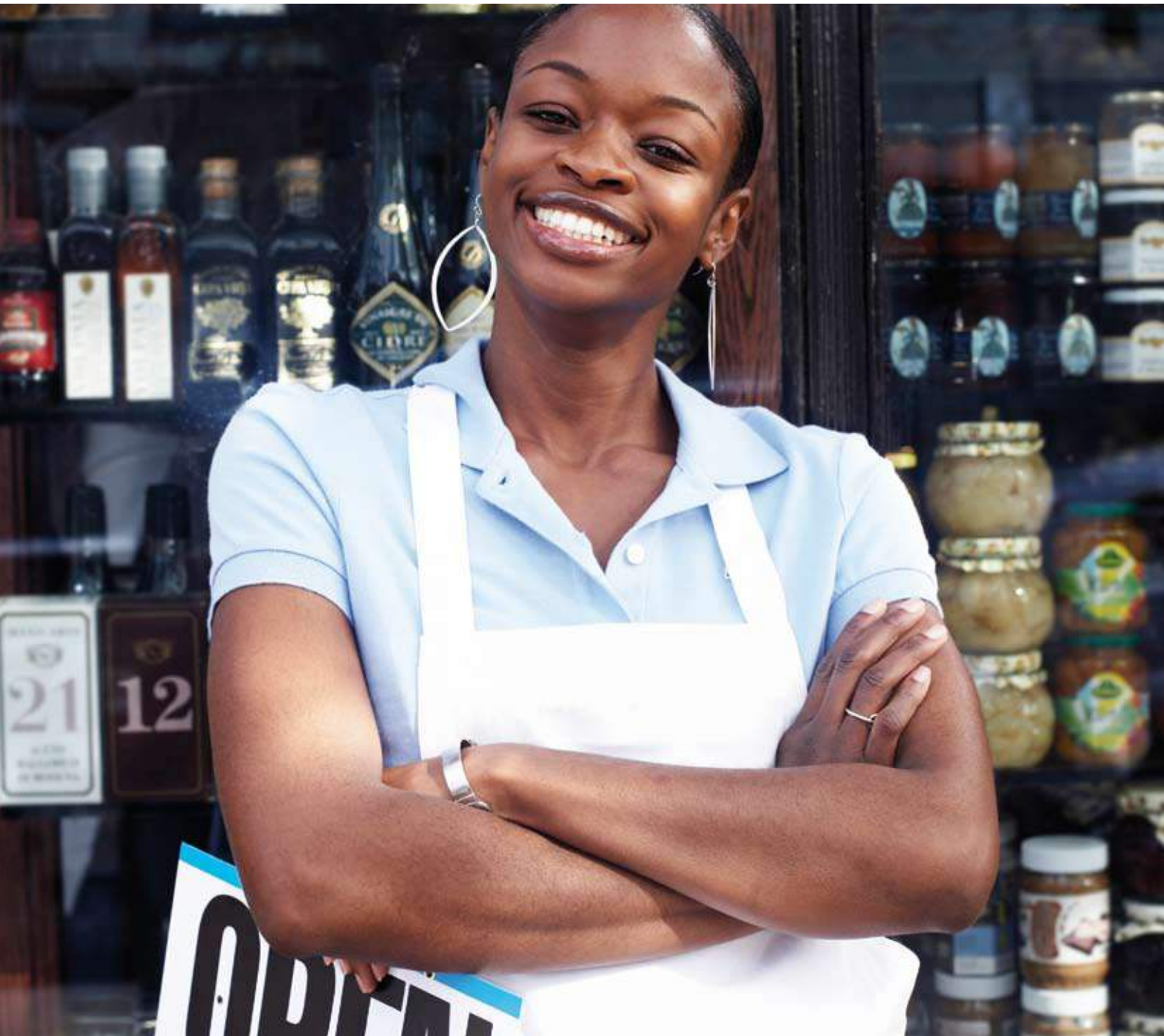
State of Women's Enterprise in the UK

Dr Rebecca Harding



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State of Women's Enterprise in the UK
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In 2005 Prowess published a report on 'The Regional State of Women's Enterprise in England'. The 'State of Women's Enterprise in the UK' updates key data and statistics and presents a comprehensive overview for 2007.

Prowess is the UK alliance of organisations and individuals helping women to start and grow businesses. Prowess has 250 members who support over 100,000 women in business each year. Our work encompasses:

- Lobbying to create a policy environment and opportunities which support the development of women's enterprise.
- Providing capacity-building support and training.
- Creating opportunities to share good practice and learn about new approaches.
- Promoting and raising awareness of women's enterprise and the organisations which support this key area of economic growth.
- Putting women in touch with women-friendly business support and events in their area through our website www.prowess.org.uk

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SECTION 1.0
EXECUTIVE SUMMARY

This report is an overview of the state of women's enterprise across the UK, updating data and statistics previously published by Prowess in 2005. Its key messages are that to fuel economic growth in the UK, more must be done to encourage female entrepreneurship and, importantly, that existing women-led businesses need more appropriate assistance towards greater long-term sustainability. It argues that although much has been achieved over the last four years to support female entrepreneurs at a national and at a regional level, female entrepreneurship remains resolutely low at just under half of male entrepreneurial activity and this represents a real challenge for all those engaged in raising the profile of women's enterprise in the UK.

The report includes an analysis of the attitudinal and perceptional drivers of entrepreneurship at a regional level.

OVERVIEW

1. Women are driving economic growth at a global level through increased participation in the jobs market, but self-employment levels in many countries, including the UK, are not increasing at the same rate.
2. In the UK, women are less than half as likely as men to be setting up their own businesses or becoming self-employed. Women's self-employment accounts for 27% of all self-employment and total early stage entrepreneurial activity (TEA) has remained very similar at 3.6% of the female population for the last five years. While this compared favourably with Germany (2.6%) and France (2.5%), it is still half the rate seen in the United States. More than this, there is a real issue of sustainability of women's enterprise. While start-up activity is at 44% of the rate of male activity, female established business ownership (of business entities greater than 42 months) is just 33% of the rate of male established business ownership.
3. Women's entrepreneurial activity appears to be relatively consistent over time in that the ratio of female to male self-employment has been consistent for the last 15 years. However, the rate at which women move into self-employment from employment has increased for women and decreased for men since 1990. Further, women are more likely to move from employment to self-employment in certain sectors: particularly in education, health care and community work. The rate at which women move from employment to self-employment has increased in most sectors except finance and education.
4. A more detailed analysis of the attitudes and perceptions of women towards entrepreneurship suggests that there are substantial differences between them and the population as a whole. In general, women are less confident and more likely to fear failure than the general population, but their responses are also more complex. These differences are particularly important within regions.
5. Much of public policy has been focused on the earliest stages of entrepreneurial activity to increase female participation in the labour market. However, the policy has increasingly to look at the ways in which women can be taken along the "enterprise journey" from this early stage through to high growth where appropriate; systems and structures that combine both the supply-side interventions with demand-side support and mentoring help to address process issues that underpin women's enterprise in the UK.
6. However, there is little data to help us understand at a disaggregated level what the challenges and barriers for the women-owned higher growth companies are. This research has found substantial data that supports the labour market aspects of enterprise policy and, although some of it could be developed to allow for greater robustness of regional analysis, it does give us sufficient information about the drivers of female enterprise activity. However, we know very little about how women's enterprises grow, especially social enterprises and Black and Asian Minority Ethnic (BAME) groups and without this our scope for evidence-based policy is limited.

THE GEOGRAPHY OF FEMALE ENTREPRENEURSHIP

7. While the differences between regions, especially in terms of TEA or thinkers, doers and avoiders, are not statistically significant, there are two things that emerge from the regional and country analysis contained in this report. First, there are real differences in the rates at which women are moving into self-employment from employment across the regions that should be understood in terms of regional labour markets and traditional employment structures. Second, between and within regions there are substantial differences between the underlying drivers of women's entrepreneurial attitudes and the drivers of entrepreneurial attitudes in the whole population. Taken together, these suggest that women's self-employment and the attitudes and perceptions underpinning it are complex and embedded in the labour market traditions of each region. Accordingly, the

move to regionalise policy will ensure that RDAs are able to deal with the specific conditions they face and their women's enterprise strategies represent a substantial step in the right direction.

8. As the drivers of female entrepreneurship differ subtly from region to region, an analysis of regional attitudes and perceptions provides specific policy pointers to the kind of supply-side solutions which may be necessary to encourage activity among potential women entrepreneurs. In some regions, for example, fewer women 'know an entrepreneur', highlighting the need to identify and encourage appropriate role models. In other regions, women may perceive they lack entrepreneurial skills, and additional training and coaching facilities may be required.

9. A commitment to women's enterprise development as an integral contributor to regional economic growth is now evident in the policies of the regions and countries of the UK. Increased cooperation and collaboration across regional agencies, and the establishment of the Women's Enterprise Task Force, provide valuable opportunities to share learning and good practice. There is real scope to ensure cross-regional data acquisition and research are used to grow knowledge and expertise in women's entrepreneurship and, importantly, to ensure that this is embedded in mainstream enterprise policy and practice.

WOMEN FROM BLACK, ASIAN AND MINORITY ETHNIC (BAME) COMMUNITIES

10. Ethnic minority women moved into self-employment more quickly in the period 2001-2005 than in the period 1990-2000. However, the highest level of early stage entrepreneurial activity amongst ethnic minority women is in the most deprived wards of England and, given the predominance of part-time and low-skilled work taken by women from these groups, this may reflect a change in the way such services are delivered as much as greater entrepreneurial activity.

11. Nevertheless, women from black communities, particularly African Caribbean, remain among the most entrepreneurial of all groups and a greater acknowledgement of this potential is needed within enterprise support strategies.

12. Too little is known of how women from BAME communities develop their entrepreneurial ideas, and minority ethnic women appear to use formal business support less than their white counterparts. There is some evidence, however, that BAME women are more likely to start a social enterprise and that specific support in this area may be worth further development.

SOCIAL ENTERPRISE

13. The gap between male and female entrepreneurial activity is much narrower for social entrepreneurship than it is for mainstream entrepreneurship. Given the fact that women are increasingly moving out of employment into self-employment in sectors which are particularly suited to social enterprise forms of delivery, this is not surprising.

SECTION 2.0
POLICY RECOMMENDATIONS

DISAGGREGATED DATA GAPS

1. The construction of an effective evidence base, from which policy on women's entrepreneurship can be developed, is hampered by a lack of disaggregated data at all levels of government. A full cross-government analysis of the gender and ethnicity data gaps relating to business and enterprise should be undertaken by BERR (the Department of Business, Enterprise and Regulatory Reform) as part of its framework for a revised Enterprise Strategy. This should be undertaken in partnership with the Women's Enterprise Task Force (WETF). This analysis should be replicated as appropriate in Scotland, Wales and Northern Ireland.

2. Any research or data collection exercises commissioned by government should automatically disaggregate by gender and ethnicity and, as per the requirements of the Gender Equality Duty, provide specific gender analysis against resource expenditure. Specifically, BERR and the RDAs should provide a regular gender resource analysis of enterprise expenditure using a gender budgeting approach.

WOMEN-OWNED BUSINESSES

3. There is a fundamental lack of knowledge of how women-owned businesses develop, what issues they face as they grow and why they're failing to match the maturation rates of those of their male counterparts. The Government, in partnership with the devolved administrations and an appropriate private sector partner, should commission a long-term and significant research programme on women-owned businesses, with a control group of male and co-owned businesses. This study should include a diverse range of ethnic minority business owners, rural and urban-based enterprises and include non-traditional female business sectors such as construction. It should be established to report biennially over a minimum period of 10 years. The study should be jointly commissioned by BERR, DIUS (Department of Innovation, Universities & Skills), Treasury, the Cabinet Office and enterprise divisions of the devolved administrations. It should report directly to the Prime Minister and the Business Council for Britain, through the Small Business Forum in partnership with the WETF and Prowess.

4. This report's findings reinforce the need for a continuum of appropriate business support for women entrepreneurs, a 'stairway' from start-up through to growth providing the kind of support which women value most – training, mentoring, coaching and networking. These should be integrated into the design of new business support products being developed within the Business Support Simplification Programme (BSSP). In addition, a national mentoring network for women in business should be coordinated to recognise and support the distinctive nature of women's business start-up and growth.

BLACK & ASIAN MINORITY ETHNIC (BAME) FEMALE-LED BUSINESSES

5. A specific strategy for the engagement and development of BAME women's entrepreneurship needs to be integrated into BERR's framework for a revised Enterprise Strategy. In recognition that BAME women often have very different support needs from BAME male entrepreneurs, and sometimes also their white female counterparts, the new Ethnic Minority Business Task Force, in partnership with the WETF, should prioritise BAME women's enterprise within its strategic framework, influencing the refreshed national Enterprise Strategy and Regional Economic Strategies, and ensuring that BAME women are supported effectively and not marginalised.

SOCIAL ENTREPRENEURSHIP & INCLUSIVE ENTERPRISE

6. There is less of a gap between male and female-led social entrepreneurship than in mainstream enterprise – but there is little gender focus within social enterprise policies and strategy to help maximise the potential for women to develop social enterprises (particularly those including BAME women). The Office of the Third Sector (OTS) in the Cabinet Office should further develop its plans to specifically incorporate activities and targets designed to increase women's awareness of and support for social enterprise. It should ensure that all of its strategic partners have a women-focused strategy and gender focus and ensure that the evaluation and impact assessment of its Strategic Partner programme measures outputs and outcomes from a gendered perspective. A similar approach could be examined within the appropriate departments of the Scottish, Welsh and Northern Ireland administrations.

7. The rationalisation programme for business support (Business Support Simplification Programme (BSSP) in England is proposing a primary access channel (Business Link) for clients seeking business support services. This report highlights the need for a deeper understanding of the complexity

of women's business support needs and that the wider 'enterprise for all' agenda may require a range of different access routes to be available for early-stage entrepreneurs, including community-based business advisors as per ACBBA's (Association of Community-Based Business Advisors) model in London.

DEVELOPING NEW MARKETS FOR WOMEN-OWNED BUSINESSES

8. Helping women-led businesses to develop new and more diverse market opportunities will be critical if women's entrepreneurship is to grow and enhance wealth creation in the UK. Government and the RDAs should ensure that public sector procurement opportunities are accessible by women-led businesses and that appropriate assistance and training is provided when required. Corporate sector supply chain opportunities for women-led enterprises are being developed by a women-focused supplier diversity initiative in partnership with Prowess and the WETF. Government and the RDAs should work with this initiative to ensure that UK's corporate business plays a role in increasing business opportunities for women-led enterprises in a partnership which will benefit all sectors in the longer term.
9. Women are more likely than men to think that social, ethical and environmental considerations in business are important. This raises important issues regarding the role of female-led businesses as drivers of more environmentally sustainable business practices, and further review and action research should be undertaken in this area.

REGIONAL DEVELOPMENTS

10. The regions and countries of the UK are generally showing increased levels of support and commitment for women's enterprise development and the body of knowledge and experience has grown considerably in recent years. The regional information detailed in Appendix 2 highlights the range of activity and specific approaches currently being employed across the regions and it will be important that learning, good practice, data and research are shared and disseminated effectively, with a clear coordination role for the cross-RDA and devolved administration women's enterprise leads group, in partnership with the WETF.
11. Fear of failure remains a significant issue for women in most regions. In some regions there is evidence that exposure to enterprise through promotional campaigns and role models could actually be deepening the fear of failure and feelings of anxiety, rather than generating entrepreneurial dynamism. It will be important, therefore, that promotional activities are integrated with a coherent and long-term programme of women-friendly business support including access to mentoring, training and networks.

SECTION 3.0
INTRODUCTION

Women are driving and sustaining economic growth across the world through increased participation in the workforce. And although the impact on self-employment and business ownership has been statistically less evident in many countries, including the UK, proportionately more women than men have made the transition from employment to self-employment over the last decade. The potential to encourage more women into entrepreneurship and, crucially, help them to grow and develop the businesses of the future is self-evident.

Yet the challenges are manifest. The gap between male and female entrepreneurship in the UK persists with men just over twice as likely to be setting up a business as women; there is roughly the same percentage of women in self-employment now as there was in 1990; recent research demonstrates that within scientific, engineering, construction and technology sectors (SECT) there are over 10 times as many male owned businesses as female.[1] Women's enterprise remains bunkered in the "under-represented groups" category of enterprise support and, accordingly, policy has focused particularly over the past few years in encouraging greater female labour market participation through self-employment and enterprise.[2]

With the new Westminster administration under Gordon Brown, the newly formed Scottish Government, Welsh Assembly and the restoration of the devolved administration in Northern Ireland comes an opportunity to revisit the enterprise agenda generally across the UK and the women's enterprise agenda in particular. It is now some four years since the launch of the Strategic Framework for Women's Enterprise in 2003 and one year since the inception of the Women's Enterprise Task Force (WETF) in 2006. The Women's Enterprise Unit pilots run by five Regional Development Agencies (RDAs), with funding from BERR, ended in March 2007 and an appraisal is currently being prepared. An Ambassadors Network programme, delivered by the RDAs and supported by BERR, the WETF and Enterprise Insight, was launched in February 2007. Prowess's Flagship Award is a recognised best practice quality standard for excellence in women's enterprise support. A new women-focused supplier diversity initiative will take an advocacy role in promoting women-owned businesses in corporate and public sector procurement. There is much that has been achieved to promote greater enterprise amongst women over the past four years since the Strategic Framework was first published at a national, regional and local level.

The publication of this report coincides with the development of a framework for a revised Enterprise Strategy by BERR and the implementation of the pan-England Business Support Simplification Programme (BSSP). If these strategic developments are to be successful in increasing both the quality and quantity of businesses in the future, they will have to ensure that women's entrepreneurship is central to their design, planning and execution.

WALES

Policy in Wales is evidence-based through an action-oriented research organisation, Cyfenter2 Development Partnership. Alongside this, Chwarae Teg's Women's Enterprise Wales European Funded project, which ended in 2006, provided targeted pre-start support for women. The All Wales Enterprise Action Group for Women (established in 1995 and re-launched in 2006) aims to influence policy, and stimulate and support greater entrepreneurship among Welsh women.

SCOTLAND

Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) undertook a research programme in 2004 to examine the state of women enterprise and the provision of support. They published the strategy report entitled 'Sharpening the Focus on Women's Enterprise' in 2005. SE takes the lead in lowlands Scotland, through Business Gateway, in the delivery of mainstream and targeted services.

NORTHERN IRELAND

Female entrepreneurship is delivered under the Go for It brand and includes a number of initiatives to provide encouragement and support to entrepreneurial women. All of these are positioned as 'pathways' into mainstream programmes. The most recent development is the launch (in November 2006) of a new 'Pathways to Female Entrepreneurship' initiative.

AIMS AND OBJECTIVES

Against this background, then, this report is an overview of the State of Women's Enterprise across the UK. Its overall aim is to provide quantitative, qualitative and documentary evidence on women's enterprise and entrepreneurship with the goal of informing women's enterprise policy locally, regionally and nationally. Within this there are a number of objectives:

1 Prowess, 2007: Under the Microscope: Female entrepreneurs in SECT

2 Harding, R. (2006): Stairways to Growth: Supporting the Ascent of Women's Enterprise in the UK, Prowess, 2006

- To overview the reasons why we support women's enterprise.
- To present a comprehensive picture of the comparative position of women's enterprise in the UK.
- To review the documentary and statistical evidence base and identify where any data gaps exist within the UK.
- To provide a description of regional policies across the UK and draw out the successes from each region with a view to providing a framework for best practice.
- To look at the distinctive characteristics of women entrepreneurs with a view to informing the debate on the mainstreaming of women's enterprise. The research has looked at the underlying demand-side drivers of entrepreneurial attitudes and perceptions in the UK as a whole and at a regional level to assess whether or not there are differences between women and the whole population.
- To make recommendations on the basis of the statistical, documentary and qualitative research around future data needs as well as the best mechanisms for promoting women's enterprise nationally, regionally and locally.

WHY SUPPORT WOMEN'S ENTERPRISE?

There is a well-documented gap between levels of male and female entrepreneurship which, in itself, suggests that there are reasons for supporting women's enterprise. Much of the earliest literature on women's enterprises focused on this gap, the characteristics of female entrepreneurs and why countries differ.[3] Some of this focused on the behavioural characteristics of female entrepreneurs – for example, the size of initial investments, the types of sectors they "typically" set up businesses in and their motivations and barriers.

Increasingly the literature is beginning to focus on process gaps that again suggest that there are reasons why women's enterprise may need "special" treatment. For example, Harding (2004, 2006) suggests that women's businesses are likely to start from a different base to men's businesses, and are often smaller and focused on a community need in the first instance with limited focus on scalability. Similarly, as Carter and Shaw (2006) argue, there is a growing understanding that women's businesses tend to be under-capitalised. The literature is ambiguous on the reasons for this. For example, Mason and Harrison suggest that in terms of informal investment activity there are no intrinsic structural reasons why women should experience difficulties in accessing finance, while Carter et al (2007) suggest that any differences are perceptional and, therefore, affect processes by which women go about accessing finance.

For policy then, this suggests that there are two reasons why women's enterprise may require different treatment to male enterprise: there is an intrinsic gap which creates an under-representation of women in this type of labour market activity and there are processes which may be different for women when they are setting up businesses. These in turn may affect their scalability and rate at which they can grow.

FIGURE 1

The performance potential of male and female businesses

	Start-Ups		Owner-Managers	
	mean	median	mean	median
Sales (£s)				
Male	274,691	45,000	1,784,779	60,000
Female	529,005	25,000	1,041,619	33,009
Number of Owners				
Male	3.03	2.00	4.12	2.00
Female	2.64	2.00	3.51	2.00
Hours per week				
Male	26.15	16.00	47.21	50.000
Female	16.16	10.00	33.77	30.000
Own Capital (£s)				
Male	36,052	10,000		
Female	34,407	5,943		
Total Capital (£s)				
Male	680,074	15,000	939,509	25,000
Female	59,919	8,276	394,449	15,000
Employees				
Male	5.81	1.00	12.03	1.00
Female	4.91	1.00	5.47	1.00
Capital / Labour Ratio (£ per employee)				
Male	24,484	0	58,003	5,446
Female	11,455	385	52,092	7,474
Sales per Employee (£s)				
Male	22,415	11,304	74,609	29,584
Female	676,196	5,305	52,108	17,500

Source: Harding and Cowling 2007[4]

Figure 1, however, suggests that women's businesses may grow in a slightly different way to male businesses. This work is at its earliest stages, is indicative only and cannot be used to make

3 See, for example Minniti et al GEM women's reports 2004-2006

4 This was first examined by Harding and Cowling, 2004: "The Present and the future: growth in women's enterprises." Currently available as Delta Economics working paper no. 1 and submitted to *Small Business Economics*, under revision.

inferences about relative productivity or performance. However, it does suggest that, although women's businesses at the very earliest stages are less capitalised than male-owned businesses, as they grow the ratio of capitalisation improves. By the time they are "owner-managed" firms (that is, more established), they appear to have improved their capital to employee ratio compared with their male owner-managed counterparts.

Figure 1 is based on evolving work but nevertheless corroborates a number of other contentions about female entrepreneurs in the literature:

- Women's enterprises tend to be under-capitalised relative to their male counterparts in the first instance and women tend to put in less of their own money compared with men.
- There are no differences between men and women in terms of the median number of employees or owners of the business.
- Women tend to work fewer hours than men, suggesting that many female enterprises start as part-time employment.

In line with the literature on women's enterprises, then, this suggests that there are reasons for supporting women's enterprises on the grounds: first, that they are intrinsically different and, therefore, may require distinctive treatment; and second, that they may have the potential over the longer term of being at least as efficient and productive as their male counterparts.

