**Entrepreneurship and Homes: Policy and Practice**

***BIS/ESRC Seminar***

Thursday 15th January, 2015,

BIS Conference Centre *1 Victoria Street, London*

**Presentations and Speakers**

**Home-based businesses in Scotland: issues for government support**

*Professor Colin Mason, Adam Smith Business School, University of Glasgow and*

*Dr Darja Reuschke, Department of Geography & Sustainable Development, University of St Andrews*

A first ever profile of home-based businesses in Scotland will be provided based on a survey of the Scottish membership of the Federation of Small Businesses in 2014. First, new information on the scale and nature of the home-based business sector in Scotland will be presented. Through comparing statistically home-based businesses with other small businesses, some myths about the sector will be challenged. Second, ways in which local and national governments can support this unrecognised sector of the economy will be proposed.

**Colin Mason** is Professor of Entrepreneurship in the Adam Smith Business School, University of Glasgow. He previously held a Chair in the Hunter Centre for Entrepreneurship, at the University of Strathclyde and before that was at the University of Southampton. His research and teaching are in the area of entrepreneurship and regional development. His specific research interest is in entrepreneurial finance. He has written extensively on business angel investing. He has recently undertaken research on high growth firms and on technology firms in Scotland on behalf of Scottish Enterprise and on Entrepreneurial Campuses for QAA Scotland.

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**Darja Reuschke** is based at the Department of Geography & Sustainable Development, University of St Andrews and has over a decade’s experience in government, academia and consultancy. Her work focuses on newly emerging and complex interactions between homelife and worklife, self-employment and home-based businesses. She was a Marie Curie Fellow of the European Commission. She leads the ESRC Seminar Series *Entrepreneurship in Homes and Neighbourhoods* and published the book *The Economies of Urban Diversity* (Palgrave, 2013).

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**Developing the policy agenda for HBBs**

*Daniel McLaughlin Enterprise Strategy, Department for Business, Innovation and Skills*

Dan works on enterprise policy and strategy at the Department for Business, Innovation and Skills. The team has a key role in driving growth by promoting the enterprise agenda across Government and more widely and are committed to make the UK the best place to start and grow a business. The team led on developing Small Business: GREAT Ambition which was published in December. This is the Government’s commitment to making it easier for small businesses to grow.

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**Policy priorities: the view from HBBs**

*Emma Jones - Enterprise Nation*

**Emma Jones** started her first business at the age of 27 from her spare room in Manchester and successfully sold it 2 years later to Tenon Group plc. This experience provided the inspiration for Emma's next venture which launched in January 2006. Enterprise Nation - www.enterprisenation.com - has become the most popular resource in the UK for anyone starting and growing a business from home, attracting over 100,000 unique visitors each month. In 2009, Emma was responsible for the UK's first ever Home Enterprise Day, held during Global Entrepreneurship Week; a chance to celebrate the millions of people who have turned a talent/hobby/skill into a way of making a living, and part of their home into a business HQ. Emma is the author of 'Spare Room Start Up - how to start a business from home' and 'Working 5 to 9 - how to start a successful business in your spare time'

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**The Governance of Home-Based Work - Lessons from Tokyo and Dharavi**

*Dr Frances Holliss, Workhome Project, London Metropolitan University*

Charles Booth's Survey of Poverty in London provides evidence of widespread home-based work at the start of the C20, in occupations that often made a positive social and economic contribution to the neighbourhood. But social reformers, concerned about horrific conditions in the East End of London, elided the problems of overcrowding and poor sanitation with that of home-based work. And as a result, the 'Model Housing' that replaced the slums was designed to prevent home-based work - and managed through Tenancy Agreements that prohibited it. Much UK social housing is still designed and governed in this way. At the same time, Ebenezer Howard published his idea of the 'Town-country Garden City', which aimed to combine the best qualities of town and countryside; a central strategy was to separate dwelling from workplace. This idea was adopted, and adapted, by urban planners across the world and still informs a great deal of planning policy today.

The combined impact of these two movements resulted in the development of a rigid web of rules and regulations, and silos of government, that formalised and cemented the separation of dwelling from workplace, home from work, in the UK. Still in place in the C21, this is increasingly problematic for the rapidly growing contemporary home-based workforce. This paper will analyse a range of governance areas that impact negatively on 76 diverse home-based workers in urban, suburban and rural contexts in England, two thirds of whom have been found to operate covertly, either because they fear they are or because they actually *are* breaking some regulation or other.

