



Barriers and vulnerabilities of entrepreneurs with disabilities

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Acknowledgement

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Purpose, audience and objectives

Purpose	When designing youth entrepreneurship projects and programmes, it is imperative that we consider the particular barriers and vulnerabilities young people with disabilities face in establishing and growing their businesses. This guide focuses on one key barrier in accessing business financing, as well as the particular vulnerabilities young women with disabilities face in employment and business.
Audience	It is one of a series of short guides developed by Sightsavers, within Futuremakers by Standard Chartered , and specifically written with Youth Business International programme partners in mind. While advice included in the document is more targeted towards YBI's youth entrepreneurship programme, we have tried to make these relevant to all Futuremakers projects.
Objectives	<ol style="list-style-type: none">1. To build greater disability confidence of the reader and how partners can better include youth with disabilities in their Futuremakers projects.2. To give specific examples, advice and simple steps on how to adapt projects to be more inclusive of youth with disabilities.

Context

Through its labour market assessments in the countries where it runs economic empowerment projects, Sightsavers has seen an increased aspiration of young people with disabilities to enter self-employment and enterprise, particularly in the economic recovery from COVID-19.

We know labour markets tend to be more excluding of people with disabilities. This is a global condition, as we can see in the modelling of 2021 ILOSTAT¹ data by the International Labour Organization; with a worldwide employment rate of 27% for people with disabilities in populations aged 15 years and above. This compares to a 56% employment rate for people without disabilities in the same age range.

COVID-19, of course, impacted employment for many millions of people. But it greatly impacted the young, and specifically young people with disabilities. ILO's analysis of EUROFOUND 2021 "Living, working and COVID-19"² research suggests young people with disabilities in the European Union were twice as likely (32%) to have moved from

¹ <https://ilostat.ilo.org/data/>

² https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef20059en.pdf

employment to unemployment compared to young people without disabilities (15%). Both groups were twice as likely to have lost their employment compared to older people with and without disabilities.

It's not a surprise then that young people are increasingly turning more to self-employment and starting their own businesses, partly in frustration that labour markets exclude them, partly because entrepreneurship allows them more control of their working hours and conditions.

Not that it is an easy route. Vulnerabilities young people face, particularly young women with disabilities, in starting and growing their own businesses are often magnified due to barriers associated with disability, including negative attitudes as well as environmental barriers.

Barriers

Microentrepreneurs with disabilities face the same three key challenges that all MSEs face, all around the world:

- Access to skills
- Access to markets
- Access to finance

But perhaps the greatest of the three is access to business finance to start and grow businesses. In Sightsavers' (GIZ-funded) financial inclusion research in Kenya in 2022, people with disabilities talked of being stereotyped as beggars, incapable of repaying loans. People with disabilities and financial service providers talked about challenges in accessing key documents needed to access credit (e.g. national ID cards) and collateral or loan guarantees.

As a result, people with disabilities are then channelled towards unregulated sources of credit, often with extortionate interest rates and short repayment periods which are only suited for rapid turnover business models (fast-moving consumer goods) and not for longer-term investment in business growth.

Addressing this needs collaboration between development agencies, organisations of persons with disabilities (OPDs) and financial service providers. An example of this comes from the same Sightsavers' financial inclusion research project in Kenya, where OPDs and members of the Association of Financial Service Institutions (AMFI) came together to better understand root causes of the barriers facing people with disabilities and to innovate prototype solutions to address them. The first of those is now launching with a small investment in underwriting the risk of loan default for hundreds of women retailers with disabilities, which then creates the opportunity for those women to access regulated credit for the first time as entrepreneurs, at discounted interest rates and without the need for collateral. This has the potential to break some of those assumptions of creditworthiness of entrepreneurs with disabilities; that given access to proper financing and business development support, they are no less creditworthy than those without disabilities.

Vulnerabilities

Here, it's really important to understand the intersection of gender and disability. It's well understood that gender and sexual-based violence is predominately targeted towards women. Indeed, there is strong evidence to show that women with disabilities face barriers in most areas of life, which in turn, creates many situations of discrimination with regard to equal access to economic opportunities. This is both in terms of physical and verbal abuse and also the risk of sexual and gender-based violence in the workplace and marketplace.

Gender equality and social inclusion (GESI) and labour market analyses are key tools to better understand such vulnerabilities. Sightsavers' use of these tools has unearthed cultural beliefs which encourage sexual and gender-based violence; that, for example, it may be believed good luck to have sex with a woman with disabilities, or that women with disabilities are far less likely to be believed or even far less likely to report verbal, physical or sexual and gender-based violence.

Now that I know, what do I need to do?

- When designing my employment or entrepreneurship project or programme, have I talked with young people with disabilities and their representative organisations to understand the barriers and vulnerabilities they face in employment or enterprise?
- Are diverse young people with disabilities and their representative organisations actively engaged in this analysis, and subsequent design and planning based on it?
- Is there opportunity to include a gender equality and social inclusion (GESI) analysis to better inform the design of my project?
- Does my project ensure business development services included in it are accessible to people with disabilities, particularly women with disabilities, including a consideration to take those services directly to the entrepreneur rather than requiring that the entrepreneur comes to them?
- Does my project specifically address the barriers young entrepreneurs with disabilities face in accessing proper business finance, and include specific solutions to address them?
- Does my project create safeguarding pathways which participants can access if they are facing, or have experienced, physical and verbal abuse or sexual and gender-based violence?

Further reading

It's important to read several other guides in this series:

- Accessibility and reasonable accommodation
- Safeguarding
- The intersection of gender in disability

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and middle income countries to
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