REGIONAL POLICY

There are many positive developments in policy across the English regions over the past two years: for example, the Women's Enterprise Task Force (WETF) and the cross-RDA women's enterprise leads group are closely coordinated, and the scope for developing a coordinated approach to policy and for learning across RDAs is greatly enhanced as a result. The RDAs have all gone through the process of researching and developing their strategies for Women's Enterprise and have understood their regional "markets" as a result. Similarly there is an increasing understanding across all the RDAs and the devolved administrations that women's enterprise support needs to be specific at the pre-start and earliest stages of business development when women's businesses tend to be most different from their male counterparts. There are increasingly clear routes for linking this pre-start support to "mainstreamed" activities as the need for growth finance and support develops.

That each region is distinctive and requires specific policies was supported by the qualitative and the quantitative research. Attitudes and perceptions of entrepreneurship amongst women vary at a regional level: for example, closing a business in some regions appears to build confidence through exposure to enterprise where in others it appears strongly associated with fear of failure. Each regional policy has, therefore, to be quite distinctive in order to address these variances.

The experience of the past few years of women's enterprise support suggests two things, then, that should be at the base of our future approach:

1. That regions are distinctive and non-competing. The characteristics of women's enterprise are different within and between regions and, therefore, it is not appropriate to rank or order them but instead to develop effective cross-regional learning both in terms of policy for specific groups and in terms of data acquisition and research.
2. That women are still less likely to be self-employed or entrepreneurially active than men in every region or devolved administration of the UK. Even though the underlying drivers are different, the fact that women are half as entrepreneurial as men suggests that there are systemic challenges that we still face. This is a wake-up call to everyone with an interest in promoting women's enterprise: while we have needed to understand the differences and drivers of women's enterprise to develop effective policy, we now need to take that understanding to a nation-wide prioritisation and allocation of resources to an agenda that is, after all, a critical part of future wealth creation in this country.

THE SCOPE OF THE REPORT

This report makes no attempt to rank regions or to provide a critical analysis of the emerging women's support structures. It is clear that all the regions are at different stages of development and resourced differently. Any comparison is as likely to be a function of the regional labour market as it is to be a result of different policy measures. More than this, there is a real sense of optimism amongst the RDAs that much has been achieved and that as the WETF establishes itself it will become a major conduit for promoting women's enterprise and ensuring that it stays at the top of the political agenda.

So instead, the report should be seen as an input into the evidence base for developing policy in the future and accordingly its recommendations rest on two basic assumptions:

- First, that women's enterprise must be seen in terms of the broader context of developments in the labour market over time.[5] One half of women's jobs are part-time and only 70% of women compared with 79% of men are in employment.[6] Service sector employment for men and women has increased but women are more likely to hold administrative roles than men. Similarly, men in 2005 were, according to the Office of National Statistics, 10 times more likely to be working in the "skilled" trades and be managers or senior officials. Similarly female self-employment accounts for 27% of all self-employment. As new technology allows many of the roles that women have traditionally taken to be carried out from home, and as increasing numbers of public sector and "caring" occupations are outsourced, so we might expect an increased migration from employment into self-employment by women. Policy should be assisting this transition without undermining attempts, say, to increase independent start-ups in high growth potential sectors.
- Second, any policies to develop women's enterprise should take into account the issues around the sustainability of women's business which were first highlighted in Stairways to Growth[7] and subsequently by the GEM UK 2006.[8] Using early stage entrepreneurial activity (TEA)[9], the main indicator of the Global Entrepreneurship Monitor (GEM) annual survey, female entrepreneurial activity is 45% of male. In other words, men are over twice as likely to be setting up or owning/managing a business that is less than 42 months old. However, women's business ownership, measured by the same study as all individuals who own and manage a business entity that is older than 42 months, is 36% of male established business ownership.

This report, then, examines a range of available data and evidence from these perspectives. It argues that there are real reasons for supporting women's enterprise as a contribution to the wealth creation capacity of the economy. While it is well-documented that women's businesses tend to be under-capitalised, both in terms of finance capital[10] and a broader "enterprise capital"[11] (in other words the social, financial and knowledge networks that an entrepreneur has), the fact that there are fewer female-owned businesses in the first place itself contributes to this gap. This suggests that self-employment and enterprise could deliver greater labour market participation amongst women and hence contribute to the overall productivity of the economy. However, the mechanisms of achieving this are, at best, complex.

As a result, the emerging evidence base focuses on understanding the complexity of women's enterprise beyond the potential barriers of childcare and finance to look at the processes that are intrinsic to female, as opposed to male, businesses:

- That although women's businesses are indeed under-capitalised, as they grow, their capital per employee ratio is better than for their male counterparts and, hence, their long-term productive potential is greater.[12]
- Not only this, there is increasing understanding of the complexities of the different starting resources of women's businesses (on the supply and the demand side) which make a policy focus on childcare and finance too simplistic.[13]

REPORT STRUCTURE

The report outlines the position of the UK in relation to other economies in the world in terms of TEA and established business ownership. It argues that the UK has similar, although

5 Carter, S. and Shaw, E. (2006): *Women's Business Ownership: recent research and policy developments* Report to the Department for Trade and Industry's Small Business Service Analytical Unit, November 2006.

6 Office of National Statistics, Focus on Gender: http://statistics.gov.uk.cci.nugget?id=1654

7 Harding, R. (2006): *Stairways to Growth: Supporting the Ascent of Women's Enterprise in the UK* Prowess, 2006

8 Harding, R (2007): GEM UK 2006, London Business School, London.

9 Total Entrepreneurial Activity (TEA) is a measure used in the GEM project to assess the level of entrepreneurial activity.

10 Carter, S., Shaw, E., Lam, W. and Nelson, F. (2007): Gender, Entrepreneurship and Bank Lending: the Criteria and Processes used by Bank Loan Officers in Assessing Applications *Entrepreneurship Theory and Practice* May 2007 pp 427-444. See also, Harrison, R. and Mason, C (2007): "Does Gender Matter? Women Business Angels and the Supply of Entrepreneurial Finance." *Entrepreneurship, Theory and Practice* May 2007, pp 445-472. Cowling, M. and Harding, R. (2005): "Gender and High Growth Businesses in the UK." Paper to the Diana International Conference, Stockholm, May 2005.

11 Carter, S. and Shaw, E. (2006): *Women's Business Ownership: recent research and policy developments* Report to the Department for Trade and Industry's Small Business Service Analytical Unit, November 2006. Studies at a macroeconomic level argue that this enterprise capital is the networks and social linkages as well as the family background and access to finance capital embodied in an individual entrepreneur and proxied through their start-up activity. It is demonstrated to have a link to endogenous economic growth (see, for example, Audretsch, D., Keilbach, M. and Lehman, E. (2006): *Entrepreneurship and Economic Growth* Oxford University Press, Oxford).

12 Harding, R. and Cowling, M. (2007, in progress): Can boosting women's enterprise create wealth? Delta Economics, Working Paper No. 2; forthcoming, www.deltaeconomics.com

13 Maurey. K. (2006): *Research into Black, Asian and Minority Ethnic Women in the East Midlands* Kiki Maurey Consulting Partners, report prepared for the East Midlands Development Agency. This point on the complexity of women's enterprise drivers from a demand-side perspective is explored in the final section of this report.

slightly higher, levels of early stage entrepreneurial activity amongst the female population, at 3.6% compared with France (2.5%) and Germany (2.6%)[14], it has less early stage entrepreneurial activity amongst women than the United States (7.4%), Canada (6.0%), India (9.2%) or China (13.8%). More than that, the ratio of female to male established business ownership is considerably lower than other G8 countries plus India and China.

A more detailed analysis of early stage entrepreneurial activity, self-employment and start-up activity using SBS Household Survey, GEM, the Barclays/NOP Start-up data and Annual Population Survey data suggests three things: first, a relatively static picture of early stage activity over time; second, no significant differences between regions in terms of early stage entrepreneurial activity; and third, similar patterns over time in terms of the published rates of ethnic minority early stage entrepreneurial activity in the UK as a whole. The only exception to this is BERR's Annual Survey of Small Business last published in 2005 which indicates an increase in businesses solely or majority-owned by women to 17% of all firms with employees (an increase on 2004 from 12%). Furthermore, this section points out the importance of social entrepreneurship as an emerging feature of the UK's entrepreneurial landscape and highlights the proportionately higher representation of women amongst this group of entrepreneurs.

However, the report goes on to argue that little has changed since 1990 in terms of the overall ratio of employment to self-employment, a finding which is consistent with other studies.[15] This is true of men as well as of women and the report examines this phenomenon in more detail. Using labour force survey data, it looks at the transition by gender in regions, in occupations and by ethnicity from employment to self-employment.

It argues that there have been some important increases in the rate at which individuals are moving out of employment. For women this is particularly the case in sectors such as public administration, health, education and the "care" services. Similarly there has been an increase in the movement of ethnic minorities from employment to self-employment and also more of an increase in some regions than others. Evidence is cited from the Barclays social entrepreneurship monitor 2007 (forthcoming) to suggest that ethnic minority women in England's most deprived communities are more likely to be entrepreneurs than any other group, whether social or mainstream. However, there is no sense in which this should be interpreted as an overall increase in self-employment, not least because the trend data does not support this. More accurately, it reflects changes in the labour market which are reflected more in some regions and sectors than others.

The report goes on to examine some of the challenges and barriers that women and ethnic minority groups experience in establishing sustainable businesses. The Annual Small Business Survey[16] suggests that the whole population and women as groups do not demonstrate significant differences in their responses to questions on barriers to growth but that women are less likely to attempt to access all forms of external finance than is average for the whole UK business population. This is also true of Black, Asian and Minority Ethnic (BAME) businesses.

Yet this does not square with anecdotal and research evidence that there are differences between women entrepreneurs and their counterparts in the whole male population and the remainder of the report is dedicated to exploring this at a national and regional level. Using a principal component analysis (PCA)[17] to look at some of the attitudinal and perceptional variables contained within the GEM UK 2006 dataset[18], it is demonstrated that there is some clustering of attitudinal and perceptional differences in the UK as a whole and at a regional level that suggests that the drivers of entrepreneurial activity are different for women. This develops the point that determinants of women's enterprise activity have to be regarded as complex and that policies, therefore, need to incorporate a full understanding of these drivers if they are to be effective.

This has clear links to policy which are explored at a national and UK country level in the final section. The PCA at a regional level is used to identify the drivers of women's enterprise within each region of the UK and is included in Appendix 2.

14 Harding, R. and Bosma, N. (2007): GEM Global Executive Report, 2006. Care should be taken in interpreting the differences between countries: although this difference looks substantial, it is not statistically significant.

15 See for example Maurey, K (2006): op cit who argues that the supply of female entrepreneurs is increasingly understood to be finite.

16 Annual Survey of Small Business (2005). Prepared for the Small Business Service by the Institute of Employment Studies. http://www.berr.gov.uk/files/file38247.pdf See also Cowling, M. and Harding, R. (2005): "Gender and High Growth Businesses in the UK." Paper to the Diana International Conference, Stockholm, May 2005.

17 A Principal Component Analysis (PCA) identifies clusters of variables which are strongly correlated or associated with each other for further analysis. See Appendix 3: Statistical Methodology for a fuller explanation.

18 The GEM UK survey and annual study is a consortium research project comprising London Business School, the Hunter Centre for Entrepreneurship, the University of Kingston, the Universities of Glamorgan and Cardiff and Delta Economic Surveys Ltd. The GEM UK project is part of a global consortium of which London Business School and Babson College are founding members. The interpretation and analysis of any GEM UK or GEM Global data contained in this report is the sole responsibility of the author.

This in no sense represents either a ranking or a comparison but does demonstrate some of the deep-seated attitudes and perceptions that may underpin early stage entrepreneurial activity. A customer satisfaction survey of Business Link services is conducted and it demonstrates that fewer women take up these services but that they are just as likely to be satisfied with the services they receive as men. Similarly, each of the regional women's enterprise strategies contains elements that will take into account these drivers and suggestions are made about how these can be enhanced.

The report concludes with an overview of the gaps in the evidence base. The Labour Force Survey and GEM are the primary data sources for this report. These are acknowledged as the main ways of measuring early stage entrepreneurial activity amongst women generally[19] and amongst ethnic minority communities.[20] However, both have weaknesses as vehicles for understanding the full spectrum of women's enterprise as they only look at the labour market aspects of women's enterprise in its broadest sense. They can tell us little about growth or about high growth potential businesses or growth finance. Nor do they tell us much about the actual businesses that women own. If policy nationally and regionally is to address the central issue of developing greater labour market engagement through entrepreneurship into enterprises with high growth potential, then the paucity of gender and ethnicity disaggregated data that allows for a robust picture of the State of the Nation as well as the State of the Regions needs to be developed.

Any renewed commitment to the women's enterprise agenda should be based on evidence that does two things:

- Demonstrates the importance of increasing women's self-employment and early stage entrepreneurial activity as a mechanism for increasing labour market activity and providing greater opportunities for under-represented groups.
- But equally understands that, although generally under-represented in self-employment and business statistics, women are not a homogeneous group. Putting in place the mechanisms for women that allow those with growth potential to achieve their ambitions is fundamental to ensuring that women-owned businesses make their full contribution to the UK economy.

Both aspects of policy are necessary. Neither alone is sufficient.

A NOTE ON METHODOLOGY[21]

The research for this report has been conducted over a four-month period between May and September 2007. It is comprised of the following steps:

- Literature search and documentary evidence collection: to give the research and policy context to the development of women's enterprise strategies in the UK regions and UK government.
- Secondary data collection (for example, the International Labour Organisation Yearbook, BERR's Household Survey, the Annual Population Survey, the Barclays/NOP survey of businesses, published material from the Global Entrepreneurship Monitor 2006 report and other published data sources as appropriate).
- Primary data collection and analysis: including an analysis of regional gender differences contained within the BERR Household Survey, self-employment trends in the Labour Force Survey since 1990 (overall and flows into self-employment) and a principal component analysis of attitudinal and perceptional responses in the Global Entrepreneurship Monitor 2006 data for the UK regions.
- In-depth interviews with women's enterprise leads in the RDAs and Devolved administrations, and selected additional experts and practitioners.

Data presented here is not always for all UK regions. Not all surveys cover the whole of the UK and, even where they do (such as the Labour Force Survey and GEM), the sampling errors on regional samples mean that any comparisons are illustrative rather than descriptive. As a result, the approach taken throughout the report is not to provide comparisons between regions but rather to look at trends and patterns with a view to informing discussions within regions.

One other point on data is worth making here. Extensive use is made of two sources: the Labour Force Survey and the Global Entrepreneurship Monitor (GEM). This is justified on the grounds that these represent the best, survey-based vehicles for measuring levels of self-employment and early-stage entrepreneurial activity. These are acknowledged as proxies for "entrepreneurship" and are used extensively in the policy

19 Carter, S. and Shaw, E. (2006): op cit.

20 Yaojun, Li. (2007): Assessing data needs and gaps for studying ethnic entrepreneurship in Britain: a review paper. ESRC/DTI URN 07/1052.

21 A full statistical methodology is given in Appendix 3 to this report.

and academic literature.[22] By using the Labour Force Survey to look at rates of transfer into self-employment, and by using GEM to look both at activity itself and at some of the demand-side features of the entrepreneurial "culture" in the UK, a reasonable picture of the labour market aspects of enterprise amongst women generally and ethnic minority women in particular can be developed. Neither data source provides robust evidence for reliable comparisons between regions or between different minority ethnic groupings. Nor does either data source provide sufficient evidence on more established and high growth potential businesses disaggregated by gender. These data limitations should be borne in mind as background to recommendations for further research in the conclusions to this report.

22 Carter, S. and Shaw, E. (2006): op cit.

SECTION 4.0
INTERNATIONAL COMPARISONS

The labour market globally is changing. Most recent International Labour Organisation (ILO) statistics demonstrate that over the 10 years from 1996, fewer people, women in particular, in the developed economies were "contributing family workers" (in other words homemakers) and more were in paid employment. As illustrated in Figure 2. Interestingly there are fewer men and women who are working "on their own account" (self-employed with no employees) although a very similar number who are "employers" (self-employed with employees). This is illustrated in Figure 2.

FIGURE 2

Developed economies and European Union estimates of employment status: 1996, 2006

	Labour market inactive		Wage and salaried		Employers		Own account workers		Contributing family workers	
	1996	2006	1996	2006	1996	2006	1996	2006	1996	2006
All	39.3	39.7	82.4	84.4	6.4	6.3	8.7	7.8	2.5	1.6
Men	29.1	31.5	80.6	81.7	8.1	8.0	10.1	9.5	1.2	0.8
Women	49.0	47.5	84.8	87.5	4.2	4.1	6.8	5.9	4.1	2.5

Source: International Labour Organisation[23]

Figure 2 demonstrates an increase in paid employment in the developed world over the period; similar rates of "employer" labour market status overall and for both genders; reduced "own account" status for both; and, similarly, reduced numbers who classify as contributing family workers. Interestingly, labour market inactivity has decreased for women but increased for men over the period 1996-2006.

This is clearly aggregated data but it serves to demonstrate two things:

- That the labour market is changing in the developed world but, rather than this being in favour of self-employment overall, there are more people who are employees. The biggest change for men is in the increase over the 10-year period in the developed world in labour market inactivity.
- That for women, the decreased labour market inactivity and decreased family working has resulted in increased employment but not increased self-employment.

Yet despite the relatively static appearance of self-employment amongst women in the developed world, international and national governmental and non-governmental organisations, such as the World Bank and the International Finance Corporation, the European Union, ASEAN and the United Nations increasingly see entrepreneurship as a way of engaging women in the process of economic development. Women are central to the development of communities and economies throughout the world and, as Hausman et al argue, "equality between men and women is seen both as a human rights issue and as a precondition for, and indicator of, sustainable people development." [24] More than this, it is argued, without increasing women's engagement in the labour market generally and entrepreneurship in particular, resources are lost in both the developed and developing world.[25]

So how does the UK compare with other countries? Levels of female entrepreneurial activity in the G8 countries plus India and China are presented in Figure 3 which shows early stage entrepreneurial activity (TEA) for the G8 countries plus India and China.[26]

23 http://www.ilo.org/dyn/lfsurvey/lfsurvey.home

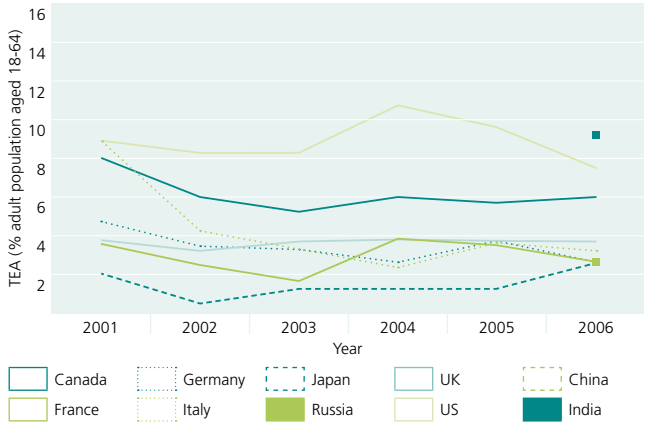
24 Hausman, R., Tyson, L., and Zahidi, S. (2006): "World Economic Forum Gender Gap Report, 2006." World Economic Forum, Geneva.

25 15th February 2005, Martin Wyn Griffith, speech to the World Bank on Women's Enterprise.

26 TEA is calculated in an identical way in each country:
- A telephone and/or face to face survey of a representative sample of the adult population in each country is conducted between May and September.
- Respondents are asked to respond to three questions that are the basis of the TEA index: Are you, alone or with others, currently trying to start a new business independently of your work? Are you, alone or with others, currently trying to start a new business as part of your work? Are you, alone or with others, currently the owner or manager of a business?
- Those who respond positively to these questions are also asked filter questions to ensure they are actively engaged in business creation as owners and managers, how long they have been paying wages to employees, and other questions about cost and time to start up, sources of finance and numbers of jobs created. A distinction is made between two types of entrepreneurs: nascent entrepreneurs (those that have been paying salaries for less than three months) and baby business owner-managers (those that have been paying salaries for between three and 42 months).
- The TEA index is the sum of the nascent entrepreneurs and baby business owner/managers minus any double counting (i.e. those who respond positively to both).
- Additionally, those respondents who have owned or managed a business and paying salaries for more than 42 months are classified as Established Business Owners (EBO).
- The GEM survey asks all respondents about their attitudes to entrepreneurial activity, their motivations for setting up a business, about their innovativeness and use of technology and their sources of finance.

FIGURE 3

G8 plus India and China, Female Early Stage Entrepreneurial Activity, 2001-2006



Source: GEM UK 2006

FIGURE 4

Male and Female Early Stage Entrepreneurial Activity in the G8 countries + India and China, 2006

Source: GEM UK 2006

There are several highlights from Figure 3:

- In all G8 countries over the period except the UK and Japan, female early stage entrepreneurial activity has dropped. If the effects of the overall drop in entrepreneurial activity in 2002 are excluded, then the levels of female entrepreneurial activity have dropped slightly but not significantly.
- In the UK levels of female entrepreneurial activity have remained the same over the whole period. In Japan there has been a slight increase in female entrepreneurial activity.
- The differences between the G8 countries appear to have narrowed over the time period with levels in US, Canada and Italy decreasing and Japan increasing. India and China both have higher levels of female entrepreneurship. This is in line with other emerging and developing countries within the GEM study where female participation tends to be higher.

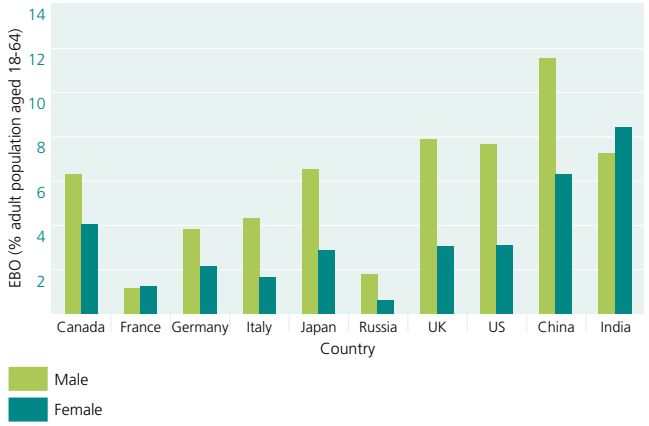
Figure 4 demonstrates the persistent gap between male and female entrepreneurship in the G8 countries plus India and China.

France, Germany, Russia and the UK had the lowest ratios of female early stage entrepreneurial activity compared with male at 40%, 45%, 36% and 45% respectively. Female early stage entrepreneurial activity is much higher in both India and China and the ratio is similarly narrower with female activity at 80% and 75% of male activity respectively in those countries.

Figure 5 shows the numbers of established business owners by gender in the G8 countries. These are the people who own and run businesses that are more than 42 months old. It arguably reflects the probability that an entrepreneur will remain in business over time and is used by the Global Entrepreneurship Monitor as a proxy for the sustainability of entrepreneurial activity. Where established business ownership is lower than early stage entrepreneurial activity, it suggests that there is a lower survival probability.

FIGURE 5

Male and female Established Business Ownership in the G8 countries + India and China, 2006



Source: GEM UK 2006

For most countries in Figure 5, the ratio of female established business ownership to male established business ownership is poorer than the ratio of female to male TEA. In other words, female businesses appear from this descriptive analysis to have a higher "churn" or lower probability of survival compared with their male counterparts. The only exceptions to this are India and France, where the level of female established business ownership is very similar to male established business ownership.[27]

But Figure 5 also suggests that the UK has a poorer ratio with female established business ownership just 36% of male established business ownership. The only country that has a similarly low level of female established business ownership is Russia at 33%.

SUMMARY

This section has demonstrated two key things. First, overall trends in the labour market in developed countries over the last 10 years suggest that increased female labour market participation has taken the form of salaried employment and not self-employment. Second, the role of female self-employment in economic development (increased labour market activity and wealth creation) has fuelled policy in the developed and developing world. These policies should be seen as a necessary part of an overall labour market strategy that encourages increased female engagement.

