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Activist to entrepreneur:

*The role of social enterprise in
supporting women's empowerment*

British Council

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Our previous publications include:

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

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

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Photo credits

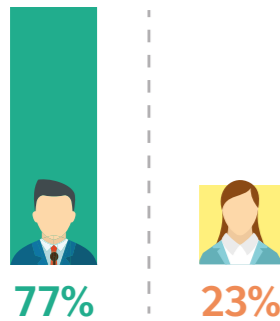
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Gender inequality exists...

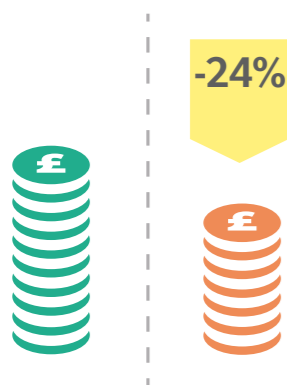
...in politics, where only 23 per cent of members of parliaments are women



...in work, where only 50 per cent of women are in the labour force compared to 75 per cent of men



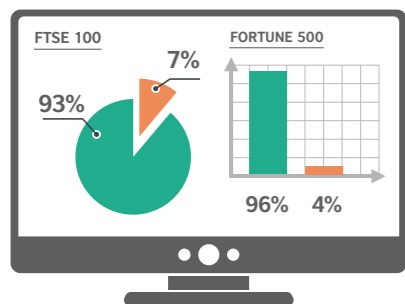
...in pay, where, on average, women earn 24 per cent less than men



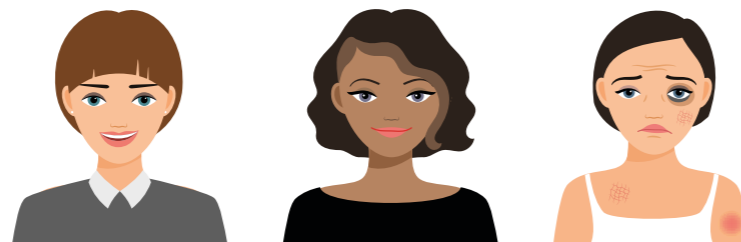
...in entrepreneurship, where there are only ten countries in the world where as many women start businesses as men



...in business, where just 7 per cent of FTSE 100 and four per cent of Fortune 500 companies are led by women



...in society, where one in three women experiences physical or sexual violence

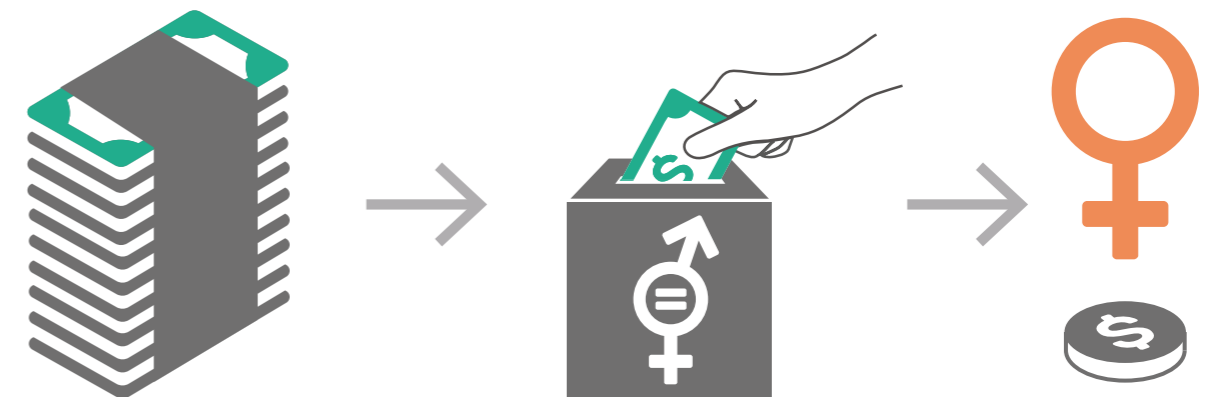


UN'S SUSTAINABLE DEVELOPMENT GOAL 5:

“ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS”

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

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



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

29%

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

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

GLOBALLY
THERE ARE AN ESTIMATED
210 Million
social entrepreneurs,
ALL DEVELOPING AND TRYING
DIFFERENT APPROACHES TO
SOLVE THE WORLD'S
SOCIAL AND ENVIRONMENTAL
CHALLENGES

IN THE UK 4%
OF SOCIAL ENTERPRISES
FOCUS ON WOMEN'S
EMPOWERMENT
IN INDIA
THIS FIGURE IS **33%**

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

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

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

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

	Brazil	India	Pakistan	UK	USA
Women (% leaders in for-profit sector)	43%	9%	5%	18%	31%
Women (% leaders in social enterprise)	25%	24%	20%	40%	55%

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

75%
REPORTED AN
INCREASED
SENSE OF
SELF-WORTH

64%
REPORTED
INCREASED
CONFIDENCE

56%
SAID IT HAD MADE
THEM FEEL LIKE
THEY COULD MAKE
**THEIR OWN
CHOICES**

BUT, in the five countries considered for this research, the social enterprise sector still has a long way to go before it can claim gender equality

46% OF WOMEN
SAID THEY ENCOUNTERED
BARRIERS IN RUNNING
THEIR SOCIAL ENTERPRISE
BECAUSE OF THEIR
GENDER

WOMEN ARE
UNDER-REPRESENTED
IN LEADERSHIP
OF SOCIAL ENTERPRISE
IN 4/5
COUNTRIES STUDIED
AND THIS IS WORSE
THE LARGER
THE ORGANISATION

DATA FROM THE UK
SUGGESTS THE
PAY GAP
BETWEEN MEN AND WOMEN
IN SOCIAL ENTERPRISE
IS 24%
THE SAME AS THE
GLOBAL AVERAGE

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

Foreword

Gender inequality continues to be a significant issue worldwide. If we are to meet our UN Sustainable Development Goal 5 to ‘achieve gender equality and empower all women and girls,’ we must both increase resources for existing activities and understand the potential application of new approaches.

Social enterprise is, in essence, a concept of business that takes social good as an equal priority to profit-making and seeks to bring about a ‘fairer economy’. So it is fitting to ask to what extent can social enterprise enable a fairer economy for women and girls’ empowerment

Social enterprise is not a panacea and its application to the issue of gender equality should not be seen in isolation from other measures. However there are some promising signs that social enterprise can make a meaningful contribution.

For example there is evidence of social enterprises breaking down the dichotomy between ‘the empowerer’ and ‘the empowered’. If traditional interventions focus on women as beneficiaries, social enterprise can empower women as customers, employees or business owners with a genuine stake in the future. This is a welcomed addition to more traditional programmes as it contributes to new levels of ‘agency’ and trust. Indeed greater gender balance in decision-making has been consistently shown to produce more innovation, transparency, and attention to risk than is produced by the male dominated leadership of many established institutions. It also builds confidence among women and provides crucial new role models for the next generation.

Recommendations to ensure this opportunity is fully realised could produce significant benefits. We need to ensure not only that women’s empowerment agendas are mainstreamed in existing programmes to support social entrepreneurs, but also that new programmes are created to develop social entrepreneurial solutions to women’s empowerment issues.

For cash-strapped women’s organisations, social enterprise is already a source of additional and crucially unrestricted income, this report finds. Twenty-nine per cent of women’s organisations engage in their own income generating activities, but the median income of women’s rights organisations across the world is just \$20,000. With women’s empowerment remaining a significantly underfunded issue, social enterprise is a promising but under-utilised source of funding for gender equality. Surely, this is an opportunity which much be capitalised on if we are at all committed to achieving our global targets.

But the life of a social enterprise is not simple. Balancing the need to operate a successful business in competitive markets while delivering to a social or environmental imperative requires real business acumen. For example, social impact investors may be willing to accept fewer financial dividends for the assurance that the investment will benefit others, but their standards for the social mission may also be unrealistically high, given the realities of the complex, often structural, inequities being confronted.

In the context of these real structural inequalities, it is perhaps unsurprising to find that social enterprise reflects many of the same issues we find in other areas of the economy. For example the report finds that social enterprises in all five countries, including the US and the UK, are clustered in gender stereotyped industries that attract women largely because they are culturally acceptable. For instance, women in Pakistan and India, in order to stay within the cultural confines of gender, choose enterprises that provide “feminine” services, such as education for children, or produce “feminine” products, such as handicrafts. Similarly, women in the US and UK are clustered in teaching, care industries, fashion, and gifts. Uncompensated domestic labour is the number one barrier to women’s economic participation everywhere. Women suffer a remarkably similar set of constraints, each of which crosses countries as well as sectors. Thus, the underlying problem here is structural inequality and we probably should not be surprised to see these findings in the data.

The report makes a number of recommendations which the social enterprise sector must act upon to live up to its mandate of enabling a fairer economy. The report finds that social enterprise produces a pattern of disadvantage for women that is only slightly better than that found in for-profit enterprises. Women are paid less, clustered in low-paying and gender-stereotyped industries, and present in ever-declining numbers from the bottom of the organization to its top. They are also less able to get funding outside their own intimate social circle, whether that is from invested capital or government grants. Women command less attention from governments and NGOs in social entrepreneurship, just as they struggle for attention throughout the private sector, from enterprise and employment to investment and leadership.

Finally, though the rhetoric of the women’s economic empowerment movement shies away from the question of justice, closing the gender gap is a goal we should all be working to achieve. This report has shown that social enterprise holds great potential as a tool for enabling women’s empowerment. I for one hope that this potential will be fully realised.

Linda Scott

Emeritus Professor of Entrepreneurship and Innovation, University of Oxford

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Linda is Emeritus DP World Professor for Entrepreneurship and Innovation, Saïd Business School, University of Oxford. She is best known for her creation of the concept of the DoubleXEconomy – a perspective which describes the global economy of women in both the developed and developing world. Linda and her colleagues at Oxford did some of the earliest, path-breaking research in women’s economic empowerment.

Today, she works with many large organizations, public and private, to design and assess women’s empowerment programs in many domains. She has twice been chosen as one of the top 25 Global Thinkers in Prospect magazine’s annual list. She writes a blog called DoubleXEconomy and her twitter handle is @ProfLindaScott.

1 Executive Summary

1.1 Introduction

Globally, women and girls are at greater risk of poverty, violence and abuse than men. They are more likely to be malnourished and less likely to be educated. They are less likely to run businesses or be in positions of leadership; and on average they earn 75 per cent less than men. The UN's Sustainable Goal (SDG) 5 is to 'achieve gender equality and empower all women and girls.' There is a lot of work to be done to achieve this by the target date of 2030.

So far, social enterprise has played a small but significant role in women's empowerment on a global scale. This research shows it has the potential to play a much greater one.

We know that the world's economy is not sustainable, fair or inclusive. Social enterprise challenges this status quo, putting people before profits. We also know that the world's economy is particularly unfair to women. This report sets out to establish how well social enterprise addresses gender inequality and women's empowerment in particular.

For this report, we took an inclusive approach to the concept of social enterprise. Definitions and language vary from country to country, so as well as considering organisations identifying as social enterprises, we also looked more broadly to include individuals or organisations taking a social enterprise approach – combining trading income with a social or environmental purpose.



The report looks at the specific connection between social enterprise and women's empowerment across five countries: Brazil, India, Pakistan, the UK and the USA. It explores the strengths and weaknesses of social enterprise as a mechanism for empowering women and considers different ways it is being used for this end. It also examines the idea that social enterprise as a business model might advance women's empowerment even when that is not a specific objective.

