

### Article

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## **Do Enterprise Support Programmes Leave Women Holding the Baby?**

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### **Abstract**

Using data from a longitudinal study of working-class participants on a youth enterprise start-up programme in the UK, we examine whether programmes aimed at disadvantaged groups enable parents to combine business trading with childcare responsibilities. Business planning and programme selection practices ignored childcare, rendering it a solely private matter, invisible to public scrutiny. Yet this childcare barrier became both a cause and a consequence of business failure. Participants' experiences of combining trading and childcare varied by gender. All mothers and one father had complex strategies for synchronizing trading and childcare responsibilities. However, these strategies soon collapsed,

contributing to business closure. Most fathers relied on the children's mother to organise and conduct continuous care but this was dependent on fathers becoming breadwinners through profitable trading which was not achieved. There is growing policy recognition of the importance of the childcare barrier to paid work for lower income families and for self-employed women in the UK. However, despite recent initiatives, severe constraints remain for working class parents to start and manage a business. Several implications for policy are discussed.

### **Introduction and Research Objectives**

The promotion of business start-up is now a common feature of the policy landscape in the advanced economies of the west (Storey, 2003). In the United Kingdom, attempts are being made to encourage social groups hitherto under-represented in small enterprise, including women and people from disadvantaged backgrounds, to consider business start-up (SBS, 2004). Such policies have several aims: to promote social inclusion by enabling 'excluded' groups to take up paid work (SBS, 2004); to advance the competitiveness agenda by increasing the total UK business stock (SBS, 2004), and; to reduce the social security bill and child poverty (DfEE, 2001; DWP, 2004). Similarly, economic development policy in most western economies includes initiatives to promote enterprise to women (OECD, 2003) and to disadvantaged groups or areas (OECD, 2005).

Policymakers in the UK aim to raise the proportion of business owners who are women to 18-20% by 2006 (SBS, 2003). They recognise that women face specific barriers to business trading, among them combining trading with childcare responsibilities - the 'childcare barrier' (SBS, 2003). That childcare may block fathers from small enterprise is rarely discussed. The childcare barrier to paid work more broadly is addressed in the UK through the National Childcare Strategy (NCS) and tax credit systems, which aim to extend access to affordable, high quality childcare for low income and other families (HM Treasury, 2004a, b). However, these policies are not targeted specifically at parents starting businesses. In fact, enterprise and childcare policy continue to be only loosely related in the UK. Easing access to work by supporting childcare is also a policy priority in other western countries, including the European Union (EU, 2005). While there is a growing literature on how these impact on employment (e.g. OECD, 2004), there is limited analysis of how they policies serve small business owner-managers.

Drawing on data from a longitudinal study of youth enterprise programme participants in the UK conducted between 1997-99, we consider the nature of the childcare barrier faced by disadvantaged mothers and fathers starting new businesses and examine how the programme mediated the childcare barrier. Crucially, the paper uses its findings to comment on the likely adequacy of contemporary UK childcare policy to tackle the childcare barrier to business trading. These findings will inform policy-makers in other western nations by developing knowledge of the childcare support

needs of disadvantaged parents starting businesses and by suggesting developments of enterprise and childcare policies. We begin by considering the literature on the childcare barrier to trading.

### **The Childcare Barrier to Business Trading**

Both national (Anthias and Mehti, 2003; Baines et al., 2003; Bell and La Valle, 2003; Bradley and Boles, 2003; Marlow et al., 2003) and international (DeMartino and Barbato, 2003; Bock, 2004) studies report that many women start businesses in the belief that trading can be ‘flexibly’ combined with family responsibilities. A small proportion of men also enter small business for similar reasons (DeMartino and Barbato, 2003; Bell and La Valle, 2003). Mothers’ strategies for combining paid work with childcare often involve patching together a variety of care resources (Skinner, 1999) into a childcare ‘jigsaw’ (Baines et al., 2003). Like women in employment, female business owners construct their childcare jigsaws by drawing on professional childcare, informal care from family and friends as well as their own personal care work (Bell and La Valle, 2003). Mothers are less able than fathers to rely on partners for childcare while they are working (Barclays Bank 2004). Women in business also commonly trade while caring for children simultaneously or invest non-standard hours in their business, often by working from home, strategies that may not be available to employed women (Sullivan and Lewis, 2001; Loscocco and Smith-Hunter, 2004).

