



Risk, success, and failure: female entrepreneurship in late Victorian and Edwardian England

Journal:	<i>The Economic History Review</i>
Manuscript ID	EcHR-15-06-0085-OA.R3
Manuscript Type:	Original Article
Keywords:	Business performance, gender, bankruptcy
Abstract:	<p>This paper analyses female entrepreneurship in late Victorian- Edwardian England. Traditional views on female entrepreneurship in 19th and 20th century England point towards a decline in number and relevance of women as business owners vis-a vis the 18th century, and their retreat into a "separate sphere" away from the world of trade and production. Recent studies, however, have deeply challenged this view suggesting that women still played an important role as entrepreneurs also during industrialisation and after. Still, a number of questions are open as regard to the features of female entrepreneurship during these phases of British history, as issues such as scale of operation, attitude to risk, credit structure and managerial styles are still widely debated. Using original sources, this paper provides a novel view on these issues analysing female entrepreneurship from the perspective of bankruptcy. Analysing statistics on women's bankruptcy derived from Board of Trade reports, as well as a sample of archival cases, this paper argues that overall female business owners traded in ways similar to their male counterparts in terms of business size, risk-taking and, eventually, success. .</p>



Risk, success, and failure: female entrepreneurship in late Victorian and Edwardian England¹

In recent years, a growing historiography has systematically re-assessed the role of female entrepreneurs as investors and business owners in the urban economy throughout industrialisation.² Examining factors such as the use of advertisements, business expansion, and the functioning of their credit networks, scholars have demonstrated how businesswomen did not disappear in the late eighteenth and early nineteenth centuries but remained an active and important component of the British urban economy.

This reassessment of the role of female entrepreneurship, however, did not fully extend to the late nineteenth and early twentieth centuries; in general, there has been little study of female business owners in this later period, with scholars instead examining women predominantly as paid employees or subjugated members of the middle classes.³

The aim of this paper is to begin filling this gap in the literature by examining the experiences of late nineteenth century and early twentieth century businesswomen using a thus-far neglected perspective: that of bankruptcy. In recent years, historians of Britain have paid growing attention to bankruptcy and insolvency as a perspective from which to explore wider issues of business management and economic activity, and this paper follows that research trajectory.⁴

For this paper, using the point of view of bankruptcy provides three added advantages. First, it adds new information to the relatively slim set of source material—trade directories, census returns,

¹ We are indebted for comments and criticisms to participants at the *Economic History Society* Annual Conference (Warwick, March 2014) and the *Association of Business Historians* Annual Conference (Newcastle, June 2014), as well as at seminars at the University of Birmingham, Oxford and Pisa, at the Institute of Historical Research London, and at the *15ème Journée d'études sur les faillites*, Université Paris Ouest, Nanterre.

The authors wish to thank the *Birmingham Business School* for funds, Mark Letham for the fantastic research assistance, Sami Bensassi and Liza Jabbour for their support, and three anonymous referees of this journal for their comments and suggestions. Jennifer Aston wishes to acknowledge the *Economic History Society* and *Institute of Historical Research* for financial support. Usual caveats apply

² Barker, *Business of women*; Kay, *Foundations of female entrepreneurship*; Phillips, *Women in business*; Aston, 'Female business owners'; Berg, 'What difference'; Lewis, 'Separate spheres'; Vickery, 'Golden age'.

³ For the former, see: Berg, 'What difference'; Gleadle, *British women*; Hill, 'Women, work and the census'; Honeyman, *Women, gender and industrialisation*; Hudson 'Women and industrialisation'; Humphries, 'Women and paid work'; Rendall, *Women in an industrializing society*; Rose, *Limited livelihoods*. For the latter, see: Green, Owens, Maltby, and Rutterford, 'Who comprised the nation?'

⁴ Among many others, Hoppit, *Risk and failure*; Lester, *Victorian insolvency*.

1
2
3 advertisements and probate records—that are currently available to study women in business. This
4
5 study uses three sources from the Board of Trade collection, mostly held at the National Archives at
6
7 Kew but with some limited availability online: The Board of Trade *Annual Report on Bankruptcy*, the
8
9 *Index to Search Registers of the High and County Courts*, and *Official Receiver's Reports in the*
10
11 *Bankruptcy Department (High Court) of the Board of Trade*.⁵ Second, the content of the source
12
13 material itself offers an advantage. While the *Index to Search Registers of the High and County Courts*
14
15 only gives the basic information of all bankruptcy cases heard before courts in England and Wales, the
16
17 *Official Receiver's Reports* often include the accounts of small firms and detailed questionnaires
18
19 completed by the business owners themselves, thus representing a unique source that allows the voice
20
21 of the businesswoman to be heard. Third, examining the actual functioning of the legal environment in
22
23 which the businesswomen operated allows us to separate how women were supposed to have acted
24
25 according to the letter of the law from what they actually did.⁶
26
27
28

29
30 This paper is structured as follows. Section I provides a survey of the historiographies of female
31
32 business ownership and bankruptcy, exposing the open issues and key points of debate that will be
33
34 explored in the paper. Section II offers an overview of the legal system under which women operated,
35
36 particularly bankruptcy law and its enforcement, as well as specific acts regulating the role of women
37
38 in the economy. Sections III and IV address the points and debates highlighted the first and second
39
40 sections using various statistics on female and male bankruptcies (section III) and other qualitative
41
42 sources (section IV). Section V provides some concluding remarks.
43
44
45
46
47

48 I

49 The re-assessment of female engagement in the urban economy during the nineteenth century,
50
51 conducted during the last decade, has moved our understanding of women's economic agency
52
53

54
55 ⁵ Of these three sources, the first has been used to explore the nature of bankruptcy in nineteenth and twentieth century
56
57 England (Lester, *Victorian insolvency*; Di Martino, 'Approaching disasters'), but they have never been examined in
58
59 conjunction with and from the perspective of the involvement of women in the economy. In this respect, they represent an
60
entirely new body of evidence.

⁶ Phillips, *Women in business*, pp. 67-8.

1
2
3 beyond Davidoff and Hall's assertion that a middle class woman publicly engaging in business
4 would have caused 'opprobrium for herself and possible shame for those around her'.⁷ Instead, a
5 series of studies into female economic agency demonstrate significant continuity of the female
6 experience over the eighteenth and nineteenth centuries. Barker's examination, for instance,
7 revealed that rather than withdrawing from business as the nineteenth century dawned, women
8 actually continued to own businesses in the same numbers as they had during the purported earlier
9 'golden age'.⁸ These conclusions are largely supported by Kay's research into female business
10 owners of London who traded in the early to mid-nineteenth century. Like Barker, Kay argues that
11 business ownership continued to be a 'useful and possible avenue for women'.⁹ The picture from
12 mid-nineteenth century London can be extended over time and space: data from the trade directories
13 of Birmingham and Leeds between 1849 and 1901 indicates that the businesswomen of late
14 nineteenth-century England continued to trade in the same numbers as they had in previous
15 decades.¹⁰

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32 This new wave of studies not only establishes the existence of businesswomen in late
33 nineteenth-century England but also analyses how women conducted their business affairs, looking
34 at issues such as firms' size, trading practices, credit structure, industries, and attitude towards risk.
35 On these issues, however, there is much less agreement than on the fact that the number of female
36 entrepreneurs did not substantially change over the eighteenth and nineteenth centuries. In
37 particular, some authors only partially depart from the established idea that female businesses were
38 not only smaller than male-owned ones but also traded in traditionally 'feminine' industries and in a
39 semi-invisible way among family and friends, outside of the public marketplace.¹¹ For example, by
40 looking at female entrepreneurship in Edinburgh, Nenadic argues that women represented ten per
41 cent of all commercial employers, yet they created economic success by displaying a 'deliberately
42
43
44
45
46
47
48
49
50
51
52
53

54 ⁷ Davidoff and Hall, *Family fortunes*, p. 272.

