

## Activist to entrepreneur:

The role of social enterprise in supporting women's empowerment in the UK

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- a Vision of Social Enterprise in Europe
   2020 which considers the evolution of social enterprise into the mainstream economy
- **Think Global Trade Social** which examines the role of social business in achieving progress on the UN's Sustainable Development Goals
- surveys providing crucial evidence about social enterprise in countries such as Pakistan, Ghana and Myanmar
- Gender Equality and Empowerment of Women and Girls: Meeting the Challenge of the Sustainable Development Goals in the UK

More information about our work in both social enterprise and women's empowerment can be found at: **www.britishcouncil.org/society** 

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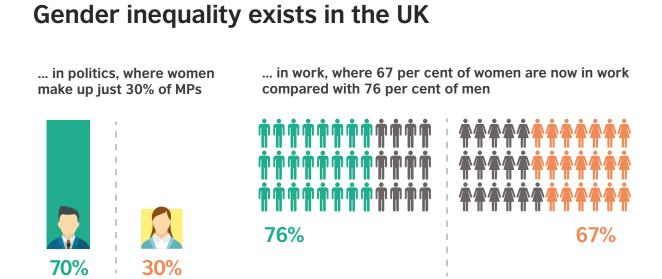
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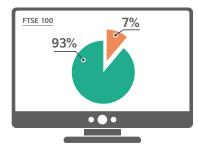


... in pay, where women earn only 81p for every £1 earned by a man

... in entrepreneurship, where there are only ten countries in the world where as many women start businesses as men



... in business where just seven per cent of FTSE 100 and 19 per cent of SMEs are led by women



... in society where one woman in ten has experienced sexual harassment in the workplace

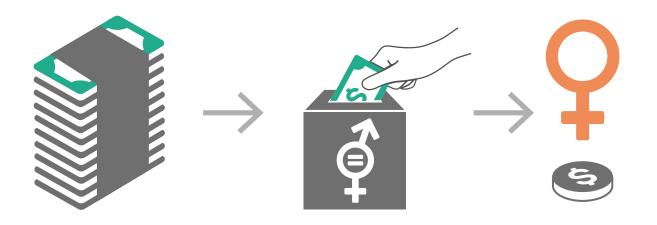


### UN'S SUSTAINABLE DEVELOPMENT GOAL 5:

### ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS'

## Organisations fighting gender inequality are under-funded – particularly at the grass roots

Less than five per cent of OECD members' aid budgets go towards projects that explicitly target gender equality and women's empowerment, and of this only 0.5 per cent goes to women's rights organisations. The median income of women's rights organisations is just \$20,000.



## Social enterprise is an under-utilised source of funding for gender equality

29%

Globally, only 29 per cent of women's rights organisations use income generation activities. Many lack the knowledge, skills, assets and resources to take advantage of social enterprise.

## Social entrepreneurs are the R&D lab for women's empowerment

**GLOBALLY** THERE ARE AN ESTIMATED

## 210 Million social entrepreneurs,

ALL DEVELOPING AND TRYING DIFFERENT APPROACHES TO SOLVE THE WORLD'S SOCIAL AND ENVIRONMENTAL CHALLENGES IN THE UK 4% OF SOCIAL ENTERPRISES FOCUS ON WOMEN'S EMPOWERMENT ININDIA THIS FIGURE IS 33%

Even when not explicitly focussed on women's empowerment the social enterprise sector is providing greater opportunities in employment than the wider economy:

	Brazil	India	Pakistan	UK	USA
Women (% of total workforce)	43%	24%	22%	46%	46%
Women (% of social enterprise workforce)	55%*	25%	37%	66%	65%

\* Estimated based on surveys, leadership statistics, and non-profit sector statistics

## And more opportunities for women's leadership than the for-profit sector:

	Brazil	India	Pakistan	UK	USA
Women (% leaders in for-profit sector)	43%	9%	5%	18%	31%
Women (% leaders in social enterprise)	25%	24%	20%	41%	55%

And women starting a social enterprise in the UK is itself contributing to women's empowerment:

69% REPORTED AN INCREASED SENSE OF SELF-WORTH **62%** REPORTED INCREASED CONFIDENCE

43% SAID IT HAD MADE THEM FEEL LIKE THEY COULD MAKE THEIR OWN CHOICES

But in UK, the social enterprise sector still has a long way to go before it can claim gender equality

40% OF WOMEN SAID THAT GENDER CONTRIBUTES TO THE BARRIERS THEY FACE IN RUNNING THEIR SOCIAL ENTERPRISE WOMEN MAKE UP 66% OF EMPLOYEES BUT ONLY 41% SOCIAL ENTERPRISE LEADERS

DATA FROM THE UK SUGGESTS THE PAY GAP BETWEEN MEN AND WOMEN IN SOCIAL ENTERPRISE IS 25%

Social enterprise both challenges and reflects gender inequalities in wider society. Governments, funders, social enterprises and women's organisations need to work together to realise the potential of social enterprise

## Foreword

This report significantly expands our knowledge of the role that social enterprise plays in empowering women and in helping to build a fairer and more equal society in the UK.

It shows that embracing social enterprise models can provide important sources of funding and independence for women's organisations. It finds that by focusing on women as customers, employees or business owners rather than simply as 'beneficiaries', social enterprise approaches can change the power dynamic seen in other philanthropic models between the 'empowerer' and the 'empowered'. It also provides further and welcome evidence that social enterprise not only supports women to become economically independent, it offers more leadership opportunities than other sectors and chances to participate in professions that were traditionally closed to them.

These are findings that find deep resonance in the story of Blackburne House, the social enterprise that I co-founded in Liverpool in 1983. Blackburne House was set up to equip low paid and unemployed women with the skills and confidence to progress into employment in technical professions as well as in construction and maintenance – areas in which women are traditionally under-represented.

Since then, many thousands of women of all ages, cultures and backgrounds have completed our courses and are now in successful careers across Merseyside and beyond, realising their own economic independence. Blackburne House has also grown and today manages a number of flourishing social enterprises – among them a bistro and cafe, conference facility, nursery, and a health and wellbeing centre. Moreover, we run the Northwest School for Social Entrepreneurs and next year we will open our Digital and Entrepreneurship Centre. These ventures all support our educational aims and provide tangible examples of how new markets can be used to serve local communities.

From the outset, we believed that Blackburne House shouldn't be dependent on grant aid and although 'social enterprise' was not yet a familiar term, we knew that we needed to ensure our sustainability by making the organisation profitable and therefore giving ourselves the ability to reinvest profits back into our core mission of training and educating women. Using a social enterprise model gave us the confidence and freedom to develop our new businesses and has allowed us to enhance the diversity and range of services we offer and develop innovative ways of meeting our social and environmental aims.

This is a message that I promoted in my work as the former Chair of Social Enterprise UK (SEUK) and as a social enterprise ambassador for the UK, seeking to grow the movement at home and internationally. And it is one that remains as relevant today as it was when Blackburne House began.

Across the UK, there are women's empowerment organisations that do highly impactful and much needed work but find it difficult to scale and to plan for the future, despite growing demand for their services, because the grants on which they rely are more difficult to secure than ever. I also meet professional women who have had successful careers but are looking to utilise their skills and knowledge for more than making an impact on the bottom line performance of the traditional business sector. This goes towards explaining why 41 per cent of social enterprises are led by women, as the 2017 survey from SEUK has found. A further point is that as many women are having to work longer, because of changes to retirement and state pension ages, social enterprise not only gives an opportunity to start a business but to become employed and work towards a social purpose.

Social enterprise is not a panacea but, as this report shows, it has something important to offer each of these groups and to realising UK and global ambitions, enshrined in SDG 5, to 'achieve gender equality and empower all women and girls' by 2030.

What's more, supporting women's empowerment is not just the right thing to do but, as research has consistently demonstrated, it is the economically smart thing to do. Christine Lagarde, the head of the IMF, and others have consistently stated that empowering women is critical to boosting economic growth. And we know that companies that have appointed women to corporate leadership positions have seen profits grow by between nine and 18 per cent. So we must ensure that women have access to equal opportunity and equal pay. This will become all the more important post Brexit with the uncertainty over the economic effects of our separation from Europe.

Social enterprise can help to achieve these ambitions but, as this report makes clear, there are persistent and pronounced inequalities within our sector, often mirroring the structural imbalances within society. It shows us where we as a movement, working with a range of UK stakeholders, must focus our energies to build the ecosystem which lives up to society's needs and to our ideals. To that end, this report makes a number of recommendations. Among those that resonate most strongly with me are the need for more support packages, mentorships, accelerator programmes, targeted funding, and greater exposure to female role models to support women social entrepreneurs and gender focussed ventures.

These and the report's other recommendations will, I hope, be fodder for reflection, discussion and action across the UK that will help unleash the socially entrepreneurial potential of women in the UK and reap the many benefits this would deliver.



**Claire Dove OBE DL** Chief Executive Officer, Blackburne House Patron to Social Enterprise UK

## **1 Executive Summary**

#### **1.1 Introduction**

Women in the UK are less likely than men to be in positions of leadership; they are in the minority in all of the four national parliaments in the UK, making up just 30 per cent of MPs. In business, this pattern is even worse with women running only 19 per cent of SMEs and making up less than 20 per cent of board members of FTSE 250 companies. The median pay gap between men and women in Britain is 9.8 per cent for full-time employment, rising to over 34 per cent for parttime work. One in ten women has experienced sexual harassment in the workplace. 3,000 women call the rape crisis line every week.

The UK has been a leading advocate for the inclusion of gender in the UN's Sustainable Development Goals (SDGs). The resulting SDG Number 5 is to 'achieve gender equality and empower all women and girls.' The UK has a lot of work to do itself in order to hit this target by 2030. In recent years, social enterprise has started to play a small but growing role in women's empowerment.

This report sets out to establish how well social enterprise addresses gender inequality and women's empowerment in the UK. It is part of a series of reports commissioned by the British Council to look at the link between social enterprise and women's empowerment across five countries: Brazil, India, Pakistan, the UK and the USA. It explores the strengths and weaknesses of social enterprise as a mechanism for empowering women and considers different ways it is being used for this end. It also examines the idea that social enterprise as a business model might advance women's empowerment even when that is not a specific objective.



Ruth and Amy Anslow are the co-founders of hiSbe ('how it Should be'), a social enterprise supermarket in Brighton that prioritises health, happiness, and wellbeing of people and their local communities.

Photo courtesy of hiSbe

#### **1.2 Methodology**

The methodology used a four-stage process:

- In order to identify the key research questions the team conducted an extensive literature review and a series of key informant interviews.
- A detailed questionnaire consisting of qualitative and quantitative questions was sent to social enterprises gathering 362 responses from across the UK.
- **3.** The data was analysed and initial findings were shared with practitioners and experts in women's empowerment and social enterprise during a dialogue event held in March 2017. These facilitated discussions helped to understand, deepen, correct and clarify the findings from the survey.
- 4. Further desk research and key informant interviews were then conducted to fill remaining gaps in the research to produce the final report.

#### 1.3 Social enterprise as a model for women's empowerment organisations

'In some situations social enterprise can be an effective way to provide women who have experienced discrimination and or trauma with a creative vehicle to both aid their recovery, develop skills and create an income. However social enterprise is not an effective way to finance the women's charitable sector.' – Vivienne Hayes MBE, CEO, Women's Resource Centre

Our research has found women's organisations in the UK using a social enterprise approach to support women's empowerment in three ways:

- Delivering commissioned services on a contract basis
- To raise vital funds to cover core costs or noncommissioned services
- To provide opportunities for marginalised women

In recent years, funding for women's services has moved from grants to a contract basis. Our research participants suggest this has not been beneficial for the women's organisations, or the women they serve. Women's organisations struggle to compete in tender processes for contracts, as they tend to be small, underresourced and locally focussed. Larger, more generic organisations are therefore taking over some of this work. This can leave vulnerable women without access to specialist support.

Lack of funding for gender inequality has led to a number of women's organisations trying to generate income to cover core costs and vital services. There are three key barriers preventing this from happening:

- Women's organisations have very few, if any assets.
- Women's organisations lack sufficient staff time to develop social enterprise income streams.
- Women's organisations tend not to have the requisite knowledge or skills.

This combination means that social enterprise is not being used to any great extent to fund women's charities in the UK.

Social enterprise is proving an effective model for women's organisations when it is being used to provide employment and training opportunities for vulnerable women. Such social enterprises have been started by a number of women's organisations, and are also being started independently of the women's charitable sector.

#### 1.4 The impact of social enterprises on their beneficiaries

According to a Social Enterprise UK survey in 2009 there could be as many as 2,800 social enterprises in the UK with women as their primary beneficiaries<sup>1</sup>. There are certainly many social enterprises that specifically focus on different aspects of women's empowerment. They are providing an additional and complementary way to tackle gender inequality and the specific challenges facing women and girls.

What's more, beyond those social enterprises that specify women as their primary beneficiary, there are many, many social enterprises that empower women as part of their work with clients of both genders. These social enterprises may be providing services to the general public, a particular community, or to a particular interest group such as young people, people with disabilities or people on low incomes.

Women and girls make up varying proportions of these groups and experience the impact of these social enterprises.

Our survey was specifically targeted at social enterprises with an interest in women's empowerment. Eighty two per cent of the social enterprises responding said they do empower women and girls.