They are not alone sufficient, however, and policy does need to focus on the growth potential and sustainability of women's businesses. For example, although female TEA in the UK has not changed significantly since 2001 when the GEM study started, there does appear to be a substantial gap between male and female established business ownership compared with the other G8 countries plus India and China.

27 The figure suggests that female established business ownership is higher in these two countries. However, the samples in both are small (2,000) and therefore it is not possible to conclude that these differences are statistically significant.

SECTION 5.0
THE UK PICTURE

Policy in the UK over the past four years since the Strategic Framework for Women's Enterprise has focused on developing the economic case for supporting women's entrepreneurship as well as considering the "under-representation" of women in the labour market generally. Specific groups, such as those from Black, Asian and Minority Ethnic (BAME) communities, have been included within the overall framework of women's enterprise support. The key features of policy over the past four years are well-documented[28] but it is nevertheless worth listing the highlights here.

- The Strategic Framework put in place a number of objectives and targets towards increasing the level of female business ownership in the UK. These measures were on the demand side (support mechanisms to encourage more women to think about entrepreneurship and self-employment as a viable career option) and on the supply side (enabling mechanisms to improve access to finance, skills and networks in particular). Alongside this, the Strategic Framework laid out the aspirations for "holistic" childcare facilities, childcare allowances and support for those entering childcare as a business, while encouraging women through the New Deal to move from benefits to self-employment.
- The Women's Enterprise Task Force was established in November 2006 to promote the quantity and scalability of women's businesses in the UK. It is not a delivery body but rather has a remit to focus and guide women's enterprise development in the UK.
- The Ambassador Network programme: more than 1,000 women (and men) who have experienced setting up and running businesses across the UK are being recruited to act as role models and provide inspiration to women who are also thinking of starting a business. The programme is supported by BERR and WETF but is delivered at a regional level as part of the Women's Enterprise strategies.
- Regional Women's Enterprise pilots: these were funded pilot studies run by five RDAs to examine regional data and trends with a view to developing grounded strategies to promote women's enterprise. Women's enterprise in Scotland, Wales and Northern Ireland has developed along different avenues over time. As a result, all 12 countries/regions reported differing progress towards developing a Women's Enterprise Strategy.
- BAME: the Strategic Framework for Women's Enterprise placed demand-side objectives and targets to encourage women from BAME communities into self-employment as a means of increasing labour market engagement in this group.
- Social Entrepreneurship and Social Enterprise: the strategy for promoting social entrepreneurship and social enterprise was moved to the office of the Third Sector in the Cabinet Office and a review conducted. Strategy now is focused on looking at the specific support needs and characteristics of the social, community and voluntary sector, and to provide support to entrepreneurs who want to establish firms with a socially-oriented business model. At present, the strategy does not have a specific gender focus, although the Strategic Framework for Women's Enterprise did acknowledge that this could be an area in which women's enterprise support could be focused.

BERR makes extensive use of the Household Survey of some 15,896 households across England and Wales to establish the propensity of individuals to be entrepreneurial. It categorises responses into three groups:

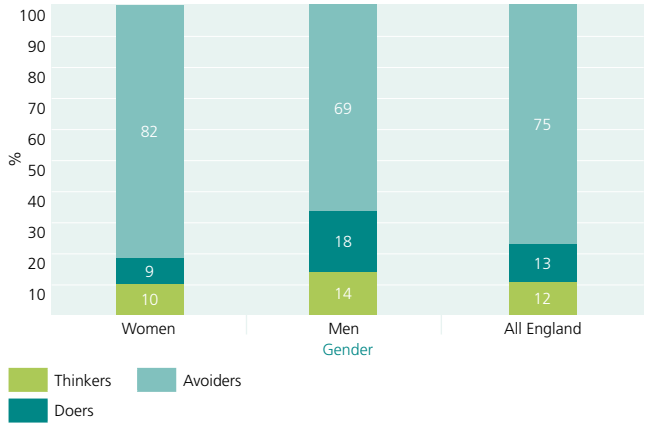
- The "thinkers": those who are considering or have considered setting up a business entity now or in the future.
- The "doers": those who, alone or with others, have set up a business entity in the past or present.
- The "avoiders": those who will never consider establishing a business entity.

The results for the most recent survey, 2005, for England are presented in Figure 6 by gender.

28 Carter, S. and Shaw, E. (2006): op cit; Harding, R. (2006): op cit; Harding, R (2004-2006): GEM UK reports; Harding, R. (2004): *Achieving the Vision* British Chambers of Commerce, 2004.

FIGURE 6

Proportions of Thinkers, Doers and Avoiders by Gender, 2005 (England only)[29]



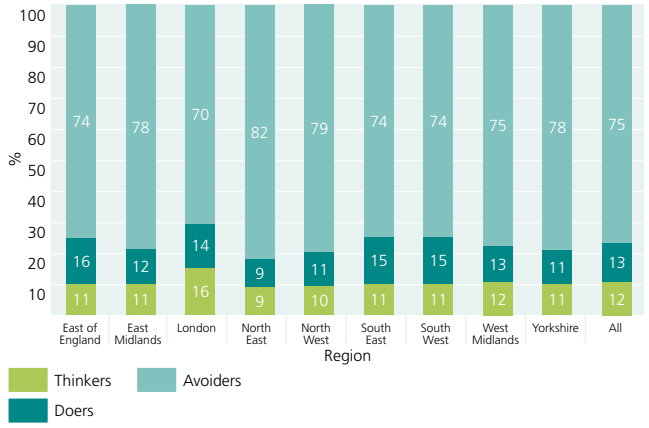
Source: SBS Household Survey 2005 (published Feb 2007)

Figure 6 illustrates that women are two thirds as likely to be thinking of starting a business and half as likely to be setting up (or have set up) a business. Women are also substantially more likely to be "avoiders" (82% of all female respondents compared with 69% of men).

The overall regional picture for thinkers, doers and avoiders is illustrated in Figure 7.

FIGURE 7

Thinkers, Doers and Avoiders by English region, 2005 (England only)



Source: BERR Household Survey 2005 (published February 2007)

As has been stressed throughout, the regional picture should be seen as indicative rather than absolute. However, Figure 7 does suggest that there is a substantial gap between the North East and London or the East of England. For example, the North East has the lowest percentage of respondents who say they are thinkers (9%) or doers (9%) and the highest percentage of respondents who classify as "avoiders" (82%). London has the highest number of thinkers (16%) and the lowest number of avoiders (70%) while the East of England has the highest number of doers (16%).

Figure 8 looks at the regional picture by gender, again for England only.

FIGURE 8

Thinkers, Doers and Avoiders by gender in the English regions, 2005

		Men	Women
South West	Thinkers	13.9	8.6
	Doers	21.1	8.9
	Avoiders	65.1	82.5
		Men	Women
South East	Thinkers	12.3	9.4
	Doers	21.7	9.1
	Avoiders	66.0	81.4
		Men	Women
London	Thinkers	16.4	16.1
	Doers	17.6	9.6
	Avoiders	66.0	74.3
		Men	Women
East of England	Thinkers	12.5	8.6
	Doers	20.4	10.7
	Avoiders	67.0	80.8
		Men	Women
West Midlands	Thinkers	15.7	8.0
	Doers	15.8	9.7
	Avoiders	68.4	82.3
		Men	Women
East Midlands	Thinkers	13.5	7.6
	Doers	15.6	7.8
	Avoiders	70.9	84.6
		Men	Women
Yorkshire and Humberside	Thinkers	13.2	8.4
	Doers	14.2	7.8
	Avoiders	72.6	83.8
		Men	Women
North West	Thinkers	12.8	8.0
	Doers	15.5	6.5
	Avoiders	71.7	85.5
		Men	Women
North East	Thinkers	11.7	6.5
	Doers	13.2	4.8
	Avoiders	75.1	88.6

Base = all England respondents – 15,696. Gender differences within regions are statistically significant. Care should be taken in interpreting inter-regional differences as these can only be seen as indicative.

Source: BERR, Household Survey, 2005

Figure 8 demonstrates in every region a wide gap between male and female respondents and again, although inter-regional differences should be interpreted with care, the intra-regional

29 The totals in Figure 6 and Figure 7 which add up to more than 100% are due to rounding errors and are not misinterpretations.

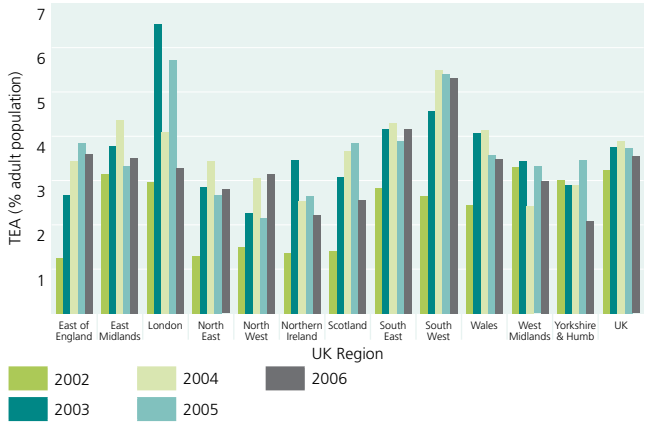
differences between male and female responses are significant. For example, in the East of England, where the number of female "doers" is the highest at 10.7%, this is still almost half of the male number of doers of 20.4%. In the North East, the number of female "doers" at 4.8% is the lowest in any region at some 36% of the male responses of 13.2%.

These differences for "doers" are consistent with the differences reported in the GEM UK study annually.

Figure 9 illustrates how early stage entrepreneurial activity amongst women has changed over the period since GEM UK has been running regional analyses. The year-on-year changes are not statistically significant owing to differing sample sizes but the trend period since 2002 can give an indication of the direction of change.

FIGURE 9

Female TEA in the UK Regions, 2002-2006



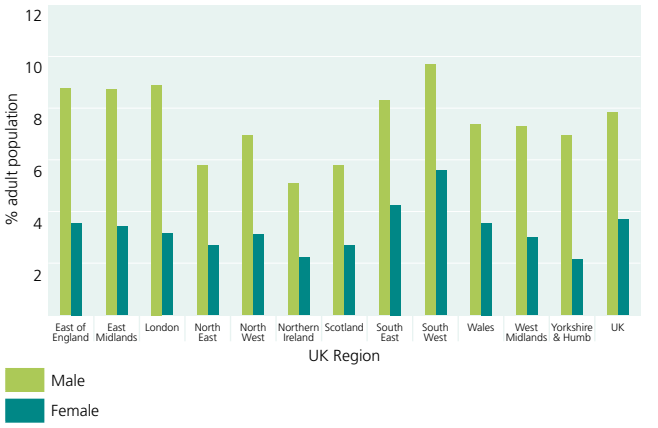
Source: GEM UK 2006

While Figure 9 presents a generally positive picture over the whole period for women's entrepreneurship, only in Yorkshire and Humberside does there appear to have been a substantial reduction in women's entrepreneurship over the five-year period and some of this may be due to small sample sizes in 2002. Year on year changes in levels of TEA are not statistically significant as sample sizes vary. A smaller reduction over the period in the West Midlands is not statistically significant. Everywhere else women's enterprise has increased and, in the East of England, particularly markedly from 1.2% to 3.5%[30].

Figure 10 illustrates the gap between male and female entrepreneurship in 2006, the most recent year for which data was available. It suggests a persistent gap between men and women in all UK regions.

FIGURE 10

Male and Female TEA in the UK regions, 2006



Source: GEM UK 2006

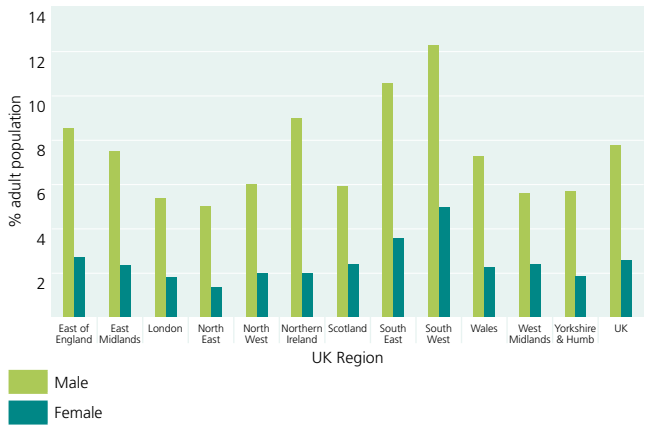
The South West is the region with the highest level of female entrepreneurial activity at 5.5% while Yorkshire and Humberside has the lowest level of female entrepreneurship at 2.1%. Yorkshire and Humberside also has the widest gap between male and female entrepreneurship: men are 70% more likely to be entrepreneurially active than women. Interestingly, London has the second widest gap where men are two thirds more likely than women to be entrepreneurially active.

The issue of sustainability of women's businesses has been highlighted already and the regional breakdown of established business ownership (EBO) according to GEM UK is presented in Figure 11.

30 In 2002 the base sample in the UK was 500 per region. This increased in 2003 to 1,000 yielding a smaller margin of error. In 2006, most RDAs boosted their samples to 3,000. However, London and the South West had smaller regional samples at 1,500 and 1,000 respectively.

FIGURE 11

Established business ownership in the UK regions, 2006



Source: GEM UK 2006, Regional reports

On average across the UK, EBO amongst women is 36% of male EBO. In the North East, female EBO is 28% of male and in the West Midlands it is 43% of male EBO.

The picture of a wide gap between male and female enterprise activity is corroborated by the Annual Population Survey. Results for the 12 months to September 2006 are presented in Figure 12 for the UK as a whole and for the UK countries. Figure 12 does not report on differences in types of self-employment (whether employer or "own account") nor does it provide analysis of the length of time a respondent has been self-employed (i.e. the newness or novelty of the undertaking).

FIGURE 12

Self-Employed (% of working age population) in UK countries, October 2005-September 2006

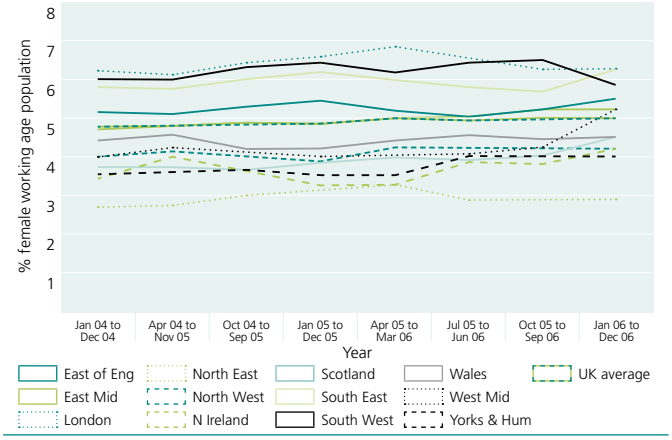
Source: ONS/Nomis Annual Population Survey

The average gap between male and female self-employment of any kind, irrespective of duration, in the UK is similar to that reported in GEM: women's self-employment is 37% of the male self-employment rate. The gap is identical in England at 37% and similar in Scotland (38%) and Wales (35%). In Northern Ireland, women's self-employment is 22% of the male self-employment rate.

Figure 13 takes the Annual Population Survey results and looks in more detail at female self-employment in the UK regions over the two-year period from January 2004 to December 2006.

FIGURE 13

Female self-employment (% working age population) in UK regions, Jan 2004-December 2006



Source: ONS/Nomis Annual Population Survey

There are two interesting features of Figure 13:

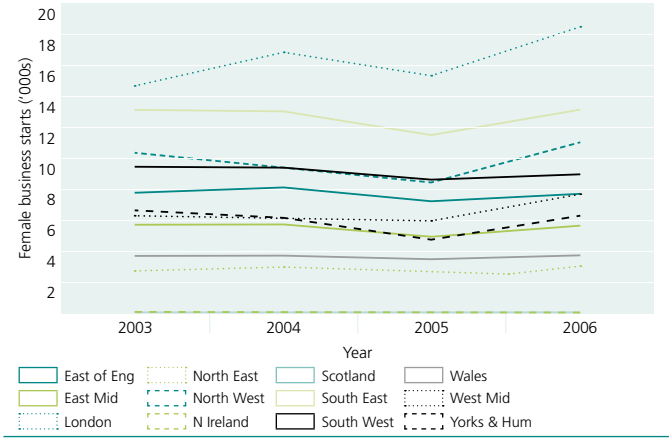
1. By December 2006, there was a wide gap between levels of female self-employment in the North East (2.9%) and London (6.3%) and the South West (6.7%). This gap is consistent with other surveys and appears enduring over the time period.

2. Although there are quarterly fluctuations in levels of female self-employment, the change over the period from 2004 is largely insignificant for all regions.

Figure 14 presents a similar picture over a slightly longer time period using the Barclays small business start-up data for women. Again, it is London that has the highest number of starts (in thousands) and the North East that has the lowest.

FIGURE 14

Female Business Starts 2003-2006, England + Wales



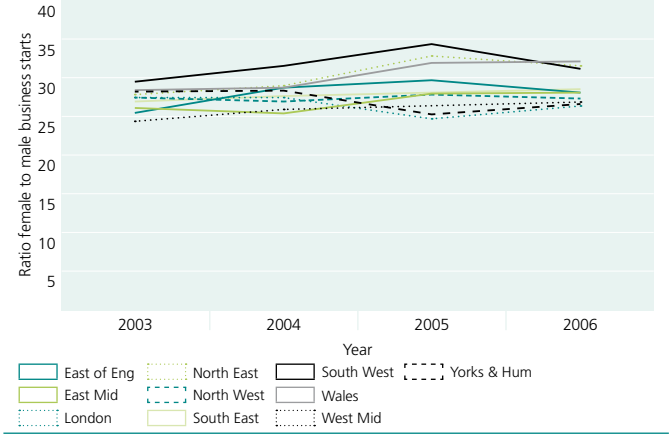
Source: Barclays/NOP

Figure 14 might suggest two things: that there are some substantial changes in numbers of business start-ups by women in some regions (especially London) and that London has substantially higher numbers of women starting a business.

However, Figure 15 looks at the ratio of male to female business starts, again based on the Barclays data. Intriguingly, what it illustrates is that the English regions and Wales are remarkably similar when the ratio of female to male business starts is examined and, with the exception of a widening of the gaps slightly in 2005, the ratio has remained consistent and not significantly different across regions over the time period.

FIGURE 15

Ratio of female business starts to male business starts 2003-2006, English regions + Wales



Source: Barclays NOP, 2007

A BRIEF LOOK AT SOCIAL ENTREPRENEURSHIP

There are a number of difficulties with coupling women's start-up activity with social entrepreneurship. In particular, women's business leaders are keen to stress the growth potential of women's enterprise. While the experts interviewed for this and more detailed research stress that often women's businesses start with a real social, community or even domestic need, this does not mean that they do not have growth potential. Further, they are keen not to place this activity, which is grounded in a desire to help the community, into a "charity" or "voluntary sector" group that may immediately suggest limitations to the growth potential of these businesses. [31]

As a research area, very little is understood about the link between social entrepreneurship and social enterprise, and still less by gender. But because of the growing interest in social enterprise as a new, socially, ethically or environmentally oriented business model, it is worth dwelling on it a while here.

The DTI (now BERR) Survey of Social Enterprises across the UK[32] did not include a gender breakdown of social enterprise ownership. However, the most recent Household Survey (2005) found two key things in relation to social entrepreneurship:

- Women "Doers" are more likely to think that social, ethical and environmental considerations in business are important than men (59% compared with 48%). There is, however, no significant difference by gender in the numbers of men and women who are social entrepreneurs or who know social entrepreneurs.
- Ethnic minority groups tend to be less aware of social entrepreneurship than their white British counterparts, but if they are aware, then they are more likely to be working for one.

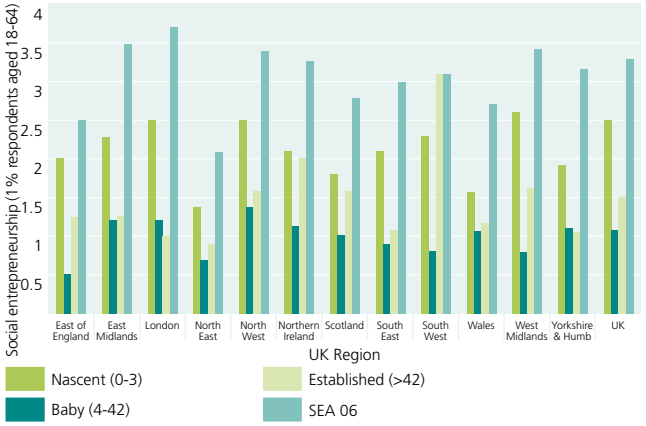
GEM UK is the most systematic study of levels of social entrepreneurial activity and the results for regions are given in Figure 16.

31 Social entrepreneurship is often seen as a model for sustainable social (as opposed to economic) wealth creation and change. See for example, Nicholls, A. (2006, ed): *"Social Entrepreneurship: New models of sustainable social change"* Oxford University Press, Oxford. There is persistent debate about appropriate business models for social entrepreneurs and the entities they establish but there is growing recognition that social enterprises can be for profit, so long as that profit is re-invested in the activities of the entity in the interests of the achievement of social, environmental or ethical goals. This is consistent with the Cabinet Office and BERR definitions. Cabinet Office, 2006 Social Enterprise Action Plan. www.cabinetoffice.gov.uk/third_sector/social_enterprise/action_plan/; see also DTI (2002): Social Enterprise: A Strategy for Success. Available at: www.BERR.gov.uk/social enterprise.

32 Small Business Service (2005): *A Survey of Social Enterprises Across the UK* Department for Trade and Industry, www.sbs.gov.uk/analytical.

FIGURE 16

Social entrepreneurial activity by UK region



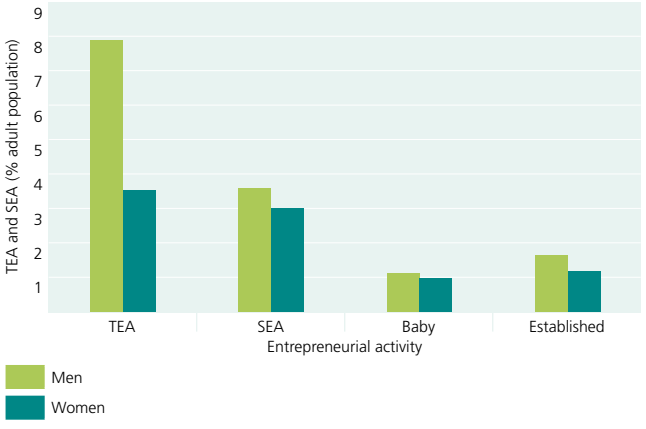
Source: GEM UK 2006, Social entrepreneurship summary

Care should be taken in interpreting the differences in Figure 16 since, as elsewhere, they are indicative rather than statistically significant. However, the region with the highest level of SEA is London at 3.7%. The lowest level of SEA is in the North East where just 2.1% of the population is SEA active. The South West has the most established social enterprises at 3.1% of the population which is just over twice the average for the UK.

Figure 17 looks at the national picture by gender. It illustrates that the gaps between male and female early stage activity and established social enterprise ownership are not as wide as they are for mainstream entrepreneurship. Indeed, as was suggested by the Household Survey, these differences are not statistically significant.

FIGURE 17

TEA and SEA compared by gender, 2006

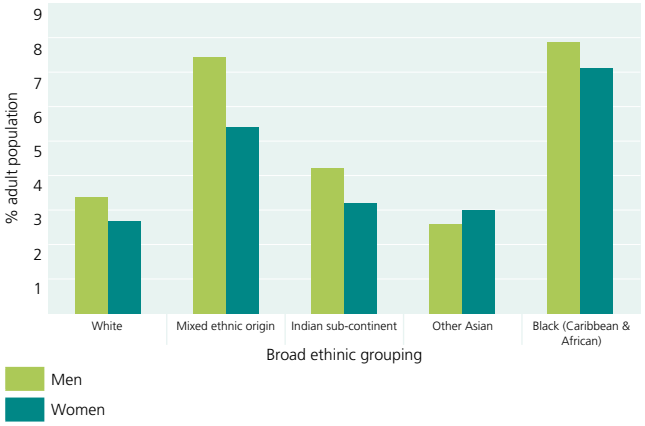


Source: Barclays Social Entrepreneurship Report, 2007 (forthcoming)

Figure 18 looks at social entrepreneurial activity by ethnicity and gender.