55 ⁸ Barker, *Business of women*, p. 51.

56 ⁹ Kay, *Foundations of female entrepreneurship*, p. 1.

57 ¹⁰ Aston, *Female business owners*, p.75; Barker, *Business of women*, pp. 50-1.

58 ¹¹ Davidoff and Hall, *Family fortunes*.

1
2
3 cultivated non-business-like behaviour', relying instead on word of mouth and personal
4 recommendations.¹² Similarly, other authors still see female-owned businesses as small, operating
5 at a level that supported a family (often comfortably) but essentially small-scale, treading a fine line
6 between entrepreneurship and respectability.¹³ One key implication of this argument is that small
7 size naturally led to informal business practices, particularly credit networks that were heavily
8 reliant on local, verbal agreements and knowledge and often sourced through kinship networks.¹⁴
9
10
11
12
13
14
15

16 This view, however, has been challenged from various perspectives. Aston's research on
17 Birmingham and Leeds, for example, has shown women advertising their enterprises with
18 confidence and using their own names in trade directories and newspaper advertisements
19 throughout the nineteenth century in much the same way as business women in Manchester, Leeds
20 and Sheffield did in the late eighteenth and early nineteenth centuries.¹⁵ Perhaps more important is
21 the strong evidence that women in Birmingham and Leeds deliberately cultivated public identities
22 based on their position as business owners, thus challenging the idea of female-owned businesses as
23 hidden, private, and informal concerns.¹⁶
24
25
26
27
28
29
30
31
32
33

34 This historiographical debate also re-assessed the type of industries in which women operated
35 (and their attitudes towards risk), ultimately concluding that women might have been much less
36 conservative than previously claimed. Indeed, a significant minority of women in nineteenth-
37 century England were engaged in so-called 'masculine' industries rather than being restricted solely
38 to those 'feminine' trades previously viewed as an extension of their domestic skills, such as sewing
39 and cooking. Sectors such as metalworking and shipbuilding, for example, witnessed substantial
40 female participation.¹⁷ In part, this was due to inheritance policies that did not discriminate against
41 widows (because of their prior involvement in the husband's business), resulting in women
42
43
44
45
46
47
48
49
50
51

52
53 ¹² Nenadic, 'Social shaping', p. 637.

54 ¹³ Kay, *Foundations of female entrepreneurship*, pp. 11, 130.

55 ¹⁴ This is a pivotal aspect of the separate sphere idea. See Davidoff and Hall, *Family fortunes*, and it is partly shared by
56 subsequent studies too; for instance, Phillips, *Women in business*, p. 82.

57 ¹⁵ Barker, *Business of women*, pp. 82-3.

58 ¹⁶ Aston, 'Female business owners', pp. 134-6.

59 ¹⁷ Berg, 'Women's property', pp. 235-7 for the former, and Doe, *Enterprising women*, for the latter.
60

1
2
3 engaging in a wide variety of trades following their husband's death. However, widows often
4
5 succeeded in such risky 'male' sectors and either traded entirely independently or only partially
6
7 withdrew from those industries as a result of their husband's departure.¹⁸
8

9
10 This reassessment of women's attitude to risk and engagement in male-dominated industries is
11
12 in line with recent research on female investment behaviour, which shows that although women
13
14 were typically more cautious than men, they were not as risk-averse as previously assumed.
15
16 Whereas women did invest heavily in property and government bonds, both of which generated low
17
18 but reliable returns, the examination of Inland Revenue documents by Green et al. has forced a
19
20 reassessment of the content of their portfolios, not least because women represented one-third of the
21
22 ownership of the risky, unlimited liability joint-stock banks.¹⁹ Moreover, the probate records of
23
24 nineteenth century men and women suggest that the middle classes held a far more diversified range
25
26 of investments than has previously been assumed.²⁰ From this perspective, women's substantial
27
28 investment activity in the high-risk shipping industry is particularly revealing.²¹
29
30
31

32 Parallel to the development of the historiography of the economic role of British women in the
33
34 eighteenth and nineteenth centuries, a growing literature has also emerged in the study of
35
36 bankruptcy and insolvency in historical perspectives. Pioneering studies by Duffy and Hoppit paved
37
38 the way to the later comprehensive work by Lester, as well as a series of publications studying more
39
40 specific issues such as debt and its enforcement, the functioning of different types of courts, and the
41
42 impact of laws on class and entrepreneurship.²² Although the issue of gender does not feature
43
44 predominantly in this historiography, some of the results of these studies are useful in framing the
45
46 analysis of this paper. The first point relates to business size, particularly the evidence from
47
48
49
50

51
52 ¹⁸ Barker, *Business of women*, p. 133; Barker and Ishizu, 'Inheritance and continuity', pp. 234-5.

53 ¹⁹ Acheson and Turner, 'Shareholder liability', p. 226.

54 ²⁰ Green, Owens, Swan, and Van Lieshout, 'Assets of the dead', pp. 67-8; Green, Maltby, Owens and Rutterford, 'Who
55 comprised the nation'.

56 ²¹ The risk of this activity is proved by the fact that between 1872 and 1878 about 20% of all ships insured by Lloyds
57 were lost: Doe 'Waiting for her ship', p. 86.

58 ²² Duffy, *Bankruptcy and insolvency*; Hoppit, *Risk and failure*; Lester, *Victorian insolvency*; Finn, *Character of credit*;
59 Polden, *History of the county court*; Johnson, 'Class law'; Di Martino, 'Legal institutions'.
60

1
2
3 Victorian Britain of smaller firms being more fragile and prone to failure, a point which echoes the
4 arguments of economists commenting on the present day.²³ The extent to which women actually
5 operated smaller firms than men, which is often claimed by the historiography, thus has clear
6 implications for our understanding of female business and insolvency.
7
8
9
10

11 The other important aspect emerging from the bankruptcy historiography is the level of risk of
12 various industries. Using information from the censuses, Lester calculated the number of
13 bankruptcies in relation to the number of employees in a selected number of professions, providing
14 a general picture of the risk of individual industries (table 1).
15
16
17
18
19

20
21
22
23 **[Table 1 here]**
24
25
26

27 The reading of this table reveals that, with the exception of building, all other trades had an
28 extremely similar average number of cases of bankruptcies for employees. The total average varies
29 between 0.34 per cent when all sectors are included to 0.32 per cent when 'building' on one
30 extreme and 'farming' and 'architecture' on the other are not included. When such averages are
31 compared to typically feminine sectors, the result is that no evidence seems to exist of women
32 trading in particularly more or less risky industries: inn-keeping was around the average and
33 commerce was relatively higher than manufacturing activity.²⁴
34
35
36
37
38
39
40
41
42

43 The only real outlier, building, deserves some extra consideration. This male-dominated sector
44 no doubt exhibits a much higher level of bankruptcies per employees. This measure, in turn,
45 probably underestimates the degree of risk in the industry given that most firms, unlike most retail,
46 had at least a few employees; hence, the bankruptcy per number of businesses rather than number of
47 employees would show an even higher tendency to fail in this sector. However, two lines of
48 argument suggest that even after acknowledging this, our assessment would not change. First, the
49
50
51
52
53
54
55
56

57 ²³ Lester, *Victorian insolvency*; Knaup and Piazza, 'Business employment dynamics'.