Fathers in business more often rely on mothers to organise the family's childcare jigsaw and to provide the majority of care work, although some fill 'gaps' in their partner's childcare jigsaw and a small minority take a greater responsibility for childcare (Baines et al., 2003). Some couples in business report sharing trade and childcare work in a 'shift parenting' pattern, in which parents alternate undertaking paid work and childcare.

It cannot be assumed that business trading necessarily enables parents with significant childcare responsibilities to satisfactorily combine childcare and paid work, however. Pursuit of the strategies outlined above depends on the availability of financial and other resources which are unequally distributed by gender and class. Severely resource-constrained parents with significant childcare responsibilities may find 'juggling' childcare and trading requires a high degree of 'self-exploitation' in terms of taking responsibility for the organisation and conduct of childcare while running a business (Baines et al., 2003) and foregoing leisure time. Indeed, in a major UK survey, Bell and La Valle (2003) reported that self-employed mothers are more likely to report unmet childcare needs than employee mothers, indicating a tension between the expectation and reality of combining childcare and trading. Williams (2004) found that time spent on childcare was positively associated with shorter durations of self-employment by both females and males and, consequently, argued that enterprise policies should be better co-ordinated with childcare policies to maximise the durability of self-employment.

## **Methodology**

This paper reports on data from a longitudinal study of male and female participants in a national youth enterprise programme conducted between 1997-9 in Greater London (for full details, see Rouse, 2004). All 11 respondents were parents of children aged under 10 years and ten had at least one child of pre-school age; four were also expecting a second child during the fieldwork period. Up to four face-to-face interviews were conducted with the panel of African Caribbean and white parents generating a wide range of qualitative data. Figure 1 provides details of respondents' family circumstances.

- INSERT FIGURE 1 HERE

Observation data of the programme were collected by one of the authors acting over a three week period. Seven committee meetings were attended in which programme participants were selected. Documentary analysis of respondents' business plans was also undertaken.

A grounded, qualitative approach to data collection and analysis was adopted. The research began with the broad question of how programme participants experience business start-up, trading and failure. Childcare emerged as one of the foci (or codes) of the study through observation of its importance in respondents' lives and, specifically, through a process of open and then selective coding of interviews (Glaser, 1997) using NUD\*IST, a

computer assisted qualitative data analysis system. Several provisional conceptual models were developed iteratively and refined before arriving at the theoretical framework linking identifications (including being a work parent) eventually adopted for the study. As the theme of being a working parent emerged, so interviews became more focused on exploring childcare experiences (for full details, see Rouse, 2004).

To overcome the danger of fragmenting data through coding and to aid within-case analysis, each respondent's experience was summarised in a matrix combining phases in business development with identifications (including being a working parent). Following Miles and Huberman (1994), a 'meta-matrix' drawing together experiences of being a working parent was developed to aid cross-case analysis. Ultimately, both the matrices and coded data were employed to develop theory about childcare experiences.

### **The Enterprise Programme**

The programme is a national initiative, partly government funded, providing finance and other support to help unemployed and under-employed young people aged 18-30 (31 if disabled) to start a business. The programme targets 'disadvantaged' groups, including the disabled, ex-offenders, ethnic minorities and lone parents - those with restricted access to important resources needed to start a business and manage it successfully. To date, the programme claims to have helped over 60,000 young people to start a business (source undisclosed to maintain anonymity).