FIGURE 18

Social entrepreneurial activity by broad ethnic group



Source: Barclays Social Entrepreneurship Monitor, 2007 (forthcoming)

Figure 18 groups respondents into broad ethnic groupings since analysis at any greater level of detail is not statistically significant. Even so, the figure does demonstrate:

- That all ethnic minority groups apart from "other Asian" are more likely to be social entrepreneurs than their white British counterparts, irrespective of gender.
- That the gap between male and female social entrepreneurial activity is narrower, or statistically insignificant, for all ethnic groupings.

SUMMARY

This section has shown remarkable consistencies in data sources used to estimate levels and types of entrepreneurial activity by gender, ethnicity and region in the UK. Several points can be brought out of the analysis thus far:

- Gender differences in self-employment, early stage entrepreneurial activity, thinkers, doers and avoiders and in business starts are similar. Broadly speaking, women are half as likely to be involved in early stage entrepreneurial activity as men. The Barclays dataset on business start-ups suggests a slightly wider gap.
- There is little evidence of change overall in levels of entrepreneurial activity amongst women across the UK, when seen in the context of overall patterns in the labour market. At the end of 2006 the level of female self-employment was still 27% of all self-employment and, although the patterns of TEA in UK regions suggest that

levels have improved in most regions, for the UK overall the change is not significant.

- The gaps between male and female social entrepreneurship and social enterprise are narrower than they are for mainstream entrepreneurship and are not statistically significant.

SECTION 6.0
PATTERNS OF ENTREPRENEURIAL ACTIVITY

The data above suggests that over the short period of time that the Household Survey, GEM, the Adult Population Survey and the Barclays data cover:

- The differences at a regional level are not statistically significant and appear to be removed entirely when the ratio of male to female activity is examined.[33]
- There is a persistent gap between male and female activity which is reported consistently from all data sources covered thus far over time.

This latter point warrants further examination since it tallies with the ILO data suggesting that any increase in labour market activity is due to employment rather than self-employment. If this is indeed the case, then potentially it calls into question the long-term effectiveness of policies to increase labour market activity through increasing self-employment or firm births.[34] Indeed, looking at LFS data over time, there is little change in the overall pattern of self-employment: the level of self-employment goes from 13.1% of all employment in the whole population to 12.9% of all employment for the whole population and from 7.3% to 7.5% for women, or some 27% of all self-employment by the Winter of 2005/6.

However, if we look at the underlying trends in the move from employment to self-employment over the same time-period, then we can see how patterns in the labour market are actually changing and, therefore, where policy can ameliorate or enhance these trends.

Figure 19 shows the moves into self-employment from employment for men and women in two time periods: 1990-2000 and 2001-2005.[35]

FIGURE 19

Flows into self-employment over time by gender and UK region (% of all moving from employment)

	1990-2000		2001-2005	
	Men	Women	Men	Women
East of England	69.3	30.7	66.0	34.0
East Midlands	71.2	28.2	63.6	36.4
London	71.1	28.9	64.1	33.9
North East	75.8	24.2	71.8	28.2
North West	67.8	32.2	66.3	33.7
Northern Ireland	77.8	22.2	70.6	29.4
Scotland	71.2	28.8	63.6	36.4
South East	65.2	34.8	67.8	32.2
South West	61.9	38.1	64.1	35.9
West Midlands	62.9	38.0	73.1	26.9
Wales	71.2	28.8	65.5	34.5
Yorkshire and Humberside	76.5	23.5	76.5	23.5
UK average	77.8	22.2	67.4	32.6

Source: Labour Force Survey

Figure 19 demonstrates both a national and a regional picture:

- Nationally, the number of men moving from employment into self-employment fell quite substantially between the two time periods while the number of women moving from employment to self-employment increased from 22.2% of all those moving to 32.6% of all those moving.
- Regionally, the trend is for more women to be transitioning from employment to self-employment in the 2001-2005 period compared with the 1990-2000 period. However, there are three notable exceptions where the opposite is the case: the South East, the South West and the West Midlands. In the latter region, the trend is particularly marked.

It would be wrong to conclude, however, that women are becoming less entrepreneurial in these regions. Given the statistics presented in the section above suggesting that these are some of the stronger regions in terms of TEA and EBO as well as self-employment, it would appear puzzling that there would be a drop in the numbers of women moving into self-employment in these regions.

Instead, it is more fruitful to look at the changes as determined by changes in the labour market, particularly the sectoral breakdown, as shown in Figure 20.

33 This assertion is corroborated by recent work by Hart, M., Anyadike-Danes, M., Levie, J. and Harding, R. (2007): "Drivers of Entrepreneurship in the UK: Do regions matter?" Paper to ISBE Annual Conference, November 2007.

34 This assertion is consistent with Van Stel, A and Storey, D J (2004) "The Link Between Firm Births and Employment: is there an Upas Tree effect?", Regional Studies, 38, 8, pp 893-909.

35 Note: this is not showing the proportion of all self-employment that is accounted for by women – this figure, as cited above, remains at 27%. Rather, what it is showing is the transition from employment to self-employment – it, therefore, gives a better picture than pure self-employment figures of how and where changes are happening. It is important to point out, however, that much of this may be due to the changing nature of employment with greater reliance on "flexible" workforces rather than an increased propensity to be entrepreneurial.

FIGURE 20

Flows into self-employment by gender and sector, 1990-2000 and 2001-2005

	1990-2000		2001-2005	
	Men	Women	Men	Women
Agriculture	80.8	19.2	77.3	22.7
Manufacturing	71.7	28.3	66.0	34.0
Construction	96.2	3.8	96.0	4.0
Wholesale/retail/motor manufacture	66.0	34.0	60.8	39.1
Hotels and leisure	53.9	46.1	44.2	55.7
Transport	90.1	9.9	90.0	10.0
Finance	65.0	35.0	74.0	26.0
Real estate	69.7	30.2	66.6	34.4
Public Administration	65.2	34.7	56.5	43.5
Education	42.0	58.9	48.4	51.6
Health	30.1	70.0	23.9	76.1
Other Community	46.1	53.9	43.1	56.9

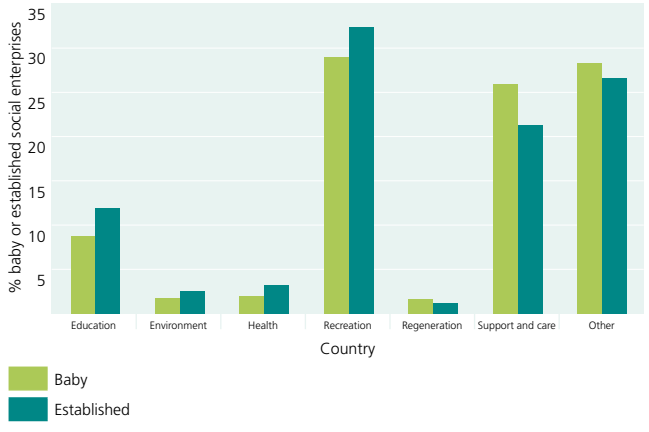
Source: Labour Force Survey

What is interesting about Figure 20 is that it illustrates there are more women moving into self-employment in all sectors except finance and education which both show negative trends over the period. This is in stark contrast to men, where the trend in all sectors except education is for less transition into self-employment.

Another interesting feature of Figure 20 is that it shows much higher levels of female transition into self-employment in public administration, health, education and other community work. This is where, nationally, there have been moves in public policy towards decentralisation and the establishment of social enterprises and, as shown in Figure 21, the sectoral distribution of social enterprises reflects this.

FIGURE 21

Social entrepreneurial activity by sector, 2006



Source: Barclays Social Entrepreneurship Report, 2007 (forthcoming)

A FOCUS ON BLACK, ASIAN AND MINORITY ETHNIC COMMUNITIES

Figure 22 shows the moves from employment into self-employment over time by White and BAME groups and gender.

FIGURE 22

Flows into self-employment by gender and ethnicity

	1990-2000		2001-2005	
	Men	Women	Men	Women
White	67.9	32.1	66.9	33.1
Black, Asian and Minority Ethnic	79.2	21.8	64.0	36.0

Source: Labour Force Survey

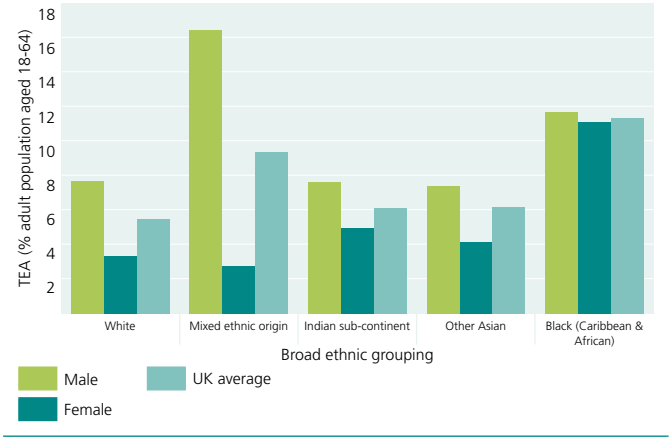
Figure 22 suggests two things:

1. That although there are fewer men generally moving from employment to self-employment, the trend is particularly marked over the period for BAME men.
2. Similarly, there is a slight upward trend for White women over the period but a substantial change in the numbers of BAME women moving from employment to self-employment between the two time-periods.

This picture of self-employment is lent a little more detail by looking at TEA by broad ethnic grouping in 2006. Figure 23 is just a snap-shot and although the results across groups should be seen as indicative, the gender differences within groups are statistically significant.

FIGURE 23

Early Stage Entrepreneurial Activity by Ethnic Grouping, 2006



Source: GEM UK 2006

The biggest gap between male and female early stage entrepreneurial activity is in groups with mixed ethnic origin.

Here, female TEA is just 16% of male TEA where for Black respondents, female TEA is 97% of male TEA.

It is important to reinforce the point about changing labour markets in this context, however. The results might lead to a conclusion that there are more businesses being established by women from ethnic minority communities and this could provide a misleading picture of other underlying trends. Ethnic minority women are disproportionately more likely to take jobs that are in low-skilled, temporary or part-time and low-waged sectors where there is an increased likelihood that these will be sub-contracted to private individuals or groups of individuals operating on their own account.

This would better be termed "employment substitution" than entrepreneurship and a look at where BAME entrepreneurial activity is focused by Index of Multiple Deprivation (England only) corroborates this point, as illustrated in Figure 24.

FIGURE 24

Early stage total entrepreneurial activity and early stage social entrepreneurial activity by ethnicity and index of multiple deprivation (England only)

	Men		Women	
Index of Multiple Deprivation: 1=most deprived, 5 = least deprived	White	BAME	White	BAME
Early Stage Entrepreneurial Activity (TEA)				
1	8.3	12.3	3.6	9.1
2	9.2	8.1	3.8	6.3
3	7.5	12.5	4.0	5.2
4	8.1	9.3	3.1	4.9
5	5.5	8.9	1.9	5.5
Early Stage Social Entrepreneurial Activity (SEA)				
1	3.3	6.9	2.4	5.9
2	4.3	5.1	3.0	6.2
3	3.6	2.2	3.1	2.9
4	2.7	7.1	2.5	3.4
5	2.6	5.6	2.2	6.0

Source: GEM UK 2006

For both men and women, and for TEA and SEA, there is more activity in the most deprived and the least deprived wards of England by Index of Multiple Deprivation. For women, however, the percentage of women who are entrepreneurially active from the most deprived wards is significantly higher than for other wards.

SUMMARY

A detailed examination of changes in the labour market and how that affects self-employment and entrepreneurial activity goes beyond the scope of this report. Nevertheless, what has been demonstrated by this section is that the patterns of self-employment and TEA can be interpreted in terms of the labour market. Indeed, given the data that has been reviewed here, we know relatively little about the actual businesses that women from any ethnic background establish and can only legitimately look at how work is changing for men and women alike.

Even so, there are some interesting features of the discussion in this section that can be summarised here:

1. While there appears to be no overall change in the percentage of all self-employment accounted for by women at 27%, there are differences at a more micro, sectoral and regional level which illustrate some interesting patterns in the labour market.
2. The biggest increases in women moving from employment to self-employment are in regions where agriculture, tourism and public administration are major employers. This may help to explain why, for example, there has been such a big increase in the numbers of women in Northern Ireland who have become self-employed over the period as shown in Figure 19.
3. Women throughout the time periods from 1990 in the UK as a whole have been more likely to be moving from employment to self-employment in the "caring" sectors. This pattern has accelerated in the latest (2001-2005) time period reflecting changes in all UK countries towards decentralisation and social enterprise as a mechanism for delivering public services. It may be that this explains why the differences between women and men are not statistically significant for social entrepreneurial activity.
4. There has been a big increase in the numbers of women from BAME communities who have moved from employment to self-employment. However, this also has to be seen in the context of the types of jobs that are common amongst these women and the data presented here suggests that much of this activity is in some of the most deprived wards of the UK.

SECTION 7.0
UNDERSTANDING THE DEMAND SIDE

As was stated at the outset, this report rests on two assumptions:

1. That a great deal of women's entrepreneurial activity can be explained in terms of labour market effects which substitute employment for self-employment.
2. That women's businesses, even if they are a substitution for paid employment, have the potential to grow and create wealth and that, therefore, the support mechanisms on the demand and the supply side of women's enterprise should create an escalator to allow appropriate support at each level as the business grows.

Figure 25 looks at the "avoiders" by gender and ethnicity in the GEM UK 2006 survey and demonstrates that the biggest reasons why people do not set up a business are financial ones.

FIGURE 25

Reasons for not starting a business by gender and ethnicity

	White		BAME	
	Men	Women	Men	Women
Fear debt or loss of security	17.4	15.9	14.6	12.4
Fear that I won't get finance	48.2	51.1	53.7	53.6
Lack of interest in starting a business	13.9	17.5	12.0	14.6
Lack the skills	9.0	8.4	10.5	9.9
Lack the time	11.5	11.0	17.0	14.7
Chance that the business might fail	7.5	6.5	6.7	7.4
Age	8.7	10.5	5.2	4.9
Regulations and red-tape	4.3	1.9	2.3	1.7

Note: all results are significant at the 5% level except "fear that the business might fail" where the responses do not differ significantly by gender or ethnicity.

Source: GEM UK 2006

Women are significantly more likely to fear not getting finance than men across the UK and women from ethnic minorities more likely to fear not getting finance than their White counterparts. White women are significantly more likely to say that lack of interest is stopping them from starting a business than white men, or BAME men and women.

Figure 26 looks at access to business support by gender in England. This is another area often cited as a barrier to greater involvement by women in entrepreneurial activity.

FIGURE 26

Usage and satisfaction with business support by gender in England

		Women (% respondents)	Men (% respondents)
2005/6	Satisfaction	92.5	91.6
	Usage	22.0	52
2006/7	Satisfaction	90.8	90.8
	Usage	24.0	50.0

Source: data supplied by Business Link[36]

Figure 26 shows that there is little difference in the levels of satisfaction between male and female users of business support services. However, women constituted less than one quarter of all users in the two periods.

Figure 27 shows a regional breakdown of childcare costs (£ per week) in the UK in 2006.

FIGURE 27

Costs of childcare in Britain (excl NI)

	Nursery (<2 yrs)	Nursery (>2 yrs)	Highest priced nursery	Childminder (<2 yrs)	Childminder (>2 yrs)	Out of school care
Inner London	197	195	350	142	146	29
Outer London	170	147	260	151	150	38
SE	162	155	300	157	154	36
SW	141	132	275	132	132	37
EE	148	134	250	134	131	60
WM	114	112	181	106	106	40
EM	118	116	185	119	119	57
YH	124	116	175	114	114	49
NW	118	114	187.5	98	97	42
NE	119	114	189.25	114	114	51
Scotland	122	117	175	126	124	43
Wales	120	115	155	126	125	43

Source: Daycare Trust, 2007

Inner London has the most expensive nursery care for children both under two years of age and over two years of age. It also has the highest priced weekly nursery fees in Britain at nearly twice the weekly fee of the most expensive nursery in Wales. The West Midlands has the lowest nursery costs at £114 and £112 per week for under two's and over two's respectively. It is the South East with the most expensive rates of childminding (over and under two) and the North West that is cheapest for

36 Responses should add to 100% – the differences are accounted for by the "don't knows" or "refused" respondents to the survey.

these two categories. Inner London has the cheapest out of school care while the East of England is the most expensive.

Finally, finance is often presented as one of the systemic or structural barriers to women seeking to set up in business or grow their business. Robust evidence on this is patchy: the Annual Survey of Small Business suggests that where respondents had said that they had had difficulties in starting or growing their firm they were predominantly around access to finance but this is not disaggregated by gender or region. Similarly, GEM does ask finance questions but the comparative results at a regional level are not robust as numbers are too small.

That said, GEM UK 2006 does corroborate the fact that female businesses are smaller when they start and that they have lower growth expectations. Figure 28 reproduces the material from GEM on sources of finance accessed and used by gender.

FIGURE 28

Sources of finance used and sources of finance sought unsuccessfully by gender, 2006 (% entrepreneurially active respondents)

	Finance Used (% TEA active respondents)		Finance sought but failed (% TEA active respondents)	
	Men	Women	Men	Women
Friends & family	19.8	17.0	3.5	1.9
Individual investor	7.9	3.7	3.5	1.8
Unsecured bank loan	16.2	11.4	5.6	2.6
Bank overdraft	32.4	26.5	5.8	2.6
Secured non-bank loan	6.7	2.8	2.7	0.8
Secured bank loan (mortgage)	15.5	17.3	3.4	1.8
Equity	4.7	3.4	1.7	0.9
Government grant or programme	9.3	9.2	4.2	5.4
Credit cards	15.3	15.1	3.3	2.0

Source: GEM UK 2006

Figure 28 looks at sources of finance used and also sources of finance sought but failed[37]. A number of highlights can be drawn from it:

- The most popular form of start-up finance used for men and women is a bank overdraft.
- Women are not significantly more likely to access and use any one source of finance more than men, but men are more likely to access and use finance from friends and family, individual investors, unsecured bank loans, bank overdrafts, secured non-bank loans and equity finance.
- Men are significantly more likely to fail in their attempts to gain finance than women in all areas except government grants or programmes.

DEMAND-SIDE DRIVERS

The analysis of potential barriers in Figures 25-28 suggests that there are some underlying differences between men and women both in attitudes and in "structural" or systemic factors that may affect their propensity to set up a business. Much of policy across the English regions and the UK countries has focused on building awareness and addressing demand-side issues by increasing women's exposure to enterprise as an alternative to employment or, indeed, as a career objective in its own right. To this end, it is useful to look at the patterns on the demand-side of the whole population and women in the UK, with a view to informing overall policy towards mainstreaming, and, similarly, to look at the patterns within the UK countries and English regions.

For the purposes of understanding the drivers of entrepreneurship in the attitudes and perceptions of the UK, a principal component analysis (PCA) of responses in the GEM UK dataset was conducted. PCA identifies groupings of variables with strong associations with one another. It is useful for identifying core patterns and clusters within large datasets. It derives "components" of variables which are particularly strongly correlated and identifies the factors within those components that have the strongest "loading" on the component. These components, or bundles, can be assigned a name which best describes the grouping of variables.

In the context of this report, the purpose of conducting such an analysis is to inform the debate on the distinctiveness of women's attitudes towards entrepreneurship and to establish whether or not they differ substantially to the whole UK population. Since the Strategic Framework, there has been much policy emphasis on the barriers to women's enterprise – specifically access to business support, access to childcare and access to finance. This holds for the devolved administrations as well as for the English regions and BERR.

The analysis looked at the responses to the attitudinal and perceptional questions within GEM with a view to understanding the complexity of the starting point of female entrepreneurship. GEM UK 2006, as in previous years, reported

37 The analysis and tables show the responses to questions as they were asked in the GEM UK 2006 questionnaire: hence they do not match exactly to normal financing vocabulary.

that women are less likely to know an entrepreneur, less likely to be thinking of starting a business, less likely to think that they have the skills to start a business, less likely to see business opportunities and more likely to fear failure than their male counterparts. Similarly, there appears to be a proportionately higher level of business closures amongst women (as a percentage of TEA) than men.

The PCA firstly looked at the whole UK and secondly at women in the UK as a whole to identify any differences or patterns in attitudes and perceptions in each. It looked at the Total early stage Entrepreneurial Activity and then clustering in the responses to the following perceptional and attitudinal questions:

- I expect to start a business in the next three years.
- I have closed a business in the last twelve months.
- I personally know an entrepreneur.
- There are good business opportunities where I live.
- I have the skills to start a business.
- Fear of failure would prevent my starting a business.

The results for the whole UK are presented in Figure 29.

FIGURE 29

Principal Component Analysis of Attitudinal and Perceptional Responses for the whole UK population and UK women

	Whole population		Women		
	All variables significantly correlated with TEA; fear of failure correlation negative		All variables significantly correlated with TEA; fear of failure correlation negative		
	"Experience"	"Fear"	"Churn"	"Networks"	"Fear"
Strongest factor loadings	Expect to start a business; know an entrepreneur; see good opportunities; have the skills; TEA	Have closed a business; Fear failure; TEA (negative loading)	Expect to start a business; have closed a business; TEA	Know an entrepreneur; see good business opportunities; have the skills to start	Have skills to start a business; fear failure
Interpretation	A strong, experience-based set of responses are associated with TEA active individuals but an underlying "fear" that has a negative impact on TEA comes from having closed a business and fearing failure.		TEA is strongly associated with expecting to start a business and having shut a business; knowing an entrepreneur, seeing opportunities and thinking that she has the skills to start a business load together on one "networks" component but the more likely a women is to think she has the skills to start a business, the more likely she is to fear failure.		

Source: GEM UK 2006

This suggests two things: that 'fear' is important as an underlying driver for both the whole UK population and for women. However, what is interesting about the analysis above is that the grouping of responses is quite different amongst women and the population as a whole.

These differences are more marked when the regional development agencies are examined. We are only looking at the clustering of attitudinal and perceptional responses to a survey, but even so there are some interesting general points from the analysis (which are reported for each RDA individually in Appendix 2):

- For the RDAs where women's enterprise (either measured by TEA or self-employment) appears higher, the clustering of variables suggests that there are strong demand side or expectation drivers. These, although not always combined with TEA, mean that the "churn" factors (expecting to start a business and having closed a business) are also positively associated with TEA.
- For those RDAs where women's enterprise appears lower, the "churn" factors and exposure to enterprise appear to be combining with fear of failure and, hence, could be creating entrepreneurial anxiety rather than entrepreneurial dynamism.
- From a policy perspective, the former set of RDAs require strong support structure around enterprise development and access to finance. The latter require training, mentoring, coaching and experience sharing along the growth trajectory. Simple exposure to enterprise, for example through role models, may actually tend to deepen the fear of failure and should be seen as necessary parts of an overall package but, as elsewhere, not sufficient!

SUMMARY

To the lay person, much of the analysis above seems obvious and simply re-states that women by themselves have different responses and patterns of responses to the UK population as a whole. The descriptive analysis of barriers to setting up a business and the more detailed, multivariate analysis of the UK as a whole suggests that women have different perceptions and attitudes towards entrepreneurship to men (or the "whole" population).

This is hardly surprising but is useful as a mechanism for informing policy since it re-emphasises the distinctive nature of the demand side of women's entrepreneurship. This is something that is recognised by all of the UK countries and English regions but, as the mainstreaming of business support deepens, one challenge is to ensure that the features of

business support that deal specifically with women's enterprise continue to build on this understanding of the diversity of women's attitudes and perceptions and, hence, entrepreneurial activity.