58 ²⁴ A Friedman two-way ANOVA statistical test run on data reported in table 1 confirms this result (see appendix).
59
60

1
2
3 construction industry was far from a male monopoly; trades in which women engaged, such as
4
5 'painter and decorator', fell under this sector. Moreover, the female shipping owners examined by
6
7 Doe show that assuming women could not carry out a certain type of business because of the
8
9 physical limitations of their sex ignores their potential ability as successful owner-managers.²⁵
10
11 Second, according to Lester, building proved an extra risky activity not because of the higher inner
12
13 exposure of the sector to macro shocks or other exogenous reasons but because in its functioning,
14
15 the industry resembled speculation more than trading. The extra fragility was thus not the
16
17 consequence of the assumption of extra entrepreneurial risk but the result of incompetence and
18
19 adventurism, if not open fraud.²⁶
20
21

22
23 By looking at this evidence alongside some of the results of the revisionist historiography, the
24
25 conclusion that we reach is that not only were women present in high risk industries but also the
26
27 trades that absorbed the majority of female-owned firms did not show a different level of risk than
28
29 the others.
30
31

32 33 34 II 35

36 Before moving to the analysis of bankruptcy among female entrepreneurs, it is necessary to
37
38 provide an overview of the institutional and legal settings under which women operated and of the
39
40 historiography that surrounds these issues. This analysis provides further points and aspects that
41
42 will be investigated in the following sections of the paper. Attention therefore turns to both
43
44 bankruptcy law and its enforcement in general and to legal acts specifically regulating the role of
45
46 women in the economy.
47
48

49 In the years before the structural reforms of the 1880s, English bankruptcy law changed
50
51 repeatedly and erratically.²⁷ However, something that remained constant over time was the fact that
52
53
54

55
56 ²⁵ Doe, *Enterprising women*.

57 ²⁶ Lester, *Victorian insolvency*, pp. 258-60.

58 ²⁷ For an overview of these changes, see Hoppit, *Risk and failure*; Lester, *Victorian insolvency*.
59
60

1
2
3 the law did not differentiate between genders, although when combined with class, this dimension
4
5 does seem to have played a role in its enforcement.²⁸
6

7
8 Although bankruptcy law, at least in its letter, was gender-neutral, other aspects of British
9
10 commercial law were permeated by a constant attention towards women's position and role. In
11
12 particular, there were continuous attempts at providing more favourable treatment for married
13
14 women compared to spinsters and widows. Before the Married Women's Property Acts of 1870,
15
16 1882 and 1893, married women were formally subject to *coverture*, which meant that they had no
17
18 independent legal status and therefore could not sue or be sued or declared bankrupt. Despite this
19
20 attempt at insulating women from the legal implications of commerce and industry and the
21
22 engagement with that world, there is little evidence that these limitations impacted the propensity of
23
24 women to run businesses. In fact, historians have claimed that women even used *coverture* as an
25
26 active business strategy. Barker, for instance, has demonstrated that local customs and the wide
27
28 interpretation of regulations allowed by common law allowed female business owners in early
29
30 nineteenth-century England not only to trade but also to know that they had the option to seek legal
31
32 restitution in the event of a professional disagreement.²⁹ Phillips also argues that women ostensibly
33
34 traded apart from their husbands and as separate individuals but relied on their husband's
35
36 involvement to secure credit and then pleaded the protection of *coverture* when their business
37
38 suffered financial difficulties.³⁰
39
40
41
42

43 The general legal conditions of married women radically changed as a consequence of the
44
45 passage of *Married Women's Property Acts* in 1882 and 1893, which recognised married women as
46
47 fully independent legal entities. This step, however, was counterbalanced by the fact that under the
48
49
50

51
52 ²⁸ The historiography of these aspects is wide, and its summary goes beyond the scope of this paper. For a detailed
53 analysis of these issues see, among others, Finn, *Character of credit*; Johnson, 'Class law'.

54 ²⁹ Barker, *Business of women*, p. 127.

55 ³⁰ Phillips, *Women in business*, p. 86. For an overview of the use of strategic use of *coverture* in female bankruptcy, see
56 also Pearlston 'Married women bankrupts'. Other scholars, such as Kay, highlighted the 'worst case scenario', one
57 where women were not even able to rely on the few legal options available to them. For example, this was the case with
58 milliner Mary Holl, who had all of her stock seized by her husband's creditors after his firm failed and her femme sole
59 status failed to protect her own enterprise. Kay, *Foundations of female entrepreneurship*, pp. 20-1.
60

1
2
3 new *Bankruptcy Acts* passed in 1883 and 1890, married women could not be declared bankrupt
4
5 unless they traded independently from their husbands. Women informally operating a business
6
7 alongside their husbands were thus exempt from bankruptcy, but this also extended to the case of
8
9 formal partnerships. As argued by the Board of Trade, following the decision made in *Scott v.*
10
11 *Morley* (20 QBD 120), a petition for bankruptcy made against a married woman trading in a
12
13 partnership (or ‘under the name of a firm’³¹ to use the technical jargon of the time) could be
14
15 discharged on the grounds that she was not operating independently from her husband.³² In fact,
16
17 the degree of protection was much wider; even when married women traded independently and had
18
19 personal property, bankruptcy law applied only if other conditions were fulfilled, namely, if ‘in
20
21 respect to her separate business she [was] free from the control of her husband’ and ‘that she
22
23 actually conduct[ed] the business’.³³ As noted by the Board of Trade, married women thus benefited
24
25 from a state of ‘singular immunity’,³⁴ a condition shared only with two other categories: lunatics
26
27 and children.
28
29
30

31
32 In theory, this should have strongly limited the number of married women entering into
33
34 business, as creditors would have feared the consequences of not being able to recover their money
35
36 in case of insolvency. However, there is little, if any, evidence to suggest that the number of
37
38 businesswomen changed after the legal reforms of the 1880s and 1890s.³⁵ In fact, the legal system
39
40 itself offered an easy way to bypass institutional restrictions via the *Deeds of Arrangement Act* of
41
42 1887 that explicitly recognised the use of pre-bankruptcy agreements as part of the official
43
44 legislation. Debtors’ insolvency could thus lead to a formal bankruptcy procedure (itself leading
45
46 either to liquidation or to a pre-bankruptcy agreement) regulated by bankruptcy acts or to deals
47
48 between debtors and the totality of their creditors. These deals were official and registered in courts
49
50
51
52

53
54 ³¹ When business partners operated together in an official concern, they were said to trade ‘under the firm name’. See,
55 Bowstead and Scrutton, *Commercial laws of the world*, vol. II, p. 145.

56 ³² Board of Trade, *Annual Bankruptcy Report* (1899), p. 7.

57 ³³ Bowstead and Scrutton, *Commercial laws of the world*, vol. I, p. 683.

