



## BACKGROUND

# SOCIAL ENTERPRISE IN THE UK

### History

The UK has a long history of social enterprise, and as such, a well-developed eco-system. According to Social Enterprise UK, "In the UK, social enterprise can be traced at least as far back as the 1840s, in Rochdale, where a workers' co-operative was set up to provide high-quality affordable food in response to factory conditions considered to be exploitative." Today, the co-operative is still operational, with more than 6 million members. "In the mid 1990s, a resurgence of social enterprise started with different organisations coming together, including co-operatives, community enterprises, enterprising charities and other forms of social businesses."

### Sectors and Activities

According to the SEFORIS UK Country report: "Most social enterprises generate revenues through activities in the service sectors and their main source of income is trade with the public sector and the general public. They are more likely to be found in rural or deprived areas of the country and most commonly found in membership organisations, accommodation, sports and leisure, social work, food services, food manufacturing, the creative arts, residential care and human health."

### Size of the Sector

Since the early 2000s the sector has been growing steadily, and is now one of largest in Europe. Government data suggests that "there are approximately 70,000 social enterprises in the UK contributing £18.5 billion to the UK economy (based upon 2012 Small Business Survey, 2013) and employing almost a million people" (Social Enterprise UK). Approximately 400 are large enterprises.

### Legal Format

There are a wide variety of legal forms available to Social enterprises in the UK. They include:

- Community interest company (CIC) - 'a legal form created specifically for social enterprises with a social objective that is «regulated», ensuring that the organisation cannot deviate from its social mission and that its assets are protected.'
- Industrial and provident society (IPS) - democratically controlled by its members
- Companies limited by guarantee or shares - the most common legal structure for standard businesses, very flexible when it comes to governance, and getting investment.
- Group structures with charitable status - common as increasing numbers of charities are moving away from traditional models of fundraising and becoming more business-like in order to ensure their sustainability (Social Enterprise UK)

### National Policy

- In 2001, the Labour Government 'created a dedicated Social Enterprise Unit within the Department of Trade & Industry and appointed a junior minister responsible for social enterprise' (EU Commission Social Enterprise Eco-System Mapping Country Report, UK).
- In 2004 the Community Interest Company ("CIC") social enterprise legal form was established.
- In 2011, the government published a new strategy for 'growing the social investment market' in order to help facilitate better access to finance.
- In 2012, The Social Value Act made it mandatory for public authorities to consider the community benefit of any contract awarded.
- Most recently, new tax relief (30%) for social investment and Social Impact Bonds have been introduced, and various new funding sources, including 'Big Society Capital, the Social Incubator Fund, the Investment and Contract Readiness Fund and the Social Outcomes Fund' have been launched.

### Support

According to the EU Commission Social Enterprise Eco-System Mapping Country Report, UK, "the UK marketplace for social investment has grown steadily since the mid-2000s, and an established base of specialist Social Investment Finance Intermediaries (SIFIs) - including social banks, impact investors, venture philanthropy funds and Community Development Finance Institutions (CDFIs) - has developed to supply much of the finance needed by the sector."



# Recommendations for Policy Makers

- Policy makers should consider 3 year-long repayable grants that support women social entrepreneurs' life costs whilst they are developing their venture (like a stipend). It should come with an obligation to be trained in finance, business modelling, and monitoring and evaluation systems.
- Education of SME's, corporations and local authorities around social value should be reinforced. When more people are aware of the sector, where women are more represented, women are more likely to be included in the supply chain.
- A more robust gender lens should be applied on any research on social entrepreneurship and entrepreneurship in general.
- Government should include Social Entrepreneurship in the school curriculum as early as possible.
- Government should look at re-establishing gender impact assessments on any new policy.
- Part-time incubation programmes for women with longer and more specialised, intensive and hands-on support than mainstream enterprises, including areas that are rarely pushed by government or business centres: (tech, innovation, fintech, manufacture, housing, system design, etc.).
- Government entrepreneurship programmes, government backed investment panels, and trade missions should ensure a fair representation of women (social entrepreneurs).