We found social enterprises being used specifically to support women's empowerment in four powerful ways:

- as a source of funding for women's rights;
- as a means to deliver training or employment opportunities for women;
- as a way to create economic empowerment for women through micro-entrepreneurship; and
- to provide affordable products and services for women.

We also found evidence that the social enterprise sector is contributing to women's empowerment in its impact on women social entrepreneurs, on women leaders, and on women employees.

Each of the five countries is very different in terms of the strength, age and ecosystem of its social enterprise sector. Each also differs in terms of the challenges facing women and girls. Despite the differences, there are some common themes that emerge. We explore these themes and, based on our research, make recommendations to governments, funders and investors, the social enterprise sector, and women's empowerment organisations, on ways to make better use of social enterprise as a model to address women's empowerment and mechanism to improve gender equality.

1.2 Methodology

The research was conducted through partnerships with organisations across the five countries, bringing together experts in social enterprise and women's empowerment. The methodology used a four-stage process:

1. In order to identify the key research questions the team conducted an extensive literature review and a series of key informant interviews.
2. A questionnaire consisting of qualitative and quantitative questions was sent to social enterprises across the five countries, gathering 1140 responses.
3. The data was analysed and initial findings were shared with practitioners and experts in women's empowerment and social enterprise through a series of focus groups and structured dialogues. These facilitated discussions, held in each country, helped to interpret, correct and clarify the findings from the survey.
4. Further desk research and key informant interviews were then conducted to fill remaining gaps in the research to produce the final series of reports.

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

Women's rights are under-funded globally. Women's organisations are increasingly using social enterprise as a means of funding their work. Nearly one third of women's rights organisations now list income generation as their main source of income. And that proportion has the potential to be higher as a lack of business knowledge and skills may be preventing more women's organisations from developing sustainable income streams.

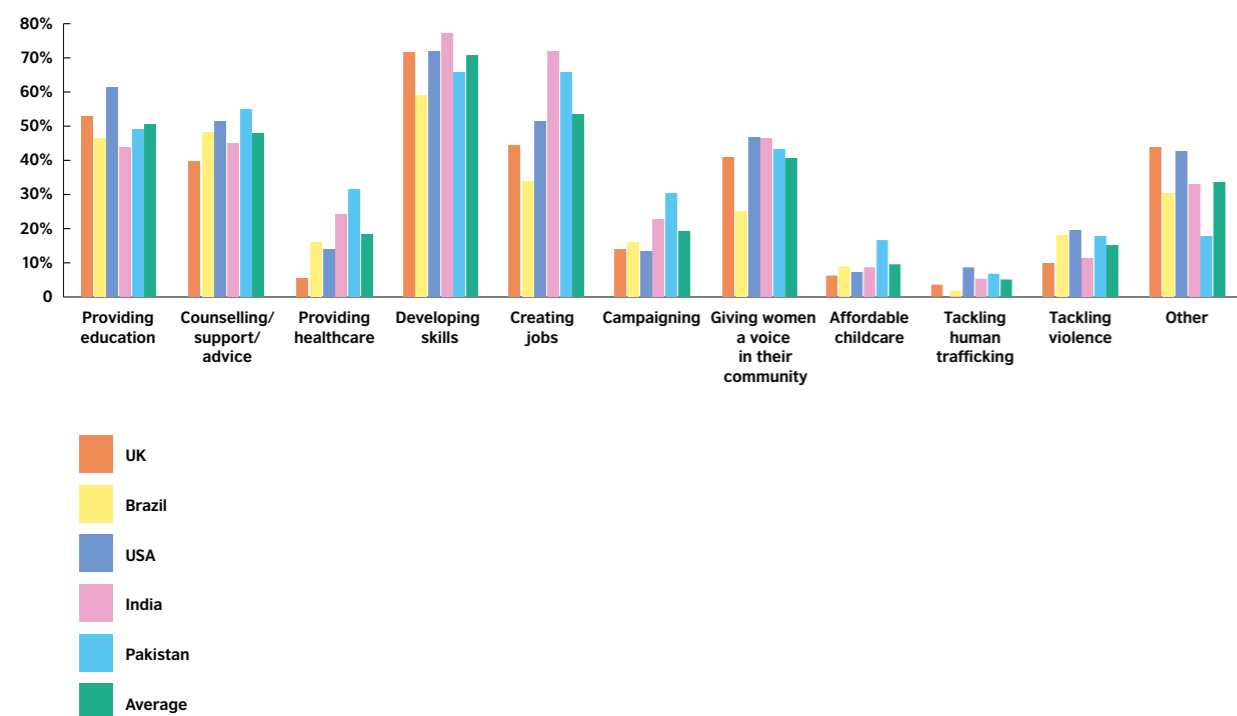
Our research identified women's organisations using social enterprise as a model to develop skills, provide employment, facilitate the economic empowerment of women, and deliver affordable products and services. The social enterprise model is not in competition with other approaches to women's empowerment. It should be seen as complimentary.

Participants in our research identified distinct advantages and disadvantages of a social enterprise approach to women's empowerment. Advantages include:

- **Agility and flexibility:** social enterprises tend to be small and able to respond quickly to the particular needs of their beneficiaries.
- **Sustainability and continuity:** by generating their own income, social enterprises are not affected by changing priorities of funders or politicians.
- **A more equal power balance between 'the empowerer' and 'the empowered':** beneficiaries often contribute to the income of the organisation.
- **Direct economic empowerment for women:** many social enterprises give women the opportunity to earn an income.

The two main disadvantages discussed were market constraints and a lack of understanding and infrastructure, particularly in Brazil and Pakistan.

'How does your social enterprise help empower women and girls?'



1.4 The impact of social enterprises on their beneficiaries

Social enterprises supporting women's empowerment are not just being set up by traditional women's rights organisations. Many have been started independently. Thirty-three per cent of social enterprises in India list empowering women among their objectives, for example. And many more empower women and girls through their work with mixed-gender groups such as young people, illiterate adults, or poor, rural communities.

These social enterprises cover a vast range of activities and impact that is remarkably consistent across the five, very diverse countries.

These social enterprises tend not to be well networked nationally or internationally. There is an opportunity for greater collaboration, the sharing of best practice and the replication of successful models.

1.5 Women as social entrepreneurs

Fewer women than men set up social enterprises, although the gap may be slightly narrower than in the for-profit sector.

Our research suggests women social entrepreneurs are likely to earn less than their male counterparts and their for-profit counterparts, and are unlikely to move into the for-profit sector. This restricts women's economic empowerment. It also restricts the spread of social enterprise values into the wider business environment.

Women social entrepreneurs are not primarily driven by earning an income, however. For almost all women surveyed, their primary motivation in setting up a social enterprise is to address a social or environmental concern, or to benefit their community.

Twenty-five per cent of women also list flexible working around family commitments as an important motivation.

Women and men face most of the same barriers when starting and running social enterprises. As with for-profit entrepreneurship however, women social entrepreneurs do encounter some additional barriers. Among the most common listed by research participants were:

- greater demands on time through home and family commitments
- less access to finance
- less confidence in skills and ability
- greater fear of failure
- fewer female role models
- varying social, cultural and familial pressures on women
- prejudice and discrimination

In all five countries we found women social entrepreneurs from different backgrounds and with different levels of education. There is no single 'type' of woman setting up formal social enterprises, although most are educated to degree level and the majority in Brazil, India and Pakistan are from comfortable economic backgrounds.

Women from poorer backgrounds and with lower levels of education are often involved in informal social entrepreneurship at a community level ('micro-social-entrepreneurship'). These informal community initiatives can have considerable social impact, but very few become formal NGOs or social enterprises. The women organising them tend to do so on an unremunerated, voluntary basis. Appropriate business support and funding for these women could enable some of them to develop formal social enterprises and potentially earn an income from their work.

Other poorer women become involved in social enterprise through 'self-help groups' and other empowerment initiatives, usually instigated by NGOs.

Becoming a social entrepreneur has both positive and negative effects on women. On the whole, male and female social entrepreneurs in our survey experienced broadly the same impact, and the positive impact appears to be considerably greater:

- 75 per cent said starting a social enterprise had given them an increased sense of self-worth;
- 56 per cent said it had made them more able to make their own choices; and
- 64 per cent reported increased confidence.

The main negative impact reported was around an increase in financial insecurity and stress.

1.6 Women as social enterprise leaders

With the exception of Brazil, women are certainly leading social enterprises in much higher numbers than for-profits.

Women (% of all leaders)

	UK	India	Pakistan	USA	Brazil
Social Enterprise	40%	24%	20%	55%	25%
For-profit	18%	9%	5%	31%	43%

While social enterprise seems to offer better opportunities for female leaders than the for-profit sector, we still see a worrying trend across all five countries: the larger the organisation the less likely it is to be led by a woman. This mirrors the gender imbalance in the private and NGO sectors as well. The representation of women at board level also drops as the size of social enterprise increases. This situation needs to be tackled on a national level by governments, but can also be addressed by the sector itself, particularly by funders and investors.

As well as being under-represented, women social enterprise leaders face additional barriers compared to men. Forty-six per cent of women in our survey think their gender has an impact on the barriers they face in running their social enterprise. This rises to 62 per cent in Brazil.

	Brazil	India	Pakistan	UK	USA
Female (% of total workforce)	43%	24%	22%	46%	46%
Female (% of soc ent workforce – FT)	50% (est)	25% FT (65% PT)	37%	66%	65% (est)

Est = estimate. FT = Full Time. PT = Part Time.

1.7 The impact of the social enterprise sector as an employer

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

Forty-one per cent of social enterprises said that if they didn't employ them, their staff would be either unemployed or working elsewhere for less money in worse conditions.

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

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

There are however some striking examples of social enterprises addressing this gender segregation by training and employing women in non-traditional industries such as construction and IT. There need to be many more social enterprises taking this approach to make a significant impact on gender segregation.

1.8 Conclusion

Social enterprise is playing a growing role in women's empowerment through its impact on beneficiaries, entrepreneurs, employees and social norms. There is the potential for it to achieve more.

It is of growing importance to traditional women's rights organisations, but it is not yet being used as widely or as effectively as it could be to fund or deliver this vital work.

The research uncovered many well-regarded, independent social enterprises working in the area of women's empowerment. On the whole, these are not well known or well networked.

There is considerable opportunity for sharing best practice and replicating successful business models and approaches. This would help increase the number and effectiveness of social enterprises with a focus on women's empowerment.

Women social entrepreneurs are an under-utilised resource. Using Global Entrepreneurship Monitor (GEM) statistics, if women were starting up social enterprises at the same rate as men we could see an additional 12 million women social entrepreneurs across Brazil, India, Pakistan, the UK and the USA alone¹.

There are already many women social entrepreneurs in all five countries creating considerable social impact. Giving them greater recognition could inspire even more women to start social enterprises. A lack of female role models in social enterprise is one of the barriers facing women social entrepreneurs, particularly in Brazil, India and Pakistan.

There are other barriers facing women social entrepreneurs, and governments and intermediaries should look seriously at addressing them. When less than three per cent of the global population is involved in social entrepreneurship, yet the need for social impact is so high, can we really afford for women to start social enterprises at a fifth the rate of men (as in Pakistan and Brazil)?

The social enterprise sector should be proud of its record of producing women leaders, but certainly not complacent. More work needs to be done to support women leaders in the sector, and more work needs to be done with larger social enterprises to make sure they consider their board, leadership teams and pay structures with a gender lens. A sector that exists to create a more equal world should not have a glass ceiling or a gender pay gap.