58 ³⁴ Board of Trade, *Annual Bankruptcy Report* (1892), p. 10.

59 ³⁵ Nenadic, ‘Social shaping’; Aston, ‘Female business owners’.

1
2
3 but were not formally part of bankruptcy law; thus, married women were eligible to use them. By
4 law, such deals could take the form of liquidation, composition, or continuation of the business
5 under the supervision of creditors.³⁶
6
7
8

9
10 The use of deeds of arrangement therefore represented an easy institutional way for married
11 women to bypass the obstacles established by the Bankruptcy Acts. In fact, women did not suffer
12 from any limitation due to the legal framework and even appear to have used it in a strategic way,
13 similar to how the previous generations of businesswomen had manipulated their position under
14 *coverture*. Concerns about the fraudulent use of the special position of married women under
15 English commercial law existed among both the Board of Trade and public opinion. On various
16 occasions, the annual bankruptcy report published by the Board of Trade highlighted the risk of the
17 strategic use of the opportunities offered by the Married Women's Property Acts and the
18 Bankruptcy Act. As a judge from the Northampton court argued in 1895, it appeared that 'the
19 combined operation of the Married Women's Property Acts and the ... Bankruptcy Act opened the
20 door to a great deal of elaborate frauds'.³⁷ There was a 'considerable mass of evidence'³⁸ that the
21 combination of married women owning properties but being excluded from bankruptcy if not
22 trading independently led to at least three common types of fraudulent behaviour. Firstly, a wife
23 could act as guarantor of her husbands' promissory notes knowing that she would not be subject to
24 bankruptcy in case of the inability of her partner to pay back his debts. Secondly, husbands could
25 invest business profits into the improvement of their wife's properties (typically, buying
26 furniture³⁹) as a way of diverting assets from creditors in case of imminent bankruptcy.⁴⁰ Thirdly,
27 undischarged bankrupt husbands could enjoy a 'fresh start' by taking the role of manager in a
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

51
52 ³⁶ In theory, bankruptcy could also be handled through an extra-judicial friendly agreement. We have little information
53 on how common these agreements were, but it reasonable to assume that they represented a negligible share,
54 considering the low cost of registering a deed of arrangement (£5) together with the guarantees that this offered to both
55 debtors and creditors.

56 ³⁷ Board of Trade, *Annual Report on Bankruptcy* (1895), p. 10.

57 ³⁸ Board of Trade, *Annual Report on Bankruptcy* (1892), p. 10.

58 ³⁹ Board of Trade, *Annual Report on Bankruptcy* (1905), p. 5.

59 ⁴⁰ Board of Trade, *Annual Report on Bankruptcy* (1892), p. 10.
60

1
2
3 business run under their wife's name; 'all that [wa]s required [wa]s to obtain the transfer of the
4 premises occupied and to delete the husband's initial from the business record'.⁴¹ This operation
5 allowed bankrupt debtors who had failed to obtain debt discharge (or simply did not apply) to
6 avoid the 'disagreeable necessity of informing those from whom credit ... [wa]s obtained that he
7 [wa]s an undischarged bankrupt, or the alternative of running the risk of prosecution ... for not
8 disclosing his status'.⁴² Concerned about the frequency of such behaviour, in 1896, the Board of
9 Trade started including dedicated statistics on the failure of women in its Annual Reports on
10 Bankruptcy because of 'the positions of women under the laws as to recovery of debts and
11 insolvency' and the fact that this had 'been the subject of such frequent comments both in the ...
12 reports and in the public press'.⁴³

13
14
15
16
17
18
19
20
21
22
23
24
25 After about twenty years of uneasy relationship with the Married Women Property Act, radical
26 changes to bankruptcy law were made in a new act passed in 1913 that established that 'every
27 married woman who *carries on a trade or business, whether separately from her husband or not,*
28 should be subject to the bankruptcy law as if she were *femme sole*'.⁴⁴

III

29
30
31
32
33
34
35
36
37
38 The analysis conducted in the previous two sections reveals a number of open issues and
39 debated points to be investigated: did women mainly or exclusively trade in traditional female
40 sectors with much smaller firms than men? Did they hide their presence in the economy by
41 operating in informal and private ways? Did legislation limit women's ability to run businesses? Or,
42 on the contrary, did women use the nuances and grey areas of laws to their advantage?

43
44
45
46
47
48
49 To provide some answers these questions, we first analysed data from the Annual Reports on
50 Bankruptcy published by the Board of Trade. These contain information on the number of
51

52
53
54
55
56
57
58
59
60
⁴¹ Ibid..

⁴² Board of Trade, *Annual Report on Bankruptcy* (1905), p. 5.

⁴³ Board of Trade, *Annual Report on Bankruptcy* (1896), p. 7.

⁴⁴ Ringwood, *Principles of bankruptcy*, p.18 (italics in the original text).

1
2
3 bankrupted women, the level of their assets and liabilities, and which procedure they used
4 (bankruptcy or deeds of arrangement). These data came from a total of 140 bankruptcy courts as
5 well as the London High Court, which was by far the biggest individual court managing, on
6 average, approximately 18 per cent of total cases (against a share of 2 to 3 per cent in courts based
7 in cities such as Birmingham, Leeds, Bristol, or Manchester), although on aggregate, the large
8 majority of cases were still handled outside the capital.
9

10
11 The first set of information that can be extracted from these reports is the number of cases for
12 females and males (Figure 1) and of those bankruptcies, deeds of arrangement and total procedures
13 for females as percentage of male and female for each procedure (Figure 2). Figure 1 provides the
14 number of cases (disaggregated between bankruptcy procedures and deeds of arrangement) by year
15 for both men and women.
16

17
18
19
20
21
22
23
24
25
26
27
28 **[Fig. 1 here]**
29

30 The most revealing aspect of these data is that, contrary to men, the number of deeds of
31 arrangement for women was consistently higher than the number of bankruptcy procedures. This
32 leads to two possible explanations, both connected to aspects discussed above. The first points
33 towards the fact that married women could not be technically declared bankrupt and thus the use of
34 deeds of arrangement could have been a way of bypassing such an institutional barrier. The second
35 explanation, which does not exclude the previous one, regards business size and the nature of credit.
36 Deeds of arrangement required an agreement among all creditors, thus the higher their number the
37 more complicated the process of reaching a deal. Therefore, if female-owned businesses were small,
38 local, and relied on only a few geographically close creditors (as stressed by some authors), they
39 were naturally more suitable for deeds of arrangement than formal bankruptcy.
40
41
42
43
44
45
46
47
48
49
50

51 Before exploring these two points in more detail with the help of further data analysis, it is
52 worth looking at the number of female bankruptcies and deeds represented as percentage of the
53 totality of cases (figure 2).
54
55
56
57
58
59
60

[Fig. 2 here]

The data plotted in figure 2 show that during the period under analysis, the share of female cases over the total of bankruptcy and deeds of arrangement was, on average, approximately 6 per cent, representing approximately 4 per cent of bankruptcies and 8 per cent of deeds of arrangement. In the context of the total number of female concerns, this analysis could allow us to determine whether female-owned businesses tended to fail relatively more or less frequently than the average. However, the scarcity of official documentation on female business owners has resulted in a situation in which it is virtually impossible to determine with absolute precision the number of women trading at any one time. That said, other sources allow at least an estimate of that number. 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 broadly consistent throughout the late eighteenth and nineteenth centuries.⁴⁵ Therefore, although it is not possible to give actual numbers of women trading, we can confidently hypothesise that approximately 6 per cent of business owners at the turn of the century were female, although this figure is likely to be a low estimate. In fact, the data from the 1901 census point towards approximately 10 per cent, and the data from Foster indicate that women made up approximately 13 per cent of all trade directory entries between 1836 and 1855.⁴⁶ Although all these data are subject to a degree of uncertainty, a figure of 6 per cent represents a solid lower bound. This implies that, assuming a similar percentage of entrepreneurs among male and female bankruptcies (data indicate personal bankruptcy, hence business and non-business related circumstances), businesswomen did not show any higher tendency to enter bankruptcy proceedings than businessmen.⁴⁷ If anything, female entrepreneurs

⁴⁵ Barker, *Business of women*; Aston, 'Female business owners'.

