

Enterprise

The image features a solid blue background. In the lower half, there are several overlapping, translucent blue cylindrical shapes that create a sense of depth and movement. The word "Enterprise" is written in a white, sans-serif font in the upper left quadrant.

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Article 14 : Drivers of Regional Entrepreneurial Performance in the UK: A Gender Perspective

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BACKGROUND

The Global Entrepreneurship Monitor (GEM) research has highlighted that “the most entrepreneurial countries are those in which the gender representation in entrepreneurial activity is most finely balanced”. Over the last 3 years there has been a consistent story emerging from GEM. In short, female entrepreneurship in Northern Ireland compares unfavourably to other UK regions, Ireland and almost all of the GEM participating countries in the developed world.

Understanding female entrepreneurship is therefore critical to progressing our understanding of the “entrepreneurial gap” between men and women which Northern Ireland faces not only in relation to other UK regions but to other countries/regions around the globe. The drivers of this gap need to be clearly articulated and understood. To what extent is it influenced by the demographics of a region or the structure of its economy? Is it the personal attributes/characteristics of individuals or the cultural support towards entrepreneurship which are the key drivers?

This article sets the context for the practical interventions described in Article 15 and focuses on investigating the complex set of relationships outlined above which impact on the entrepreneurial behaviour of women in the UK with a specific focus on the regional context, and in particular Northern Ireland. Its purpose is to distinguish between the direct and indirect effects of gender on the decision to start a new business. In other words, the extent to which gender operates independently of other individual attributes (age, education, income, employment status) will be explored. Observed differences in the level of female entrepreneurship across the regions of the UK are also investigated.

The GEM Adult Population Survey dataset for 2004 is used for this research. With a sample size of approximately 20,000 respondents, the UK survey is the largest in the GEM global project and therefore supports detailed regional analysis. Northern Ireland has the largest regional sample comprising 5,000 adults.

GEM measures entrepreneurial activity in a country through its key indicator, Total Early Stage Entrepreneurship (TEA). This is based on telephone survey responses to three key questions: Are you, alone or with others, currently trying to start a new business independently of your work? Are you, alone or with other, currently trying to start a new business as part of your work? Are you, alone or with others, currently the owner or manager of a business? A distinction is made between two types of entrepreneur: nascent entrepreneurs (those that have been paying salaries for less than 3 months) and baby-business owner-managers (those that have been paying salaries for between 3 and 42 months). The TEA index is the sum of those nascent and baby-business owner-managers less any double counting (i.e. those responding positively to both).

FEMALE ENTREPRENEURIAL ACTIVITY: EVIDENCE FROM GEM 2004

In the UK, the level of entrepreneurial activity among women in 2004 was 3.9 per cent compared to 8.5 per cent among males. This means that males are twice as likely to be engaged in entrepreneurial activity as females and is in line with the GEM global findings. In fact, it is the case that in every country in the GEM study men are more active entrepreneurs than women (Minniti, Arenius and Langowitz, 2005), a point further reiterated in the DTI's Small Business Service (SBS) evidence base for small business (SBS, 2004). However, the gender gap in entrepreneurial activity is narrowest among

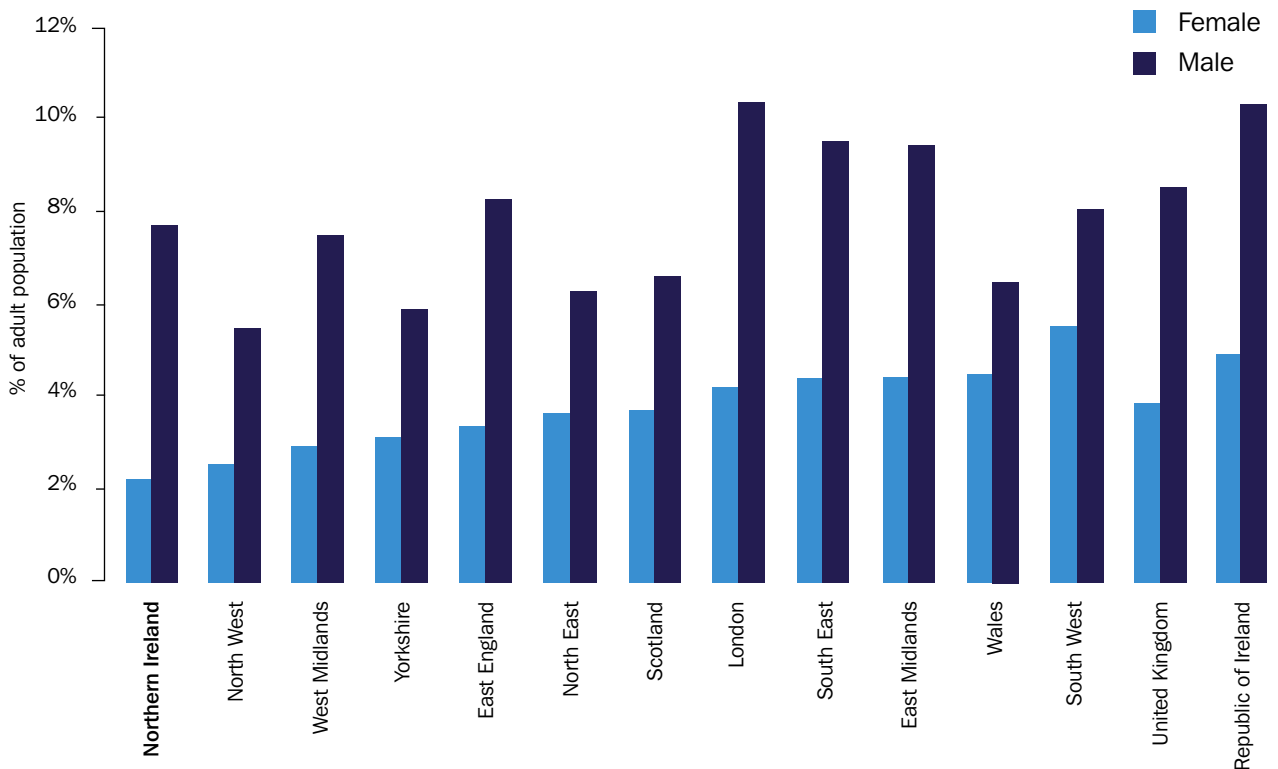
those countries where entrepreneurial activity is high (Minniti, Arenius and Langowitz). In the US, for example, the rate of female activity is quite close to that of males.

