



Northern Ireland narrative



2023

The Gender Index overview for Northern Ireland, 2023

Nola Hewitt-Dundas

Pro-Vice-Chancellor and Professor of Innovation Management & Policy, Queen's University Belfast

Key findings:

- In 2023, The Gender Index suggests there were 67,388 companies in Northern Ireland, equivalent to 1.48% of all UK companies and representing an increase of 2,621 companies over the previous 12 months. As such, Northern Ireland was one of the few UK regions to experience a growth in the stock of companies over the year.
- In Northern Ireland, the rate of early-stage entrepreneurship in 2021 was 9.1%, which was lower than the average UK rate of 11.5%. (11.8% in England, 10.3% in Wales and 9.5% in Scotland.)
- Compounding the relatively lower rate of early-stage entrepreneurship in Northern Ireland, Northern Ireland also has the lowest share of women engaged in early-stage entrepreneurship of all UK regions (7.2% in Northern Ireland, 10.0% in England, 9.8% in Wales and 7.7% in Scotland).
- The gender-based share of all Northern Ireland companies remains relatively stable, at 64.8% for male-led, 13.6% for female-led and 18.9% for mixed gender-led companies.
- Comparing turnover (sales) growth between female-led and male-led companies across regions suggests a consistent pattern: on average, female-led companies grew slightly faster than male-led companies across all regions with the exception of the South West.
- Relative to the other UK nations, Northern Ireland continues to be the nation with the lowest share of female-led companies at 13.6% compared to the UK average of 17.3%.
- Although Northern Ireland witnessed an increase in the share of fast growth companies from 0.17% of all companies in 2022 to 0.42% in 2023, only 8.9% of female-led and mixed gender-led companies were high growth over the period. This compares to 9.1% in the UK overall, 10.7% in Scotland and 12.1% in Wales. This represents a deterioration in the share of female-led companies achieving fast growth compared to 2022 (8.9% in 2023 compared to 9.8% in 2022).
- The proportion of Northern Ireland female-led companies accessing external capital in 2023 was the highest rate for all UK regions at 27.6%, compared to a UK average of 23.4%.
- Northern Ireland had the lowest proportion of active EIS qualifying female-led companies accessing external capital at 10.4% compared to a UK average of 10.9%.
- Similar to elsewhere across the UK, female-led companies in the ≥ 42 age bracket, are more likely to receive external capital.
- Northern Ireland has a considerably lower proportion of companies that are ethnic minority-led at 8.2% of all companies.

- Women are somewhat more likely to be company owners among ethnic minority-led companies at 20.5% compared to the overall population share of 13.6%.
- Despite a significantly lower share of ethnic minority-led companies in Northern Ireland, these companies are performing relatively strongly in receiving capital: 23.6% compared to the UK average of 23.3%.
- However, ethnic minority female-led companies were less likely to receive external capital at 14.3%.

1. Introduction

In seeking to understand the relative share of women in business leadership, an important indicator of this is the extent to which women are engaged in early-stage entrepreneurship. Although the UK compares relatively well to other high-income countries in the overall level of entrepreneurial activity, with early-stage entrepreneurship higher than other European economies¹, this varies considerably across the UK. In Northern Ireland, the rate of early-stage entrepreneurship in 2021 was 9.1%, which was lower than the average UK rate of 11.5%, 11.8% in England, 10.3% in Wales and 9.5% in Scotland.

Although the rate of early-stage entrepreneurship across the UK has rebounded from relatively low rates during the Covid-19 pandemic, the gap between Northern Ireland and the other UK regions persists. In addition, the gender gap in the proportion of men compared to women, involved in early-stage entrepreneurship, also remains. Despite the rate of early-stage entrepreneurship for women in Northern Ireland continuing to increase (from 3.1% in 2019 to 4.5% in 2020 to 7.2% in 2021), the gap between men and women has actually widened: 11% for men and 7.2% for women. As such, Northern Ireland has the lowest share of women engaged in early-stage entrepreneurship of all UK regions (Figure 1: 10.0% in England, 9.8% in Wales and 7.7% in Scotland).