Our research in Brazil, India, Pakistan, the UK and the USA has shown that social enterprise is already empowering women and girls across the world. A combined effort from governments, funders, women's empowerment organisations and the social enterprise sector itself is needed to help maximise this impact on gender equality. And if SDG 5 is to be reached by 2030, this effort needs to start immediately.

1.9 Recommendations

Each of the five countries is completely different in the challenges facing women and girls; the scale and needs of the social enterprise sector; the capacity and practices of funders and investors; and in government policies and legislation. As a result, most of the specific recommendations arising from this research are contained within the individual country reports.

There are, however, recommendations that can be shared across all five countries. Although categorised by stakeholder many of these recommendations could apply to more than one stakeholder.

1.9.2 Women's empowerment organisations

1. Increase the use of social enterprise among women's empowerment organisations by providing specific packages of training, support, investment and mentoring. This should particularly focus on creating a more resilient and financially independent women's sector.

1.9.3 Social enterprises and intermediaries

2. Increase the number of social enterprises that focus on women's empowerment through campaigns, accelerator programmes, competitions and funding that specifically encourage gender-focussed ventures.
3. Facilitate networking between gender-focussed social enterprises and women's organisations nationally and internationally with a view to sharing best practice and replicating successful models. Ideally, this should be coupled with kick-starter funding.
4. Increase the rate of start-up and scale amongst women-led social enterprises through targeted support packages, accelerators, greater exposure to female role models, and targeted financial assistance, particularly in Brazil, India and Pakistan. These programmes should be flexible and include childcare. If women were starting social enterprises at the same rate as men there would be over 50 per cent more social enterprises in these countries. And if women-

led social enterprises were to scale at the same rate as ones led by men this would create disproportionately more jobs for women.

5. Social enterprises should provide more opportunities for under-employed women, creating flexible, part-time jobs. Globally, women are under-employed compared to men, and women put 90 per cent of their income back into their family, while men put in less than 40 per cent. Employing women therefore has a greater social impact on the health and opportunities of whole families compared to employing men. Flexible working is essential to supporting more women into paid work.
6. Provide specific social enterprise accelerator programmes in poor communities where there are high rates of informal 'micro-social-entrepreneurship' with a view to supporting women to set up formal NGOs or social enterprises.
7. Increase the number of female social enterprise leaders through mentoring, targeted leadership programmes, and facilitated peer-support. This should include both founders / leaders and board members.
8. Integrate gender equality into social enterprise business models, with a particular focus on gender balance on boards. Encourage recruitment to skills rather than experience of scale to prevent perpetuating the imbalance of men leading larger organisations. Research by Acumen suggests that integrating gender equality has the potential to make social enterprises more resilient, successful and impactful. These findings should be publicised more widely within the social enterprise sector.
9. Research, understand and publicise the gender wage-gap in social enterprise.

1.9.4 Funders and investors

10. Learn the lessons of the Young Foundation's report, *The Sky's the Limit*;² use a 'gender lens' when making investment decisions; understand the additional barriers faced by women social entrepreneurs, and the strengths of women-led social enterprises.
11. Ensure a gender balance in panels making lending and investment decisions.

12. Set specific targets for a portfolio that is balanced for gender and race to reflect the country's population.
13. Record and publish data on the level of investment into male and female-led social enterprises, the gender composition of leadership teams and boards, and the impact of those investments.
14. Set criteria for social enterprises to meet before receiving a grant or investment including:
 - a. have gender-balanced boards
 - b. record and measure their social and environmental impact, and include gender equality as a metric.
15. Increase the supply of funding and social investment into social enterprises focussing on gender, especially where these are also in sectors considered 'non-traditional' for women.

1.9.5 Governments

16. Governments should look to facilitate the above recommendations to women's organisations, social enterprise intermediaries, and funders and investors, by supporting through policies, convening, finance, and (where appropriate) legislation.
17. Governments should bear in mind that any policies to support women into work will actively support the social enterprise sector, which has a disproportionately high female workforce.
18. Governments should prioritise eliminating the gender imbalance between caring responsibilities through legislation and financial support for shared parental leave and affordable childcare. The social enterprise sector should also look to address these two issues, equalising parental leave policies and encouraging the provision of affordable childcare.
19. Governments and social enterprises should work in partnership to increase the use of social entrepreneurship education in schools, including a specific focus on addressing gender inequality.



2 Introduction

‘Gender equality is a core development objective in its own right. It is also smart economics. Greater gender equality can enhance productivity, improve development outcomes for the next generation, and make institutions more representative.’ – World Bank, 2012³

Globally, women and girls are at greater risk of poverty, violence and abuse than boys and men. They are more likely to be malnourished and less likely to be educated⁴. Women make up half the world’s population and yet only 23 per cent of its parliamentarians⁵. On average women earn less than 75 per cent as much as men⁶ and are more likely to be unemployed⁷. And yet, working women invest 90 per cent of their income back into their families, whereas men invest only 30-40 per cent.⁸

Even in developed economies like the UK or USA, women experience an average wage gap of over 15 per cent and are under-represented in business in both leadership and management positions.

The UN’s Sustainable Development Goal (SDG) 5 is to ‘achieve gender equality and empower all women and girls’. One hundred and ninety three countries have signed up to this target, but there is a long way to go before boys and girls, women and men have the same rights and opportunities.



Over the past 15 years, some progress has been made towards greater gender equality. The same period has seen the spread of social enterprise as an approach to tackling social and environmental issues around the world. So far, social enterprise has played a relatively minor role in women’s empowerment, but it has the potential to play a much greater one.

We know that the world’s economy is not sustainable, fair or inclusive. And we know that social enterprise challenges this status quo, putting people before profits. We know that the world’s economy is particularly unfair to women. This report sets out to establish how well social enterprise is addressing this inequality.

This report looks at the specific connection between social enterprise and women’s empowerment across five countries: Brazil, India, Pakistan, the UK and the USA. It explores the strengths and weaknesses of social enterprise as a mechanism for empowering women and considers different ways it is being used for this end. It also examines the idea that social enterprise itself might advance women’s empowerment even when that is not a specific objective.

We hope this research will make an important contribution to the debate around women’s empowerment and provide clear recommendations to governments, funders and intermediaries on how to increase the impact of social enterprise in this area.

It should be stressed that social enterprise is simply one tool in supporting women’s empowerment. It can be extremely useful and effective in certain contexts, as this report will demonstrate. But it should not be seen as an alternative to grant-funded or government-led initiatives. During this research, many focus groups participants in different countries were keen to stress that social enterprise should be seen as complimentary to, not in competition with, other approaches to women’s empowerment. Real gender equality can only be achieved through a multi-faceted approach.

That said, social enterprise is contributing to women’s empowerment in many diverse ways. These can be grouped into five overlapping categories, which we’ve considered in the following sections:

Section 3 looks at social enterprise as a tool for women’s empowerment organisations;

Section 4 examines the impact of individual social enterprises on their beneficiaries;

Section 5 explores the impact on women who become social entrepreneurs;

Section 6 looks at the impact of the social enterprise sector as an employer;

Section 7 considers the relation between social enterprise and women’s leadership; and

Section 8 compiles recommendations for governments, funders and intermediaries.

2.1 Background

This research was commissioned by the British Council to explore the apparent connection between social enterprise and women’s empowerment. It centred on five countries: Brazil, India, Pakistan, the UK and the USA – all countries where the British Council has a particular focus on both these areas of work.

2.2 Methodology

The research was conducted through partnerships with organisations across the five countries, bringing together experts in social enterprise and women's empowerment. The methodology used a four-stage process:

1. In order to identify the key research questions the team conducted an extensive literature review and a series of key informant interviews.
2. A questionnaire consisting of qualitative and quantitative questions was sent to social enterprises across the five countries, gathering 1140 responses.
3. The data was analysed and initial findings were shared with practitioners and experts in women's empowerment and social enterprise through a series of focus groups and structured dialogues. These facilitated discussions, held in each country, helped to interpret, correct and clarify the findings from the survey.
4. Further desk research and key informant interviews were then conducted to fill remaining gaps in the research to produce the final series of reports.

2.3 Definitions

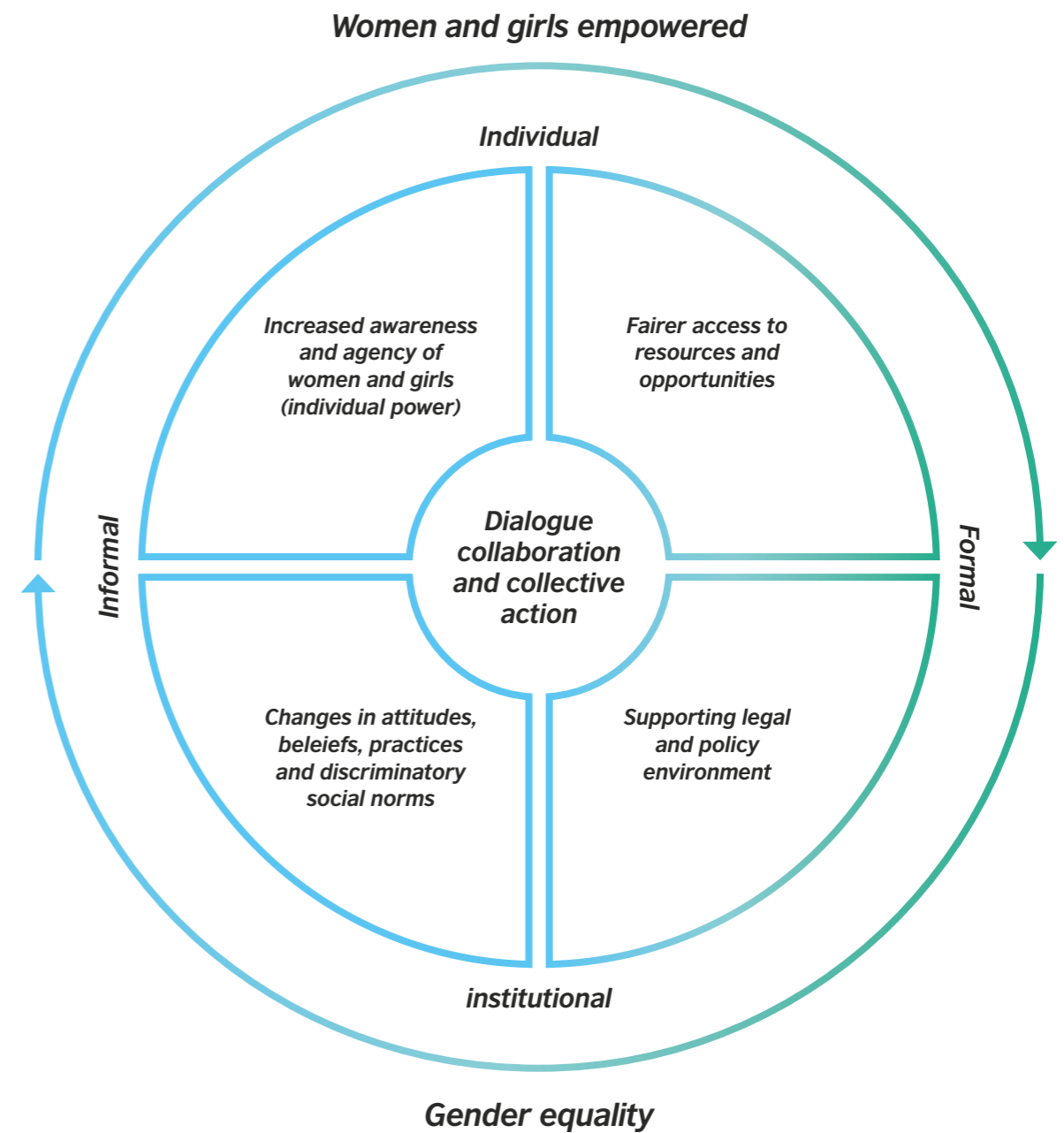
Both women's empowerment and social enterprise are broad topics encompassing a great range of activities and impact. For this research, we have used definitions which embrace this diversity, considering organisations and actions that may fall outside more formal understandings of social enterprise or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

2.3.1 Definition of Women's Empowerment

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

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

Theory of Change for Women's Empowerment, British Council



2.3.2 Definition of Social Enterprise

The understanding of 'social enterprise' varies from country to country, as do the names used to describe social enterprises. It is also a concept with famously fuzzy edges: there are grey areas, for example, between social enterprises and charities or NGOs at one end of the spectrum, and between social enterprises and socially conscious businesses at the other.

