



Minority Entrepreneurship: Setting the Context

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Introduction

The year 2020 will feature prominently in history books as a global pandemic swept across the world and changed lives forever. Large-scale rates of deaths and virus infections were visited upon people of all backgrounds and materialised in countries at all levels of economic development. The virus was not selective in terms of victim profile, although some demographics suffered death and infection rates higher than others. As the pandemic expanded its reach and the economic effects caused by countries taking corrective measures (such as national, regional and local lockdowns) had escalating impact upon rates of unemployment, an increasing body of evidence began to emerge that minority communities were being disproportionately affected by unemployment. A similar trend was identified during the global recession of 2008–2010, while subsequent research found that such communities were unemployed for longer periods than people outside of these communities. During the recovery period of that global recession, people from such communities were encouraged to create self-employment as an alternative pathway to labour market activation. However, ‘minority entrepreneurship’ is not the same as entrepreneurship experienced by the majority population as

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minority entrepreneurs face many additional and distinctive challenges when planning, starting and growing a business. This book examines in detail the topic of minority entrepreneurship and seeks to explain the unique features of the experience and how support can be tailored to help further the ambitions of minority entrepreneurs. Ultimately, the goal of policymakers and enterprise support agencies should be to enable people from all parts of society, to maximise their economic and social potential.

While the term ‘minority entrepreneur’ is increasingly referenced in academic literature, a person’s understanding of the term can be quite varied. Sometimes the term is used to signify immigrants, other occasions it relates to ethnicity, while more broadly it is used to describe people from communities who are under-represented in terms of entrepreneurial activity. Similarly, the term ‘disadvantaged’ can have many interpretations and so finding a common understanding relevant to entrepreneurship can be challenging. One of the first goals of this book is to discuss the literature around this term and then take an all-encompassing approach to its interpretation. For example, the OECD Reports (2019) on ‘Missing Entrepreneurs’ have identified the relevant communities as Women, Youth, Seniors, Unemployed and Immigrants. Galloway and Cooney (2012) highlighted the adversities facing ‘Silent Minorities’ and identified Women, Gay, Disabled, NEETs (Not in Education, Employment or Training) and Ex-Offender communities as being disadvantaged in terms of entrepreneurial behaviour. Wood et al. (2012) identified Indigenous entrepreneurs (e.g. Aborigine, Maori) among disadvantaged communities, while Foley and Cooney (2017) suggested that Roma entrepreneurs also face significant challenges in starting a new venture. The book on ‘Minority Entrepreneurs’ is open to all these communities as one of its key ambitions is to be inclusive of any group who might be considered as disadvantaged or under-represented in terms of entrepreneurial activity.

The OECD Reports on ‘Missing Entrepreneurs’ (2013, 2014, 2015, 2017, 2019) have sought to identify the key challenges faced by potential and nascent entrepreneurs from minority and disadvantaged communities, which include issues such as lower levels of self-confidence, managerial experience, entrepreneurial skillsets and self-funding. These reports offer recommendations that policymakers could utilise to help reduce existing challenges for missing/minority entrepreneurs and redress market, institutional and behavioural failures that disproportionately affect people from under-represented communities. Research into minority entrepreneurs by Galloway and Cooney (2012) highlighted that people from within these minority groups frequently suffer social marginalisation because of the intolerance and discrimination presented by mainstream society and this inevitably impacts

upon their ability to become an entrepreneur. But Inclusive Entrepreneurship policies can help people to acquire skills and work experience, build networks, become more employable and so improve their labour market attachment capacity (OECD 2017). They can also address declining rates of labour productivity and growing inequality in terms of income, plus unlock the unrealised entrepreneurial potential of these under-represented communities. However, fresh thinking is required by researchers, educators/trainers, enterprise support agencies and policymakers if people from minority and disadvantaged communities are to maximise their economic and social potential.

Unfortunately, there is limited research available which gives insights into the entrepreneurial behaviour of entrepreneurs from minority and disadvantaged communities (Cooney and Licciardi 2019), and greater understanding is needed if policymakers are to design and deliver initiatives that are truly appropriate for their needs (OECD 2019). There is a significant opportunity within this field for researchers to undertake studies that will lead to a better comprehension of the entrepreneurial behaviour of various classifications of minority entrepreneurs, for educators and enterprise support agencies to deliver tailored support, and for policymakers to design policies and programmes that reflect the unique challenges that entrepreneurs from these communities endure when starting a business. This book will contribute to existing knowledge by: (1) Providing a current understanding of the literature for each of the communities; (2) Examining entrepreneurial behaviour within each community; and (3) Offering new frameworks/models from which future researchers can build new knowledge. This book is targeted at stakeholders who might welcome building an inclusive approach to entrepreneurial behaviour and supporting the enhancement of the economic and societal well-being of regions and countries.