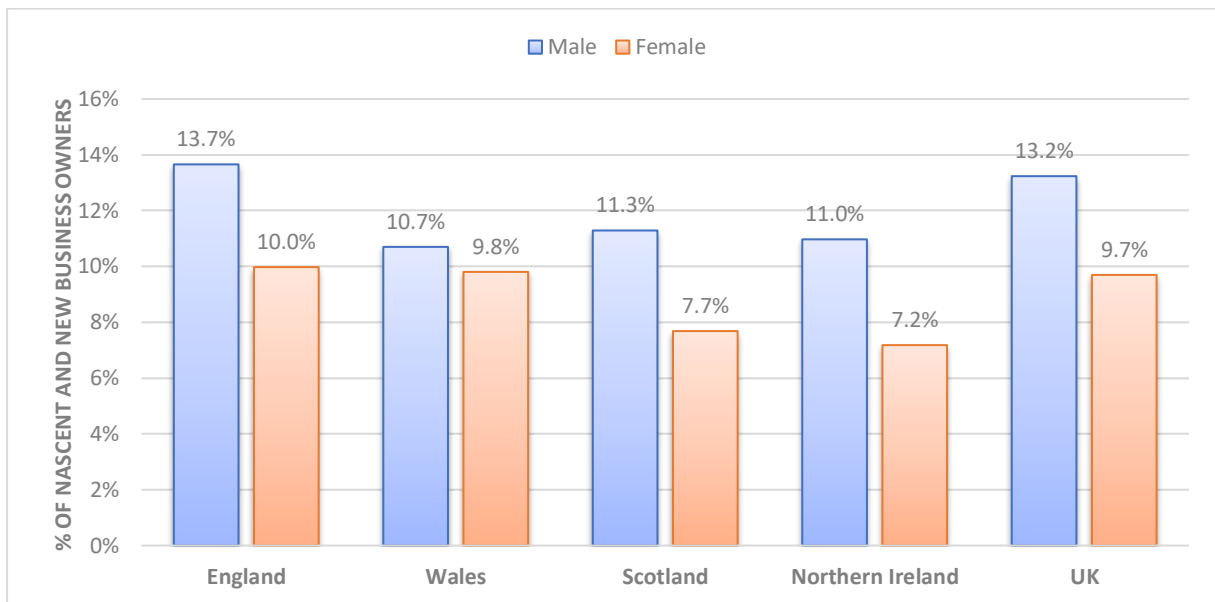


Figure X: Total early-stage Entrepreneurial Activity in the UK Home Nations in 2021 (Source: GEM APS)

¹ Figure 3.1, GEM Global Report, 2022.

2. Women’s business leadership in Northern Ireland

In 2023, the Gender Index data suggests that there were 67,388 companies in Northern Ireland, equivalent to 1.48% of all UK companies and representing an increase of 2,621 companies over the previous 12 months. This suggests that 2022-2023 witnessed a growth in the stock of companies in Northern Ireland. Interestingly, Northern Ireland was one of only a few regions where the share of the stock of UK companies increased (+0.02%) alongside Wales (+0.08%), Yorkshire and Humberside (+0.09%), the West Midlands (+0.12%), London (+0.09%) and the East of England (+0.04%).

ITL1 Region	Number of Companies	Share of total UK Companies by Region (%)	Change in share of UK Companies 2022 to 2023
London	1,283,461	28.25	0.09
West Midlands	365,448	8.04	0.12
North West	460,358	10.13	-0.01
South East	627,662	13.82	-0.35
East Midlands	259,236	5.71	-0.01
East of England	425,513	9.37	0.04
Yorkshire and The Humber	281,534	6.20	0.09
South West	303,533	6.68	-0.01
North East	103,459	2.28	0.00
England	4,110,204	90.47	-0.04
Northern Ireland	67,388	1.48	0.02
Scotland	228,477	5.03	-0.05
Wales	137,170	3.02	0.08

Table 1: Stock of companies across the UK in 2023 and change in the share of UK companies in each region 2022 to 23

Of these Northern Ireland companies, the share of female-led companies increased by 472, and mixed gender-led companies increased by 475. However, the number of male-led companies also increased, and therefore the gender-based share of all Northern Ireland companies remains relatively stable, at 64.8% for male-led, 13.6% for female-led and 18.9% for mixed gender-led companies. (Table 2)

