

# GEM UK Regional Summary North West 2006



**Northwest**  
REGIONAL DEVELOPMENT AGENCY

Dr Rebecca Harding

### HIGHLIGHTS IN 2006

- The North West saw an improvement in its overall entrepreneurial activity to a level where it is at its highest for the last five years.
- Female entrepreneurship in the North West has equalled its five year high of 3.1%
- Entrepreneurship for the 18-24 age group in the North West is at 4.7% compared with a UK average of 3.8%.
- Ethnic groups in the North West are more entrepreneurial than UK averages. Those from the black, other asian and mixed white/black groups all have TEA (Total Early stage entrepreneurial Activity) rates in excess of the UK averages for those groups.

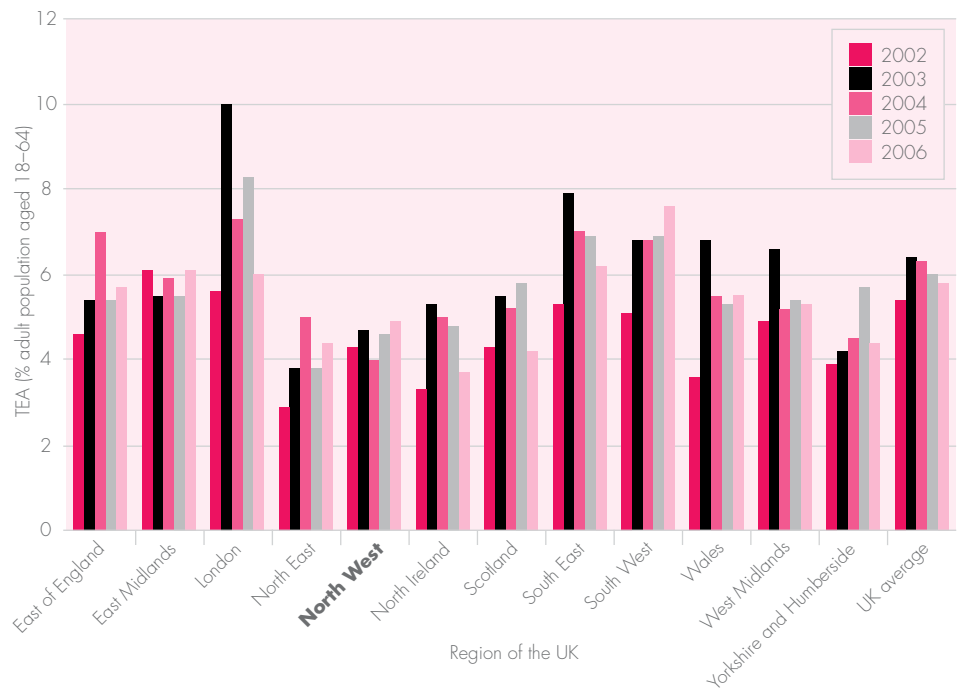


Figure 1: TEA in the UK regions Source: GEM UK APS, 2006

### REGIONAL COMPARISONS

The comparison of entrepreneurial activity in the UK regions is given in Figure 1. It shows that the South West is the most entrepreneurial region at 7.6% and Northern Ireland the least entrepreneurial at 3.7%. There was a net increase in entrepreneurial activity in the North West, from 4.6% to 4.9% between 2005 and 2006 placing, the North West slightly below the UK average of 5.8%. There have been falls in UK TEA each year for the last three years, so this rise is doubly positive.

Table 1 shows attitudes and perceptions of entrepreneurship across the UK regions. In the North West, individuals are less likely to be expecting to start a business, know an entrepreneur, see good opportunities, think they have the skills and more likely to fear failure, as in the UK as a whole. The TEA rate increase has been achieved despite this set of mildly negative attitudes.

