

# ENCOURAGING MORE ENTERPRISE IN DISADVANTAGED COMMUNITIES AND UNDER-REPRESENTED GROUPS

## Introduction

1 The government's main objective in encouraging more enterprise in disadvantaged communities and under-represented groups is to increase the overall rate of business start-up and growth. This objective forms part of a wider government agenda to address social exclusion, whether this is caused by lack of access (disadvantage) or a lack of resources (deprivation).

2 The purpose of this section is twofold:

- To provide an overview of the evidence which explains why the government is putting in place a range of activities and actions to address this issue.
- To outline how the government will monitor and evaluate success in achieving its objective and highlight the main gaps in the evidence base that will need to be filled if policy is to be further developed and improved.

3 This section therefore complements Chapter Six of the *Government Action Plan for Small Business* by setting out the rationale for the government's actions and by giving a fuller account of the plans to track and monitor success.

## Rationale: why is action required?

4 Despite sustained economic growth, low inflation and falling unemployment, marked differences in levels of enterprise between and within UK regions have persisted. Regions and sub-regions differ significantly in their ability to develop local enterprise; there are marked disparities in rates of male and female entrepreneurship; and there are substantial variations in levels of entrepreneurial activity between different minority groups.

5 If the potential economic and social benefits of enterprise are to be fully realised, it is vital that all individuals in society have equal opportunities to contribute to and gain from the benefits of a strong small business sector. It is widely accepted, however, that without at least some intervention, the market cannot always be relied upon to deliver the most efficient, or socially desirable outcomes.

6 The rationale for government activities to encourage more enterprise in disadvantaged communities and under-represented groups is underpinned by two inter-related government objectives:

- To correct for specific market failures.
- To ensure equality of opportunity.

7 Of the 9.6 million people of working age living in deprived wards, over 2.5 million are not in work and claiming some form of benefit, and even more are in low paid jobs. Enterprise may offer a real opportunity for meaningful and rewarding employment for many. However, the challenges and barriers to starting and succeeding in business, discussed in more depth in other sections of this evidence base, tend to be heightened for particular groups or areas. For many, this is an extension of wider labour market inequalities. For example, a more fragmented

career history may lead to problems in accessing start-up finance and acquiring the skills needed to set up in business.

8 A range of factors can interact to reinforce and reproduce a position of disadvantage in relation to the labour market, including self-employment, particularly for those in deprived areas. Lower levels of educational attainment or vocational skills may be associated with under-performing schools in such areas. Relatively high levels of unemployment and low paid employment will often result in reduced labour mobility and fewer opportunities to own property and build collateral for a business start-up. This acts to reduce the potential for business growth and investment which in turn can serve to maintain and increase deprivation in an area. Higher crime and poorer health are among a range of other negative consequences that also serve to reinforce and reproduce disadvantage.

9 Government action to offset market failures, which takes account of the particular challenges faced by some communities, can work to increase economic benefits and both alleviate social problems and reduce their associated costs to society as a whole. A thriving small business sector can help disadvantaged communities develop a more diverse economic base, giving them more resilience to economic change and improving the employment opportunities and household incomes for many.

10 Beyond this, a buoyant small business sector can also encourage social cohesion by enabling people to contribute to and share in the development of their own communities. It also allows them to gain transferable new skills and experience that will enhance their prospects and subsequent employment opportunities.

### **Nature and extent of the problem: what does the evidence say?**

#### ***Patterns of disadvantage, deprivation and under-representation: the reality of unrealised potential for enterprise...***

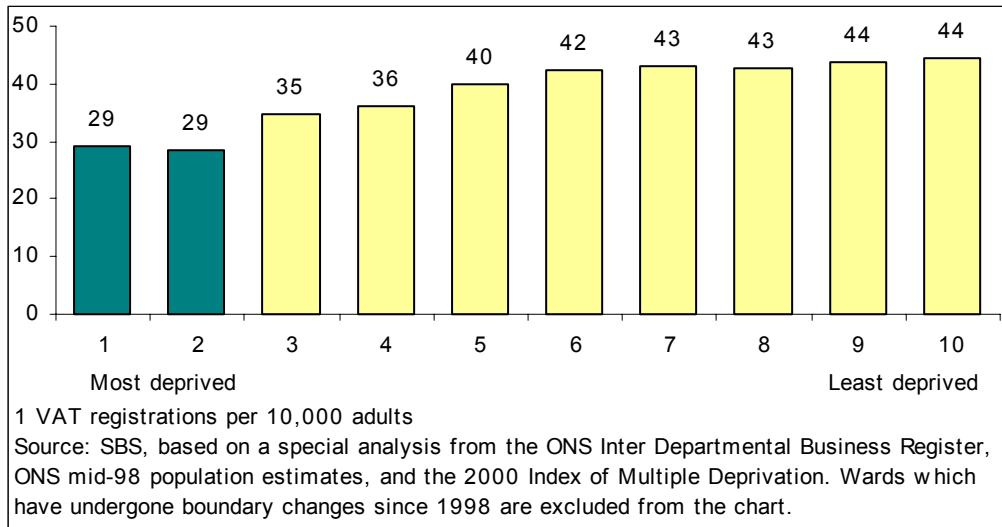
11 The extent to which people in the UK engage in enterprise activity varies both geographically and between different groups of people. The reasons why some communities and some groups are under-represented include both culturally derived differences in preferences and attitudes to risk and, importantly, inequalities in the resources and opportunities available, (see for example *Bramley, 2002*).

12 People living in deprived communities and those from disadvantaged groups face all of the general challenges associated with starting and growing a business. Over and above these general challenges, however, many people encounter further difficulties specific to where they live or their background. These can and do significantly limit both their aspirations and their potential to succeed in starting and growing a business.

#### ***Geographies of disadvantage, deprivation and enterprise are complex and multi-layered...***

13 Business start-up rates vary both between and within regions. For example, VAT registration statistics for 2002 show that there were 57 new VAT registrations per 10,000 residents aged 16 or over in London and 44 in the South East, but only 31 in Yorkshire and Humber and just 21 in the North East (*SBS, 2003a*).