⁴⁶ Foster, 'Albion's sisters', p. 248.

⁴⁷ This calculation is subject to a degree of uncertainty for two reasons. Firstly, debtors whose jobs are known have that information indicated in their profession but not in their roles so, for example, a builder could have been a manual

1
2
3 seemed to be relatively less prone to bankruptcy than male ones.
4

5 Another set of relevant information obtained from the annual bankruptcy report is the
6
7 disaggregation of female cases by marital status (figure 3).
8

9
10 [Fig. 3 here]

11 Figure 3 shows how relative proportions remained unchanged during the period with married
12 women and widows representing approximately 40 per cent of total cases each and single women
13 constituting the remaining 20 per cent. These aggregated data hide an interesting difference between
14 bankruptcies and deeds of arrangement: married women represented (on average) 37 per cent of
15
16 bankruptcies and widows 41 per cent, a proportion that almost exactly inverts when we look at
17
18 deeds of arrangement (44 and 37 per cent, respectively). In fact, on average every year, more
19
20 married women appeared in deeds of arrangement than in bankruptcy (114 vis-à-vis 66). This
21
22 preference of married women for deeds of arrangement over bankruptcy supports the hypothesis
23
24 that their use was a fully legitimate and legal way to circumvent the possible limitations of
25
26 bankruptcy acts, as suggested by the Board of Trade.⁴⁸
27
28
29
30
31
32
33

34 In analysing the economic characteristics of the two groups of entrepreneurs (women and
35 men), some interesting observations emerge from the relative size of bankruptcy cases. Figure 4
36 plots the average liability (in GBP) for women and men in both bankruptcy procedures and deeds of
37
38
39
40
41
42

43 worker who failed for personal reasons and could be the owner of a construction company. However, even assuming
44 that everybody involved in a given profession failed for business-related reasons, it is not always possible to extract data
45 about debtors with no profession. This information is available for women (about 9% on average during this period) but
46 not for the whole group, as statistics for debtors with no profession are aggregated together with the ones of debtors in
47 miscellaneous sectors. Comparing the percentage of female debtors with no profession and/or miscellaneous
48 professions to the same percentage for the whole group, the two appear rather similar (on average 16% and 18%,
49 respectively). Considering that the disaggregation for profession for the whole group includes far more jobs than the
50 ones for women, we can conclude that the share of entrepreneurs was similar in the two groups.

51 It is important to notice that the higher tendency to bankruptcy in the male-dominated construction industry stressed in
52 section does not bias the data and affect the conclusions. For example, even assuming that construction was 100%
53 dominated by men, by focussing on the benchmark year 1901 and working Lester's data backward, we discover that the
54 construction trades employed about 25,000 people. Applying an extra 0.41% difference in the probability to fail per
55 employee and assuming that everybody in the industry was male leads to about 100 extra cases represented in the
56 statistics of male failure and none in the case of female bankruptcies. If this is deducted from the total number of
57 bankruptcies and the percentage of female cases recalculated on the new total, the share will increase only from 4.7% to
58 5%.

59 ⁴⁸ Board of Trade, *Annual Report on Bankruptcy* (1897), p. 7.
60

1
2
3 arrangement.⁴⁹ In the case of bankrupt men, we also provide a ‘corrected’ average that excludes
4 cases with liabilities above £20,000 of unsecured debts. The number of these cases, together with
5 the amount of liabilities involved, was highlighted in every Annual Report on Bankruptcy by the
6 Board of Trade. In the years covered in this paper, no women ever appear in this special category,
7 and also for men, the number of this type of cases was generally very low, on average 34 per
8 annum, equivalent to 0.9 per cent of the yearly total. However, the amount of liabilities involved
9 was remarkable: on average every year, the total amount of liabilities of these cases was
10 approximately £2 million, accounting for 34 per cent of total liabilities in all male bankruptcies. By
11 excluding these cases, we thus provide an average size of male bankruptcies that is much closer to
12 the reality of the standard cases.
13
14
15
16
17
18
19
20
21
22
23

24
25 [Fig. 4 here]
26

27 Figure 4 shows how liabilities involved in female cases were consistently smaller than those
28 for male-owned businesses, confirming the hypothesis that women operated, on average, smaller
29 businesses than men. This has been widely assumed by historians, and the Board of Trade itself
30 explicitly acknowledged this phenomenon. In the 1897 report, for example, they noted that ‘the
31 average liabilities and assets per case were much less, as might naturally be expected, than the
32 average case of all failures’.⁵⁰ This evidence indicates that the high use of deeds of arrangement by
33 female debtors might have been due not only to the appeal of this procedure to married women but
34 also to its connection to smaller-sized businesses, the ones particularly suitable to deeds. In fact,
35 these deals needed an agreement among creditors, implying that the coordination costs increased
36 with the growing size of liabilities and, logically, the larger number of creditors.⁵¹
37
38
39
40
41
42
43
44
45
46
47
48

49 However, this difference in size, especially when the ‘corrected’ average for men is used, does
50 not appear to be large enough to support the idea of possible structural differences between average
51
52
53

54
55 ⁴⁹ Results from data on assets provides the same picture; hence, for presentation sake, we only provide figures for liabilities.

56 ⁵⁰ Board of Trade, *Annual Report on Bankruptcy* (1897), p. 6.