## WORKS CITED

### Webpages:

**SOCIAL ENTERPRISE: MARKET TRENDS** Based upon the BIS Small Business Survey 2012, May 2013. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/205291/Social\\_Enterprises\\_Market\\_Trends\\_-\\_report\\_v1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/205291/Social_Enterprises_Market_Trends_-_report_v1.pdf)  
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Do Women Earn Less Even as Social Entrepreneurs? Estrin, Stephan, Vujic, 2014  
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*Barriers to women in social enterprise*, December 2008: [http://www.academia.edu/2986328/Barriers\\_to\\_women\\_in\\_social\\_enterprise\\_A\\_report\\_for\\_Togetherworks](http://www.academia.edu/2986328/Barriers_to_women_in_social_enterprise_A_report_for_Togetherworks)  
*The State of Social Entrepreneurship in the UK*, SEFORIS country report, 2014: [https://research.aston.ac.uk/portal/files/14399882/SEFORIS\\_State\\_of\\_Social\\_Enterprise\\_UK\\_Drencheva\\_Stephan\\_05\\_2014.pdf](https://research.aston.ac.uk/portal/files/14399882/SEFORIS_State_of_Social_Enterprise_UK_Drencheva_Stephan_05_2014.pdf)

### Surveys:

State of Social Enterprise Survey - "The People's Business" 2013 UK, The State of Social Enterprise Social Enterprise UK. (extracts) Survey 2015

### Interviews with the following women social entrepreneurs:

Helen Farmer-Voice by Volume / June O' Sullivan- London Early Years Foundation / Kate Welch- Social Enterprise cmen / Rebecca Harrison- African Management Initiative / Susan Aktemel- Homes for Good / Zoe Peden- Insane Logic / Erika Brodnock- Karizma Kids / Amna Abdul- Modest Fashion / Elisicia Moore- Petit Miracles / Abi Billingham- Abianda

## ABOUT THE PROJECT

This mini-report is based on primary empirical data gathered by Servane Mouazan, from Ogunte CIC, from February to May 2015 in the United Kingdom, on behalf of European Women's Lobby. Data was gathered via desk research, in-depth semi-structured interviews with 10 informants using feminist interview methods, and an internet survey which was taken by 141 respondents.

These findings are part of a 1-year pilot study initiated by the European Women's Lobby entitled WEstart: Mapping Women's Social Entrepreneurship in Europe. Focusing on 10 European countries, WEstart seeks to gain a better understanding of the situation and state of play of women's social entrepreneurship in Europe.

For more details about WEstart visit: [www.womenlobby.org](http://www.womenlobby.org) or [www.WEstartEurope.org](http://www.WEstartEurope.org)

### PHOTO CREDITS

p. 2 © Amna Abdul, Modest Fashion. [Photograph]. Reprinted with permission. / p. 3 © June O' Sullivan, London Early Years Foundation. [Photograph]. Retrieved 1 September, 2015 from <http://onpurpose.uk.com/people-on-purpose-june-osullivan/>  
p. 5 © Zoe Peden, Insane Logic. [Photograph]. Retrieved 1 September, 2015 from <http://www.svc2uk.com/a-word-from-zoe-peden-of-insane-logic/>



## MINI-REPORT

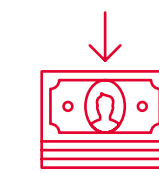
# Women's Social Entrepreneurship in the UK

Investing in communities as a more ethical way of doing business

Women social entrepreneurs in the UK are running their businesses while undertaking care responsibilities and breaking gender stereotypes

## SNAPSHOT\*

\*Out of 141 women surveyed



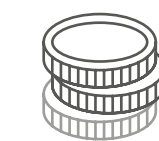
22% are making over 100,000€ a year



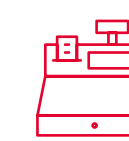
Average length of operation of a woman's social enterprise is around 2 YEARS



