

Women's Enterprise Policy Group:
**Framework of Policy Actions
To Build Back Better For
Women's Enterprise**





About the Women's Enterprise Policy Group

The Women's Enterprise Policy Group is a coalition of leading women entrepreneurs, researchers, business support providers, and social entrepreneurs from across the UK[i]. Together, we develop policy calls based on the latest evidence, and years of experience supporting women's enterprise creation and growth. [We are calling for the Chancellor to bring WEPG to the policy table to shape Covid19 enterprise policy that 'Builds Back Better' for women entrepreneurs, for the economy, and for society](#)[ii]. Current evidence indicates that women face a catastrophic future with a tsunami of job losses and business closures unless the chancellor and wider Government develops enterprise policy that serves women.

The UK has a huge gender enterprise gap (Global Education Monitoring Report Team, 2019; Rose, 2019). Of the nearly 5 million people self-employed in the UK, 3.3 million are men and 1.6 million are women (ONS, 2019). Entrepreneurs in the UK and internationally face a wide gender pay gap (ONS, 2018; OECD, 2020). Women have no less potential than men to develop successful businesses.

The Women's Enterprise Policy Group seeks to inform and shape policy that supports women to form thriving businesses. We are conscious that self-employment and small business serve different purposes for different people at different stages in life. Developing policy to shape 'good self-employment' or business ownership for women is complex – involving routes in, up and out - which is why we have called on the Chancellor to bring us to the policy table and to create enterprise policy that is productive and fair for women.

There is growing evidence that Covid19 threatens gender equality. In small enterprise, women trade in sectors where social distancing is more difficult and this problem is most acute for young women (Henley and Reuschke, 2020; ILO, 2020). Many are excluded from proper income protection due to gaps in government schemes (IPSE, 2020; Rouse et al., 2020). Loans often feel (or are) unmanageable (see a review of evidence in Rouse, 2020). The Government has also closed nurseries, schools and other care facilities without giving women any rights or compensation. Given "social norms" around mothering and inequality in homes and workplaces, it is unsurprising that evidence is clearly showing that mothers are picking up most of the work of 'home schooling' (Institute of Fiscal Studies, 2020; International Labour Organization, 2020). The UK's 600,000 entrepreneur mothers (ONS, 2020) have been mandated to prioritise childcare over business resilience. The enormous strain on the mental health of mothers means many are facing stark 'choices', with more mothers than fathers leaving work. We fear that without a comprehensive policy package - such as that we outline here - mother-led businesses will be collateral damage from Covid19.

Despite the recommendations set out in the Rose Review 2019, the Chancellor and Government policies have not to date reflected the extra challenges that women-led business owners face, nor have they introduced measures which could facilitate their survival and growth. Now is the time and the opportunity for Government and devolved administrations to recognise the needs of women business owners, their economic potential for job creation, innovation, and the rebuilding of the UK's economy. Now is the time to bring us to the policy table.

Who should read this briefing?

England Government Departments

- Office of the Prime Minister
- HM Treasury
- Department for Business, Energy and Industrial Strategy
- Ministry for Housing, Communities, and Local Government
- Department for Work and Pensions
- Department for Digital, Culture, Media, and Sport
- Government Equalities Office
- Department for Education
- Department for Environment, Food, and Rural Affairs
- Department for International Trade

Parliament

Members of Parliament (MPs) and the leaders of political parties.

All Party Parliamentary Group (APPG) for: Women and Enterprise, Entrepreneurship, ForgottenUK, Small and Micro Business, Social Enterprise, Women in Work, Gender and Equalities.

