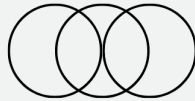
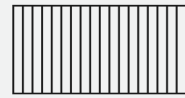
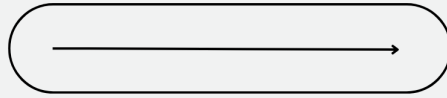


**WOMEN
WORK &
ECONOMY**

POLICY BRIEF

Entrepreneurship and Racialized Immigrant Women: The Digital Skills Gap

by Dr. Nada Basir

Executive Summary

Immigration has become the primary source of population growth in Canada. While much of the discussion on immigration and work has centred around addressing labour gaps with new immigrants and the challenges they face in entering the workforce, it is crucial to recognize immigrants' significant role in driving entrepreneurship within the economy. Immigrants make significant contributions to business ownership and innovation in general (Fairlie & Lofstrom, 2013; Hunt & Gauthier-Loiselle, 2010; Li, Isidor, Dau, & Kabst, 2017). In Canada, immigrants account for 33% of all business owners with paid staff, providing goods and services and creating local jobs in all sectors (Government of Canada, 2023). Despite their importance, immigrants still face numerous challenges when it comes to starting and growing a business in Canada. This is especially the case for immigrant women, as immigrant men are about twice as likely to own a business than immigrant women (Picot & Ostrovsky, 2021).

Findings from the *Women, Work, and the Economy* (WWE) project, *Canada's Racialized Immigrant Women and the Labour Market* (CRIWLM), suggest that women immigrant entrepreneurs still face numerous challenges in their entrepreneurial journey. While many programs and policies have been introduced to address key challenges faced by women in general, and immigrant women more specifically, there is a growing gap between the digital skills, the “range of abilities to use digital devices, communication applications, and networks to access and manage information” (UNESCO, 2018) needed to compete in the current business landscape and the digital skills of many immigrant women entrepreneurs. This policy brief discusses this key area of concern and provides policy recommendations to address the needs of immigrant women entrepreneurs in the new age of digitalization.

Problem Statement



In Canada, entrepreneurship is a common route for employment for racialized immigrant women as it offers economic independence and flexibility (Momani et al., 2021; Cukier, et al., 2022). However, research has challenged the notion that entrepreneurship is an accessible and neutral socioeconomic opportunity with great emancipatory potential (Rindova, Barry, & Ketchen, 2009). Prevailing institutional and societal biases constrain which entrepreneurs can access necessary resources for venture creation and women have been shown to be at a disadvantage when it comes to access to funding and networks (Ahl & Marlow, 2012; Marlow & McAdam, 2013). Similarly, compared to Canadian-born entrepreneurs, immigrants face additional barriers due to financial constraints, language barriers, and smaller networks (Cukier et al., 2022). Therefore, immigrant women entrepreneurs “suffer from a double disadvantage: they are women, and they belong to a national minority” (De Vita et al., 2014; p. 457). Studies have pointed to gaps in existing supports and services for immigrant women pursuing entrepreneurship, noting that immigrant women entrepreneurs often lack full knowledge of the local community, struggle with language and literacy barriers, and are burdened by overly complicated paperwork required to set up and maintain a business (Kalu & Okafor 2020).

Many immigrant women are multilingual, have global experiences and networks which can enable importing and exporting businesses and global expansion. Businesses led by immigrant women are almost twice as likely to export products compared to businesses led by Canadian-born women (Cukier et al., 2022). Despite having the experiences and network that can facilitate successful businesses, immigrant women entrepreneurs in Canada are half as likely as immigrant men to own a business (Cukier et al., 2022). In the CRIWLM study by the WWE group, only 56 out of 694 respondents indicated that they have been self-employed or that running a small business has been one of their primary occupations since arriving in Canada and only 4% of all respondents are currently self-employed or running a small business. These individuals tend to be highly educated, and have, at least temporarily, opted to not join the labor force but instead pursue entrepreneurship. Yet survey responses indicate that their businesses do not produce enough revenue, citing technical challenges as the biggest barrier to making money in their business¹. The findings from the CRIWLM study suggest that the challenges of starting and operating a business are further intensified by a lack of digital literacy needed for the emerging new digital age.