The range of areas in which these social enterprises are delivering impact is considerable:

### 1.5 Women as social entrepreneurs

Social enterprise does not just empower women who are 'beneficiaries'. Many social enterprises are set up by women, and this process itself has a significant impact on the women social entrepreneurs.

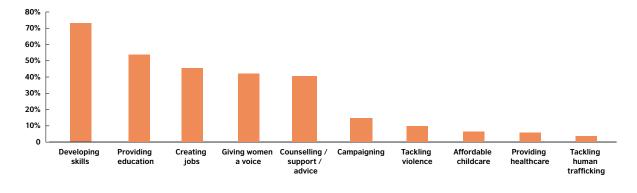
For the purpose of this research, we have used the term 'social entrepreneur' to refer specifically to someone who sets up or leads a social enterprise, even if that venture is at an early stage.

Women social entrepreneurs share many characteristics with for-profit entrepreneurs. They share many of the same barriers and enablers. Their motivations however are quite different, as social entrepreneurs are driven almost entirely by a desire to create social impact.

Ninety seven per cent of women in our survey started a social enterprise to address a social or environmental concern, or to benefit their community. Only three per cent started purely for career opportunity or flexible working.

When it comes to for-profit entrepreneurship in the UK, only one business in three is started by a woman. There are two male-led businesses started for every one female-led business.

The gender gap in social entrepreneurship is much lower, with 42 per cent of social enterprises started by women in 2015/16.



#### How does your social enterprise impact on women and girls?

<sup>1</sup> The last time it was measured, in 2009, four percent of social enterprises in the UK cited women as their main beneficiary. There are an estimated 70,000 social enterprises across the UK. This implies around 2,800 specifically focussing on women. However, when we only consider entrepreneurs who start an enterprise by positive choice, rather than because they have no other option for work, proportionally more women are choosing to start for-profit businesses. One reason for this may be that sole-trader businesses often provide the most flexible option for balancing work and childcare. Ninety per cent of for-profit businesses are sole traders, compared to only six per cent of social enterprises.

Twenty nine per cent of women with children responding to our survey said the prospect of 'flexible working around family commitments' was a motivating factor in starting a social enterprise. (No men chose this as a motivating factor.) In addition, fifty five per cent of women who responded to our survey felt the social enterprise sector offered better opportunities for flexible working than corporate, public or voluntary sectors. However, where flexible working around childcare is a priority, self-employment may be meeting this need for women more than social enterprises.

Women social entrepreneurs face the same barriers as their male counterparts, and also additional barriers as a result of their gender. These include

- greater demands on time through home and family commitments
- less access to finance
- · less confidence in skills and ability
- · greater fear of failure
- · fewer female role models
- prejudice and discrimination

Becoming a social entrepreneur has both positive and negative effects on women. On the whole, male and female social entrepreneurs experience broadly the same impact, and for both sexes the positive impact appears to be considerably greater.

- 69 per cent of female social entrepreneurs responding to our survey said that starting a social enterprise had given them an increased sense of self-worth;
- · 62 per cent reported increased confidence;
- 43 per cent said that it had made them more able to make their own choices; and
- 51 per cent listed becoming part of a network as a positive outcome.

However, the negative impact also appears to be greater on women. Eighty four per cent of female social entrepreneurs reported experiencing some negative impact (compared with only 59 per cent of men). The negative impact reported was around financial insecurity and stress.

Compared to for-profit entrepreneurship, social entrepreneurship is likely to create higher rates of social return for the community and society at large. It is also likely to create proportionally more jobs for women. But rates of pay in the social enterprise sector can be lower than other sectors, particularly as a high proportion of social enterprises are small, young organisations. There is also a substantial gender pay gap in the social enterprise sector (Section 9.4).

So women social entrepreneurs are likely to earn less than their male counterparts and less than their for-profit counterparts. They are also unlikely to move into the for-profit sector.

Considering the UN's definition of women's empowerment, social entrepreneurship can offer women an important opportunity to 'influence the direction of social change to create a more just social and economic order, nationally and internationally.' It probably offers less flexibility and less economic empowerment for women entrepreneurs than for-profit business.

### **1.6 Women as social enterprise leaders**

Much is made of the comparison between the proportion of women leaders in the social enterprise sector and that in the for-profit sector. According to SEUK's State of Social Enterprise Survey<sup>2</sup>, 41 per cent of CEOs in UK social enterprises are women (60 per cent in Scotland and 35 per cent in Wales). This compares to only seven per cent in the FTSE100. And 41 per cent of social enterprise board members are women, compared with 12.5 per cent of directorships in UK FTSE100 companies<sup>3</sup>.

While it is indisputable that the social enterprise sector is doing better than the for-profit sector: with the exception of Scotland it is not doing as well as it should.

As has already been noted, social enterprises are found in disproportionately high numbers in traditionally female-dominated sectors such as education, health and social care. Seventy five per cent of primary school head teachers are women, for example.<sup>4</sup> So we would expect the proportion of social enterprise leaders to be higher than it is.

Sixty six per cent of employees in social enterprises are women. So women are significantly under-represented in leadership positions.

Social enterprise is not doing as well as the wider Third Sector (43 per cent women leaders), and only a bit better than the public sector (35 per cent women leaders).

The larger the social enterprise, the less likely it is to be led by a woman. This trend for women to be less well-represented in the leadership of larger organisations is found across all sectors of the UK economy. As well as being under-represented, women leading social enterprises face additional barriers compared to men. Forty per cent of women leaders responding to our survey felt gender has an impact on the barriers they face running their social enterprise, compared to just three per cent of men.

Gender also has an impact on the way a social enterprise is run.

- Women-led social enterprises have an average of 54 per cent women on their Senior Leadership Team
- Male-led social enterprises have an average of 39 per cent women on their Senior Leadership Team

Fifty eight per cent of women responding to our survey recognise that the gender balance of their senior management team affect the way in which their social enterprise is run, compared to 31 per cent of men.

## 1.7 The impact of the social enterprise sector as an employer

As we have seen, many social enterprises empower women as 'beneficiaries' of their services. Social enterprises empower the women entrepreneurs who set them up. And many social enterprises also create jobs that empower the women who work in them.

The social enterprise sector employs proportionally more women than the workforce as a whole. Sixty six per cent of social enterprise employees are women, compared to forty six per cent of the overall workforce.

We can see how this compares to other sectors:

	Public	Third sector	Social Enterprise (SEUK)	SME		
Women employees	64%	68%	66%	39%		

So, the social enterprise sector is on a par with the public sector and wider third sector in the proportion of women employed, and better than those for the SME sector.

#### In terms of economic empowerment, proportionally more jobs are created for women through social enterprise than through for-profit enterprise.

Furthermore, many of the women employed by social enterprises are from particularly disadvantaged backgrounds (e.g. as a result of poverty or abuse). As the SEUK survey reports<sup>5</sup>, 'a clear majority (59 per cent) of social enterprises employ at least one person who is disadvantaged in the labour market.

There may be a number of reasons why the social enterprise sector employs proportionally more women:

- As we have already noted, 55 per cent of women responding to our survey see social enterprise as providing more flexible work than other sectors.
- Many survey participants of both sexes felt that women are more drawn to work with a social benefit. There is greater female representation in the wider Third Sector and public sector.
- Social enterprises are over-represented in industries in which women are over-represented such as care, education, and catering.

Social enterprises create jobs specifically for their beneficiaries, and also jobs that are simply needed to run the social enterprise. Sometimes these categories overlap.

Jobs created by social enterprises specifically for beneficiaries are likely to be better jobs than those created by for-profit businesses. They are typically entry-level jobs to provide employment for people who would otherwise be unemployed, and they typically involve training and development. Eighty per cent of social enterprises in our survey which cited creating employment as one of their areas of impact, also cited developing skills. Furthermore social enterprises are more likely to pay fairly than for-profit enterprises. The SEUK survey suggests that 24 per cent of social enterprises are accredited living wage employers.

Jobs in the social enterprise sector that are not created specifically for beneficiaries tend to be lower paid than in other sectors. The social enterprise sector also fares worse than the forprofit, public and NGO sectors when it comes to providing employee benefits such as paid maternity leave. Eighty seven per cent of survey respondents said corporate or public sectors provided better benefits.

Jobs created by social enterprises often reflect the gender segregation seen in the wider economy.

Education, retail, social and health care make up 49 per cent of all social enterprises. So one reason the social enterprise sector has more women setting up, leading and working in it than the for-profit sector, is that it is dominated by traditionally female areas of work. By contrast, manufacturing, transport, agriculture and financial services (all traditionally male-dominated business areas) make up just 11 per cent of social enterprises.<sup>6</sup>

Only 35 per cent of respondents to our survey felt social enterprises were challenging gender stereotypes; 6 per cent felt they were reinforcing; the majority felt that they were doing either both or neither. All felt they could be doing much more.

Some social enterprises are deliberately challenging such gender stereotypes by training and employing women in industries where they are under-represented. Blackburne House in the UK, for example, run a training academy to support women into the construction industry.

Thomson Reuters Foundation<sup>7</sup> and WeStart<sup>8</sup> both conducted research, which concluded that the social enterprise sector in the UK has a gender wage gap, with men earning more than women.

The pay gap for the social enterprise sector then looks as if it could be worse than private or public sectors.

#### Gender pay gap in the UK by sector

	Social Enterprise	Private	Public	Voluntary Sector	UK Average
2016	25%	16.6%	11.3%	36% (2012)	13.9%

#### **1.8 Conclusion**

The UK has made progress towards gender equity compared to other countries around the world. The Global Economic Forum Index ranks the United Kingdom 26th out of 188 countries for the Global Gender Gap based on women's economic participation. However, it has fallen 17 places from 9th place when the index was first conceived in 2006.

Women and girls in the UK face challenges based purely on their gender, including unequal opportunities at work, unequal expectations at home, and an unequal risk of violence.

Social enterprise offers several opportunities to address this gender inequality.

- It offers a model for women's charities in the UK to become more financially sustainable. But this will require significant support and investment from government or other funders.
- It offers a proven, effective means to support vulnerable or disadvantaged women into employment, and to tackle many of the specific challenges facing women and girls today.
- It offers more opportunities for women's leadership, and is creating proportionally more jobs for women, than the for-profit sector.

UK social enterprise Divine Chocolate is co-owned by the 85,000 farmer members of Kuapa Kokoo, the cooperative in Ghana that supplies its cocoa. Kuapa Kokoo prioritises gender equality and mentors women such as these to stand for elections to positions of authority within the organisation In order to realise these opportunities, more resources and investment should be focussed on encouraging social enterprises to tackle issues of gender inequality and women's empowerment. The Young Foundation's report, The Sky's the Limit, found little use of 'gender lens' investing amongst social finance providers in the UK, 'despite some understanding of the benefits, and overwhelming agreement, amongst investors, that they have a role to play in advancing gender equality.' They also found 'limited understanding of, and access to, social investment amongst current or potential gender innovation ventures or pioneers.' Governments, funders, investors and intermediaries have an important role to play in ensuring social enterprise is fully utilised to meet SDG5.

While social enterprise does offer significant opportunities for women's empowerment in the UK, there remain inequalities within the sector itself that need to be addressed as well.

- Women are under-represented in leadership and management and this gets worse the larger the organisation.
- There is a significant gender pay gap in the social enterprise sector, potentially larger than the for-profit or public sectors.
- And social enterprise demonstrates the same gender segregation seen in other areas of the economy with women over-represented in sectors such as education and care, and underrepresented in sectors such as construction and tech.

Governments, funders, investors and intermediaries also have an important role to play in addressing these inequalities.



Photo courtesy of Divine Chocolate

#### **1.9 Recommendations**

Based on our research, and particularly on the discussions of our focus group of social enterprise and women's empowerments experts, we have drawn together some recommendations to increase the effectiveness of social enterprise as a model for supporting women's empowerment. These are grouped into recommendations for women's empowerment organisations, social enterprises and intermediaries, funders and investors, and governments. Some of the recommendations apply to one or more group, and all stakeholders need to work together to ensure the successful implementation of these recommendations.

### 1.9.1 Women's empowerment organisations

Recommendations for the women's charitable sector will require support from government and/or funders.

- Increase the use of social enterprise among women's empowerment organisations by providing specific packages of training, support, investment and mentoring. This should particularly focus on creating a more resilient and financially independent women's sector.
- Continue to develop consortia, and expertise in partnerships, to ensure women's organisations can thrive in the current environment of competitive tendering, and to ensure that vulnerable women are able to access the specialist support and expertise they need.
- **3.** Work with the social enterprise sector and other stakeholders to set up a 'task force' of experts to look at the opportunities and challenges of using social enterprise to address women's empowerment.

### **1.9.2 Social enterprises and intermediaries**

#### Many of the recommendations for the social enterprise sector will also require support from government and/or funders.

- 4. Increase the number of social enterprises that focus on women's empowerment through campaigns, accelerator programmes, competitions and funding that specifically encourage gender-focussed ventures.
- 5. Facilitate networking between genderfocussed social enterprises and women's organisations nationally and internationally with a view to sharing best practice and replicating successful models. Ideally, this should be coupled with kick-starter funding.
- 6. Increase the rate of start-up and scale amongst women-led social enterprises through targeted support packages, accelerators, greater exposure to female role models, and targeted financial assistance. These programmes should be flexible and include childcare. If women-led social enterprises were to start and scale at the same rate as male-led social enterprises, this would create disproportionately more jobs for women.
- 7. Social enterprises should provide more opportunities for under-employed women, creating flexible, part-time jobs. In the UK, women are under-employed compared to men. The social enterprise sector provides proportionally more jobs for women than the for-profit sector, and particularly targets those who are excluded from the workforce.
- 8. Increase the number of female social enterprise leaders through mentoring, targeted leadership programmes, and facilitated peer-support. This should include both founders / leaders and board members.