Three routes of entry into the programme were identified from conversations with programme officials and applicants: self-referrals, network referrals from other organisations and outreach work. Most respondents were recruited through network referrals from enterprise agencies, the now-defunct Training and Enterprise Councils or the Government's Employment Service.

The programme acted primarily as a funder of new ventures. Applicants developed business plans during start-up courses run primarily by other agencies. Programme selection committees, composed primarily of ex-businessmen acting in a voluntary capacity, judged the viability of applicants' business ideas, their commitment to business start-up and whether they were sufficiently disadvantaged to warrant programme support. Committees were observed to accept more applications than they rejected, partly because of pressure to meet start-up targets. The programme also offers mentoring, training and monitoring support but this was found to be limited for this sample of applicants.

At the time fieldwork was undertaken (1997-9), approved business ideas were funded through 'soft' start-up loans of up to £5,000 and, in certain circumstances, grants of up to £1,500 (£3,000 for partnerships). Loans were repaid at 3 percent interest (4 percent for expansion loans) over three years, although a standard repayment 'holiday' existed during the first year and

further breaks of six months could be requested. Some loans included matched funding from high street banks, whose terms and conditions varied. Eligibility rules for grants were not entirely transparent, but applicants with young children or a disability and ex-offenders were the most common recipients. Despite targeting young people in their 20s - the age at which women are likely to have their first child (ONS, 2004) – specific grants to cover childcare costs were not available under the programme. All 11 respondents received a start-up loan (mean average £2,482); in two cases (Alice and Avril) this included matched funding. Nine respondents received a grant (mean average £1,522). A separate evaluation study reported that the average funding given to programme participants during 1998-2000 was £2,695 (source undisclosed). This compares to the mean average £3,727 received by the 11 respondents here, possibly reflecting the greater funding given to parents, compared with the childless, and decisions made locally about the needs of businesses started in London. In addition, Rosemary received grants totalling £2,500 to buy equipment for her children's nursery. No other respondent received additional significant start-up capital.

As with other enterprise programmes participants (Rosa, 2003), particularly those with few qualifications (Meager et al., 2003), respondents started businesses in easy-entry sectors requiring low start-up capital and few specialist skills (Figure 2). This reflects, in large part, the class resources available to these young adults. None had significant personal savings or access to family financial resources; indeed, some had high personal debts.

Respondents had limited human capital, as manifested in educational qualifications and previous work experience. A minority held intermediate vocational qualifications (e.g. basic computing and business administration), though usually unrelated to the activities in which they intended to trade and none was in full-time employment immediately prior to joining the enterprise programme. Social capital resources were also limited. With little, if any, experience of employment, few respondents possessed the contacts considered vital to business start-up, either as resource providers or as customers. Some respondents also faced other sources of social exclusion. Three had serious criminal records (Chris, Sheryl and Terry), two had a recent history of mental health difficulties (Chris and Paul) and two had a disabled child (Chris and Terry). In short, respondents lacked the class resources – financial, human and social capital - necessary to start more ambitious enterprises.

- INSERT FIGURE 2 HERE

Respondents to this study reflect the disadvantaged groups (including the unemployed, underemployed or labour market inactive and single parents) typically targeted by enterprise programmes, in the UK and elsewhere. More advantaged parents may be able to draw on personal and familial savings and household income to support businesses and childcare during start-up. Indeed, in the UK, personal investment is the primary source of start-up capital (Fraser, 2004), creating a clear disadvantage for those unable

to draw on personal or family wealth. Access to state-funded childcare is more equal across social groups in the UK, but may vary across time and place. This research sheds insight into the experiences of young, working class parents starting new enterprises, both within and beyond the parameters of a UK enterprise programme, under conditions of scarce access to state-financed childcare facilities.

### **The Childcare Barrier Prior to Youth Enterprise**

Reflecting the traditional gendered division of childcare (Gershuny et al., 1994; Baxter, 2000), participants' childcare responsibilities at the time of joining the programme were strongly gendered. All mothers were the primary, and sometimes sole, carers for their children. The five fathers had less responsibility for childcare; only Terry acted as his child's primary carer. For the four fathers with little childcare role, childcare was not a significant barrier to paid work.

