RISK AND SUCCESS: RE-ASSESSING FEMALE ENTREPRENEURSHIP IN LATE VICTORIAN AND EDWARDIAN ENGLAND

Jennifer Aston and Paolo Di Martino
RISK AND SUCCESS: RE-ASSESSING FEMALE ENTREPRENEURSHIP IN LATE-VICTORIAN AND EDWARDIAN ENGLAND

Jennifer Aston, University of Birmingham, UK
Paolo Di Martino, University of Birmingham, UK

This paper contributes to the on-going debate on the role of women in the late-Victorian and Edwardian British economy by investigating the level of success of female entrepreneurs. In the last decade a number of path-breaking contributions have successfully challenged the established view that women operated in the ‘private sphere’ and only had a marginal role in the ‘public sphere’ and the economic arena.

Starting from these premises, this paper uses original qualitative and published quantitative sources on female bankruptcy to approach the debate from an unexplored perspective. Specifically, we investigate whether businesswomen tended to fail more often and under worse conditions, than men; circumstances that the business historiography commonly uses as a basic proxy for success or lack of it. This analysis sheds new light on the wider aspects of female entrepreneurship, allowing the ways that women managed their firms, approached risk, and raised financial resources to be explored. Furthermore, the study of bankruptcy also offers a new perspective on the way that contemporary institutions and culture looked at the role of women in the economy and society.

Preliminary results indicate that apart from a smaller size of firm, a female model of business did not exist. Little, if anything, suggests that women operated in less risky sectors or in closed and more protected markets than men, or that they relied on different types of financial intermediation. The result is a similar degree of success among men and women; the percentage of failures among women is consistent with their share of firms, and their businesses at the opening of bankruptcy procedures had ratios between assets and liabilities that were comparable with the rest of the population.

These results support the view that women were simply a structural component of the British economy, with no outstanding features or business behaviours unique to their gender.
RISK AND SUCCESS: RE-ASSESSING FEMALE ENTREPRENEURSHIP IN LATE-VICTORIAN AND EDWARDIAN ENGLAND

Jennifer Aston, University of Oxford
Paolo Di Martino, University of Birmingham

Introduction

An important and growing body of work examining the role of women in the eighteenth and nineteenth century British economy has emerged in recent years, with a particular focus on women as paid employees. However, only a small section of this otherwise vibrant historiography has examined the role of economically independent nineteenth-century women, and far fewer again have looked specifically to the successes and failures of female business owners. This hole in our understanding is a direct result of the long legacy of a traditional literature which argued that men and women belonged to different spheres, with the public and economic world reserved almost exclusively for men. The separate spheres theory, particularly its chronological assertion that the seventeenth and eighteenth centuries represented a golden age for women and that the nineteenth century was a period of dramatic decline in economic and social opportunities, has been comprehensively and systematically challenged. As historians have moved beyond the separate spheres framework, research into women and their role as entrepreneurs, business owners, and investors in the late eighteenth- and early nineteenth-century English urban economy has begun to emerge. Revisions to the

---

1Paper presented at seminars at the University of Birmingham, the Economic & Social History Seminar at Oxford University, the Institute of Historical Research London, and the 15ème Journée d'études sur les faillites, Université Paris Ouest, Nanterre. Jennifer Aston wishes to acknowledge the Economic History Society and Institute of Historical Research for their financial support.

Address for correspondence:
p.dimartino@bham.ac.uk
jennifer.aston@history.ox.ac.uk


3 Vickery, 1993, pp. 383-414 and 411.
earlier historiography show that businesswomen were a standard feature of every town or city’s economy in the early nineteenth century and continued to play an active role as investors and business owners in the urban economy throughout industrialisation. Moreover, new evidence from trade directories, advertisements and trade cards indicates that women operated a wide variety of businesses, rather than being restricted solely to those ‘feminine’ trades previously viewed as an extension of their domestic skills such as sewing and cooking. Significantly, this revisionist historiography also shows that business ownership gave women the opportunity to independently acquire the material assets that indicated middle-class status.

These ground-breaking studies thus have demonstrated conclusively that women could and did forge identities as independent economic agents, but this new vision of nineteenth-century life is still far from complete. Although the available evidence suggests that female business owners traded in a very similar way to their male counterparts and that their position as a business owner gave them an identity which ran in parallel to their gender identities, there are still a number of dimensions and directions that need to be explored. Understanding the fact that women did own businesses is only the first step in this reimagining of the economic and social opportunities available to nineteenth-century women. The next and arguably more important question is how women experienced these opportunities, and whether the concept of gender which has held such dominance over the popular as well as the academic image of Victorian Britain, should continue to be the primary lens through which nineteenth-century urban society is viewed. This paper uses new and original sources and an innovative perspective to explore the relationship between gender and business practices, with a particular focus on what the study of female entrepreneurship analysed from the perspective of failure can reveal about the bigger picture of economic and social life in nineteenth-century Britain.

This focus on the failures of female entrepreneurs offers a fresh and innovative perspective to women’s economic history as one of the most pressing questions concerning female entrepreneurship is the level of success that they achieved; more specifically the level of success that they achieved compared to other, male, traders. Recent research by Barker, Phillips, Kay and Aston has shown that women consistently operated firms throughout eighteenth and nineteenth century England which provided the financial resources necessary

---

5 Ibid.
6 Ibid., p. 171-3.
to sustain and support a family group. The women featured in these studies were, by and large, successful and this is primarily due to the fact that the surviving sources, such as trade directories, census returns, advertisements and probate records, feature women who had remained in trade whereas those whose businesses folded or failed, have left only faint archival footprints. There are two issues which emerge from this consideration of the historiography; the first is a question of what sources can be accessed which allow the examination of the ‘dark side’ of business ownership, and will illuminate what happened to firms which were not successful. The second issue concerns the way that we, as historians, create and use the definitions of success or failure.