**Chart 1: VAT registration rates<sup>1</sup> by deprivation decile, English wards, 2001**



14 There is clear evidence that entrepreneurial activity is lowest in the most deprived local authority wards - most of which are located in urban areas. Chart 1 relates VAT registrations to levels of deprivation. There is a clear trend for registration rates to fall as the level of deprivation increases. Excluding London, the 20 per cent most deprived local authority districts in England had 27 start-ups per 10,000 residents, compared to 51 in the least deprived districts. Similarly, 70 of the 88 Neighbourhood Renewal Fund local authority areas in England have VAT registration rates below the national average (SBS, 2003b).

15 Although there is a clear statistical relationship between deprivation and levels of enterprise activity, the causes and consequences of lower levels of enterprise in particular areas are varied and complex. The specific problems faced by, for example, run-down inner cities are not the same as those faced by former coal, steel or textile areas or by remote coastal towns (Westall, et al., 2000). There are also examples of localities where enterprise rates are high, despite apparent deprivation. For example, in some London wards high VAT registration rates and deprivation coincide (North et al., 2003).

16 Although it tends to be most obvious in urban areas, deprivation and disadvantage also occur in rural areas. Rural England actually has a higher number of VAT registered businesses per 10,000 population (411) than urban (380), and higher proportions of self-employment, particularly among women. However, the situation is uneven. There are particular problems in some remote peripheral areas and pockets of deprivation elsewhere (The Countryside Agency, 2003; Phelps et al., 2001).

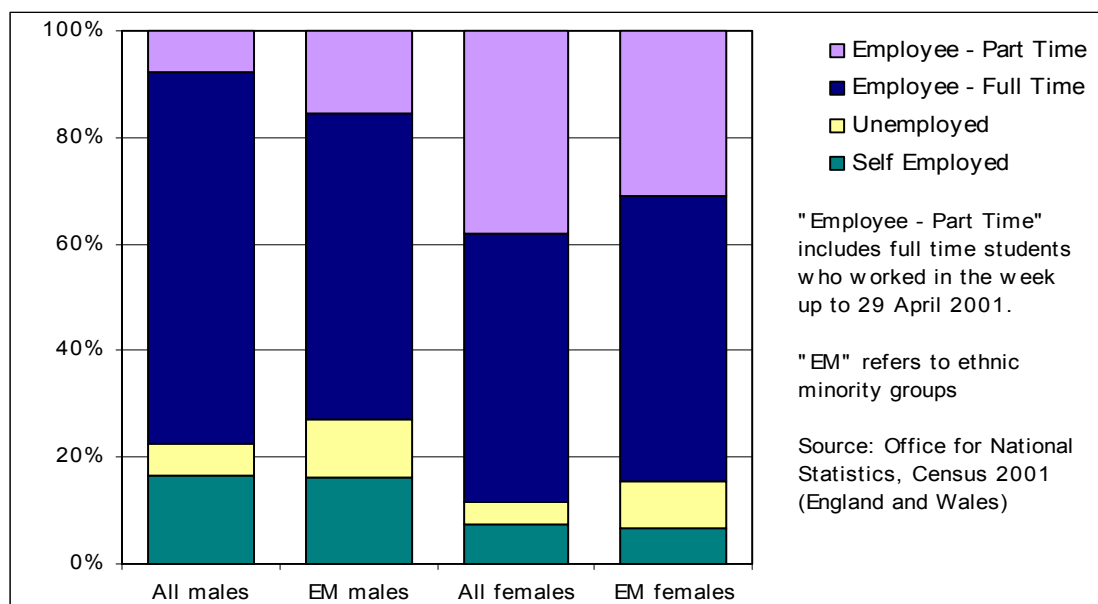
17 Many farming and agriculturally related businesses have faced particular problems in recent years, but these businesses account for only 15 per cent of all businesses in rural areas. The most common forms of business in rural areas are real estate, wholesale and retail. Established businesses and would-be entrepreneurs are affected by a number of problems that are particularly associated with remoteness, low population densities and limited local markets. For example, rural areas generally have smaller businesses (85 per cent have 10 employees or

less); economic activity tends to be concentrated in particular sectors; major national and international markets can be difficult and costly to access; the small size and composition of rural labour markets is often problematic; local business support services can be limited; and, rural economies are often vulnerable to unique crises, for example foot & mouth (*The Countryside Agency, 2003; Keeble 2000*).

**Women are under-represented in entrepreneurial activity...**

18 Women in the UK are significantly less likely to start and own a business than men. Chart 2 illustrates figures for England and Wales. The Spring 2003 LFS shows that although women account for 44 per cent of the economically active population in the UK, only 27 per cent of self-employed adults are women.

**Chart 2: Economic activity by gender and Ethnic Group, England and Wales, 2001**



19 Countries exhibiting the highest rates of enterprise activity are typically characterised by a more widespread involvement of women in entrepreneurial activities. The proportion of women engaging in enterprise in the UK is lower than that in some other developed economies. For example, although women's participation in self-employment in the UK (27 per cent) is in line with most comparable European Countries, it is considerably lower than in the USA where their share of business ownership is estimated to be 38 per cent (*Harding, 2002*).

20 Women tend to believe they are less capable of running a business than men and are less likely to consider starting one – 15 per cent of men are 'would-be entrepreneurs' compared with nine per cent of women. Despite these differences in perceptions and practice, gender does not affect the success or failure of a business. However, women are more likely to be disadvantaged in terms of factors that influence business success (*SBS, 2002b*).