	I expect to start a business in the next three years	I know an entrepreneur	There are good start-up opportunities where I live	I have the skills to start a business	Fear of failure would prevent start-up
East of England	6.6	27.1	38.6	49.5	35.3
East Midlands	7.8	24.2	36.1	51.6	34.3
London	11.4	25.6	32.8	45.8	35.5
North East	6.4	24.5	34.0	43.5	38.6
<b>North West</b>	<b>6.4</b>	<b>23.5</b>	<b>34.6</b>	<b>44.7</b>	<b>37.0</b>
Northern Ireland	5.6	25.7	35.2	41.5	41.8
Scotland	5.9	26.1	35.0	48.5	38.1
South East	8.6	26.8	39.3	52.7	34.9
South West	5.3	30.2	38.8	55.7	31.9
Wales	6.9	24.6	31.0	45.9	33.8
West Midlands	7.6	26.1	34.6	49.6	37.1
Yorks & Humberside	6.3	26.1	33.5	44.5	34.6
UK	7.8	27.2	36.8	49.6	35.8

Table 1 Attitudes towards and perceptions of entrepreneurship in the UK regions, 2006 Source: GEM APS, 2006

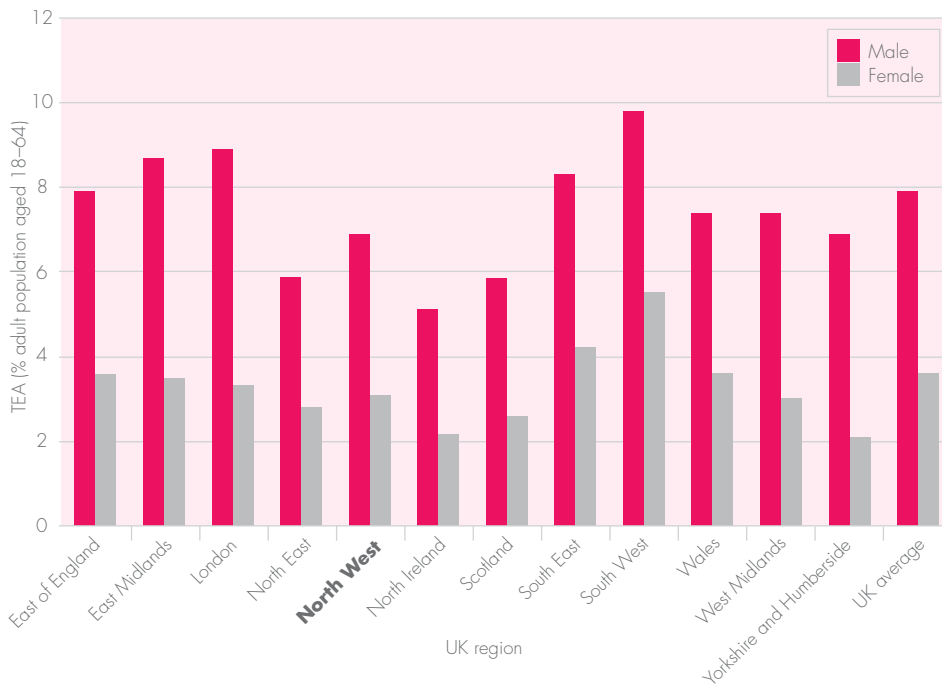


Figure 2: Male and female TEA in the UK regions Source: GEM APS 2006

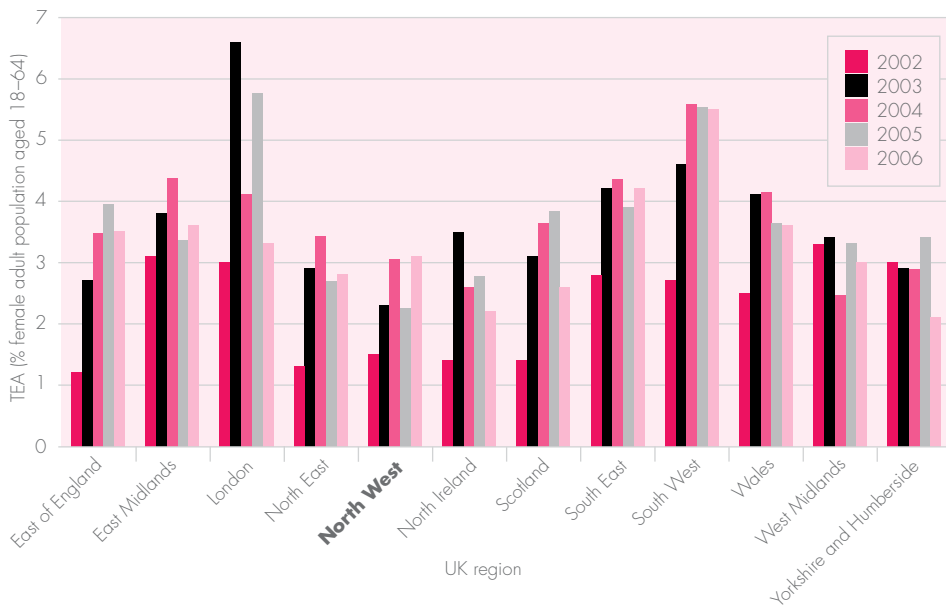


Figure 3: Trends in female TEA by UK region Source: GEM UK APS

### WOMEN'S ENTREPRENEURSHIP

Figure 2 shows male and female entrepreneurship across the UK regions. The North West rate is 3.1%. The South West has the highest level of female entrepreneurship at 5.5% while Yorkshire and Humberside has the lowest at 2.1%.

Figure 3 shows how the levels of female entrepreneurship have changed over the period since 2002. In general, the UK's level has remained relatively static at between 3.6% and 3.9%<sup>1</sup>. In the North, West, the figure has again reached a high of 3.1% which although below the UK average is closer to it than it has been for the last five years.

### ENTREPRENEURIAL PEOPLE

The following are some regional demographic highlights:

- The North West has higher levels of entrepreneurial activity in the 18-24 year old age group than the UK average at 4.7% compared with 3.7%. Levels for the next two age groups are below the UK average, but draw level by 45-54. The 55+ age group has one of the lowest rates in the UK at 2.6%.
