

Promoting Gender Equality Through Social Entrepreneurship: A Policy Brief Report

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Background

Social enterprises offer an alternative to traditional business models by addressing core social and environmental objectives. The term "social enterprise" has been in use in the United Kingdom (UK) since the 1970s, influenced by the philanthropic traditions of charities, the cooperative principles of democratic governance, and the culture of socially responsible business practices. The UK social enterprise movement gained momentum in the 1990s through pioneering public policies and initiatives, including support programs, the creation of new legal structures, and investment funds.

Since 2010, policies have focused on promoting social investment funds and encouraging mutual social enterprise spinouts from the public sector. However, recent years have seen a significant decline in overall public sector spending across the UK, with Scotland being an exception, due to the context of public sector austerity.

In 2021, nearly half of social enterprises were overseen by women, whereas only about one-sixth of small and medium-sized enterprises (SMEs) had female leadership. Last financial year, social enterprises generated a turnover of around £78 billion, which amounts to approximately 3.4% of Gross Domestic Product (GDP), while they provide employment to approximately 2.3 million individuals across the UK¹. Despite the significant economic contribution of social enterprises, there remains a pressing need for greater attention to foster gender equality within this sector.

This report provides suggestions for an integrated plan, focusing on gender equality and fostering social entrepreneurship, including:

1. Inclusive Funding and Financial Support

i. Access to funding: Access to finance has historically been identified as a major constraint, leading to policy efforts aimed at increasing the availability of debt finance. It is important for social entrepreneurs to have access to the Access Fund (also known as the Access Foundation or Access: The Foundation for Social Investment: an initiative designed to support social enterprises and charities in the UK), which addresses the need for small-scale and early-stage support by combining grants and loans. Other forms of social enterprise start-up and growth funding include initiatives like Glasgow City Council's Cooperative and Social Enterprise Fund.

¹ <https://www.socialenterprise.org.uk/seuk-report/mission-critical-state-of-social-enterprise-survey-2023/>

ii. Gender-focused Grants and Loans: Establish grant and loan programs specifically targeted at women-led social enterprises. These programs should be designed to address the unique financial barriers that women entrepreneurs often face.

iii. Impact Investment Funds: Create or promote impact investment funds that prioritise investments in women-led social enterprises. These funds can provide much-needed capital while also driving social impact.

2. Training and Capacity Building

i. Entrepreneurship Training Programs: Develop training programs for women that focus on building entrepreneurial skills (i.e., entrepreneurial thinking, analytical skills, creativity) among women is also crucial for fostering social entrepreneurship. These programs should cover a wide range of topics, including business planning, financial management, marketing, and leadership that are beneficial for women to create or grow their social enterprise.

ii. Mentorship and Networking Opportunities: Establish mentorship networks that connect aspiring women social entrepreneurs with experienced mentors. These networks should also facilitate opportunities for women to connect with potential partners and investors focusing on guidance and advice from experienced professionals or social enterprise champions to help social enterprises grow.

3. Supportive Policies and Legislation²

i. Gender-sensitive Policies: Implement policies that support work-life balance, such as paid parental leave, affordable childcare, and flexible working arrangements. These policies can help women manage their professional and personal responsibilities more effectively.

ii. Equal Opportunity Legislation: Enforce and strengthen equal opportunity laws that prevent discrimination based on gender. Ensure that women have equal access to resources, opportunities, and support in the entrepreneurial ecosystem.

iii. Tax Benefits: Implement tax and fiscal benefits for women-led social enterprises to encourage gender equality, social entrepreneurship investments and social enterprises.

² i. the Department for Digital, Culture, Media, and Sport (DCMS) - Office for Civil Society and ii. the Department for Business, Energy, and Industrial Strategy (BEIS) share responsibility for social enterprises in the UK.

4. Public Awareness and Education

i. Awareness Campaigns: Launch public awareness campaigns to highlight the importance of gender equality in social entrepreneurship. These campaigns can also showcase successful women social entrepreneurs and their impact on society. The public sector is considered as a main purchaser of social enterprises services, so increasing awareness of the value of supporting women-led social enterprises is crucial.

ii. Educational Curricula: Integrate gender equality and entrepreneurship into educational curricula at various levels. This can help build a culture of gender sensitivity and entrepreneurial mindset from a young age.

iii. Schools for Social Entrepreneurs: The creation of schools for social entrepreneurs (e.g., Just Enterprise in Scotland) across the UK would foster social entrepreneurship and gender equality.

