

# State of the Art Review



## A Review of Assumptions Underlying Women's Enterprise Policy Initiatives



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**In this review, we present evidence on the assumptions that underlie women's enterprise policy. Critical policy reviews consistently question attempts to unleash women's entrepreneurial potential by changing women themselves or making them more able to manage inequality. They suggest that enterprise policy should address gender inequality more directly and challenge the masculine norms on which enterprise policy is founded. Moreover, we present new argument that the real policy problems to which enterprise policy should respond is the poor quality of much women's self-employment and an associated dearth of choice in terms of quality, flexible employment. We set out the policy implications for these challenges and recommendations to shape diverse enterprise ecosystems and 'good work' for women.**

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### **Background**

The UK government has, intermittently, supported a specialist strand of enterprise policy for women (Ahl and Marlow, 2019). This approach is part of broader entrepreneurship policy that, it has been argued, implicitly sets up male entrepreneurship as the mainstream subject of enterprise support and positions women as a minority group, in detriment in comparison to a male norm and in need of support to activate entrepreneurial agency (Ahl, 2006). Feminist analysis tells us that women face very different contexts in which to start and thrive in business due to gendered social relations that structure culture, resources and roles (Rouse et al., 2013). Women's organisations ask for funding to support women. So how should policymakers respond to these subtly different calls that seek new support for women and also object to women's enterprise policy being developed as a minority 'sideshow' to mainstream policies?

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## Evidence

### **The assumptions underlying women's enterprise policy**

A recent critique of UK women's enterprise policy (Ahl and Marlow, 2019) builds on previous critical reviews (e.g. Ahl, 2006; Marlow and McAdam, 2013; Ahl and Nelson, 2015; Marlow and Swail, 2016) to illustrate how policy discussion consistently focuses on changing women's actions, with the aim of making them as entrepreneurial as men. It is argued that this approach to enterprise policy is problematic because (i) it camouflages, and fails to address, the social conditions that create barriers to new venture creation and development for many women, and; (ii) it situates women as 'in detriment' compared to men.

Where inequalities are recognised, in conventional policy discourse, services are proposed that make women better at negotiating barriers to entrepreneurship. For example, focusing on business support, financial advice, role models, networks and mentors. These services effectively invite women into a 'makeover' of their identities and practises (Ahl and Marlow, 2019), but do not significantly change their contexts. For example, childcare constraints are usually not legitimated as business concerns and are excluded from business planning. Women may respond by entering a private struggle to juggle childcare and business, but with negative consequences (Rouse and Kitching, 2006). Or, they may adopt the identity of 'mumpreneur' (Ekinsmyth, 2013). This valorises childcare but delegitimises feminist questions around why women should prioritise (unpaid) childcare and how it constrains businesses, creating low pay, a wide gender pay gap (ONS, 2018) and, ultimately, pension and wealth gaps. In fact, family care was acknowledged as a key constraint in the Rose Review (2018) but serious policy recommendations or actions are difficult to detect. Similarly, women are encouraged to take inspiration from role models, but these are often privileged women whose lives are edited as idealised images (Byrne et al., 2019). Disadvantaged women can either aspire, unrealistically, to achieve like these women, or experience themselves as failures.

A key social relation that we know existing women's entrepreneurship policy does little to tackle is occupational segregation. Few women trade in high potential sectors and, indeed, women business owners most commonly trade in highly feminised sectors such as cleaning, childcare and hairdressing. These yield low pay and profits because feminised labour is socially under-valued and markets are crowded. There is a hope that digital enterprise will create an equal playing field, but research suggests that many of the inequalities in off-line trading still affect on-line traders and that the digital sector is itself subject to considerable inequalities and so barriers are reproduced for women trading in digital sectors (Martinez Dy et al., 2017).

It is argued that women's enterprise policy also provides women business owners with few means of challenging sexual discrimination (Marlow, 2020). And, it does not tackle family businesses to give more equal opportunities and spotlight to women. Moreover, policy fails to provide basic protections for the uniquely female labour of pregnancy and childbirth (Rouse, 2008). The social order of women being financially dependent on men, taking a primary role in domestic responsibilities and having low status work are largely reproduced by the small-scale, home-based businesses typically started via UK enterprise policy.

Policy thinking that fails to properly engage with recognising and transforming underlying social relations that create barriers to entrepreneurship are particularly damaging for Black and Minoritized Ethnic (BAME) women. Entrepreneurship is often used as a fall-back position for migrants and members of BAME communities whose employment

opportunities are constrained by a racialised labour market (Carter et al., 2015). However, enterprise must not be considered a cheap or fast means of supporting multiply disadvantaged women to become economically active or be combined with welfare reform pressures to individualise pressure to find work (Rouse and Mirza, 2014). Policy to support BAME women's enterprise is notable only by its absence, as is discussion of BAME women in reports such as the Rose Review (2018); there is significant need for proper investment in this domain.

Policy critiques from Sweden (a more communitarian society than the UK) and the US (a more neo-liberal regime) also argue that the subject of women's enterprise policies is an individualised woman supported superficially by policy to harness her entrepreneurial agency (Ahl and Marlow, 2019; Ahl and Nelson, 2015). There seems, therefore, to be evidence of an international problem of false assumptions underlying women's enterprise policy.