The UK regional perspective is less clear cut (Figure 1). It is not necessarily the case that higher levels of male entrepreneurial activity are associated with higher levels of female entrepreneurial activity across the regions. Take London for example. While it has the highest TEA in overall terms (7.2%), it is one of the middle performing regions in terms of female entrepreneurial activity. While the South West is

among the middle performing regions in terms of the overall TEA, it has the highest rate of entrepreneurial activity among women. The level of entrepreneurial activity among women in Northern Ireland is the lowest of all UK regions and the only region in which the TEA is similar is the North West (2.6%). In all other regions the level of female entrepreneurship is 3 per cent or above and is as high as 5.6 per cent in the South West. There is however a smaller gap between the highest and lowest rates of entrepreneurial activity across the regions for women than for men, 3.3 percentage points compared to 5 percentage points respectively.

Total Entrepreneurial Activity by Gender and Region, 2004

Figure 1



Source: GEM UK Adult Population Survey, 2004

DETERMINANTS OF VARIATIONS IN FEMALE ENTREPRENEURSHIP: A MULTIVARIATE APPROACH

A significant amount of descriptive analysis has been undertaken on the GEM 2004 data examining the gender dimension to entrepreneurship by region (Harding 2005, O'Reilly M and Hart M, 2005). This focuses on the demographic profile, personal attributes and attitudes of individuals who are engaged in early stage entrepreneurial activity.

The focus here is to seek to explain the likelihood of an individual engaging in early stage entrepreneurial activity using multivariate techniques. The research question is a simple one. To what extent does gender, after controlling for other respondent characteristics, emerge as a key independent explanatory variable in the overall model? Given the size of the GEM UK survey it is possible to present model estimates for the UK as a whole and for women and men separately.

The most commonly used and appropriate method for estimating models of this nature where the dependant variable is discrete, that is a person is either engaged in early stage entrepreneurial activity or they are not, is logistic regression¹.

The determining variables for estimating the model are set out in Table 1 of Annex 1. The variables are limited to those collected as part of the GEM UK survey. The key variables used in the model are demographic variables of the respondent (age and gender), some of their attributes (income, employment status and education), their attitudes to entrepreneurship (adequate skills, fear of failure and status of entrepreneurship) and their regional location.

These variables reflect current conceptual thinking

on the possible range of factors which determine the likelihood of an individual engaging in an entrepreneurial act. For example, higher educational attainment, currently working and higher income are all, *a priori*, expected to be positively associated with an individual's propensity to be starting a new business venture. In addition, recent research on the GEM data for 2003 in the Netherlands has demonstrated the links between entrepreneurial attitudes and entrepreneurial activities (Bosma and Wennekers, 2004). Furthermore, age is included as the key explanatory variable to investigate in the analysis to test whether age is inversely related to entrepreneurial activity. Finally, what we are ultimately seeking to do in the model is to investigate the large differences between levels of male and female entrepreneurship in the UK (Hart et al., 2004; Harding, 2005; O'Reilly and Hart 2005) by controlling for other individual attributes.

There are 3 strands to the model. The first focuses on the overall UK results, while the second and third estimate models for males and females separately. For each of these 3 strands the model is then presented in two stages as follows²:

- A model of the basic demographic and attribute variables.
- A model with the addition of the four main attitudinal variables which have been developed within the GEM project to provide some measure of the respondent's predisposition towards entrepreneurship. Effectively, we are seeking to establish the importance of the "entrepreneurial environment/culture" of a region which limits or promotes the level of start-up activity.

The attitudinal variables, which we use in the model to act as proxies for "entrepreneurial environment/culture", are:

- Knowing an entrepreneur in the previous 12 months;
- Confidence about the possession of start-up skills and knowledge;
- Fear of failure preventing start-up;
- Perception that there are good opportunities for start-up.

These variables have been developed by GEM Global in that they are believed to contribute significantly to shaping the entrepreneurial mindset of individuals (Arenius and Minniti 2005, Koellinger et al. 2005).

THE UK MODEL

Table 2 presents the summary results for the overall UK model and the male and female models separately³. The results of the overall UK model can be summarised as follows:

- Males are more than twice as likely (odds of 2.3) to be currently involved in an early stage entrepreneurial activity than females.
- Older individuals (the Age2 variable) are more likely to be currently involved in early stage entrepreneurial activity but at a decreasing rate⁴.
- Those in the middle income group are less likely to be currently involved in early stage entrepreneurial activity than those in the high income group.
- Those with a post-secondary education have higher odds (odds ratio of 1.2) of engaging in early stage entrepreneurial activity than those with no post-18 qualifications.
- Those already in employment (full-time or part-time) have higher odds of setting up or running a new business venture than those who are broadly classified as 'inactive'.
- From a regional perspective, Northern Ireland, Scotland, the North West and Yorkshire and Humberside are all negatively and significantly associated with early stage entrepreneurial activity.

This suggests that these regions in some way exert a limiting influence on the entrepreneurial potential of the population independent of the other variables in this model.

The important conclusion to be drawn from this initial model for the UK is that when controlling for other demographic and individual attributes and region, being female is still clearly one of a number of significant explanatory variables which help explain the lower likelihood or "odds" on an individual being engaged in either starting up or running a baby-business.

The second column in Table 2 (see Annex 1) presents the model for the UK with the inclusion of 4 of the GEM attitudinal variables. All of the attitudinal variables are strongly significant and operate in the direction one might expect. That is, knowing an entrepreneur, believing you have the necessary skills to start up in business and believing that there are good opportunities for starting up in business all have a strong and positive influence on the likelihood of an individual being involved in early stage entrepreneurial activity. By contrast, fear of failure has a strong, negative influence on participation in entrepreneurship. To summarise:

- Knowing an entrepreneur increases the "odds" of an individual being involved in early stage entrepreneurship by a factor of 2.
- Where individuals believe they have the necessary skills to start up in business they are 5 times more likely to do so than those who do not.
- If individuals perceive there to be good start-up opportunities then they are almost 3 times more likely to be involved in an early stage or new business.
- Where "fear of failure" is reported by respondents as a factor in preventing them setting up their own

business then the likelihood of them being involved in a new business venture is actually halved (odds ratio of 0.5).

However, it is important to note the effect which introducing these attitudinal variables has on the explanatory power of the other variables in the model. Gender and age remain significant even after their introduction. This demonstrates that these demographic variables operate even after the personal attributes and now attitudes of individuals are taken into account. Therefore, it is not possible to state that because women are more likely to fear failure in starting up a new business that this explains why they are less likely to start up a new business.

The introduction of the attitudinal variables has removed the significance of the employment and education variables suggesting that some relationship exists between them and an individual's self perceptions of entrepreneurship.

From a regional perspective, Northern Ireland, Scotland and Yorkshire and Humberside are no longer significant in the model. Being located in the North West however, continues to exert a negative influence on start-up activity. In fact, the odds of starting up in business in the North West remain around half that of the control region, London. In addition, the East of England regional variable is now significantly negative. Therefore, regardless of a person's gender, age, personal attributes and attitudes to entrepreneurship, there is a lower likelihood of being engaged in start-up activity in these regions.