All mothers and the one father with full-time childcare responsibilities, however, faced a significant childcare barrier to paid work prior to joining the enterprise programme. Lacking the financial resources to access professional childcare – which tends to be a quarter higher in London than elsewhere in the UK (London Development Agency, 2005: 148, Table 3.26) - and lacking consistent access to informal care, mothers found their childcare jigsaws incomplete, making full-time employment unsustainable. Indeed, three mothers had left full-time employment due to the high cost of childcare.

Immediately prior to joining the programme, seven of the eight parents with significant childcare responsibilities were completely excluded from paid work due to childcare responsibilities. One more (Alice) could only conduct part-time work. Some respondents (Margaret, Tracy and Sheryl) had conducted paid work in the form of informal trade while simultaneously caring for their children, prior to youth enterprise, but this proved to be unsustainable. For all parents with childcare responsibilities, a major motivation to join the programme was the belief that starting a 'proper' business would enable them to combine income-generating activities with childcare responsibilities.

### **Business Planning: Rendering the 'Childcare Barrier' Invisible**

Programme selection and business planning practices encouraged parents to exclude childcare issues from their business plans, and thereby implicitly treat childcare as irrelevant to starting and managing a business. Selection panels were not interested in childcare, itself perhaps a reflection of the domination of middle-aged men on the panel, whose careers had probably not been affected by childcare responsibilities. Applicants were not required to include childcare costs in their business plans or to reflect on the viability of combining trading and childcare. Specific grants to cover childcare costs were not provided under the programme; applicants were encouraged only to include their families' normal living costs in the 'personal survival budgets' in their business plans. Business viability also largely rested on applicants' willingness to exploit their own labour, in the business and at

home, to make the business work; applicants often concealed or downplayed childcare responsibilities to present this strategy as feasible.

These practices and processes clearly demonstrate the gendered character of 'business planning', reinforcing the separation of public (business) and private (family/childcare) spheres, with an assumed male business owner acting as breadwinner and supported by a female domestic and care worker. Childcare is thereby constructed solely as a private issue and rendered invisible to the public business world. Similar arguments have been made about business ownership and entrepreneurship more broadly (e.g. Carr, 2000: ch.9).

Applicants' enthusiasm to join the programme meant they were largely compliant with rendering the childcare barrier invisible during business planning; one applicant (Alice) even concealed her pregnancy from the selection panel. Only one participant (Sheryl) did include childcare costs in the Personal Survival Budget section of her business plan, prompting critical debate amongst committee members, with several arguing against childcare being a legitimate business cost. In this case, the panel Chairman awarded specific support for professional childcare costs but only for two months, after which time business profits were expected to cover them. This expectation seemed highly unrealistic, given the poor financial performance of enterprises started through youth enterprise programmes (Meager et al.,

2003) and reflects a denial of the strength of the childcare barrier on the rare occasion when it was presented to the selection panel.

Rendering the childcare barrier to business trading invisible had three main consequences. First, it enabled applicants to demonstrate the viability of their business plans, within a context of scarce financial support, thus raising parents' and programme officials' expectations that disadvantaged parents can start businesses without broadening access to professional childcare. Second, it left unchallenged the programme's implicit assumption that childcare is irrelevant to business planning, reinforcing gendered assumptions about trading and childcare. Third, it limited scrutiny of applicants' unspoken plans to combine trading and childcare, by encouraging concealment by applicants. Such plans, then, remained private. Taken together, these outcomes were to have detrimental consequences for respondents' attempts to combine trading and childcare.