But, as Maurey argues, the complexity of women's enterprise is often masked by surveys that ask specifically about childcare, finance and access to business support and the evidence presented here would tend to support that.[38]

The challenge, then, is to use the understanding developed from this report to develop a growth framework for women's enterprise. It is not sufficient to look just at the "obvious" barriers to enterprise. Some, as illustrated, are more normative, as illustrated in Figure 25, while others are "systemic": differential childcare costs and lower levels of access to business support (Figures 26 and 27 respectively).

And of course, the final point is that within any one region, "under-represented" groups can co-exist alongside women entrepreneurs whose entities have high growth expectations and potential. This means that women's enterprise strategy should ideally be seen as a function of two things:

- Region-specific labour market conditions.
- A complex inter-play between policy measures coordinated strategically to maximise the synergies (or mainstreaming potential) of support overall and the flexibility to integrate under-represented groups into the mainstream eventually (such as BAME or social entrepreneurs).

38 Maurey, K. (2006): op cit

SECTION 8.0
POLICY ANALYSIS

Women's entrepreneurship and women's enterprise development should be focusing on the escalator through growth from the earliest stages of development from a perspective that includes the demand and supply side with specific groups. Any strategy for women's enterprise should integrate these aspects of the "market" since for women they appear to be critically interdependent (as demonstrated by the analysis of underlying trends in the final section). The demand side is broadly mentoring, coaching, training and promoting enterprise as an alternative to paid employment or as a way into the labour market while the supply side allows those female-owned enterprises with growth potential to access the finance needed. However, as many experts regionally and nationally were keen to highlight, women start from different points to their male counterparts and, as a result, the two cannot be seen in isolation.

Similarly there are two specific areas of policy that need to be integrated into an overall "escalator" framework: social entrepreneurs and BAME communities, particularly women. It would be easy to regard these as areas of "under-representation" or "regeneration" and have their wealth creation and growth potential restricted by the very measures that are aimed at helping to support them. Escalators are as, if not more, important for these groups as for women overall.

This leads to a suggested structure for promoting women's enterprise across five drivers:

- Strategic focus and stage of development (strategic focus and strategy development – e.g. evidence-base development, integration of agencies and supply and demand side)
- Supply side development (particularly finance).
- Demand side development (awareness raising, mentoring, coaching).
- BAME integration and growth escalator strategies.
- Social entrepreneurship and social enterprise: integration into overall strategic framework and emphasis on escalator aspects of growth and sustainability.

These are illustrated for England, Scotland, Wales and Northern Ireland in Figure 30 alongside the demand-side drivers of overall entrepreneurship and women's entrepreneurship from individual country-level PCAs.[39]

FIGURE 30

Women's enterprise drivers and the policy frameworks in England, Wales, Scotland and Northern Ireland

England

	Whole population		Women		
Correlations	All variables correlated significantly with TEA		All variables correlated significantly with TEA		
Components	Confidence	Fear	Networks	Fear	Churn
Strongest factor loadings	- Expect to start - Knows entrepreneur - Sees opportunities - Has the skills to start - TEA	- Fear of failure - Closed a business	- Knows entrepreneur - Sees Opportunities - Thinks has skills to start	- Has skills to start - Fears failure	- Expect to start a business - Closed a business - TEA
Interpretation	Drivers of enterprise attitudes and perceptions amongst the whole population in England differ to those for women. The only "bundle" associated with TEA activity for women is "churn" where for the whole population, the strongest component is also associated with TEA through confidence factors.				
Policy	Focus & stage of development	Re-launch of enterprise agenda with focus on high growth enterprises. WETF emphasis on need to develop evidence base; RDA Women's Enterprise Strategy development.			
	Supply side	Funding escalator through Small Firms Loan Guarantee, regional venture capital funds and enterprise capital funds. Access to capital through regional business links.			
	Demand side	Delivered at a regional level through RDA strategies and Ambassador programme.			
	BAME	Review of evidence base; "under-represented" group and strategy formulated accordingly; private sector and NGO sector help at local level; regional strategies.			
	Social enterprise	Cabinet Office responsibility for strategy; no explicit inclusion of women; not integrated as yet with mainstream enterprise agenda.			

Wales

	Whole Population		Women	
	All variables significantly correlated with TEA except fear of failure		Only expect to start, opportunities and have the skills to start significantly associated with TEA	
Components	Confidence	Fear	Confidence	Fear
Strongest factor loadings	- Expect to start - Knows an entrepreneur - Have the skills to start - TEA	- Have the skills to start - Fear failure	- Expect to start - Knows an entrepreneur - Sees opportunities - Have the skills to start - TEA	- Fear of failure
Interpretation	Patterns of women's enterprise drivers very similar to whole population although the confidence component also contains "sees good business opportunities". Fear of failure amongst women is a component in its own right.			

39 More detailed regional analysis is presented in Appendix 2 which looks at demand side drivers and policy in each of the English regions. The intention has not been to provide any "ranking" or "benchmarking" of regions but instead to look at some of the bigger trends and patterns in women's enterprise across the UK.

Policy	Focus and stage of development	Mainstreaming; growth and sustainability but was until 2006 supported by demand side measures through Women's Enterprise Wales (Chwarae Teg ERDF project) to provide integrated support and raise awareness.
	Supply side	Funding escalator from access to finance through to venture capital investment delivered by Finance Wales but not specifically targeted at women.
	Demand side	Pre-business support currently provided by mainstream agencies. Emphasis on training, experience-sharing, access to information and sign posting at pre-start level with goals of helping women a) decide whether self-employment will suit them b) hone ideas c) put together business plan.
	BAME	"Mainstreaming diversity" programme: separate entry route but accesses similar support structures once pre-start phase completed but not focused on gender.
	Social	Social enterprises not currently accessing mainstream support; policy emphasis on procurement, awareness raising and development. Not gender-related.

Scotland

	Whole Population		Women		
	All except fear of failure significantly correlated with TEA		Only expect to start a business, closed a business and have the skills to start a business significantly correlated with TEA		
Components	Churn	Fear	Churn	Network	Fear
Strongest factor loadings	- Expect to start - Have closed a business - TEA	- Know entrepreneur - See opportunities - Have the skills - Fear failure	- Expect to start - Have closed a business - TEA	- Knows an entrepreneur - Sees opportunities - Have the skills to start	- Fear of failure would prevent start
Interpretation	Entrepreneurship in the whole population is more complex than amongst women. The fear component in the mainstream population appears to suggest that greater exposure generates anxiety about the process. Churn is important as a driver of entrepreneurial activity for both men and women; fear of failure by itself is a component for women but networks appear to be linked with confidence.				
Policy	Focus and stage of development	Women into Business programme - this focuses on key stages of development in women's enterprise including the thinkers to pre-start to nascent businesses, and provides information, training and networks. A policy review is scheduled for 2009.			
	Supply side	Local events to provide training, knowledge and build networks. Mentoring to improve confidence, capacity and encourage business growth. Awareness-raising of finance and improve access to funding. Dedicated website to improve knowledge, access and raise awareness of range of public and private sector initiatives.			
	Demand side	Delivered through on-line channel www.scottishbusinesswomen.com and through Business Gateway Women into Business events. Encouraging women's progression through targeted and mainstream business support.			
	BAME	May 2007 report on Visible Minority Ethnic women; building profile and links to demand and supply side initiatives.			
	Social	Focus on building business/enterprise exposure for "third sector" activities and ventures through "Business Gateway" but not gender related.			

Northern Ireland

	Whole Population		Women	
	Only expect to start a business, see opportunities and have skills are significantly correlated with TEA		Only "have the skills to start a business" significantly correlated with TEA	
Components	Confidence	Churn	Confidence	Fear
Strongest factor loadings	- Expect to start a business - Know an entrepreneur - See good opportunities - Have the skills to start - TEA	- Expect to start a business - Closed a business - Fear of failure	- Have the skills to start - Know an entrepreneur - See good business opportunities - TEA	- Closed a business - Knows an entrepreneur - Sees good opportunities - Fear failure
Interpretation	The whole population responses cluster around a general "confidence" component which contains TEA suggesting that entrepreneurs themselves are positive. Churn factors are linked to fear of failure for the general population. For women, confidence patterns are similar, although "expect to start" does not load on the component, while fear of failure appears associated with a broad "familiarity" with entrepreneurship.			
Policy	Focus and stage of development	Policy to increase women's participation in enterprise programmes has resulted in substantial increase in uptake of support. Feeder programmes and networks working with private sector agencies key; now assessing connectedness of mainstreaming support through "Pathways" project. Proposed renewal of "Investing in women" support programme.		
	Supply side	Mentoring to access finance support provided through Pathways programme; financial awareness and running a business's finance programme key pillars. Raising awareness of availability of Small Firms Loan schemes and other financial mechanisms.		
	Demand side	Enterprise awareness focus within a significant "Go For It" campaign incorporating a female dimension. Also "gender lensing" business support infrastructure, including banks, accountants, Enterprise Agencies to enhance their accessibility and capability support to female entrepreneurs.		
	Under-representation	Focus not specifically on BAME but increasingly on deprived areas and labour market inactivity.		
	Social	Social and community economy critical to Peace and Reconciliation agenda. Mentoring, seed finance and start-up/post start-up support all integrated and delivered into community groups through Social Entrepreneurship Programme.		

Source: Principal Component Analysis: GEM UK 2006, Delta Economic Analysis plus documentary and interview evidence.

SUMMARY

The examples of the four UK countries demonstrate the complexity of support available and how agencies are attempting to raise awareness of enterprise and self-employment as a career option and to link this "pre-start" support with mainstream support measures. The principal component analysis suggests areas where women's enterprise drivers are quite distinctive from the whole population and policy measures in each country do appear to reflect this, particularly at a pre-start level.

SECTION 9.0
CONCLUDING REMARKS

There are several points that can be drawn out in summary. First, the report started with an analysis of early stage entrepreneurial activity and established business ownership in the UK as a whole and across the UK regions. It was argued that, although the UK compares reasonably well in terms of start-up activity with other European countries in particular, when established business ownership is examined (of entities older than 42 months) UK women have a relatively low probability of survival compared with their overseas counterparts from other G8 countries. This is the case for all UK regions and countries.

Second, the descriptive regional differences presented here are not statistically significant. While the relationships between regions seem to persist over time and across datasets with some regions having higher levels of female activity than others, these differences are arguably as much a function of differences in the sectoral and demographic make-up of regions as an indicator of one being "better" or "worse" than another.

Third, the overall level of female self-employment has not changed significantly since 1990 at some 27% of all self-employment. However, there are some interesting sectoral and regional changes in the numbers of women moving from employment into self-employment, particularly in public administration, community work, heath and education, which may go some way to explaining why regions/countries with a dominance of these sectors might have higher levels of women transitioning into self-employment and, similarly, why there are no significant differences between men and women in terms of social entrepreneurial activity.

Fourth, by ethnic grouping, there appears to be more women moving into self-employment. This is arguably to do with a pattern of changing employment in the temporary and part-time markets towards sub-contracting rather than a move towards higher levels of entrepreneurship.

Fifth, if policy is to support the women's business activity as it develops, it needs to incorporate into its interventions the fact that the drivers of women's attitudes and perceptions towards entrepreneurship are different to the general population as a whole. Each of the UK countries and the English regions has been part of a general policy to mainstream women's enterprise support. While this is to be welcomed, particularly if women are to access some of the high growth support they need, the mainstreaming agenda should not compromise on understanding the distinctiveness of women's entrepreneurship.

Finally, much of the aggregated research in this report has focused on the labour market aspects of women's enterprise behaviours. This is because the available datasets that provide reliable indicators of early stage activity are focused on start-ups and the demand side rather than the high growth businesses themselves. The Labour Force Survey allows us to understand at a macro level the sectoral changes in the distribution of self-employment, while GEM allows us to understand some of the characteristics, motivations and attitudes of early stage entrepreneurs.

Yet at the outset we identified an issue of the sustainability of women-owned businesses. Understanding how mainstream or social women's enterprises grow, the challenges women face, how regions differ and how different demographic groups fare is difficult using existing survey methodologies. Women's businesses have the potential to add to the wealth creation of the economy as a whole. But before we can measure their impact and their performance, we first need to gather sufficiently robust data to understand where the key challenges lie in realising this potential in terms of behaviours, characteristics, growth paths and performance patterns. This is a pre-requisite of evidence based policy.

APPENDIX 1.0
CHART DATA

Figure 3: Female TEA in the G8 plus India and China, 2001-2006

	2001	2002	2003	2004	2005	2006
Canada	8	6	5.2	6.1	5.6	6
France	3.6	2.1	1.6	3.8	3.3	2.5
Germany	4.9	3.4	3.3	2.6	3.8	2.6
Italy	9	4.1	3.2	2.3	3.7	3.1
Japan	2	0.6	1.3	1.2	1.2	2.6
Russia						2.6
UK	3.7	3.3	3.8	3.9	3.8	3.6
US	9	8.2	8.2	10.7	9.7	7.4
China						13.8
India						9.2

Figure 4: Female and male entrepreneurial activity in the G8 plus India and China, 2006

	Male	Female	Ratio (Female/ male)
Canada	8.3	6	0.722892
France	6.3	2.5	.396825
Germany	5.8	2.6	0.448276
Italy	3.9	3.1	0.794872
Japan	3.2	2.6	0.812500
Russia	7.3	2.6	0.356164
UK	7.9	3.6	0.455696
US	12.7	7.4	0.582677
China	18.5	13.8	0.745946
India	11.6	9.2	0.793103

Figure 5: Female and male established business ownership in the G8 plus India and China, 2006

	Male	Female	Ratio
Canada	6.2	4	0.645161
France	1.3	1.4	1.076923
Germany	3.9	2.1	0.538462
Italy	4.3	1.7	0.395349
Japan	6.6	2.9	0.439394
Russia	1.8	0.6	0.333333
UK	7.9	2.9	0.367089
US	7.7	3.2	0.415584
China	11.6	6.3	0.543103
India	7.3	8.4	1.150685

Figure 6: Thinkers, doers and avoiders, England 2005, %

	Thinkers	Doers	Avoiders
Women	10	9	82
Men	14	18	69
All	12	13	75

Figure 7: Thinkers, doers and avoiders by English region, 2005, %

	Thinkers	Doers	Avoiders
East of England	11	16	74
East Midlands	11	12	78
London	16	14	70
North East	9	9	82
North West	10	11	79
South East	11	15	74
South West	11	15	74
West Midlands	12	13	75
Yorkshire and Humberside	11	11	78
All England	12	13	75

Figure 9: TEA in UK regions by gender

	2002	2003	2004	2005	2006
East of England	4.6	5.4	7	5.4	5.7
East Midlands	6.1	5.5	5.9	5.5	6.1
London	5.6	10	7.3	8.3	6
North East	2.9	3.8	5	3.8	4.4
North West	4.3	4.7	4	4.6	4.9
Northern Ireland	3.3	5.3	5	4.8	3.7
Scotland	4.3	5.5	5.2	5.8	4.2
South East	5.3	7.9	7	6.9	6.2
South West	5.1	6.8	6.8	6.9	7.6
Wales	3.6	6.8	5.5	5.3	5.5
West Midlands	4.9	6.6	5.2	5.4	5.3
Yorks and Humber	3.9	4.2	4.5	5.7	4.4
UK average	5.4	6.4	6.3	6	5.8

Figure 10: TEA in UK regions by gender 2006

	Male	Female	Ratio
East of England	7.9	3.6	0.455696
East Midlands	8.7	3.5	0.402299
London	8.9	3.3	0.370787
North East	5.9	2.8	0.474576
North West	6.9	3.1	0.449275
Northern Ireland	5.1	2.2	0.431373
Scotland	5.8	2.6	0.448276
South East	8.3	4.2	0.506024
South West	9.8	5.5	0.561224
Wales	7.4	3.6	0.486486
West Midlands	7.4	3.0	0.405405
Yorks and Humber	6.9	2.1	0.304348
UK average	7.9	3.6	0.455696

Figure 11: EBO in the UK regions by gender 2006			
	Male	Female	Ratio
East of England	8.6	2.8	0.325581
East Midlands	7.4	2.5	0.337838
London	5.3	1.8	0.339623
North East	5.0	1.4	0.280000
North West	6.0	2.0	0.333333
Northern Ireland	9.1	2.1	0.230769
Scotland	5.9	2.5	0.423729
South East	10.5	3.5	0.333333
South West	12.2	4.9	0.401639
Wales	7.3	2.3	0.315068
West Midlands	5.6	2.4	0.428571
Yorks and Humber	5.7	1.9	0.333333
UK average	7.8	2.8	0.358974

Figure 12: Self-employment by UK country and gender, October 2005-September 2006				
	All	Men	Women	
UK	9.3	13.4	5.0	0.373134
England	9.5	13.6	5.1	0.375000
Wales	8.6	12.6	4.4	0.349206
Scotland	7.6	11.0	4.2	0.381818
NI	10.6	17.1	3.8	0.222222

Figure 13: Female self-employment by UK region, 2004-2006						
	Jan 04-Dec 04	Ap 04-Mar 05	Oct 04-Sept 05	Jan 05-Dec 05	Ap 05-Mar 06	Jul 05-June 06
East of England	5.1	5.1	5.3	5.4	5.2	5.0
East Midlands	4.7	4.8	4.9	4.9	5.0	5.0
London	6.2	6.1	6.4	6.6	6.8	6.5
North East	2.7	2.7	3.0	3.1	3.2	2.9
North West	4.0	4.1	4.0	3.9	4.2	4.2
Northern Ireland	3.5	4.0	3.6	3.2	3.2	3.8
Scotland	3.8	3.8	3.8	3.9	4.0	4.0
South East	5.8	5.8	6.0	6.1	6.0	5.9
South West	6.0	6.0	6.3	6.4	6.2	6.4
Wales	4.4	4.5	4.3	4.3	4.4	4.5
West Midlands	4.0	4.2	4.1	4.0	4.0	4.1
Yorks and Humber	3.6	3.7	3.8	3.7	3.7	4.0

Figure 14: Female business starts, 2003-2006, England and Wales				
	2003	2004	2005	2006
East of England	7.9	8.1	7.2	7.8
East Midlands	5.7	5.7	5.1	5.8
London	14.8	16.8	15.5	18.5
North East	2.7	3.0	2.5	2.8
North West	10.3	9.5	8.5	10.8
South East	13.1	12.8	11.3	13.1
South West	9.5	9.4	8.6	8.9
Wales	3.8	3.8	3.7	3.9
West Midlands	6.3	6.4	5.9	7.6
Yorks and Humber	6.7	6.4	5.0	6.4

Figure 15: Male and Female business starts, 2006				
	2003	2004	2005	2006
East of England	25.5	28.7	29.9	28.6
East Midlands	25.9	25.2	28.0	28.7
London	26.6	25.9	24.9	26.6
North East	27.8	29.1	32.9	30.1
North West	27.5	26.8	27.6	27.3
South East	26.7	27.7	28.1	29.1
South West	29.1	31.2	34.0	31.1
Wales	28.1	27.7	31.9	31.5
West Midlands	24.6	25.6	25.9	27.1
Yorks and Humber	27.9	27.2	25.1	27.1

Figure 17: TEA and SEA compared, 2006				
	TEA	SEA	Baby	Established
Men	7.9	3.6	1.1	1.7
Women	3.6	3.0	1.0	1.2

Figure 18: SEA by broad ethnic group and gender			
	Men	Women	
White	3.4	2.8	0.823529
Mixed	7.4	5.3	0.716216
Indian sub continent	4.1	3.2	0.780488
Other Asian	2.6	3.0	1.153846
Black African or Caribbean	7.9	7.1	0.898734

Figure 21		
	Baby	Est
Education	9.1	11.4
Environment	1.6	2.4
Health	1.6	2.9
Recreation	29.2	32.7
Regeneration	1.3	1.0
Support and care	25.5	21.2
Other	28.4	26.9

Figure 22: TEA by gender and ethnicity				
	Male	Female	UK average	gap
White	7.7	3.4	5.5	0.441558
Mixed ethnic origin	16.4	2.6	9.5	0.158537
Indian sub-continent	7.6	4.9	6.1	0.644737
Other Asian	7.4	4.0	6.2	0.540541
Black (Caribbean and African)	11.7	11.3	11.5	0.965812

APPENDIX 2.0
REGIONAL ASPECTS OF WOMEN'S ENTERPRISE

The analysis contained in this section is based on a principal component analysis (PCA) of GEM UK data. PCA identifies clusters of variables that are strongly correlated/associated. These "load" into one component which is a description of strong relationships or patterns in the dataset. Within a social survey, such as GEM, it is a means of identifying some of the underlying attitudinal and perceptional drivers that might have an influence on overall "enterprise cultures". It does not tell us anything about causality but does tell us about the patterns of responses in the data set. Therefore, the interpretation sections include suggestions made because there are associations or correlations with two or more variables. Due to the nature of the analysis, the terms used are suggestive of 'links', with 'components' being 'loaded' and 'clustered'.

The following variables are used in the analysis:

- Expect to start a business in the next three years.
- Have shut down a business in the last year.
- Personally know an entrepreneur.
- There are good business opportunities where I live.
- I have the skills to start a business.
- Fear of failure would prevent my starting a business.
- Early stage entrepreneurial activity (TEA).

The following steps are shown in each of the tables below:

- Correlations between attitudinal variables and TEA.
- Illustration of the strongest components (i.e. groupings of related variables).
- Illustration of the strongest variables in each of the components and allocation of a suitable generic name to that "bundle".
- An interpretation for each region.

East of England		
	Whole Population	Women
Correlations	All attitudinal variables significantly correlated with TEA (fear of failure negative)	All attitudinal variables except fear of failure and "I have closed a business in the last year" significantly correlated with TEA: suggests strong confidence element to existing entrepreneurial activity

Compo-nents	Confidence	Fear	Confidence	Familiarity	Closure
Strongest factor load-ings	- Expect to start a business - Know an entrepre-neur - See good business opportuni-ties - Have the skills to start - TEA	- Closed a business - Fear failure - TEA	- Expect to start a business - Know an entrepre-neur - See good business opportuni-ties - Have the skills to start - TEA	- Knows an entrepre-neur - Fears failure	- I have closed a business in the last three years
Interpreta-tion	The strongest component for both the whole population and for women is confidence associated with TEA. However, there is a strong "fear" component for the whole population associated with having closed a business and fear of failure. For women, fear of failure and knowing an entrepreneur load significantly on a "familiarity" bundle and "I have closed a business" is a significant component in its own right for women suggesting that there is a "churn" element to demand-side responses. This suggests that there is strong confidence associated with being entrepreneurially active amongst women in the region. However, the analysis suggests that respondents fear failure and that increased familiarity with entrepreneurship may be associated with this.				

Policy

Focus and stage of development

The EEDA Women's Enterprise Strategy 2005-2008 (Oct 2005) has key objectives to address nine key interlinked areas. Broadly they are: promotion and awareness, business start-up support, business development and growth, finance, networks, personal development, learning opportunities, influencing policy and cross cutting themes.

Two main target groups were identified:1. Women in all stages of business – pre-start, start-up, development and growth: 2. Self-employed women owners and managers of businesses in the key sectors for the region. These included Social Enterprise. More specifically, women:

- who have hidden roles within business i.e. family business.
- who are disadvantaged or in danger of exclusion e.g. 3rd Age (50+), young, disabled, ethnic minorities, non-employed, lone parents, transient workers.
- in social/voluntary/community enterprises.
- in science, engineering and technology sectors.
- in traditionally male dominated sectors.
- who are unemployed/economically inactive.
- graduates.

Actions are promised to Increase the share of female entrepreneurs in the region:

- Clear business support offer tailored to the needs of female entrepreneurs.
- Implement, as a requirement to receive public funding, a recognised quality standard in respect of addressing women's enterprise.
- A network of women's enterprise ambassadors.