NESST, our partners in Brazil, define social enterprise as *'a business created to further a social purpose in a financially sustainable way.'*

According to Social Enterprise UK, social enterprises should:

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

For this report, we took an inclusive approach to the concept of social enterprise. As well as considering organisations identifying as social enterprises, we also looked more broadly. We included categories of activity that may not always fit within the strict definitions outlined above but that are within the spirit of the definition.

This includes:

- impact businesses
- social investment activity
- NGOs / non-profits with an enterprise approach, generating more than 25 per cent of their income through trade
- trading 'projects' hosted by NGOs
- individuals engaging in social-enterprise-type activity (micro-social-entrepreneurship)
- socially focussed businesses in private ownership
- solidarity enterprises / workers' cooperatives
- Fairtrade

Examples of these different types of social enterprises are included throughout the report.

For our survey, we used two very simple criteria to identify organisations that fitted within our broad category of social enterprise, in common with earlier British Council mapping exercises. Firstly, organisations had to earn more than 25 per cent of their income through trade. And secondly, organisations had to prioritise their social or environmental mission above or equal to their financial profit. Organisations relying on more than 75 per cent grant income, or whose stated emphasis was on profit first, were excluded from the results.



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3 Social enterprise as a tool for women's empowerment organisations

There are many organisations around the world focussed on empowering women and girls through practical action, campaigning and advocacy. The Association for Women's Rights in Development (AWID), is an umbrella body with over 5,000 members across 164 countries.

Social enterprise, in its broadest sense, is not a new approach for women's empowerment organisations, but its use is increasing due to a combination of factors including a changing funding environment, a push from donors for financially sustainable models, and a growing awareness of the opportunities that social enterprise affords.



We found social enterprise being used by traditional women's empowerment organisations:

- as a source of funding for women's rights;
- as a means to deliver training or employment opportunities for women; and
- as a way to create economic empowerment through micro-entrepreneurship.

3.1 Social enterprise as a source of funding

'One of the most profound social transformations of the past century is the deep and broad shifts in the status of women, and more importantly, in the worldwide acceptance of the notion of women's rights and gender equality as desirable goals. This incredible shift has occurred not by accident but by design – through the conscious and determined struggles of courageous women and the movements they have built.' – Lydia Alpizar, Former Executive Director, The Association for Women's Rights in Development (AWID)

Women's Rights Organisations have been fundamental to changes in law, in beliefs and in cultural norms across the world. Arguably, they have been at the heart of much of the progress in women's and girls' empowerment in the last 50 years.

Despite this, fewer than five per cent of OECD members' aid budgets go towards projects that explicitly target gender equality and women's empowerment, and of this only 0.5 per cent goes to women's rights organisations.⁹ The median income of women's rights organisations across the world is just \$20,000. Forty eight per cent of these organisations have never received core funding¹⁰.

Within this context, 29 per cent of women's rights organisations have started to use income-generating strategies and 17 per cent have never received external funding¹¹. This is social enterprise as a survival strategy: social enterprise as a means to fund work on women's rights that no one else is willing to fund.

Such social enterprise activity can help provide women's rights organisations by providing a basic level of financial security and autonomy over resources. However, it does not presently account for a very large amount of their overall income and over two thirds of women's rights organisations globally have yet to adopt it as part of their strategy. It is an approach that is under-utilised and, where it is employed, could be more effective.

3.2 Social enterprise delivering training and employment

As well as campaigning, most women's rights organisations also run projects to empower women directly. Here social enterprise can be used not just to generate funds but to provide training and employment for women too.

The social enterprise café Sheroes Hangout in Agra, India, for example, generates funds to support the Stop Acid Attacks campaign and simultaneously provides skill development and employment to acid attack survivors working in the café¹².

The Marylebone Project, the largest provider of accommodation and services to women experiencing homelessness in the UK, run several related social enterprises that provide jobs in catering, crafts and events to women who have experienced homelessness¹³.

The Society Amiga e Esportiva do Jardim Copacabana (SAEC) is based in Brazil. It was founded by a group of women in 1982 in an effort to get better public services for the poor residents of São Paulo. Today it has 22 service agreements with the city council. It runs a complimentary school focussing on citizenship and offers courses to prepare young people for the job market and literacy courses for children and adults, among many other services¹⁴.

3.3 Self-employment and economic empowerment

The use of a social enterprise approach to support women's economic empowerment has a relatively long history, particularly in India. Self Employed Women's Associations bring together women working in the informal sector in the area of handicraft production. And self-help groups, often facilitated by NGOs, use microfinance and cooperative models to encourage micro-entrepreneurship among women.

Many NGOs working internationally have used this model under the banner of fair trade, providing a market for handmade products and providing a source of income for individual artisans, predominantly women.

Rede Asta¹⁵ ('Asta Network'), for example, offers consumers fashion products made by groups of artisans, mainly women, from low-income regions of Brazil. Rede Asta empowers low-income women artisans and promotes their small businesses through training and access to market.

The fair trade model has also been applied to commodities. In Brazil, for example, women contribute about 70 per cent of the labour to grow and harvest coffee and are particularly vulnerable to the poverty created by fluctuating coffee prices¹⁶. Café Direct, the UK-based Fairtrade drinks company, was founded in 1991 by Oxfam and three fair trade ventures, to provide a fair and sustainable income for small-scale farmers and producers.

Some of this economic empowerment work, pioneered by women's organisations and other NGOs, is now being undertaken by independent social enterprises, as discussed in Section 4.

3.4 The advantages and disadvantages of the social enterprise model

Participants in our research identified four advantages of the social enterprise model over that of government or grant-funded, NGO-delivered programmes:

- agility and flexibility
- sustainability and continuity
- a more equal power balance
- direct economic empowerment

They also identified two disadvantages:

- market constraints
- lack of understanding and infrastructure

3.4.1 Advantages

3.4.1.1 Agility and flexibility

Available data shows that most social enterprises are small scale and focussed on a relatively small geographic area, which means they can be very responsive to the needs of the women and girls they are set up to serve. They can also change their model to respond to changing needs. Large-scale programmes cannot and have to take a more generic approach to social and economic challenges. Programmes funded by grants are driven, at least to some extent, by the priorities of the funders, which often take a macro rather than a micro-view.

3.4.1.2 Sustainability and continuity

‘Social businesses are more sustainable [than NGOs or government programmes]. Continuity is not dependent on continuing political support. Social enterprises don’t disappear when governments change.’

When they are financially sustainable, social enterprises are not subject to short-term funding cycles or to changes in political priorities or leadership. This can give more autonomy and continuity to social enterprises than is usually the case with grant-funded programmes. Eighty-two per cent of the social enterprises responding to our survey earned over 75 per cent of their income.

3.4.1.3 A more equal power balance?

‘Social enterprises allow women to take their destiny in their own hands’

One of the most interesting findings reported by research participants is the difference in the power balance between the empowerer and the empowered between a social enterprise approach to women’s empowerment and more traditional government or grant-funded programmes.

In traditional grant-funded programmes, women are beneficiaries: they gain skills, confidence, and opportunities thanks to the generosity and actions of others. So while particular activities may result in women being empowered the means of achieving this can, paradoxically, be disempowering.

‘NGOs put forward an asymmetric relationship with women in which women receive support, but do not necessarily get or feel empowered. Social enterprises offer a more symmetric relationship.’

Many international NGOs are addressing this, increasingly trying to engage ‘beneficiaries’ in decision making, and ensuring their services are provided in a way that it is empowering. But the feeling among our survey participants was that most social enterprise models do this better than most NGOs. Women are more equal partners. Women earn the income that sustains the social enterprise and covers their salaries. In the cooperatives of the solidarity economy, women own a stake and have an equal say in the democratic running of the business. In Fairtrade cooperatives, access to markets enables women to earn a sustainable income and also decide how the Fairtrade Premium income can best be spent to benefit their local community. At CRAM (Centro de Referência e Atendimento a Mulher) in Brazil, for example, women fleeing domestic violence work to support the running costs of the refuge but also to earn income and gain experience. Even where women are customers, the power balance is very different from that of provider and beneficiary. For example where private schools are delivering education to base of the pyramid communities in India, Pakistan and Brazil, parents can choose whether to send their children depending on whether the school is providing genuine value. The school is as dependent on its customers as they are on the service it provides.

There is also an argument that the power balance of ‘employer’ and ‘employee’ is not equal either. Models that combine support for vulnerable women with employment may, at times, be forced to choose between prioritising financial sustainability or the well-being of a particular beneficiary. And microfinance models, without accompanying business support, can leave women in debt and less economically empowered than before.

So, at its best, social enterprise can offer a model of women’s empowerment in which women are empowered by the process as well as the outcome. At its worst, the power balance in social enterprise can undermine women’s empowerment.

3.4.1.4 Direct Economic Empowerment

If we take the broadest possible view of social enterprise then economic empowerment is the main impact. Most NGO-led programmes do not directly empower women economically. They may provide confidence and skills, which lead to employment or setting up a business and thereby indirectly empower women economically, but few provide opportunities for women to earn an income directly. Social enterprises do create jobs, however. And this aspect of women’s empowerment is considered in Section 7.

3.4.1.5 Innovation and entrepreneurship

‘Only by letting thousands and millions of entrepreneurs to try new ideas, to innovate, to create businesses that put those ideas to work in a competitive and open way – only by doing those things are we going to be able to tackle some of the world’s big problems.’
– Angel Cabrera

Just as evolution can lead to extraordinary solutions to the problems of survival, so social enterprise can lead to extraordinary solutions to social and environmental challenges. Empowering social entrepreneurs to develop new solutions to these challenges releases a creative force far beyond that available within any government or NGO. Successful approaches survive and, with the right infrastructure, scale and replicate. The use of social enterprise as a research and development lab for women’s empowerment is under-appreciated in most countries.

3.4.2 Disadvantages

3.4.2.1 Market Constraints

‘There are causes that are not interesting for the market, and social businesses depend on the market.’

The constraints of the market are a limiting factor for social enterprise in a way that they are not for NGO or government approaches. Government or NGO-led models use public or philanthropic money to provide services for women and girls who could not afford to pay for them. Social enterprises either rely on generating income by charging ‘beneficiaries’ for services, or by trading activities which generate income from other customers. Both models have market limitations when it comes to empowering women and girls, but these limitations are being constantly pushed and tested by a number of innovative social enterprises.