57 ⁵¹ A hypothesis supported by the evidence from figure 4 is that the amount of assets involved in deeds of arrangement
58 was, on average, smaller than in bankruptcy for both men and women.
59
60

1
2
3 male- and female-owned firms, as stressed by some authors. In other words, when we focus on sole
4
5 ownerships and partnerships (the types of firms that used bankruptcy law), we can see how very
6
7 few male-owned businesses were of remarkable dimensions and how, although female-owned
8
9 enterprises appear on average smaller, there is little evidence to support the argument that male-
10
11 owned firms were large and formal, whereas female-owned firms were small, informal, and
12
13 frequently hidden.
14

15
16 Data on liabilities can also be used in conjunction with the data on assets to determine the
17
18 'quality' of male and female debtors at the moment of insolvency. The ratio assets/liabilities is a
19
20 standard measure of the level of firms' relative quality, and if it differs among categories of
21
22 creditors, it furnishes us with further information about their relative entrepreneurial abilities.
23

24
25 [Fig. 5 here]
26

27
28 Data on the ratio assets/liabilities from figure 5 suggest that, overall, men and women went into
29
30 bankruptcy with a very similar proportion of debts that they were unable to face. The position of
31
32 widows deserves further attention, as they went into bankruptcy with distinctively higher ratios
33
34 between assets and liabilities. For example, in bankruptcy proceedings, the average ratio for married
35
36 and unmarried women was 37 per cent and 39 per cent for men, but it was 44 per cent for widows.
37
38 A similar picture can be derived from deeds of arrangement in which the average was 55 per cent
39
40 for other women and men, but 62 per cent for widows. To an extent, averages are massively
41
42 affected by exceptional years (1909 and 1910 for bankruptcy; 1903 for deeds of arrangement), but
43
44 in other years, it was also not uncommon for widows in some industries to have exceptionally high
45
46 ratios between assets and liabilities.⁵² One possible interpretation is that widows might have been
47
48 considered riskier debtors, hence it was more likely that they would be pushed into bankruptcy. In
49
50 this regard, a quote from the 1896 bankruptcy report is illuminating:
51
52

53
54
55 ⁵² In fact, widows even have ratios above 100%, meaning that assets were even bigger than liabilities. This is less
56
57 surprising than it might seem, as assets were estimated by creditors at the beginning of the procedure, while liabilities
58
59 must have been bigger in the case of widows.
60

1
2
3 It is often the case that when the husband dies he leaves a business which cannot
4 be or is not immediately wound up or sold, and which is frequently carried on by
5 his widow. In some of these cases the business is in an insolvent condition when
6 the husband dies, and failure sooner or later is the inevitable sequel. In others the
7 widow, being unacquainted with business matter, either mismanages the business
8 or relies entirely upon others who do so for her, which results in her ultimate
9 failure.⁵³

20 21 IV

22
23 The results from section III leave some important questions open to further analysis, such as
24 the extent to which the picture from bankruptcy cases is truly representative of female
25 entrepreneurship. In theory, it is possible to claim that female firms using formal bankruptcy were
26 only the small tip of an iceberg made up of relatively larger businesses trading in a formal way,
27 while the vast majority of cases were small, local, and informal firms operating outside the
28 boundaries of the institutional environment. Another avenue of investigation is to analyse whether
29 women not only bypassed institutional obstacles by using the variety of solutions offered by law,
30 but also might even have gone a step further and actively used procedures to their advantage, as
31 their precursors did with *coverture* and as contemporary commentators have suggested.⁵⁴

32
33 To answer these questions, data analysed in section III are complemented with the study of
34 qualitative cases from archival sources, specifically the Official Receiver's reports held in the
35 Bankruptcy Department (High Court) of the Board of Trade. These reports were written by an
36 officer of the Bankruptcy Court, known as an Official Receiver, who was sent to investigate the
37 circumstances surrounding the person who had filed for bankruptcy or was the subject of a petition
38 launched by a creditor. The content of these reports vary from case to case, but the vast majority
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55

56
57 ⁵³ Board of Trade, *Annual Report on Bankruptcy* (1896), p. 8.

58 ⁵⁴ Phillips, *Women in business*, p. 68; Doe, 'Waiting for her ship', p. 90.

1
2
3 include a comprehensive breakdown of the bankrupt's accounts at the time of their meeting with the
4
5 creditors, a summary of the case with a final 'deficiency' of their assets, and a detailed list of
6
7 monies owed, to whom and why. Many of the cases also included a questionnaire that consisted of
8
9 either 47 or 33 questions depending on whether the potential bankrupt was viewed as a trading or
10
11 non-trading case. Although 1,891 female bankruptcy cases were identified for the years 1889-1893
12
13 and 1904-1908, only 112 case files of female bankrupts have survived, all from London and dating
14
15 from 1901 onwards. This poor survival rate is due to a selective preservation policy whereby only a
16
17 representative sample were kept in addition to the case files of any particularly notorious or
18
19 infamous cases. Before progressing into the analysis, it is therefore necessary to assess any possible
20
21 bias introduced by such a policy, bearing in mind, as noticed in the previous section of this article,
22
23 that overall, only a minority of cases were processed in London. To assess this possible bias, some
24
25 of the sample's characteristics are presented in Table 2 below and compared to national data.
26
27
28
29
30
31

32 **[Table 2 here]**
33
34
35

36 By glancing at marital status as the first aspect, it may appear that the sample is biased towards
37
38 the inclusion of a relatively higher proportion of spinsters and a much lower proportion of married
39
40 women, but the high percentage of cases in which marital status is unknown (as well as the very
41
42 high variations of relative proportions across the years) makes it impossible to reach a precise
43
44 conclusion. In this article, we therefore make no inference on this dimension based on the sample.
45
46

47 The second aspect is that the cases preserved in the archive are consistently bigger in terms of
48
49 size, which remains true even when two outlier cases from 1902 are not considered. These two
50
51 cases had assets of £12,650 and £45,800, making them approximately 50 to 200 times bigger than
52
53 the national average. Clearly, the files of these two cases have been kept because of their
54
55 exceptional nature, but even when they are not included (the 'corrected' average is between
56
57
58
59
60

1
2
3 parentheses in the above table), the overall picture does not change significantly.⁵⁵
4

5 Although the archival sample appears to be biased towards relatively bigger cases, the Official
6 Receiver's reports of female traders who appeared before the Bankruptcy Courts in the early
7 twentieth century also include a substantial proportion of women who had a very limited amount of
8 assets and/or liabilities and only a handful of creditors. For the cases for which this information is
9 available, in five instances, the total liabilities involved were smaller than £200, while the
10 percentage of businesswomen with less than 5 creditors is approximately 10 per cent (20 per cent
11 with less than 10). Yet significantly, despite these factors, these women still used the official
12 bankruptcy system, a piece of evidence that offers a correction to the historiographical assumption
13 that small (or smaller) sized female businesses automatically went hand-in-hand with informal
14 practices and a detachment from formal procedure and open and public engagement. The same
15 consideration applies to the issue of creditors' location and their personal connections to the debtor.
16 In general, borrowing through familial and friendship networks remained the favoured option for
17 business owners, male and female alike,⁵⁶ but even assuming that women entrepreneurs tended to
18 rely relatively more than men on local and informal networks, the evidence shows that having only
19 a few locally based creditors was in no way a guarantee that insolvency would have been handled
20 outside the remits of formal procedures. For example, both the boarding house keeper Eleanor
21 Bosito and the hotelier Esther Brandon were declared bankrupt despite having very few creditors
22 (five in the former case, six in the latter) who all lived within five miles from the businesses of the
23 two women.⁵⁷ The example that best highlights how business that were small in scale and used local
24 credit networks still turned to the use of formal bankruptcy procedure is the case of Agnes Esther
25 Relf, an unmarried dressmaker trading from Earls Court, London, who faced bankruptcy
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

52
53 ⁵⁵ A Kolmogorov-Smirnov test performed on the assets variable suggests that the archival sample and the entire
54 population have the same statistical distribution (see appendix).

55 ⁵⁶ Casson, *Entrepreneurship*, p. 86. This is in line with the fact that in England and Wales, the percentage of cases
56 passing via deeds of arrangement was very high in absolute terms as well as in comparative perspective. Di Martino and
57 Hautcoeur, 'Functioning of bankruptcy', pp. 593-94.