21 In practice, difficulties securing access to finance tend to be a particular issue for women. Women are more likely than men to rely on their own savings for start-up funding and less likely to use external financing for ongoing business survival and

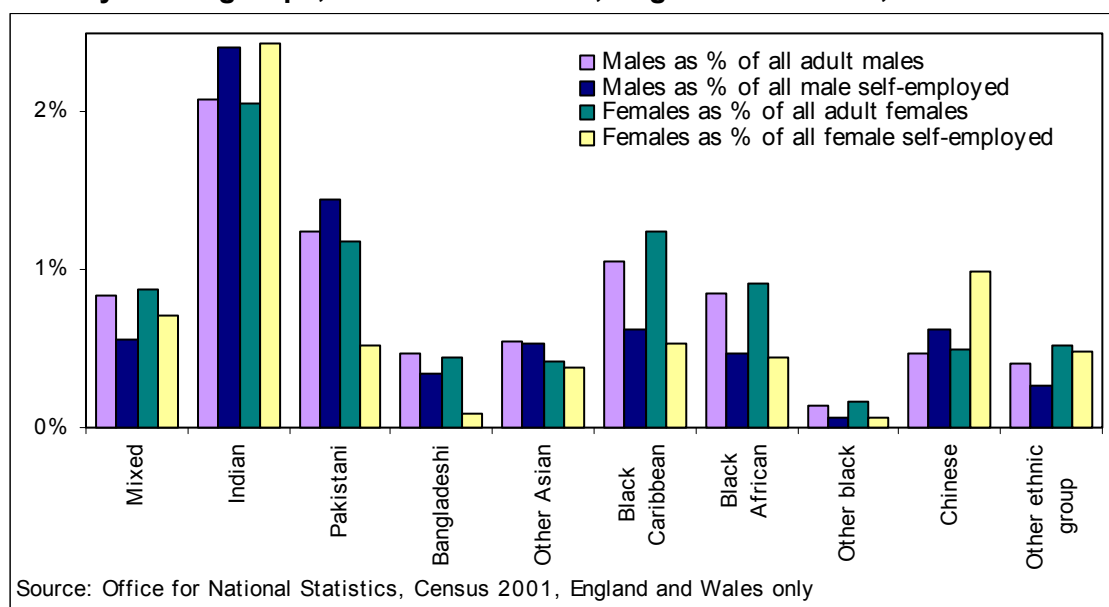
growth (Carter and Rosa, 1998). Women often lack the track record that lenders seek in terms of proven management skills and have fewer personal financial resources. They also have reduced access to financial or advisory support which is typically articulated through male dominated networks (Carter et al., 2001).

22 Increasing women's enterprise has been identified as a key way to increase the size and strength of the small business sector (Harding, 2000). However, if this potential is to be realised 'demand side' issues, including those related to how women relate to business role models, will need to be more fully understood.

**Patterns of entrepreneurial activity vary significantly between ethnic groups...**

23 The ethnic minority population as a whole engages in enterprise and self-employment at rates similar to the white population. However, there are substantial differences in entrepreneurial activity between different minority groups. For example, 22 per cent of Pakistani people currently in employment are self-employed, compared to eight per cent of black people.

**Chart 3: Breakdown of adult population and self-employed population for minority ethnic groups, males and females, England and Wales, 2001**



24 Chart 3, which excludes data for the 93 per cent of the total England and Wales population classified as White, shows the numbers in each ethnic group as a proportion of the total adult population (for men and women separately) and compares this with their share of total self-employment. For example, Indian women represent approximately 2 per cent of all women over the age of 16, but they represent approximately 2.5 per cent of all women who are self employed. The data shows a number of significant differences. For example, Indian and Chinese men and women are relatively over-represented in self-employment, compared to their representation in the population as a whole. However, Black, mixed groups and Bangladeshis of both genders are relatively under- represented.

25 The evidence suggests that these differences are not simply the product of culturally defined preferences for particular forms of employment. For example,

relatively higher proportions of working age people in the Asian and Afro-Caribbean groups are interested in starting a business, but the apparent interest in the Afro-Caribbean community, and in the mixed group, is much less likely to be converted in to a business start-up (*SBS, 2002b; Boorah and Hart, 1999*).

***Barriers to enterprise are more intense for some groups and in some localities...***

26 There is considerable evidence that problems in gaining access to appropriate finance is a key barrier to would be entrepreneurs generally, and, as already raised in relation to women, a particular barrier to people from particular groups or localities.

27 For example, analysis of data on self-employed people in deprived areas suggests that potential entrepreneurs and businesses are more likely than the general population to have problems accessing bank finance (*Bank of England, 2002*). Compared to people in other areas, self-employed people in deprived areas are:

- Twice as likely not to have a personal bank account.
- Less likely to be able to produce business accounts.
- More likely to have lower incomes from full-time self-employment.
- Less likely to own their own home or to hold significant financial assets.

28 Businesses in deprived areas are typically offered smaller value and shorter duration loans at higher interest rate margins than comparable loans elsewhere (*Bank of England, 2003*).

29 Ethnic minority groups tend to differ quite markedly in the ways they access finance. Compared with white-owned firms, Chinese-owned businesses have a higher propensity to access start-up finance from banks, while African-Caribbean businesses are significantly less likely to do so. South Asian-owned firms have a similar propensity to white-owned firms (*Ram, Smallbone and Deakins, 2002a*).

30 The success with which an individual can start and run a business depends in large part on the skills they have. Business and management skills are particularly important to entrepreneurs (*Hughes, 1998*). In practice, there are marked geographical, socio-economic and ethnic differences in skill levels, educational achievement and in access to training, that can and do act as a barrier to entrepreneurial activity.

31 Barriers to entrepreneurship that particularly affect women include a lack of accessible or affordable childcare, the need for flexibility to support elderly or ill relatives and restricted eligibility for support in the transition from benefits to self-employment (*Marlow, 2003*).

32 There is some research relating different rates in starting up a business to attitudes, or entrepreneurial propensities, prevalent in different groups (*Bridge et al, 1998; Basu and Goswami, 1999*). In the case of women, their lower rate of entrepreneurship has been related to lower self-confidence or risk aversion (although such findings have been challenged, see for example *Carter, 2001*). It is apparent, however, that some communities or groups prefer advice and networks involving

people from similar backgrounds. Research also suggests that barriers to enterprise can be perceived as being greater than they actually are by some groups.

33 One particular issue that affects various groups is a concentration of enterprise activity within particular sectors or within particular communities. For example, women entrepreneurs are over-represented in the services sector, where half the businesses are started by women. Similarly, certain ethnic groups are concentrated in particular sectors; for example 71 per cent of Chinese people work in the distribution, hotel and restaurant sector compared with an overall figure of 18 per cent (*Ram and Smallbone, 2001*).