And to Increase the rates of entrepreneurship in communities experiencing disproportionate disadvantage:

- Delivery of Local Enterprise Growth Initiative schemes and Investing in Communities schemes in the most deprived communities.
- Enhanced business support offer to specific places and groups who experience low levels of employment and enterprise activity.

The "Enterprising Women: evaluation and research" report published in 2007 reported outputs as follows:

Criteria	Targets	Achievement to July 2007
Starters	1563	1775
Jobs created	182	115
Businesses created and showing growth after 12 months	68	None that can be claimed in 2006/7. Businesses created have to run for 12 months to be claimed. Forecasting 68 to claim in 2008-9
People assisted with their skills development	963	744
Businesses assisted to improve performance	441	537
People assisted in gaining a full NVQ level 2	34	5 This only counts the first NVQ

Websites developed or enhanced	75	49
Voluntary organisations supported	8	8
Community groups supported	8	8
Capacity building initiatives undertaken	10	5
Individuals assisted to get a job	No target	428

Supply side

Within EEDA's East of England Women's Enterprise Strategy 2005-2008:

Finance is one of the key strategic objectives, with specific aims to improve the funding and financial management of women's enterprise by:

- Increasing the basic understanding of money and finance.
- Improving finance skills and money management.
- Improving awareness and understanding of all sources of finance.
- Increasing readiness and utilisation of funding.
- Influencing lenders.

In addition, raising awareness of, and increasing access to, community development finance gives individuals and communities access to capital and support to start businesses, which would not be available from mainstream financial institutions.

Demand side

EEDA's Enterprising Women programme delivers a variety of high quality, tailored training at every stage of a company's development. It encourages closer working between specialist and mainstream business support providers to transform the support women receive. Some topics are particularly relevant to women, such as confidence, fear of failure and risk, and others relate to key challenges for all growing companies such as increasing sales, growth, pricing and value.

A website http://www.enterprising-women.org/ supplements profiles of women-owned businesses in the region with online resources and information. On top of this online presence, the programme runs events all over the region. These bring women together around common themes and encourage new contacts and relationships.

The Enterprising Women community is open to business support organisations, networks and sources of specialist help. Women find all the support and advice they need in one place to start and grow a successful business.

Regional Women's Enterprise Business Support Directory – in order to support women in business EEDA has produced the first business support directory for women in the East of England. This informs women where to go to receive a range of support, provides useful tips and inspirational case studies.

BAME

EEDA commissioned the Minority Ethnic Network for the Eastern Region (Menter) to undertake a key piece of research to identify economic exclusion issues faced by Black and Minority Ethnic (BME) communities in the East of England. The research will provide a clear picture of the barriers facing BME communities in accessing services in employment, skills and enterprise and will identify solutions to overcome those barriers. Menter is planning to hold a number of dissemination events around the region with a wide range of public and voluntary agencies. The report will also seek to make recommendations about the role that Menter could play as the key strategic BME organisation in the region and EEDA will work with Menter to develop these recommendations into a 3-year EEDA business plan for 2007-2010.

Social

EEDA's Draft Regional Economic Strategy of Sept 2007, built on the Social Enterprise Strategy of 2005, to highlight:

Increased economic opportunities for disadvantaged communities.

Deprived communities often exhibit low levels or lack diversity of enterprise. This has the effect of limiting the local wealth generation or employment opportunities. The region's most deprived neighbourhoods need comprehensive packages of support and investment to encourage the start-up and growth of indigenous enterprise, including social enterprise, and attracting external employers to relocate.

Enterprise is about more than just new businesses and jobs. It is about enterprising behaviour and empowerment: individuals and communities developing their own solutions to address issues in their community, for example, setting up social enterprises to provide services in response to local need.

It incorporated the key issues derived from nine strategic objectives from The Social Enterprise Strategy for the East of England.

(1) Access To Finance

To improve access to finance for social enterprises by:

- Improving the promotion of all types of finance.
- Improving links with mainstream funders.
- Identifying better ways to use public funding.
- Improving the capacity of social enterprises to work with a range of different types of finance.

(2) Learning Opportunities

To improve access to, and the relevance of, learning opportunities for social enterprises and advisers by:

- Improving local information sources.
- Linking to national accreditation programmes.
- Creating more opportunities for learning.
- Promoting the needs of social enterprises to training providers in the region.
- Creating training opportunities for trustee and board members.
- Linking to mainstream training and education providers.

(3) Better Business

To make social enterprises better businesses by:

- Creating equality in access to high quality business support.
- Creating objective and unbiased routes to support.
- Improving the integration of policy and practice.
- Developing start-up support for new social enterprises.
- Providing developmental support for existing social enterprises.

(4) Growth

To enable social enterprises to grow by:

- Developing networks, clusters and supply chains.
- Building their capacity to win and deliver public sector contracts.
- Supporting social enterprise growth.

(5) Promotion

To promote the social enterprise sector by:

- Promoting social enterprises and what they can offer.
- Promoting to policy makers.

(6) Public Procurement

To enable social enterprises to access public procurement by:

- Improving the awareness of public bodies of the benefits of procurement from the sector.
- Improving the capacity of social enterprises to take on public sector contracts.
- Improving the capacity of subregional networks to influence public procurement.
- Opening up procurement opportunities.

(7) Becoming A Social Enterprise

To enable voluntary and community organisations and traditional businesses to develop as social enterprises by:

- Raising awareness of the impact of asset ownership.
- Introducing social accounting.

(8) Networks

To enable social enterprises and other stakeholders to work collectively towards shared goals and increased sustainability by:

- Developing networks that add value to existing services and activities.
- Avoiding duplication of service and initiatives.
- Operating at subregional and trade sector levels.

(9) Influencing Policy

To create an enabling environment for social enterprises by:

- Coordinating policy issues.
- Ensuring that social enterprise features in other strategies where appropriate.

East Midlands

	Whole Population		Women		
	All variables significantly correlated with TEA. Fear of failure is negative		Only expect to start a business, have closed a business and skills associated with TEA suggesting that experience is important		
Components	Demand	Fear of failure	Expectations	Network	Closure
Strongest factor loadings	- Expect to start a business - Know an entrepreneur - Opportunities - Have skills	- Fear failure	- Expect to start a business - Have the skills - TEA	- Know an entrepreneur - Opportunities - Fear failure	- I have closed a firm in the last year

Interpretation	The responses for the whole population suggest a strong demand side that has not turned into entrepreneurial confidence as it has not linked with TEA. Fear of failure is a component in its own right. Although there is a strong positive attitude towards entrepreneurship which is not associated with entrepreneurial activity itself, fear of failure is a component in its own right. Women's responses are quite different – expecting to start a firm in the future, having the skills and being entrepreneurially active now comprise the strongest component. Women are thinking of setting up a business in the future and are also doing so now. They think they have the skills and all the other associated positive attributes to do so successfully. However, the network component suggests a fear from familiarity and 'I have closed a firm' in the last year is also a strong component. For those not entrepreneurially active a fear element associates with knowing an entrepreneur, suggesting that familiarity breeds anxiety allowing fear of failure to dominate.

Policy

Focus and stage of development

Women's Enterprise 2020 is the East Midlands Development Agency's (*emda*) Action Plan to boost women's enterprise in the East Midlands via increasing productivity across the region. The Plan covers practical opportunities to improve information to women business owners about accessing financial services, extending their markets, and growing high impact sustainable businesses. The overall target is for the number of women starting and growing enterprises to match the level of men. With four key objectives:

1. Boost the number of women starting sustainable businesses.
2. Support women to grow their businesses on their own terms.
3. Create an inclusive culture of enterprise for all women.
4. Develop the regional knowledge base on women's enterprise in the East Midlands.

emda have set targets and key indicators by which to measure progress and assess progress along the stages of development:

- By March 2006 Women's businesses will account for 20% of the East Midlands' total.
- In the longer term, by 2020 the number of women's start-ups will match the level of start-ups by men.
- By March 2006 women account for 40% of all customers of business support.
- Women from Black and Minority Ethnic Communities access business support in numbers that reflect their representation in the regional population (BME communities are 9% across the region).
- Promote a positive and inclusive culture of enterprise for all women, and unleash the economic potential of women as entrepreneurs, employers and employees.
- Improved understanding through enhanced intelligence of the key issues affecting women's enterprise start-up and growth, to inform regional and national policy and delivery of responsive business services.

emda have a basket of indicators by which to measure Women's Enterprise. These key indicators have data sources attached and associated Baselines. Some of these have started since 2004, for example the TEA rates from GEM and the number of women majority owned businesses from the FSB.

Supply side

emda's Women's Enterprise Action Plan 2020 highlights the need to Support women to grow their businesses on their own terms. The Action plan targets:

- All women in enterprise to have access to high quality information and advice on growing their business.
- By March 2006 women to account for 40% of all customers of business support.
- All women in enterprise receive appropriate business support on accessing finance and investment-readiness training.
- Work with women's business support providers and women's business to business networks through the Women's Enterprise Hub to enhance quality and promote synergy across the region.

In addition, the Headline Action targets the suppliers of financial services so:

- Banks and other financial services to improve the range of marketing material aimed at women, and to develop a greater understanding of the growth capital needs of women-owned businesses.

Demand side

Within *emda*'s Women's Enterprise Action Plan 2020 is the commitment to Create a culture of enterprise for all women. One key objective is to reaffirm that Enterprise opportunities are embedded throughout lifelong learning, which need Headline Actions:

- Improve the flow of communication between local businesses, education providers, and women, on the opportunities available, including through Education Business Partnerships, and Incubation facilities.
- Develop empowering programmes for girls and young women to foster their sense of confidence and self-belief particularly in areas of under-representation e.g. Computer Clubs for Girls (CC4G), SET Points.
- Work with PRIME to support enterprise opportunities for mature women
- Build on the success of Women's Enterprise Day in Enterprise Week, to promote positive images of women's entrepreneurial achievements, in particular through Social Enterprise.
- Work with large employers on developing leadership and enterprise development activity for women staff.
- Contribute to regional activity to boost women's involvement in public office and decision-making.

Key outcomes are stated in the plan:

Women are more informed of the range of enterprise opportunities available and they have strong skills for enterprise; increase in the numbers of women starting high growth high value added knowledge based businesses e.g. science, engineering, construction and technology; and enterprise is seen as a positive life choice for women of all ages and backgrounds.

Thus there are networking opportunities for women at all stages of business development linked to developing skills and mentoring, procurement, lobbying and advocacy which adherence to a strategic action plan will ensure are appropriately developed.

BAME

The 2020 Action Plan to boost women's enterprise in the East Midlands has the objective that Ethnic Communities access business support in numbers that reflect their representation in the regional population. At present, Black, Asian and Minority Ethnic communities total 9% across the region. This is in line with the Strategic Framework for Women's Enterprise which set this as a target. Of note is the recognition that a range of approaches are needed to successfully target BAME groups, not just business support access. To that end *emda* with many partners have identified, for example access to finance for BAME women as a specific issue and been involved in setting up The Centre for Research in Ethnic Minority Entrepreneurship.

'*emda* funded a piece of research on the business support needs of Black, Asian and Minority Ethnic Women in the East Midlands to investigate: estimates of the numbers of working age females in each minority ethnic group, and their likely activity rates in self-employment and enterprise; regional overview of any existing trend data relating to BME women in enterprise, e.g. likely sectoral activity; and a regional overview of the structure and nature of business support, and how this relates to a bigger supra-regional/national picture.

The aim was to learn from best practice in BME women's enterprise development. The key findings were that an increase in the number of role models of success were needed, as well as clearer identification and signposting of BME women's networks and enterprise networks. It was also shown than an estimated 35,000 BME women in the region wanted to start and grow businesses in the next three years in the region.

This provides the basis for the manifesto of change to mainstream support of all minority cultures into business support services, a process that is now already underway.'

Social

Within *emda*'s Women' Enterprise Action Plan 2020, Priority 3 is to 'Create a culture of enterprise for all women.' A key objective is for:

- Women to be signposted to opportunities to be active in community/social enterprise, or co-operative development, that responds to community need and addresses market failure.

A consequent Headline Action is to:

- Build on the success of Women's Enterprise Day in Enterprise Week, to promote positive images of women's entrepreneurial achievements, in particular through Social Enterprise.

emda also are involved in a range of initiatives such as Social Enterprises East Midlands and the School for Social Entrepreneurs.

London

	Whole Population		Women		
	All variables significantly correlated with TEA; fear of failure negative		All except perception of opportunities correlated with TEA; fear of failure negative		
Components	Confidence	Churn	Churn	Expectations	Fear
Strongest factor loadings	- Expect to start - Knows an entrepreneur - Sees opportunities - Has skills - TEA	- Shut a business - Fear	- Expect to start - Shut a business - TEA	- Expects to start - Knows an entrepreneur - Opportunities - Has skills	- Fear of failure prevents start-up
Interpretation	Confidence is the strongest component for the population as a whole while for women it is churn factors that appear associated with TEA. Churn in the whole population is loaded on a "fear of failure" component while fear of failure is a component in its own right for women. There is a strong expectations component for women suggesting a strong demand side to entrepreneurship amongst the entrepreneurial and the non-entrepreneurial female population. There is a dynamic entrepreneurship market which is positive for women. Women have positive attitudes due to high expectations and self perceptions.				

Policy

Focus and Stage of Development

The principal focus of The London Women's Enterprise Action Plan 2007-2010 is to work towards levelling the rates of women's enterprise across London and to counter the strong correlation between gender-based entrepreneurship and deprivation, ethnicity and other socio-economic factors. There are 6 key Actions: 1) Coordination of information, data and research, 2) Business support and advice, 3) Business finance, 4) Private and public sector procurement, 5) International partnerships and international trade, 6) Business premises.

The London Women's Enterprise Action Plan is for 2007 to 2010. It has an overall target that by 2010 at least 30% of the capital's total business stock will be majority-women-owned businesses. It is the LDA's first such venture and its actions have been drafted to complement and support the Gender Equality Duty in April 2007 and the Women's Enterprise Task Force.

The Action Plan summarises expected outcomes in March 2010 with the focus in three broad areas: 1) Support business start-up and growth, 2) Improve quality, awareness and access to services, 3) Enhance coordinated strategic development and knowledge. Thus specific outcomes with dates attached are stated for assessment with an evaluation exercise conducted every six months until March 2010.

Supply side

Two key areas of concern identified in the London Women's Enterprise Action Plan 2007-2010 are that women capitalise their businesses on average at one third of the level of men and that women-owned businesses access less than 5% equity finance.

Following on from this, the report recommends specific actions in the areas of 1) Community development financial institutions, 2) Micro-credit, 3) Online financial literacy, 4) Finance roadshow, 5) Private venture capital, 6) Women's business angel networks, 7) Create seed fund.

Demand side

The London Women's Enterprise Action Plan 2007-2010 notes a dual approach is needed in the support for women in business, that not all women need gender specific support, but some do, particularly women who may lack confidence, or those who may have cultural issues with gaining support in a mixed gender environment. It advises that all advisors should be competent in dealing with women and that there should be an option to see a female advisor and visit a women-oriented support organisation. There is a pledge to increase the number of business support providers with the Prowess 'Flagship Standard' and investigate synergy and impact of childcare related strategies, ensuring provision matches needs.

BAME

A stated aim in The London Women's Enterprise Action Plan 2007-2010 is to ensure the proportion of women from Black, Asian and Ethnic Minority (BAME) communities accessing publicly funded business support services in London will reflect their population locally. This is in line with the Strategic Framework for Women's Enterprise which set this as a target. Of note is the recognition that a range of approaches are needed to successfully target BAME groups.

Social

Women who choose to pursue social enterprises and co-operatives should not face additional barriers, but should be able to access appropriate support provision. These should be promoted alongside more traditional business structures. This has implications for awareness-raising for some advisors.

North East

	Whole Population		Women	
	All variables positively and significantly correlated with TEA		All except fear of failure significantly correlated with TEA	
Components	Experience	Networks	Churn	Networks
Strongest factor loadings	- Expect to start - Shut a business - Have skills - Fear failure (negative loading) - TEA	- Knows an entrepreneur - Sees opportunities - TEA	- Expects to start - Closed a business	- Knows an entrepreneur - Sees opportunities - Has the skills
Interpretation	Factors from exposure to entrepreneurship load to create two components for both the general population and for women. However, for the general population, expecting to start a business and general networking factors are also loaded with TEA where for women they are not. Knowing an entrepreneur is a strong driver in mainstream occupations but is not leading to entrepreneurial activity in the female population. This suggests enhanced profiles for appropriate role models could be positive. The churn factor for women suggests experience but not entrepreneurial activity now, while networking suggests that there is scope for a positive demand side. Women have had exposure to entrepreneurial activity in the past but are holding back now. There is experience of entrepreneurial activity in the region, but it is not associated with entrepreneurial activity now.			

Policy

Focus and stage of development

The cross-government Strategic Framework for Women's Enterprise was published in 2003 and we remain committed to increasing the numbers of women entrepreneurs. It was also announced after the Budget in 2006 that additional money was to be given to One NorthEast to establish a pilot Women's Enterprise Unit, to test various measures and approaches needed to accelerate rates of women's entrepreneurship.

Women into the Network – North East of England

Women into the Network is run by the Barclay's Centre for Entrepreneurship at the University of Durham, with funding from ERDF, ESF and EQUAL. It is predominantly a networking initiative, supplemented by an online community. Training and development events are run at subsidised cost for members and the website provides a range of services including signposting to other support and a searchable directory.

Women into the Network has recently piloted a women's Get Into Enterprise training programme which will be discussed below separately. Members provide mentoring support to the Prince's Trust for young entrepreneurs. This year One NorthEast are sponsoring their North East Woman Entrepreneur of the Year Awards.

The One NorthEast Women's Enterprise Strategy (2006) recorded that recent research into access to finance noted one of the primary barriers facing women entrepreneurs found 'Different women from different backgrounds going into different businesses for different reasons will have different finance needs and in some circumstances these differences or diversity may come from a position of disadvantage, or from other aspects of segmentation. However, this difference does not mean that women are any 'less able' starting and running successful businesses than men.'

The One NorthEast key strategic document is 'Leading the way: Regional Economic Strategy Action Plan 2006-2011.'

A key part of its strategy is to 'Build a new enterprise surge' To fulfil that pledge, the region must create many more new businesses with the ambition to grow – as a minimum increasing VAT registrations from 4,300 to 5,600 each year by 2011. It must also must actively support existing businesses to strive for sustainable growth and invest heavily in an innovative and integrated approach which starts with building a revitalised and ambitious enterprise culture. This includes:

- A campaign to build awareness and participation in enterprise across all groups, especially women and young people and across urban and rural areas, especially in disadvantaged communities.
- Clear and complementary roles for Business Link North East, Universities, Local Enterprise Growth Initiatives (LEGI) and specialist providers, including social enterprise and cultural providers.
- Innovative and intensive support including a dedicated high growth start-up team to develop graduate initiatives and mentoring.
- Encouraging innovative start-ups in priority sectors linked to universities through the science, innovation and creativity agendas.
- Focusing the Regional Image Campaign to increase awareness of the North East as a place where modern and innovative businesses flourish and which can attract new entrepreneurs.

Further pledges are stated:

- We will ensure that activities to raise enterprise are tailored to the needs of rural and deprived communities.
- We will deliver the Women's Enterprise Strategy, support young entrepreneurs, build on the Local Enterprise Growth Initiative programmes, and support community based enterprises. This will remove identified barriers to starting a business in our region by ensuring access to suitable forms of finance, part-time employment programmes and specialist advice.
- We will continue with "Stepping Stones to Self-employment", support more flexible child care provision and provide business accommodation suitable for new starts.
- Through Business Link North East, we will establish a comprehensive programme of support, providing the route to appropriate sources of specialist assistance in the public, private and third sectors.
- We will encourage the development of new types of enterprise, such as social enterprises, trading voluntary bodies and cultural providers.
- We will implement intensive support for high growth businesses, in partnership with the national High Growth Coaching programme.
- We will expand our networks of entrepreneurs to provide ongoing mentoring, coaching, sharing of best practice and hot-housing of creative ideas.

Performance monitoring of the implementation of the Regional Economic Strategy Action Plan 2006-2011

Significant emphasis is being placed on measuring progress and achievement. This is essential to the economic progress of the region as a whole. The North East Regional Information Partnership is developing a Monitoring Framework. This will involve a 'basket' of indicators to measure progress, linked directly to the priority themes within the Action Plan. Key regional partners will be involved in the development of this Framework.

In addition, One NorthEast will measure progress and achievement of the agencies and organisations contributing to the growth of the region. One NorthEast, for example, is developing a Performance Framework to measure the impact of its activities on the region's economy. All public bodies have systems in place whereby they report their progress. Further work is required to align these differing systems and indicators to understand respective contributions to outcomes and impacts. This work will reflect impending changes to Local Area Agreements (LAAs), Common Area Agreements (CAAs) and other emerging policy developments.

Supply side

As noted in One NorthEast's Women's Enterprise Strategy 'but equally as applicable to any region: Different women from different backgrounds going into different businesses for different reasons will have different finance needs and in some circumstances these differences or diversity may come from a position of disadvantage, or from other aspects of segmentation. However, this difference does not mean that women are any 'less able' starting and running successful businesses than men'.

As part of the bundle of commitments made by One NorthEast in the Regional Economic Strategy Action Plan 2006-2011 are those to:

Ensure that activities to raise enterprise are tailored to the needs of rural and deprived communities:

Deliver the Women's Enterprise Strategy;

Support young entrepreneurs;

Build on the Local Enterprise Growth Initiative programmes;

Support community based enterprises.

These will remove identified barriers to starting a business in our region by ensuring access to suitable forms of finance.

The Regional Economic Strategy Action Plan 2006 – 2011 'Leading the way' reinforces the importance of networking and mentoring in achieving the targets set in the plan. It has Transformational Interventions, designed to create the step-change required in the Region's economic performance if the RES targets are to be achieved. Thus innovative and intensive support, including a dedicated high growth start-up team to develop graduate initiatives and mentoring, are to be instigated.

Women Into the Network (WIN) is one of the leading women's business networking initiatives based in the North East of England. WIN's objectives are to help women develop confidence and begin to believe in themselves as business people, thus realising their potential to achieve. Working with a number of partners and actively educating the business support and service sector on how to develop more effective relationships with enterprising women, WIN offer a whole range of services including networking events and training workshops, inspirational role models and regular newsletters and publications. WIN thus uses networking to assist women entrepreneurs address the problems they experience in the marketplace, including juggling family and business commitments, lack of support, low self-esteem, negative attitudes from agencies and not being taken seriously by business contacts.

BAME

One NorthEast are currently funding start-up programmes that include a focus on women and BAME communities:

- Encouraging Women into Enterprise – this project includes working with women from BAME communities .
- A project run by the North of England Refugee Service working with refugees and migrants, one of the target groups is women refugees and migrants.

Social

From: Leading the way: Regional Economic Strategy Action Plan 2006 – 2011 May 2007, part of One NorthEast's Building a New Enterprise Surge includes:

- A campaign to build awareness and participation in enterprise across all groups, especially women and young people and across urban and rural areas, especially in disadvantaged communities
- Clear and complementary roles for Business Link North East, Universities, Local Enterprise Growth Initiatives (LEGI) and specialist providers, including social enterprise and cultural providers.

The deliverables include: Through Business Link North East, we will establish a comprehensive programme of support, providing the route to appropriate sources of specialist assistance in the public, private and third sectors. We will encourage the development of new types of enterprise, such as social enterprises, trading voluntary bodies and cultural providers.

North West

	Whole Population	Women
	All variables significantly correlated with TEA; fear of failure negative	Only opportunities and having skills to start significantly correlated with TEA

Components	Networks	Fear	Environment	Fear	Networks
Strongest factor loadings	- Expect to start - Knows an entrepreneur - Sees opportunities - TEA	- Fear failure	- Sees opportunities - TEA	- Closed a business - Fear failure	- Sees opportunities - Knows an entrepreneur
Interpretation	TEA and enterprise exposure factors load on a dominant component for the whole population around networks. Knowing an entrepreneur and seeing opportunities are associated with being entrepreneurially active. These mutually reinforce themselves. However, fear of failure loads on one component by itself suggesting that this is having a potentially opposite pull on enterprise culture. For women, there appears to be optimism in that perception of opportunities and TEA load on one "environmental" factor, but fear of failure loads with having closed a business in a fear component with networks being the weakest component. As less women know entrepreneurs and see less opportunities, this can lead to less entrepreneurial activity.				