- 9. Integrate gender equality into social enterprise business models, with a particular focus on gender balance on boards. Encourage recruitment to skills rather than experience of scale to prevent perpetuating the imbalance of men leading larger organisations. Research by Acumen suggests that integrating gender equality has the potential to make social enterprises more resilient, successful and impactful. These findings should be publicised more widely within the social enterprise sector.
- **10.** Social enterprises should equalise parental leave policies, encourage flexible working and job-shares.
- Social enterprises with a community focus should look for opportunities to deliver affordable childcare.
- **12.**Research, understand and publicise the gender wage-gap in social enterprise.

#### 1.9.3 Funders and investors

- 13. Learn the lessons of the Young Foundation's report, *The Sky's the Limit*;<sup>9</sup> use a 'gender lens' when making investment decisions; understand the additional barriers faced by women social entrepreneurs, and the strengths of women-led social enterprises.
- 14.Set targets to ensure a gender balance in board and senior leadership of funders and social investors.
- **15.** Ensure a gender balance in panels making lending and investment decisions.
- **16.**Set specific targets for a portfolio that is balanced for gender and race to reflect the UK's population. Consider launching products or services that are specifically targeted at under-represented sectors of the population.
- 17. Consciously use language that will not alienate women social entrepreneurs when communicating about products and services. Engage with specialist women's social enterprise and business intermediaries to support this, and to promote products and services specifically to women.

- 18. Record and publish data on the level of investment into male and female-led social enterprises, the gender composition of leadership teams and boards, and the impact of those investments.
- **19.** Set criteria for social enterprises to meet before receiving a grant or investment including:
  - a. have gender-balanced boards
  - **b.** record and measure their social and environmental impact, and include gender equality as a metric
- 20.Increase the supply of funding and social investment into social enterprises focussing on gender, especially where these are also in sectors considered 'non-traditional' for women.
- **21.** Promote and celebrate the role of women as social investors and women as social entrepreneurs.

#### **1.9.4 Governments**

- **22.** Governments should look to facilitate the above recommendations to women's organisations, social enterprise intermediaries, and funders and investors, by supporting through policies, convening, and provision of finance.
- 23. Governments should bear in mind that any policies to support women into work will actively support the social enterprise sector, which has a disproportionately high female workforce.
- 24. Governments should prioritise eliminating the gender imbalance between caring responsibilities through legislation and financial support for shared parental leave and affordable childcare
- **25.** Governments and social enterprises should work in partnership to increase the use of social entrepreneurship education in schools, including a specific focus on addressing gender inequality.

## **2** Introduction

Women in the UK are less likely than men to be in positions of leadership; they are in the minority in all of the four national parliaments in the UK, making up just 30 per cent of MPs.

In business, this pattern is even worse with women running only 19 per cent of SMEs and making up less than 20 per cent of board members of FTSE 250 companies. The median pay gap between men and women in Britain is 9.8 per cent for fulltime employment, meaning women earn only 81p for every £1 earned by a man. This pay gap rises to over 34 per cent for part-time work<sup>10</sup>. One in ten women has experienced sexual harassment in the workplace. 3,000 women call the rape crisis line every week. The UK has been a leading advocate for the inclusion of gender in the UN's Sustainable Development Goals (SDGs). The resulting SDG Number 5 is to 'achieve gender equality and empower all women and girls.' The UK has a lot of work to do itself in order to hit this target by 2030.

In recent years, social enterprise has started to play a small but growing role in women's empowerment. Comparisons are often made between the number of women running social enterprises compared to the private sector. There are some well-publicised examples of social enterprises supporting vulnerable women, providing healthcare and childcare.



There are also suggestions of gender segregation, of a wage gap, of the inequalities of the wider economy reflected in the social enterprise sector.

This report sets out to establish how well social enterprise addresses gender inequality and women's empowerment in the UK. It is part of a series of reports commissioned by the British Council to look at the link between social enterprise and women's empowerment across five countries: Brazil, India, Pakistan, the UK and the USA. It explores the strengths and weaknesses of social enterprise as a mechanism for empowering women and considers different ways it is being used for this end. It also examines the idea that social enterprise as a business model might advance women's empowerment even when that is not a specific objective.

It should be stressed that social enterprise is simply one tool in supporting women's empowerment. It can be extremely useful and effective in certain contexts, as this report will demonstrate. But it should be seen as complimentary to, not in competition with, other approaches to women's empowerment. Gender equality can only be achieved through a multifaceted approach.

That said, social enterprise is contributing to women's empowerment in many diverse ways. These can be grouped into five overlapping categories which we've considered in the following sections. **Section 3** looks briefly at the challenges facing women and girls in the UK;

**Section 4** gives an overview of the UK social enterprise sector;

**Section 5** looks at the ways in which social enterprise is being used by traditional women's organisations and considers how effective this approach is;

**Section 6** looks at social enterprises specifically set up to address women's empowerment, and explores the impact on women as their beneficiaries;

**Sections 7 and 8** look at the impact of social enterprise on women who set up and run social enterprises – women as social entrepreneurs and leaders;

**Section 9** looks at the impact of the social enterprise sector as an employer, comparing its impact on women with that of other sectors; and

**Sections 10 and 11** draw some conclusions from this research and makes recommendations for government, funders and investors, practitioners and intermediaries to make the best use of social enterprise as a tool for empowering women and girls.



#### 2.1 Background

This research was commissioned by the British Council to explore what appears to be a link between social enterprise and women's empowerment. The overall research focussed on five countries: Brazil, India, Pakistan, the UK and the USA – all countries where the British Council has a particular focus on both these areas of work. This report looks specifically on the findings in the UK.

#### 2.2 Methodology

The methodology used a four-stage process:

- In order to identify the key research questions the team conducted an extensive literature review and a series of key informant interviews.
- A detailed questionnaire consisting of qualitative and quantitative questions was sent to social enterprises gathering 362 responses.
- 3. The data was analysed and initial findings were shared with practitioners and experts in women's empowerment and social enterprise during a dialogue event held in March 2017. These facilitated discussions helped to understand, deepen, correct and clarify the findings from the survey.
- 4. Further desk research and key informant interviews were then conducted to fill remaining gaps in the research to produce the final report.

Strategic use was made of the British Council's women's empowerment theory of change to ensure a gender specific lens was used. If available, data of the four devolved countries (Northern Ireland, Scotland, Wales, and England) were used. This study did not employ a visible minority, disability, or LGBT lens though further study is needed in this area.

#### **2.3 Definitions**

Both women's empowerment and social enterprise are broad topics encompassing a great range of diverse activities and impact. For the purposes of this research we have used definitions which embrace this diversity, considering organisations and actions that may fall outside more formal understandings of social enterprise or women's empowerment. This is, therefore, a deliberately wide-ranging piece of research, which tries to capture the 'big picture'. There is certainly plenty of scope for further research focussing on specific aspects of women's empowerment, or on particular types of social enterprise.

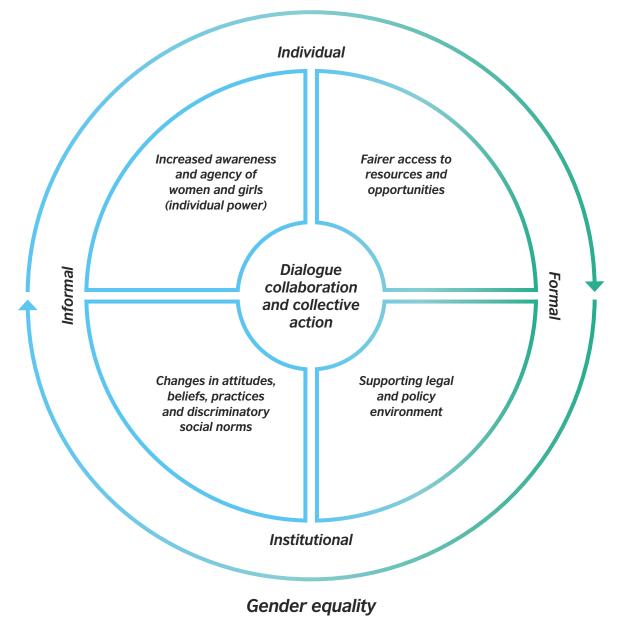
#### 2.3.1 Definition of Women's Empowerment

**Definition of women's empowerment:** Women's empowerment has five components: women's sense of self-worth; their right to have and to determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally. (UN)

We used the UN definition of women's empowerment as our primary definition. We also used the British Council's theory of change for women's empowerment as a model to explore ways in which social enterprise can empower women and girls.



Women and girls empowered



#### 2.3.2 Definition of social enterprise

There is now a common understanding of social enterprise defined in the UK, with SEUK, British Council, British Government and the EU all using very similar definitions. According to Social Enterprise UK, social enterprises should:

- have a clear social and/or environmental mission set out in their governing documents
- generate the majority of their income through trade
- reinvest the majority of their profits
- be autonomous of state
- be majority controlled in the interests of the social mission
- be accountable and transparent

The definition does, however, have famously fuzzy edges. There are grey areas, for example, between social enterprises and charities at one end of the spectrum, and between social enterprises and socially conscious businesses at the other. For this report, we took an inclusive approach to the concept of social enterprise. As well as considering organisations identifying as social enterprises, we also looked more broadly. We included categories of activity which may not always fit within the SEUK definition of social enterprise, but which are within the spirit of the definition.

Other countries in this research have a much less well-defined concept of social enterprise. In order to have a consistent approach across all five countries we used two very simple criteria to identify organisations for our survey that fitted within our broad category of social enterprise. In common with earlier British Council mapping exercises, organisations had to earn more than 25 per cent of their income through trade, and had to prioritise their social or environmental mission above or equal to their financial profit. Organisations relying on more than 75 per cent grant income, or which stated their emphasis was on profit first, were excluded from the results.



## **3 Women's empowerment** in the UK

Gender equality in the UK has taken huge steps forward in the last century with women securing legal rights: to vote, to stand for public office, to equal pay for equal work, the right to education, to participate in sport and culture, and the right to be safe. Currently, the United Kingdom ranks 16th on the Gender Inequality Index (GII).

Despite these steps forward the UK still has significant areas where the opportunities afforded to women and girls are not the same as those afforded to men and boys. Rights and reality are not always aligned<sup>11</sup>.

The Global Economic Forum ranks the United Kingdom 26th for the Global Gender Gap based on Economic participation and opportunities, educational attainment, health and survival, and political empowerment<sup>12</sup>. While the United Kingdom does comparatively well globally, the UK has slipped markedly since its original ranking of ninth when the indexed was first compiled in 2006. The country is not moving forward in gender equality as fast others.

The UK has seen a shift towards women's more equitable participation in the formal economy. There has been a rise in women's employment and a fall in men's employment over the past 40 years, but women are still less likely to be employed than men are. Sixty seven per cent of women of working age are now in work compared with 76 per cent of men<sup>13</sup>. The figure is only 63 per cent for migrant women<sup>14</sup>. And when it comes to selfemployment, two men start businesses for every woman starting a business<sup>15</sup>.

Once in employment women are still worse off than men. The median pay gap between men and women in Britain is 9.8 per cent for fulltime employment, meaning women earn only 81p for every £1 earned by a man. This rises to over 34 per cent for part-time work. Over half of all industrial tribunal cases involve sexual discrimination<sup>16</sup>.

At home, women still bare the greater burden when it comes to both housework and childcare. Men with children are more likely to work than those without. The opposite is true of women. Fifty four per cent of women with children who leave the workplace do so as they need a better work-life balance<sup>17</sup>. Meanwhile, 57 per cent of local authorities in England do not currently have enough childcare places to meet the needs of working parents. In Wales the figure is 82 per cent<sup>18</sup>.

Work is still highly gender segregated where women predominately work in the caring and leisure occupations, and men are more likely to be employed in higher skilled jobs than women<sup>19</sup>.

Gender segregation also persists in education. The UK has achieved almost universal primary and secondary education for boys and girls, and girls actually enjoy higher educational achievements. But there are high levels of gender segregation around subjects chosen, with girls particularly under-represented in the STEM subjects (Science, Technology, Engineering and Maths). Only 12.8 per cent of the UK STEM workforce are women<sup>20</sup>.

There is also 'vertical segregation': women are less likely than men to be in positions of seniority or leadership. Women are in the minority in all of the 4 national parliaments in the UK, making up only 30 per cent of MPs in the UK's parliament; 28 per cent of MLAs in Northern Ireland; 35 per cent of MSPs in Scotland; and 42 per cent of AMs in Wales. In business, this pattern is even worse with women leading less than 19 per cent of SMEs and making up less than 20 per cent of board members of FTSE 250 companies.