62% have care responsibilities



Over 60% of profits are reinvested back into the social mission of the organization (by the majority of women)



The majority had between 40% and 100% of their revenue coming from the market



On average 2 jobs are generated by women social entrepreneurs



Abi Billingham  
FOUNDER OF ABIANDA  
(a social enterprise that works with gang-affected girls)

## KEY FINDINGS

### ECOSYSTEM

• Average of 70,000 social enterprises in the UK • 40% of social entrepreneurs in the UK are women • 91% of social enterprises have at least one woman on their leadership team

### SECTORS

• Human Health and Social Work Activities, Education, Arts and Entertainment, Recreation

### MISSIONS

• Inclusion of socially marginalised people and groups, skills training, education

### MOTIVATIONS

• Seeking to make a specific social impact, responding to an unmet need in the community, seeking to create a more ethical model of doing business

### BARRIERS

• Lack of access to finance and not enough time to devote to social enterprise activities

### GENDER

• Gender pay gap - women social entrepreneurs pay themselves 25% less than male social entrepreneurs • Women social entrepreneurs are more satisfied and innovative in their jobs than their male counterparts

### IMPACT

• Women surveyed seek to make an impact on behaviour change, increasing employment rates, improving housing conditions, making a positive environmental impact and making lives better • The majority seek community-level impact

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## CASE STUDY

### London Early Years Foundation

June O'Sullivan, CEO of the London Early Years Foundation, is tackling the shortage of good nurseries and is making robust childcare structures accessible to people with less financial means. The London Early Years Foundation currently counts 44 nurseries, and plans to open 50 by 2017. They serve 3000 children daily with a team of 500 staff.

*"I come from an ordinary working class background, grew up in an estate, etc. It seems unfair and wrong that the assumption was that because you come from a poor background you can't do it, or have barriers that prevent you to succeed. I went to a good school, I had structures around me to help me develop my career and I came as an immigrant to London, I was a young single mum. But I found opportunities that I wouldn't have in my own home because there was no work. It all came together. [...] I think you should create a community model that would allow everybody to have a really good experience. I am obsessed by that even now.*

*Nurseries should be as good as everywhere else. I can't tolerate the traditional view, that charitable kind of contribution where people find a bit of spare paint. That isn't good enough. Why shouldn't children from more difficult backgrounds experience aesthetically pleasing, highly culturally capitalised experiences? I need people to understand that childcare is an infrastructure issue not a life choice or not just a «woman's issue.» If you need more women to go to work to contribute to the GDP, childcare becomes an infrastructure issue, as well as transport, finance, etc., that needs to be taken seriously, that's how I translate my instinct of feminist rationale."*



# WOMEN SOCIAL ENTREPRENEURS



## Motivations

### Personal History

Women social entrepreneurs seem to develop organically, growing up with strong values and the underpinning motivation to make a difference. Their drivers can often be found in their personal history: some come from families and communities that foster solidarity, like June O'Sullivan, the CEO of the UK's largest Childcare Social Enterprise, who observes, *"When you come from a working class community, you often help each other anyway."* Others came from less supportive environments, and wanted to break away from what they had experienced growing up. *"I used to call myself the White Sheep of the family,"* notes Susan Aktemel - CEO of Homes For Good. *"My family was quite conservative. The things I cared about, not many people in my family or my peer group cared for that. So I was probably rebelling against the conservatives in my family."*

They grow as social entrepreneurs, without necessarily setting out to be labelled as such when they start up.

*"I didn't set out with the intention to be a social entrepreneur. I discovered that term through the journey of setting up in business when I understood what the term meant"*

said Abi Billingham from Abianda, working with young women and girls who are affected by gangs.