5. Research and Data Collection

i. Gender-disaggregated Data: Collect and analyse data on social entrepreneurship with a focus on gender. This data can help identify gaps, inform policy decisions, and measure progress in promoting gender equality.

ii. Research Funding: Provide funding for research on gender equality and social entrepreneurship. This research can explore the barriers women face, the impact of gender-focused policies, and best practices for fostering inclusive social entrepreneurship.

iii. Further Investment in Research Institutions and Research Centres: Although there are several universities and research centres dedicated to social entrepreneurship, including Aston University, the University of Birmingham (Third Sector Research Centre), the University of Cambridge (Centre for Social Innovation), Glasgow Caledonian University (Yunus Centre for Social Business and Health), Middlesex University (CEEDR), Oxford University (Skoll Centre for Social Entrepreneurship), and Plymouth University, there is a continued need for further investment in both existing and new institutions and research centres in this field.

iv. Observatory of Social Enterprises: The creation of an Observatory of Social Enterprises or online platforms would be helpful for understanding, in real time, the unique demographic characteristics of social enterprises, such as the exact number of women-led organisations. This would contribute to better policymaking decisions. Additionally, it would enhance networking and collaboration with Social Enterprise

UK, Social Enterprise Northern Ireland, Social Enterprise Scotland, and various associations, such as the Association of Chief Executives of Voluntary Organisations and Power to Change.

6. Partnerships, Collaborations, and Certification Marks

i. Public-Private Partnerships: Encourage collaborations between government, private sector, and non-profit organisations to support women social entrepreneurs. These partnerships can leverage diverse resources and expertise to create a more supportive ecosystem.

ii. International Cooperation: Engage in international cooperation to share best practices and resources for promoting gender equality in social entrepreneurship. Global networks and initiatives can provide additional support and opportunities for women entrepreneurs.

iii. Expanding Certification Marks and Social Enterprise Place Badges to Promote Gender Equality: Holding the Social Enterprise Mark is crucial for social enterprises as it indicates to customers, investors, and stakeholders that the organisation is a genuine social enterprise committed to positive social and environmental impact. The Social Enterprise Place badge is part of an initiative by Social Enterprise UK to recognise and support areas (such as cities, towns, or regions) that are committed to promoting and developing social enterprises. Gender equality can be incorporated into this certification mark and social enterprise place badge.

7. Recognition and Awards

i. Awards for Women Social Entrepreneurs: Establish awards and recognition programs to celebrate the achievements of women social entrepreneurs. Recognition can boost their visibility, credibility, and access to resources.

ii. Incentives for Gender-inclusive Practices: Provide incentives for social enterprises and investors that support gender-inclusive practices and invest in women-led social enterprises.

8. Start-up Support

i. Investment in Incubators and Accelerators: Investment in incubators and accelerators is crucial in the early stages of a social enterprise, as they provide all the necessary support (e.g., mentoring, networks) needed to scale up social enterprises. Additionally, they facilitate access to potential investors and partners, further increasing the growth prospects of these social enterprises.

9. Business Development Support

i. Emphasis on Women-Led Social Enterprises: It is crucial to help women-led social enterprises develop proposals to win bids or grant programs, as they often need additional support. Providing targeted assistance can help level the playing field, ensuring that women-led enterprises have equal opportunities to succeed. This support can include mentoring, networking opportunities, and resources tailored specifically to the challenges faced by women entrepreneurs.

10. Support to the Public Sector Employees and Policy Making

i. Training programmes: Training programs designed for public sector employees are essential for enhancing their skills and knowledge, particularly in areas related to social enterprise, gender equality, and policy making. This includes understanding the unique challenges social enterprises face, the benefits they bring to communities, and how public policies can be shaped to foster their growth. It can include a series of educational workshops, policy development training, skills development, and awareness and sensitisation (i.e., programs to raise awareness about gender equality and how to incorporate it into policy making and support initiatives).

By implementing these policy recommendations, governments and social enterprises can create an enabling environment that fosters gender equality and supports the growth of women-led social enterprises. This, in turn, can drive social innovation, economic growth, and sustainable development. Gender equality is not only a moral imperative but also a strategic advantage in building a more inclusive and equitable world through social entrepreneurship.