Violence and sexual harassment remains one of the most serious and widespread forms of gender inequality in the UK. Twenty seven per cent of women have experienced some form of domestic abuse, compared to thirteen per cent of men. Three thousand women call the rape crisis line every week. New forms of sexual harassment are facilitated by technology with 60 per cent of teenagers in the UK having been asked for explicit photographs. One in ten women has experienced sexual harassment in the workplace. This violence is fuelled by the sexualisation of girls and women in the media, which also drives body dysmorphia, low self-esteem and eating disorders<sup>21</sup>. 87 per cent of young women today say they're judged more on their looks than on their abilities<sup>22</sup>. By the age of ten 80 per cent of girls in the UK will be on a diet to change their body shape<sup>23</sup>. Girls in the UK are now 3 x more likely to suffer from depression and anxiety than boys and on any given day up to 5 per cent of girls aged 12-17 will be prescribed anti-depressants<sup>24</sup>.

This gender inequality in mental health is replicated in the prison population. Women accounted for 21 per cent of all incidents of self-harm in prison in the year to June 2016 despite representing just 5 per cent of the total population. Prison itself does not work for women with 48 per cent of women reconvicted within one year of leaving prison. Just 8.5 per cent of women leaving prison secured employment<sup>25</sup>. Meanwhile, women's organisations that support vulnerable women and campaign for gender equality have seen their statutory funding cut.

Within this challenging context for women's empowerment in the UK it is timely to explore the role already being played by social enterprise, and the opportunities for utilising this approach more fully.



## 4 Social enterprise in the UK

The social enterprise sector in the UK is large, rapidly growing, and extremely diverse. Thousands of different organisations are using hundreds of different business models in different markets to meet the UK's many and varied social needs. Many have started independently; some social enterprises have grown out of charities and non-governmental organisations (NGOs); whilst others have emerged as spin-outs from the public sector.

The last time it was measured, in 2009, four per cent of social enterprises in the UK cited women as their main beneficiary. There are an estimated 70,000 social enterprises across the UK including 5,000 in Scotland, 1,500 in Wales. This implies around 2,800 specifically focussing on women, although many others support women as part of their focus on different groups, such as young people, people with disabilities or people on low incomes.

Social enterprises in the UK work disproportionately in the most deprived areas, and 59 per cent employ at least one person who is disadvantaged in the labour market. For 16 per cent of social enterprises this group forms at least half the workforce<sup>26</sup>. Social enterprises in the UK often have a mixed income model, combining earned income and commissioned work with grants and donations. While 89 per cent of social enterprises earn more than half their income from trading in the UK, in Scotland, the figure is 54 per cent and in Wales, 41 per cent. This reflects the greater availability of grant income in the devolved nations. Using this model, social enterprises are as financially sustainable as for-profit SMEs. In 2015, 76 per cent of social enterprises breaking even or in profit compared to 78 per cent of SMEs.

The majority of social enterprises are operating at the small and micro business levels, and almost half of these are under five years old.

So, social enterprise is already a significant part of the landscape for women's empowerment in the UK and, since it is growing rapidly and also financially sustainable, it looks set to play an even greater role in future.



# 5 Social enterprise and women's charities

"In some situations social enterprise can be an effective way to provide women who have experienced discrimination and or trauma with a creative vehicle to both aid their recovery, develop skills and create an income. However social enterprise is not an effective way to finance the women's charitable sector." – Vivienne Hayes MBE, CEO, Women's Resource Centre

Women's organisations "seek to improve the status and situation of women". They work with some of the most marginalised and vulnerable women in the UK. They provide vital support to women and their families, frequently in times of crisis. They often fill essential gaps in statutory provision where mainstream services are nonexistent or inappropriate.

There are three very different ways in which women's organisations are using social enterprise models to support women's empowerment:

- Delivering commissioned services on a contract basis
- To raise vital funds to cover core costs or noncommissioned services
- To provide opportunities for marginalised women

We will deal with each of these in turn.



### 5.1 Delivering commissioned services on a contract basis

Public spending cuts have severely weakened the women's charitable sector in recent years<sup>27</sup>. Income for women's organisations were traditionally a combination of public donations and grants from charitable trusts and local public bodies. However, the past decade has seen a clear shift in how voluntary and community organisations are funded, from needs-led grants to commissioning. To some extent, this forces women's organisations down a social enterprise path, earning a significant portion of their income through commissioned services.

On the whole his approach has not been positive for women's organisations. A report by the Equalities and Human Rights Commission (EHRC) about the impact of commissioning on womenonly organisations highlighted the increased risk to the sector. The report highlighted that issues of importance to women are less likely to be prioritised as funding arrangements become increasingly localised<sup>28</sup>. Women's organisations themselves report that commissioning has contributed to a huge increase in competition, both between women's organisations and with other voluntary, statutory and private sector organisations. Being small and under-resourced, specialist women's organisations are often struggling to compete. This can leave vulnerable women without access to specialist support.

When women's organisations partner with larger organisations as second-tier providers they are often left with the few referrals and little income from the contracts.

### 5.2 Raising funds for vital services

Women's organisations make up 7 per cent of charities in the UK, but receive only 1 per cent of central funding. The lack of funding for gender equality has led to a number of women's organisations trying to generate income to cover core costs and vital services. There are three key barriers preventing this from happening:

- Women's organisations have very few, if any assets. Very few own their own buildings, for example.
- Women's organisations are under-resourced, over-stretched and do not have the capacity to develop social enterprise income streams.
- The staff and volunteers at women's organisations tend not to have the knowledge or skills to set up a social enterprise.

This combination means that social enterprise is not being used to any great extent to fund women's charities in the UK. This could be addressed, but to do so would require substantial investment. Asset transfers, additional staff, and skills development would all be needed to provide any real measure of financial security for women's organisations in the UK. A far-sighted funder working with a far-sighted local authority could pilot such an initiative, but it would probably need to be driven by a funder or local authority. Women's charities are too stretched to pursue such an initiative without support.

### 5.3 Providing opportunities for marginalised women

Where women's organisations are able to use social enterprise as an effective tool for women's empowerment is in providing opportunities for personal development, training, and employment. One such example is **Material Girls**<sup>29</sup>, Port Talbot and Afan Women's Aid's textile recycling Social Enterprise.

Material Girls trades and recycles pre-loved and vintage fashion. Donated clothing is sorted, steamed and repaired (if needed) by a team of volunteers and recycled, sold online and at events. Since 2013, Material Girls has supported over 200 volunteers with 49 per cent of volunteers progressing onto further training, employment or education. As well as income from sales, Material Girls receives grant funding to support its activities. Profit from the enterprise is reinvested back into the project and the continuation of Women's Aid's essential services.

**The Marylebone Project**, <sup>30</sup> the largest provider of accommodation and services to women experiencing homelessness in the UK, run several related social enterprises that provide jobs in catering, crafts and events to women who have experienced homelessness.

**Eaves**<sup>31</sup> is a women's charity with a mission to expose and address violence against women and girls in the UK. They have started a social enterprise, Tiny Diner,<sup>31</sup> which provides babies, toddlers and young children with the healthiest and most nutritious baby food possible. Every pound in profit goes to supporting the charity's work and creating training and employment opportunities for the vulnerable women Eaves supports including those who have faced domestic abuse, sexual exploitation, and human trafficking.

#### 5.4 Section 5 conclusion

Women's organisations in the UK use a social enterprise approach to support women's empowerment in three ways:

- Delivering commissioned services on a contract basis
- To raise vital funds to cover core costs or noncommissioned services
- To provide opportunities for marginalised women

In recent years funding for women's services has moved from grants to a contract basis. Women's organisations struggle to compete in tender processes for contracts, as they tend to be small, under-resourced and locally focussed. Larger, more generic organisations are therefore taking over some of this work. This can leave vulnerable women without access to specialist support.

Lack of funding for gender equality has led to a number of women's organisations trying to generate income to cover core costs and vital services. There are three key barriers preventing this from happening:

- Women's organisations have very few, if any assets.
- Women's organisations lack sufficient capacity to develop social enterprise income streams.
- Women's organisations tend not to have the requisite knowledge or skills.

This combination means that social enterprise is not being used to any great extent to fund women's charities in the UK.

Social enterprise is proving an effective model for women's organisations when it is being used to provide employment and training opportunities for vulnerable women. Such social enterprises have been started by a number of women's organisations, and are also being started independently of the women's charitable sector.

The impact of these social enterprises on women as beneficiaries is explored in the next section.

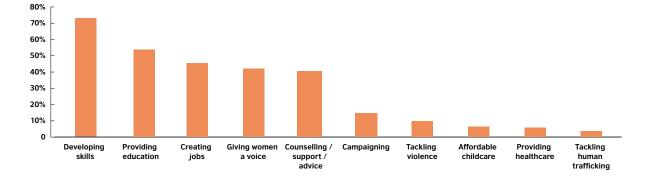
## 6 The impact of social enterprises on their beneficiaries

Social enterprises like Material Girls mentioned in Section 5.3 are not just being started by women's charities. According to the Social Enterprise UK survey there could be as many as 2,800 social enterprises in the UK with women as their primary beneficiaries<sup>1</sup>. Our research suggests that the actual number is considerably lower, although it depends on how tightly you define 'social enterprise'. Many of the most inspiring 'social enterprises' suggested by survey respondents are actually grant-funded organisations, projects, campaigns or services with little or no trading income.

Still, while numbers may not actually be as high as 2,800, there are a lot of social enterprises in the UK that specifically focus on different aspects of women's empowerment. They are providing an additional and complementary way to tackle gender inequality and the specific challenges facing women and girls. What's more, beyond those social enterprises that specify women as their primary beneficiary there are many, many social enterprises that empower women as part of their work with clients of both genders. These social enterprises may be providing services to the general public, a particular community, or to a particular interest group such as young people, people with disabilities or people on low incomes. Women and girls make up varying proportions of these groups and experience the impact of these social enterprises.

Our survey was specifically targeted at social enterprises with an interest in women's empowerment. Eighty two per cent of the social enterprises responding said they do empower women and girls.

The range of areas in which these social enterprises are delivering impact is considerable. Those responding to our survey identified empowering women and girls in the following areas:



#### How does your social enterprise impact on women and girls?

<sup>i</sup> The last time it was measured, in 2009, four percent of social enterprises in the UK cited women as their main beneficiary. There are an estimated 70,000 social enterprises across the UK. This implies around 2,800 specifically focussing on women.

#### When we asked social enterprises through our survey to tell us about the impact they were having on the lives of women and girls, the details were even more varied. A selection of the responses is given below.

### What is the biggest impact your organisation has on the lives of women and girls?

'Encouraging girls to be scientists and mathematicians'

'Supporting women who have no English language access local services'

'Providing roles models and encouraging women to take up sports coaching'

'Employing women from disadvantaged groups'

'Raising awareness of the issues facing women and girls through films'

'Helping victims of domestic abuse to become a survivor and teaching them the skills to help, support and empower others'

'Providing good decent, affordable warm homes'

'Helping women work out their own answers and change their own lives'

'Empowering women to take leadership roles'

'Providing jobs for women and changing the value of care work'

'Providing a platform for women crafters to sell and promote their work'

'We are the accrediting body for the Living Wage in Wales - that has a massive impact on women'

'Promoting confidence and skills for female entrepreneurs'

'Giving women a chance to stay with their baby and prove they can parent'

'Enabling families to work, through affordable childcare'

'Creating an online market for women who have been trafficked or exploited through prostitution'

'Raising aspirations, attainment and attendance in school'

'Helping girls' career ambitions'

'Producing a Manifesto for Girls' Rights in Wales'

'Providing affordable fitness and national education'

'Providing supported employment and safe community spaces'

'Access to short term loans to help with purchases such as school uniforms'

'Instilling a sense of belonging, giving confidence to raise their voice'

'Raising awareness of structural inequality and its impact on the life chances of women and girls'

'Online training and support to mums in the UK to start a successful business venture'

'Developing skills and confidence to run a social enterprise'

'Enabling young women to use creative writing to process negative experiences such as domestic violence and sexual abuse'

'We support women into sustainable work, education and training through the power of sport'

'Helping girls stand in front of an audience after suffering bullying'

'Helping older women who are blind to remain living independently for longer'

'We inspire women who have been homeless to achieve great things and move on in life'

'Improving mental health and well-being'

'Reducing isolation for women of all ages and from all backgrounds'

Looking at the critical issues facing women and girls in the UK, there are social enterprises that have been developed to tackle nearly all of them. We've chosen a few to highlight below.

## 6.1 Recognising and addressing gender inequality

'While there is much to be celebrated in women's lives today, the UK's record on women's rights is still poor. Women and girls are exposed to inequality, discrimination and harassment, and face significant barriers to achieving their full potential.' – The Fawcett Society<sup>32</sup>

Much of the work on campaigning for gender equality and supporting women's rights is still carried out by the women's charitable sector in the UK. However there are examples of social enterprise supporting with this work, strengthening the voice of women and girls.

**Full Circle Education**<sup>33</sup> is a social enterprise based in South Wales, working to inspire children and young people, and tackling the issues that prevent youth from reaching their potential. They have run a number of projects specializing in gender equality including creating a girls rights manifesto, which has given girls a platform to talk about their issues and stories.

Rosie Ginday founded Miss Macaroon, a social enterprise that sells premium confectionary, as a means of providing chef training, work experience and confidence building for young offenders and care leavers experiencing difficulties.

### 6.2 Challenging gender stereotypes

Gender stereotypes limit the expectations and opportunities of men and women. They perpetuate inequalities.

Many social enterprises targeting women continue to reinforce gender stereotypes. Job creation and training for women is often centred around fashion, catering and care – all sectors that are dominated by women. This issue is discussed further in Section 9.