One interpretation of this is that the regional variables would appear to act as some proxy for entrepreneurial culture which the attitudinal variables pick up when they are introduced into the model. It is the case that, for example, the North West and

Yorkshire and Humberside have the lowest proportion of adults who "know an entrepreneur" while Northern Ireland has the highest "fear of failure". All three regions have among the lowest reported levels of believing they have the requisite skills to start up in business. By contrast, the East of England ranks almost top of the regional league table for each of the positive attitudinal variables and yet once these are controlled for there appear to be other factors which influence a negative relationship between this region and the propensity to start up in business. It would also suggest that there is some relationship between the effects of income and education and entrepreneurial culture. It is the case, for example, that better educated individuals are more likely to report that they know an entrepreneur, have the necessary skills to start a business and are less risk averse.

THE UK MODEL: MALES ONLY

The third and fourth columns of Table 2 (see Annex 1) refer to the results of the model for those male respondents to the GEM 2004 survey only. The key outcomes from the first model which excludes the attitudinal variables are as follows:

- Age continues to work in the same way as in the overall model, that is, the likelihood of a man becoming involved in entrepreneurial activity increases with age (although at a decreasing rate).
- Having post 18+ qualifications is positively and significantly associated with early stage entrepreneurship among men.
- Men in middle income households are less likely to be engaged in entrepreneurial activity compared to those in the high income group.
- Men who live in the North West, Wales, Scotland and Yorkshire and Humberside are around half as likely to be starting a business or running a new business.

As with the overall model, when the attitudinal variables are introduced (column 4) they are all strongly significant in their influence, either positive or negative, on entrepreneurial activity. Their inclusion however weakens some but not all of the relationships outlined above. There is now no significant relationship between graduate education and early stage entrepreneurial activity again suggesting that this variable is in some way linked to entrepreneurial culture. Scotland and Wales, which previously had a negative impact on male entrepreneurial activity, are also no longer significant. In the North West and Yorkshire and Humberside, however, the negative association with entrepreneurship among males persists although the relationship is weakened slightly. This is also the case with the middle income household group which is still negatively associated with entrepreneurial activity among males (although again the significance of the variable has weakened somewhat). The strength of the age variable as a determining factor in itself persists.

THE UK MODEL: FEMALES ONLY

The final two columns of Table 2 isolate the impact of the explanatory variables on the likelihood of a woman becoming involved in early stage entrepreneurial activity in the UK. The female model highlights the following:

- The influence of age on early stage entrepreneurial activity persists among females as well as males. Indeed, the effect of age on the odds of starting up in business is the same for females as for males.
- Among the personal attribute variables (income, education, work status), the only variable which exhibits any significant relationship with early stage entrepreneurial activity among women is education. Women who are better educated are more likely to engage in early stage entrepreneurial

activity. In addition, women coming from a position of employment are more likely to be involved in starting their own business, although this is marginally insignificant in the model.

- The only region where a statistically significant relationship exists with start up activity among women is Northern Ireland and this relationship is negative. This is an important finding as it indicates that there is something specific to Northern Ireland which depresses the level of female entrepreneurship over and above age, income, education and work status.

As with males, the attitudinal variables are significant in their influence on entrepreneurial activity. The impact of an individual's self belief in having the skills to start up in business and in believing that good opportunities exist on entrepreneurial activity are stronger for women than for men. Knowing an entrepreneur is a larger influence on men than on women.

The introduction of the attitudinal variables to the female model renders almost all other variables insignificant.

Interestingly, the Northern Ireland regional variable is no longer significant which suggests that there is some connection between the cultural environment (as proxied by the 4 attitudinal variables) and female entrepreneurship in Northern Ireland. It is the case that fear of failure is highest among women in Northern Ireland compared to all other UK regions and it is among those regions with the lowest proportion of women who believe they have the requisite skills to start up in business.

Finally, the East of England regional variable is negative and becomes significant in this model which suggests that there are interaction effects

between it and the 4 attitudinal variables which operate to dampen the level of female early stage entrepreneurial activity in that region. What these interaction effects might be is beyond the scope of this current analysis.

CONCLUSIONS

Much of the economic case for women and enterprise is constructed around the existence of a “gap” and various economic indicators are then extrapolated on the basis of - “if only the gap was closed or halved then.....”. Wilson et al., (2004), in their review of women and enterprise policies in the UK, make a plea for a “strong economic argument supporting women’s enterprise” and urge a closer look at the rationale for benchmarking women’s participation in enterprise in the UK against rates observed in the US. However, it is extremely difficult to make this argument given a dearth of data on female entrepreneurship both nationally and internationally.

Wilson et al., (2004) also refer to the fact that “there is simply no reliable, robust academic research evidence that supports a view that women lack self-confidence or self esteem in an entrepreneurship context in the United Kingdom”. They phrase this in the context that one of the 6 barriers to women’s greater participation in entrepreneurial activity in the UK is low levels of confidence and self esteem (Strategic Framework for Women, 2003). The descriptive analysis of the GEM UK dataset contributes to this debate by highlighting that women are less likely to believe they have the skills to set up in business and are less likely to believe there are good opportunities.

What the multivariate analysis outlined above has begun to tease out is that this is too simplistic and misunderstands the importance of gender differences in attitudes to enterprise and entrepreneurship.

The multivariate analysis of the GEM UK dataset begins to develop our understanding of these issues at national and regional level, with the latter being especially important in the light of the evolving Regional Action Plans (RAPs) for women and enterprise.

The evidence presented in this paper from the GEM UK survey has demonstrated that:

- There is a direct gender effect on early stage entrepreneurial activity in the UK. Controlling for age, income, employment, work status, region and a range of attitudinal variables focusing on self perceptions of entrepreneurship, women are still less likely to be involved in entrepreneurial activity than men.
- Those variables representing self perceptions of entrepreneurship are each strongly significant on their influence on early stage entrepreneurial activity across the 3 models.
- There would appear to be a potential link between “entrepreneurial culture” and the regions. That is, many of the statistically significant regional variables become largely insignificant with the introduction of the attitudinal variables. This would suggest that the regional variables can in some circumstances act as a proxy for entrepreneurial culture.
- The regional dimension to entrepreneurial culture is strongly in evidence in Northern Ireland in relation to early stage entrepreneurial activity among women⁵. The model highlights that entrepreneurial beliefs are in some way linked not only to the personal attributes of an individual but also that there is a direct connection between those beliefs and their impact on early stage entrepreneurial activity on women here. This has important implications on understanding the rationale for national and regional strategies which encourage more women to start up in business.