34 Many ethnic minority businesses rely completely or heavily on co-ethnic minority markets - they supply and trade with businesses owned by people from the same ethnic group. This concentration of activity may offer a clear focus for business support activity. However, it can also be problematic where it limits the potential for growth amongst small businesses and creates vulnerability as a result of over-dependence on specific markets (*Ram and Smallbone, 2001*).

***Enterprise can be a route out of disadvantage and deprivation but we need a better understanding of what works...***

35 One debate within the recent academic literature relates to whether under-represented groups should be supported through mainstream or specific initiatives (see for example *Chrisman et al., 2002*). There is a body of evidence that highlights the specific problems and distinctive needs of various disadvantaged groups and advocates the case for selective and targeted support designed to complement generic offerings (see for example *Mukhtar, 1998; Ram et al. 2002*). Other authors, including for example *Fadahunsi et al. (2000)*, advocate the use of more community based support networks.

36 A range of innovative solutions is currently being tested to address labour market inequalities and wider social exclusion issues through enterprise. For example, evidence from the USA suggests that inner city areas have some important competitive advantages, such as lower rents and wage costs, and that these advantages can stimulate new enterprises and small business growth (*Porter, 1995*). An ongoing evaluation of City Growth Strategy Pilots will establish whether this is the case in a UK setting. An evaluation of the Phoenix Development Fund<sup>1</sup> should highlight transferable good practice from a wide range of innovative projects offering specialist business support in disadvantaged communities.

37 There is an increasing body of evidence suggesting that enterprise can make a significant contribution to economic and social prosperity. For example, the Inner City 100 Index<sup>2</sup> demonstrates that between 1996 and 2000, the 100 companies listed created more than 3,500 additional jobs, and average turnover grew by 274 per cent. Research has also shown positive relationships between enterprise and employment and positive effects from area regeneration initiatives (see for example *North et al., 2003*).

---

<sup>1</sup> The Phoenix Fund, launched in November 1999 is designed to encourage entrepreneurship in disadvantaged areas through a range of initiatives including Community Development Finance Initiatives, a network of volunteer mentors and City Growth Strategies.

<sup>2</sup> <http://www.theinnercity100.org/>

38 Social enterprises, including for example those that aim to help ex-offenders into self-employment or to promote enterprise as an option for people with mental health problems, can make a contribution to local economic development in addition to their primary social outcomes. The evidence on how effectively this occurs in practice is, however, mixed (North et al., 2003).

**Measuring success: what are the plans to monitor and evaluate progress in encouraging more enterprise in disadvantaged communities and under-represented groups?**

39 There are a large number of indicators that could be used to monitor and track success in addressing enterprise inequalities. Table 1 includes the main indicators that the SBS is committed to monitoring and reporting on over time in assessing the extent to which policies and initiatives have been successful in addressing this agenda. It shows the current baseline position for each measure of success, and indicates when further information will be available to assess progress.

**Table 1: Main progress indicators**

Key measures	Source	Current position	Next update
↘ Reduce the gap between start-up rates in the most and least deprived areas	ONS Inter Departmental Business Register	30:46 VAT registrations per 10,000 adults – a gap of 34% (2001)	Jan 2004 (2002 data)
↘ Reduce the gap between the self-employment rates of black (and mixed) and all groups	ONS Labour Force Survey	All groups: 11% Black/mixed groups: 7% (Spring 2003)	Aug 2004 (Spring 2004 data)
↘ Reduce the gap between male and female self-employment rates	ONS Labour Force Survey	Men: 15% Women: 7% (Spring 2003)	Aug 2004 (Spring 2004 data)

40 To complement these key measures, the SBS will work with partners to collect data on a number of supporting measures. These are likely to include:

- Increase the proportion of people in disadvantaged areas and amongst under-represented groups considering going into business.
- Increase the number of social enterprises.
- Increase the proportion of small businesses and individuals in deprived areas involved in enterprise awareness raising activities.
- Increase the take-up of business support across areas and communities (including all rural and urban areas).
- ↘ Reduce differences in the ease of access to finance between disadvantaged and other areas.

41 In addition to monitoring success against these indicators, specific research projects will be carried out to fill gaps in knowledge about why women, particular ethnic groups and other disadvantaged groups make the choices they do. Crucially, research will gather views from small businesses themselves on what more needs to be done.

42 Gaps in the evidence base are particularly acute in this area. For example, a review in 2003 found evidence on business-led regeneration to be 'fragmented and of variable quality; limited in the extent to which it makes direct reference to deprived areas; dated in that it relates to policies that have now finished' (*North et al., 2001*).

43 In recognition of these knowledge gaps, the SBS and other government departments have already begun an extensive programme of evaluation designed to draw out key lessons for informing future strategy development. For example:

- The SBS evaluation of the Phoenix Development Fund will report in summer 2004.
- An evaluation of the City Growth Strategy Pilots will be published in spring 2004.
- An evaluation of Community Development Finance Institutions (supported by SBS) began in the summer of 2003.
- ODPM/SBS/HM Treasury research will report early in 2004 on the relationship between business and regeneration in a selection of deprived ward clusters.
- Another SBS study, to report in spring 2004, will analyse the link between business growth and job creation and displacement.
- Social Exclusion Unit (ODPM) research, to report in 2004, includes consideration of what more could be done to help unemployed people to become self-employed.
- A booster sample in the SBS Small Business Survey should allow a more refined analysis of the issues facing different ethnic groups.

44 Further evaluations will be considered, including the potential to evaluate the interaction of a number of government initiatives, including Enterprise Areas, targeted at deprived areas.