In this perspective it is useful to turn our attention to the business literature where entrepreneurial “success” is often measured by looking at the ability to avoid bankruptcy. In absolute terms this measure is, indeed, very crude; limiting the definition of success in business to mere ability to survive hides the fact that entrepreneurs often aim at much more complex results. For instance, they might want to see their business expand and reach a given share of the market, maximise the return to their investment, enjoy a given lifestyle thanks to the profits generated, etc. In relative terms, however, bankruptcy represents a straightforward and unbiased proxy to assess the comparative performance of different populations of entrepreneurs. For instance, once a group of economic agents otherwise homogenous is desegregated according to a given characteristic (age; gender; race; etc.), whether the two populations show a similar ability to survive over time gives a first-glance useful information on their relative quality.

Using original quantitative and qualitative sources, the aim of this paper is to analyse the characteristics of the bankruptcy of women and to offer a measurement of the relative degree of success of female entrepreneurs in late nineteenth-century England and Wales (Scotland was subject to a separate bankruptcy system). In doing so, the paper will also unveil more information about the business practices of men and women, as well as on the contemporary attitudes towards women as independent economic agents.

This paper is structured as follows; the first section provides an overview of the sources and methodologies adopted. The second section offers an introductory study to the legal system concerning bankruptcy and the position of women in it. Section three provides a quantitative analysis of numbers of female bankruptcies, and of the assets and liabilities involved, as to reach a first-glance assessment of the success of female business owners.

---

7 Among many others, Carter and Van Auken, 2006.
Sections four to six qualify these results by analysing some of the features of the businesses women were involved in (size, and business practices in section four, sectors in section five), as well as the socio-cultural attitudes towards failed female entrepreneurs (section six). The final section provides some concluding remarks.

I. Sources and methodology

This study has used three incredibly rich but until now, largely unexamined, sources from the Board of Trade collection mostly held at the National Archive at Kew, but with some limited availability online: The Board of Trade Annual Report on Bankruptcy, the Index to Search Registers of the High and County Courts, and Official Receiver’s Reports in the Bankruptcy Department (High Court) of the Board of Trade.8

The Board of Trade Annual Reports on Bankruptcy Act as a window to the world of small business ownership of both men and women, allowing the historian to examine the way that they conducted their business and financial affairs and consider whether the similarities or differences of their actions can be explained by gender or if we need to look for some other factor. The different sections of these Reports offer invaluable information. Firstly, this is because of the mass of quantitative data that they contain. It is worth noting that the Annual Board of Trade Reports only include data on female bankruptcy in the years following 1895. The reason for the inclusion of such information was the growing pressure from trade organisations and members of the business community for the Board of Trade to clarify the consequences to companies and individuals who advanced credit to women who could benefit from different legal status. The reports of female failures give details of the types of business the women were operating, the level of their assets and liabilities by trade, and the way that they had been declared bankrupt, for example by Deed of Arrangement or under the Bankruptcy Acts. Data on female bankruptcy included in the Board of Trade Bankruptcy Annual Reports allows, first of all, a quantitative assessment of the number of cases, providing a first-glance analysis of relative performance and success. In order to finesse the basic information provided by the relative levels of bankruptcy, such measure needs be integrated by other relevant dimensions, in particular the ratio between assets and liabilities at the beginning of procedure. This ratio might suggest different level of relative lack of success; for however unsuccessful, a firm that manages to pay a higher share of debts is

---

8 The Board of Trade annual reports, available on line, have been used by various authors, among which Lester, 1994 and Di Martino, 2005. The other two sources, however, are hardly mentioned and, to our knowledge, never been used in conjunction.
relatively more successful than one that manages to pay less. If such a ratio appears to be different among two populations of entrepreneurs, similar percentages of bankruptcy could no longer be considered as the evidence of a similar degree of success (or lack of it).

In order for bankruptcy data to be used as a measure of relative entrepreneurial success, the populations of entrepreneurs considered have to been homogeneous in all dimensions but the one which is used to disaggregate them. One potential source of bias come from the functioning of institutional setting itself; in this perspective, in order for different groups of entrepreneurs to be considered homogenous not only formal rules of the game need to be the same for both of them, but also no informal cultural or social influence should make certain entrepreneurs more likely to be pushed into bankruptcy than others. As well as the quantitative information, the Annual Reports also reveal the issues that the organisation and staff who officiated over the bankruptcy process thought were important and also how different phenomena were perceived. The fact that many of the reports examined contain a separate section titled ‘Failures of Women’ indicates that female bankruptcy caused more than a fleeting worry to the financial and business establishment, and that the gender of the bankrupt was viewed as a factor which divided the cases from other (male) bankrupts who may have operated the same type of firm or failed for the same reasons. Examining the records of the Bankruptcy Courts in this way thus allows the potential biases of the legal establishment and its Officers against traders to be examined alongside their treatment of men and women who were otherwise employed, had an independent income, or were unoccupied. The Reports are crucially important to understanding the concerns of the trading community and subsequently the position of female bankrupts. The scarcity of sources which directly address the economic endeavours of women, particularly those in business, only serve to underline the importance of the Annual Bankruptcy Reports in explaining the world in which women were trading, and understanding contemporary attitudes towards them.