Policy

There was a baseline update report in 2007 'Progress One Year On', which assessed aspects of the RES (2006). In addition, NWRDA's Women's Enterprise Policy is being integrated into the authority's Enterprise Policy, which is due for launch on 12 November 2007.

Supply side

The NWDA manages and funds a number of business finance solutions designed to help businesses in the region to start up and grow. These include grant schemes where money is given to a new or existing business for a specific project, as well as a number of loans and investment schemes where the money is repayable when the company has income, profits or shares are sold.

The range of finance solutions include:

Capital Investment Grants – available for businesses undertaking investment projects but needing the financial help to go ahead.

Grants for Research and Development – to help small businesses carry out research and development work that will lead to innovative new products or processes for a commercial market.

Equity Finance – aimed at start-ups and small businesses, particularly early stage and high growth potential businesses which do not meet banking criteria.

Business Angels are wealthy individuals looking to invest in a good business idea in return for equity.

Small Business Loans – loans of between £3,000 and £30,000 are available for start-ups, established small businesses and not-for-profit social enterprises unable to raise finance from the banking and financial services sector.

The NW women's business network also runs a loan fund for women entrepreneurs. Access to low cost loans is a valuable support mechanism.

Demand side

Much of the region's business support and networking is channelled through the Northwest Strategic Women's Enterprise Group. This was established by the NWDA to increase the number of women starting up and growing their own businesses in the region. The Northwest Strategic Women's Enterprise Steering Group aims to create an environment in which enterprising women have the skills, confidence, support and opportunities to make an equal contribution to economic prosperity by:

- Providing a collaborative, long-term approach to women's enterprise.
- Creating an environment that encourages women into business.
- Supporting the development of partnerships in the region.
- Sharing good practice.
- Undertaking mapping and research of the provision of women's business support providers.

Key actions for the Steering Group include:

- Working with partners to influence regional and national women's enterprise policy.
- Generating additional access to finance for women entrepreneurs.
- Working towards removing barriers for women who are carers.
- Facilitate the roll-out of a quality framework for business support to get more women into business.

The Northwest Regional Development Agency (NWDA) encouraged over 70 business women to officially sign up as Women's Enterprise Ambassadors (July 2007) to represent the Northwest in the drive to build a national network of women entrepreneurs.

The Women's Ambassador Campaign aims to promote a culture of women's enterprise, by starting a business, social enterprise, or by making an innovative idea happen at work. Ambassadors will become a member of a new national network helping women across the country.

BAME

The Northwest Regional Economic Strategy 2006 states actions for BAME to ensure that business start-up and survival provision is targeted at Women and BME Communities which are under-performing sectors of the region.

The reason why this is important as a strategic objective is that it improves start-up rates: knowledge-based start-ups are more innovative and internationally competitive; groups with specialist needs currently have low enterprise rates but huge potential; areas identified by OPDM as significantly lacking in enterprise growth need additional support, including support via the Local Enterprise Growth initiative.

Social

The NWDA has an active programme of support for the social enterprise sector which is being delivered on a sub-regional basis. Detailed mapping exercises were undertaken in 2003 in each of the Northwest's five sub-regions to identify the number and type of social enterprises in each area and their characteristics, as well as to assess the barriers to their development and support needs.

Following this, Social Enterprise Partnerships have been established in each sub-region. These comprise social enterprise representatives and agencies active in the sector, with support from the Agency. They were formed to provide forums for discussion on the development of the social enterprise sector in their respective areas. Steering groups have also been formed to develop Social Enterprise Action Plans, with funding from the NWDA, to take forward the development of the sector in each sub-region.

The Action Plans were introduced in 2006. They aim to increase the formation, growth and survival rate of social enterprises; improve research, information and communication within the sector; develop new market opportunities for social enterprise organisations; and to tackle the barriers that they can face when bidding for contracts. Each Action Plan aims to develop a long-term strategic vision for social enterprises in the Northwest in order to maximise the social, economic and environmental benefits they can generate for the region.

From the Baseline Update Report 2007 : Progress One Year On.

June 2007 (after their RES 2006) A regional enterprise policy is currently being developed and research is under way into the support needs of social enterprises.

South East

	Whole Population		Women		
Correlations	All variables except having shut a business are significantly correlated with TEA		All variables except fear of failure significantly correlated with TEA		
PCA Components	Confidence	Fear	Network	Churn	Fear
Strongest factor loadings	- Expect to start - Know an entrepreneur - Have skills - See opportunities - TEA	- Have closed a business - Fear failure	- Know an entrepreneur - Have the skills	- Expect to start - Have closed a business - TEA	- Have the skills - Fear failure
Interpretation	The whole population in the South East exhibits quite different patterns of responses to women in the South East. Women's responses cluster around three dominant components, of which "networks" (with two factors, knowing an entrepreneur and having the skills) being strongest. Churn factors and TEA load together on one component and having the skills to start and fear of failure load on the final component. All this suggests that women have an appetite for enterprise and that churn factors are important, but not necessarily negative – i.e. necessity based, drivers of entrepreneurial activity.				

Policy

Focus and stage of development

Although women make up 52% of the population in the South East, and 46% of the economically active, they are massively under-represented among the region's business owners. About 18% of all businesses are female majority-owned and about 27% of all self-employed people in the region are women.

This under-representation is a lost opportunity for the region. Tackling women's representation in enterprise is much more than just an issue of equal opportunities. A step-change in the number of female entrepreneurs in the South East would:

- Make a significant contribution to closing the region's productivity gap with the world's most competitive regions.
- Transform the lives of individual women, their families and their communities, particularly in the region's most disadvantaged areas.

The potential is huge: 9% of working age women in the South East report that they are interested in starting a business – that is almost a quarter of a million women.

Improving productivity is at the heart of the Regional Economic Strategy (RES) for the South East and highlights the economic case for Women's Enterprise. SEEDA's strategy for developing Women's Enterprise in the region is documented in 'Realising the Potential of Women's Enterprise in the South East; A strategy for the region 2005-2010'

SEEDA has an ambitious goal that by 2010 there will be 10,000 more women-owned businesses in the region, and achieving this is being supported by addressing the following six priorities:

1. To make women-friendly business support accessible to every woman in the region regardless of where she lives and to ensure that the needs of all segments are met.
2. To improve women entrepreneurs' access to finance and access to markets.
3. To overcome the disincentives for women to move from benefits to self-employment.
4. To improve the provision of flexible childcare facilities for women entrepreneurs.
5. To raise the profile and understanding of women's entrepreneurship and its impact on the economy amongst all stakeholders.
6. To connect members of the Women's Enterprise community with one another and with public policy makers.

This Regional Strategy is driven by the South East Women's Enterprise Steering Group, and action groups drive forward specific thematic activity. Membership of these groups includes representation from the public and private sector.

In April 2006 a report was produced which evaluated some initial pilot projects. This concluded that women appear highly motivated by independence from an employer as a reason to commence self-employment. Women value the prospect of being self-determining with regard to time spent working thus enabling them to fulfil other commitments – like caring for children and family – and enterprise can fit round these obligations.

Also women appear to wish to earn 'enough' money rather than aspire to build a growth business from the start. Therefore encouraging women to consider the scalability of their business is also key to making an economic impact:

A huge range of activities have taken place which have had women's enterprise at their heart and implementation of the key strategic priorities in mind. These range from appointing a Regional Women's Enterprise Manager, funding women focused business support activity through the region's Business Link Providers, initiatives and research into access to finance including starting a network of female Business Angels, raising awareness and promoting role models through the Women's Enterprise Advocates Programme, and launching a regional Women's Enterprise website, hosting an online directory of business support organisations and women's networks available in the South East. All initiatives are subject to an ongoing assessment process where their success and implementation is under constant scrutiny and possible review.

Supply side

SEEDA's strategy set out targets which the Finance Action Group address with regards to improving women entrepreneurs' access to finance and access to markets.

Access to finance is one of the issues which is consistently identified as a barrier to business start-up and growth, particularly for women. The issues are complex and are as much to do with women's attitudes to finance, risk and debt as to any direct discrimination in the supply side.

Access to markets has not featured strongly in the UK's assessment of the barriers to Women's Enterprise. However, without access to markets women won't get finance and without access to finance women can't access new markets. Opening up corporate and government procurement to women and helping them gain a position in the supply chains is required. This will also assist women to grow their businesses.

The strategy highlighted:

- Finance South East were asked to explore the potential for a women-friendly business angel network and venture capital fund based on successful US models for women owned businesses with high growth potential – this activity is progressing and aims to recruit a network of female business angels, which will fund both male and female owned businesses, but by nature of being women-only, will highlight the option of angel funding to more women.
- SEEDA will encourage partners to develop women-friendly investment readiness programmes which address the specific issues faced by women including their fear of debt, their consistent undercapitalisation, their lack of personal resources and their understanding of the sources of finance available. Finance South East have already successfully supported a number of female owned businesses through a tailored investment readiness programme, securing over £1m of finance.
- Through joint working with colleagues in the Economic Inclusion Team, SEEDA supports the development of financial products for high risk businesses where traditional financial support is not available i.e. through microcredit programmes and Community Development Finance Institutions (CDFIs) to meet the financial needs of women entrepreneurs in disadvantaged areas. A Micro Credit programme is now running through the CDFIs and is being promoted to eligible women.
- Publicly funded business finance sources in the region will be asked to provide data disaggregated by gender. The Finance Action group are looking at obtaining this with a process which will allow collation of the information, and with engagement with commercial banks, are able to look more broadly at the data available for female business start-ups and funding.

Demand Side

The Women's Enterprise Advocates Programme has recruited a group of high level individuals from a wide range of business sectors to help raise the profile of women's enterprise and its importance to the South East economy. This dynamic group of people

with a passion for women's enterprise, come together to help inspire other women to consider starting their own business, and create debate around the perceived barriers to setting up in business. Alongside this, SEEEDA has recruited over 100 regional Ambassadors as part of the national programme.

Analysis of our enterprise performance compared with major competitors shows that the greatest potential for increased entrepreneurship in the region lies with women. For example, the UK has about the same number of male-owned businesses per capita as the US, but only about half the rate of female-owned business compared with the US. Therefore, if the South East has the same rate of female-owned business as the United States, there would be an additional 50,000 more businesses in the region, and the potential for a significant improvement in our productivity performance.

In the South East, women cite the following reasons as barriers compared with the number of men:

- Fear of getting into debt (56% of women compared with 52% of men).
- Getting finance for the business (50% of women compared with 46% of men).
- Not knowing how to start and run a business (33% of women compared with 29% of men).

SEEDA has identified specific initiatives which will make a difference in the delivery of women's enterprise and help break down these barriers:

Many of the things that mainstream business support organisations need to do to be more responsive to women can be achieved with existing funding (e.g. changing the start times of events, using more appropriate images in marketing material, always offering the option of a female adviser, bringing about cultural change in the organisation). However, funding has been provided via the Business Link Providers to make the transitions and to help support women with social or economic disadvantages, particularly through programmes like the Enterprise Gateways who work specifically with disadvantaged groups. SEEDA also support mainstream organisations' work towards achieving Prowess Flagship standards and to developing new approaches particularly for hard to reach groups.

As SEEDA hosts the regional coordination and management role for Women's Enterprise, it enables:

- Building of relationships with all of the stakeholder organisation and facilitating the Action Groups, engaging with local providers and individual entrepreneurs on the issues and challenges faced in starting businesses.
- Managing a regional website for Women's Enterprise which connects women with support in their area and women's networks with the online business support directory; promotes role models and real life success stories with case studies of the Women's Enterprise Advocates; and provides online forum for members of the Ambassadors network, with a discussion forum facility.
- Engaging women business owners in the process of influencing public policy markets which is recognised with the implementation of the Ambassadors network nationally and development of SEEDA's Women's Enterprise Advocates programme.
- At sub-regional level, SEEDA has identified a Women's Enterprise champion at each Business Link Provider. These champions are passionate about Women's Enterprise and actively involved in supporting women entrepreneurs. They are responsible for helping the regional Women's Enterprise Manager identify the organisations that can support Women's Enterprise in their sub-regions.
- Bringing together on a regular basis the Steering Group and Action Groups to improve understanding of what each other offers, share best practice, identify opportunities for collaboration, identify gaps or ensure duplication is avoided.

Partnership working with the region's Business Links is critical to achieving targets set in the Women's Enterprise Strategy and the Regional Economic Strategy. Recent research by SE Business Links shows that in 05/06 BL usage by women was 21%, in 06/07 this had increased to 26%. In 06/07 women's customer satisfaction of BL support was 90.8%

SEEDA has recently brought together key stakeholders to review progress against the regional strategy and to re-focus on priority areas for the next three years.

BAME

SEEDA, in line with all the RDAs had a target set in 2003 by BERR's Strategic Framework for Women's Enterprise. This was that by 2006, the number of women from ethnic minority communities receiving business support assistance will be proportional to their representation in the local/regional population.

Current figures show, of the 26,962 estimated BME business in the South East, around 16% or 4,314 are thought to be co-owned by BME women, and 20% or around 5,392 are solely BME female owned.

The number of BME women using Business Link services in 05/06 was 1.4% and this had increased to 2.1% in 06/07. Compared with the Strategic Frameworks target of 3.2%, there is still progress that needs to be made. However understanding the current levels of female entrepreneurship overall in the region has been hampered by the lack of data about business ownership in the UK which is disaggregated by gender and ethnicity – therefore improved data will assist improved targeting of audiences and identification of gaps. Although it should be noted that, through work with the national Women's Enterprise Task Force, the situation around data collection is improving.

SEEDA has a comprehensive set of targets for BAME inclusion within the overall plan which will achieve the National Framework conditions and SEEDA has recently appointed a regional enterprise manager, employed through Business Link to focus on increasing the number of individuals from BAME groups considering enterprise and accessing business support services.

SOCIAL

Academic research in the US and UK has established criteria to place a value on the non revenue impact of social enterprise. SEEDA is sponsoring the Social Impact Measurement for Local Economies (SIMPLE) programme where social enterprise managers can be trained to use a toolkit to calculate and promote their contribution.

South West

	Whole Population			Women		
Correlations	All except "closed a business" significantly correlated with TEA. Fear of failure negative			All except "expect to start a business" significantly correlated with TEA (although expect to start is only correlated at 10% level)		
Components	Experience	Expectations	Fear	Experience	Expectations	Fear
Strongest factor loadings	- Shut a business - Knows an entrepreneur - Has the skills	- Expect to start - TEA	- Opportunities - Fear failure	- Closed a business	- Expect to start - See opportunities	- Shut a business - Have the skills - Fear failure - TEA
Interpretation	The general population and women have similar analyses. However, the correlations are slightly weaker for women and "closed a business" loads on one component by itself suggesting that women do have exposure to enterprise and that this is having a dominant influence over their responses. There is a positive "expectations" component for women but TEA does not load on it. The component for Fear is complex with TEA loading significantly on it suggesting that some form of actual experience is associated with fear of failure.					

Policy

Focus and stage of development

The revised Regional Economic Strategy has a number of activities within its delivery plan to encourage women into business, including:

- Deliver and develop finance initiatives for community and social enterprises (e.g. Women in Business Fund).
- Implement the Strategic Framework for Women's Enterprise in the region
- Deliver routes into employment for the long-term unemployed and other hard to reach individuals.
- Identify barriers and constraints to accessing employment, skills and enterprise support as a result of discrimination
- Deliver targeted skills, employment and business advice for groups under represented or disadvantaged in the labour market
- Promote social enterprise and community finance initiatives in deprived areas.

Along with this, the Regional Strategy for Enterprise outlines a number of objectives (with associated activities) around encouraging enterprise for all, within Strategic Theme Five:

- Encourage and support the promotion of enterprise and new business creation to all.
- Improve the number of, quality of, and access to enterprise and business support services, for under-represented groups and disadvantaged communities.
- Provide access to business start-up and wider support services in rural and urban areas and communities.
- Make enterprise central to regional and local regeneration strategies.

The Regional Advisory Group on Women's Enterprise was established with the aim of increasing the proportion of women starting and growing businesses in the region by:

- Identifying gaps.
- Producing an Action Plan.

Two working groups have been formed to tackle the major issues which affect women's progression in enterprise, which align with two of the national Task Force on Women's Enterprise 'pillars' and with priorities in the National Strategic Framework for Women's Enterprise and are aligned with activities within the SWRDA's RES and RSE:

1. Access to finance
2. Access to appropriate business support and community finance initiatives in deprived areas.

Other recent activities include:

- The publication of the South West directory of business support for women 2007.
- A new neighbourhood centre in Bridgwater opened in March 2006 containing start-up business units, family amenities including childcare centre for 45 children.
- The Launch of Ambassadors Network programme.

In keeping with many other RDAs, SWRDA appointed a women's enterprise advisor in August 2006.

The Regional Advisory Group on Women's Enterprise was established in February 2007 and set up Task and Finish groups. These will report on progress to the Advisory Group once a quarter via a simple verbal update and respond to the direction provided by the Advisory Group.

The two working groups for the two pillars of Access to Finance and Business support will meet every six weeks.

The Advisory Group will be responsible for communicating the final combined plan (which will form the Regional Action Plan) and for monitoring and evaluating the plan to ensure it is being delivered and the activities are effective.

Supply side

In February 2007 the Regional Advisory Group on Women's Enterprise was established with the aim of increasing the proportion of women starting and growing businesses in the region.

The existing Regional Economic Strategy (RES) and Regional Strategy for Enterprise (RSE) both contain activities around promoting women's enterprise. It is therefore felt that developing these activities into a regional action plan would be an appropriate way to progress the women's enterprise agenda in the region.

Two working groups have been formed to tackle the major issues which affect women's progression in enterprise – in order to develop such a plan. These align with activities within the RES and RSE and with the National Task Force on Women's Enterprise 'pillars' of Access to Finance.

Subsequently, the instigation of a Task and Finish working group expressly to identify gaps and produce an action plan specifically for Access to Finance for Women Entrepreneurs in the SW has just been set up. This reports to a Regional Advisory Group which is following nationally recognised strategic areas of concern. Emphasis of the Task and Finish Group is on choice and consistency in access to finance and understanding that for many women, setting up in business is a "journey".

BAME

In August 2006, the South West RDA recruited a Women's Enterprise Advisor, to coordinate activity on women's enterprise for the region and to help create the conditions to increase the proportion of women starting and growing businesses.

Encouraging new enterprise and improving participation in the economy are two key priorities identified in the Regional Economic Strategy. Supporting more women into business delivers benefits in both of these priorities.

To support this work a Regional Advisory Group on Women's Enterprise has been established to help determine the future direction of support for women in the region. The 2007 South West Directory of Business Support for Women gives support ranging from workspace to training programmes. It will also inform where support in an all female environment can be found or where support with Childcare provision is available.

An example of how Mentoring and Support services have targeted the development of further groups is Cotswold businesswomen form support group. This was formed after a successful course 11 June 2007 The pilot 'Target for Growth' training programme for women who wanted to grow their existing successful businesses in the North Cotswolds, was devised by Business Link and funded by Gloucestershire Rural Renaissance initiative. Gloucestershire Enterprise Business Services is a not-for-profit social enterprise working for the development of a more prosperous Gloucestershire. It provides business advice and support, business skills training and specialist programmes specifically designed to help micro businesses prosper and grow.

Social

RISE represents the South West Social Enterprise sector with collaborative help from many agencies including SWRDA. SWRDA commissioned RISE to conduct an extensive research and scoping study that underpins the proposed South West Social Enterprise Service which, it is hoped, will have national implications for benchmarking best practice in delivering business support to social enterprises. The service will be launched late in 2007.

West Midlands

	Whole Population		Women		
Correlations	All variables except fear of failure and having closed a firm are significantly correlated with TEA		Only expect to start a firm and have the skills are significantly correlated with TEA		
PCA Components	Confidence	Fear	Demand	Fear	Churn
Strongest factor loadings	- Expect to start - Know an entrepreneur - See opportunities - Have skills - TEA	- Skills load negatively - Fear of failure	- Expect to start - Know an entrepreneur - Have skills - See opportunities	- Skills load negatively - Fear of failure	- Expect to start - Shut a business - TEA
Interpretation	TEA loads on a confidence component for the whole West Midlands population which includes expecting to start a firm, knowing an entrepreneur, seeing opportunities and having the skills. For women, the same demand-side drivers are not bundled with TEA to produce entrepreneurial confidence. Skills load negatively on a component with fear of failure and churn factors are clustered with TEA in one component. This suggests strong demand but an underlying lack of entrepreneurial confidence.				

Policy

The Regional Women's Enterprise Unit (RWEU) forms an integral part of Advantage West Midlands' Business Support Service.

Its mission is to assist all women in the West Midlands, to access 'gender-friendly' business support, advice, guidance, mentoring and training, to enable them to establish or grow their businesses. Women will be offered access to relevant business support, regardless of their social or financial disadvantage, race, ethnicity or previous business background.

The Regional Women's Enterprise Unit will support other providers in building their capacity to offer women-friendly support in the region using their flagship women's programme called the Women's Empowerment Programme. The RWEU raises awareness of the needs of women entrepreneurs and contributes to an economic and cultural environment which is highly supportive of women's enterprise.

Their key objectives:

1. To promote awareness of enterprise as a career option for girls and women.
2. To ensure access to women-friendly enterprise support to all aspiring and existing women entrepreneurs.
3. To ensure that these services are as inclusive as possible and that they reflect the cultural diversity of the region.
4. To ensure that support services are consistent in their quality and reach throughout the region.
5. To ensure that support services conform to nationally recognised standards of excellence.
6. To ensure that best practice, wherever it is developed, is shared with support agencies throughout the region.
7. Through a challenge fund help women's enterprise support organisations to both build their capacity to deliver services and to achieve best practice status.
8. To encourage innovative training, business support and products.

In the main, women's enterprise in the West Midlands is centred in the Regional Women's Enterprise Unit, which is managed by three partners: Prowess, Women's Business Development Agency and Women in Rural Enterprise. It can be seen as the operating arm of the AWM's Women's Enterprise strategy. It was launched in June 2006 with the specific purpose to ensure women can access the type of professional and confidential business support which meets their needs – to help them achieve their dreams of starting up their own business, or ambitions of growing and developing an existing business. The targets, as such, are practical implementations of previously determined plans for action from the AWM and the National Women's Enterprise Strategic Framework.

Evidence based assessment of the impact of RWEU has been undertaken and suggests that the RWEU services have provided increased start-up and business growth. High level skills are an important feature of women accessing services and this would appear to tie in with the PCA analysis above: a generally confident demand side in one component sits alongside a component which suggests that the more someone thinks they have the skills to start a business, the more likely they are to fear failure. Churn factors in the impact assessment appeared important as, indeed, they do in the PCA.

Supply side

For AWM, ensuring businesses have access to appropriate finance is key to an enterprising region. Entrepreneurs need finance to start new businesses and existing businesses need it to realise opportunities for growth.

Accordingly, Advantage West Midlands has drawn together a Regional Finance Forum and Access to Finance Framework with the aim of ensuring that innovation, entrepreneurship and business growth are not adversely affected due to a viable business being unable to access appropriate finance.

Advantage West Midlands' role in enabling access to finance involves identifying market failure and gaps in the supply of finance and working with the private sector to explore the most appropriate ways for these to be filled.

An 'Advantage' suite of funds and a number of other initiatives have been set up to provide a range of grants and small loans to risk capital investments of up to £2 million. In addition, via Business Link West Midlands, they support initiatives that increase businesses' awareness of different types of finance and what finance providers expect of businesses, effectively helping make them 'investment ready'.