### **Private Childcare Plans**

Respondents did have plans for coping with childcare but these were treated as private, separate from business plans and hidden from programme officials. Private childcare plans concerned both the organisation and the conduct of childcare. Synchronising trading and childcare involved a range of strategies including organising other carers, transporting children between carers, shift-parenting, part-time trading, working flexible hours and trading and caring for children simultaneously (Figure 3). This is a

separate task from the actual conduct of childcare which could involve professional carers (either state-funded or privately financed), informal sources (co-parents, other family members, friends) as well as respondents themselves.

- INSERT FIGURE 3 HERE

Figure 4 summarises each respondent's private childcare plan. The four fathers with few childcare responsibilities had simple childcare strategies: they expected to rely on the child's mother to provide and/or organise childcare. The mothers and the one father with significant childcare responsibilities had more complex childcare plans. They believed that business start-up would increase access to formal and informal childcare, though not on a full-time basis, and that business trading would provide the time flexibility needed to organise the childcare jigsaw.

- INSERT FIGURE 4 HERE

The hope that business start-up would increase access to childcare support was based on three beliefs. First, members of social networks would take the new businesses more seriously than informal trading and provide more childcare to support business viability. Second, businesses would be better planned and supported than informal trading and, so, generate revenues to pay for professional childcare. Third, some respondents hoped to divert start-up capital

into childcare. It is noteworthy that, within a context of scarce public support for childcare, no respondent expected greater support from the state when they started their business.

Three of the four married or co-habiting parents (Rosemary, Terry and Tracy) expected to rely on their co-parent for childcare support. These three couples expected to synchronize their work to enable shift-parenting. This depended on a significant change in the domestic division of labour and was negotiated in exchange for promises of increased household income via business profitability. The other married mother (Alice) was in a business partnership with her husband. They planned a traditional division of labour, in which the husband would work long hours in the business and play little childcare role while she organised a childcare jigsaw.

The three single mothers could not rely on their co-parent for childcare support. Two (Avril and Margaret) planned to rely on mothers or ex-partner's mothers and friends, although in Margaret's case transportation problems restricted access to her informal carers. The third (Sheryl) had no access to free informal childcare and, so, had no option but to rely on professional services.

Despite a general expectation of accessing more childcare support, none of the parents with childcare responsibilities was optimistic about accessing full-time care for all of their children. Instead, they expected small

enterprise to provide sufficient time flexibility to synchronize paid work with a patchwork of childcare. All assumed they would have time to organise other carers, transport children between carers and provide childcare themselves on a part-time and flexible basis, to fill gaps in the childcare jigsaw. This inevitably meant working only part-time and flexibly in the business. Some parents also assumed it would be productive and safe to trade while caring for children simultaneously, either on business premises or at home. This, they hoped, would maximise their involvement in the business at times when childcare support was unavailable.

Overall, many respondents assumed that business start-up would enable them to construct a childcare jigsaw by providing new access to childcare resources and providing the time flexibility needed to synchronize paid work and childcare responsibilities. This contrasts with limited flexibility experienced in employment and explains parents' belief that combining trade and childcare is viable, despite poor access to professional childcare services.

### **Business Trading and the Collapse of Planned Childcare Strategies**

Parents' aspirations to combine trading and childcare collapsed within a few months of start-up. Again, experiences were gendered. Mothers' access to childcare support proved to be much more limited than initially anticipated partly due to the failure of their business ventures to generate adequate revenues to pay for professional childcare or to reward informal care. None

of the mothers' businesses made profits during the study period; indeed, most drained household income rather than contributed to it. This reflects the types of sectors entered and the limited financial and other resources respondents were able to bring to the businesses.

Business performance was also impeded by the difficulties of combining trading and childcare. Fathers withdrew childcare support when mothers' businesses did not provide household income and this created new difficulties in establishing the businesses. Women relying on their mothers or other family or friends for childcare found support to be irregular, creating significant gaps in their childcare jigsaws. None of the mothers had sufficient financial resources to sustain professional childcare. One woman (Sheryl), initially reliant on paid childcare, felt compelled to switch to cheap, but unregistered, childcare, a strategy that exposed her asthmatic child to the risk of serious harm as the childminder smoked in his presence. She then stopped trading to protect her children.