Devolved Governments

Scotland:

- Scottish Government Directorates
 - Rural Delivery; Budget and Public Spending; Chief Economist
- Children and Families
- Community Health and Social Care
- Economic Development
- Fair Work, Employability and Skills
- Local Government and Communities
- Scottish National Investment Bank
- Social Security
- Taxation and Fiscal Sustainability

Northern Ireland:

- Dianne Dodds, MLA, Department for the Economy
- Mr Conor Murphy, Finance Minister
- Arlene Foster, First Minister
- Michelle O'Neill, Deputy First Minister
- Donal Durkan, Invest NI
- Alan McKeown, Invest NI
- Economic Development Officers of all NI Council Areas

Wales:

- Director General of Welsh Government department for Economy, Skills and Natural Resources Group
- Director General of Welsh Government department for Education and Public Services Group
- Director General of Welsh Government department for Health and Social Services/Chief Executive NHS Wales



National and Local Stakeholders in Women's Enterprise

Institute of Small Business and Entrepreneurship, EEUK, SFEDI
British Business Bank, High Street Banks, University Enterprise Support Units, Institute of Directors, Federation of Small Business, and Confederation of British Industry.

England:

- Local Enterprise Partnerships
- Metro Mayors
- Combined Authorities
- Local Authorities
- Growth Hubs
- Business Advisers

Northern Ireland:

- Chris Hazzard & Paul Maskey – Sinn Féin
- Claire Hannah – SDLP
- Carla Lockhart – DUP

Wales:

- First Minister
- Deputy Minister & Chief Whip
- Minister for Economy, Transport and North Wales
- Minister for Education, Minister for Health and Social Services
- Members of the Senedd (MS)
- Supporting Entrepreneurial Women in Wales Board
- FSB Wales
- South and Mid Wales Chambers of Commerce; Business in Focus
- Disability Wales; BAWSO
- WEN Wales; Chwarae Teg
- NatWest; Alacrity Foundation; Development Bank of Wales

Scotland:

- Members of the Scottish Parliament (MSPs)
- Leaders of political parties – SNP; Greens; Labour; Conservative; Liberal Democrats
- Ministers – FM and DFM
- Cabinet Secretaries – Social Security and Older People; Rural Economy and Tourism; Health and Sport; Communities and Local Government; Economy, Fair Work and Culture; Transport, Infrastructure and Connectivity; Finance
- Ministers – Local Government, Housing and Planning; Energy, Connectivity and the Islands; Children and Young People; Business, Fair Work and Skills; Public Health, Sport and Well Being; Mental Health; Public Finance and Migration; Older People and Equalities; Trade, Investment and Innovation; Rural Affairs and the Natural Environment
- Parliamentary Committees – Covid-19; Economy, Energy and Fair Work; Equalities and Human Rights; Finance and Constitution; Local Government and Communities; Rural Economy and Connectivity; Social Security
- Cross Party Groups – Women in Enterprise; Carers; Rural Policy; Shared Parenting; Social Enterprise.
- Members of the Women in Enterprise Action Group, and other WES key contacts across ecosystem, economic development, business enterprise support system, women's sector etc.

1. Finance: *Income Protection*

- **Self-Employment Income Support Scheme (SEISS)**

Why Policy Must Be Sensitive To Women Entrepreneurs

Excluded women. The SEISS excluded 750,000 new and part-time traders (Rouse et al., 2020). Given the steep rise in women's self-employment and the tendency for women to start businesses more slowly, often combining self-employment with employment, we are concerned that viable women-led businesses are unsupported by the SEISS.

School and nursery closures: Newly self-employed or part-time self-employed women unprotected by the SEISS will often have been prevented from pursuing whatever trade is feasible under Covid19 due to childcare responsibilities.

Trading with young children is tough at the best of times and nigh on impossible in the context of school and nursery closures and restricted access to childcare from family and friends. Their routes to coping financially are effectively blocked.

Maternity discrimination. SEISS payments are lower for women who have taken maternity leave in the past. There is no logic for estimating losses during Covid19 on the basis of maternity periods prior to the pandemic. We believe this disadvantage to be discriminatory under The Equalities Act.

Our Policy Asks

UK

New(ish) traders. Extend eligibility in the SEISS to new self-employed by allowing them to report their 2019-20 earnings early.

Part-time self-employed. Extend eligibility of the SEISS to people for whom trading is a secondary source of income.

