

## Refugee women as entrepreneurs in Australia

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**The 'Stepping Stones to Small Business' programme in Australia is appreciated by participants but has shown that 'entrepreneurship' is a problematic concept in the context of women from refugee backgrounds.**

Starting a small business in Australia is often discussed alongside the 'risk-taking' attributes of entrepreneurs. This characterisation casts entrepreneurship as positive and adventurous, with the promise of rewards. However, some groups in Australia have no choice but to pursue self-employment due to their constrained opportunities in the labour market. Refugee women, in particular, face barriers to being part of the workforce that relate to language, culture, gender and family, and employer attitudes and practices. For many of these women, entrepreneurship has significant risks and is motivated not by opportunity and ambition but by necessity.

Stepping Stones to Small Business is a programme which provides business training, networking opportunities and mentoring for refugee women in Melbourne. An evaluation of the programme in 2015 suggests that participants, while positive about the knowledge they had gained and the networks they had developed, largely had not converted these newly acquired resources into small business income. Many refugee women demonstrated the traits often associated with entrepreneurship – a desire for independence and autonomy, for example – but still faced barriers to small business development, such as a lack of personal savings and the need to delay for family reasons. Our findings reflect important distinctions between notions of entrepreneurial risk and reward, the realities of small business development, and overlapping opportunity constraints associated with gender, ethnicity and forced migration status.

### Push and pull factors

Economic necessity and difficulties in securing waged employment can often push people who have been granted refugee protection into self-employment. Refugees

have lower rates of workforce participation, higher rates of unemployment and lower average earnings than other migrants in Australia. They are also more vulnerable to long-term unemployment, are less likely to secure 'good' jobs (according to definitions advanced by the International Labour Organization), and tend to be clustered in low-status, low-skilled occupations. As in many other host countries, refugees in Australia face employment barriers relating to language, unrecognised or undervalued qualifications and experience, 'cultural distance' within workplaces, and employer discrimination.

There are also pull factors that attract refugees to entrepreneurship, such as the allure of financial security and independence, or previous small business experience in their home country. Self-employment may offer the possibility of enhanced professional standing and higher earnings than waged employment, given that migrants work predominantly in lower paid, precarious jobs.

Refugees in Australia have demonstrated many of the qualities stereotypically associated with entrepreneurship. A 2011 study of first- and second-generation refugees in Australia found that many of them have a propensity to take risks and take advantage of opportunities when they arise.<sup>1</sup> Recent data from the Australian Bureau of Statistics also indicate that refugees derive a higher proportion of income from self-employment than other migrants, with this income increasing sharply after five years of residence.

However, entrepreneurial migrant women have particular constraints on small business development, such as difficulties acquiring start-up capital, a lack of financial skills, limited access to affordable childcare, and fewer market-relevant support systems and networks than men. Expectations of

family responsibilities, underpinned by religious restrictions and cultural norms, may add to these limitations. Even if women overcome the attitudinal barriers in their family and community towards women running businesses, they may still be considered responsible for childcare and home management, which can lead to conflict between work and family demands. Nevertheless, the incentive for many migrant women to start small businesses may also spring from a desire for freedom from insecurity and to overcome traditional barriers related to language difficulties, and financial and institutional constraints, such as ethnic and community solidarity.

### Stepping Stones to Small Business

The Brotherhood of St Laurence (BSL) is a non-governmental research, service delivery and advocacy organisation that works to alleviate and prevent poverty. Consultations with refugee communities identified interest in a service to help women from refugee backgrounds to learn about small business in Australia. In response to this interest, BSL developed Stepping Stones to Small Business, with the support of philanthropic and government funding. Since 2011, 128 migrant women of different ages and from different cultural and linguistic backgrounds have participated in workshops and seminars.