A second source of potential lack of homogeneity comes from economic factors such as the relative distribution of firms among industries (if different sectors have different levels of risk), firms’ size, sources of financial resources, business practices and attitude to risk. Whilst the Annual Reports offer some useful data and qualitative information on size and industries, they still do not reveal much about the business practices of the women. In order to collect more information on these aspects we make use of other two original primary sources: The Indexes to Search Registers of High and County Courts (1889-1893 and 1904-1908 volumes), and the Official Receiver’s Reports in the Bankruptcy Department (High Court) of the Board of Trade.
The Index to Search Registers of the High and County Courts consist of alphabetical lists of men, women and limited companies that entered bankruptcy proceedings, providing full details of the name, address and occupation, including the name of the firm, the court that the case was heard in, the number of the case and year, and finally the reference number of the bankruptcy case file. The 1889-1893 volumes of the Index to Search Registers were selected because they represent the earliest available surviving volumes following a change in bankruptcy law in 1883. Significantly, these volumes begin seven years after the Married Woman’s Property Act of 1882, thus allowing the potential effects of married women being legally entitled to keep their own earnings, and face bankruptcy proceedings, to be seen. The 1904-1908 volumes were selected for two primary reasons, firstly they allow the similarities, differences and trends of bankruptcy in the late nineteenth and early twentieth century to be examined. Secondly, the next set of Indexes includes bankruptcies that occurred in the years leading up to and in the first years of the First World War which brings with it the added complications of a war economy. The Indexes to Search Registers of High and County Courts allow information about female bankruptcies to be extracted and analysed according to their location, marital status, business type, and the year that they appeared before the Bankruptcy Courts. This data provides an important overview of insolvency in the late nineteenth and early twentieth century, with the bankruptcy of female business owners able to be considered in the context of the wider business community for the first time.

In order to gather more precise information on individual cases we use the Official Receiver’s Reports in the Bankruptcy Department (High Court) of the Board of Trade. The Reports were written by an officer of the Bankruptcy Court known as an Official Receiver who was sent to investigate the circumstances surrounding the person who had either filed for bankruptcy themselves, or was the subject of a petition launched by a creditor. The content of these reports vary from case to case but the vast majority include a comprehensive breakdown of the bankrupt’s accounts at the time of their meeting, a summary of the case with a final ‘deficiency’ of their assets, and a detailed list of monies owed, to whom and why. Many of the cases also include a questionnaire which consisted of forty-seven or thirty-three questions depending on whether the potential bankrupt was viewed as a trading or non-trading case. These questionnaires gave the person an opportunity to explain to the Official Receiver what the circumstances leading up to their financial difficulties were, as well as identifying what they viewed as the reason why they were no longer able to trade. The answers to these questionnaires are given in the bankrupt’s own words and are one of the very few sources that allow the thoughts, beliefs and stories of the female business owners
themselves to be heard, rather than the perceptions and opinions of other – usually male – commentators. Although the Official Receiver’s Reports represent a unique opportunity to explore the structure, assets, liabilities and practices of a female owned business in the late nineteenth and early twentieth century, they also serve as an example of how challenging it can be to trace small business owners, especially those outside of London, through the archives. As mentioned above, the Indexes to Search Registers of High and County Courts each contain a reference number which relates to the Official Receiver’s Report for that particular case. Unfortunately, although 1,891 female bankruptcy cases have been identified in the Indexes to Search Registers of High and County Courts volumes 1889-1893 and 1904-1908, only 112 case files of female bankrupts have survived, dating from 1901 onwards. This incredibly poor survival rate is due to the destruction of all the Official Receiver’s Reports from the provincial courts, as well as the National Archive implementing a selective preservation policy whereby they only kept a representative sample or the case files of any particularly notorious or infamous cases. Of these 112 surviving cases, thirty-seven (or a third) have been selected at regular intervals for closer examination; this number was chosen as it allowed the thorough examination of a cohort in a limited time frame, whilst also being large enough to demonstrate the validity and importance of such research, thus acting as a pilot study for a larger research project. The cases examined in this paper date from 1901, the earliest date that the case files survive from, to 1908 which is the same year as the latest Annual Board of Trade Report examined. Cases were selected to represent the seven years available as broadly as possible, twenty-six of the women are recorded as having occupations and eleven have no business or occupation. The cases of unoccupied women were selected for examination alongside those of the businesswomen whose cases are the main focus of this paper because there is yet to be a study which has examined and compared the bankruptcy behaviour of married, unmarried and widowed women regardless of occupation. Therefore it is necessary (as well as timely) that as well as exploring the practices and strategies of female owned firms at the turn of the twentieth century, this paper also offers a contextual backdrop against which these businesswomen who found themselves appearing in the bankruptcy courts were acting. To our knowledge no other sources exist which document female owned firms in this way, and which allow their personalities to shine through.

By piecing together elements from each of the three sources described above, we can begin to add colour, depth and texture to the existing picture of female business ownership. More importantly though, examining how women traded, created networks, and viewed their own business enterprises enables the historiography to advance in a new and exciting
direction and allow the practices of female business owners to be compared directly with their male counterparts.

II. The institutional setting

In Victorian and Edwardian England, all businesses run as sole-ownerships and partnerships (including limited ones) were subject to the 1883 Bankruptcy Act. Under this law, both creditors and the debtor were allowed to open the procedure which could result in a pre-bankruptcy composition or in liquidation. Bankrupted debtors lost a number of rights such as sitting in parliament or being the director of a public company, and even after the end of the procedure were still obliged to declare their prior failure to any future business partners. However, debtors could apply for debt discharge and if their application was successful, they would lose their condition of bankruptcy. In general debt discharge was either suspended for a length of time or subject to the payment of further share of debts besides the one decided during the bankruptcy procedure, and hardly given immediately. During bankruptcy procedure debtors were asked to provide their own explanation of the causes of their insolvency and of the state of their business, and such view was afterwards compared to the analysis conducted by the Official Receiver, a member of the Board of Trade in charge of this part of the procedure. It must be noticed that the 1883 Act was conceived to deal with personal bankruptcy in general, hence cases of business failure were treated alongside cases of inability to pay debts due to non-business circumstances. Also, debts below the threshold of £50 were subject to a different legislation which added to the element above, meant that bankruptcy was mainly reserved to middle class or upper class people, entrepreneurs, professionals and aristocracy alike. Alongside class, gender played an important role in the use of bankruptcy procedures; specifically, the Married Women Property Act of 1882 and 1893 made it impossible for women to be declared bankrupt unless they traded independently from their husbands, while men did not benefit from such option. The special legal status enjoyed by women raised concerns among trade organisations and members of the business community about its possible fraudulent use, and it is for this reason that since 1895 the Board of Trade started including dedicated statistics on the failure of women in its annual reports of bankruptcy.