In the absence of a UK policy:

Northern Ireland, Scotland Wales: make the hardship payments made to the excluded self-employed match the scale of support offered under the SEISS .

England: create a hardship fund analogous to the devolved governments

Exclude maternity periods from calculations of SEISS payments.



- **Business Directors Dividends**

2. Finance: *Grants, Loans & Investment*

Why Policy Must Be Sensitive To Women Entrepreneurs

Widening Gender Gap. There is a huge gender gap in business directorship, making it doubly important that businesses directed by women are sustained and the gap is not allowed to widen further. Failure to compensate for business director dividends means many have received little or no income protection under Covid19.

School and nursery closures: Business Directors absorbed in childcare are particularly unfairly disadvantaged as their chance to create income has been curtailed. Evidence shows that women are picking up most of this work.

Small Business Grant Fund: As most women-led businesses trade from home, or in shared business spaces, they are ineligible for grants except for locally administered discretionary funds. While these businesses have no or low premises costs, they face other fixed costs for which they have no support. Historical evidence tells us that human discretion introduces gender bias into funding decisions, sounding alarm bells around discretionary funding.

School and nursery closures: Business' losses will be higher where childcare responsibilities prevent whatever trading is feasible under Covid19.

Our Policy Asks

Compensate Business Directors for lost dividends. Accountants have been clear that they can distinguish between investment and earned dividends, debunking Government fears about over-compensating investors. Protecting hard-working and tax paying Business Directors should be the Government's priority. Sustaining women-led businesses to avoid a widening of the already shocking gender gap in business directorship is vital.

To enable monitoring of the equity of all grant and loan funds, the suite of funding should be subject to an Equality Impact Assessment. At minimum – and to enable public monitoring – data must be published in a timely fashion on the gender composition of businesses or self-employed people receiving grants and loans. Intersectional data looking particularly at ethnicity, disability and age is also necessary.

Give women-led business owners greater access to grants by removing the gender-blind orientation of grants to rate-paying businesses.

Why Policy Must Be Sensitive To Women Entrepreneurs

Local Discretionary Grant Funds. Local funds to support businesses are welcomed but evidence shows that human discretion in grant-giving tends to result in gender bias.

Bounce Back Loans and CIBLs: It is well established that women-led businesses take fewer loans than men due to the structure of their businesses, greater caution and expectation of gender bias. Where lending decisions rest on human discretion, there is long standing evidence of gender bias.

The Future Fund: It is well established that women face direct sex discrimination in venture and angel investment yet accessing this fund is contingent on securing such investments.

School and nursery closure. Childcare responsibilities will further impede women in accessing angel and venture capital by damaging access to networks and 'masculine' reputation as serious business owners as well as time to work in businesses.

Our Policy Asks

Publish gender disaggregated data in a timely fashion to support monitoring of local discretionary grant funds.

Train decision makers in the history and impact of gender bias and how to prevent it.

Address the causes of likely lower take-up by women:

Business structure: loans will not be appropriate for businesses that are socially important but in sectors that yield too low profit to make repayments (e.g. childcare) necessitating expansion of grant schemes.

Caution: Invest in gender-sensitive marketing of the relatively low risks to family security involved in Bounce Back loans, in particular.

Gender Bias - CIBLs: As women are reporting that their businesses are being expected to meet a higher bar in the assessment of business viability, there is an urgent need to tackle gender bias.

Remove the contingency of The Future Fund on securing venture and angel investment.



3. Valuing Women-Led Sectors

Why Policy Must Be Sensitive To Women Entrepreneurs

Wider gendering processes in society mean that occupations and sectors are highly gendered. The sectors in which women-led businesses are concentrated are more likely to involve close contact work that makes social distancing challenging (e.g. the beauty and well being industries). This will remain a slower return to trade and it may demand further investment in equipment to create Covid19 security – especially for those working from a home base.

4. Business Support: *Time and space to enable women entrepreneurs to pivot*

Women need time as well as 'space' and relationships in which their capabilities are celebrated, and challenges understood. This has never been more prevalent than during Covid19. Many women welcome women-only spaces or support programmes as part of their ecosystem of support. Mainstream provision must also be fit to support women.