ANNEX 1

Definition of Independent Variables used in the Logit Analyses

Table 1

VARIABLE NAME	DEFINITION
Gender	1=Male; 0=Female
Age	Actual age of respondent in years
Age ²	Current age of respondent (squared) (the square of the age variable ensures that the marginal effect of age on the log odds is non-linear so that the size of the effect depend on the coefficient values and not upon the value of the age variable)
Education	1=Post-Secondary level education qualifications; 0=no qualifications post A-level
Employment Status	1=Current or previous employment status (employed full-time or part-time); 0=inactive, retired, disabled, homemaker, student
Lowinc	1=Lowest income group (<£25,000); 0=Otherwise
Midinc	1=Middle income group (£25k-£49k); 0= Otherwise
Highinc	1=Highest income group (£50k+); 0= Otherwise
Attitude 1	1= Personally know an entrepreneur; 0= Otherwise
Attitude 2	1=There are good start-up opportunities; 0= Otherwise
Attitude 3	1= I have the skills to start a business; 0= Otherwise
Attitude 4	1=Fear of failure would prevent me from starting a business; 0= Otherwise
Region	Dummy variable for the 12 UK Regions (base case is London - i.e., all the other regions are compared against this region)

¹ In estimating the coefficients of the logistic regression, the maximum likelihood procedure is used. This interprets logistic regression, or logit output, in terms of odds rather than probabilities. The logit is simply the log of the odds of being in one category versus another of the dependent variable - in this case whether an individual is engaged in early stage entrepreneurial activity or not.

² The reason for doing this is that only half the sample was asked the attitudinal questions and therefore we model the full dataset first before including these variables.

³ The odds ratio associated with each coefficient are not referred to in Table 2. The odds ratio is the number by which one would multiply the odds of an individual indicating that they were engaged in setting up a new business venture or running a 'baby' business for each one unit increase in the independent variable. An odds ratio greater than 1 indicates that the odds of an individual engaged in entrepreneurial activity increases when the independent variable increases. An odds ratio of less than 1 indicates that the odds of an individual running a new business venture decreases when the independent variable increases, while estimates close to 1 indicate no effect on the odds. In this instance, the focus is on estimating the log odds of an individual indicating that they are currently involved in running a new business venture, given the set of determining variables outlined in Table 1.

⁴ Age is represented by two continuous variables (Age and Age2) and as such odds ratios cannot be calculated given that there is no reference category against which to predict the odds. The positive sign for Age means that early stage entrepreneurial activity increases with age, but the negative sign for Age2 indicates that it does so at a decreasing rate.

⁵ It is worth noting however that Wilson et al. make the argument that women tend to underreport their skills and this is not the same as lack of confidence.

Summary Results for the UK Overall, UK Male and UK Female Logistic Regression Models

Table 2

INDEPENDENT VARIABLE	UK MODEL I (N=18,943)	UK MODEL II (N=7,842)	UK MALE MODEL I (N=7,403)	UK MALE MODEL II (N=3,160)	UK FEMALE MODEL I (N=11,540)	UK FEMALE MODEL II (N=4,682)
Gender (1=Male; 0=Female)	+ve***	+ve***				
Age	+ve***	+ve***	+ve***	+ve**	+ve***	(+ve)
Age ²	-ve***	-ve***	-ve***	-ve**	-ve***	-ve*
Employment Status (1=Working; 0= Otherwise)	+ve*				(+ve)	
Education (1=Graduate Experience; 0= Otherwise)	+ve**		+ve**		+ve*	
Low Income (1=Yes; 0=Otherwise)						
Middle Income (1=yes; 0=Otherwise)	-ve**	(-ve)	-ve**	-ve*		
High Income (1=yes;0=Otherwise) (reference category)						
East Midlands						
East of England		-ve **				-ve*
North East						
North West	-ve**	-ve**	-ve**	-ve*	(-ve)	
Northern Ireland	-ve**				-ve**	
Scotland	-ve*	(-ve)	-ve*			
South West					(+ve)	
South East						
Wales			-ve**			
West Midlands						
Yorkshire & Humberside	-ve**	(-ve)	-ve**	-ve*		
Attitude 1 (Know an Entrepreneur)	Not tested	+ve***	Not tested	+ve***	Not tested	+ve***
Attitude 2 (Good Opportunities for Start-up)	Not tested	+ve***	Not tested	+ve***	Not tested	+ve***
Attitude 3 (Have the Start-up Skills)	Not tested	+ve***	Not tested	+ve***	Not tested	+ve***
Attitude 4 (Fear of Failure)	Not tested	-ve***	Not tested	-ve***	Not tested	-ve**
Wald	347.53	398.94	95.87	193.3	90.14	176.28

Notes: * denotes significance at the 0.10 level; ** denotes significance at the 0.05 level; *** denotes significance at the 0.01 level

+ve positive association with entrepreneurial activity - in parentheses if marginally non-significant

-ve negative association with entrepreneurial activity - in parentheses if marginally non-significant

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Article 15: The development of female entrepreneurship within the Accelerating Entrepreneurship Strategy

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INTRODUCTION

Since 2001, the Investing in Women Initiative has formed part of Invest Northern Ireland's Accelerating Entrepreneurship Strategy (AES) which has the aim of making Northern Ireland 'an exemplar location for starting and growing a successful business'.

Women are the largest under-represented group when it comes to enterprise in Northern Ireland and represent an enormous pool of untapped potential. The aim of the Investing in Women Initiative is to increase the number of women starting a business in Northern Ireland via the roll-out of a comprehensive programme of activity.

HOW ENTREPRENEURIAL ARE WOMEN IN NORTHERN IRELAND?¹

- Around 28,000 women across Northern Ireland (just over 1 in 18) have recently thought about starting a business, compared to 1 in every 9 men locally and 1 in every 14 women in the UK .
- The level of entrepreneurial activity among women in Northern Ireland is one of the lowest of the UK regions and impacts on Northern Ireland's overall ranking (10th out of 12 UK regions).
- An estimated 14,500 women are starting or running a new business in Northern Ireland (GEM 2005). This compares to around 35,500 men and equates to 2.8 per cent of the female adult population compared to 6.9 per cent of males.*
- Women in Northern Ireland are therefore two and a half times less likely to be entrepreneurs as men.
- The share of female entrepreneurs who are engaged in early stage entrepreneurial activity out of necessity as opposed to as a result of

perceived opportunities is higher in Northern Ireland compared to all other UK regions.

However, necessity entrepreneurship is generally relatively low.

INTERNATIONAL DIMENSION

Women play a large and growing role as entrepreneurs in the US, Canada and to some extent the UK. Around 30% of all US businesses are majority female owned and the number of women-owned businesses continues to grow at twice the rate of all US firms. Between 1991 and 1996 the number of self-employed women in Canada grew by 44% (compared to 20% for men).