Why Is This Topic Important?

The ever-changing demographic profile of countries across the globe has stimulated substantial debate about equality, diversity and inclusion in many countries in recent years. For example, recent political elections in some countries have been shaped by the economic and social policy implications of multiracial societies and how national governments might address the flow of immigration. Even when taking a broader understanding of the term 'minority communities' to include marginalised and disadvantaged people, arguably there is limited recognition within the mainstream society of the

potential contribution that people from these minority communities can offer when truly integrated as equal members of society. Indeed, many people view minority communities as a 'problem issue' that needs to be resolved as such communities are frequently considered a drain on the national exchequer because of the high unemployment rates and other disadvantages that they suffer. Unfortunately, too few people see minority communities as a positive opportunity to bolster local economies and enhance societies stimulated by the benefits of diversity and inclusion.

The number of people who can be categorised as members of the various minority communities is much larger than many people expect. For example, according to the World Bank (2020a), over one billion people (approximately 15% of the world's population) experience some form of disability and are more likely to experience adverse socio-economic outcomes than people without disabilities. According to the World Economic Forum (2020), there are an estimated 272 million international migrants around the world which represents approximately 3.5% of the world's population. Recent estimates on global poverty from the World Bank (2020b) suggested that 9.2% of the world's population, or 689 million people, live in extreme poverty on \$1.90 or less a day. The report also intimated that global extreme poverty is expected to rise in 2020 for the first time in over 20 years due to the COVID-19 pandemic. The terms 'minority' and 'marginalised' are frequently understood to be a small number of people in society and therefore almost irrelevant to the greater well-being of the country. However, the reality is that these communities are large percentages of every nation's population and therefore cannot be dismissed as inconsequential.

When people from minority communities seek assistance from enterprise support agencies, the response that is habitually received is that minority entrepreneurs are equally eligible to apply for any support programme that is available to 'mainstream entrepreneurs'. However, a frequent finding in academic literature on minority entrepreneurs is their low propensity to use mainstream business support agencies, so they frequently rely instead on self-help and informal sources of assistance. The barriers to a larger acceptance of assistance from enterprise support agencies have included issues such as: not being aware of the existence of such assistance, the inappropriateness of service offerings and a lack of trust and confidence in those delivering support. For example, enterprise support agencies regularly possess websites that do not have universal design, events are held in locations that are not accessible to all potential clients and staff are not trained to understand and address the additional and distinctive challenges faced by minority entrepreneurs. Indeed, responses such as '*we treat everyone the same*' and '*our door is open to everyone*' are commonly used to defend existing practices when

the reality is that treating everyone the same is not good practice and not everybody knows that their door exists!

The extent to which the support needs of minority businesses are distinctive in comparison with those of mainstream businesses is the subject of much debate and is addressed throughout the book. Although many of the support needs of minority businesses are shared with their majority counterparts, there are also specific challenges unique to the different minority communities and these have implications for the way business supports might be delivered if they are to be effective. Minority entrepreneurs are also confronted with challenges in respect of starting and managing a business that is peculiar to their circumstances and these include a lack of business contacts, greater difficulty in accessing finance from institutional sources and an information deficit when it comes to negotiating the business regulatory and legal environments.

Guided by economic growth as well as by social objectives, targeted intervention to directly assist aspiring minority entrepreneurs is being introduced to good effect in some countries where the value of such communities is being increasingly recognised. What is required across many more countries is targeted intervention promoted through the social networks and media channels favoured by minority communities. Any such targeted intervention should recognise the distinctive challenges faced by minority entrepreneurs, but should also appreciate the unique advantages that they can offer through their established networks within their own communities. At a time when countries are seeking to build trade to recover from the COVID-19 pandemic, it is arguable that minority communities are a positive resource that is not being constructively utilised. This book seeks to highlight the value of advocating greater levels of minority entrepreneurial activity, while recognising that being more inclusive of these communities is not a panacea to all the economic and social challenges facing a nation. Equally, it is not being proposed that every person from a minority community should be encouraged to become an entrepreneur, since not everyone has the capacity to become a successful entrepreneur and not all business ideas are worth pursuing.

Structure of the Book

The structure of the book has been designed to enable people to delve in and out of sections as best fits their purpose. The pillars to the book are the Introduction in Part I and the Conclusion in Part V, but between them

are the core sections. Part II contains five chapters which offer overviews of the current situation from different perspectives. Part III contains 12 chapters, with each one dedicated to examining a single minority community. The communities investigated are: women, youth, seniors, immigrants, LGBTQ+, people with disabilities, NEETs, ex-offenders, indigenous people, Roma, refugees and unemployed. Each chapter explores the academic literature concerning a specific minority community and their needs relevant to entrepreneurial activity. Part IV contains five chapters and offers different viewpoints regarding the future of research, training and policymaking related to minority communities. Overall, the book provides a detailed mapping of the literature on the topic of minority entrepreneurship and identifies multiple opportunities for further research.