58 ⁵⁷ TNA, BT 226/425, Official Receiver's Report of Eleanor Bosisto; TNA, BT 226/69, Official Receiver's Report of
59 Esther Brandon.
60

1
2
3 proceedings in 1904 on the petition of her creditors.⁵⁸ Agnes's case is particularly interesting
4
5 because with unsecured debts of £160 9s 8d, a figure that was later reduced to £126 13s 11d
6
7 following gifts from her father and friends, she owed the least of all the women examined.
8
9 Examination of the Official Receiver's Report shows that the person who filed the petition and
10
11 brought the proceedings against Agnes was Mrs. Jane Davis, a widow who lived less than half a
12
13 mile from Agnes's home and had lent her the sum of £5. Jane Davies was one of only three
14
15 creditors whose claim was for 'Monies Lent' in the Official Receiver's Report; the other two
16
17 creditors were Agnes's father Richard, a police inspector, and mother Mahala, who had lent their
18
19 daughter £35 and £15, respectively. The rest of the creditors were either trade suppliers or debts that
20
21 were explained as part of everyday living expenses. Regardless of why Agnes owed them money,
22
23 each of her creditors was located within a few miles of her home and business premises at Earls
24
25 Court, and the value of the amounts were relatively small; the biggest debt, for example, was £40
26
27 that was owed to a draper's firm on High Street Kensington, and the rest of the debts (excluding the
28
29 £35 owed to her father which was written off as a gift) were all sums under £20. Jane's position as
30
31 chief instigator in the case is further emphasised by the fact that Agnes's only other creditors
32
33 actually gifted her money to help her financial situation. Yet despite the local nature of her debts
34
35 and the relatively small value of the monies owed, Agnes's creditor Jane Davies still chose to utilise
36
37 official bankruptcy proceedings.
38
39
40
41
42

43 While the detailed analysis of the small businesses above confirms that formal procedures
44
45 attracted all sorts of firms, other cases provide evidence that encourages a reassessment of the scope
46
47 and scale of female business ownership in late nineteenth-century Britain, challenging the
48
49 historiographical image of exclusively or predominantly small, semi-private firms. The Official
50
51 Receiver's Report that details upholsterer and warehouseman Elizabeth Goodchild's financial
52
53
54
55
56
57

58 TNA, BT/1296, Official Receiver's Report of Agnes Esther Relf.

1
2
3 difficulties shows that her business and finances were far removed from a small, private firm.⁵⁹ One
4
5 of the most striking features of Elizabeth's report is the long list of creditors—71 in total—but even
6
7 more interesting than this is the vast geographic span of the individuals and organisations seeking
8
9 payment on debts owed by Elizabeth. In addition to the trading relationship that Elizabeth had with
10
11 suppliers in and around her home city of London, she also sourced goods and services from
12
13 Manchester, Birmingham, Bradford, Derby, Yeovil, Macclesfield, Belfast and Scotland, creating a
14
15 trade network that stretched over four hundred miles. However, this network formed only part of
16
17 her business; the Official Receiver's Report shows that Elizabeth was also exchanging products and
18
19 services with business owners on the continent, with creditors from Saxony, Belgium, Austria,
20
21 France and Holland all registering their interest in the estate. The total deficiency of Elizabeth's
22
23 accounts is given as £1469 16s 6d, but from the reported details of her assets, we can see that
24
25 although she had a significant amount of stock-in-trade, she had very little in the way of assets. The
26
27 networks detailed in Elizabeth's Official Receiver's Report reflect those of lace merchant and
28
29 milliner Jane Clarke, who traded from her shop in London in the mid-1800s.⁶⁰ Her trade links
30
31 spread across Britain, Ireland and the continent, and although she was ultimately very successful,
32
33 she did run into trouble at the end of her career and was perhaps lucky to find a buyer so swiftly.⁶¹
34
35 Both Elizabeth and Jane were trading on a scale that equalled, and in many cases surpassed, other
36
37 male business owners, demonstrating the behaviours of ambitious business owners seeking to
38
39 maximise their profits.⁶²
40
41
42
43
44

45 Relatively large size, risk-taking, and expansion outside the boundaries of the firm's main
46
47 location all support the claims of authors including Aston, Barker and Doe about the diverse nature
48
49 of the world of late nineteenth-century female entrepreneurship. In fact, evidence points in the
50
51 direction of some female business owners not only being higher risk-takers than often believed but
52
53
54

55 ⁵⁹ TNA, BT226/2459, Official Receiver's Report of Elizabeth Goodchild.,

56 ⁶⁰ Hemingway, *Millinery and old lace*.

57 ⁶¹ *Ibid.*, p. 217.

58 ⁶² *Ibid.*, p. 213.

1
2
3 also doing so by bending of formal procedures to their advantage, as the Board of Trade suspected.
4
5 One revealing example of these strategies was in fact provided by the Board of Trade itself in the
6
7 1899 bankruptcy report. The case referred to a receiving order filed against a spinster who managed
8
9 to delay the bankruptcy procedure long enough to get married before its end and then have it
10
11 discharged due to her new marital position.⁶³ Further evidence of the strategic use of bankruptcy
12
13 law can be found in the surviving archival sources. The case of Laura Jones and her husband from
14
15 Dolgoch Farm, Brunguy, North Wales, highlights the way that married couples could use the
16
17 woman's legal position to shore up a precarious economic situation. While Laura's husband
18
19 continued to run their farm in Wales, Laura moved to Caledonian Road, Kings Cross, London
20
21 where she traded on her own account as a Dairy and Provision Dealer. However, Laura had been
22
23 trading for only three years before her business ran into trouble, mostly due to her overextending
24
25 herself financially and then the illness of both herself and her husband John. Recognising that her
26
27 business could not survive, Laura petitioned for bankruptcy in March 1904, but when the Official
28
29 Receiver inspected Laura's business records, they found that the business had virtually no assets
30
31 and that the only item of any value was her household furniture. Unfortunately for Laura's
32
33 creditors, she stated that although the household furniture had once belonged to her, she had
34
35 recently sold it to her husband and therefore her creditors could have no claim over it, as it was not
36
37 part of her separate estate. It seems that Laura and John tried to diversify their primary business but
38
39 had taken the precautions necessary to avoid literally losing the farm if it failed.⁶⁴
40
41
42
43
44

45 The way the law was manipulated echoes what some authors such as Phillips suggested
46
47 happened under *coverture*; it appears that the world of nineteenth century female entrepreneurship
48
49 shows continuity with previous phases not only in terms of the relative size and importance of
50
51 female-owned enterprises but also in terms of business practices, including a deliberately strategic
52
53 attitude towards the 'rules of the game'.
54
55

56
57 ⁶³ Board of Trade, *Annual Report on Bankruptcy* (1899), p. 7.

58 ⁶⁴ TNA, BT 226/1380, Official Receiver's File of Laura Jones.
59
60

v

This paper is an attempt to unveil a world — one of female entrepreneurship in the late nineteenth and early twentieth century Britain — that to a large extent, still remains unexplored. A recent wave of revisionist historiography had showed that female entrepreneurs had not disappeared from the urban economy after the alleged golden age of the eighteenth century, but substantial disagreements still exist on the nature and extent of this phenomenon, especially after 1850. Two broad questions in particular remain to be explored. The first one is how women in this historical phase traded as compared to the previous century and half. The second question is whether female business ownership and management behaviours differed significantly from those of men. Using data and qualitative evidence on bankruptcy, this paper provides some answers to both questions.