## 9. BIBLIOGRAPHY

- Acs, Z., Morck, R. and B. Yeung (1999) 'Productivity Growth and Firm Size Distribution' in Acs, Z., Carlsson, B. and Karlsson, C. (eds.) *Entrepreneurship, Small and Medium Sized Enterprises and the Macroeconomy*. Cambridge, Cambridge University Press.
- Anderson/Growth Plus (2001) *Not Just Peanuts*. <http://www.notjustpeanuts.com/introduction.htm>.
- Audretsch, D., Welfens, P., Addison J. and H. Grupp (1999) *Globalization, Economic Growth and Innovation Dynamic*. New York, Springer.
- Audretsch, D., van Leeuwen G., Menekveld B. and R. Thurik (2001) Market Dynamics in the Netherlands Competition Policy and the Role of Small Firms. *International Journal of Industrial Organisation*. Vol. 19, pp 795-821.
- Audretsch, D. (2002) The Dynamic Role of Small Firms Evidence from the US. *Small Business Economics*. Vol. 18. pp 13-40.
- Bank of England (2002) *Finance for Small Firms - A Ninth Report*. London, Bank of England.
- Bank of England (2003) *Finance for Small Firms - A Tenth Report*. London, Bank of England.
- Barclays (2000) *Women in Business – the Barriers Start to Fall*. London, Barclays Bank plc.
- Barclays (2003a) Barclays Business Formation Survey in *Barclays Small Business Survey Start-ups and Closures Quarter Two 2003*. [www.businesspark.barclays.com/bulletins/bulletin\\_10/index.htm](http://www.businesspark.barclays.com/bulletins/bulletin_10/index.htm).
- Barclays (2003b) *Clocking on: How Businesses Use Their Time*. London, Barclays Bank plc.
- Barclays/ National Federation of Enterprise Agencies (2002) *Profiting from Support*. London, Barclays Bank plc.
- Barnes M. and J. Haskel (2003) *Role of Small Firms in Job Creation and Destruction* Working Paper EBPF03-03(09) London ONS
- Basu, A. and A. Goswami (1999) South Asian Entrepreneurship in Britain: Factors Influencing Growth. *Journal of Entrepreneurial Behaviour and Research*. Vol. 5:5, pp 251-27.
- Bell, A. and I. La Valle, (2003) *Combining Self-employment and Family Life*. York, Joseph Rowntree Foundation.
- Bennett, R. and P. Robson, (2003) 'External Advice and Business Link', in Cosh, A. and A. Hughes, (eds.) *Enterprise Challenged Policy and Performance in the British SME Sector 1999-2002*. University of Cambridge, Cambridge Centre for Business Research.
- Better Regulation Task Force and Small Business Council (2003) *Government: Supporter and Customer*. [http://www.acca.co.uk/pdfs/smallbusiness/brtf\\_pubsec\\_contacts.pdf](http://www.acca.co.uk/pdfs/smallbusiness/brtf_pubsec_contacts.pdf).
- Blanchard, D. and A. Oswald, (1998) What Makes An Entrepreneur? *Journal of Labor Economics*. Vol. 16, pp 26-60.

A Government Action Plan for Small Business  
The Evidence Base

- Boorah, V. and M. Hart (1999) Factors Affecting Self-employment Among Indian and Black Caribbean Men in Britain. *Small Business Economics*. Vol. 13:2, pp 111-129.
- Boylan, A. and T. Burchardt (2003) *Barriers to Self-employment for Disabled People*. Sheffield, SBS.
- Bramley, G. and M. Evans (2002) *Neighbourhood Spending and the Outcomes: a Study of Education, Training and Employment Outcomes in Three English Cities*. London, DTLR.
- Bridge, S., O'Neil, K. and S. Cromie, (1998) 'Promoting Enterprise - Why Intervene?' in Bridge, S., O'Neil, K. and S. Cromie *Understanding Enterprise, Entrepreneurship and Small Business*. London, Macmillan Business.
- British Chambers of Commerce (2002) *Securing Enterprise – A Framework for Tackling Business Crime*. [http://www.britishchambers.org.uk/newsandpolicy/downloads/BCC\\_Crime\\_report.pdf](http://www.britishchambers.org.uk/newsandpolicy/downloads/BCC_Crime_report.pdf).
- British Venture Capital Association (2001) *Report on Investment Activity*. London, BVCA.
- British Venture Capital Association (2002) *Report on Investment Activity*. London, BVCA.
- Business Planning and Research International (2000) *Smaller Businesses and Regulation: Research Report*. Milton Keynes, The Institute of Chartered Accountants in England and Wales.
- C2 Ventures (2003) *Investor Pulse: UK Angel Attitude Survey a qualitative survey in to UK Business Angel Attitudes, Preferences and Views in 2002 and 2003*. London, C2 Ventures.
- Cabinet Office (1999) *Modernising Government*. Norwich, Stationery Office.
- Campbell, M., Baldwin, S., Johnson, S., Chapman R., Upton A., and F. Walton (2001) *Skills in England 2001*. Leeds Metropolitan University, Policy Research Institute.
- Carter, S., Anderson, S., and E. Shaw (2001) *Women's Business Ownership: A Review of the Academic, Popular and Internet Literature*. Sheffield, Small Business Service.
- Carter, S. and P. Rosa (1998) The Financing of Male and Female Owned Businesses. *Entrepreneurship and Regional Development*. Vol. 10:3, pp 225-241.
- Chittenden, F., Kauser, S. and P. Poutziouris (2002) *Regulatory Burdens of Small Business: A Literature Review*. Sheffield, Small Business Service.
- Central Office of Information (1999) *A Review of Research into Career Decision Making Among Young People*. London, Central Office of Information.
- Chrisman, J., Chua, J. and L. Steier (2002) The Influence of National Culture and Family Involvement on Entrepreneurial Perceptions and Performance at the State Level. *Entrepreneurship Theory & Practice*. Vol. 26:4, pp 113-130.
- Chrisman, J., Gatewood, E. and L. Donlevy (2002) A Note on the Efficiency and Effectiveness of Outsider Assistance Programs in Rural Versus Non-rural States. *Entrepreneurship: Theory and Practice*, Vol. 26:3.
- Cosh, A. and A. Hughes (eds.) (1998) *Enterprise Britain: Growth, Innovation and Public Policy in the Small and Medium Sized Enterprise Sector 1994-1997*. Cambridge, Centre for Business Research.

A Government Action Plan for Small Business  
The Evidence Base

Cosh, A. and A. Hughes, (eds.) (2003) *Enterprise Challenged Policy and Performance in the British SME sector 1999 – 2002*. Cambridge, Centre for Business Research.