Chapter ‘[Understanding the Term ‘Minority Entrepreneurship’](#)’ from Dana and Vorobeva opens Part II of the book with a detailed, in-depth review of the literature that considers the evolution and many interpretations of the term ‘Minority Entrepreneurship’. Its purpose is to take the reader through the journey of this evolution in a comprehensive fashion. This is followed by a review of the data from the Global Entrepreneurship Monitor in chapter ‘[What Does GEM Say About Minority Entrepreneurship?](#)’ by Levie and Mwaura which presents empirical evidence that entrepreneurial activity among minorities may in practice be more a result of, rather than a solution to, a lack of basic economic alternatives (such as social security), while a theme of unfulfilled intentions points to discrimination during and after start-up. In chapter ‘[Social Networks and “Missing Entrepreneurs”](#)’, Menzies discusses the role of social networks and argues that family social networks can have positive and negative effects, while formal networks have been successful in some contexts. Chapter ‘[Opportunity Structures from an Intersectional Perspective](#)’ from Kacar, Verduijn and Essers criticises existing theoretical perspectives on opportunity structures, in relation to minority entrepreneurs, for the predominant insistence on they being objective, material rules and resources, and the same for everyone. This section of the book concludes with chapter ‘[Beyond “Getting Asked to Dance”: Inclusive Entrepreneurial Ecosystems](#)’ from Krueger who provides an overview of the key aspects of how to develop entrepreneurial ecosystems inclusively and he discusses how a focus on true inclusion is a ‘rising tide strategy’ that lifts all entrepreneurial boats in the community.

Part III of the book exams entrepreneurial behaviour among each of the 12 different communities identified for the book. The section begins with chapter ‘[Do Women Engage Differently in Entrepreneurship?](#)’ by Brush and Greene which explores the narratives that highlight differences

between men and women entrepreneurs, both those evident in stereotypes and those that represent reality. The chapter concludes that it is important to recognise differences between men and women and among groups of women, to understand what they are and how differences might contribute to a better entrepreneurial model for all. Chapter ‘[Stimulating Youth Entrepreneurship](#)’ by Greene examines why there is a need to support youth entrepreneurship, what support is on offer and whether attempts to stimulate youth entrepreneurship actually make any difference to the entrepreneurial aspirations and activities of young people. Moving from youth to seniors, chapter ‘[Senior Entrepreneurs as Untapped Potential](#)’ by Maritz, Eager and De Klerk provides theoretical and pragmatic approaches to illustrate areas of opportunity for this growing sector of entrepreneurship, together with a spotlight on contemporary issues such as female senior entrepreneurs, education and training support, and policy and government support. In chapter ‘[Immigrant Entrepreneurship in World-Historical Perspective: A Transitional Phenomenon?](#)’, Jones and Ram argue that self-employment is often a key occupational strategy for immigrant communities experiencing resistance to their incorporation into their host economy. They also suggest that heavy dependence on self-employment should actually be regarded as a transitional anomaly in a modern economy, a temporary measure by which a newly arrived population attempts to insert itself into the receiving society’s labour market. Chapter ‘[Entrepreneurship and Coming Out: Exploring the Experiences of Gay and Lesbian Entrepreneurs](#)’ by Kidney explores the literature on what it means to be a gay entrepreneur and how coming out might influence the experience of entrepreneurship, while chapter ‘[Disabling the Welfare State: The Impact of UK Benefit Reforms on Disabled Entrepreneurs](#)’ by Kašperová and Kitching examines how the ‘capable-incapable’ and ‘independent-dependent’ binaries underpinning the welfare system influence disabled people’s entrepreneurial motivation and behaviour. The NEET (Not in Employment, Education or Training) community is discussed in chapter ‘[Social Problems, Entrepreneurial Behaviour and NEETs](#)’ by Santos-Ortega, Muñoz-Rodríguez and Grau-Muñoz who explore the complex binomial between NEETs and entrepreneurship and studies its feasibility through an analysis of the programmes that have been initiated by international institutions, and the lines of action that could guarantee better future perspectives in this field. Smith examines ex-offenders in chapter ‘[Gizza a Job, I Can Do That’: What the Literature Tells Us About How the Inability to Secure Employment Can Lead to Ex-offenders Starting a Business](#)’ and reviews the literature and cognate streams such as Prison Privatisation, the Crime–Dyslexia–Entrepreneurship’