The argument for suggesting that the enterprise gap between the UK and US is gender based is growing steadily. However, national GDP per person clearly shapes the extent of the entrepreneurship gap. Across levels of national income, economic necessity is a stronger determinant of entrepreneurial activity for women than it is for men.

Invest Northern Ireland's Investing in Women Initiative offers a range of programmes and initiatives that provide pathways to mainstream support. They are characterised by the specifics of a targeted programme aimed at particular challenges/particular characteristics identified in relation to female entrepreneurs.

These challenges/characteristics can be summarised thus:

- The likelihood of a woman setting up in business is strongly linked to knowing an entrepreneur, believing that there are good business opportunities and believing she has the right skills.

- The fear of failure has a negative impact on a woman's likelihood of starting a business.
- The proportion of Northern Ireland women who believe they have the necessary skills to start a business is particularly low compared to the other regions.

ACTIVITIES TO DATE

A principle of the Investing in Women Initiative has been to develop pathways support aimed at a greater uptake of mainstream programmes by females. Since the pilot programme in 2002, there have been a number of initiatives aimed at pre-enterprise support, targeted support for rural women and information initiatives aimed both at brokering the relevant information but also the

linkages between information providers. This has all happened alongside the network support initiatives, female entrepreneurship within the overall Go for It campaign in addition to work with universities and sector groups.

Where the pilot programmes have added value, the characteristics of those programmes have been rolled forward into mainstream provision. An example of this is the Access Point Initiative. This provided a Northern Ireland wide first point of contact and referral service for female entrepreneurs. Best practice from this initiative will roll into the proposed Points of Presence mainstream initiative that will be delivered by Enterprise Northern Ireland.

CHALLENGE/ CHARACTERISTIC	EVIDENCE
Lack of role models	<p>The likelihood of a woman setting up in business is strongly linked to knowing an entrepreneur, believing that there are good business opportunities and believing she has the right skills. On a more encouraging note, women in Northern Ireland are as positive as men, and in fact more positive than women generally across the UK, about entrepreneurship being a good career choice and having high status.</p> <p>The development and promotion of role models is fundamental to meeting this challenge.</p>
Access to support and information	<p>The proportion of Northern Ireland women who believe they have the necessary skills to start a business is particularly low in relation to other regions. Entrepreneurs commonly cite the positive role that networks of other entrepreneurs or related professionals play in their start-up activities. Evidence from country studies of female entrepreneurship highlights the leverage that women gain from networks of family and friends.</p> <p>Across the country, specific studies of female entrepreneurs identified that the most frequently mentioned success factor is support from friends and family.</p> <p>Investing in Women has supported both the establishment and operation of women's business networks in Northern Ireland.</p>
Low confidence and fear of failure	<p>Women are more financially risk averse than men and try to 'do more with less' to avoid increasing their financial obligations.</p> <p>The Investing in Women Initiative has attached significant support to pre-business start assistance focusing on both business skills and personal development skills.</p>

As part of the Go For It Campaign, women have been encouraged to participate in a number of mainstream events during the period. Over 870 women attended Go For It, The Enterprise Show in November 2005. An additional 100 women attended the Creative Business Thinking - Inside the Mind of an Entrepreneur event held during the week to highlight female entrepreneurship.

A booklet entitled Making it Happen - Successful Women in Business was launched during Enterprise Week 2005. This highlights the importance of female entrepreneurship to the Northern Ireland economy and includes 12 case studies encompassing female entrepreneurs and women involved in leadership roles in entrepreneurial companies.

NETWORKS

Five business women's networks have been established throughout Northern Ireland and regular networking events are held on a regional basis with the networks coming together on occasions to run Northern Ireland wide events. The networks provide a valuable communication channel; promotion of role models; general entrepreneurship awareness and connectedness with local support structures. Invest Northern Ireland is currently working with the networks to encourage progression to a Northern Ireland wide 'network of networks' that will benefit from economies of scale and a consistent form of networking experience across the province.

PROGRESS TO DATE/ACHIEVEMENTS/RESULTS

During the period there have been an average of 4000 women per year involved in entrepreneurial activities ranging from participation in programmes to attending networking events and conferences.

There has been a positive increase in the number of female start-ups over the period from 36% in 2002/03 to 44.5% in 2005/06.

The Start a Business Programme was revised during the period to provide a part-time option to encourage greater participation of under-represented groups such as women. The percentage of part-time female start-ups over the period has increased from 11% in 2002/03 to 21.5% in 2004/05. The part-time start-ups for the year 2005/06 equate to 17% of the total businesses started.

The highest proportion of women starting a business stem from women in full time employment. This is followed by women who have been unemployed for up to a year and then women who have been in part-time employment. The proportion of start ups for the period 2005/06 are 16.2% and 15.2% respectively for these groups.

A higher percentage of women in the age grouping 31 - 40 start a business than any other age grouping with 36% of female start-ups in 2005/06 being from this age bracket. This is followed by the age grouping 25 - 30 at 23.8% for the same period and 20% for those aged between 41 - 50. The highest proportion of female start-ups tend to be of sole trader status with an average of 72% of start-ups over the period 2002 to end of December 2005 choosing this form of legal entity.

In terms of the sectoral dimension, the greatest proportion of start-ups have been established during the period in the retail services sector followed by retail goods and health and beauty. Other sectors of note include finance and business services, catering and hospitality,

Start a Business Programme

	2002/03	2003/04	2004/05	2005/06
Start-ups				
Female	718 36%	967 37%	1504 40%	1523 44.5%
Male	1265 64%	1670 63%	2299 60%	1903 55.5%
Total	1983	2637	3803	3426

¹ Source: GEM Northern Ireland figures for 2005, O'Reilly M & Hart M

education, manufacturing and professional services.

The highest proportion of female start-ups across Northern Ireland were located in the Belfast and Derry City Council areas. Start ups were also particularly high during the period in Newry & Mourne and Down areas. In general the number of female start-ups has been vibrant over the past few years with current levels of participation of females accounting for some 44.5% of the total businesses started which is a very positive result.

IDEAS GOING FORWARD

The Innovative Pathways for Female Entrepreneurship Programme takes a strategically focused approach to “harder to reach” groups, using innovative methods and integrates the linkages with and between stakeholder and support providers.

This programme will add value by

- introducing the enterprise culture to the harder to reach groups within the female population
- linking specialist groups to mainstream support provision
- tackling the limiting factors on female enterprise by encouraging innovation and creativity

- transforming the strategic context by enabling access to the business support system for female entrepreneurs.

Innovative Pathways for Female Entrepreneurship goes alongside mainstream initiatives such as Start a Business, the Go For It campaign, and the social entrepreneurship programmes.