Countryside Agency (2003) *The State of the Countryside*. Cheltenham, The Countryside Agency.

CURDS (2002) *How do Innovating Small and Medium Sized Enterprises Use Business Support Services?* Newcastle, University of Newcastle upon Tyne.

Dale, I. and A. Morgan, (2001) *Job Creation - the Role of New and Small Firms*. Sheffield, Small Business Service.

Databuild (Forthcoming) *Diversity in Public Sector Procurement Survey*. Sheffield, Small Business Service.

Davies, H. (2002) *The Howard Davies Review of Enterprise and the Economy in Education*. Norwich, HMSO.

Department for Education and Skills (2003) *21<sup>st</sup> Century Skills: Realising our Potential*. Sheffield, DfES.

Department for Transport (Forthcoming) *Competitiveness of Cities*. London, DfT.

Disability Rights Commission (2002) *Disability Briefing*. London, DRC.

DTI (2002a) *Productivity and Competitiveness Indicators: Update 2002*. Norwich, The Stationery Office.

DTI (2002b) *Cross Cutting Review of Government Services for Small Business*. Norwich, The Stationery Office.

DTI (2002c) *International Benchmarking Survey*.  
[www.ukonlineforbusiness.gov.uk/benchmarking2002/index.html](http://www.ukonlineforbusiness.gov.uk/benchmarking2002/index.html).

DTI (2002) *Social Enterprise - a Strategy for Success*. Norwich, The Stationery Office.

DTI, (2002) *DTI Neighbourhood Renewal Implementation Strategy*. Norwich, The Stationery Office.

DTI (2003a) *The Strategy: Prosperity for All*. [www.dti.gov.uk/about/dti-strategy.pdf](http://www.dti.gov.uk/about/dti-strategy.pdf).

DTI (2003b) *Competing in the Global Economy: the Innovation Challenge*. Norwich, The Stationery Office.

DTI (2003c) *Economics Paper no 7*. Norwich, The Stationery Office.

Fadahunsi, A., Smallbone, D., and S. Supri (2000) Networking and Ethnic Minority Enterprise Development: Insights From a North London Study. *Journal of Small Business and Enterprise Development*. Vol. 7:3, pp 228-240.

Federation of Small Business (2002) *Lifting the Barriers to Growth in UK Small Businesses*  
[www.fsb.org.uk](http://www.fsb.org.uk).

Flash Eurobarometer (2002) *Attitudes to Entrepreneurship in Europe and the United States*. Paris European Commission, Flash Eurobarometer 134.

A Government Action Plan for Small Business  
The Evidence Base

- Gibb, A. (1999) Creating an Entrepreneurial Culture in Support of SMEs. *Journal of Small Enterprise Development*. Vol. 10:4, pp27-38.
- Girma, S. Greenaway, D. and R. Kneller (2002) *Does Exporting Lead to Better Performance? A Microeconomic Analysis of Matched Firms*. Nottingham: Leverhulme Centre for Research on Globalisation and Economic Policy.
- Guidance Council (2001) *Demand for Information, Advice & Guidance*. Winchester, The Guidance Council.
- Harding, R. (2002) *Global Entrepreneurship Monitor (GEM) Report*. London, London Business School.
- Harris, R. (2003) *The Economic Rationale for Promoting Dissemination of Commercial Best Practice Review of Evidence*. London, DTI.
- Harris, R. and C. Robinson (2001) *A Critical Review of Empirical Research on Hindrances to Business Development and Productivity Growth and the Relative Importance of Different Constraints on UK Business*. Unpublished Report to Small Business Service.
- HBOS (2003) *Red Tape Uncut for Small Business*. [www.hbosplc.com/media/pressreleases/articles/bos/2003-09-23-00.asp](http://www.hbosplc.com/media/pressreleases/articles/bos/2003-09-23-00.asp).
- HM Customs and Excise (1999) *Business Needs Survey*. London, HMCE.
- HM Customs and Excise (2003) *Excellence in Public Service*. [www.hmce.gov.uk/about/excellence/excellence.htm](http://www.hmce.gov.uk/about/excellence/excellence.htm).
- HM Treasury (1999) *Enterprise and Social Exclusion*. London, HM Treasury.
- HM Treasury (2000) *Productivity in the UK The Evidence and the Government's Approach*. London, HM Treasury.
- HM Treasury (2002a) *Enterprise Britain a Modern Approach to Meeting the Enterprise Challenge*. London, HM Treasury.
- HM Treasury (2002b) *Pre-Budget Report*. London, HM Treasury.
- HM Treasury (2003) *The Green Book: Appraisal and Evaluation in Central Government*. Norwich, The Stationery Office.
- Hogarth, T. and R. Wilson (2001) *Employers Skill Survey: Synthesis Report*. Sheffield, DfES.
- Hogarth, T., Wilson, R., Slury, J. and D. Vivian (2002) *Employers Skills Survey 2001*. Sheffield, DfES.
- Home Office (2002) *Business Crime Consultation Document*. <http://www.crimereduction.gov.uk/business27.htm>
- Huberman, M. (1987) Steps Toward an Integrated Model of Research Utilization. *Knowledge, Creation, Diffusion, Utilization*. Vol. 8:4, pp 586-611.
- Hughes, A. (1998) *Growth Constraints on Small and Medium-sized firms, Working Paper No. 107*. University of Cambridge, ESRC Centre for Business Research.