### **What Is the *real* policy problem?**

Women in the UK are far less likely to start or grow a business than a man. For example, of the nearly 5 million self-employed, 3.3 million are men and 1.6 million are women (ONS, 2019). However, UK women's enterprise has increased significantly since the 2007 recession and the rate of change has been faster than for men. Ironically, this growth has coincided with cutbacks in women-specific enterprise support. Does this mean that women's enterprise policy was ineffective, or even harmful? In-depth analysis of this 'puzzle' is scarce. But, there are arguments that growth in women's enterprise suggests a scarcity of decent employment, rather than a positive career move, for many women (Marlow, 2020; Women's Budget Group, 2018).

Most jobs created in the UK following the 2007 recession have been in self-employment, in part because employment growth has been sluggish (ONS, 2018). It seems likely that a lack of good employment options has therefore contributed to rapid growth in women's self-employment (Women's Budget Group, 2018). However, the quality of self-employed work is often poor. Growth has been strongest among the smallest enterprises (trading without a partner or staff) and women working full-time in employment earn an astonishing 76 percent more than women in full-time self-employment (ONS, 2018). So, while even educated women may be turning to freelancing for work-life balance, and hope for better pay (IPSE, 2019), the reality is often low and precarious pay and a wide gender pay gap (OECD, 2020).

Logically, the real policy problem is not low rates of women's enterprise but low-quality women's self-employment. The rational policy question is: how can we encourage good self-employment for women, as part of the UK's Good Work agenda (Taylor, 2017), and shape productive self-employment, in line with the Industrial Strategy (HM Government, 2017)? A necessary part of shaping good self-employment must surely be to provide an alternative, in the form of good employment, as well as crafting a context that supports productive self-employment that pays at least a living wage, and at a rate equal to men.

A further complicating factor is that monitoring women's enterprise may not even be the right target. There is growing evidence that businesses are often team-based phenomena, co-preneurship is a norm (Marlow and Martinez Dy, 2018) and that more collective, social forms of business can be highly productive. Policy might usefully shine a light on the hidden entrepreneurship women already do in families and couples and challenge the patriarchal norms that suppress women's visibility and progression.

### **Could diverse enterprise ecosystem policy be a way forward?**

Internationally, it is fashionable to conceptualise enterprise policy as supporting an 'ecosystem' of interdependent institutions that enable entrepreneurial processes (McAdam et al., 2019). To date, however, most enterprise ecosystem literature and policy has focused on high growth or tech entrepreneurship, centred on an implied white, middle class male subject. Social relations that create unequal trading environments for women (and/or for people positioned disadvantageously in relation to ethnicity, class and disability etc.) are silenced (Foss et al., 2018; McAdam et al., 2019).

Adner (2017) proposes that ecosystems should not be conceived as contexts that already exist, but as multilateral interdependencies intentionally created to bring about a value proposition. What, then, if enterprise ecosystems policy sought to bring into being a more equal society as a key value proposition? This would mean curating a set of interdependent institutions that enable all people to have access to Good Work and, also, to have a fair chance of accruing and combining resources for profitable trade, in entrepreneurship. To serve women, a diverse enterprise ecosystem would need to address occupational segregation, unfair divisions of domestic labour, the devaluing of feminised labour and assumptions about entrepreneurship as an individualised, masculine practice, among other things. Recommendations for financial institutions to adopt better codes of practice, and to publish data on investment by sex of business owner (Rose Review, 2018), are steps along the journey, if they are implemented. However, informal sources of funding (in the family and from angel investors) still require action.

Adner (2017) conceptualises ecosystem partners as the actors (including institutions) necessary to create a value proposition. A diverse enterprise ecosystem would depend on actors not usually included in enterprise ecosystems (e.g. families; STEM education; care, housing, transport, safety, legal and health services). Of course, women's agency matters in making businesses succeed. But, in a diverse enterprise ecosystem, women would have enhanced resources and augmented roles, and these would fundamentally enable them to act entrepreneurially. Aligning this with also giving women access to good work, so that enterprise comes with an opportunity cost, is also vital, and likely to be an important regulator to the quality of women's self-employment.

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## **Summary and Evidence Gaps**

The gap in self-employment and growth business ownership between men and women in the UK is startling. A mass of evidence explains this in relation to unfair social conditions. Yet, enterprise policy in the UK and elsewhere tends to seek to fix individual women rather than their contexts. We have presented evidence that has argued for a re-conceptualisation of the policy problem and for a radically different policy direction, targeted at developing diverse enterprise ecosystems that explicitly seek to create more fair social relations.

Foss et al. (2018) found that most women's enterprise research offers no, or at best, rather indistinct, conservative or unactionable policy recommendations. Rouse and Woolnough (2019) challenge all entrepreneurship researchers to think much harder about what their research is for and to whom it is accountable. They encourage all researchers to consider their responsibility to enable the marginalised by developing explanations of how entrepreneurship is structured by social relations and working with them to vision and struggle for change. A key research agenda, then, is to form collaborations between researchers, institutions and 'ordinary' women (and men) to vision and develop diverse enterprise ecosystem policy and to experiment in change-

making, via action research. Such work involves considerable uncertainty and learning; it could usefully be the subject of research. Social relations are also multi-level and complex. This creates a great opportunity for projects to consider particular places, subjects, social relations and change experiments. In short, then, the research agenda in front of us, if we take a 'practice turn', is open and fascinating.

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