Bankruptcy procedure, however, was only one of the two legal ways of dealing failure; since 1887 the Deeds of Arrangement Act explicitly recognised the use of pre-bankruptcy agreements as part of the official legislation. Deeds of Arrangements were deals between the debtors and the totality of their creditors which were registered by courts but were not subject
to their control. By law, such deals could only take a given forms such as liquidation, composition, or continuation of the business under the supervision of creditors. Deeds of Arrangement were very popular among debtors, as they did not imply the loss of rights associated to the condition of bankrupt, including the duty to declare such conditions when dealing with business partners. As far as creditors were concerned, deeds could be a double-edge sward; on the one hand they were cheaper than bankruptcy (hence offering higher debt re-payment) and in theory quicker too. However, they were not subject to courts control and did not imply, unlike bankruptcy, the involvement of representatives of the Board of Trade and the checks with came with it. In case of married women who did not trade separately from their husbands, however, this remained the only device left to creditors, apart from completely extra-judicial agreements. How many cases were dealt this way is, by definition, impossible to know as such agreements were informal and not recorded. However two factors reduced dramatically the convenience of Deeds of Arrangement and make it unlikely that they were attractive to many creditors. Firstly, any informal agreement collapsed if just one single creditor became unhappy with it and decided to push a debtor into bankruptcy; at that point any previous deal lost its validity to guarantee the equal treatment of all creditors. This means that as soon as the number of creditors increased the complexity and stability of such deals grew too. Secondly, it is hard to see the benefit to a creditor of having a fragile and informal deal when a stable agreement could have been reached and guaranteed by law with just the cost of registering it as an official deed of arrangement at the local court.

It is however important to recognise that the legal reality female businesswomen faced on a daily in the late-nineteenth and early-twentieth century might have been very different to what should have happened according to the strict letter of the law. It is also important to consider the extent to which women were able to exercise agency, and how the influence that they could exert with regard to their legal position and relationship with their creditors. Prior to the Married Women Property Act of 1882 and 1893, for example, women had been subject to coverture which meant that married women had no independent legal status and therefore could not sue or be sued. Nicola Phillips has examined the way that female traders actively utilised their position under coverture as a business strategy, ostensibly trading apart from her husband as separate individuals, but relying on their husband’s involvement to secure credit and then pleading the protection of coverture when their business suffered financial difficulties.⁹ Furthermore, Hannah Barker demonstrated that local customs, gaps in the

⁹ Phillips, 2006, p.86
common law and different interpretations of the law allowed female business owners in early nineteenth-century England not only to trade but to know that they had the option to seek legal restitution in the event of a professional disagreement.\textsuperscript{10} This is extremely significant as it demonstrates a high level of female economic agency in an era where the legal system was specifically designed to protect the male interest. Yet it is important to exercise caution when assessing the legal position of women in the nineteenth century. At the same time as women such as those found by Barker and Phillips were able to protect their assets and use the law to their advantage, there were others such as milliner Mary Holl whose business failed to be protected by her \textit{femme sole} status after her husband’s firm failed and his creditors managed to seize all of her stock.\textsuperscript{11} In citing Mary’s hardships, Alison C. Kay highlights the ‘worst case scenario’, one where women were not even able to rely on the few legal options available to them.

Although the \textit{Married Women’s Property Act 1882} gave women the right to keep any monies earned through their own endeavours during their marriage, evidence from this project suggests that married men and women continued to manipulate the legal system to best protect their family economies. There is little, if any, evidence to suggest that increasing numbers of women became business owners following the \textit{Married Women’s Property Acts}, suggesting that women’s legal position under \textit{coverture} was not so bad as to dissuade women from entering the market place, nor their new position so attractive as to encourage them.\textsuperscript{12} The evidence indicates that there was far more continuity than change, despite the altered legal situation, rather men and women simply adapted to the situation in which they found themselves. The case of Laura Jones and her husband from Dolgoch Farm, Brunguy, North Wales, highlights the way that married couples could use the woman’s legal position to shore-up a precarious economic situation. While Laura’s husband continued to run their farm in Wales, Laura moved to the Caledonian Road, Kings Cross, London where she traded as a Dairy and Provision Dealer. However, Laura had been trading for only three years before her business ran into trouble, mostly due to her over-extending herself financially and then the illness of both herself and her husband John; she clearly recognised that her business could not survive and she petitioned for bankruptcy in March 1904. Crucially however, when the Official Receiver inspected Laura’s business records they found that the business had virtually no assets and the only thing of any value was her household furniture. Unfortunately

\textsuperscript{10} Barker, 2006, p.127; Phillips, 2006, p.86.  
\textsuperscript{11} Kay, 2012, pp.20-21.  
\textsuperscript{12} Nenadic,1998; Aston, 2012.
for Laura’s creditors, she stated that the household furniture belonged to her husband and therefore they could have no claim over it as it was not part of her separate estate. It seems that Laura and John tried to diversify their primary business but had taken the precautions necessary to avoid quite literally losing the farm if it failed.\textsuperscript{13}

III. Number of cases, assets and liabilities, and level of “success”

In order to extract meaningful information from the number of cases of female bankruptcy it is first of all necessary to establish their number or, at least, their proportion to the total of businesses. The small size of female owned firms, the scarcity of official documentation on female business owners, and the unreliable and inconsistent recording of women in the nineteenth-century census returns, however, have resulted in a situation where it is virtually impossible to determine the number of women trading at any one time. That said, original data collected from trade directories published in Sheffield, Leeds and Manchester between 1780 and 1830, and Birmingham and Leeds between 1849 and 1901 show that the types of firms owned by women and the percentage share of the market that they occupied remained consistent throughout the late eighteenth and nineteenth centuries.\textsuperscript{14} Therefore, although it is not possible to give actual numbers of women trading, we can confidently hypothesise that approximately six per cent of business owners at the turn of the century were female. This data gives an estimation, however rough, of the levels of female business ownership and creates a context against which the levels of bankrupt business women can be considered.