Fathers' expectations of relying on partners or ex-partners to provide childcare was initially more sustainable. However, these men were also under pressure to give more 'family time' and to generate income in exchange for partners' childcare labour. Lewis' partner gave him an ultimatum - to contribute business revenue to the household or provide childcare himself, freeing her to expand her part-time employment. This suggests that female partners may only be willing to take on the 'feminine'

role of providing free childcare, thereby enabling fathers to trade, if the men fulfil the 'masculine' task of breadwinning.

Strategies to synchronize business trading with childcare responsibilities also failed. Mothers worked hard at organising a childcare jigsaw but in a context of declining support for childcare, found that most of the jigsaw comprised their own care labour. At the same time, business costs were escalating beyond income, putting pressure on parents to work longer and more reliable hours in the business. Two mothers (Alice and Rosemary) had planned to trade and care for their children simultaneously and two more mothers (Sheryl and Tracy) adopted this strategy as initial strategies for synchronizing childcare and trading collapsed. However, conducting trade and childcare simultaneously may be contingent upon circumstances that are infrequent or lead to undesirable consequences. Rosemary registered her eldest child in her children's nursery business. This approach depends on the business providing childcare services – which most do not. For Alice, customers accepted the presence of children in her take-away food shop, an approach which may only be possible in certain kinds of feminised business such as caring, catering or cleaning, where the 'blurring' of 'professional' and 'domestic' lives may not have adverse ramifications for business reputation. Such practices can, however, expose children to the risk of harm, especially within poorly equipped business environments. Alice's children were observed playing in an industrial kitchen, near a collapsible table on which rested a gas stove and saucepan of boiling water. This seemed to

place the children at risk of harm. In fact, both Tracy and Sheryl subsequently acknowledged that they could not provide the necessary quality of childcare or give sufficient attention to trading when trying to combine these activities. Consequently, they prioritised good parenting over business ownership and ceased trading.

In summary, most mothers' childcare jigsaws were unsustainable, contributing to business closure. The hope of accessing increased childcare support was thwarted because informal care proved to be unreliable and businesses did not generate the revenues needed to pay for professional childcare. Other strategies to synchronize trading with childcare responsibilities failed because: first, mothers had to provide more care through their own labour than they had expected, and; second, private childcare plans had often made unrealistic assumptions about the time flexibility available to business owners. Covering fixed costs and establishing business legitimacy often depended on full-time trading and fulfilling the norm of separating childcare from working life. In the absence of childcare support, most mothers reverted to a 'default position' of trying to trade and conduct childcare simultaneously but this had adverse effects on both business performance and childcare. Consequently, mothers were forced to stop trading, reinforcing the view that childcare problems cannot always be resolved through the clever 'juggling act' undertaken by women; a basic lack of time to conduct work and childcare and an inability to buy

time in the form of commodified childcare services can preclude women from paid work (Baldock and Hadlow, 2004).

### **Implications for UK Policy**

UK policymakers explicitly recognise the importance of childcare support in helping families to break out of the cycle of poverty and worklessness (HM Treasury, 2004a: p10, para 2.30). This study indicates that if enterprise support programmes are to seriously address the childcare barrier faced, primarily, by mothers – and particularly working-class and lone mothers with limited capital resources - to start and run businesses, a number of policy issues need to be considered. Many of these are not currently being adequately addressed in the UK, despite recent policy innovations regarding childcare. We focus primarily on enterprise and childcare policy but also extend beyond this. Our arguments, though directed to UK policy makers, would also apply to other countries wishing to encourage enterprise among parents with significant children responsibilities and limited resources. As international evidence indicates that responsibilities for children are gendered, this will be important for women’s enterprise policy.