AWM also support a portal through which information is available about more than 500 different sources of public and private sector funding.

Demand Side

Women needing networking and mentoring in rural settings can access the 'Opening Doors' programme by WiRE. It is a programme of workshops, training support and information for women thinking of or starting up their own business based in a rural setting. Additionally, for women who live or are planning to start a business in a rural location then the Women's Business Development Agency (WBDA) have a flagship women's programme called the Women's Empowerment Programme which deals with networking issues as well as general business advice.

The RWEU conduct similar networking and mentoring advisory sessions via their Women's Empowerment Programme for women's urban businesses.

BAME

Advantage West Midlands have funded (Dec 2006) two projects via its Challenge Fund: Breathing Space and the Sandwell Women's Enterprise Development Agency, both of which will encourage more women in minority ethnic communities to start up in business.

The Challenge Fund money has been allocated through the Regional Women's Enterprise Unit (RWEU) which was launched by Advantage West Midlands earlier this year to promote women's enterprise as part of the new business support scheme.

The RWEU is being delivered by the region's two leading women's business support groups, Shropshire-based Women in Rural Enterprise (WiRE) and Coventry-based Women's Business Development Agency (WBDA).

As part of the new West Midlands Business Link which came into effect from April 1 2007, targeting minority ethnic communities and women entrepreneurs will be key priorities.

"There is massive potential within these areas and groups like Breathing Space and SWEDA are well placed to make a real impact for us."

SOCIAL

Social enterprises are viewed by the AWM as viable and potentially high growth businesses like any other SME. Therefore the new Business Support Service must be as relevant to social enterprises as any other SME. However, they recognise that there are specific issues for the growth of social enterprises which require some specialist knowledge and support, focused on the "pre-start-up" phase.

- Funding the West Midlands Social Enterprise Network (WMSEN) to act as an advisory body to Advantage West Midlands on social enterprise issues and promote the value of social enterprise throughout the region.
- Improving access and including social enterprise as a key element of our region-wide suite of business support and access to finance products.
- Ensuring Agency investment in Regeneration Zone and Market Town Initiatives encourage partners to include social enterprise in their plans and programmes.

Details on regional and Agency priorities for investment in sustainable social enterprise development can be found in the West Midlands Social Enterprise Framework 'A Point to Prove' and the Agency's social enterprise policy. (April 2007).

The Framework 'A Point to Prove' was funded and led by the Agency, but is intended to guide investment in the social enterprise sector by all key stakeholders within the region up to 2010.

As well as setting up WMSEN and developing the Social Enterprise Framework, the Agency has delivered a wide range of social enterprise projects, including:

- Via the Regional Finance Forum development of:
  - A growing network of CDFIs across the region providing geographical and thematic coverage for both social enterprises and SMEs,
  - A Community Loan Fund (£850,000, specifically for community/social enterprise) providing loans between £15k and £85K ;
  - Regional "investment readiness" programme to increase access to finance specifically for social enterprises through an enhanced level of business support;
- Funding/supporting 'Creating Sustainable Credit Unions across the West Midlands' an innovative Credit Union project using expertise from abroad.
- Funding a study in conjunction with the regional BME social enterprise task group to explore issues facing BME communities interested or already running social enterprises.
- Working with sub-regional structures to raise awareness to support social enterprise development across the Regeneration Zone Partnerships.

Yorkshire Forward

	Whole Population		Women		
	All variables except having closed a firm and fear of failure significantly correlated with TEA		Only expect to start, see opportunities and have the skills are significantly correlated with TEA		
Components	Confidence	Fear	Confidence	Fear	Closure
Strongest factor loadings	- Expect to start - Know an entrepreneur - See opportunities - TEA	- Have the skills (negative loading) - Fear failure	- Expect to start - See opportunities - TEA	- Have the skills - Fear failure	- Have closed a business in the last year
Interpretation	Confidence factors in the mainstream population do not include a significant loading for having the skills to start a business, while for women, they only include expecting to start and seeing good business opportunities. Women are more dominated by lack of confidence represented by a "Fear" and a "Closure" component, suggesting networking, training and mentoring would be positive initiatives.				

Policy

The most recent report informing policy for Women's Enterprise is Women's Enterprise and Business Start Up: A Strategic Framework for the Yorkshire and Humber Region August 2007.

The document was generated through extensive consultation with stakeholders and entrepreneurs as well as an in-depth analysis of the statistical data available with respect to business start-ups' in the region. The findings of the report will be used to influence and shape the business start-up programme which is currently being developed with the new business link provider and which will commence in April 2008.

The main theme is the creation of an enabling support environment for women from all backgrounds that can work across different market segments. There is specifically not a focus on separate provision of business support for women.

There is no compelling evidence to suggest that the overall patterns of female entrepreneurship are acutely different in Yorkshire and Humber than they are in say the rest of the UK. All of the general patterns that prevail nationally are mirrored regionally. This reflects the now widely accepted fact that women's roles, as entrepreneurs and business owners, generally reflect their wider positions in society.

Regionally, 4% of women of a working age are self-employed compared with 5.1% nationally (Labour Force Survey, 2006). The Global Entrepreneurship Monitor evaluates total early stage entrepreneurial activity regionally and nationally. Male entrepreneurial activity in Yorkshire and Humber is 7.9% – slightly ahead of the national rate of 7.8%. The rate for women is less than half of this at 3.4% (3.6% for the UK). Estimates of the numbers of women owned businesses in the region are difficult to make. Using the two models developed through this study, however, we broadly predict there to be about 93,000 women in either self-employment or in ownership of a business.

Women's enterprise is important in helping to realise the targets within the Regional Economic Strategy. Ensuring that women are benefiting from regionally delivered programmes will then obviously be key to realising the region's ambitious growth targets.

If the regional programmes were to achieve a small annual percentage increase in the numbers of working age women in the region that move from thinking about setting up a business towards actually setting up a business, then the net effect on the VAT register can be significant. Just a 1% increase in female start-up propensity could increase the number of VAT registered businesses in the region by 2,400. If this were to continue year on year, then the RES target for start-up would be realised.

The report concludes with a framework of recommendations and suggested actions. These have been organised into a structure that recognises that choices will need to be made about what is delivered and by which organisation.

The aims that sit at the heart of the framework are:

- First, to increase the level of entrepreneurship amongst women. The actions that fall out of this are referred to this as the "cultural interventions".
- Second, to increase the numbers of women who participate in the emerging regional business start-up programme. The actions that fall out of this are referred to this as a "start-up interventions".
- Third, to promote growth and sustainability amongst female owned businesses within the region. The actions that fall out of this are referred to as "growth and sustainability interventions".

These simple aims provide a "framework" for a set of detailed actions which the RDA will commit to with the appropriate partners. There are also a series of more generic issues that the framework seeks to address. These include, for example, a range of national strategic issues, such as ensuring a long-term commitment from central government to promoting women's enterprise. They also include a range of operational issues that affect strategy, such as the need for gender disaggregated business data.

The new business link start-up programme and the other five business support themes will all reflect the actions highlighted in this report and the new regional knowledge system which is being developed alongside the programme will enable us to proactively monitor the success across all groups that we are targeting.

One of the key themes for the YF Enterprise Development Team is to support the growth of businesses by addressing the issue of access to finance. This is being tackled using a collaborative approach with many agencies involved.

The Regional Economic Strategy 2006-2015, which has several key financial objectives:

- Improve business access to the full range of finance available, work with banks and other financial institutions, develop Finance Yorkshire and Investment Funds.
- Help businesses to be 'investment ready' and make strong pitches to lenders and increase the uptake of venture capital and investment funds.
- Publicise the Selective Finance for Investment grants available for eligible investment projects in certain qualifying areas.

Indicators will be used to chart progress against specific RES 2006-2015 deliverables and research will be commissioned to develop an overall regional indicator of 'sustainable economic growth' by 2007. Three-year actions will lay the foundation for delivery of longer-term outcomes.

In common with other RDAs, YF also publicise, run or support a full range of financial opportunities for general enterprise and within that, for women.

Demand side

The Regional Economic Strategy for Y and H 2006-2015 stresses the need to promote enterprise through targeted events and activities including Enterprise Shows which have proved to be extremely successful over the last three years. A high proportion of those attending go on to start up a business.In addition the new start up programme will have a

targeted element of pre-start market stimulation with bespoke resources in place to target priority groups. The programme will also link into LEGI activity in the region.

BAME

In order to increase the number of successful and sustainable businesses being set up by people from Black and Asian Minority Ethnic (BAME) backgrounds, programmes are specifically targeted at this demographic to encourage the usage of the Business Support Services. A bespoke programme is being run in West Yorkshire where 75% of the region's BAME community reside. In addition the region has five successful LEGI local authorities, two of these being Bradford and Leeds.

A new Task Force for BAME enterprise is jointly chaired by Yorkshire Forward. This government task force has been launched to foster growth amongst existing and potential BAME entrepreneurs. It will have a particular focus on encouraging more enterprise participation by ethnic minority women. It is working closely with the national Women's Enterprise Task Force. The new body is also being asked to investigate why some minority groups face additional access to finance barriers. A recent DTI report showed that on average ethnic minority-owned businesses pay higher bank loan charges than white-owned businesses and that Black African and Black Caribbean-owned businesses are much more likely than Indian, Pakistani and White-owned businesses to be rejected for loans outright (announced July 2007).

Social

YF's RES 2006-2015 aims to utilise and build the capacity of the voluntary sector and social enterprises to deliver appropriate mainstream services, because as they state 'at its best, the voluntary sector is innovative, efficient and close to communities.'

The Social Enterprise sector within the region continues to grow as more people realise its huge potential to stimulate economic regeneration and business growth within local communities.

Yorkshire Forward is investing funding to provide comprehensive business support programmes for start-up and existing social enterprises.

Working with the Business Link Network, social enterprises have access to the full range of support services that are available. However, it is recognised that social enterprises do require some specific, more intensive support services which are now being delivered alongside the core Business Link offer, tailored to each of the sub regions.

YF work closely with SEYH (Social Enterprise Yorkshire & Humber Ltd), the regional voice for the Social Enterprise Sector. The organisation is made up of leading social enterprises within the Region and assists on matters of policy, business support, funding and overall promotion of the Social Enterprise sector. For example, the Footsey social economy trade fair and exhibition which is an opportunity for new and existing social enterprises to trade and to promote their products and services to procurement professionals across the public and private sectors.

Wales

	Whole Population		Women	
	All variables significantly correlated with TEA except fear of failure		Only expect to start, opportunities and have the skills to start significantly associated with TEA	
Components	Confidence	Fear	Confidence	Fear
Strongest factor loadings	- Expect to start - Knows an entrepreneur - Have the skills to start - TEA	- Have the skills to start - Fear failure	- Knows an entrepreneur - Sees opportunities - Have the skills to start - TEA	
Interpretation	Patterns of women's enterprise drivers are very similar to the whole population although the confidence component also contains "sees good business opportunities". Fear of failure amongst women is a component in its own right, suggesting that it is a potential inhibitor of women's enterprise.			

Policy

The main thrust of research into women's enterprise in Wales is centred in the Cyfenter2 Development Partnership. This is primarily a research based project that aims to influence and develop mainstream business support policies and practices for excluded groups of entrepreneurs which will enable them to grow and sustain new enterprises, including the barriers and issues they experience. More specifically, its aims are to:

- Conduct action-based research which identifies and records the wide range of issues now being experienced by these new entrepreneurs
- Provide the evidence base to inform the development of mainstream business support policies and practices that will support the growth and sustainability of businesses owned by entrepreneurs from under-represented groups.

The research programme focuses on groups who are under represented in terms of business enterprise including women and minority ethnic groups.

Currently Cyfenter is in a second phase of the project focusing on the growth and sustainability of established businesses four years old and under around five themes:

- Growth
- Business support
- Home Enterprise
- Succession and business acquisition
- Management skills and training

Chwarae Teg also Chairs and manages the All Wales Enterprise Action Group for Women (AWEAGW). Set up in 1995, the Group comprises representation from various agencies and organisations across Wales who are involved in the provision of services to support business start-up and business development and were the inspiration behind the Women's Enterprise Wales project. Re-launched in September 2006 the overall aim of AWEAGW is to disseminate and exchange good practice in the field of women's enterprise, to increase the profile of women entrepreneurs and to encourage and promote the development of women's enterprise projects.

Supply side

Chwarae Teg, the pan-Wales organisation set up to promote the economic development of women in Wales re-established the All Wales Enterprise Action Group for Women (AWEAGW) in 2006. This is a multi agency initiative that aims to stimulate and support greater entrepreneurship among Welsh women, and influence policy.

Additionally, the Social Enterprise Strategy for Wales (June 2005) notes that access to and a lack of specific investment funding and use of finance for the social enterprise sector is a key challenge.

Demand side

The All Wales Enterprise Action Group for Women comprises representation from various agencies and organisations across Wales who are involved in the provision of services to support business start-up and business development and were the inspiration behind the Women's Enterprise Wales project. Re-launched in September 2006 the overall aim of AWEAGW is to disseminate and exchange good practice in the field of women's enterprise, to increase the profile of women entrepreneurs and to encourage and promote the development of women's enterprise projects.

Chwarae Teg has delivered the Women's Enterprise Wales and Lone Parents Venture (part of Potentia) projects. These initiatives, integral to the Entrepreneurship Action Plan for Wales, provided workshops, counselling sessions and networking opportunities to Women and Lone Parents throughout Wales to enable them to take the first steps towards starting their own business.

As part of the Women's Enterprise Wales project, Chwarae Teg produced 2 reports- 'Women Starting Businesses – Influencing and Motivating Factors' and ' Improving Women's Access to Business Finance'.

BAME

Potentia offers a range of support and research for enterprise in Wales in a range of areas. This includes pre-start-up support for BAME in Wales.

Research from Cyfenter2 into Home enterprise noted that those from BAME are most likely to be based in premises and not to be home working.

Additional research in the Path to Growth notes male and female BAME in Wales have a similar profile to the control group and young people with consequently fewer barriers to being entrepreneurial.

Social

The Social Enterprise Strategy for Wales (June 2005) states key Challenges:

- Social enterprises not accessing existing mainstream business support services. Services need to be coordinated, building on existing provision and streamlining at the local, regional and national levels.
- Opening up procurement practices to the sector is crucial.
- Existing funding streams need to be simplified, streamlined and made more accessible to social enterprises.
- Information and skills sharing through a social enterprise database, websites, mentoring, training and a communications strategy to raise awareness and promote the value of the sector, particularly through publicising success stories and exemplar projects at local, regional and national levels.
- A recognised voice is needed to provide a focus for support, best practice and lobbying, with the Social Economy Network as an obvious contender for this role.

Scotland					
	Whole Population		Women		
	All except fear of failure significantly correlated with TEA		Only expect to start a business, closed a business and have the skills to start a business significantly correlated with TEA		
Components	Churn	Fear	Churn	Network	Fear
Strongest factor loadings	- Expect to start - Have closed a business - TEA	- Know entrepreneur - See opportunities - Have the skills - Fear failure	- Expect to start - Have closed a business - TEA	- Knows an entrepreneur - Sees Opportunities - Have the skills to start	- Fear of failure would prevent start
Interpretation	Entrepreneurship in the whole population is more complex than amongst women. The fear component in the mainstream population appears to suggest that greater exposure generates anxiety about the process. Churn is important as a driver of entrepreneurial activity for both men and women; fear of failure by itself is a component for women but networks appear to be linked with confidence.				

Policy

Strategic Focus and Stage of Development

Sharpening The Focus on Women's Enterprise in Scotland (2005) is the strategy of Scottish Enterprise and Highlands and Islands Enterprise, setting out the focus of policy and the strategic aims and targeted support provided by the enterprise agencies.

Women into Business is a comprehensive women's entrepreneurship programme led by Scottish Enterprise in partnership with other local agencies. It provides a range of activities to enable women's entrepreneurship and offers women's events and services across lowland Scotland. In summary it offers services that target particular stages of business creation and development, including:

National Unit for Women's Enterprise → Improving Policy and Advocacy.

Women into Business: Conferences → Increasing Potential Entrepreneurs.

Women into Business: Events → Enabling More New Business Starts.

Women into Business: Mentoring → Supporting Growing Businesses.

Scottishbusinesswomen.com Website → Improving Access to Knowledge and Networks.

Highlands and Islands Enterprise provide assistance, training and funding through the HIE starts programme and continue to support the Women @ Work initiative in the Highlands and Islands.

Supply side

Women into Business annual conferences aim to stimulate interest among female thinkers about self-employment and to showcase the assistance and support available from the business support organisations.

Women into Business local events provide sustained training, networking and peer support for pre-start and nascent business women.

Business Mentoring, provided in partnership with Scottish Chambers of Commerce, provides experienced mentors to female led growing businesses.

Scottish Enterprise provides support to women in universities to increase their knowledge and engagement in commercialisation.

The scottishbusinesswomen.com website provides women with access to information, advice and online resources and tools. It also promotes partners and business support organisations' events and services; including the business women's associations and their events.

Demand side

The Association of Scottish Business Women provides the strategic guidance and support for the growing number of women's business clubs and associations across the country.

Scottish Enterprise, Highlands and Islands Enterprise and RBS sponsor the ASB Business Conference and Annual Business Awards.

Some Chambers of Commerce provide women's business events to support the needs and requirements of their members.

BAME

A report on Visible Minority Ethnic Women at work in Scotland was published in May 2007. The recommendations will be taken forward by CEHR.

Social

The Scottish Government identified Social Enterprise as a priority area for investment and development via 'Better Business; A strategy and Action Plan for Social Enterprise in Scotland' (March 2007). It identified four key aims:

- Raising the profile and proving the value of social enterprise.
- Opening up markets to social enterprise.
- Increasing the range of finance available to develop social enterprise.
- Developing the trading capacity of social enterprises by providing better business support.

The Strategy details the business advice and support for social enterprises provided by Highlands & Islands Enterprise and Scottish Enterprise. The support in Lowland Scotland is primarily delivered via the Business Gateway web site www.bgateway.com and Business Gateway events and workshops. Those social enterprise with growth potential are able to access one to one support.

First Port http://www.firstport.org.uk/ supports new and emerging social entrepreneurs throughout Scotland.

Senscot http://www.senscot.net/ is the Social Entrepreneur Network for Scotland and builds and services a network to help social entrepreneurs become more effective.

Social Enterprise Academy Scotland http://www.theacademy-ssea.org/ is a learning and development provider for social entrepreneurs operating throughout Scotland

Northern Ireland				
	Whole Population		Women	
	Only expect to start a business, see opportunities and have skills are significantly correlated with TEA		Only "have the skills to start a business" significantly correlated with TEA	
Components	Confidence	Fear	Confidence	Churn
Strongest factor loadings	- Expect to start a business - Know an entrepreneur - See good opportunities - Have the skills to start - TEA	- Expect to start a business - Closed a business - Fear of failure	- Have the skills to start - Know an entrepreneur - See good business opportunities - TEA	- Closed a business - Knows an entrepreneur - Sees good opportunities - Fear failure
Interpretation	The whole population responses cluster around a general "confidence" component which contains TEA suggesting that entrepreneurs themselves are positive. Churn factors are linked to fear of failure for the general population. For women, confidence patterns are similar, although "expect to start" does not load on the component, while fear of failure appears associated with a broad "familiarity" with entrepreneurship.			

Policy

Focus and stage of development

Policy to increase women's participation in enterprise programmes has resulted in substantial increase in uptake of support. Feeder programmes and networks working with private sector agencies key; now assessing connectedness of mainstreaming support through "Pathways" project. Proposed renewal of "Investing in women" support programme.

Supply side

Mentoring to access finance support provided through Pathways programme; financial awareness and running a business's finance programme key pillars. Raising awareness of availability of Small Firms Loan schemes and other financial mechanisms.

Demand side

Enterprise awareness focus within a significant "Go For It" campaign incorporating a female dimension. Also "gender lensing" business support infrastructure, including banks, accountants, Enterprise Agencies to enhance their accessibility and capability support to female entrepreneurs.

Under-representation

Focus not specifically on BAME but increasingly on deprived areas and labour market inactivity.

Social

Social and community economy critical to Peace and Reconciliation agenda. Mentoring, seed finance and start-up/post start-up support all integrated and delivered into community groups through Social Entrepreneurship Programme.

APPENDIX 3.0
WOMEN'S ENTERPRISE TASK FORCE

VISION AND OBJECTIVES

The Women's Enterprise Task Force has been established to accelerate the rate of women starting and growing businesses in the UK. Increasing levels of female business ownership is central to productivity and economic gains; the US level of female ownership is 28%, the UK is only 16%. Men are still twice as likely to start businesses as women. Through the work of the Task Force the levels of women owned businesses in the UK will be increased, creating jobs and wealth. The Task Force will measure success by monitoring:

- Number of Women Owned Businesses
- Jobs Created
- Increase in annual turnover
- Increase in GVA
- Changes in entrepreneurial attitudes among women

PRIORITIES

The Task Force will address five priority areas over the next three years (the five "pillars"):

1. Provide high quality gender disaggregated business data to show progress, monitor impact and improve our understanding of women owned businesses.
2. Ensure every woman has access to high-quality business support from pre-start up stage onwards.
3. Ensure every woman knows where to go for financial and technical education.
4. Supplier Diversity Programme to ensure corporates recognise the importance and value of women owned businesses as part of their supply chain and demand accredited suppliers. Also to explore New Market Opportunities (public and private) and how these can be promoted to women.
5. Awareness of women's enterprise as driver of productivity and GVA growth. Through PR and awareness-raising the Task Force will build visibility and confidence in this important area of enterprise policy.

APPENDIX 4.0
STATISTICAL METHODOLOGY

CALCULATION OF TEA

GEM Global has one harmonised methodology for calculating levels of early stage entrepreneurial activity in the countries which participate in the study each year (in 2006, some 42):

- A telephone and/or face to face survey of a representative sample of the adult population in each country is conducted between May and September.
- Respondents are asked to respond to three questions that are the basis of the TEA index: Are you, alone or with others, currently trying to start a new business independently of your work? Are you, alone or with others, currently trying to start a new business as part of your work? Are you, alone or with others, currently the owner or manager of a business?
- Those who respond positively to these questions are also asked filter questions to ensure they are actively engaged in business creation as owners and managers, how long they have been paying wages to employees, and other questions about cost and time to start up, sources of finance and numbers of jobs created. A distinction is made between two types of entrepreneurs: nascent entrepreneurs (those who have been paying salaries for less than three months) and baby business owner-managers (those who have been paying salaries for between three and 42 months).
- The TEA index is the sum of the nascent entrepreneurs and baby business owner/managers minus any double counting (i.e. those who respond positively to both).
- Additionally, those respondents who have owned or managed a business and have been paying salaries for more than 42 months are classified as Established Business Owners (EBO).
- The GEM survey asks all respondents about their attitudes to entrepreneurial activity, their motivations for setting up a business, about their innovativeness and use of technology and their sources of finance.

PRINCIPAL COMPONENT ANALYSIS

PCA identifies clusters of variables that are strongly correlated/ associated and "load" into one component which is essentially a multivariate description of strong relationships or patterns in the dataset. Within a social survey, such as GEM, it is a means of identifying some of the underlying attitudinal and perceptional drivers that might have an influence on overall "enterprise cultures". It does not tell us anything about causality but does tell us about the patterns of responses in the dataset.

The UK as a whole, the separate UK countries and the English regions were each analysed first, for the population as a whole and for female responses only.

Descriptives: Correlation matrix of variables

Tool used: Only components with Eigenvalues >1 reported

Extraction: PCA;

Rotated components/structure matrix reported;

Factors with loading of greater that plus or minus 0.45 only reported.

Variables included in analysis:

- Expect to start a business in the next three years.
- Have shut down a business in the last year.
- Personally know an entrepreneur.
- There are good business opportunities where I live.
- I have the skills to start a business.
- Fear of failure would prevent my starting a business.
- Early stage entrepreneurial activity (TEA).

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