Positing the need for radical change in this field, this paper will introduce governance systems that encourage and support home-based work in Tokyo and the Mumbai settlement of Dharavi - and discuss the potential for similar approaches in the UK.

**Frances Holliss** is an architect and Emeritus Reader in Architecture at London Metropolitan University. Her on-going research and publications concern the emerging field of design for home-based work. Her first sole-authored book, *‘Beyond Live/Work: the architecture of home-based work’*, will be published by Routledge in February 2015.

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**Rural home: A woman’s place to set up and nurture her own business venture**

*Professor Pooran Wynarczyk, Newcastle University Business School*

In recent years, there has been a burgeoning interest by policy makers, academics and practitioners in home-based business (HBB), primarily driven by the fact that this enterprise/self-employed segment of the economic activity represents the largest and fastest growing subset of the overall business sector in the UK. It has been estimated that economically active women are more likely to work from home or set up a HBB than their male counterparts. This has led to some general stereotyping views and assumptions about the importance and contribution of HBBs to local and regional economic development. It has been argued, for example, that using the ‘home’ as the ‘place’ for self-employment may provide the opportunity for the flexibility needed for women to balance between work and caring responsibilities, but as sacrifices for prosperity and growth. Moreover, it has been suggested that women have simply migrated lower skill jobs and activities, which are generally associated with the ‘normalisation process’ and nature of women’s work, into the home environment.

The empirical investigation, based on a survey of some one hundred women owned HBBs located in rural Northumberland, the most northerly and remote county of England, demonstrates that the connectivity technology, the so called ‘feminine media’ has reframed the concept of ‘home economics’, providing an effective medium for engaging women in the labour market. Contrary to general assumption that women operate HBBs in crowded and marginal sectors, mainly, as a hobby and on part-time basis, the paper argues that the reality is quite different. There is evidence of women-owned rural HBBs being full-time and serious ventures, spanning all sectors, adding value to communities from local to global, demonstrating innovation, as well as intent to become sustainable through diversification. Opportunities, rewards and economic benefits generated by HBBs need to be further promoted and supported via appropriate policy measures and business support networks as a viable and serious employment opportunity, as well as a solution to dual-role conflict experienced by some women who may otherwise be deterred from playing active roles in the local and regional economic development

**Professor Pooran Wynarczyk** holds the Personal Chair of Small Enterprise Research and is the founding Director of the Small Enterprise Research Unit (SERU) at Newcastle University Business School. She is an elected RSA (Royal Society for the encouragements of Arts, Manufactures and Commerce) Fellowship Councillor At Large, a former Board Director of the Institute for Small Business and Entrepreneurship (ISBE), founder of the ‘ESRC sponsored ‘North East Role Model Platform for Innovative Women’, and a shortlisted finalist of the Women in Science and Engineering (WISE) Advisor Awards, 2012. Her longstanding applied research, publications and impact generated activities, sponsored by, for example, the Economic and Social Research Council (ESRC), EU, and Enterprise Research Centre (ERC) are centred around entrepreneurship, economic performance, innovation/open innovation, home-based business, science and technology, with particular focuses on SMEs, women and young people.

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**The entrepreneurial home: the home as a service**

*Helena Polati Trippe, Royal College of Art*

The paper examines current systems of interaction and types of value generated in UK housing and the role of disruptive service platforms which enable the home to become a site of economic production and entrepreneurship. The paper uses both analytical and practice based design case studies which explore the alignment of relationships of exchange and value creation. The focus is to explore how these can foster new ownership models by democratising access to an entrepreneurial home as a productive resource. It further examines the design of future services and how these can re-align relationships of value more effectively to address issues of affordability and produce alternative approaches to asset based welfare.

**Helena Trippe** is a public policy and social innovation designer and researcher. She has a BA (Hons) in Sociology and Media Communications from Goldsmiths College (2002) and an MSc in Urban Regeneration and Governance from the LSE (2003). She has extensive knowledge of welfare, housing, local government and public service improvement and has advised a number of public, private and third sector clients across the UK on project planning, strategy and delivery, policy, research and is an expert at community consultation. Helena worked as the Head of Service Improvement for one of the UK’s most recognised housing and resident involvement consultancies and three years in the economic regeneration team at a large institutional landlord. She is also undertaking PhD on housing innovation and service design at the Royal College of Art. She works as a consultant in the public sector around innovation and research and is currently incubating RentSquare - a social innovation start up - with Nesta using open data to bring transparency helping people make better decisions in the private rented sector.