School and nursery closures. Childcare responsibilities have starved some women of time to focus on businesses or to network or to access support to make sense of, and respond to, Covid19.

Paucity of support for BAME women. In some BAME communities childcare is strongly gendered and women have large families or are more likely to be single parents or rely on family and friends for childcare.

Our Policy Asks

Review decision making logic: ask whether you are giving due value to the economic contribution of sectors such as early years/childcare and the beauty and wellbeing industry in lockdown decisions and investment programmes.

Extend the timeframe of support for sectors that will return to full trade more slowly and where Covid19 security is expensive. Ensure proper support for these businesses following local lockdowns.

Invest in women's enterprise centres and programmes. Ensure that enterprise ecosystems include women's enterprise support and specialist or inclusive programmes for BAME women.

Mandate gender and BAME sensitive business advice. BEIS and the devolved government should mandate business support providers to properly upskill business advisers in gender and BAME sensitive business advice. Contract commissioning should be subject to demonstrating this capability.

Review enterprise ecosystems and develop an action plan to fundamentally improve the provision of support that is effective for women and BAME business owners and takes account of the urban/rural divide.

5. Business Start-Up: Founding vibrant women-led businesses

Why Policy Must Be Sensitive To Women Entrepreneurs

Given higher death rates in BAME people the timing of return to trade or need to invest in Covid19 security measures may be exacerbated. In these circumstances, BAME women may need additional support that is sensitive to their contexts.

Between 2008-14, self-employment created most job growth. It is likely that job growth out of this recession will also come primarily from self-employment. Yet, full-time employed women earn 76% more than full-time self-employed women (ONS, 2018), raising concerns about job quality. Investment and reform are required to support the founding of vibrant women-led businesses during Covid19.

School and nursery closures. Slower and part-time founding are likely where women are juggling childcare responsibilities. Welfare rules should support this.

Particular challenges of self-employed people in rural areas include poorer digital connectivity, lack of transport, more women are self-employed in rural areas as well as more home working in rural areas, and local supply chains are more likely to become disrupted in rural areas.

Our Policy Asks

Publicly record and monitor the scale and quality of provision to women and BAME business founders and owners as part of an Equality Impact Assessment and meeting a Gender Equality Duty. This should be routinely reviewed at a senior level and with stakeholders.

Invest in innovative approaches to business start-up that will enable women to form team-led enterprises, trade in higher productivity sectors, garner business resources and be enterprising.

Respect slower, part-time founding (e.g. extending the exemption period for Universal Credit's minimum income floor).

Ensure public sector commissioning properly values the social value created in many women-led enterprises.

Create bridges from low performing self-employment to employment.



6. Invest in a Care Infrastructure: It will 'Build Back Better' more productively than 'Build, Build, Build'...

Why Policy Must Be Sensitive To Women Entrepreneurs

Investing in care would build back better for women more than investing in construction, by:

Freeing women to work and trade by fixing the UK's dire need for care services. Covid19 has shown the danger to society of an under-staffed and under-paid social care system. UK parents pay more for childcare than anywhere in the EU and face ongoing disruption to childcare during Covid19. Investment would stabilise and expand the care system, freeing women from unpaid care to work and trade.

Creating jobs and businesses. An investment in care would stimulate 2.7 times more jobs than equivalent spend on construction. It would create 6.3 times more jobs for women and 10% more for men (Women's Budget Group - De Henau and Himmelweit, 2020). Investment would also stimulate start-up and expansion of businesses.

Meanwhile, **social care and early years have been vital key work during Covid19 but have been destabilised by policy failure.** Social care businesses urgently require proper commissioning and an increase in skills supply to build back their resilience and early years businesses need a consistent and realistic package from government to avoid business failure. Childcare and early years providers – such as holiday clubs – are vital to getting the country back to work so warrant rapid investment and support to develop Covid19 secure practices.