Relative to the other UK nations, Northern Ireland continues to be the nation with the lowest share of female-led companies at 13.6% compared to the UK average of 17.3%. Although Northern Ireland has a slightly greater share of companies with mixed gender ownership, at 18.9% compared to the UK average of 16.2%, combining both female-led and mixed gender-led companies still positions Northern Ireland (at 32.5% of companies) below England (33.5%), Scotland (34.1%) and Wales (34.6%). Indeed, the only UK region that Northern Ireland surpasses in the share of companies with female-led or women in mixed gender-led companies is London (30.6%). Therefore while there have been some positive developments in Northern Ireland, with nearly 1,000 more female-led and mixed gender-led companies, women remain underrepresented in business ownership, compared to almost every other part of the UK.

Table 2: Female-led and mixed gender-led active companies: 2023 and 2022 (% companies)

ITL1 Region	Female-led (%) 2023	Mixed gender-led (%) 2023	Total (%) 2023	Total (%) 2022
South West	16.2	21.9	38.1	37.6
South East	17.0	19.1	36.1	36.0
East Midlands	16.7	18.8	35.5	35.0
East of England	16.6	18.0	34.6	34.5
Yorkshire and The Humber	16.5	17.5	34.0	33.5
West Midlands	17.6	15.8	33.4	32.9
North West	17.3	15.5	32.8	32.1
North East	15.6	17.2	32.8	32.6
London	18.6	12.0	30.6	30.6
England	17.4	16.1	33.5	33.2
Northern Ireland	13.6	18.9	32.5	32.4
Scotland	15.8	18.3	34.1	33.8
Wales	16.7	17.9	34.6	34.8
UK	17.30	16.2	33.5	33.3

3. Growth and fast growth in female-led companies

Turning our attention to fast growth companies², highlights improvement for Northern Ireland companies relative to the previous year. While the percentage of fast growth companies in Northern Ireland to 2022 was 0.17% of all companies, in this period to 2023, this proportion has increased to 0.42% (Table 3). Indeed, Northern Ireland surpasses all other regions in the proportion of companies achieving fast growth. Unfortunately, less encouraging is the share of female-led companies achieving fast growth. Of all female-led companies in Northern Ireland, only 8.9% recorded fast growth over the period, compared to 9.1% in the UK overall, 10.7% in Scotland and 12.1% in Wales. This represents a deterioration in the share of female-led companies achieving fast growth compared to 2022 (8.9% in 2023 compared to 9.8% in 2022).

Extending this to mixed gender-led companies highlights a similar pattern with again a lower proportion of mixed gender-led companies in Northern Ireland achieving fast growth (13.1% compared to a UK average of 14.5%). As a result of this, companies in Northern Ireland with female owners (either sole owners or with men in the ownership team), are less likely than companies in all other UK home nations to achieve fast growth³.

² A 'fast growth' company is standardly defined as a company which achieves 20% sales growth in three consecutive years.

³ Only includes companies with +£1000 turnover, and < 1000% turnover change, to avoid outliers

Table 3: Female-led and mixed gender-led active companies recording fast growth, 2023 (% companies)

ITL1 Region	Percentage of companies defined as fast growth 2023 (%)	Female-led fast growth companies¹ (%) 2023	Mixed gender-led fast growth companies (%) 2023	Total: Share of fast growth companies that are female- or mixed gender-led (%)
Northern Ireland	0.42	8.9	13.1	22.0
England	0.37	8.9	14.5	23.4
Scotland	0.35	10.7	14.4	25.2
Wales	0.28	12.1	16.8	28.9
UK	0.36	9.1	14.5	23.6

¹ Calculated as the number of female-led companies that are fast growth, as a proportion of the total number of fast growth companies in the Nation.

4. Accessing external capital

Often business growth is positively correlated with business investment. It is well known that accessing external capital is particularly problematic for female-led companies. In 2023, despite female-led/mixed gender-led companies in Northern Ireland being less likely to experience fast growth compared to all other UK regions, the proportion of female-led companies accessing external capital in 2023 was the highest rate in Northern Ireland, at 27.6%, compared to a UK average of 23.4% (Table 4).