### Social Impacts, Unmet Needs

When it comes to the decision to start a social enterprise, women are primarily motivated by the desire to make a specific social impact, respond to an unmet need in their community, or create a more ethical way of doing business. *"I always wanted to find work that defines me, to which I can attach my identity"*, explained Abi Billingham.

Erika Brodnock, founder of Karisma Kids, an app which teaches children emotional intelligence, started her company after observing how challenging it was for parents to teach their children skills to cope with managing their feelings. Having grown up in a large family, and as a

mother herself, she noticed that the emotional and stress-management skills she relied upon as an adult were something that parents found both time-consuming and complicated to pass on to their children. There were many successful apps to help busy parents teach children academic skills, but there was nothing on the market for emotional skills. Today, her revolutionary software comes pre-downloaded in many name-brand children's e-learning tools, and reaches thousands of beneficiaries.



## Barriers

Women social entrepreneurs overwhelmingly indicated that lack of funding, both in terms of access to funding as well as the overall amount of funding, was the largest barrier to success. However, in close second, was a lack of time to devote to social entrepreneurship activities. For women, many of whom have care responsibilities, and are running households in addition to companies, trying to do it all can be extremely draining.

When access to finance and lack of time are put together, both obstacles are increased exponentially. As one entrepreneur remarked, *"The (grant funding) process is too long! I don't have time to fill in 15 pages of a grant application when I have had two businesses to run!"*

Susan Aktemel, of Homes for Good, articulates a common issue that the majority of women social entrepreneurs interviewed struggle with when she observes: *"My ideas are greater than the energy or time I have available. When that happens it makes you frustrated with yourself."* She also stresses the dangers of burnout, a common experience amongst women social entrepreneurs.

Indeed, the majority of women social entrepreneurs work in the care sector, in areas such as health, social work and education, and with populations who have suffered great trauma as a result of marginalisation.



## Gender and Social Entrepreneurship

Because the UK boasts one of the most well-developed eco-systems in Europe, there is more gender disaggregated data available than for most other EU countries. Analysis of UK data has revealed several interesting trends.

Firstly, it appears that there is a large pay gap for women social entrepreneurs, who pay themselves approximately 25 percent less than their male counterparts. However, this same data has also revealed that women social entrepreneurs claim to be more satisfied with their job as a CEO of a social enterprise or as social entrepreneurs at large, than their male counterparts. Initial analysis suggests the pay gap might be the result of the fact that many women social entrepreneurs are working in traditionally female-dominated social sectors, which have income rates that are much lower than other sectors. Additionally, many women-led social enterprises are in the start-up stage. Finally, studies on entrepreneurship in general have indicated that women tend to be more focused on social goals, and less interested in competition than men.

Secondly, data has revealed that women social entrepreneurs are more innovative than their male counterparts, and spend less money on innovation. Initial interpretation of this data suggests there may be a correlation between women's management style, which tends to be more collaborative and participatory. As Kate Welch of Social Enterprise Acumen CIC observes, *"a lot of the power of what I have been able to achieve is because of the way I connect to other people."* Interviewed women overwhelmingly feel that they manage their social enterprise in a more participatory way than their male counterparts. As one woman observed, *"I have hard work expectations of everybody, everyone (regardless of their position) is as important as anyone else in senior position."*

### Discrimination

Throughout their journey with social entrepreneurship, women experience

a great deal of gender discrimination. As Amna Abdul, founder of Modest Fashion observes,

*"Men tried to shut me down. They try to shut you down all the time. They take more notice of the man who has said exactly the same things you have said! As a woman, I have to tell myself - it doesn't matter"*.