#### Explicit recognition of the childcare barrier

First, a more explicit recognition of the childcare barrier to trading is needed, both within enterprise programmes and in other policies encouraging business start-up. This is particularly pertinent in the context of policy aiming to increase the number of business starts among women,

especially those in disadvantaged groups lacking adequate resources to access professional childcare. Participants on start-up programmes could be required to discuss childcare issues in their business plans. Applicants are only likely to reveal the extent of the barrier, however, if agencies are perceived as likely to respond with the advice and resources needed to tackle it, or, at least, not dismiss such issues as irrelevant to trading. Continuing developments in the NCS should increase the options available to programme participants and other prospective business owners in the UK, but additional resources may also be required from enterprise programmes. Without this support, applicants may overstate the resources they can draw from their social networks to create a childcare jigsaw and underestimate the contingency of this support on immediate profitability.

#### Financial support for childcare

Parents – and particularly women and those from disadvantaged groups - require financial support to access professional childcare services. The programme reported on here did not provide specific childcare grants; nor did the selection committee look kindly on the inclusion of childcare costs in business finances. The UK Governments' Strategic Framework for Women's Enterprise states that enterprise programmes should include childcare grants (SBS, 2003), although these have certainly not been introduced into all contemporary UK programmes (Rouse and Boles, 2004). Childcare grants would enable mothers and fathers unable to access continuous informal childcare to purchase professional high-quality

childcare services, thereby freeing them to trade. More flexible start-up finance may also be required to enable participants to remunerate informal childcare provided within social networks.

Start-up childcare grants alone will not resolve the difficulties programme participants face in combining business ownership and childcare in the long-term. Participants typically start businesses with little capital in easy-entry sectors that are unlikely to generate adequate revenues to access professional childcare and will often require continuing access to childcare subsidies. UK policy innovations since the fieldwork was conducted have gone some way to enabling parents on low pay to access professional childcare. The NCS has increased the number of childcare places for children aged 0-14 (16 if disabled or with special educational needs) to 525,000 and a commitment has been made to further broaden this provision (HM Treasury, 2004a). There are also European Union targets for increasing childcare provision (Council of the European Union, 2004). However, free care places are only available to children of particular ages and for short periods of the day and overall state-funded childcare provision in the UK remains low by European standards (Hills and Stewart, 2004). Consequently, parents must still pay to access most childcare services. Support with these costs is available through the childcare element of the Working Tax Credit for those working 16 hours per week or more; currently, up to a maximum of 70 percent of costs or £300 per week (£175 per week for one child), whichever is the higher (HM Treasury, 2005).

However, as the Chancellor of the Exchequer recognises, this support may be insufficient to enable working class mothers to enter paid work (Brown, 2005) and it excludes families working less than 16 hours per week. There is also little evidence of the impact of the NCS and tax credit system on self-employed parents. It is particularly unclear whether the tax credit system can support owners drawing little or unpredictable income from their businesses.

#### Supporting Part-time Businesses

As many women and some fathers prefer to undertake some childcare themselves, overcoming the childcare barrier is not simply a matter of policy financing business owners to subcontract childcare tasks to others. Indeed, a policy of enabling access to full-time care at start-up may prove too inflexible and expensive if businesses are only established slowly (Marlow, 2003). For many mothers, and perhaps some fathers, the issue is how to combine a part-time business with childcare. According to Labour Force Survey figures, just over half of all self-employed women report their hours as part-time (Labour Market Trends, 2004). Motherhood is associated with lower labour market activity rates and a greater likelihood of working part-time rather than full-time. Such associations are stronger where the youngest dependent child is very young (HM Treasury, 2004b: Annex B). Given that young adults are more likely to have young children, enterprise programmes targeting young people may be more likely to encounter those wishing to trade part-time.