A Government Action Plan for Small Business  
The Evidence Base

- Hughes, A. (2001) 'Innovation and business performance small entrepreneurial firms in the UK and the EU', in HM Treasury (eds.) *Economic Growth and Government Policy*. London, HM Treasury.
- Industry New Zealand (2002) *Promoting a Business and Enterprise Culture in New Zealand*.  
<http://www.nzte.govt.nz/common/files/promoting-enterpriseculture.pdf>.
- Inland Revenue (2003) *Customer Service Standards*. [www.inlandrevenue.gov.uk/pdfs/css1.htm](http://www.inlandrevenue.gov.uk/pdfs/css1.htm).
- Institute for Citizen Centred Service (2003) *Citizens First 3*. Canada Institute for Citizen Centred Service, [www.iccs-isac.org/eng/default.htm](http://www.iccs-isac.org/eng/default.htm).
- Institute of Chartered Accountants (2003) *Enterprise Survey UK Business Growth Plans and Barriers*. London, ICAEW.
- Jack, S. and A. Anderson (1999) Enterprise Education within the Enterprise Culture. *International Journal of Entrepreneurial Behaviour and Research*. Vol. 5:3, pp 110-125.
- Keeble, D. (1998) 'Growth Objectives and Constraints', in Cosh, A. and A. Hughes (eds.) *Enterprise Britain Growth, Innovation and Public Policy in the Small and Medium Sized Enterprise Sector 1994-1997*. Cambridge, ESRC Centre for Business Research.
- Keeble, D. (2000) 'North-South and Urban-rural Differences in SME Performance and Behaviour', in Cosh A. and A. Hughes (eds) *British Enterprise in Transition*. Cambridge, ESRC Centre for Business Research.
- Kemp, E., Mathew, K. and M. Corney (2002) *Review of the Evidence on the Rate of Return to Employers of Investment in Training and Employer Training Measures*. London, DTI.
- Kitchen, J. and R. Blackburn (2001) *The Nature of Training and Motivation to Train in Small Businesses*. Sheffield, DfES.
- KPMG (1999) *An Evaluation of the Small Firms Loan Guarantee Scheme*. London, DTI.
- Lloyds TSB (2003) *Business Start-Up Research*.  
[http://www.mediacentre.lloydstsb.com/media/docs/2003/nov/Sixty Per Cent of Britons Have Considered Being Their Own Boss.doc](http://www.mediacentre.lloydstsb.com/media/docs/2003/nov/Sixty_Per_Cent_of_Britons_Have_Considered_Being_Their_Own_Boss.doc).
- Luktvaslimo, M. (2003) Hva hendte siden: ungdomsbedrifter i den videregående skolen (What Happened Later The Company Programme in Upper Secondary Schools). *NTF-notat*. 2003:1.
- Madood, T., Virdee, S. and H. Metcalf (1995) *Asian Self-employment in Britain*. London, Policy Studies Institute.
- Mason, C. and R. Harrison (2001) *Designing an "Investment Ready" Programme: Some Considerations*. Unpublished Report to the Small Business Service.
- Mole, K. (2002) *Augmenting Productivity in SMEs*. Sheffield, Small Business Service.
- Mole, K., Greene, F. and D. Storey (2002) *Entrepreneurship in Three English Counties*. University of Brighton, Proceedings of ISBA Conference 25th National Small Firms Policy and Research Conference.

A Government Action Plan for Small Business  
The Evidence Base

Mukhtar, S. (1998) Business Characteristics of Male and Female Small and Medium Enterprises in the UK: Implications for Gender-based Entrepreneurialism and Business Development. *British Journal of Management*. Vol. 9:1, pp. 41-51.

National Association for the Self-Employed (NASE) (2003) *Poll Reports More Women turning to Self-Employment in new Decade*. [http://advocacy.nase.org/washington\\_watch/pdf/nov12\\_03.pdf](http://advocacy.nase.org/washington_watch/pdf/nov12_03.pdf).

Neighbourhood Renewal Unit (2003) *Changing Neighbourhoods, Changing Lives*.  
<http://www.neighbourhood.gov.uk/formatteddoc.asp?id=91>

Marlow S., Westall A. and E. Watson (2003) *Who Benefits?* London, New Economics Foundation and Prowess.

Nicoletti, G (2000) *Summary Indicators of Product Market Regulation with an Extension to Employment Protection Legislation*. Paris, OECD.

North, D., Smallbone, D., Lyon F. and G Potts (2003) *Business Led Regeneration of Deprived Areas*. London, ODPM, [www.neighbourhood.gov.uk](http://www.neighbourhood.gov.uk).

Nutley, S., Davies, H and I, Walter, (2002) *Working Paper 9. Evidence Based Policy and Practice Cross Sector Lessons from the UK*. London, SRC Centre for Evidence Based Policy & Practice.

O'Mahoney, M. and W. de Boer (2002) *Britain's Relative Productivity Performance: Updates to 1999*. London, National Institute for Social and Economic Research.

ODPM (2003a) *Business-led Regeneration of Deprived Areas; a Review of the Evidence Base. Research Report 5*. London, ODPM.

ODPM (2003b) *Changing Practices a Good Practice Guide for Businesses Locating in Deprived Areas. Research Report 6*. London, ODPM.

OECD (2001) *Promoting Entrepreneurship Amongst Women*. Paris, OECD.

OECD (2002) *Competition, innovation and productivity growth a review of theory and evidence, Economics Department Working Paper 317*. Paris, OECD.

OECD (2003) *The Policy Agenda for Growth an Overview of the Sources of Economic Growth in OECD Countries*. Paris, OECD.

ONS (2001) Annual Business Inquiry (special analysis for SBS). Unpublished report.

Orser, B., Hoggarth-Scott, S. and A. Riding (2000) Performance, Firm Size and Management Problem Solving. *Journal of Small Business Management*. Vol. 7:1 pp.42-58.

PACEC (2001) *Evaluation of Smart (including SPUR)*. London, DTI.

Patton, D., Marlow, S. and P. Hannon (2000) The Relationship Between Training and Small Firm Performance Research Frameworks and Lost Quests. *International Small Business Journal*. Vol. 19:1 pp 11-27.

Phelps, N., Fallon, R. and C Williams (2001) Small Firms Borrowed Size and the Urban-Rural Shift Regional Studies. Vol. 35:7 pp 613-624.