Stepping Stones provides training and advice, and teaches the prospective business owner the knowledge, skills and attitudes required to improve microenterprise performance. Training is delivered flexibly, in ways that meet migrant women's language requirements and their family and caring responsibilities. Trainers and coordinators aim to create a learning environment which is supportive and gender-aware, suitable for those for whom English is an additional language, and responsive to the characteristics of participants. Programme coordinators, trainers and mentors attempt to identify and build on participants' existing strengths and skills to help them refine their business ideas.

Applicants to the programme are asked to articulate their small business ideas and their motivations for entering into self-

employment. Women who have an idea are accepted into the programme, which then provides free, intensive small business training over eight days. Training covers key concepts such as marketing, customers, legal obligations, seed capital and managing operations. Participants self-assess their progress against a 12-step 'business milestone' framework which includes topics such as how to project estimated annual budgets and perform basic accounting practices.

Additional workshops provide information about the available forms of support from local councils, community banking options, government services, and access to the advice of independent specialists in marketing and communications. At the completion of the training, each graduate is linked with a business mentor drawn from a pool of volunteers in the local business community.

A 2015 evaluation found that participants overwhelmingly agreed on the value of the intensive training sessions for the establishment of their business. Acquiring new knowledge and information has led to participants reporting feelings of greater confidence and empowerment.

*"Before the programme I experienced job loss and suffered self-doubt and negativity. The programme took my mind off the problems in my personal life and built my self-esteem... [Women] have barriers, struggles and taboos. They needed to be supported and their confidence has to be built."* (59-year-old woman from India)

96% of participants surveyed reported that their social networks were 'better' or 'much better' since participating in Stepping Stones. 76% reported that their business networks were also 'better' or 'much better' since participating.

Participants also recounted how they have transferred some of the knowledge and information to other women in their communities, whether in Australia or in their home countries. For example:

*"Now I will continue to grow my business...After that I will save more money to help women in my country. In Iraq, disabled women have no power, no*

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*support from the government and often no food... I can help the women in Iraq."* (60-year-old woman from Iraq)

This highlights the complex motives behind business development, with some women wanting to use their increased financial capacity to assist not only their families but also others – especially women – in their home countries.

### Small business outcomes still elusive

While participants appreciated the value of the training, most had not yet started their businesses upon 'graduation'. At the conclusion of the 2015 programme, 71% of surveyed participants were still relying on their previous primary source of income. Fewer than 20% had any business income or were employing staff. Data from the programme in 2011-14 suggest that 57% neither started a business nor continued with an existing business after graduating. Among those who had started a business, the average annual turnover was just AU\$14,160. In comparison, the full-time minimum wage in Australia is slightly over AU\$34,000.

The main reasons that small businesses had not been started were a lack of start-up capital, the need for work experience, and family reasons. Survey results from the 2015 cohort show that 72% of respondents preferred the use of accumulated personal savings for start-up capital rather than credit or loans, indicating the need for the women to already have jobs and steady income.

How do we reconcile the overwhelmingly positive feedback women gave about the programme with their poor small business outcomes? One explanation may

lie in the risky business environment: government figures indicate that less than one third of all nascent small businesses in Australia reach an operational state within the first three years. We could expect a lower success rate for fledgling micro-enterprises operated by migrant women, given the additional barriers they face.

Another explanation is that conventional measures of business success – such as annual turnover and sales, growth, profitability, registration of the company and innovation – may need to be redefined to reflect the needs and aspirations of women from refugee backgrounds. Those who have difficulties accessing mainstream employment may benefit from a modest micro-enterprise turnover that supplements another source of household income. Others who choose to look for paid work and save money might also be considered 'unsuccessful' entrepreneurs – but stable employment avoids the financial risks of micro-enterprise.

Policies and programmes need to reconsider entrepreneurship and what entrepreneurial behaviour entails for women in light of the influences of gender, ethnicity and migration status. It is necessary to consider wider forms of enabling support that would involve attending to employment constraints, while empowering women to make choices that enhance their economic security.

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