In the past few decades, there has been a drastic advancement in information and communication technology leading to dramatic changes in how business is done. Most new ventures require some aspect of technology, requiring founders to have at least a basic knowledge of digital skills so that they are better equipped to deal with technological changes brought on by the wave of digital transformation, such as online financial services, social media-based marketing, investor matching, and employee-employer match-up platforms (Krieger-Boden & Sorgner, 2018; Youssef et al., 2021). Digital technologies can enable women entrepreneurs entry into new markets, expand work flexibility, acquire customers, derive new forms of training, offer mentoring, enhance their financial autonomy, and access capital for their ventures (Krieger-Boden & Sorgner, 2018; Youssef et al., 2021). Yet, women are more likely to lack necessary resources or capabilities to use them (Dy, Marlow, & Martin, 2017; OCED, 2018) and a significant number of immigrant women have little to no digital skills (Garrido et al., 2010). Despite the critical role digital skills play in building and sustaining



businesses in this digital era, digital skills training are usually not a focus in most entrepreneurial programs and support policies. Only 25% of the women in the CRIWLM study reported that they found government or other business supports very or extremely useful, while the rest said these programs were either modestly or slightly useful, or not useful at all. To address this gap, digital skills training for entrepreneurial minded immigrant women is critical.

Policy Alternatives

To address the underrepresentation of women entrepreneurs in Canada, Federal and Provincial governments have introduced various initiatives. Most notably, the Government of Canada launched the Women Entrepreneurship Strategy (WES) with a nearly \$7-billion investment that aims to double the number of women-owned and women-led businesses by 2025 by increasing women-owned businesses' access to financing, talent, networks and expertise to start, scale and access new markets (Women Entrepreneurship Strategy, nd). Business support organizations, mostly non-government organizations, receive funding through this initiative to offer programming focused on building entrepreneurial capacity. While these programs provide essential learning in business fundamentals, very few of these programs include curriculum focused on digital skills. One exception is the Canada Learning Code – Digital Skills for Entrepreneurship, a Canadian charity that provides in person and online workshops for entrepreneurs (Canada Learning Code, n.d.). Leveraging existing programmes geared to immigrant and non-immigrant women entrepreneurs would leverage support organizations that are already embedded in entrepreneurial ecosystems, which can help connect immigrant women entrepreneurs to mentors and create network learning effects as they connect with other actors in the ecosystem. However, this approach would target immigrant women who already identify as an entrepreneur and who likely have the confidence and some understanding of the Canadian landscape. Furthermore, these programs can be difficult to access and work through for those who have just arrived to Canada and may be challenged by the language requirement and pace of a program created for women entrepreneurs in general. Tailoring these programs for immigrants by considering the specific digital needs of immigrant women is essential. To do so, a better understanding of gaps in digital skills is necessary. Unfortunately, there is limited understanding on the specific needs of entrepreneurial immigrant women in Canada.

Recommendations

To provide racialized immigrant women entrepreneurs the support needed in developing their businesses the following steps are recommended:

1. **Develop a better understanding of the current gaps in digital skills in the immigrant women population.** While research has recognized that immigrant women will be proportionally more impacted by the digitalization of work, there is a limited understanding of the specific skills gap, especially as they relate to building and running a business (Cukier et al., 2023). More research is needed to uncover the particular needs of entrepreneurial immigrant women before skills training gaps can be addressed.



2. **Develop digital skills training in partnership with existing organizations.**

Recognizing that immigrant women entrepreneurs may need more tailored services, a small number of initiatives have been introduced specifically focused on immigrant women entrepreneurs. For example, the New Immigrant Women Becoming Entrepreneurs (NIWEBE) program provides personalized training, mentorship, and one-on-one coaching for new immigrant women (The Immigrant Education Society, n.d.). While this program does not currently offer digital training, partnership-focused Federal grants between non-profits, such as NIWEBE, could be beneficial in providing digital skills training to immigrant women entrepreneurs. Private-public partnerships are another option for leveraging existing capabilities in digital training and tailored services for immigrants. In the UK, the Department for Digital, Culture, Media and Sport (DCMS) brings together representatives from the public, private and charity sectors to support digital skills provision and increase digital capabilities (DCMS, 2023). These programs should consider the unique challenges immigrant women face by considering language barriers, access to the program, and childcare responsibilities.

Conclusions

Digitalization holds the potential for helping to make entrepreneurship more inclusive. Under-represented groups such as immigrant women could benefit from lower start-up costs, wider access to external markets offered by the internet, information that otherwise would be difficult to access, and more resilience to sudden changes in the environment. While addressing the digital skills gap will not be the panacea for making entrepreneurship more inclusive, public policy targeting the digital skills gap can play an important role in addressing the challenges faced by women immigrant entrepreneurs.



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