An overview of the number of cases of female bankruptcies (fig.1) immediately reveals the implication of the special treatment reserved to women. Considering the estimates of female entrepreneurs in 6% of the total, the number of formal bankruptcies only reaches, on average, 4%. However, women are overrepresented among Deeds of Arrangements, making about 8% of the total. Averaging the two series, overall women made about 6% of the total number of bankruptcy cases. From an institutional point of view, it appears that the limitations in the use of bankruptcy for married women simply led to a substitution of these with Deeds of Arrangement.

\textsuperscript{13} Official Receivers File of Laura Jones, Ref: BT 226/1380, National Archive.

\textsuperscript{14} Barker, 2006; Aston, 2012.
In terms of assessing entrepreneurial capabilities, assuming a similar percentage of entrepreneurs among men and women (data are about personal bankruptcy, hence business and non-business related circumstances) at first glance women did not show any higher or lower tendency to get into bankruptcy than men.\textsuperscript{15}

In fact, data on the ratio assets/liabilities (fig.2) confirm how the two groups behaved in a similar way: for both Deeds of Arrangements and formal bankruptcy, men and women show very similar ratios, apart from some odd peaks (whose explanation is probably linked to the exceptional high number of widows who seemed to have higher assets/liabilities ratios).

In the light of the historiography, at first glance data on bankruptcy procedures suggest no major difference in the level of success of female entrepreneurs. As argued previously, however, this result requires some checks on the homogeneity of the two groups in terms of economic characteristics and on the presence of any socio/cultural biases in the functioning of institutional mechanisms.

\textsuperscript{15} This calculation is subject to a degree of uncertainty for two reasons. Firstly, debtors whose jobs are known are indicated in their professions but not in their roles so, for example, a builder could have been a manual worker failed for personal reason as well as the owner of a building company. However, even assuming that everybody involved in a given profession failed for business-related reasons, it is not always possible to extract data about debtors with no profession. This information is available for women (about 9\% on average during this period), but not for the whole group, as statistics for debtors with no profession are aggregated together with the ones of debtors in miscellaneous sectors. However, comparing the percentage of female debtors with no profession and/or miscellaneous professions with the same percentage for the whole group, the two appear rather similar (on average 16\% and 18\% respectively). Considering that the disaggregation for profession for the whole group includes far more job than the one for women we can conclude that the share on entrepreneurs was similar in the two groups.
IV. Firms’ size, business practices, and attitude to risk

In analysing the economic characteristics of the two groups of entrepreneurs (women and men), some interesting observations come from the relative size of assets and liabilities of the bankruptcy cases. As we saw, women showed very similar ratios assets/liabilities, but the total weight of assets (and liabilities) from female bankruptcy and Deeds of Arrangement over the total assets (and liabilities) in such procedures appears to be small. For instance, in bankruptcy cases liabilities and assets from female cases only make about 2% of the total amounts, despite female cases being about 4% of the total (fig.3). Similarly, for Deeds of Arrangement cases the percentages are about 4%, against 8% of cases (fig.4).

The most direct implication of this is that women operated, on average, in smaller businesses than men. This result confirms something that has been widely assumed by economists, historians and policy makers and that the Board of Trade itself explicitly acknowledged; in the 1897 report, for example, they noted that “the average liabilities and assets per case were much less, as might naturally be expected, than the average case of all failures.”\(^{16}\) Considering that smaller businesses are, by definition, more fragile and prone to failure,\(^{17}\) at first glance this result would suggest that similar levels of bankruptcies among men and women reveal, in fact, a higher degree of success of female entrepreneurs.

\(^{16}\) Board of Trade Annual Report, p.6.

\(^{17}\) Knaup and Piazza, 2007.
Figure 3: Share of female bankruptcies over total procedures
(Number of cases; assets; liabilities)

Source: Board of Trade, Annual Reports on bankruptcy, 1895-1913

Figure 4: Share of female Deeds of Arrangement over total procedures
(Number of cases; assets; liabilities)

Source: Board of Trade, Annual Reports on bankruptcy, 1895-1913

Although the statistical analysis given in Figures 3-4 suggests that female entrepreneurs were in fact more successful compared to their male counterparts, it is important that we are comparing apples with apples, by ensuring that women were trading in a similar way to men and vice versa. If we cannot establish that these shared business practices existed then it is a struggle to make any authoritative argument over the relative success of female business owners because different genders may have traded in completely different environments and
therefore do not represent a like for like comparison. Four main lines of argument emerge from the historiography of business women and bankruptcy in nineteenth-century Britain which have been traditionally used as evidence to argue that female owned businesses were fundamentally different in character to male owned firms. The first of these is that female traders typically not only operated in smaller firms than men but also that, as a consequence, they did not trade in the ‘normal’ marketplace in the way that male business owners did; instead they traded amongst their family and friends thus dramatically reducing their risk of failure. A further line of argument is that women were better at business simply because they were more risk adverse. Thirdly, it has been suggested that female business owners were more selective, and only women who were naturally ‘good’ at business ever got as far as owning their own firm, therefore far fewer women would fail. Finally, a common thread of argument centres upon the idea that women traded in ‘less risky’ industries and were therefore less likely to go bankrupt than a male trader whose firm was based in a more volatile trade.

In this paragraph we critically analyse the first three lines of argument, leaving the key issue of sectors to the following section of the paper.