There are social enterprises that deliberately set out to challenge gender stereotypes however.

**Women's Adventure Expo**<sup>34</sup> is the first adventure and travel expo in the UK dedicated to women. It is a pioneering social enterprise empowering women through adventure and exploration; and celebrating and promoting female adventure heroines as positive role models. The aim is to make adventure accessible and inclusive to all women no matter what age, ability and stage of life.

Gender stereotypes are damaging to both men and women. Gender stereotypes for boys and men need to be challenged too, if gender equality is to be realised.

**Super Beings Lab**<sup>35</sup> have published a book, *Being ManKind* – which tackles outdated notions of masculinity and challenges gender stereotypes. For every copy sold, Super Being Lab donate one copy of the book to a school or youth organisation.

Photo courtesy of Richard Battye

### 6.3 Gender segregation in education

Women are under-represented at professorial levels across academic research careers in all Stem disciplines (typically 17 per cent although there is variation between disciplines). Overall, only 12.8 per cent of the UK STEM workforce are women.<sup>36</sup>

**Stemettes**<sup>37</sup> is an award-winning social enterprise working across the UK & Ireland and beyond to inspire and support young women into Science, Technology, Engineering and Maths careers (known collectively as STEM). They work with children from age five and upwards. They run public events, hackathons, school trips, a 'morethan-mentoring' programme and an app.

#### 6.4 Employment gap

Women are less likely to be employed than men are. Sixty seven per cent of women of working age are now in work compared with 76 per cent of men<sup>38</sup>

Creating jobs was the third most common impact cited by our respondents. Forty two per cent of social enterprises in our survey create jobs for women. Often they are specifically creating jobs for disadvantaged women. 59 per cent of social enterprises in the UK employ at least one person who is disadvantaged in the labour market. For 16 per cent of social enterprises this group forms at least half the workforce<sup>39</sup>.

**Rubies in the Rubble**<sup>40</sup>. Combat food waste by using surplus fruit and vegetables to make delicious, handmade chutneys and jams. They employ women who have fallen on hard times and need support getting back on the employment ladder.

**Miss Macaroon**<sup>41</sup> harnesses art and science to create some of the most modern, premium macaroons on the market. The manufacture and sale of luxury confectionery provides training for young people - often care leavers experiencing difficulties. They benefit from pastry chef training, work experience, confidence building and ongoing mentoring, helping them break into the highly competitive catering industry.

### Only 63 per cent of migrant women are in employment.<sup>42</sup>

**Mazí Mas**<sup>43</sup> is an award-winning social enterprise that provides training and employment to help women build careers in the food industry. They run a 'roaming restaurant'. All the chefs are women from migrant and refugee backgrounds creating a multi-ethnic, multi-lingual, and multitalented team.

### Just 8.5 per cent of women leaving prison secured employment<sup>44</sup>

**Behind Bras**<sup>45</sup> is a social enterprise that manufactures and sells luxury lingerie and, at the same, time trains women who have been through the criminal justice system. The in-house academy trains vulnerable women (initially female ex-prisoners) to manufacture and sell Behind Bras products on release from prison, inspiring new futures at a pivotal time where re-offending and self-harm are prevalent risks.

#### The Fashion Training and Manufacture Unit

is another social enterprise initiative aimed at providing skills and meaningful employment for serving and recently released female offenders in the UK. It fills a recognised skills gap within the London area. It aims to train and employ up to 20 female offenders on a regular basis within Holloway prison and supports them on release to gain work placements and employment within the fashion manufacture sector in the UK. This model combines income from the sale of products with grant income to provide support and training.

Even for women not disadvantaged in the labour market, there are additional barriers to employment compared with men. Since women still carry a greater burden of childcare, flexible working and affordable childcare are important for women's empowerment.

#### 6.5 The need for flexible working

Fifty four per cent of women with children who leave the workplace do so as they need a better work-life balance.<sup>46</sup>

Social enterprises themselves often provide flexible employment. This is discussed in Section 9. There are also social enterprises dedicated to supporting women balance family life and careers.

**Career Women Wales**<sup>47</sup> is a social enterprise providing training which empowers women to visualise their career goals and create personalised plans to achieve them. They offer group training, one-to-one support and guidance, as well as providing information on part-time professional job opportunities across Wales.

### 6.6 Providing affordable childcare

Fifty seven per cent of local authorities in England do not currently have enough childcare places to meet the needs of working parents. In Wales the figure is 82 per cent.<sup>48</sup>

A number of social enterprises have been started to tackle this issue.

The London Early Years Foundation (LEYF) is an award-winning family of 38 nurseries across London. It is the UK's largest childcare social enterprise, working to support long-term social change. It started as a charity, moving to a social enterprise model in 2006 and now offers the same high quality nursery experience to families across the city regardless of their background. To make sure parents and children from all backgrounds can afford a nursery place, LEYF run nurseries in some of London's most disadvantaged areas, and subsidise 48 per cent of parents to access a free nursery place. Sparkles Nursery is another social enterprise, this time run by Caia Park Partnership. Caia Park is a disadvantaged estate in Wrexham, North Wales. Caia Park Partnership runs a number of social enterprises to benefit the community. The Caia Park team identified a lack of affordable childcare as a significant barrier to women on the estate engaging in employment or education. In response, they set up another social enterprise, Sparkles Nursery, which provides high-quality affordable childcare. The Sparkles staff are all local women, the vast majority of whom, including the manager, joined Caia Park on employment schemes. Through their involvement in Sparkles, they have not just gained gualifications and a job; they have started a career.

## 6.7 Gender imbalance in entrepreneurship

The rate of women-led business start-ups is 50 per cent of the male rate. Two men start businesses for every one woman.<sup>49</sup>

Looking at for-profit business start-up rates among women, they are considerably lower than among men. The reasons for this, and its impact on social entrepreneurship are discussed in Section 7. Women starting businesses often do face different challenges to men, and a number of social enterprises exist to help address these.

**Savvy Mums Business**<sup>50</sup> is a social enterprise that provides information and support to selfemployed mums, 'helping them build a successful small business whilst also inspiring the next generation'. They work with charities, local authorities and community projects to deliver advice, support and training to self-employed mums across the UK. And they run online courses such as Savvy Mums Business School.

**The Women's Organisation**<sup>51</sup> is the largest developer and deliverer of training and support targeting women in the UK. They deliver services primarily in the North West of England, working with women from diverse communities and backgrounds. Their enterprise portfolio includes consultancy, venue and facilities hire and service delivery contracts.

The Women's Organisation helps women to flourish in both new and existing businesses and in employment. They enable women to 'access the funding and facilities, experience and expertise that they need to succeed'.

#### 6.8 Violence against women

Twenty seven per cent of women have experienced some form of domestic abuse.<sup>52</sup>

We've already seen in Section 5.3 that women's organisations, which often provide refuge and support for victims of domestic violence, have started using social enterprise as means to provide support, training and employment. Other social enterprises have started independently which meet this need too.

Luminary Bakery<sup>53</sup> is a social enterprise which supports women who have had a social or economic disadvantage. Their aim is to break the generational cycles of abuse, prostitution, criminal activity and poverty. They provide a safe, professional environment, 'using baking as a tool to take women on a journey to employability and entrepreneurship.' They offer training courses, work experience and paid employment in the bakery.

## 6.9 Body image and eating disorders

87 per cent of young women today say they're judged more on their looks than on their abilities.<sup>54</sup> By the age of ten 80 per cent of girls in the UK will be on a diet to change their body shape.<sup>55</sup>

**Girls Out Loud**<sup>56</sup> is a UK based social enterprise set up in 2009. The team have a mission to raise the aspirations of young girls between the ages of 13-18. The organisation facilitates intervention programmes in schools from one day to 12 months in duration and runs a nationwide mentoring programme for teenage girls called Big Sister. The aim is to 'embed a more empowering mind set in girls, which in turn, reconnects them to education, helps them achieve exam success and broaden their aspirations, encourages them to find their individual voice, take risks, make better life decisions, improve their self-image and become role models for future generations.'

#### Sweet Cavanagh57

Sweet Cavanagh sell beautiful jewellery made and designed in London by women recovering from eating disorders and addictions. The process of designing and making the jewellery plays an important part in the journey to recovery. All profits from the sale of the jewellery go to Free Me, a registered charity that, in addition to our jewellery workshop, provides a program of free therapy, group support, career training and access to a dietician.

#### **6.10 Mental Health**

Girls in the UK are now three times more likely to suffer from depression and anxiety than boys and on any given day up to five per cent of girls aged 12-17 will be prescribed anti-depressants.<sup>58</sup>

#### KIM Inspire59

KIM Inspire is a voluntary organisation working with women in North Wales who are recovering from mental ill health. They provide support for about 300 women. They use a series of social enterprise cafés to generate income for the organisation to support their wider work and, equally importantly, to provide volunteering opportunities, work experience and catering qualifications.

#### 6.11 Health

Following government legislation, a number of health services 'span out' of the NHS to become independent social enterprises and social enterprises are often involved in some of the most pioneering and transforming work in health. As this piece in the Guardian points out, social enterprises are 'helping reduce the pressure on acute services through social prescribing such as Wellbeing Enterprises in the north-west of England or telehealth systems, including **Segol** in Swindon. They have also helped deliver on the promise of integration, as with integrated mental health services by Navigo in Grimsby, or the centralised dementia hub by Plymouth community healthcare, and are building early intervention partnerships, such as Nottingham city care partnership, which led a £45m initiative for children up to the age of three across the city."60

While not specifically focussing on women, their services do have a significant impact on the women's empowerment.

Integrated Care 24<sup>61</sup> is a social enterprise, which provides a range of high quality urgent care services to around six million patients in the UK. Led by Chief Executive Yvonne Taylor, Integrated Care 24 invests in providing exceptional care for its patients through the delivery of 111 and out of hours primary care health services. IC24's 'mylittleone' innovation, for example, promotes bonding between mother and baby when an infant has to remain in neonatal care and the baby's parents are at home. IC24 generates income through service delivery contracts with the UK Government and other health commissioners. IC24 has been awarded the social enterprise 'Gold Mark', and any surplus it receives is reinvested to improve its services for patients.

#### 6.12 Section 6 Conclusion

Section 6 gives a sense of the sheer breadth of different approaches being employed by social enterprises across the UK. It demonstrates the impact on women's empowerment that can be achieved using social enterprise models; tackling gender inequalities; enabling women and girls to reach their full potential. And it showcases models that could potentially be replicated in other areas to extend that impact to even more women.

The next section explores the impact on the women who set up these social enterprises.



# 7 Women as social entrepreneurs

So far, we have considered the use being made of social enterprise by traditional women's organisations, and the impact that social enterprises can have when they are specifically set up to address challenges and inequalities facing women and girls in the UK.

This section looks at women who set up a social enterprise. Is this a form of women's empowerment?

For the purpose of this research, we have used the term 'social entrepreneur' to refer specifically to someone who sets up or leads a social enterprise, even if that venture is at an early stage.

When it comes to for-profit entrepreneurship in the UK, only one business in three is started by a woman. There are two male-led businesses started for every one female-led business.

The gender gap in social entrepreneurship is much lower, with 42 per cent of social enterprises started by women in 2015/16.

Looking more closely at entrepreneurship figures in the UK, the picture is not quite so clear-cut. Many businesses in the UK, particularly sole traders, are started because the entrepreneur has no better option for work. They are started out of necessity.

In the UK, women are less likely than men to start a business out of necessity. They are more likely to start a business by positive choice – because they see an opportunity. Fifty five per cent of businesses in the UK started by positive choice are started by women. As discussed in Section 7.2, very few men or women start social enterprises because they have no better option for work. They start social enterprises out of a positive choice, because they want to create positive social impact.

So, when we remove the 'necessity' element, when we look only at men and women who want to start a business, proportionally more women are positively choosing to start for-profit businesses.

The following sections explore why this might be the case.

- Section 7.1 looks at the differences between social-entrepreneurship and for-profit entrepreneurship;
- Section 7.2 examines the drivers for women to become social entrepreneurs;
- Section 7.3 considers the barriers and enablers for women social entrepreneurs;
- Section 7.4 looks at the types of women who become social entrepreneurs; and
- Section 7.1 explores the impact on women of being a social entrepreneur.

#### Proportion of women choosing to start businesses

Overall proportion of UK businesses started by women <sup>62</sup>	Proportion of 'opportunity' businesses started in UK by women <sup>63</sup>	Proportion of social enterprises started by women <sup>64</sup>
33%	55%	42%

# 7.1 The differences between social-entrepreneurship and for-profit entrepreneurship

If we want to understand the impact on women's empowerment of social entrepreneurship, we also need to look at for-profit entrepreneurship. Is the impact on women of starting a social enterprise similar to the impact of starting a forprofit business? Which is a more effective tool for women's empowerment?

For-profit entrepreneurs and social entrepreneurs share some common characteristics but also exhibit important differences. Many of the enablers to women's entrepreneurship are similar to those for women's social entrepreneurship: access to appropriate business support, government policies and legislation, finance, education, and role models. These are found in similar measures in our survey, the SBS survey<sup>65</sup> and the SEUK survey<sup>66</sup>. Equally, many of the barriers are shared. Among these are confidence in abilities, fear of failure, and family responsibilities.