## A Government Action Plan for Small Business The Evidence Base

- Philips, B. and B. Kirchoff (1989) Formation, Growth and Survival Small Firm Dynamics in the US Economy. *Small Business Economics*. Vol.11. pp 65-74.
- Porter, M. (1995) The Competitive Advantage of the Inner City. *Harvard Business Review*, May-June.
- Poutziouris, P., Binks, M. and A. Bruce, (1999a) A Problem-based Phenomenological Growth Model for Small Manufacturing Firms. *Journal of Small Business and Enterprise Development*. Vol. 62, pp139-152.
- Poutziouris, P., Chittenden F., and N. Michaelas (1999b) *Working Paper 378: The Financial Development of Smaller Private & Public Ltd. Companies (SMEs)*. Manchester, Manchester Business School.
- Ram, M. and D. Smallbone (2001) *Ethnic Minority Enterprise: Policy in Practice*. Sheffield, SBS.
- Ram, M., Smallbone, D. and D. Deakins (2002a) *Ethnic Minority Businesses in the UK: Access to Finance and Business Support*. London, British Banking Association.
- Ram, M., Smallbone, D. and B. Linneker (2002b) *Assessing Potential of Supplier Diversity Initiatives as a Means of Promoting Diversification Among Ethnic Minority Businesses in the UK*. Sheffield, SBS.
- Reynolds, P. (1998) 'Creative Destruction: Source or Symptom of Economic Growth' in Acs, Z. (Ed.) *Entrepreneurship, SMEs and the Macroeconomy*. Cambridge, Cambridge University Press.
- Robson, M. (1998) The Rise in Self-Employment Amongst UK Males. *Small Business Economics*. Vol. 10, pp. 199-212.
- Scarpetta, S., Hemmings, P., Tressel, T. and J. Woo (2002) *OECD Working paper No. 329. The Role of Policy and Institutions for Productivity and Firm Dynamics Evidence from Micro and Industry Data*. Paris, OECD.
- Small Business Research Trust (1999) *Government Regulations and Paperwork*. NatWest SBRT Quarterly Survey of Small Businesses in Britain. Vol. 15:3.
- Small Business Research Trust (2001) *Government and Regulations. Quarterly Small Business Management Report*. Milton Keynes, Small Business Research Trust.
- Small Business Research Trust (2002) NatWest SBRT Quarterly Survey of Small Businesses in Britain. Vol. 18:4.
- Small Business Research Trust (2003a) NatWest SBRT Quarterly Survey of Small Businesses in Britain. 2003, Quarter 2.
- Small Business Research Trust (2003b) *Crime against Small Firms. Quarterly Small Business Management Report*. Milton Keynes, Small Business Research Trust.
- Small Business Service (2001) *Omnibus Survey of Small Business Opinions*. Sheffield, Small Business Service.
- Small Business Service (2002a) *Follow-up of Household Survey of Entrepreneurship 2002*. Sheffield, Small Business Service.
- Small Business Service (2002b) *SBS Household Survey of Entrepreneurship*. Sheffield, Small Business Service.

A Government Action Plan for Small Business  
The Evidence Base

- Small Business Service (2002c) *Omnibus Survey of Small Business' Opinions 2002*. Unpublished report.
- Small Business Service (2002d) *A Comprehensive Strategy for Start-ups: a Consultation Document*. London, Small Business Service.
- Small Business Service (2002g) *Public Procurement Survey*. Unpublished Report.
- Small Business Service (2003a) *VAT Registrations and Deregistrations, 1994-2002*. [www.sbs.gov.uk/statistics](http://www.sbs.gov.uk/statistics).
- Small Business Service (2003b) *SME statistics for the UK 2002*. [www.sbs.gov.uk/statistics](http://www.sbs.gov.uk/statistics).
- Small Business Service (2003c) *Small Firms Big Business: A Review of Small and Medium sized enterprise in the UK*. London, Small Business Service.
- Small Business Service (2003d) *Business Plan 2003: Making the UK the Best Place in the World to Start and Grow a Business*. London, Small Business Service.
- Smallbone, D. and F. Lyon (2001) *Policy Support for New Business Start-ups: A Review*. (Unpublished report to the SBS).
- Spilsbury, D. (2001) *Learning and Training at Work*. Sheffield, DfES.
- Stevenson, L. and A. Lundstrom (2001) *Patterns and Trends in Entrepreneurship/SME Policy and Practice in Ten Economies*. Örebro, Swedish Foundation for Small Business Research.
- Stockdale, B. (2002) UK Innovation Survey 2001. *Economic Trends*. London, DTI.
- Storey, D. (Ed.) (2000) *Small Business Critical Perspectives on Business and Management*. London, Routledge.
- Strategy Unit (2003) *Ethnic Minorities and the Labour Market*. London, Cabinet Office.
- Strategic Policy Making Team (1999) *Professional Policy Making for the Twenty First Century*. London, Cabinet Office.
- Synovate (2003) *SBS National Client Survey Report*. Unpublished Report.
- Taylor, M. (2001) Self-Employment and Windfall Gains in Britain Evidence From Panel Data. *Econometrica*. Vol. 68, pp. 539-565.
- Tenon Forum (2003) *Report on Entrepreneurial Britain*. London, Tenon Group.
- Tether, B. (1999) *Briefing Paper No. 2: Small Firms, Innovation and Employment Creation in Britain and Europe*. Manchester, Centre for Research on Innovation and Competition.
- Vinnell, R. and Hamilton, R.T. (1999) A Historical Perspective on Small Firm Development. *Entrepreneurship Theory and Practice*. Vol. 23:4, pp 5-18.
- Westall, A., Ramsden, P and J. Foley (2000) *Micro-entrepreneurs Creating Enterprising Communities*. London, IPPR.

A Government Action Plan for Small Business  
The Evidence Base

World Economic Forum (2003) *Global Competitiveness Report 2003-2004*. [www.weforum.org/gcr2003](http://www.weforum.org/gcr2003).

World Bank (2003) *Doing Business in 2004 understanding regulation*.  
publications.[www.worldbank.org/ecommerce/catalog/product?item\\_id=1384804](http://www.worldbank.org/ecommerce/catalog/product?item_id=1384804).

Young Enterprise Northern Ireland (YENI) (2002) *Response to the Northern Ireland Executive: Draft Programme for Government and Budget*. Belfast, YENI.

Zairi, M. and M. Youssef (1995) Quality Function Deployment a Main Pillar for Successful Total Quality Management and Product Development. *International Journal of Quality and Reliability Management*. Vol. 12:6, pp. 9-23.