana	Indefinite leave	Tech start-up, building mobile apps, web development.	2
22	Sita	45	Masters' degree	Glasgow	Congo/Zambia	Indefinite leave	Service accomm. /Private clinic and legal consultancy	4/2
23	Upendo	40	Undergraduate degree	Glasgow	Malawi	British citizenship	social entrepreneur in the hospitality industry	3
24	Vimbo	46	Undergraduate degree	Edinburgh	Zimbabwe	British citizenship	charity that supports people of African heritage.	6

25	Yawa	56	Masters' degree	Glasgow	Ghana	Indefinite leave	African shop	3*

\*Names are pseudonyms

Table 17: Participating Second tier organisations information.

Name*	Branch location	Role of participant	Years of operation*	Business
Love Business	Glasgow	Chief executive officer	3years 4months	Provides leadership and enterprise skills for ethnic minorities
Peace Enterprise	Glasgow	Head of policy	48	Business advice
Joy Unlimited	Glasgow	Relationship manager	15	Development agency for start-up social entrepreneurs and social enterprise.
Grace Consultancy	Glasgow	Social enterprise advisor	19	Build capacity and sustainability of the ethnic minority voluntary sector and its communities.
Hope Incorporated	Dumfries and Galloway	Project manager	25	providing holistic, high quality and

				accessible advice
Faith Institute	Dumfries and Galloway	Business and development manager	19	
Blessings LLP	Glasgow	Researcher	20+	
Happiness LLC	Glasgow	Chief executive officer	2	
Mercy Partnership	Glasgow	Chief executive officer	10	

\*Names are pseudonyms