The primary drivers for social entrepreneurs are quite different however. While many do want to earn a reasonable income and have flexible working around family commitments, the overwhelming aim of almost all social entrepreneurs, men and women, is to address a social or environmental concern or to benefit their community.

These comparisons are important because there is considerably more data on women entrepreneurship than social entrepreneurship. While recognising that the same type of enabler might look slightly different for social entrepreneurship (appropriate finance, business support and legislation, for example), many of the recommendations made to address barriers and enablers for women entrepreneurs also apply to women social entrepreneurs. When governments, funders or intermediaries seek to identify, communicate with and encourage women social entrepreneurs, however, they need to employ different approaches from the ones used with for-profit entrepreneurs. One of the primary reasons why very few (if any) social entrepreneurs transition to become for-profit entrepreneurs is that the drivers for the two types of entrepreneurship are different. Social entrepreneurship does not act as a bridge into the for-profit sector.

Another crucial difference between social and forprofit entrepreneurship is the expected economic return for the individual. Social entrepreneurship is likely to create higher rates of social return for the community and society at large. Social entrepreneurship is also likely to create proportionally more jobs for women (See section 9). But rates of pay in the social enterprise sector can be lower than other sectors, particularly as a high proportion of social enterprises are small, young organisations. There is also a substantial gender pay gap in the social enterprise sector.

So women social entrepreneurs are likely to earn less than their male counterparts and less than their for-profit counterparts and are unlikely to move into the for-profit sector.

This means that social enterprise delivers less economic empowerment for women entrepreneurs than for-profit businesses, but more economic empowerment for women generally.

#### 7.2 Drivers for women to become social entrepreneurs

As already suggested, the primary driver for almost all social entrepreneurs, male and female, is addressing a social or environmental concern or benefiting their community.

#### 7.2.1 Creating social impact

'To me, the purpose of business is profit no more than breathing is the purpose of life.' – survey participant

Ninety seven per cent of women in our survey started a social enterprise to address a social or environmental concern, or to benefit their community. Only three per cent started purely for career opportunity or flexible working.

This finding supports the findings of the WeStart research into women's social entrepreneurship conducted in 2016<sup>67</sup>. 95 per cent of women social entrepreneurs in Europe felt that helping the community was a strong factor in their decision to start a social enterprise.

The WeStart research suggests this may be because in many societies, women may be closer than men to social issues, such as caring for children, for elderly people, or disabled people, through education, and the provision of food and care products. However, we found no statistical difference in the responses of male social entrepreneurs. Social impact is equally motivating for male and female social entrepreneurs.

Also, since more men than women are starting social enterprises in the UK (and indeed in four out of the five countries we researched), there is no basis to conclude that women are more drawn to creating social impact than men.

So creating social impact is why women (and men) choose to start a social enterprise rather than a for-profit business. There are other drivers, however, which draw women towards social enterprise rather than to working for a charity, for example.

## 7.2.2 Flexible work around family commitments

One factor that may be driving rates of both social and for-profit entrepreneurship among women is the need to balance work with family commitments.

Fifty five per cent of women who responded to our survey felt the social enterprise sector offered better opportunities for flexible working than other sectors.

Twenty nine per cent of women with children said the prospect of 'flexible working around family commitments' was a motivating factor in starting a social enterprise. No men chose this as a motivating factor.

Again, these findings support those of the WeStart research. Many of the women interviewed felt that social entrepreneurship allowed them to accommodate family life and secure a better work life balance.

Other research has also suggested that social enterprise provides women with a flexible way to earn an income and participate in community development (Oxfam, 2011, GEM2006, SEUK, 2015), and this finding was reinforced during our focus group discussion.

Where further research is needed is to understand to what extent this is a positive choice, and to what extent women feel excluded from the charity or public sectors through lack of flexible working opportunities.

It is important to note that amongst women for-profit entrepreneurs, flexibility around family commitments is also an important driver. The RBS entrepreneurship tracker found the 'desire to achieve a good work-life balance was cited by a quarter (25 per cent) of survey respondents, with flexibility and the opportunity to be more involved in childcare and family life an attractive proposition to many women.<sup>68</sup> So social enterprise is not an alternative to for-profit enterprise because of flexibility, but because of social impact. In fact, sole-trader businesses can usually offer more flexible working than SMEs that employ staff. Ninety per cent of all for-profit businesses in the UK are sole trader, compared to only six per cent of social enterprises. If flexibility is more important to women than to men, this may explain why more women are positively choosing to start a for-profit business compared to men, and fewer women are choosing to start a social enterprise.

It is also important to note that the reality of running a social enterprise may be quite different from the expectations. Fifty per cent of women social entrepreneurs responding to our survey had experienced conflict between the demands of their social enterprise and family responsibilities.

So while the opportunity of delivering social impact while working flexibly might draw women to setting up a social enterprise, their care responsibilities are also an additional barrier compared to most male social entrepreneurs. This is discussed further in Section 7.3.1.

#### 7.2.3 Providing an income

'Profit alone isn't enough. Supporting people and making a living; can't think of a better way of spending my days' – survey participant

Only 19 per cent of women chose 'providing an income for my family' as a motivating factor alongside social impact. Only one per cent said career was the primary driver. This figure was even lower amongst male respondents with only eight per cent citing income or career as a motivating factor.

This finding was echoed in the WeStart research. According to the WeStart Report, 31 per cent of women social entrepreneurs stated making a profit was not a motivating factor and 68 per cent stated unemployment or underemployment was not a motivating factor for starting or participating in social enterprise. Where women may have an advantage of male social entrepreneurs is in the expectation to be the main wage earner. Twenty three per cent of women social entrepreneurs in our survey said they were not the main wage earner, whereas no men said this. So some women social entrepreneurs may have less pressure to earn an income from their social enterprise, allowing them to take greater risks, or focus more on social impact ahead of financial sustainability.

## 7.3 Barriers and enablers for women social entrepreneurs

Thirty one per cent of women responding to our survey felt that their gender has an impact on the barriers their social enterprise faces. This compares to just three per cent of men.

The most common barriers cited by women social entrepreneurs are the same as those cited by male social entrepreneurs. Perhaps unsurprisingly, if tax or government bureaucracy is a barrier for women, it is also a barrier for men.

There are areas, however, where women report experiencing a significant disadvantage compared to men:

- greater demands on time through home and family commitments
- · less access to finance
- · less confidence in skills and ability
- greater fear of failure
- fewer female role models
- prejudice and discrimination

These are also similar to those reported by some for-profit entrepreneurs. A report by the Federation of Small Businesses<sup>69</sup> found key challenges included balancing work and family life (40 per cent), achieving credibility for the business (37 per cent) and a lack of confidence (22 per cent). It also found that, 'difficulties identifying and accessing finance, a general lack of confidence in their business and personal skills, and a lack of visible role models were among the barriers to successful female enterprise identified by the Women's Business.'

Understanding and removing or reducing these barriers will help to create greater gender equality in the field of social entrepreneurship.

## 7.3.1 Greater demands on time through home and family commitments

'I am a single parent with little support – this directly impacts my ability to grow my venture.' – survey participant

At home, women still bare the greater burden when it comes to both housework and childcare. In the UK economy, men with children are more likely to work than those without. The opposite is true of women. Fifty four per cent of women with children who leave the workplace do so as they need a better work-life balance<sup>70</sup>.

According to data from the 2013 European Social Survey<sup>71</sup>, 70 per cent of the total time heterosexual couples spend on housework is done by women, and nearly two thirds by women who work more than 30 hours a week.

In our survey, 44 per cent of women social entrepreneurs had family care responsibilities, compared to less than 24 per cent of men. Furthermore, 19 per cent of those women had no one to help with those care responsibilities. No men were in this position.

The WeStart survey found sixty two per cent of the women surveyed had childcare responsibilities<sup>72</sup>.

This means that many women have additional barriers to starting a social enterprise (or indeed any business) compared to men. A European Parliament report, *Women's Entrepreneurship: Closing the Gender Gap* (2015)<sup>73</sup>, reported that:

'In all case studies, women were reported to be predominantly responsible for the care of children or other dependants. This was a substantial barrier for women who wish to run businesses.'

If gender equality in social entrepreneurship is to be realised the societal expectations on men and women's caring responsibilities need to be challenged; parental leave needs to be offered equally to men and women; and affordable childcare needs to be made more easily available.

#### 7.3.2 Access to finance

Access to finance was the single biggest barrier reported by social entrepreneurs in our research.

In our survey, there was no significant difference between the proportion of men and women reporting difficulty accessing finance to start a social enterprise. Forty-six per cent of women and forty one per cent of men reported access to grants was a significant problem during start-up, and 13 per cent of women and 11 per cent of men reported access to debt or equity finance was a barrier.

This corroborates the findings of SEUK's State of Social Enterprise Survey<sup>74</sup> which reports that 45 per cent of female leaders cited access to finance as a key barrier to starting up compared to 36 per cent of male leaders. Results from the WeStart research also found over 40 per cent of women felt that not enough funding was available<sup>75</sup>.

The dual focus of social enterprise on social and financial profit can make access to finance particularly challenging. Ironically, an increase in the availability of social finance aimed at the social enterprise sector has coincided with a reduction in available grants. Often it is grants that are needed in the start-up phase of a social enterprise.

#### 7.3.2.1 Debt

While the surveys show no significant difference between men and women, the focus groups discussions suggest that women may face additional psychological barriers to accessing finance for their social enterprise compared to men, particularly with lower levels of confidence and a greater fear of failure.

This seems to be true in for-profit entrepreneurship. Evidence from the Women's Business Council suggests that women-led SMEs are less likely to use external finance than men. World Bank data shows that women borrow less than men in the UK. When it comes to borrowing to start or grow a business women in the UK borrow just 29 per cent of the amount borrowed by men.<sup>76</sup>

However, the social enterprise sector does not seem to have the same gender disparity as the for-profit sector. In SEUK's research 49 per cent of women leaders were successful at securing loan finance, compared to 56 per cent of male leaders.<sup>77</sup>

#### 7.3.3 Social Investment

The UK focus group suggested there might be social / psychological barriers that mean women are less inclined to seek social investment: barriers such as lack of confidence, and lack of financial confidence or skills. This view is supported by the Guardian discussion on women accessing social finance.<sup>78</sup>

The European Parliament report on closing the gender gap in social entrepreneurship suggests that because social enterprises led by women tend to be smaller and less well –resourced this may also lead to less social investment.

And there is a serious gender imbalance in social investing in the UK.

Jo Tilley-Riley, Senior Director, Communications at Big Society Capital said "A quick (and entirely unscientific) review of the websites of thirty social investment organisations revealed that while half of those working in social investment are women, this reduces to a third in senior teams, and 7 per cent at CEO level. That's just two women CEOs. Similarly women make up 29 per cent of those at board level, but only two organisations have a female Chair."

This is worrying, not just for the gender diversity in social investment, but also the potential impact on investing in women-led social enterprises. Research by Criterion Ventures shows that the more women in investment panels, the more women-led businesses invested in.

However, we have been unable to uncover any significant data in terms of the gender balance of social investments made. Where there is evidence of social investments by gender there doesn't seem to be a gender imbalance. 48 per cent of UnLtd awards go to women, for example.

This is an area that warrants further research.

#### 7.3.3.1 Crowdfunding

The recent growth in crowdfunding should support the growth of female social entrepreneurship.

In the UK, according to the report Women Unbound carried out by PwC and The Crowdfunding Centre, this bias against women 'evaporates' in the crowd funding space, with campaigns launched by women more successful than those run by men<sup>79</sup>.

The European Parliament report on female entrepreneurship also highlights the opportunity presented by crowdfunding. But it is very clear that 'whilst alternative finance options such as crowdfunding may be an opportunity to women, this should not be seen as an alternative to mainstream lending and equity.'

#### 7.3.4 Prejudice and discrimination

'There is still an underlying prejudice about accepting women to undertake complex, highly-skilled tasks requiring competence and tenacity – and surprise when women are leaders of an organisation.' – survey participant

Thirteen per cent of women social entrepreneurs in our survey reported that prejudice or discrimination was a barrier when they were starting their social enterprise. More than one in ten. This barrier was not reported by any men.

Such discrimination and prejudice affects women in the for-profit sector too, but it illustrates the additional barriers faced by women social entrepreneurs compared to their male counterparts.

This finding supports the finding of the WeStart research which also found discrimination was a significant barrier facing women social entrepreneurs. June O'Sullivan, CEO of LEYF, noted that women are often 'patted on the head in a patronising way, just because they are women social entrepreneurs.'

## 7.3.5 Confidence in skills and fear of Failure

Evidence from the Global Entrepreneurship Monitor suggests that women are less likely than men to think they have the skills needed to start a business and are more likely to be prevented by a fear of failure. In 2011, only 29 per cent of women felt they had the skills to start a business, compared with 45 per cent of men<sup>80</sup>. This may be linked to wider issues of lacking self-confidence rather than an actual lack of skills.

In our survey, 28 per cent of women reported fear of failure as a barrier when starting social enterprises, compared to only 12 per cent of men. Out of all the countries we studied the gender difference was most pronounced in the UK.

#### 7.3.6 Lack of business support

Twenty eight per cent of women in our survey cited lack of business support as one of the key barriers to setting up their social enterprise, compared with only four per cent of men. This may be due, in part, to the issues of confidence discussed above (7.3.5). It may also be that the support that is available feels less appropriate to women than to men.