June O'Sullivan noted that women are often *"patted on the head in a patronising way, just because they are women social entrepreneurs."*

Another entrepreneur notes that *"often men talk about things that they don't have much experience in... I don't think why they couldn't find women to speak about these issues. Men don't see that as an issue. They need to be aware that it is happening."*

Women interviewed reveal that occasionally, the discrimination even comes from other women, who seem to have internalised societal gender roles. One entrepreneur revealed that she *"once was questioned (by an investor who was a woman) whether I should be raising capital and running a high growth business given I had a young son."*

Additionally women of colour experience further discrimination as a result of the intersection of their race and gender. As Erika Brodnock explains, *"I am a woman of colour and on many occasions I am the only woman of colour in the room. It's the big white elephant that none speaks about. There should be more representation among social entrepreneurs, and entrepreneurship in general, and I'd like to be part of that change."*

However, rather than defeated by the discrimination they face, be it as a result of their gender, or their intersecting identity categories, many women find in these experiences further motivation to fight for social change. As Amna Abdul explains, *"this is why I am doing things. They have to change. It fuels me up!"*

### Women's empowerment

Over 90 percent of women surveyed felt that they were empowering other women with their social enterprise,

regardless of whether or not this was a part of their specific mission. One part of this empowerment has to do with running a business; another seems to focus on serving as a role model for other women. As one entrepreneur observed, *"If women can make money through running a business, that gives them a position of power and influence that they wouldn't have if you were just shouting outside the gates."* Another woman observed, *"hopefully the next generation (of women) will do this as a possible career option. I guess I am a part of that, just to show it can be done."* For the majority, women's social entrepreneurship is a ripe opportunity for women's empowerment. As June O'Sullivan summarized,

*"There is a role for women to mentor other women and also to articulate things and to open doors to younger women."*

### Gender Equality

Addressing gender equality didn't play a part for most women involved in the study, in their initial involvement with social entrepreneurship or thereafter. However, most women think that their work influences gender equality as much as it empowers them. They also think that the topics people call "women's stuff" are in fact very serious infrastructural issues that if solved, would benefit society at large (childcare, mental health, maternal health, representation, women's skills).



## SOCIAL IMPACT OF WOMEN-LED ENTERPRISE

The majority of women social entrepreneurs measure their social impact. Survey respondents reported a multitude of qualitative and quantitative measurement tools and approaches, including social auditing and peer to peer follow up, case studies, pre and post self-reported questionnaires, evaluation undertaken by academics in collaboration with Universities, annual surveys, numerical data, focus groups, cost-benefit analysis, SROI (Social Return on Investment), theory of change models, and many others.

Women surveyed seek to make an impact on behaviour change, increasing employment rates, improving housing conditions, making a positive environmental impact and make lives better. Social impacts tend to be focused on the individual and community-level, with women seeking tangible results that improve the lives of those around them.

When asked if they have been successful in achieving their goals, the respondents said they wished they had done more and faster. Kate Welch articulates this tension, expressed by many women, when she speaks about her own experience, noting:

*"Ultimately I would have liked to create more employment for more people for longer, but we achieved some employment for some people for a period of time. I have learned how to create sustainable models. I have more realism now, as I get older."*

At the end of the day, women do recognise the great social impacts they have made. As one social entrepreneur playfully observed, *"What I am doing is brilliant! I don't mean I am doing it brilliantly. But I mean what I am doing... is a brilliant thing."*



## CASE STUDY

### Insane Logic

Insane Logic use innovative technology to help disadvantaged communities to be able to communicate and be more independent. MyChoicePad, their flagship product, is supporting organisations and families with a lower cost alternative to language programmes, using Makaton on tablets.

*"When Steve Jobs announced the iPad, I saw the opportunity to develop a language programme"* explains Insane Logic co-founder Zoe Peden. *"I quit my job and used my own savings to start my company. I was selected to be on the Big Venture Challenge programme at UnLt, the foundation for social entrepreneurs. It was from them that I learned how to measure my social impact... they guided me."*

Insane Logic measure how their product is specifically used, for how long, the difference in language level their intervention brings about, the change in communication experience, and how their users' lives have changed. Using technology and social media smartly enables Insane Logic to run over 20 case-studies simultaneously and adapt their product almost in real time.