The project will stimulate delivery and capacity building in other agencies and groups outside of Invest Northern Ireland in the following ways:

- **PATHFINDING** focuses on communities of need i.e. women from disadvantaged communities whether defined geographically, economically or socially. It will create local consortia of support to facilitate an experience of enterprise for women in these groups as a way of increasing their expectations of what they can achieve and also their confidence and self awareness of what they are capable of.
- **PATHBREAKING** focuses on using innovation and creativity as methods to stimulate female entrepreneurship in three interlinked ways. The kinds of business sectors that attract female entrepreneurs are dominated by consumer, retail, health and beauty services.

First to help latent female entrepreneurs to develop new business ideas to help them step into enterprise.

Secondly to increase the number of female businesses in non traditional sectors by utilising and optimising existing materials and opportunities as well as promoting female case studies and role models working in these sectors.

Thirdly to assist female entrepreneurs to grow their business innovatively by accessing new ideas, thinking and advice from external international mentors who can offer new perspectives to address limiting factors on their business growth.

- PATHCLEARING will generate positive action across Northern Ireland to ensure that all business support provision can evidence that it is female friendly when benchmarked against best practice in GB and the US. All business support providers in each Northern Ireland sub region would be able to demonstrate interconnectedness and integrated support systems which are accessible, inclusive, responsive and offering female focused support.

CONCLUSIONS

Incremental increases in respect of the number of women becoming involved in entrepreneurial activity are being achieved and this clearly needs to be sustained to reduce the wide gap between male and female entrepreneurship in Northern Ireland. Targeting of both promotional and pathway initiatives brings incremental benefits in terms of the number of women becoming interested in entrepreneurship and proceeding to start a business. Our strategic focus in the future must be on both increasing the number of start-ups and of equal importance the growth of established female businesses.

Whilst acknowledging the particular differences involved as women approach entrepreneurship, it is interesting to note the following as a demonstration of the real gap and the economic potential. If as many women as men were engaged in early stage entrepreneurial activity in Northern Ireland this would lead to 28,500 more female entrepreneurs, making Northern Ireland the leading region in terms of entrepreneurship. If as many women in Northern Ireland as the UK average were engaged in entrepreneurial activity, this would mean an extra 8,300 women entrepreneurs.

*This refers to the Total Entrepreneurial Activity Index (TEA) which measures the proportion of individuals in the adult population who are either in the process of starting a business (nascent ventures) or are the owner manager of a new business which is less than 42 months old (baby business).

Article 16: nibusinessinfo.co.uk

Stephen McArdle - Invest Northern Ireland

nibusinessinfo.co.uk is coming! Since July 2005, Invest Northern Ireland has been developing an information website for all businesses in Northern Ireland. To be launched quarter 1 2006, the project will be the central source of government approved business information for local businesses, those interested in business and business professionals.

Invest Northern Ireland has undertaken a consultation exercise with local stakeholders including every local government department, enterprise partners and sectoral bodies to assess the current information provision and identify areas of duplication and gaps in provision. But more importantly there has been a large scale “user” (local businesses) consultation to find out what they want and how they want it. The challenge for Invest Northern Ireland is to deliver! This article will detail some of the key features of nibusinessinfo.co.uk and outline the core principles of this project.

LINKING ANSWERS TO BUSINESS QUESTIONS

nibusinessinfo.co.uk brings together support from over 40 Government departments, such as Revenue & Customs and the Health & Safety Executive, to develop tools and information to help businesses comply with regulation and run their businesses as efficiently as possible. This project represents joined up government in practice.

A range of tools will be made available that help answer key business questions, including:

- What are my tax and accounting responsibilities?
- Which VAT scheme is right for my business?
- What type of finance is right for my business?
- How do I resolve a disciplinary issue?

- How can I get customers to pay what they owe me?
- What do I need to think about when considering redundancies?
- Which advertising media are right for my business?
- What do I need to think about when taking on an employee?
- What are the tax and legal issues when selling all or part of my business?
- How can I protect my ideas?

SPECIFIC LOCAL INFORMATION AND TOOLS

Providing localised information and services is essential if nibusinessinfo.co.uk is to be of value to the local business user. Many of the topics covered by nibusinessinfo.co.uk are generic and relevant to all businesses regardless of location. To supplement these generic business topics Invest Northern Ireland will be delivering specific information and tools relevant to the local business user. For example, information on trading with the Republic of Ireland and understanding the tax differences will be available. Specific area profiles of the different areas within Northern Ireland will be provided.

There will also be specific local tools to provide interactive services to the local user. For example a referral tool will be delivered that will help the user find the right one to one support at the right time. There will also be a local companies database to help users find partners or suppliers and a property database that will help local users find commercial premises.

SUBMITTING ONLINE TAX FORMS AND RETURNS

nibusinessinfo.co.uk will provide access to key government services online. Sending or receiving information online will be secure, convenient and

quick. It is more reliable and efficient than using paper, and can cut down on storage space, post and administration. So it is a valuable way to improve business efficiency. Also, as information mostly passes between computers without manual intervention, there is less chance of it being misinterpreted, or of mistakes being made. Businesses can submit a range of tax forms and returns securely over the internet by enrolling for online services using the Sign-up Manager.

Once enrolled, businesses will be able to send and receive a range of forms and returns over the Internet including:

- eVAT Returns reduces paperwork and businesses can gain up to seven extra days to pay their VAT if they pay by Direct Debit.
- Corporation Tax Online enables businesses to get their tax calculated and they can view liabilities and payments at any time.
- Self Assessment Online means businesses can file a self assessment return and make payments online.
- Export Licences simplifies the application process for a Standard Individual Export Licence for organisations planning to export controlled goods.
- PAYE Online for Employers can earn small businesses up to £825 tax-free over five years if they start filing online early.

nibusinessinfo.co.uk will help businesses start up, improve and grow by providing free access to comprehensive information, guidance, funding and training available from both government and the private business sector.

Targeted as being the leading site for small business, it will contain over 500 practical online

guides and real-life case studies that demonstrate how other businesses have taken simple steps to improve their business competitiveness. They cover:

- Starting up
- Finance and grants
- Taxes, returns & payrolls
- Employing people
- Health, safety, premises
- Exploit your ideas
- IT & e-commerce
- Sales and marketing
- International trade
- Grow your business
- Buy or sell a business
- Your Type of Business

The relevant authority will have formally approved each of the guides. For example, where information on tax is presented, this will carry the Customs and Excise logo and will be reviewed and approved regularly to ensure ongoing accuracy.

FREE ONLINE TOOLS

The website will be the first point of call for free online tools to help businesses both comply with regulation more easily and to develop and grow. They will include:

- Regulation checklist that enables businesses to get a simple, personalised checklist of the main regulations that apply to their business, linked to plain English explanations.
- Grants and Support Directory (GSD) will provide a searchable directory of over 2,500 grants, loans, business consultancy and support from central and local government as well as from private organisations, to help firms start up or develop their business.