Over 350 million women are still living in extreme poverty, on less than \$1.90 a day¹⁷. Clearly, such women are severely limited in what they can afford to buy beyond their immediate needs of food and shelter. Despite this, research has shown that businesses that sell services to people living in poverty can have a significant impact in reducing poverty.¹⁸ This is often referred to as 'bottom of the pyramid businesses' IDEAAS, for example, rents solar kits to families at the bottom of the pyramid in Brazil¹⁹. Since such families are typically spending \$11 a month on energy already, the solar kit rental can simply replace other energy expenses.

Other social enterprises do not charge their beneficiaries but instead sell products or services to more affluent customers (individuals and organisations). They create and fund women's empowerment by engaging disadvantaged women in the process of making products or providing a service. Crafty Women (Mulheres Arteiras), for example, is a social enterprise located in the outskirts of Rio de Janeiro, which works with artisans from poor local communities to help them build their skills and sell their products. The challenge here is in finding products or services with a sufficient market and matching it with the skills and resources of the women the social enterprises are supporting.

3.4.2.2 Lack of understanding, infrastructure and legislation

A recent study by Thomson Reuters Foundation²⁰ analysed the conditions needed to support social entrepreneurship. They found considerable variation across the world's 40 largest economies. The USA, UK and India all came in the top half of the table, while Pakistan and Brazil were in the bottom half with Brazil in the bottom five²¹.

In Brazil it takes an average of 80 days to register a business, compared to five in the UK and six in the USA, for example²². The price of setting up a business in Brazil is over five per cent of GNI per capita, compared to 0.1 per cent in the UK. Where understanding, infrastructure and appropriate legislation are not in place it can be harder to set up a social enterprise than an NGO or charity. However, as we have seen, funding for women's empowerment is often not available and not sustainable.

3.5 Section 3 Conclusion

Women's organisations are using social enterprise to raise funds and empower women directly through skills development, employment and the creation of economic opportunities.

Although there are some limitations on the use of social enterprise for women's empowerment, many of these can be overcome through government legislation and public education. Even market limitations need not be insurmountable. And despite these limitations, social enterprise is being used very effectively as a tool to empower women and girls.

The next section looks at some examples of how different social enterprises working in different sectors are having an impact.

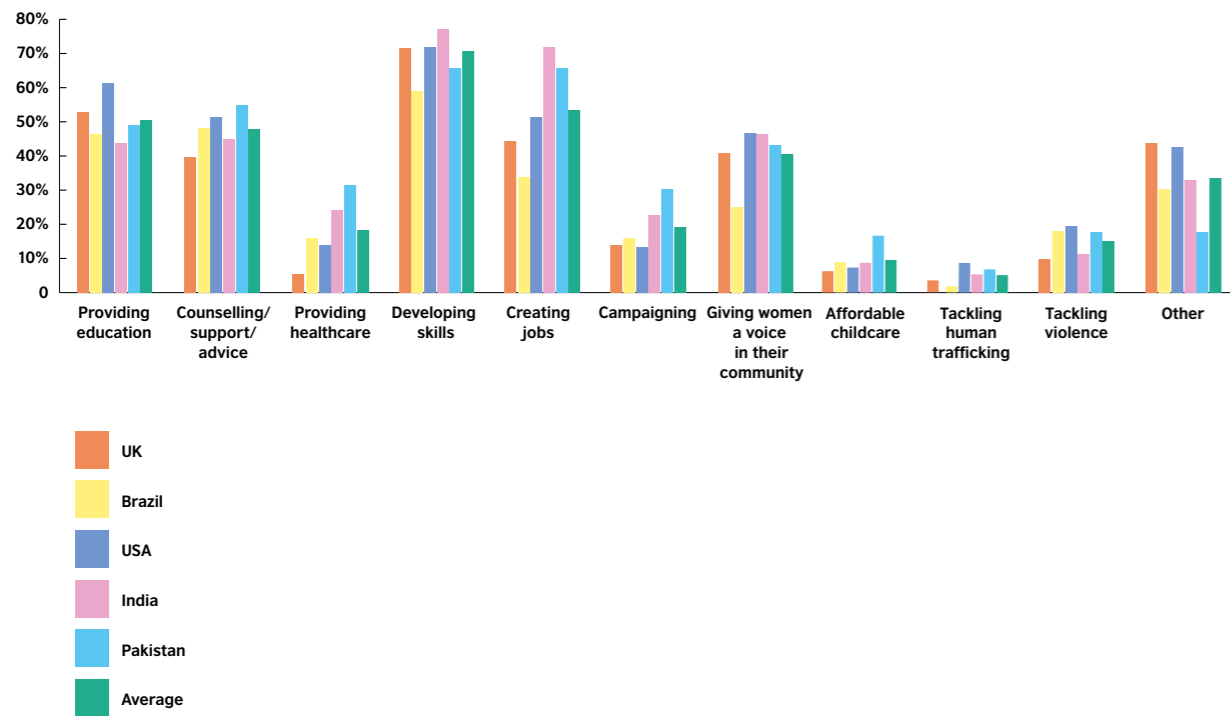
4 The impact of individual social enterprises on their beneficiaries

Where the impact of social enterprises is perhaps most obvious is on their beneficiaries. Through this research we have come across hundreds of social enterprises set up to empower women, sometimes explicitly and sometimes as a sub-set of another group of beneficiaries such as young people, or illiterate adults.

The range of areas in which these social enterprises are delivering impact is considerable and remarkably consistent across the five, very diverse countries.



'How does your social enterprise help empower women and girls?'



The following sections give a flavour of the many and varied ways in which social enterprises are contributing to the empowerment of the women and girls with which they work. We have tried to include, among these examples, a variety of different models of income generation as well.

4.1 Education

Many social enterprises empower women and girls through education, either by running schools or complimentary education programmes. Some focus explicitly on girls; others on girls and boys.

Sudiksha

Through its BoP (Base of Pyramid) schools, Sudiksha seeks to provide affordable options for quality education to the residents of urban and rural slums in India. The organisation trains young entrepreneurs (including women) to run the schools as self-sustaining enterprises. Parents pay for their children's education. Most of these parents are low wage earners in the informal sector including labourers, vegetable sellers, and rickshaw drivers. Of the 18 schools Sudiksha has set up, 12 are run by women entrepreneurs.

4.2 Counselling, support and advice

Where social enterprises offer counselling and advice this tends to be provided alongside their trading activities and is often partially funded by them.

KIM Inspire

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

4.3 Health

Most social enterprises in the healthcare sector do not have a gender focus, but nonetheless provide vital, often life-saving, support for women and girls through provision of primary healthcare, maternity care, and so on.

Integrated Care 24 Ltd

Integrated Care 24 Ltd is a social enterprise, which provides a variety of health and care services to around 6 million patients in the UK. Run by Chief Executive Yvonne Taylor, Integrated Care 24 invest in providing exceptional care for men and women. Their 'mylittleone' initiative, for example, promotes bonding between mother and baby when an infant is in neonatal care. The social enterprise generates its income through service delivery contracts with the UK Government and other health commissioners.²³

There are some social enterprises working in the field of health that do have a very specific gender focus however.

Aakar Social Ventures

Around 200 million women and girls in India have a poor understanding of menstrual hygiene and associated healthcare practices. Around 63 million adolescent miss 20 per cent of the school year because they do not have access to sanitary pads when they menstruate. And 31 per cent of women in India miss an average of 2.2 days of work per month when they menstruate.

To address this issue, Aakar Innovations developed a machine that can produce low-cost, affordable sanitary pads using raw materials and agro-waste. Aakar Social Ventures empowers women as entrepreneurs to produce and distribute these sanitary napkins within their communities while simultaneously raising awareness and sensitization of menstrual hygiene management. Income is generated through the sale of the sanitary pads.



© Aakar Social Ventures

4.4 Developing skills

Developing skills was the most common impact listed by social enterprises in our survey in all five countries, with 71 per cent of social enterprises involved in this activity. This is where the social enterprise model is most easily utilised, combining skills training with a trading activity.

The Fashion Training and Manufacture Unit

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

Other social enterprises take a different approach, charging beneficiaries for their training services, or charging governments or other funders.

Black Girls Code

Black Girls Code, a social enterprise working in the USA, aims to increase the number of women in the digital space by empowering girls of colour to become innovators in STEM fields, leaders in their communities and builders of their own futures through exposure to computer science and technology. The social enterprise charges a small amount for classes, although 75% of students receive scholarships funded through grants and sponsorship. It also relies on volunteer input from professionals in the IT sector.

4.5 Creating jobs

Social enterprises create jobs, and many focus on providing jobs specifically for those most disadvantaged in the labour market, or in areas where there is otherwise little employment. Some focus specifically on employing women, and overall the social enterprise sector employs more women than the private sector, as we discuss in Section 7.

DesiCrew

Based in India, DesiCrew provide jobs and training in the Business Process Outsourcing (BPO) sector, for example call centres, to bring rural youth, including young women, into the knowledge economy²⁴. Founded in 2007, they now employ over 500 people, with operations across more than 10 Indian states. Income is generated through the services they provide to business.

Buksh Foundation

Operating in Pakistan since 2009, the Buksh Foundation is a microfinance institution that brings clean energy projects to poor and rural areas of the country. The foundation has trained 135 women as energy entrepreneurs and brought solar-powered lights to 6,750 households across the country.

MADE by DWC (Downtown Women's Center)

MADE by DWC is a social enterprise in Los Angeles dedicated to empowering homeless and low-income women to overcome barriers to employment. MADE's product lines are created in collaboration between participants and community artists. Product design workshops equip women with social and vocational skills that help women rebuild self-esteem, discover talents and develop skills. Employment is provided through their e-commerce arm, café, and gift boutique. MADE also works with employment partners to place women in jobs, ensuring success in retention and aims to change perceptions of homelessness for these employers.

Rede Asta²⁵

Rede Asta is a social enterprise that offers consumers designed handmade products made by groups of artisans, mainly women, from low-income regions of Brazil. Rede Asta empowers low-income women artisans through training and development, and by providing access to market. Income is generated through the sale of products online and through its chain of shops.

4.6 Campaigning

Twenty-one per cent of survey respondents said that their social enterprise is involved in some form of campaigning around women's empowerment.

Songs Against Slavery (SAS)

SAS uses a social enterprise approach to fundraising. It is a non-profit that works to empower and inspire communities to join the fight against sex trafficking in the United States. By running benefit concerts around the U.S. and partnering with musicians, Songs Against Slavery raises awareness and funds for local non-profits that are directly fighting sex trafficking in the local community.

The Fairtrade Foundation

The Fairtrade Foundation licenses the Fairtrade Mark in the UK. The revenue it generates through its licensing is used to fund their quality assurance process as well as Fairtrade marketing and campaigning activity. Some of this work specifically focusses on the impact of Fairtrade on women.

4.7 Giving women a voice in their community

Social enterprise can be a particularly effective tool in enabling women to speak and be heard within their community. It is perhaps most effective using some form of cooperative model, bringing together groups of women who, collectively, are able to speak out and take action on issues that matter to them.

A striking example is Self-Help Groups in India which not only create an income for women but also catalyse social change. These are discussed further in Section 5.4.1.

Ty Llywelyn

Based in North Wales, Ty Llywelyn was started by a group of women who were frustrated at the erosion of community spirit on their housing estate. Ten years on, the social enterprise runs a thriving youth club, café, IT training facilities and social facilities for the elderly. They generate income by renting office and event space and by charging for some of the activities they run.



© Songs Against Slavery

4.8 Affordable childcare

Globally, women are responsible for the vast majority of childcare in their families. Lack of affordable childcare is one of the biggest barriers preventing women from taking up paid employment. Many social enterprises have developed to address this problem.