Parents need creative advice on how to sustain viable businesses while investing only part-time hours. Part-time businesses may require more long-term support as they take longer to become established (SBS, 2003). Developing such initiatives is consistent with the Strategic Framework for Women's Enterprise, which calls for part-time trading to be taken seriously and supported, and with the UK Equal Opportunities Commission's call to develop more rewarding part-time work opportunities (Mellor, 2005). However, there is a genuine risk that the current policy emphasis on growing businesses may lead to the marginalisation of part-time businesses if these owners show no interest in business expansion. Should this happen, those trading part-time may become further alienated from the business support network. As women are much more likely to trade part-time than men this, in turn, leads to gender inequalities in business support provision.

#### Encouraging redistribution of childcare responsibilities

A crucial means of supporting women in businesses – but of much broader import than small business policy - is to challenge the unequal childcare burden they face within families in terms of both the organisation and conduct of childcare. Male business owners rely heavily on free childcare from female partners but female owners do not enjoy the same support (Anthias and Mehti, 2003; Basu and Altinay, 2003; Barclays Bank, 2004). Consequently, women's involvement in small enterprise may depend on accessing more childcare support from fathers. Our data indicate that this

assistance may be provided at business launch but diminish if businesses are not immediately profitable.

It is clear that the tension between business trading and childcare cannot be resolved easily, especially in the context of low-profit businesses started by disadvantaged groups through enterprise programmes. The childcare barrier will only be addressed through creative thinking on the part of policymakers, enterprise programmes and families and by the injection of significant additional material resources. A clear finding from this research is that women cannot create a childcare jigsaw or synchronize their business and childcare responsibilities through sheer determination alone. Juggling childcare and trading may also seriously reduce the quality of childcare received by children, including exposure to serious harm. Such outcomes contradict UK policy initiatives to improve the care received by children from disadvantaged backgrounds. Parents need sufficient financial resources to access reliable childcare support as well as advice on trading part-time to build a sustainable childcare jigsaw.

## **Conclusion**

Childcare responsibilities are a significant barrier to business trading for working-class parents, particularly mothers as they are usually children's primary carers. As enterprise start-up programmes tend to target disadvantaged groups, it is essential that they develop policies to tackle this childcare barrier. This depends on improving business viability as much as

specific action to increase access to affordable, high-quality childcare. The failure of most programme participants to organise childcare successfully was both a cause and consequence of an inability to generate an adequate business income. Unreliable childcare arrangements made it difficult to focus fully on the business; limited business revenues restricted participants' options with regard to childcare.

Recent UK government initiatives to include mothers in paid work such as the NCS and tax credit systems are to be welcomed. However, access to free childcare support is scarce and further research is required to assess whether disadvantaged parents have benefited in terms of starting and sustaining small business trading as a result of these initiatives. There is also little comparative evidence of how childcare policy developments in other western countries are serving women in business, signifying a need for international and comparative research.

If policy is to seriously address the childcare barrier for parents wishing to start businesses, advances must be made in a number of areas. Enterprise support programmes must confront the childcare barrier issue head-on by offering advice and financial support to those – very largely women – attempting to start businesses while undertaking responsibility for childcare. Childcare must be rendered visible in business plans so that both childcare and business activities are planned realistically and participants are enabled to access childcare support. Genuine support for part-time businesses may

encourage business starts among mothers (and possibly some fathers) and support providers should not expect to convert all part-time businesses into full-time businesses; many women, in particular, do not want this. Beyond enterprise policy, measures aimed at bringing about a redistribution of childcare responsibilities between mothers and fathers may also help in the longer term. However, such social change is unlikely to be rapid. In the meantime, policy should aim to enable women to cope with their unequal responsibility for childcare.

While this research has focused on enterprise programme participants in the UK, it is likely to have broader resonance. Many western governments seek to promote enterprise among women and disadvantaged groups, encounter an unequal distribution of childcare responsibilities between men and women and espouse a policy interest in expanding support for childcare to encourage women's participation in paid work. The challenge of 'joining-up' enterprise and childcare policies to enable disadvantaged parents to start a business is likely to exist in these countries too.

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