- Events finder enabling businesses to search or browse all events across the site, locally, nationally and internationally.
- Contacts database listing over 3,000 business organisations throughout the United Kingdom. Site visitors can browse through the directory, search by organisation name or search by postcode.
- Find a form will enable businesses to find key forms that they use when dealing with local and UK central government departments and agencies.
- Licence and permit checklist will be the quickest and easiest way to find out which licences and permits businesses may need, saving them valuable time. They will get a personalised list of licences, permits and details of where to go to get more information.
- Key date reminders will allow users to create a calendar of important tax deadlines for the next 12 months, based on the business' responses to a few questions. Businesses can also sign up to receive regular email alerts as each date approaches.
- Publications directory will enable organisations to find key leaflets, booklets and guides published by UK central government departments and agencies on business-related topics.
- Regulation updates, providing at-a-glance plain English guidance on new and changing regulations which affect SMEs before they come into force. Businesses can also opt for an email alert service that can tell them about every new regulation update.
- Written statement of employment will enable managers to create a customised statement of employment covering everything they legally need to give to their new employee in writing.
- Create your own PDF will enable businesses to

create a personalised, easy-to-print book based on one or more guides from the nibusinessinfo.co.uk website. The print portfolio tool will allow them to add guides to their own A4 book, then download the book in high-quality PDF format.

KEY PRINCIPLES

The nibusinessinfo.co.uk website operates under two key principles:

- If the taxpayer has already paid to deliver information online, Invest Northern Ireland will use it rather than recreate it.
- To ensure content and tools are meaningful to businesses all content and tools are user tested before release.

By carrying out a very simple web search, you will find a multitude of local and national public sector organisations providing business information. Look closely at the content and you will see a lot of duplication. For example, several websites will provide information on simple marketing techniques or how to manage staff. Invest Northern Ireland has been working with local stakeholders to assess what information already exists. This information will be refined and used on the new website. Where content and tools do not exist these will be created. All content will be marked as Crown Copyright © and made available for use by all.

Before any content or tools are made live on the website they will go through a formal user testing cycle to ensure they are meaningful to the business user. There is sometimes a difference between what government wants to say and what a business owner understands. All the information presented will be authoritative, factually correct and written in plain English. It is written for and

approved by the business user.

nibusinessinfo.co.uk is about providing added value information and services to the local business community. It is not about replacing one-to-one advice but supplementing advice with information and finding the right local one-to-one advice at the right time.

For further information on this project please contact the project team on
Tel: 0800 027 0639 or
Email: nibusinessinfo@investni.com

Article 17: Developing a Successful Social Economy

Anne - Marie Davison - Social Economy Branch - Department of Enterprise, Trade and Investment

INTRODUCTION

The social economy is a wide and diverse sector which has been operating and developing over a number of years in Northern Ireland and has a strong tradition of supporting local communities. In recent years, its contribution to both social and economic development has been receiving greater recognition in Northern Ireland and throughout the rest of the UK.

WHAT ARE SOCIAL ECONOMY ENTERPRISES?

Social Economy Enterprises (SEEs) are distinct and unique with three key characteristics.

They:

- have a social, community or ethical purpose;
- operate using a commercial business model; and
- have a legal form appropriate to a not-for-personal profit status - e.g. a company limited by guarantee.

The social economy sector is an integral part of the Northern Ireland economy and SEEs create income and employment, both paid and voluntary, and can deliver public and other services to meet local community needs. They address a double financial and social bottom line - i.e. generating profits to ensure sustainability of the business while working towards their social goal - and in some cases a triple bottom line through their focus on environmental impact e.g. Bryson House Recycling.

The following are examples of types of SEEs in Northern Ireland:

- **Community Businesses:** enterprises that have strong geographical ties and create and maintain jobs and services and profits within the local communities;

- **Credit Unions:** some 180 Credit Unions provide access to community finance as savings organisations and sources of affordable credit and financial advice for the benefit of members;
- **Housing Associations:** over 50 Housing Associations provide affordable housing for rent or low-cost ownership and also supportive housing for the elderly or people with disabilities;
- **Local Enterprise Agencies:** 34 Local Enterprise Agencies across Northern Ireland stimulate enterprise and business growth through the provision of advice, support and workspace;
- **Co-operatives:** associations of persons united to meet common economic and social needs through jointly owned and democratically controlled enterprises; and
- **Social Firms:** provide employment and training for disadvantaged groups, for example, people with disabilities.

The following examples illustrate the range of markets in which Northern Ireland SEEs are operating:

Bryson Charitable Group employs over 500 people with a turnover of £13m and of that total almost two thirds is generated from a range of public sector contracts won on a competitive basis. One of its operations, Bryson Recycling recycles waste for 25% of all Northern Ireland homes.

Cresco Trust in Londonderry, which employs 21 people with a turnover of £830,000 established a trading partnership with US Ben and Jerry's Ice Cream. This partnership approach enables SEEs to own and operate their own business, and in this case, provide employment and training within the tourism and hospitality industry for the long-term employed.

The Irvinestown Trustee Enterprise Company and its associated enterprises employing 47 people with a turnover of over £750,000 has undertaken significant regeneration activity in the town and has developed innovative Healthy Living Centres offering health care and childcare programmes, rural transport programmes and, with over 50,000 sq ft of workspace, developed from derelict buildings, provides accommodation for 22 local businesses who in turn employ over 250 people.

OVERALL POLICY CONTEXT

In Northern Ireland, DETI took the lead in 2002 in delivering a Strategy for the sector's development as a priority area for action across Departments. The sector continues to be a priority and has been identified as a key action within DETI's 2005-08 Corporate Plan to contribute to the "Promote and Encourage Enterprise" Economic Vision Driver.

In July 2002 the Department of Trade and Industry (DTI) published "Social Enterprise: a strategy for success" which identified areas for action to support the sector's growth and development. Both the Welsh Assembly Government and Scottish Executive have prepared policy responses to the development of the sector along similar lines and in keeping with locally identified priorities and needs.

The EU has traditionally supported programmes to strengthen local communities and the social economy has been a priority area for EU programmes. The Peace 2 Programme has offered significant opportunities for the sector, primarily through the 26 Local Strategy Partnerships and around £60m has been made available to them up to the end of 2004 to support the sector. The Peace 2 extension continues to offer opportunities to support the sector, albeit with less resources.