A quick analysis of the staff, CEOs and boards of seven social enterprise infrastructure organisations in the UK shows a familiar pattern of under-representation of women in senior levels<sup>81</sup>.

#### Proportion of women in social enterprise infrastructure organisations

Staff	Senior staff	CEO	Board	Chair
46%	37%	0%	37%	43%



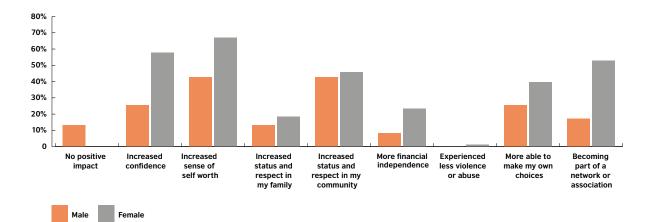
Cecilia Crossley founded From Babies with Love, a social enterprise that sells attractive, ethically sourced baby clothes and donates 100% of its profit to orphaned and abandoned children around the world.

## 7.4 The impact on women of being a social entrepreneur

Becoming a social entrepreneur has both positive and negative effects on women. On the whole, male and female social entrepreneurs experience broadly the same impact, and for both sexes the positive impact appears to be considerably greater.

- 69 per cent of female social entrepreneurs responding to our survey said that starting a social enterprise had given them an increased sense of self-worth;
- 62 per cent reported increased confidence;
- 43 per cent said that it had made them more able to make their own choices; and
- 51 per cent listed becoming part of a network as a positive outcome.

These well-being outcomes were reported by male social entrepreneurs too, but to a lesser extent. It seems the impact of starting a social enterprise on women is particularly powerful.

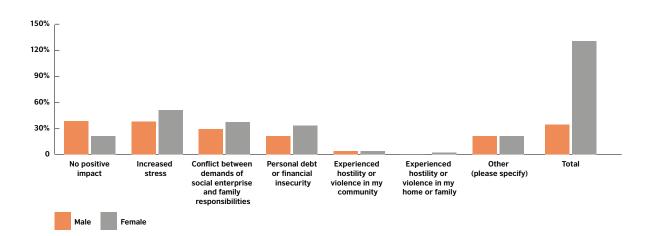


However, the negative impact also appears to be greater on women. Eighty four per cent of female social entrepreneurs reported experiencing some negative impact (compared with only 59 per cent of men).

The negative impact reported was around financial insecurity and stress.

- 38 per cent of female social entrepreneurs responding to our survey said they had experienced debt or financial insecurity as a result of starting their social enterprise;
- 57 per cent said they had experienced stress; and
- 55 per cent of those with children said they'd experienced conflict between family responsibilities and the demands of the social enterprise.

The negative impact of being a social entrepreneur was also reported more by women than by men.



## 7.5 Supporting women social entrepreneurs

Since social enterprise has a strongly positive impact on women's empowerment, this is something that governments and other stakeholders should support. One framework that should be considered is that offered by GEDI for for-profit entrepreneurship.

Gender GEDI categorise female for-profit entrepreneurs into six groups<sup>82</sup>:

- Privileged entrepreneurs
- Die-hard entrepreneurs
- Promising entrepreneurs
- Potential entrepreneurs
- Reluctant entrepreneurs
- Resistant entrepreneurs

They argue that any policy initiatives to encourage entrepreneurship should be aimed at the middle two groups to have most impact. The top two groups are likely to become entrepreneurs anyway; the bottom two groups are unlikely to do so even with interventions.

This approach would also be useful to adopt when considering encouraging women social entrepreneurs. Further work is needed to identify the characteristics of these groups for social entrepreneurs however.

#### 7.6 Section 7 Conclusion

Women social entrepreneurs share many characteristics with for-profit entrepreneurs. They share many of the same barriers and enablers. Their motivations however are quite different, as social entrepreneurs are driven almost entirely by a desire to create social impact.

Ninety seven per cent of women in our survey started a social enterprise to address a social or environmental concern, or to benefit their community. Only three per cent started purely for career opportunity or flexible working.

When it comes to for-profit entrepreneurship in the UK, only one business in three is started by a woman. There are two male-led businesses started for every one female-led business.

The gender gap in social entrepreneurship is much lower, with 42 per cent of social enterprises started by women in 2015/16.

However, when we only consider entrepreneurs who start an enterprise by positive choice, rather than because they have no other option for work, proportionally more women are choosing to start for-profit businesses.

This may be because 90 per cent of for-profit businesses are sole traders, compared to only six per cent of social enterprises. Sole trader businesses often provide more flexible working around family commitments.

After 'addressing a social or environmental concern', and 'benefiting my community', 'flexible working' and 'providing an income for my family' were the two most important secondary motivations for women starting a social enterprise.

Fifty five per cent of women who responded to our survey felt the social enterprise sector offered better opportunities for flexible working than other sectors.

Twenty nine per cent of women with children said the prospect of 'flexible working around family commitments' was a motivating factor in starting a social enterprise. No men chose this as a motivating factor. Women social entrepreneurs face the same barriers as their male counterparts, and also additional barriers as a result of their gender. These include

- greater demands on time through home and family commitments
- less access to finance
- · less confidence in skills and ability
- greater fear of failure
- · fewer female role models
- prejudice and discrimination

Becoming a social entrepreneur has both positive and negative effects on women. On the whole, male and female social entrepreneurs experience broadly the same impact, and for both sexes the positive impact appears to be considerably greater.

- 69 per cent of female social entrepreneurs responding to our survey said that starting a social enterprise had given them an increased sense of self-worth;
- · 62 per cent reported increased confidence;
- 43 per cent said that it had made them more able to make their own choices; and
- 51 per cent listed becoming part of a network as a positive outcome.

However, the negative impact also appears to be greater on women. Eighty four per cent of female social entrepreneurs reported experiencing some negative impact (compared with only 59 per cent of men). The negative impact reported was around financial insecurity and stress.

Compared to for-profit entrepreneurship, social entrepreneurship is likely to create higher rates of social return for the community and society at large. It is also likely to create proportionally more jobs for women. But rates of pay in the social enterprise sector can be lower than other sectors, particularly as a high proportion of social enterprises are small, young organisations. There is also a substantial gender pay gap in the social enterprise sector (Section 9.4).

So women social entrepreneurs are likely to earn less than their male counterparts and less than their for-profit counterparts. They are also unlikely to move into the for-profit sector.

Considering the UN's definition of women's empowerment, social entrepreneurship can offer women an important opportunity to *influence the direction of social change to create a more just social and economic order, nationally and internationally.*' It probably offers less flexibility and less economic empowerment for women entrepreneurs than for-profit business.



Two learners at a 'Measuring Social Impact' course offered by the Social Enterprise Academy, which delivers innovative, peer-led social enterprise courses that combine work-based practice with accredited qualifications.

Photo courtesy of Social Enterprise Academy

# 8 Women as social enterprise leaders

Much is made of the comparison between the proportion of women leaders in the social enterprise sector and that in the for-profit sector. According to SEUK's State of Social Enterprise Survey<sup>83</sup>, 41 per cent of CEOs in UK social enterprises are women (64 per cent in Scotland and 32 per cent in Wales)

This compares to only seven per cent in the FTSE100. And 41 per cent of social enterprise board members are women, compared with 12.5 per cent of directorships in UK FTSE100 companies<sup>84</sup>. Furthermore SEUK's results show that '84 per cent of social enterprises have at least one woman on their leadership team: 16 per cent had male only directors. Whilst this is less strong than the nine per cent of maleonly teams reported in 2013, it still compares favourably to the 46 per cent of SMEs who have male-only directors.'

While it is indisputable that the social enterprise sector is doing better than the for-profit sector: with the exception of Scotland it is not doing as well as it should.

As has already been noted, social enterprises are found in disproportionately high numbers in traditionally female-dominated sectors such as education, health and social care. Seventy five per cent of primary school head teachers are women, for example.<sup>85</sup> So we would expect the proportion of social enterprise leaders to be higher than it is.

Sixty six per cent of employees in social enterprises are women. So women are significantly under-represented in leadership positions.

Social enterprise is not doing as well as the wider Third Sector (43 per cent women leaders), and only a bit better than the public sector (35 per cent women leaders).

The larger the social enterprise, the less likely it is to be led by a woman. This trend for women to be less well-represented in the leadership of larger organisations is found across all sectors of the UK economy.

	Public	Third Sector	Charity top 100	Social Enterprise (SEUK)	Social Enterprise (SBS)	SME	FTSE 100
Women employees	64%	68%	68%	66%	53%	39%	39%
Women Leaders	35%	43%	25%	41%	15%	18%	7%

If we consider UK Cabinet Office figures, rather than SEUK figures, the percentage of women leaders in social enterprise at only 23 per cent, and social enterprise performs little better than the wider SME sector.

#### Social enterprise market trends, UK Cabinet Office (2016)<sup>86</sup>

	n=	Women -led	Equally -led	Women in minority	Entirely male-led	Don't know/ refused	
All SME employers	4,355	17.9%	26.8%	8.8%	45.5%	1.0%	100
Social enterprise employers	3707	22.9%	27.7%	10.8%	38.3%	0.3%	100

In their paper on *Womens' leadership, employment and participation in the third sector and social enterprises*,<sup>87</sup> Teasdale et al argue that the UK Cabinet Office statistics largely pick up private sector social enterprises. This suggests that private sector social enterprises do not perform significantly better than for-profit enterprises in the private sector when it comes to gender equality in leadership.

When it comes to board membership there is a strong relationship between women's involvement and both sector and organisational size. Simon Teasdale's paper for the Third Sector Research Centre found 'female dominated boards were more common in sectors that have traditionally had a highly feminised workforce (such as youth/childcare/counselling, and health and social care). Over half of board members in these sectors were women. Female board members were also more likely to be found in locally focused organisations, particularly those with smaller turnovers. There are a smaller proportion of women on boards of larger organisations.<sup>88</sup>

As well as being under-represented, women leading social enterprises face additional barriers compared to men. Forty per cent of women leaders responding to our survey felt gender has an impact on the barriers they face running their social enterprise, compared to just three per cent of men.

Gender also has an impact on the way a social enterprise is run.

- Women-led social enterprises have an average of 54 per cent women on their Senior Leadership Team
- Male-led social enterprises have an average of 39 per cent women on their Senior Leadership Team

Fifty eight per cent of women responding to our survey recognise that the gender balance of their senior management team affects the way in which their social enterprise is run, compared to 31 per cent of men.

#### 8.1 Section 8 Conclusion

The social enterprise sector in the UK offers greater opportunities for women in leadership than the for-profit sector, however no greater than the wider third sector, and little better than the public sector.

Even in the social enterprise sector, women are under-represented in leadership, and this gets worse the larger the organisation. This is true for CEO, board and senior management roles.

Women leaders in the social enterprise sector are also more highly concentrated in sectors that have a historically feminised workforce.

Women are more likely to recognise the impact the gender balance of the senior leadership team has on the way the organisation is run, and, on average, women-led social enterprises have a higher proportion of women on their senior leadership team.



Photo courtesy of Lyndsey Maiden, We Dig Media

# 9 The impact of the social enterprise sector as an employer

As we have seen, many social enterprises empower women as 'beneficiaries' of their services. Social enterprises empower the women entrepreneurs who set them up. And many social enterprises also create jobs that empower the women who work in them.

There are three important questions to consider as we evaluate the impact of social enterprise employment on women's empowerment:

- Are proportionally more women employed in social enterprise than other sectors?
- Are the jobs created good jobs?
- Do the jobs created challenge or reinforce gender stereotypes?

## 9.1 Female proportion of social enterprise workforce

The social enterprise sector employs proportionally more women than the workforce as a whole. Sixty six per cent of social enterprise employees are women, compared to forty six per cent of the overall workforce.

We can see how this compares to other sectors:

The two figures for the social enterprise sector again reflect those found in the SEUK survey, and those reported by the Cabinet Office based on figures in the Small Business Survey. So, at best, the social enterprise sector is on a par with the public sector and wider third sector in the proportion of women employed. Both sets of figures for social enterprise are better than those for the SME sector however.

In terms of economic empowerment, proportionally more jobs are created for women through social enterprise than through for-profit enterprise.

	Public	Third Sector	Social enterprise (SEUK)	Social enterprise (SBS)	SME
Women employees	64%	68%	66%	53%	39%

Furthermore, many of the women employed by social enterprises are from particularly disadvantaged backgrounds (e.g. as a result of poverty or abuse). As the SEUK survey reports<sup>89</sup>, 'a clear majority (59 per cent) of social enterprises employ at least one person who is disadvantaged in the labour market. For 16 per cent of respondents, this group forms over 50 per cent of their staff.' And 31 per cent of social enterprises are working in the 21 per cent most deprived communities. So the impact of social enterprise on women's empowerment is particularly strong for the most vulnerable and disadvantaged women.

There may be a number of reasons why the social enterprise sector employs proportionally more women:

- As we have already noted, 55 per cent of women responding to our survey see social enterprise as providing more flexible work than other sectors. A large number of jobs in the social enterprise sector are part-time for example.
- Many survey participants of both sexes felt that women are more drawn to work with a social benefit. There is greater female representation in the wider Third Sector and public sector.
- Social enterprises are over-represented in industries in which women are over-represented such as care, education, and catering.

