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Disabled entrepreneurs:
rewarding work, challenging barriers, building
support



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Making a difference to policy outcomes locally, nationally and globally

POLICY BRIEF

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Disabled entrepreneurs: rewarding work, challenging barriers, building support

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Abstract

This policy brief presents an overview of the key rewards and barriers that relate to the support of disabled entrepreneurs. As disability increases with age, it argues that carefully developed and targeted networking interventions, alongside entrepreneurship outreach professionals, may offer considerable scope to enhance support for this disadvantaged group and thus help increase the number of such entrepreneurs in the economy.

More than 11 million people in the United Kingdom have “a longstanding illness, disability or infirmity, and ... have a significant difficulty with day-to-day activities”¹. This includes almost 6 million people of working age, nearly 11% of the UK working population, and the proportion is steadily growing. For most of those affected, disability is experienced as they progress through their lives: only 7% of the disabled are born with their condition. So although considered as a single group here, it must be remembered that the disabled experience great heterogeneity as to the nature, severity and life stage occurrence of their disability. Disabled people typically are about half as likely to be employed as the able-bodied, which raises the question as to whether entrepreneurship might offer an alternative and attractive route to socio-economic independence and achievement for this disadvantaged group.

Interestingly, there are indications of quite high rates of self-employment, venture survival and success, for disabled entrepreneurs (Boylan and Burchardt, 2002, p5, pp 22-24; for a summary of this literature, see Anderson and Galloway, 2012, pp 97- 98). Several aspects of entrepreneurship and self-employment appear especially helpful in permitting the disabled to combine rewarding work, with the management of conditions which are often both challenging and unpredictable. Home-based ventures, for example, obviate some mobility and transportation difficulties which travelling to an employed position may cause. The ability to work flexible, self-managed hours can help address the often unpredictable rhythm of many conditions, which impact upon labour capacity in a variety of ways. Entrepreneurship also offers meaningful economic activity to those who find other labour market options closed to them, and, indeed, this is a primary motivation for start-up amongst the disabled (Boylan and Burchardt,

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/321594/disability-prevalence.pdf

2002, p5). Thus potentially, there are real benefits that following an entrepreneurial path can offer, in terms of allowing disabled people economic and social empowerment.

	USA ²	UK ³	Ireland ⁴
% disabled population of working age economically active	30.4%	47.8%	37.0%
% non-disabled population of working age economically active	81.5%	75.9%	67.0%
% of disabled population lacking formal / secondary level educational qualifications	31%	26%	50.8%
% of non-disabled population lacking formal / secondary level educational qualifications	17.5%	12%	

However, offset against these potential benefits are specific labour market barriers, faced by the disabled. These include lower employment rates - typically about half that of the able-bodied population, as well as consistently lower levels of education (Anderson and Galloway, 2012; Cooney, 2008). Entrepreneurship research indicates very clearly that social capital (as well as wider knowledge, experience, and access to resources) is especially critical to start-up success and subsequent venture growth. Yet, as a result of their relative exclusion from educational and workplace interactions, the disabled are placed at a major disadvantage in terms of being able to develop the requisite social capital and networking ties needed to support (successful) entrepreneurship. Additionally, low levels of educational attainment are likely to contribute to the concentration of disabled entrepreneurs in lower-status occupations. Furthermore, the often precarious financial position of the disabled inhibits (both venture development and) funding opportunities for would-be entrepreneurs, who find it especially hard to develop strong credit ratings, to accumulate savings, and to secure loans in the commercial marketplace (Boylan and Burchardt, 2002, p6-7). Also of major concern to potential entrepreneurs with disabilities is the major anxiety about possible loss of benefits that entering self-employment can bring. This is an area of serious concern, since the disabled often have extensive social welfare support, including income, housing and health benefits (Vickers et al, 2009). Indeed, the “benefits trap” threat has been shown to act not only as a deterrent to entrepreneurial action for the disabled (Anderson and Galloway, 2012, 97), but even as a stimulus to the *closure* of entrepreneurial firms (Larsson, 2006, 97).

The disabled have also been shown to lack thorough knowledge of flexible support provisions to facilitate their entry to entrepreneurship. However, and very unfortunately, research

² Cooney, 2008, Blanck et al, 2000

³ Papworth Trust, 2012, p3

⁴ Cooney, 2008

consistently reveals that support agencies are frequently ignorant as to the needs and potential of disabled entrepreneurs. Indeed, some evidence suggests support services may sometimes even actively discourage the disabled from entering self-employment. (Boylan and Burchardt, 2002, 6). Similar lack of knowledge and support extends also to providers of finance, which further constrains access to funding for the disabled (Vickers et al, 2009, 5). Some services – training and counselling, for example - are often only physically accessible to the fully able-bodied. Others are not communicated in a manner accessible to those suffering from sensory impairments. Also inhibiting support of disabled entrepreneurs is the growing trend for agencies and service providers to be evaluated using firm “hard” outcomes, often with very specific and rigorous staged deadlines for the achievement of outcomes by their entrepreneurial clients. Disabled entrepreneurs often find their conditions force a slower and much less predictable, controllable pace of start-up, which is not easily compatible with support services own reporting and funding structures.