- North West respondents who graduated before 2000 are slightly less entrepreneurial than for the UK as a whole, at 8.8% compared with an average of 9.1%, similarly those who graduated after 2000 are slightly less entrepreneurial at 5.4% compared to 5.7%.
- Rural entrepreneurship in the North West is 6.8% compared with an average for the other regions of 8.4%.

1. The differences over the period are not statistically significant.

- Entrepreneurial activity amongst individuals is higher than the UK average in the North West for those who work from home (3.3% compared to 1.6%), are out of work and claiming benefit (6.1% compared to 4.3%) and out of work and not claiming benefit (10.8% compared with 6.8%). Other categories have figures lower than the UK average.
- In the North West, the ethnic groups black, other asians and mixed white/black have the highest TEA rates. Those from Indian, Pakistani, Bangladeshi and white origins have lower than UK average TEA rates.

### POLICY CONCLUSIONS

The levels of entrepreneurial activity in the North West are below average for the UK as a whole. However, the analysis above suggests areas where policy could focus in the interest of boosting entrepreneurial activity beyond the UK average:

- Entrepreneurship amongst the youngest age groupings: this is the group where support networks and mentoring are the most effective and a boost on the demand side for this group would increase overall entrepreneurial activity.
- Rural entrepreneurship is slightly lower than for the UK as a whole. Women in rural areas across England are more likely to be entrepreneurial than women in urban areas and by boosting women's enterprise in the rural parts of the North West this could serve the joint objective of boosting female and rural entrepreneurial activity.
- Entrepreneurial activity is high amongst those who are working from home and for those who are excluded from the labour market because they are out of work. By boosting support to develop sustainable and growth-oriented business amongst these groups, the North West could begin to provide a role model for home working as an entrepreneurial opportunity and for demonstrating routes out of unemployment for the UK as a whole.