The first line of argument is that smaller size of female firms also led to different, and less risky, business practices. Recent research into the business practices of female owned firms in late nineteenth century Birmingham and Leeds refutes this claim, arguing instead that the vast majority of businesses in this time were small firms employing under fifty people and those owned by women operated in the same way as those owned by men. Therefore although in terms of mere size female businesses were smaller, there is no evidence that this led to significant differences in the managerial style, because, in fact, all businesses (male and female) were relatively small anyway. Evidence from Manchester, Sheffield, Birmingham and Leeds shows that female business owners in late nineteenth-century England advertised their trade using the same methods and style as male business owners, and that they had personal and trade networks that stretched far beyond their home town, or even country. This reassessment of the scope and scale of female business ownership in late nineteenth-century Britain is supported by the Official Receiver’s Reports which show women trading in a range of businesses in a way that does not conform to the historiographical image of a small, semi-private firm. The Official Receiver’s Report which

---

18 Davidoff and Hall, 2002; Rose, 1992.
20 Aston, 2012.
details upholsterer and warehouseman Elizabeth Goodchild’s financial difficulties shows that her business and finances are far removed from a small, subsistence level business.\textsuperscript{21} One of the most striking features of Elizabeth’s report is the long list of creditors - seventy-one in total - but even more interesting than this however is the enormous geographic span of the individuals and organisations that were chasing Elizabeth for their money. In addition to the trading relationship that Elizabeth had with suppliers in and around her home city of London, she also sourced goods and services from Manchester, Birmingham, Bradford, Derby, Yeovil, Macclesfield, Belfast and Scotland; creating a trade network that stretched over four hundred miles. Yet this network formed only part of her business, the Official Receiver’s Report shows that Elizabeth was also exchanging products and services with business owners on the continent with creditors from Saxony, Belgium, Austria, France and Holland all registering their interest in the estate. The total deficiency of Elizabeth’s accounts is given as £1469 16s 6d, but from the details of her assets we can see that although she had a significant amount of stock-in-trade she had very little in the way of belongings.

Elizabeth’s business as an upholsterer certainly appears to have been ambitious in its scale, even if it was not successful in its execution. The number and geographic spread of the creditors trying to reclaim money is unusual among the thirty-seven cases examined and raises questions about the way that women dealt with bankruptcy. For instance if women, but more specifically female traders, used methods other than formal proceedings in the Bankruptcy Courts to deal with their financial failures, there will be far fewer women appearing in the records of the Board of Trade, thus making it appear that women were more successful. We can see that Elizabeth was trading within a large and widely spread network which made official bankruptcy proceedings a necessity rather than a choice, but what of businesswomen who traded on a more local scale?

One aspect of the first line of argument described above is that, as Phillips has argued, businesswomen in eighteenth-century Britain relied heavily on local, verbal credit networks and therefore any conflict would tend to be resolved within the local trading community, far removed from the official bureaucracy of formal bankruptcy proceedings.\textsuperscript{22} This, of course, would impact on the statistics, as fewer women would, ceteris paribus, made recourse to official bankruptcy procedures. Yet the Official Receiver’s Reports of female traders who appeared before the Bankruptcy Courts in the early twentieth century reveal that although many of the women were trading in networks which were heavily centred round their local

\textsuperscript{21} Official Receivers Report of Elizabeth Goodchild, Ref: BT226/2459, National Archive.
\textsuperscript{22} Phillips, 2006, p. 82.
area, their creditors still used the bankruptcy system to recover their money. This can be seen in the case of Agnes Esther Relf an unmarried dressmaker trading from 14 Eardley Crescent, Earl’s Court who faced bankruptcy proceedings in 1904 after her creditors submitted a petition to the Bankruptcy Court at the High Court to attempt to recover the money she owed them.\(^\text{23}\)

Agnes’s case is particularly interesting because with unsecured debts of £160 9s 8d, a figure which was later reduced to £126 13s 11d following gifts from her father and friends, she owed the least of the thirty-seven women examined. Examination of the Official Receiver’s Report shows that the person who actually filed the petition and brought the proceedings against Agnes was Mrs Jane Davis, a widow who lived less than half a mile from Agnes’s home and had lent her the sum of £5. Jane Davies was one of only three creditors whose claim was for ‘Monies Lent’ in the Official Receiver’s Report, with the other two creditors being Agnes’s father Richard and mother Mahala who had lent their daughter £35 and £15 respectively; the rest of the creditors are either trade suppliers or debts which can be explained as part of everyday living expenses. Regardless of why Agnes owed them money, each of her creditors was located within a few miles of her home and business premises at Earls Court and the value of the amounts were relatively small – the biggest debt for instance was £40 which was owed to a drapers firm on High Street Kensington with the rest of the debts (excluding the £35 owed to her father) all being sums under £20. Jane’s position as chief instigator in the case is further emphasised by the fact that Agnes’s only other creditors actually gifted her money to help her financial situation.

Yet despite the local nature of her debts, and the relatively small value of the monies owed, Agnes’s creditor Jane Davies still chose to utilise official bankruptcy proceedings. Entering the formal procedure of bankruptcy and investing the time, money and effort to force the debtor into the court system is clearly the result of the informal negotiations breaking down. However, trying to resolve a financial dispute informally rather than immediately submitting creditors petitions would surely be the process that the creditors of a male business owner would follow too; embarking on a costly legal battle when simple negotiation would suffice is akin to breaking a nut with a sledgehammer. Therefore, all of the bankruptcy cases – male and female – that were heard by the Courts were all ‘last resort’ cases where disputes could not be settled without official intervention; far more cases would have been resolved before the courts became involved. It is important to recognise that

gender was not necessarily the sole, or even the primary, motivating factor that dictated business behaviour in nineteenth and twentieth century Britain; owning a small business which was heavily invested in the local trade network was a very common experience for entrepreneurs of both genders.