Caia Park Partnership – Sparkles Nursery

Caia Park is a disadvantaged estate in Wrexham, North Wales. Caia Park Partnership is a social enterprise which runs a range of initiatives to benefit the community. The Caia Park team identified a lack of affordable childcare as a significant barrier to women on the estate engaging in employment or education. In response, they set up another social enterprise, Sparkles Nursery, which provides high-quality affordable childcare. The Sparkles staff are all local women, the vast majority of whom, including the manager, joined Caia Park on employment schemes. Through their involvement in Sparkles, they have not just gained qualifications and a job; they have started a career.

Childcare is a significant market in some areas and is also used by some social enterprises to create quality jobs for women. For example, Beyond Care Childcare Cooperative was established in Brooklyn in 2008 to provide good quality, living wage jobs for women from poor, immigrant communities. They now support 38 women.



© Thistle Farms

4.9 Tackling human trafficking

Human trafficking is a global problem that disproportionately affects women. A number of social enterprises seek to address this problem and support the victims of trafficking.

Odanadi

Odanadi is an NGO based in Mysore in India. It was established to tackle sexual exploitation and human trafficking. They have set up a social enterprise bakery, which raises funds and provides employment and training for trafficking survivors.

Thistle Farms

Based in the USA, Thistle Farms is a community of women who have survived prostitution, trafficking and addiction. It offers a two-year residential program that provides housing, medical care, therapy, and education, free of charge, for up to 32 women and serves hundreds more with advocacy and referral services. Residents and graduates are employed by one of the social enterprises, including the natural body and home line, the Café at Thistle Farms, the Studios, and Thistle Farms Global.

Last year over 59 survivors were employed directly by the organization, with another 1,500 women supported through its Global partners. Social enterprise revenue topped \$2 million last year.

4.10 Tackling gender stereotypes

A number of social enterprises specifically set out to empower women in fields where they are under-represented. Black Girls Code has already been highlighted in section 4.4.

Fearless Futures is a UK-based social enterprise engaging people in critical thought to understand and challenge the root causes of inequality, using gender as “a gateway to explore connected inequalities.” They run multi-week leadership programmes for girls in schools, and women and men in corporate organisations. They charge schools and organisations for the programmes. Any surpluses generated from their corporate programmes are reinvested into the business and go towards subsidising their work with young people in schools. The main goal of Fearless Futures’ work is to support the beginning of powerful and transformative movements for change within schools and organisations.

Mulher em Construção ‘Woman in Construction’

Mulher em Construção have developed training courses in construction for women. They support low income women, or those fleeing domestic violence, into jobs in Brazil’s construction sector. And they work to tackle gender inequality in the construction industry. They started out as an NGO and are working with Womanity Foundation to move towards a social enterprise model.



© Mulher em Construção

4.11 Access to finance

Access to credit can open up economic opportunities for women, and bank accounts can be a gateway to the use of additional financial services. However, women face significantly greater challenges than men in gaining access to financial services²⁶.

Less than 60 per cent of women globally have access to a bank account. This figure drops to 42 per cent in India and only three per cent in Pakistan. In the UK and the USA, women living in poverty are often forced into the hands of loan-sharks and pay-day lenders charging exorbitant interest rates.

A number of social enterprises have started up in the financial sector. Some of these are linked to entrepreneurship through micro-credit schemes. Others have a wider remit.

Mann Deshi Bank

Mann Deshi bank is India’s first rural financial institution run by and for women. It was set up to address the barrier to finance faced by illiterate women in rural communities. Started in 1997 they are now the second largest micro-finance bank in India, supporting 25,000 women entrepreneurs a year, with a repayment rate of 98 per cent. Micro-finance initiatives also support women entrepreneurs in Pakistan, but here, according to the World Bank, 68 per cent of women borrowers had to get permission from a male relative first, and as much as 70 per cent of micro-loans to women in Pakistan could be going to male relatives²⁷. This is another example of why social enterprise can only be part of the solution to women’s empowerment. Without changing legal practices and cultural norms, social enterprise can be limited in its impact.

4.12 Section 4 Conclusion

Section 4 gives a sense of the sheer breadth of approaches being employed by social enterprises across Brazil, India, Pakistan, the UK and the USA. It demonstrates the impact on women’s empowerment that can be achieved using social enterprise models. And it showcases models that could potentially be replicated in other areas, thus extending that impact to even more women.

5 Women as social entrepreneurs

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

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

There are differences in the impact on women of setting up a social enterprise from scratch and taking over the leadership of an established social enterprise, particularly in terms of the financial risk and compensation.

Social enterprise is a young sector and most women leaders of social enterprises are also the founders, but that is not always the case, particularly for larger or more established social enterprises.

Most of the data on social enterprises conflates the two experiences, however, and this needs to be born in mind when comparing statistics with other sectors.

In this report, we use the term micro-social-entrepreneur to refer to someone engaged in delivering social benefit activities at a community level using an informal structure and usually without financial compensation. This broadly equates to the concept of the micro-entrepreneur working in the informal economy. This type of social enterprise activity is often carried out by women, particularly in poorer communities like the favelas of Brazil or in low-income, rural communities in India and Pakistan.



Some of this activity has the potential to develop into formal social enterprises but, as with the for-profit economy, the transition from informal to formal is hard. It is even harder for women.

There are a number of important findings from this research regarding women who set up or lead social enterprises. These can be grouped into the following categories:

- the differences between social-entrepreneurship and for-profit entrepreneurship
- drivers for women to become social entrepreneurs
- barriers and enablers for women social entrepreneurs
- the types of women who become social entrepreneurs
- the impact on women of being a social entrepreneur.

5.1 The differences between social-entrepreneurship and for-profit entrepreneurship

For-profit entrepreneurs and social entrepreneurs share some common characteristics but also exhibit important differences. Many of the enablers to entrepreneurship are similar to those for social entrepreneurship: access to appropriate business support, government policies and legislation, finance, education, and role models. Equally, many of the barriers are shared. Among these are confidence in abilities, fear of failure, and family responsibilities.

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

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

Another crucial difference between social and for-profit entrepreneurship is the expected economic return for the individual. Social entrepreneurship is likely to create higher rates of social return for the community and society at large. Social entrepreneurship is also likely to create proportionally more jobs for women (See section 7). But rates of pay in the social enterprise sector tend to be lower than that in any other sector. There is also a substantial gender pay gap in the social enterprise sector.

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

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

5.2 Drivers for women to become social entrepreneurs

‘Everyone has their own social mission on this planet and I found mine.’ – survey respondent, Brazil

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

There are other drivers, however, which draw women towards social enterprise rather than to an NGO, for example. One other factor that may be driving rates of both social and for-profit entrepreneurship among women is the need to balance work with family commitments.

Across the five countries an average of 25 per cent of women social entrepreneurs put ‘provided flexible work around my family commitments’ as a motivating factor for starting a social enterprise.

Secondary motive	Female	Male
Flexible working	25%	14%
Earning an income	16%	24%

This should not come as a surprise as, culturally, in all five countries, to a greater or lesser extent, men are considered the primary bread-winner and women have the greater responsibility for child and elder care. It is notable that this difference is large however.

5.3 Barriers and enablers for women social entrepreneurs

The most common barriers cited by women social entrepreneurs are the same as those cited by male social entrepreneurs. They vary from country to country but, perhaps unsurprisingly, if tax or government bureaucracy is a barrier for women, it is also a barrier for men.

This was lowest in India at 17 per cent and highest in Brazil at 31 per cent.

Social enterprise was seen as a more flexible working option than any other sector by social entrepreneurs in every country.

Providing an income for their families was less of a motivating factor than flexible working in all countries except Pakistan (30 per cent). Social enterprise was seen to pay less than other sectors. Women who need to provide an income for their families are not generally becoming social entrepreneurs themselves, but may benefit from employment opportunities created by social enterprises.

For male social entrepreneurs the opposite holds true: earning an income is a more significant motivating factor than flexible working.

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

- greater demands on time through home and family commitments
- less access to finance
- less confidence in skills and ability
- greater fear of failure
- fewer female role models
- varying social, cultural and familial pressures on women
- prejudice and discrimination

In India and Pakistan, women can also struggle to secure support from their families, especially in the initial stages of becoming a social entrepreneur, and they face additional legal restrictions.

However, social roles and expectations in India and Pakistan is one area in which female social entrepreneurs can enjoy several advantages over their male counterparts. Unlike men, women are not usually expected to be the primary earner in the family. They may therefore have more freedom to take economic risks and accept lower pay or financial loss in their effort to start a social enterprise. And women can more easily engage with other women (especially in rural settings, where separation of the genders is more pronounced) for the purposes of bringing them into the social enterprise as beneficiaries, customers, employees, and/or affiliate micro-entrepreneurs.

In Brazil, India and Pakistan, there is also an assumption that the social enterprise sector is a ‘good fit’ for women. ‘Social work’ is considered an ‘appropriate’ occupation for women. The lower pay associated with the social sector is considered more acceptable for women than for men. And many respondents of both sexes believed that women have a greater capacity for empathetic team leadership and community outreach than men. Social enterprise is therefore often reflecting or replicating gender norms and the undervaluing of care rather than directly challenging them.

This may mean that in some areas women who set up social enterprises face less cultural resistance than those who establish for-profit businesses. But it can also devalue their achievements as social entrepreneurs and therefore reduce the respect afforded to them by their family or community.

5.3.1 Access to finance

Access to suitable finance is a concern for social entrepreneurs, male and female, but there do seem to be additional barriers facing women. This was a particular worry in Brazil, India and Pakistan, but concerns were also raised in the UK and USA. This finding echoes the findings of the WeStart research where access to finance was the found to be the biggest barrier facing women social entrepreneurs in Europe²⁸.

It also mirrors one of the key barriers facing for-profit entrepreneurs. As the EU’s report on Women’s Entrepreneurship notes:

‘Women entrepreneurs tend to start off with less capital, borrow less and use family rather than debt or equity finance. Whilst such differences do not necessarily reflect discrimination, studies have found that many female entrepreneurs felt the pressure of discrimination in the process of obtaining finance.’²⁹

5.3.1.1 Social investment

‘Women in management positions in businesses still suffer prejudice, especially when it’s time to attract investors.’ – StoryMax, Brazil

There is considerable evidence in the for-profit sector that female entrepreneurs find it harder to raise investment than their male counterparts. Just ten per cent of global venture capital funds between 2010 and 2015 funded start-ups with at least one female founder³⁰. Female investors are more likely to invest in female-led businesses, and more likely to invest in social ventures³¹, but even in the USA only 15 per cent of business angels are women, and this is lower still in the other countries.

There is still insufficient data to determine whether the barriers preventing women for-profit entrepreneurs from accessing investment also apply to social entrepreneurs. The views among focus group members in the UK and USA were mixed, but in Brazil, India and Pakistan the views were unequivocal: women-led social enterprises are much less likely to receive social investment. This results from a combination of institutional factors such as gender imbalance on funding

Female borrowing rates as a percentage of male borrowing rates for business start-up and growth³²

Brazil	India	Pakistan	United Kingdom	United States
50.9%	52.0%	79.0%	28.6%	64.3%

The higher rates of 'fear of failure' reported by female social entrepreneurs is part of this issue. Research participants reported that girls are often brought up to be more risk averse than boys. A lower appetite for risk can affect both start-up rates and willingness to borrow.

In Brazil, India and Pakistan, women tend to have less personal capital to invest than men, and also report that being taken seriously by lenders and investors is a significant problem. In India, only 42 per cent of women have a bank account. In Pakistan, the figure is just three per cent.

