Doubly Disadvantaged: Gender, Spatially Concentrated Deprivation and Nascent Entrepreneurial Activity

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**Summary:**
This study addressed the question: what is the effect of spatially concentrated deprivation on gender differences in nascent entrepreneurial activity, accounting for gender differences in human capital in different locales?

We utilized the literature on human capital, intersectionality and mixed embeddedness to explore the research question. Human capital theory highlights the relevance of two types of human capital on entrepreneurial activity: general (education) and specific (entrepreneurial skills and experience). Intersectionality literature discusses privileges and disadvantages emanating from intersecting social positions of gender, race, and ethnicity and it has recently been extended to highlight the intersecting role of place-based effects. The mixed embeddedness approach allows us to explain entrepreneurship by situating entrepreneurial capabilities and opportunities within a socio-economic, spatial and regulatory context. We integrate these multiple theoretical strands to argue the presence of a ‘double disadvantage’ for women trying to start businesses in deprived locations, caused by the interaction of human capital disparities and locational disadvantages.

**Methodology:**
We used the empirical context of nascent entrepreneurial activity across different geographic locales in the United Kingdom to test our hypotheses. We combined the Global Entrepreneurship Monitor Adult Population Survey database with Index of Multiple Deprivation (IMD) data for the period 2007-2012 to build a dataset with 135825 cases. We performed OLS regression to test our hypotheses. In order to overcome heteroscedasticity concerns in aggregated data, we used robust standard errors in the analysis. We conducted multiple robustness checks, which support our findings.
Findings/Implications:

The results suggest that in locales with low deprivation, women appear to significantly narrow the nascent entrepreneurial activity gap with men, where they have high general or specific human capital relative to men, but in locales with high deprivation, there is no human capital boost. Deprivation appears to prevent women from benefiting from any human capital advantages they might have.

Our results reinforce previous findings which identify female entrepreneurs as disadvantaged in terms of their access to human capital and location, but our results further demonstrate a multiplicative effect of human capital and deprivation on nascent entrepreneurship rates at the locale level for women relative to men. In line with intersectionality theory, but subtly different to the literature, we find that deprivation prevents women from taking advantage of any human capital assets they might have that are relevant to engagement in nascent entrepreneurial activity. One interpretation might be that while women are exposed to the same obstacles as men in deprived locales in terms of socio-demographic factors, social capital, and perceptions, women may find it more challenging to overcome those potential barriers due to family burdens, motivations, differences in risk aversion, trusting behaviours and socio-economic norms that their counterparts in less deprived areas do not face. Our empirical confirmation of a “double disadvantage” suggests it is much more difficult for women to break through the vicious circle of deprivation, even if they have the human capital necessary for entrepreneurship, despite the evidence suggesting that entrepreneurship offers a route for people out of deprived areas.

Our findings suggest that the gender ratio in entrepreneurial activity is affected by the deprivation level of a local area, which further constrains the availability and utilization of both general and specific human capital by women towards entrepreneurship. Therefore, it is not merely the availability of local support schemes that matters in addressing this issue, but the consideration of a broader social context, where the social role of women, societal expectations, and other pressures of deprived areas hinder the prospects of gender equality in entrepreneurial activity.

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