The second line of argument is the idea of women as ‘risk-adverse’, an issue central to any discussion of female business owners; however it is also a common theme of women’s economic history more widely. The examination of the behaviour of women as investors in stocks and shares has revealed that, contrary to the widely held belief that women tended to be afraid of unpredictable financial investments and would only speculate in schemes such as the railways which would provide an adequate income for survival if not wild riches, women were actually far less risk adverse than has been assumed.24 Although there is a difference between a woman investing surplus funds in the stock market and a woman investing in her own enterprise, we should not forget the fact that a certain amount of risk is necessary to running a successful business, therefore being risk adverse could also be just as dangerous as taking too many risks.

The third argument which is often used to explain the success of female business ownership is that women were more selective that is only women with an inordinately high level of business acumen went into business. Aston’s recent research into female business owners in nineteenth-century Birmingham and Leeds suggests that the majority of women entered the business world after the death of a husband or father; therefore by accident of circumstance rather than choice.25 The Official Receiver’s Reports show that 57% of the sample cases were judged by the Bankruptcy Courts to have been caused by factors relating to ignorance of business, for example failure to keep accounts. This suggests that the women who became business owners were therefore a mixed ability group where only the ‘good’ and to some extent the lucky survived. This would also be true of male business owners, therefore the data from this study further emphasises the common or shared experiences of small business owners, be they male or female, in nineteenth century England and Wales.

V. Sectors

Although the managerial style of the businesses might be similar between men and women, despite the differences in size between male and female owned firms, the riskiness of certain trades would have had an obvious and significant effect on the likelihood of a firm

24 Green, Owens, Maltby, and Rutterford, 2011.
failing. Determining exactly what makes an industry riskier than another is not straightforward and probably such factors are not constant over time and space. For the period under investigation in this paper, Lester has argued that the fluctuations of trade cycles actual bore little relation to the number of bankruptcies in specific occupations. Instead, he highlights factors that were external to the trade cycles in occupations as causing high levels of bankruptcies in those particular trades. Taking the case study of the building trade, Lester shows that when the trade cycle was at its peak in 1900, there were actually more builders filing for bankruptcy when the opposite would be expected. The reason for this was that factors external to the trade cycle, in this case a rising interest rate which peaked in 1900, resulted in builders being unable to secure the short-term borrowing that they relied upon and therefore an increasing number could not continue to trade. He therefore attributes the cause of bankruptcies as being principally caused by the business’s small size, external factors such as the interest rates, and finally the inability to secure more credit.26

The high demand for credit within certain industries, and a business’s susceptibility to external forces, would not have been equal amongst different trade sectors, with the assumption being that certain trade types offered greater security and lower risk. Trades such as dressmaking, millinery, inn keeping and retailing with their low start up and overhead costs have been traditionally seen as the preserve of female business owners because the skills required were closely linked with domestic skills and they would have struggled to access the formal credit sources that would allow them to expand or establish trades that required expensive equipment. The lower initial investment, together with the fact that there were many opportunities for diversification to respond to external factors, means that these typically feminine trades are seen as low risk and should represent a low proportion of bankruptcy cases relative to the number of entrepreneurs operating in these industries. If this hypothesis proved to be true, we should then conclude that women operated in sectors with a structural lower propensity to insolvency and bankruptcy.

In order to analyse such an hypothesis we should compare data on the number of female entrepreneurs per sectors to data on the number of cases of female bankruptcies in the same sectors and, in turn, compare this to the same picture for the entire population. While data on the distribution of cases of bankruptcy per industry and gender can be derived from the Board of Trade Annual Report, very little is known of about the latter dimension. One way to bypass this problem is to reconstruct the distribution of entrepreneurs per industry from

26 Lester, 1994, p.279.
information contained within the trade directory databases. This has never been done for the entire population but thanks to the path-breaking efforts by Aston we know at least a desegregation about the distribution of female entrepreneurs in the city of Birmingham in the year 1900 (figure 5). As the economy of Birmingham large and diverse, we believe that these data represent a decent proxy for female entrepreneurs in Britain, but we still do not know the distribution for the whole population. At this stage thus the only possible analysis is an observation of the dynamic in the female population of entrepreneurs

**Figure 5: Female-owned business by sector in Birmingham, 1890**

At first glance, data on Birmingham tend to confirm the long-established historiographical tradition of describing certain trades such as some types of textile (dress-making; millinery), hospitality (inn-keeping) and retailing as ‘feminine’ and the preserve of women, whilst others such as manufacturing as ‘masculine’ and not accessible to women, although this should be taken with caution as it is unclear how much manufacturing is, in fact, included under the “textile” umbrella.

The Board of Trade Annual Reports show how many women failed in each trade which can be compared with the most common failures of all bankrupts by trade to determine whether more women than men failed in any given type of business or sector. Although comparison is interesting, the figures included in the Reports can only give the numbers of failures, they do not provide any information about the percentage of women who were still

**Source: Kelly’s Directory of Birmingham, 1890.**
solvent in any given trade and subsequently it is impossible to calculate the risk of a particular trade. A prime example of this is dressmaking. In 1904 when dressmaker Agnes Esther Relf was adjudged bankrupt, the businesses of forty-nine other dressmakers also failed; only ‘Grocers’ had more failures.\textsuperscript{27} Yet when the total number of women trading as dressmakers is considered, fifty failures is actually a rather small number and therefore it can be assumed with a reasonable degree of confidence that dressmaking was a low-risk trade.

By comparing the data contained within the Indexes to Search Registers to data extracted from trade directories, it is possible at least to glean a rough indication of the trades which were riskiest for women to trade in (figure 6).