Table 4: Proportion of female-led companies accessing external capital: 2023

ITL1 Region	% Companies
London	25.1
South West	25.0
North East	24.8
South East	23.2
Yorks and Humber	22.1
East of England	21.9
East Midlands	21.4
North West	21.4
West Midlands	20.5
England	23.2
Northern Ireland	27.6
Scotland	23.8
Wales	24.8
UK	23.4

An important dimension of ability to access external capital is the proportion of active Enterprise Investment Scheme (EIS) qualifying companies. Here we find that the share of female-led EIS qualifying companies that secured external capital in Northern Ireland was slightly below the UK average, at 10.4% compared to the UK average of 10.9%. This proportion is notably below that in Wales at 15.8%, where the Development Bank of Wales has been particularly active.

Table 5: Proportion of active EIS qualifying female-led companies accessing external capital: 2023

ITL1 Region	% Companies
North West	13.6
East of England	11.6
West Midlands	11.1
London	11.0
South East	10.8
Yorkshire and The Humber	9.7
South West	9.4
North East	8.2
East Midlands	7.8
England	10.9
Northern Ireland	10.4
Scotland	10.8
Wales	15.8
UK	10.9

The Gender Index enables us to explore a further dimension in company investment through external capital. Disaggregating company ownership using the average age of directors⁴ in addition to the gender of directors, allows us to better explore the characteristics of female-led companies. For example, are female-led companies that are attracting external capital in the mid to later age groups, or the younger cohort of female company owners?

Overall, for those companies in receipt of external capital, where the age of the owner can be established, we find that Millennial-owned companies are the most likely to secure external capital (18.0%) followed by Generation Z companies (16.7%).

These proportions largely reflect the proportion of female-led companies in each generation of companies. So for example, female-led Generation Z companies account for c. 20.9% of companies with owners in the 11-26 year age cohort. Similarly, 16.7% of female-led companies in this generation cohort are in receipt of external capital.

⁴ **The Silent Generation:** Born 1928-1945 (78-95 years old); **Baby Boomers:** Born 1946-1964 (59-77 years old); **Gen X:** Born 1965-1980 (43-58 years old); **Millennials:** Born 1981-1996 (27-42 years old); **Gen Z:** Born 1997-2012 (11-26 years old); **Gen Alpha:** Born early 2010s-2025

Table 6: Proportion of female-led companies by generation and in receipt of external capital by generation: 2023

	Not known	Silent	Boomers	Generation X	Millennials	Generation Z
Northern Ireland % of all companies	18.8%	12.4%	10.1%	13.0%	17.0%	20.9%
Northern Ireland % with external capital	20.0%	10.0%	10.0%	12.8%	18.0%	16.7%

5. Ethnic minority female-led companies

Of the 67,388 companies in Northern Ireland, The Gender Index estimate that there are 5,587 ethnic minority-led companies, i.e. 8.2%. This is the lowest share of ethnic minority-led companies across the UK nations and regions, with a UK average of 33.3%, a high of 52.3% in London and the next lowest proportion at 17.4% in the South West of England.

Interestingly, although Northern Ireland has substantially fewer ethnic minority-led companies, of the population of ethnic minority-led companies, female-led companies are more likely than in the wider population (at 20.5% compared to a population share of 13.6%). In addition, this proportion at 20.5%, is similar to that across the UK, which ranges from 17.5% in the North East to 20.5% in Northern Ireland.

Looking at companies that secure external capital, again we find that despite a significantly lower share of ethnic minority-led companies in Northern Ireland, these companies are performing relatively strongly in receiving capital. 23.6% of Northern Ireland's ethnic minority-led companies received external capital, which compares favourably to the UK average of 23.3% and exceed that in Scotland (21.6%) and Wales (21.0%).

Ethnic minority female-led companies, although accounting for 20.5% of all ethnic minority-led companies, were less likely to receive external capital at 14.3%. That is, of the 1,318 ethnic minority-led companies receiving external capital in Northern Ireland, only 188 or 14.3% of these companies were female-led. This is below the UK average of 16.8% and the comparative rates for Scotland (16.9%) and Wales (16.3%).