5.3.1.3 Crowdfunding

Perhaps because of the barriers to other forms of finance, women social entrepreneurs are most likely to raise their investment from family and friends and from crowdfunding. Women are more successful at crowdfunding than men. For example, 53 per cent of women starting a social enterprise in Brazil were supported by family and friends, a philanthropic foundation, or informal sources of investment like crowdfunding, compared with only 32 per cent of men³³.

panels; psychological factors such as reported lower levels of confidence among women social entrepreneurs; and social and cultural factors.

5.3.1.2 Debt

Access to debt finance from formal lenders is also a problem. Men borrow more money than women across the five countries studied, and men are much more likely to borrow money to start or expand a business than women.

In the UK, according to the report *Women Unbound* carried out by PwC and The Crowdfunding Centre, this bias against women 'evaporates' in the crowd funding space, with campaigns launched by women more successful than those run by men³⁴.

5.3.2 Prejudice and discrimination

'I have been threatened and marginalised just because I am a female entrepreneur.' – survey participant, India

Prejudice and discrimination were reported by women in all five countries, with the lowest rates of 12 per cent in the UK, and the highest rates of 33 per cent in Pakistan. This was experienced in many different ways. Such discrimination and prejudice affects women in the for-profit sector too, but it illustrates the additional barriers faced by women social entrepreneurs compared to their male counterparts.

'In Pakistan women face many challenges just because of her gender. There are many kinds of misconceptions and myths about women, especially the myth that women can't become a bread winner.' – female respondent, Pakistan

'We use football as the main tool of empowerment and performance in our social business. In sports, mainly football, the prejudice and discrimination against women is considerable: not taking our ideas seriously; not answering our requests for meetings; and not making referrals.' – Instituto Esporte Mais – IEMais

'If I were a man then it would be easy for me to generate funds. Even within the family they think it's better to spend on my wedding than on my business because they don't know if my husband will allow me to do so.' – female respondent, India

'Sometimes we feel as women we are not taken as seriously especially in delivering or managing products or carrying out research despite the fact we are both graduates, have conducted research and have over 25 years experience in social work and community development.' – female respondent, USA

'Many times in meetings, when I'm accompanied by women members of the team, people direct questions to me rather than them.' – male respondent, Brazil

'Women in India do not generally work, so a woman working in not-for-profit is considered to be doing this as a part-time engagement, not a career.' – female respondent, India

'We are living in an environment where females can't travel or even have a conversation freely.' – female respondent, Pakistan

5.3.3 Fear of failure

'As a woman leading a vibrant social enterprise, I feel a huge responsibility to help create the conditions and support mechanisms for other female led social enterprises to also succeed. I feel that if I were to fail, it would set a very poor example for those women we have supported and who will one day take up the baton.' – female participant USA

With the exception of Pakistan, women in all five countries were more likely to rate 'fear of failure' as a perceived barrier when they were starting their social enterprise. The gender difference was most pronounced in the UK.

5.4 The types of women who become social entrepreneurs

We know that, globally, social entrepreneurship is quite rare with less than three per cent of the population engaged. This drops to below one per cent in Brazil. We also know social entrepreneurship is even rarer among women. It is especially rare compared to for-profit entrepreneurship, which is as high as 40 per cent in some countries.

Within our survey sample, we found women social entrepreneurs from different backgrounds and with different levels of education. It is clear that there is not one 'type' of woman setting up social enterprises. One common factor, with a few notable exceptions, is that most women social entrepreneurs tend to be well educated – a much higher percentage than the national average were still in education age 21.

The other common trend among the three countries with the highest rates of poverty – Brazil, India and Pakistan – is that here, women social entrepreneurs tend to be from more privileged backgrounds.

In the UK and USA, only around ten per cent of social entrepreneurs were better off than many in their community.

	Brazil	India	Pakistan	UK	USA
Had at least a comfortable standard of living when growing up	76%	61%	69%	54%	60%
Better off than many in their communities	41%	21%	43%	9%	10%
Still in education at the age of 21	82% (11%)	66% (4.5%)	76% (0.25%)	69% (42%)	94% (45%)
Caring responsibilities in the family (child or parent)	35%	73%	60%	52%	45%
The main wage-earner in their family	6% (20%)	33% (14.4%)	19% (10.9%)	47%	50%

(Figures in brackets are comparison figures for the wider economy.)

5.4.1 Women in self-help groups

There is another group of women entrepreneurs engaged in social enterprise however, particularly in Brazil, India and Pakistan. These are less-educated women from poor communities. Many are involved in some form of micro-entrepreneurship through self-help groups, cooperatives and fair trade initiatives. These social enterprises engage women in productive and income-generating activities that also have a social purpose. If these women are also included in our understanding of social entrepreneurs, then many from lower-income, less educated, and rural backgrounds are also participating. These groups are often facilitated by a larger business or NGO, rather than originating from the social entrepreneurs themselves however.

What is striking is that an initiative that starts out to create economic empowerment, through the medium of the self-help groups, becomes a channel for greater social change, from micro-finance to health, to access to drinking water.

*'We sat through a group discussion in a village in Odisha where women were talking about precautions to be taken during pregnancy, such as not lifting and carrying water from the village well [...] We listened as the young women in the group discussed the resistance at home when they tried to avoid heavy lifting tasks. Some of the more enlightened mothers-in-law present offered to help get the message across to their peers. The group also enlisted men to carry the message to other men and to persuade them to step in and take on the water delivery task during the time when their wives are pregnant. The strength of the group allows a simple message to cause social change.'*³⁵

There is also another group of poorer, less well-educated women who are involved in what we have termed micro-social-entrepreneurship.

5.4.2 Women micro-social-entrepreneurs

'In favelas there are more people doing for-profit entrepreneurship but more women interested in social entrepreneurship. For example out of 153 volunteers in my social project, 120 are women.'
– Rio Focus Group participant

In Brazil, around six per cent of the population live in Favelas and many more in poor neighbourhoods with limited access to public services. It is unsurprising then, that there is considerable social entrepreneurship at a community level. About 80 per cent of this activity is led by women³⁶. These women lead strong, informal networks tackling range of social problems including women's empowerment.

The situation is similar in both India and Pakistan where this form of 'social work' is considered more suitable for women than for men.

These informal, largely volunteer-led activities have significant social impact. Many could potentially generate even more impact if they were able to formalise their activities and generate an income for the social entrepreneur herself. For example, in Brazil, the Society Amiga e Esportiva do Jardim Copacabana (SAEC) has grown from an informal protest group into a large social enterprise with 22 service contracts with São Paulo city council.

The vast majority of this informal social entrepreneurship never leads to formal social enterprises or CSOs, however. This is equally true of micro-entrepreneurs running informal for-profit businesses. Out of 800 micro-enterprises working with the Brazilian Micro and Small Business Support Service SEBRAE, only five became formal.

The main barriers preventing women formalising their social ventures are lack of knowledge and support, lack of access to finance, and the cultural acceptability of women setting up and leading formal organisations in some parts of India and Pakistan³⁷.

This research suggests there is a vast pool of under-supported female social entrepreneurs that represents a huge opportunity for women's empowerment.

5.5 The impact on women of being a social entrepreneur

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

- 75 per cent of female social entrepreneurs responding to our survey said that starting a social enterprise had given them an increased sense of self-worth;
- 56 per cent said that it had made them more able to make their own choices; and
- 64 per cent reported increased confidence;

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

However, the negative impact also appears to be greater on women. Sixty-two per cent of female social entrepreneurs reported experiencing some negative impact (compared with only 37 per cent of men).

The negative impact reported was around financial insecurity and stress.

- 37 per cent of female social entrepreneurs responding to our survey said they had experienced debt or financial insecurity as a result of starting their social enterprise (63 per cent in Brazil); and
- 44 per cent said they had experienced stress.

These too tend to be experienced to a greater extent by women than by men.

In Pakistan, the negative impact on women can be even more serious with 24 per cent of women social entrepreneurs reporting experiencing violence or hostility as a result of starting their enterprise. However even more, 38 per cent, reported a reduction in violence or abuse as a consequence of starting their social enterprise.

We do not have any comparison data to assess whether the impact on women's wellbeing is quantifiably different for social entrepreneurship compared with for-profit entrepreneurship. What seems likely, however, is that women who are driven by a need to see social change or community benefit are less likely to experience such an increased sense of self-worth by starting a for-profit business. By contrast, women who are driven more by earning an income may experience a greater sense of self-worth from a for-profit business.

5.6 Supporting women social entrepreneurs

Gender GEDI categorise female for-profit entrepreneurs into six groups³⁸:

- Privileged Entrepreneurs
- Die-Hard Entrepreneurs
- Promising Entrepreneurs
- Potential Entrepreneurs
- Reluctant Entrepreneurs
- Resistant Entrepreneurs

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

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

5.7 Section 5 Conclusion

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

Women are, on the whole, less likely to become social entrepreneurs than men. Women social entrepreneurs face the same barriers as their male counterparts, and also additional barriers as a result of their gender. Additional barriers are present in all five countries but are particularly marked in Brazil, India and Pakistan, the three countries that score lowest of the five in both the *Gender Inequality Index*³⁹ and GEDI's *Female Entrepreneurship Index*⁴⁰.

Becoming a social entrepreneur has a positive impact on women's self-confidence, sense of self-worth and power over her own decisions.

Financially, women social entrepreneurs are likely to earn less than their male counterparts and less than their for-profit counterparts and are unlikely to move into the for-profit sector. This means that social enterprise delivers less economic empowerment for women entrepreneurs than for-profit businesses, but more economic empowerment for women generally.

There is not one 'type' of woman who becomes a social entrepreneur, but women who start social enterprises across all five countries tend to be better educated than most. The social entrepreneurship of poorer, less-well-educated women tends to remain informal and unpaid.

The next section looks at women's leadership in social enterprise, in particular in comparison with other sectors.

6 Women as social enterprise leaders

The evidence suggests that, across the five countries, women are not starting social enterprises in proportionally higher numbers than starting for-profit businesses. However, a large proportion of women for-profit entrepreneurs never start companies. Instead they appear to remain in the informal economy or operate as sole traders.

When you look at leadership across the two sectors it is quite a different picture. With the exception of Brazil, women are certainly leading social enterprises in much higher numbers than for-profits.



% of leaders who are women in social enterprise and for-profit sectors.

	UK	India	Pakistan	USA	Brazil
Social Enterprise	40%	24%	20%	55%	25%
For-profit	18%	9%	5%	31%	43%

Leadership in the social enterprise sector more closely mirrors the leadership in the charity or NGO sector. A number of reasons for this were suggested through the focus groups:

- less prejudice and discrimination in the social enterprise sector than in the for-profit sector
- a higher proportion of small organisations compared with the for-profit sector
- greater flexibility offered to women in social enterprise
- leading social organisations was, in some contexts, seen as more socially acceptable for women

While social enterprise seems to offer better opportunities for female leaders than the for-profit sector, we still see a worrying trend across all five countries: the larger the organisation the less likely it is to be led by a woman. This is true across private and NGO sectors as well. And it is true when you consider number of staff, stage of development or size of turnover. The representation of women at board level also drops as the size of social enterprise increases.

Does gender have an impact on the barriers you face in running your social enterprise?

	Brazil	India	Pakistan	UK	USA
Female	62%	31%	50%	40%	56%
Male	9%	17%	33%	0%	50%

Gender also has an impact on the way a social enterprise is run. Social enterprises run by women were more likely to employ more women and to have more women on their senior leadership teams.