How can barriers and entrepreneurship support provision deficiencies be tackled to make more accessible the very real benefits that entrepreneurship can offer to the disabled? Because knowledge, understanding and information gaps exist between disabled potential, nascent and practicing entrepreneurs, and support services, bringing these supply and demand sides together through networking initiatives potentially has much to offer. Bringing support service professionals and disabled entrepreneurs together through networking events and other forms of outreach work allows professionals to increase and deepen their knowledge as to the needs and nature of disabled entrepreneurs. Given the diversity of specific disabilities, and their impact upon entrepreneurial potential, exposure to a wide range of potential entrepreneurs with disabilities is required for entrepreneurship support service providers. The development of multi-disability networking events is one way to help facilitate a greater understanding of existing barriers and how they might be overcome. Such networking events also provide a vehicle to promote start-up and growth policy tools and to fully communicate how the disabled can protect themselves against loss of benefits. Also crucial is the potential for carefully organised and targeted networking events, organisations and processes to help compensate for the lack of social capital which the disabled face due to their relative educational and professional disadvantage. Such networking initiatives provide space and time for bi-lateral interaction with multiple stakeholders, facilitate mutual learning, and aid the development of a deeper understanding of the varied needs of disabled entrepreneurs. They also provide a context to create peer-to-peer communities of disabled entrepreneurs, thereby offering an additional social capital resource.

It is, of course, important to recognise that travelling to (even infrequent) networking events is potentially difficult for many disabled groups with mobility challenges. For the housebound disabled, it is still more important that means be found to overcome their social and support

isolation. Vickers et al (2009) suggest one-to-one mentoring may be an appropriate tool to enhance the inclusivity of disabled entrepreneurs. This is particularly so for people whose condition impacts upon their ability to leave home and to work predictable hours for sustained periods. Dedicated, peripatetic outreach worker positions may offer the optimum solution for delivery of such support provision. Clearly, though, in this case, a one-on-one relationship with a specific entrepreneurship support professional is acting as a substitute for the development of a wider network of helpful relational ties. Where one new network tie is intended to become the major focus of direct social capital development, and support provision, for a (disabled) entrepreneur, the outreach worker involved requires a very wide network of their own (so as to be able to broker suitable ties on behalf of multiple disabled entrepreneurs). Given the special difficulties faced by housebound entrepreneurs, it is also important that “softer” and more flexible outcome objectives be set for support services and their staff. It is critically important for them to possess high levels of network centrality and reachability.

In summary, whilst the proportion of disabled people continues to grow as people live more active lives, it appears that the full potential of disabled entrepreneurship has yet to be fully grasped. Specific problems include the perceived “benefits trap”, the information asymmetries which exist between disabled would-be entrepreneurs and support providers, “hard” outcome targets and linear progression models used by support providers, and the lack of (social) capital created by structural educational and labour market barriers. Potential policy initiatives to help tackle these barriers include carefully designed networking events, to enhance shared learning and social capital development and the creation of one-on-one support from peripatetic entrepreneurship outreach professionals, delivered to the home of disabled would-be entrepreneurs.

REFERENCES

This policy brief draws on sections of a recent background paper, *Expanding the networks of disadvantaged entrepreneurs*, co-authored by Sarah Drakopoulou Dodd, and Janroj Keles of Middlesex University (May 2014), for the OECD's LEED programme.

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The Hunter Centre for Entrepreneurship aims to develop a better understanding of how entrepreneurs can more successfully create new value for both business and society, and to provide practical recommendations to business leaders, policy makers, and entrepreneurship-support organizations. We work hard to create innovative new entrepreneurship knowledge, and to share this with the widest possible audience, through our writing and presenting activities. Key themes for the HCE's strong team of researchers are:

- Enterprise Policy, Education and Economic Development
- Growing Innovative Enterprises
- Global and International Entrepreneurship
- Entrepreneurial Management and Leadership
- Enterprise and Diversity
- Social Enterprise, CSR and Philanthropy
- Family Business and Enterprising Households
- Entrepreneurial Networking, Social Capital, and Society

This brief is an example of our work exploring Enterprise and Diversity, focusing on those who experience entrepreneurship differently due to some form of socio-economic difference. Developing deeper understandings of women entrepreneurs is a longstanding area of expertise in the Hunter Centre, most notably the ground breaking work of Sara Carter. Hunter Centre staff also have a strong tradition of researching ethnic minority and migrant entrepreneurs, "alternative" entrepreneurs, and those from economically marginal areas. These diverse groups each face special challenges, and draw on a different repertoire of practices and resources, than the archetypal white, male, graduate, middle class entrepreneur.

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