SIZE AND SCALE OF THE SOCIAL ECONOMY

The sector's diversity and the absence of a universally accepted definition have limited the statistical information on its size and scale. However, in July 2005, DTI's Small Business Service published "A survey of social enterprises across the UK" which set out the results of the first ever survey of social enterprises in the UK. The survey focused on social enterprises registered as Companies limited by Guarantee with at least 25% of their funding generated from trading.

The survey found that UK social enterprises operate across many sectors and in all regions of the UK. DTI estimate that there are around 15,000 social enterprises representing 1.2% of all enterprises in the UK. Over 775,000 people work for those enterprises surveyed, including almost 300,000 volunteers. They generate just under £18 billion in annual turnover with the majority of turnover and employment generated through trading activity - on average grants and donations account for just 12% of turnover in the sector and trading income 82%.

The most common way in which social enterprises in the UK derive their income is through health and social care (mostly daycare, childcare, welfare services and provision of accommodation); other main activities are community and social services, real estate/renting workspace and adult education.

The vast majority of social enterprises exist to help particular groups of people either through providing employment or goods and services. The most common groups helped are those with disabilities, young people, the elderly and people on low incomes. Nearly a quarter of those

surveyed had environmental objectives - most notably recycling.

The survey estimated that there were 600 Northern Ireland SEEs but acknowledged that the estimated number at regional level were less robust than at UK level. In order to increase our knowledge of the size and scale of the sector in Northern Ireland, DETI will undertake the first Biennial Survey of the sector in September 2006 with results available in early 2007. As with the DTI survey, this survey will not describe the total population of Social Economy Organisations but will focus on those using a commercial business model and generating trading income.

DEVELOPING A SUCCESSFUL SOCIAL ECONOMY

In order to develop the sector's current and future potential DETI led on the preparation and publication in 2004 of the three year cross-Departmental Strategy "Developing a Successful Social Economy" with annual Action Plans. The overall aim of the Strategy is to support the development of a strong and sustainable social economy through a more integrated approach across Government Departments.

Three key objectives are being pursued to achieve this aim:

- increase awareness of the sector and establish its value to the local economy;
- develop the sector and increase its business strengths; and
- create a supportive and enabling environment.

The Strategy is just entering its final year and an important element of the Cross Departmental approach has been the implementation of a Communications Strategy using professionally

written articles, briefing notes and case studies to increase Departmental officials' awareness and understanding of the sector and its potential. Work is also ongoing across Departments to ensure the integration, where appropriate, of social economy issues into the development and implementation of Government policies - e.g. Accelerating Entrepreneurship Strategy, Neighbourhood Renewal, Anti-Poverty Strategy (now known as Lifelong Opportunities) and the Rural Development Programme.

As well as ensuring the sector's access, where appropriate, to its mainstream business support services, Invest Northern Ireland will shortly introduce, as part of its Accelerating Entrepreneurship Strategy, a sector specific Social Entrepreneurship Programme offering capability support and an initial package of financial support to groups wishing to start a social economy enterprise.

Action is also underway to modernise and reform Charities, Credit Union and Industrial & Provident Societies legislation in Northern Ireland to ensure the most appropriate legal and regulatory framework for the sector's development.

SUPPORTING STRUCTURES

To support the more integrated approach to the sector's development, DETI has put in place three key structures.

INTER-DEPARTMENTAL STEERING GROUP

An Inter-Departmental Steering Group (IDSG), chaired by DETI, was established with representation from all Northern Ireland Departments. The main focus of the Group has been to provide leadership across Departments on how policies and programmes can support

the development and growth of the sector and encourage more effective cross-Departmental co-operation. In 2004, the IDSG published the three year cross-departmental Strategy and reports annually on progress against objectives.

SOCIAL ECONOMY NETWORK

The ongoing development of a strong and sustainable Social Economy Network (SEN) to act as a representative voice for the sector is a key element in the cross-Departmental Strategy. DETI, DSD and EU provided funding (£600,000 in total from 2002-06) to the Social Economy Agency as Co-Ordinating Agent to facilitate the first Phase of the Network's development. In November 2005, Angela Smith, the then DETI Minister announced further funding for the SEN (£600,000 from 2006-2010) to deliver its advocacy and leadership role, services to its members and support the transition to a more independent and income generating organisation.

SOCIAL ECONOMY FORUM

The Social Economy Forum (SEF) was established in June 2003 and comprises members of the IDSG and the SEN and is chaired by the DETI Minister. The Forum has enabled the sector to raise and debate key issues in a high level policy platform.

ACHIEVEMENTS TO DATE

At its first meeting in June 2003, the SEF identified 4 key work priorities - access to finance and business support for the sector, development of procurement opportunities and mapping the size and scale of the sector. Joint Sectoral/Departmental Working Groups were formed and this has resulted in evidence based research studies on finance and business support services for the sector, the recommendations from which are now being progressed by a Joint

Implementation Group. Following the development and launch of a Procurement Guide for Social Economy Enterprises in January 2005, Central Procurement Directorate is now leading further work with the sector to develop a pilot to increase capacity and capability within the sector to compete for public sector contracts.

Within the sector itself, there have also been significant actions to support its development e.g. the University of Ulster, with funding from Belfast LSP (Local Strategic Partnership), has established the School for Social Entrepreneurs which provides a portfolio of training courses at Certificate, Diploma and MSc levels to strengthen the leadership skills within the sector. Social Economy Belfast, also supported by Belfast LSP, is a partnership of agencies delivering tailored programmes for the sector in Belfast.

DESIRED OUTCOME

Successful implementation of the cross-Departmental Strategy should result in a more sustainable and diverse social economy accessing an appropriate range of finance and business support and securing higher levels of traded income. Growth in the sector will be primarily through the development of existing enterprises with some opportunities for the establishment of more SEEs in some sub-sectors - e.g. community businesses and/or those emerging enterprises from the voluntary and community sector who see realistic advantage in applying a business model to their activities. In addition, SEEs, through increased awareness and understanding, will be recognised by policy makers, providers and users of services, and society as a whole, for their contribution to social and economic development in Northern Ireland.

CHALLENGES AHEAD

There has been significant progress to date across the objectives of the Northern Ireland Strategy to develop the sector. However, reducing levels of EU support and an ongoing tight public expenditure regime will require even greater emphasis by Government on encouraging more within the sector to take a greater entrepreneurial and professional approach to secure new markets, whether individually or in collaboration with others, and to use a wider range of finance and business support to ensure their longer term sustainability. Coupled with this is the need for the sector to be better able to demonstrate to its stakeholders, potential funders and policy makers its impact in both social and economic terms.

2006-07 will mark the transition of the SEN to an incorporated entity developing its own Operating Plans. Also in 2006-07, the IDSG will review its 3 year Strategy to assess its impact across the key objectives and identify further opportunities to work across Departments and with the SEN to continue to ensure that the social economy makes a significant contribution to social and economic development in Northern Ireland.