## 9.2 Are social enterprise jobs good jobs?

Social enterprise jobs are perhaps best spilt into two broad categories:

- Jobs specifically for beneficiaries i.e. jobs deliberately created to employ someone disadvantaged in the labour market.
- Jobs NOT specifically for beneficiaries i.e. those needed simply to run the social enterprise.

#### 9.2.1 Jobs for beneficiaries

Those jobs created specifically for beneficiaries are typically entry-level jobs to provide employment for people who would otherwise be unemployed. But while they may only be entry level they typically involve training and development. Eighty per cent of social enterprises responding to our survey that cited creating employment as one of their areas of impact on women also cited developing skills.

Furthermore social enterprises are more likely to pay fairly than for-profit enterprises. The SEUK survey suggests that 24 per cent of social enterprises are accredited living wage employers and the average ratio between CEO pay and the lowest paid is just 3.6:1.

So, jobs created by social enterprises specifically for beneficiaries are likely to be better jobs than those created by for-profit businesses.

## 9.2.2 Jobs not specifically for beneficiaries

Jobs in the social enterprise sector that are not created specifically for beneficiaries tend to be lower paid than in other sectors. Social enterprises tend to be small and under-resourced compared to NGOs and for-profit businesses. Often they rely on the sense of mission their staff feel to compensate for the lower wages.

The social enterprise sector also fares worse than the for-profit, public and NGO sectors when it comes to providing employee benefits such as paid maternity leave. Eighty seven per cent of survey respondents said corporate or public sectors provided better benefits.

It fares better than other sectors in perceptions of equal opportunities for men and women and particularly opportunities for women leaders. It is also rated more highly than other sectors for being able to flex working around family commitments. This is evidenced by the high number of part-time jobs in the social enterprise sector. Fifty five per cent of women responding to the survey said the social enterprise sector offered the best opportunities for flexible working.

## 9.3 Do social enterprise jobs reinforce gender stereotypes?

I think social enterprises are a hugely diverse set of organisations and broadly representative of their society, culture and context. There will be some challenging and other reinforcing gender norms. That they still exist (gendered stereotypes & expectations) suggests there's more to be done. – survey participant

Only 35 per cent of respondents to our survey felt social enterprises were challenging gender stereotypes; six per cent felt they were reinforcing; the majority felt that they were doing either both or neither. All felt they could be doing much more.

The UK economy as a whole shows considerable gender segregation. For example, only four per cent of SMEs in the construction sector are led by women, whereas only three per cent of SMEs in health and social care are led by men.<sup>90</sup> Eighty seven per cent of primary school teachers in the UK are women, and 60 per cent of those working in retail. The same segregation is found in the social enterprise sector.

'I'm seeing social enterprises reinforce gender norms with many small-scale social enterprises being run by women, and then the large-scale, well known ones being run by men.' – Survey participant

Education, retail, social and health care make up 49 per cent of all social enterprises. So one reason the social enterprise sector has more women setting up, leading and working in it than the for-profit sector, is that it is dominated by traditionally female areas of work. By contrast, manufacturing, transport, agriculture and financial services (all traditionally male-dominated business areas) make up just 11 per cent of social enterprises.<sup>91</sup>

Social enterprises creating jobs for women tend to be clustered into typically 'feminine' businesses such as fashion and catering. There is good reason for this, particularly where social enterprises are trying to create employment opportunities for disadvantaged women. It is easier to create employment opportunities where women feel some degree of comfort or confidence. What this means is that the economic opportunities created (jobs or self-employment) tend to be in roles that are considered traditional for women. They empower particular groups of women but in a way that conforms to existing stereotypes of appropriate female employment.

'I think social enterprises are keen to challenge gender norms. However, if you are also challenging income inequality or other issues of deprivation, it is easy to concentrate on that, seeing it as a more pressing issue (which arguably it is) and to allow gender norms to be reinforced in the process. e.g. if you want to support ex-prisoners, it is easy to take as an assumption that most ex-prisoners are men (they overwhelmingly are); therefore to design enterprises to assist men; and to forget female prisoners in the process.' – Survey participant

Some social enterprises are deliberately challenging such gender stereotypes by training and employing women in industries where they are under-represented. Blackburne House in the UK, for example, run a training academy to support women into the construction industry.

#### 9.4 Gender pay gap

Thomson Reuters Foundation<sup>92</sup> and WeStart<sup>93</sup> both conducted research, which concluded that the social enterprise sector in the UK has a gender wage gap, with men earning more than women. As with the pay gap in other sectors, there are a number of factors contributing to this. Social enterprises led by women tend to be smaller and in lower paid sectors; women are less well represented in senior positions; women are over-represented in part-time work; women tend to award themselves lower rates of pay; women are often less forceful in negotiating pay settlements than men; women often lose several years of career progression when they have children; and so on.

The WeStart research showed that female social entrepreneurs paid themselves 25 per cent less than their male counterparts.

The pay gap for the social enterprise sector then looks as if it could be worse than private or public sectors.

#### Gender pay gap in the UK by sector.

	Social enterprise	Private	Voluntary sector	Public	UK average
2016	25%	16.6%	36% (2012)	11.3%	13.9%

The We Start findings are supported by additional work by LSE. Through the Social Enterprise as Lead Users of Service Innovation (SELUSI) data set, LSE researchers surveyed entrepreneurs. The data demonstrates that women CEOs in social enterprises earn 29 per cent less than their male counterparts (LSE, 2015). While controlling for demographics, human capital, jobs, social businesses, personal preferences and values, the adjusted pay gap is still 23 per cent of the annual salary. This is higher than the gender pay gap in the private sector demonstrated from recent ONS' Annual Survey of Hours and Earnings.'



#### 9.5 Section 9 Conclusion

The social enterprise sector employs proportionally more women than the workforce as a whole, and more than the private sector. Furthermore, many of the women employed by social enterprises are from particularly disadvantaged backgrounds (e.g. as a result of poverty or abuse).

But for those in leadership and management positions, pay in the social enterprise sector is often lower than in other sectors. Also, as in the wider economy, there is a substantial gender pay gap with men earning more than women. Evidence suggests the pay gap in social enterprise is at least as high as in other sectors. Part of the pay gap is due to a gender segregation.

The social enterprise sector generally conforms to the same gender segregation as the wider economy in each country, with women overrepresented in care, education and catering, and under-represented in manufacturing and tech, for example. One reason the social enterprise sector has a high proportion of women staff is that there are more social enterprises in sectors dominated by women than in those dominated by men. And since society undervalues social care work, these jobs tend to be lower paid than those in more male dominated sectors.

There are, however, some striking examples of social enterprises addressing this gender segregation by training and employing women in non-traditional industries such as construction.

# 10 Conclusions and recommendations

The UK has made progress towards gender equity compared to other countries around the world. The Global Economic Forum Index ranks the United Kingdom 26th out of 188 countries for the Global Gender Gap based on women's economic participation. However, it has fallen 17 places from 9th place when the index was first conceived in 2006.

Women and girls in the UK face challenges based purely on their gender, including unequal opportunities at work, unequal expectations at home, and an unequal risk of violence.

Social enterprise offers several opportunities to address this gender inequality.

- It offers a model for traditional women's charities in the UK to become more financially sustainable. But this will require significant support and investment from government or other funders.
- It offers a proven, effective means to support vulnerable or disadvantaged women into employment, and to tackle many of the specific challenges facing women and girls today.
- It offers more opportunities for women's leadership, and is creating proportionally more jobs for women, than the for-profit sector.

In order to realise these opportunities, more resources and investment should be focussed on encouraging social enterprises to tackle issues of gender inequality and women's empowerment. Globally less than 1 per cent of impact investment goes to women's empowerment<sup>94</sup>. In the UK, the Young Foundation's report, The Sky's the Limit<sup>95</sup>, found little use of 'gender lens' investing amongst social finance providers in the UK, 'despite some understanding of the benefits, and overwhelming agreement, amongst investors, that they have a role to play in advancing gender equality." They also found 'limited understanding of, and access to, social investment amongst current or potential gender innovation ventures or pioneers.' Governments, funders, investors and intermediaries have an important role to play in ensuring social enterprise is fully utilised to meet SDG5.

While social enterprise does offer significant opportunities for women's empowerment in the UK, there remain inequalities within the sector itself that need to be addressed as well.

- Women are under-represented in leadership and management and this gets worse the larger the organisation.
- There is a significant gender pay gap in the social enterprise sector, potentially larger than the for-profit or public sectors.
- And social enterprise demonstrates the same gender segregation seen in other areas of the economy with women over-represented in sectors such as education and care, and underrepresented in sectors such as construction and tech.

Governments, funders, investors and intermediaries also have an important role to play in addressing these inequalities.

#### **10.1 Recommendations**

Based on our research, and particularly on the discussions of our focus group of social enterprise and women's empowerments experts, we have drawn together some recommendations to increase the effectiveness of social enterprise as a model for supporting women's empowerment. These are grouped into recommendations for women's empowerment organisations, social enterprises and intermediaries, funders and investors, and governments. Some of the recommendations apply to one or more group, and all stakeholders need to work together to ensure the successful implementation of these recommendations.

There are, however, recommendations that can be shared across all five countries and can almost certainly apply more widely. Although we have categorised these recommendations into the four stakeholder groups for which they are most relevant, several could apply to more than one group.

### 10.1.1 Women's empowerment organisations

# Recommendations for the women's charitable sector will require support from government and/or funders.

- Increase the use of social enterprise among women's empowerment organisations by providing specific packages of training, support, investment and mentoring. This should particularly focus on creating a more resilient and financially independent women's sector.
- 2. Continue to develop consortia, and expertise in partnerships, to ensure women's organisations can thrive in the current environment of competitive tendering, and to ensure that vulnerable women are able to access the specialist support and expertise they need.
- 3. Work with the social enterprise sector and other stakeholders to set up a 'task force' of experts to look at the opportunities and challenges of using social enterprise to address women's empowerment.

## 10.1.2 Social enterprises and intermediaries

# Many of the recommendations for the social enterprise sector will also require support from government and/or funders.

- Increase the number of social enterprises that focus on women's empowerment through campaigns, accelerator programmes, competitions and funding that specifically encourage gender-focussed ventures.
- 5. Facilitate networking between genderfocussed social enterprises and women's organisations nationally and internationally with a view to sharing best practice and replicating successful models. Ideally, this should be coupled with kick-starter funding.

- 6. Increase the rate of start-up and scale amongst women-led social enterprises through targeted support packages, accelerators, greater exposure to female role models, and targeted financial assistance. These programmes should be flexible and include childcare. If women-led social enterprises were to start and scale at the same rate as male-led social enterprises, this would create disproportionately more jobs for women.
- 7. Social enterprises should provide more opportunities for under-employed women, creating flexible, part-time jobs. In the UK, women are under-employed compared to men. The social enterprise sector provides proportionally more jobs for women than the for-profit sector, and particularly targets those who are excluded from the workforce.
- 8. Increase the number of female social enterprise leaders through mentoring, targeted leadership programmes, and facilitated peer-support. This should include both founders / leaders and board members.
- 9. Integrate gender equality into social enterprise business models, with a particular focus on gender balance on boards. Encourage recruitment to skills rather than experience of scale to prevent perpetuating the imbalance of men leading larger organisations. Research by Acumen suggests that integrating gender equality has the potential to make social enterprises more resilient, successful and impactful. These findings should be publicised more widely within the social enterprise sector.
- **10.** Social enterprises should equalise parental leave policies, encourage flexible working and job-shares.
- **11.** Social enterprises with a community focus should look for opportunities to deliver affordable childcare.
- **12.**Research, understand and publicise the gender wage-gap in social enterprise.

#### **10.1.3 Funders and investors**

- **13.**Learn the lessons of the Young Foundation's report, *The Sky's the Limit*;<sup>96</sup> use a 'gender lens' when making investment decisions; understand the additional barriers faced by women social entrepreneurs, and the strengths of women-led social enterprises.
- **14.**Set targets to ensure a gender balance in board and senior leadership of funders and social investors.
- **15.** Ensure a gender balance in panels making lending and investment decisions.
- **16.**Set specific targets for a portfolio that is balanced for gender and race to reflect the UK's population. Consider launching products or services that are specifically targeted at under-represented sectors of the population.
- 17. Consciously use language that will not alienate women social entrepreneurs when communicating about products and services. Engage with specialist women's social enterprise and business intermediaries to support this, and to promote products and services specifically to women.
- **18.**Record and publish data on the level of investment into male and female-led social enterprises, the gender composition of leadership teams and boards, and the impact of those investments.
- **19.** Set criteria for social enterprises to meet before receiving a grant or investment including:
  - a. have gender-balanced boards
  - **b.** record and measure their social and environmental impact, and include gender equality as a metric
- **20.** Increase the supply of funding and social investment into social enterprises focussing on gender, especially where these are also in sectors considered 'non-traditional' for women.
- Promote and celebrate the role of women as social investors and women as social entrepreneurs.

#### **10.1.4 Governments**

- **22.** Governments should look to facilitate the above recommendations to women's organisations, social enterprise intermediaries, and funders and investors, by supporting through policies, convening, and provision of finance.
- **23.** Governments should bear in mind that any policies to support women into work will actively support the social enterprise sector, which has a disproportionately high female workforce.
- 24. Governments should prioritise eliminating the gender imbalance between caring responsibilities through legislation and financial support for shared parental leave and affordable childcare
- **25.** Governments and social enterprises should work in partnership to increase the use of social entrepreneurship education in schools, including a specific focus on addressing gender inequality.



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