**Figure 6: Trades and occupations of female bankruptcies in Provincial Courts, 1889-1893**

![Figure 6](image)

**Source: Board of Trade Indexes to Search Registers, BT 293/4-6**

The results of such analysis clearly show that the main female occupations had, in fact, very diverse degree of risk of failing. Retailing, for example, was remarkably low-risk, while food and hospitality was very high. Without data on the distribution on the whole population of entrepreneurs in these sectors it is impossible to draw any strong conclusion from this alone, but the fact remains that not all “female” sectors were the same in relation to the risk of insolvency. Interestingly, manufacturing, the stereotypical “male” industry, appears to be

\textsuperscript{27} 1904 Board of Trade Annual Report, p.6.
relatively risky, but not as much as food and hospitality. Similarly, textile seems relatively safe and, again, probably a big sector for male entrepreneurship as well.

These results must be seen as provisional and more research is needed to reach any solid conclusion but, at least, it does not seem that there is a very strong case for arguing that women business-owners operated in markedly lower-risk industries.

VI. Socio-cultural approaches to female bankruptcy

In addition to biases coming from economic factors, other distortions in the data might come from different institutional and/or cultural approaches to different categories of economic agents. In order to assess the socio-cultural approach to female entrepreneurship, and its possible impact on bankruptcy, it is interesting to start from the perspective of the Board of Trade. Two aspects, in particular, are very evident. The first one is that women were considered as marginal entrepreneurs, as appendixes or forced substitutes of their husbands. This is clear from the structure of the law itself that, as mentioned, automatically discharged married women, a condition shared only with two other categories: lunatics and children. Married women were thus considered as financially and economically independent from their husbands and automatically innocent of any wrongdoing. This is of course with the exception of women trading independently from their husbands; a category that was subject to bankruptcy. The impression, however, is that such category was supposed to be very small in dimension. The 1896 bankruptcy report, from example, comments with a tone of surprise the relative high share of bankruptcies coming from married women; “It is somehow surprising to find so large a percentage of the failures were those of married women engaged in trade. Although general deductions from the figures must be of a more or less tentative nature, it may perhaps be inferred that a considerable number of married women find it necessary to assist their husbands in maintaining the household by engaging in some business or occupation with a view to profit.”

The second aspect that surfaces from the report is a general suspicion about the ability of widows to carry businesses. Widows were simply conceived as inferior substitutes for their husbands and these businesses looked at as carriers of higher risks of bankruptcy. Again a quote from the 1896 report is illuminating; “It is often the case that when the husband dies he leaves a business which cannot be or is not immediately wound up or sold, and which is frequently carried on by his widow. In some of these cases the business is in an insolvent condition when the husband dies, and failure

---

sooner or later is the inevitable sequel. In others the widow, being unacquainted with business
matter, either mismanages the business or relies entirely upon others who do so for her, which results in her ultimate failure.” 29

Widows were thus considered as incompetent managers, while women in general as
deserving protection, being unable to make their own economic decisions. If this was the
view from the Board of Trade, to what extent did this attitude translate into a different
approach from creditors? For example, were they more tolerant with businesswomen that
would have been with men on the basis of some alleged inability to understand economic
matters? Or, to the contrary, were creditors less tolerant, thinking of women, widows in
particular, as riskier counterparts than men? Either way, this would have affected the
statistics about female entrepreneurship, hence our assessment of success based on their
circumstances.

Some assessment of possible biases towards given categories of entrepreneurs is possible
on the basis of data desegregated by types of debtors. The Board of Trade reported data on
female bankruptcy divided into three categories: married women, widows and spinsters
(lately, interestingly, called “single”). An analysis of the number of cases according to this
desegregation reveals, first of all, a rather high proportion of widows (about 35-40% of the
total). The other interesting information is that in such cases the ratio assets/liabilities, tends
to be constantly higher than the average. In case of bankruptcy, for example, the average for
women and men was 37% and 39% respectively, but it was 44% for widows. Similarly, for
Deeds of Arrangement, where the average was 55% for women and men, but 62% for
widows. Considering that assets and liabilities were estimated at the moment of the
declaration of bankruptcy, the implication is that other debtors had to reach a more
unbalanced ratio liabilities/assets than widows before creditors decided that a situation of
illiquidity was, in fact, a structural case of insolvency. Whether or not this attitude towards
widows was justifiable in economic terms or it was just the result of a prejudice is a matter of
debate, but the fact that relatively more stable cases were pushed into bankruptcy more likely
that if they were men implies a bias in the statistics; had this category of women been treated
like anybody else, the number of female bankruptcies would have been lower. This implies
that statistics about the number of failed women were artificially increased by a socio-cultural
bias. Women were therefore overrepresented in the cases of bankruptcy, hence relatively
more successful than mere data would suggest.

29 Ibidem.
VII. Conclusions
The picture that emerges from this paper is, overall, of female entrepreneurs who were as successful, if not more so, than their male counterparts. Once all procedures are considered together, the proportion on female failures is in line with the share of female business owners over the total of the population. Women, however, operated smaller businesses which were more exposed to turbulence; they were therefore not acting in more protected markets and/or in more conservative ways, as often argued in the past. The claim that the success of women might be due to the less risky nature of the industries in which they tended to operate does not find support, although results are still provisional and more research is needed on this aspect. While ordinary female entrepreneurs faced no particular treatment from creditors, widows were perceived as riskier debtors, and were more likely to be pushed into bankruptcy than other women or men. Once this cultural bias is included, the relative success of women as business owners appears even more clearly.
In general the paper suggests that the world of female businesses in Victorian and Edwardian Britain was not so very different from the male one in terms of business practices, attitude to risk, and relative success.
References


UNIVERSITY OF OXFORD DISCUSSION PAPERS IN ECONOMIC AND SOCIAL HISTORY

are edited by

Rui Esteves (Brasenose College, Oxford, OX1 4AJ)
Arthur Downing (All Souls College, Oxford, OX1 4AL)

Papers may be downloaded from