Our Policy Asks

Properly value the key work of social care businesses and radically expand supply: Adult social care businesses have been on the front line during Covid19 and have faced huge challenges.

Now is the time to listen to and properly support them, fixing long-term problems of inadequate commissioning that result in low pay and conditions. De Henau and Himmelweit (2020) make the economic case for expanding adult social care services.

This should include women's enterprise support to enable women carers themselves to form social and private enterprises so they can create businesses that work and innovate for clients and staff. This would create routes of progression currently holding back job quality and staff retention in the social care sector.

Urgently protecting early years businesses: social and private early years businesses have been subject to contradictory and inadequate funding under Covid19 and many businesses are under threat. We support the Early Years Alliance's call[i] for urgent support for the sector.

Investing in expanding childcare businesses. De Henau and Himmelweit (2020). argue that expanding the childcare sector would be an excellent route to creating jobs and closing gender employment gaps. Given the lower density of care likely to be necessary

Why Policy Must Be Sensitive To Women Entrepreneurs

Challenges faced by rural areas include childcare being more costly and more geographically spread, as well as social care services being more difficult to access.

Our Policy Asks

Given the lower density of care likely to be necessary during Covid19, now is the time to expand the system. Investing in holiday clubs and after school provision is vital to supporting the 600,000 mothers who are self-employed or business owners.

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Rouse, J. (2020) How Does Gender Shape Entrepreneurial Resources and Evidence? A Review of Evidence. State of the Art Review prepared for the Enterprise Research Centre, Warwick/Aston Universities.

Other Resources

Five 'State of the Art Reviews' of evidence regarding women's entrepreneurship written by the Gender and Enterprise, co-edited by Professor Julia Rouse, Manchester Metropolitan University, and published by the Enterprise Research Centre, 2020 <https://www.enterpriseresearch.ac.uk/our-work/publications/?type=sota-review>

A blog by the Gender and Enterprise Network (a coalition of women's enterprise researchers) on the effect of Covid19 on women business owners. <https://www.enterpriseresearch.ac.uk/stay-home-and-work-implications/>

Submission to the BEIS and the Gender and Equalities Select Committee Inquiries into Covid19 by Professor Julia Rouse, Manchester Metropolitan University. <https://www.mmu.ac.uk/media/mmuacuk/content/documents/business-school/decent-work-and-productivity/Prof-Julia-Rouse-BEIS-Select-Committee-Covid19-Business-and-Workers-Inquiry.pdf>

Footnotes

[i] Members of the Women's Enterprise Policy Group include: Co-chair Prof. Julia Rouse, Manchester Metropolitan University; Co-chair Maggie O'Carroll, The Women's Organisation; Professor Susan Marlow, University of Birmingham; Dr Lorna Treanor, University of Nottingham; Dr Nicola Patterson, University of Newcastle; Helen Burkinshaw, The Women's Organisation; Dinah Bennett, International Consultants for Entrepreneurship and Enterprise and GENE (Gender and Entrepreneurship North East); Carolyn Currie, Chief Executive Women's Enterprise Scotland; Anne Meikle, Policy Officer Women's Enterprise Scotland; Christine Atkinson, University of South Wales; Prof Haya Al Dajani, Mohammed Bin Salman College of Business and Entrepreneurship (MBSC) Saudi Arabia; Prof Dilani Jayawarna, University of Liverpool; Jackie Brierton, CEO GrowBiz; Roseann Kelly, Women in Business NI; Pheona Matovu, Radiant and Brighter CIC.



The Women's Organisation



[[i] WEPG states 'We are not in this together' as they urge the Chancellor to give female business leaders and academics a seat at the table <https://lbndaily.co.uk/want-voices-heard-say-female-business-leaders/>

[ii] The evidence gathering process for this report has been supported by the European Civil Society Involvement (ECSI) Project which provides appropriate VSCE sector expertise and representation at a national ESIF level, undertakes information sharing, and helps embed the horizontal principles of sustainable development, equal opportunities, and gender equality in the EU structural funded programmes and wider Government policy.



**Civil Society
Involvement**