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**Tax compliance and home-based businesses: an institutional perspective**

*Colin C Williams, Sheffield University Management School (SUMS), University of Sheffield,*

This paper addresses the problem of the tax compliance behaviour of home-based businesses. Given that risk assessments identified the low compliance of the self-employed, especially sole traders, it can be assumed that many home-based businesses (HBBs) are less than fully tax compliant. The starting point of this paper is that this non-compliance is a result of the asymmetry between the codified laws and regulations (i.e., formal institutions) and the unwritten socially shared norms, values and beliefs of HBB owners (i.e., the informal institutions). Where a lack of alignment exists between these formal and informal institutions, tax compliance tends to be lower both at an individual- and societal-level. To tackle non-compliance amongst home-based businesses, therefore, a call is made for a shift away from using direct controls that seek to either detect and punish informality or facilitate their formalisation using incentives, and towards an indirect controls approach that seeks to elicit a high trust high commitment culture that aligns the individual morality of HBB owners with state morality. This is shown to require not only alterations to the individual morality of HBB owners using tax education, awareness raising and normative appeals, but also changes in formal institutions to improve trust in government amongst HBB owners by firstly, developing greater procedural and redistributive justice and fairness and secondly, the development various country-levels structural conditions such as social protection, more effective social transfer mechanisms and greater state labour market expenditure to protect vulnerable populations who operate HBBs.

**Colin C Williams** is Professor of Public Policy in Sheffield University Management School (SUMS) at the University of Sheffield in the United Kingdom. His research interests include the informal economy, work organization and the future of work, subjects on which he has published some 20 books and 350 peer-reviewed journal articles over the past 25 years. His recent books include *Confronting the Shadow Economy: evaluating tax compliance and behavior policies* (2014, Edward Elgar), *The Shadow Economy* (2013, Institute of Economic Affairs) and *Informal Work in Developed Nations* (2010, Routledge).

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**Employing workers in micro enterprises**

*Professor Jason Heyes and Dr Tim Vorley, University of Sheffield*

This briefing paper presents the findings of research conducted with 60 entrepreneurs and micro-business owners in South Yorkshire drawn from the ‘Professional Services’ and ‘Creative’ sectors. The research examined perceived challenges and barriers to taking on a first employee and the difficulties that very small businesses experience in relation to the day-to-day management of the employment relationship. The research covered a variety of home-based and non-home-based enterprises. While some of the challenges associated with employing for the first time differed according to the nature of the business, a number of common issues were also identified. These related to three key areas: firstly, perceptions of rules and regulations; secondly, information gaps and fear of the unknown; and thirdly, information needs and entrepreneurs’ preferences in respect of information sources and forms. The presentation will focus on these three areas and highlight the potential significance of the findings for policy.

**Jason Heyes** is Professor of Employment Relations in the School of Management at the University of Sheffield. Before joining the Management School in 2012, he was a Reader in Human Resource Management and head of the Organisation, Work and Employment group at the University of Birmingham. Jason regularly engages with practitioner and policy audiences and has undertaken research projects on behalf of the Low Pay Commission, the European Trade Union Institute (ETUI) and the International Labour Organisation (ILO).

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**Tim Vorley** is a Senior Lecturer in Entrepreneurship and his research primarily focuses on entrepreneurship and economic resilience in the UK and Europe, with a particular interest in public policy and governance.

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**Developing a collaborative approach to improve understanding of small businesses**

*Jacqui Jones, Office for National Statistics*
**Jacqui Jones** is Deputy Director of Government, Corporations and Classifications division in the Office for National Statistics. She has worked in National Accounts since 2010 and during that time has developed a strong interest in the measurement of unregistered businesses. Prior to this Jacqui, was instrumental in changing the culture of business data collection methodology at ONS with the establishment of a Centre of Expertise. She has also headed up methodological units covering editing and imputation; classifications, quality, statistical training, and survey control. Jacqui is co-author of the Wiley book Designing and Conducting Business Surveys.

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