Pathway and the Education Pathway. Chapter ‘[Indigenous Entrepreneurship](#)’ by Colbourne provides insights into how Indigenous entrepreneurship promotes social, environmental and economic value creation by and for the benefit of Indigenous peoples and asserts that Indigenous ventures are developed with explicit goals to benefit the community, instigate social change and protect the environment that is contingent on the particular culture, traditions and spirituality of the Indigenous people connected to the land and its resources. Chapter ‘[Roma: Travelling Can Be Disruptive to Creating a Sustainable Business?](#)’ by Foley examines entrepreneurial activity within the Roma communities, plus the challenges involved in creating a sustainable business while living a nomadic or settled Roma existence, while chapter ‘[From Taking Flight to Putting Down Roots: A Narrative Perspective of the Entrepreneurial Journey of a Refugee](#)’ by de Vries, Ranabahu and Basharati highlights that home country connections, transition experiences and host country integration practices shape the start-up and business growth of refugee entrepreneur ventures. The final chapter of Part III is chapter ‘[Does Unemployment Contribute to Self-Employment and Productivity in Regions? A Causal Examination Adopting a Cross-Lagged Design](#)’ by Örtqvist and Ejdemo who examine the causality between unemployment and outcomes in terms of self-employment and regional productivity. Each of the chapters in this section provides a foundation from which other studies can build relative to the specific community addressed.

In Part IV of the book, this section is seeking to examine future research directions relating to the topic. In chapter ‘[Conceptualising Learning in Minorities Entrepreneurship](#)’, Rae proposes a unifying approach to minority entrepreneurship which supports and advances its theoretical, as well as practical, advance as a field of study. This integrates prior work and adds to it the distinctive contribution of entrepreneurial learning to minorities entrepreneurship, which has previously been absent. Chapter ‘[How Do Social Enterprises Deliver Tailored Support to Minority Entrepreneurs?](#)’ by Šebestová and Krejčí presents the relationship between social and minority entrepreneurship from the perspective of business support. The chapter highlights a model which covers a mixture of decision-making processes made by social enterprises to involve minorities in tailored business development. An alternative approach to minority entrepreneurship is offered in chapter ‘[Supplier Diversity: A Mechanism for Supporting Minority Entrepreneurship](#)’ by McKinney who discusses supplier diversity as a mechanism for supporting minority entrepreneurship, while chapter ‘[Policies for Promoting Entrepreneurship as a Means of Increasing Social Inclusion](#)’ by Xhenti reviews the mixed evidence to date in relation to both enterprise policies more

broadly and inclusive policies in particular and it proposes an alternative conceptualisation of the policy process that makes evident the need to take context more seriously. This section concludes with chapter ‘[Future Research Opportunities: A Systematic Literature Review and Recommendations for Further Research into Minority Entrepreneurship](#)’ by Mazzarol who provides a detailed systematic literature review of the evolution of the field of minority entrepreneurship from its origins in the 1940s, through to the start of the 2020s. The chapter highlights the major authors and most significant publications, as well as the main areas of research focus, methodologies used and key findings. It provides a rich conclusion to the section and draws together the multiple strands across the book. Chapter ‘[HEIs, Minority Communities and Enterprising Behaviour](#)’ is the final chapter of the book and it presents a new conceptual framework that offers a unique contribution to existing theoretical knowledge about the provision of tailored entrepreneurial education and training by Higher Educational Institutions for minority communities supporting the learning of enterprising behaviour.

Conclusion

This book collects the expertise and experience of scholars from across the globe and offers a broad range of perspectives relating to minority entrepreneurship. The ambition of the book is to present a meticulous analysis of current thinking, thereby offering a basis from which future researchers can contribute further insights and knowledge. Ultimately, this book contributes to existing knowledge by:

- providing a current understanding of the literature for each of the identified communities;
- examining entrepreneurial behaviour within these communities;
- offering new frameworks/models from which future researchers can build new knowledge.

It is clearly evident across the chapters that substantial untapped entrepreneurial potential exists within these communities if it can be effectively mined through customised support. It is not being suggested that such tailored assistance is required throughout the lifetime of businesses, although strategies such as Supplier Diversity (chapter ‘[Supplier Diversity: A Mechanism for Supporting Minority Entrepreneurship](#)’) have shown what interventionist provision can achieve for growth-oriented minority businesses. While one can approach supporting minority entrepreneurs through

a social lens via concepts such as equality, diversity and inclusion, this book predominantly uses an economic lens to highlight the economic advantages that engendering greater levels of entrepreneurial activity among minority and marginalised communities can bring at a local and national level.

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