This gender imbalance seems to run through the entire social enterprise sector. For example, women are under-represented in credit union leadership roles around the globe with men predominating in chief executive roles. This is especially the case in smaller credit unions: in the United States most female leaders serve at credit unions smaller than \$50m⁴¹.

As well as being under-represented, female social entrepreneurs face additional barriers compared to men. On average 46 per cent of the women in our survey think their gender has an impact on the barriers they face running their social enterprise compared to only 22 per cent of men. And, unsurprisingly, female social entrepreneurs report family and time pressures as major barriers to success, while men do not.

The next section looks at the employment of women in social enterprise in more detail.

7 The impact of the social enterprise sector as an employer

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

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

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



7.1 Female proportion of social enterprise workforce

The social enterprise sector employs proportionally more women than the workforce as a whole, and more than the private sector in each country.

	Brazil	India	Pakistan	UK	USA
Female (% of total workforce) ⁴²	43%	24%	22%	46%	46%
Female (% of soc ent workforce) ⁴³ Full Time	55% (est)	25%	37%	66%	65% (est)

Furthermore, many of the women employed by social enterprises are from particularly disadvantaged backgrounds (e.g. as a result of poverty or abuse).

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

- As we have already noted, social enterprise is seen as providing more flexible work than other sectors, which is attractive to women. A large number of jobs in the social enterprise sector are part-time for example.
- In India and Pakistan where female participation in the workforce is very low, social enterprise is often seen as more culturally acceptable. Social work is 'woman's work'.
- Many survey participants of both sexes and across all five countries felt that women are more drawn to work with a social benefit. Likewise, there is greater female representation in the NGO sector in each country.

- Social enterprises are over-represented in industries in which women are over-represented such as care, education, and catering.

7.2 Proportion of women in the co-operative economy

If we look at the cooperative economy, the evidence is less clear. Overall, cooperatives employ over 12 million people, or roughly 0.2 per cent of the world's population⁴⁴. There are no reliable statistics on the percentage of women in this global cooperative workforce, and the evidence on the extent to which cooperatives benefit women more than non-cooperative businesses is mixed.

The cooperative economy does reflect the gender imbalances of the wider economy. In some contexts cooperatives employ a greater proportion of women than non-cooperative businesses. In Brazil, for example, women make up 52 per cent of cooperative employees but only 44 per cent of the national workforce⁴⁵.

In other countries this does not seem to be the case. In India and Pakistan, women make up around 47 per cent of agricultural labourers⁴⁶ but only seven per cent of the members of agricultural cooperatives⁴⁷.

7.3 Are social enterprise jobs good jobs?

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

- Jobs specifically for beneficiaries
- Jobs not specifically for beneficiaries

7.3.1 Jobs specifically for beneficiaries

Forty one per cent of social enterprises said that if they did not employ them, their staff would be either unemployed or working elsewhere for less money in worse conditions.

As has already been noted, many social enterprises employ disadvantaged people who would otherwise be unlikely to find employment. Where the alternative to employment is poverty any job, it might be argued, is a good job. But could the jobs created by social enterprises be better? And are for-profit businesses creating better jobs?

One criticism levelled against Fairtrade, for instance, is that, while paying more than market prices, it can still trap women in relatively low-paid agricultural labour. The riposte is that for the vast majority of these women the only alternative is the lower, less reliable income from non-Fairtrade agriculture. Social enterprise is making up for the failings of the for-profit sector.

There were occasional examples noted during this research of social enterprises that did not provide adequate facilities for their employees. One social enterprise in India provided no toilet facilities for women, for example. These examples were rare but offer proof that being a social enterprise does not in itself ensure that the jobs it provides are good ones. That said, examples of poor working conditions are far more common in the for-profit sector in India.

7.3.2 Jobs not specifically for beneficiaries

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

The social enterprise sector also fares worse than the for-profit, public and NGO sectors when it comes to providing employee benefits such as paid maternity leave.

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

Thomson Reuters Foundation and WeStart both conducted research, which concluded that the social enterprise sector has a gender wage gap, with men earning more than women. As with the pay gap in other sectors, there are a number of factors contributing to this.

Social enterprises led by women tend to be smaller; women are less well represented in senior positions; women are over-represented

Gender pay gap in the UK by sector.

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

There are also examples of social enterprise challenging the gender pay gap. In a village of block print artisans in Rajasthan, for example, women support the printing process at many levels, but the (male) printers are paid five to six times more for their work. Social enterprises are bringing about an awareness that women can challenge these norms. One social enterprise asked women to take over the finishing process for their products, a higher-paid role traditionally performed by men.

7.4 Do social enterprise jobs reinforce gender stereotypes?

'In my experience in developing countries, social enterprise has been seen to reinforce gender roles. Vocational training for women, for example, is normally focused on jobs related to sewing and beauticians whilst men are in construction or computer engineering. Not only is this reinforcing the gender roles but the industries men tend to go into have much higher earning potentials.' – Allie McGonagle Glinski, International Center for Research on Women (ICRW)

in part-time work; women tend to award themselves lower rates of pay; women are often less forceful in negotiating pay settlements than men; women often lose several years of career progression when they have children; and so on.

In the UK, where there is gender pay gap information on the social enterprise sector, it is considerably above the UK average, but below the gap evident in the voluntary (NGO) sector.

Eighty one per cent of our survey respondents believe social enterprises are challenging gender norms, but most felt they could be doing much more.

In the for-profit sector, female entrepreneurs tend to be concentrated in the service sector and in businesses that conform to conventional female roles – such as beauty parlours, food vending and sewing. In addition, women tend to work in sectors, industries, occupations and jobs with lower average earnings.

In social enterprise, we also see a similar degree of gender segregation. Women tend to be under-represented in tech and industry and over-represented in the care sectors, for example.

There is good reason for this, particularly where social enterprises are trying to create employment opportunities for disadvantaged women. It is easier to create employment opportunities where women already have at least some of the skills needed and where there is a ready market for women's services. What this means is that the economic opportunities created (jobs or self-employment) tend to be in roles that are considered traditional for women, such as craft and textiles. They empower particular groups of women but in a way that conforms to existing stereotypes of appropriate female employment.

Some social enterprises are deliberately challenging such gender stereotypes by training and employing women in industries where they are under-represented. Blackburne House in the UK, for example, run a training academy to support women into the construction industry. This is mirrored by Mulher em Construção 'Woman in Construction' in Brazil. And the Women on Wheels programme in India empowers resource-poor women to become professional drivers.

It would seem that it is often easier to challenge stereotypes through funded training programmes than through financially sustainable social enterprises, however. Jobs are easier to create when you do not have to overcome gender stereotypes as well as social exclusion.

7.5 Section 7 Conclusion

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

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

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

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



8 Conclusions and recommendations

Social enterprise is not an alternative to other models of women's empowerment and it is not a new tool for empowering women. It is under-utilised, however, and where it is used could be even more effective.

Women's empowerment organisations are underfunded and less than a third are currently using social enterprise to fund their activities.

The research uncovered many well-regarded, independent social enterprises working in the area of women's empowerment. On the whole, they are not well known or well networked. There is considerable opportunity for sharing best practice and replicating successful business models and approaches.

This would help increase the number and effectiveness of social enterprises with a focus on women's empowerment.

Women social entrepreneurs are an under-utilised resource. Using Global Entrepreneurship Monitor (GEM) statistics, if women were starting up social enterprises at the same rate as men we could see an additional 12 million women social entrepreneurs across Brazil, India, Pakistan, the UK and the USA alone⁴⁸.



There are already many women social entrepreneurs in all five countries creating considerable social impact. Giving them greater recognition could inspire even more women to start social enterprises. A lack of female role models in social enterprise is one of the barriers facing women social entrepreneurs, particularly in Brazil, India and Pakistan.

There are other barriers facing women social entrepreneurs, and governments and intermediaries should look seriously at addressing them. When less than three per cent of the global population is involved in social entrepreneurship, yet the need for social impact is so high, can we really afford for women to start social enterprises at a fifth the rate of men (as in Pakistan and Brazil)? Women social entrepreneurs are an under-utilised resource.

The social enterprise sector should be proud of its record of producing women leaders but certainly not complacent. More work needs to be done to support women leaders in the sector, and more work needs to be done with larger social enterprises to make sure they consider their board, leadership teams and pay structures with a gender lens. A sector that exists to create a better world should not have a glass ceiling or a gender pay gap.

Our research in Brazil, India, Pakistan, the UK and the USA has shown that social enterprise is already empowering women and girls across the world. It could be doing even more.

8.1 Recommendations

Each of the five countries is completely different in the challenges facing women and girls; the scale and needs of the social enterprise sector; the capacity and practices of funders and investors; and in government policies and legislation. As a result, most of the specific recommendations arising from this research are contained within the individual country reports.

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

8.1.1 Governments

1. Governments should bear in mind that any policies to support women into work will actively support the social enterprise sector, which has a disproportionately high female workforce.
2. Governments should prioritise eliminating the gender imbalance between caring responsibilities through legislation and financial support for shared parental leave and affordable childcare. The social enterprise sector should also look to address these two issues.
3. Governments and social enterprises should work in partnership to increase the use of social entrepreneurship education in schools and include a specific focus on addressing gender inequality.

8.1.2 Women's empowerment organisations

4. Increase the use of social enterprise among women's empowerment organisations by providing specific packages of training, support, investment and mentoring.

8.1.3 Social enterprises and intermediaries

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

7. Increase the rate of women-led social enterprise start-ups through targeted support packages, accelerators, greater exposure to female role models, and targeted financial assistance, particularly in Brazil, India and Pakistan. These programmes should be flexible and include childcare. If women were starting social enterprises at the same rate as men there would be over 50 per cent more social enterprises in these countries.
8. Provide specific social enterprise accelerator programmes in poor communities where there are high rates of informal 'micro-social-entrepreneurship' with a view to supporting women to set up formal NGOs or social enterprises.
9. Increase the number of female social enterprise leaders through mentoring, targeted leadership programmes, and facilitated peer-support.
10. Integrate gender equality into social enterprise business models, with a particular focus on gender balance on boards. Encourage recruitment to skills rather than experience of scale to prevent perpetuating the imbalance of men leading larger organisations. Research by Acumen suggests that integrating gender equality has the potential to make social enterprises more resilient, successful and impactful.
11. Provide more opportunities for under-employed women using social enterprises to create flexible, part-time jobs. Globally, women are under-employed compared to men, and women put 90 per cent of their income back into their family, while men put in less than 40 per cent. Employing women therefore has a greater social impact on the health and opportunities of whole families compared to employing men.
12. Research, understand and publicise the gender wage-gap in social enterprise.

8.1.4 Funders and investors

13. Learn the lessons of the Young Foundation's report, *The Sky's the Limit*; use a 'gender lens' when making investment decisions; understand the additional barriers faced by women social entrepreneurs as well as the strengths of women-led social enterprises.
14. Ensure a gender balance in panels making lending and investment decisions.
15. Set specific targets for a portfolio that is balanced for gender and race to reflect the country's population.
16. Record and publish data on the level of investment into male and female-led social enterprises; the gender composition of leadership teams and boards; and the impact of those investments.
17. Set criteria for social enterprises to meet before receiving a grant or investment including:
 - a. have gender-balanced boards
 - b. record and measure their social and environmental impact, and include gender equality as a metric.
18. Increase the supply of funding and social investment into social enterprises focussing on gender, especially where these are also in sectors considered 'non-traditional' for women.

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