The picture of female businesses as small in size and local in scope and trading in semi-informal and almost hidden ways that was first proposed by the separate sphere literature and still supported by some revisionist historians stands at odds with two main pieces of evidence derived from the analysis of bankruptcy cases. Firstly, female businesses dealing with illiquidity and bankruptcy were not necessarily very small and local. Archival sources also show the existence of female firms with a long list of geographically scattered creditors and substantial assets and liabilities. Although these might have been exceptions, their relevance becomes clearer when we consider that in terms of average size, the alleged difference between male and female concerns appears smaller than expected. Sole ownerships and partnerships in ‘common trade and occupations’,⁶⁵ such as those represented in bankruptcy cases, were likely to be quite similar whether they were managed and owned by a man or a woman.

Secondly, even when their concerns were local and small-scale, female business owners still dealt with bankruptcy using formal procedures, revealing an open and explicit engagement with the

⁶⁵ Lester, *Victorian insolvency*, p. 174.

1
2
3 economy of time rather than the inhabiting of a sheltered and somehow disguised dimension. In
4
5 fact, engagement with such procedures could also have been strategic and geared towards risk-
6
7 taking in a fashion that closely resembles similar strategies adopted under *coverture*. Ironically,
8
9 constant attempts by law-makers to protect married women in the economic arena (and perhaps also
10
11 to limit their role) ended up producing the opposite result. As Doe argues, ‘Common Law, with
12
13 apparent restrictions for married women, did not restrict those men or women who were capable of
14
15 using other forms of law to suit their purpose’.⁶⁶
16
17

18
19 This consideration leads to another point—the relative degree of success of these two
20
21 categories. In business literature, entrepreneurial ‘success’ is often measured by looking at the
22
23 ability to remain solvent and avoid bankruptcy.⁶⁷ In absolute terms, this measure is, indeed, very
24
25 crude. Limiting the definition of success in business to the mere ability to survive hides the fact that
26
27 entrepreneurs often aim at much more complex goals; for instance, they might want to see their
28
29 business expand and reach a given share of the market, maximise the return on their investment, or
30
31 enjoy a particular lifestyle thanks to the profits generated. In relative terms, however, bankruptcy
32
33 represents a straightforward and unbiased proxy to assess the comparative performance of different
34
35 populations of entrepreneurs. Once a group of economic agents who are otherwise homogenous is
36
37 disaggregated according to a given characteristic (such as age, gender, or race), whether the two
38
39 populations show a similar ability to survive over time provides useful initial information on their
40
41 relative entrepreneurial quality.
42
43
44

45
46 For the period under consideration, once the different types of bankruptcy procedures are
47
48 considered together, the proportion of female failures is in line with the share of female business
49
50 owners in the marketplace. However, it is important to note that women arrived at the moment of
51
52 the declaration of bankruptcy with ratios between assets and liabilities (a first-hand indicator of
53
54

55
56 ⁶⁶ Doe, *Enterprising women*, p. 31.

57 ⁶⁷ Among many others, Carter and Van Auken, ‘Small firm bankruptcy’.
58
59
60

1
2
3 debtor's quality) similar to men, if not slightly higher. If we consider this alongside the evidence
4
5 discussed in section II that showed that women did not operate in substantially less risky industries,
6
7 then the result that emerges from this paper is, overall, of female entrepreneurs who were at least as
8
9 successful as their male counterparts. This conclusion, by definition, is limited to the world of sole
10
11 ownerships and partnerships in ordinary trades, and nothing can be said about entrepreneurship
12
13 taking place in limited companies, which were most likely monopolised by men.
14
15

16 Finally, the evidence from bankruptcy cases also allows the investigation of the role of
17
18 widows, their strategies, and their social acceptance as entrepreneurs. Whereas ordinary female
19
20 entrepreneurs faced no particular treatment from creditors, widows appear to have been perceived
21
22 as riskier debtors and were more likely to be pushed into bankruptcy than other women or men.
23
24 Although widows might have had a role in their husband's firm before his departure and were often
25
26 left in charge of the family business by choice rather than accident,⁶⁸ they were still perceived as
27
28 less reliable than their husbands.
29
30
31

32 These findings contribute a further layer of rich detail in the ever-developing picture of female
33
34 entrepreneurship whilst also highlighting the need for further research into the engagement of
35
36 women in the urban economy of nineteenth-century Britain.
37
38
39

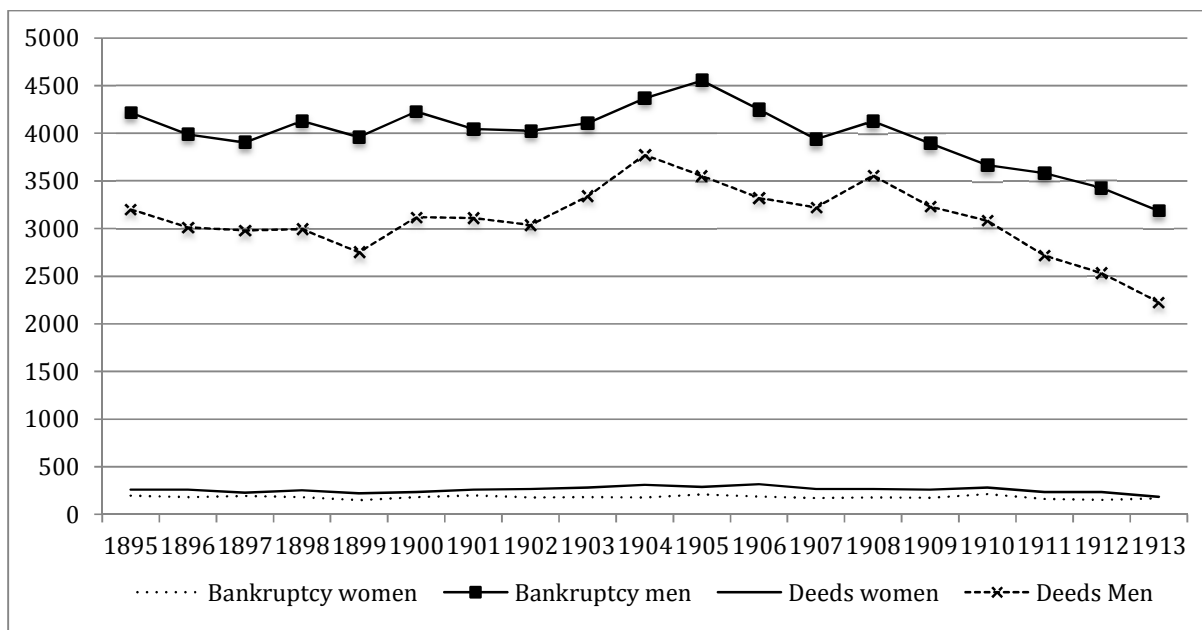
40 **Appendix: results of statistical tests**

41
42

43 Appendix tables 1 and 2 here
44
45
46
47
48
49
50
51
52
53
54
55
56
57

58 ⁶⁸ Barker and Ishizu. 'Inheritance and continuity', pp. 234-5.
59
60

Figure 1: Number of female and male bankruptcies and deeds of arrangement (1895-1913)

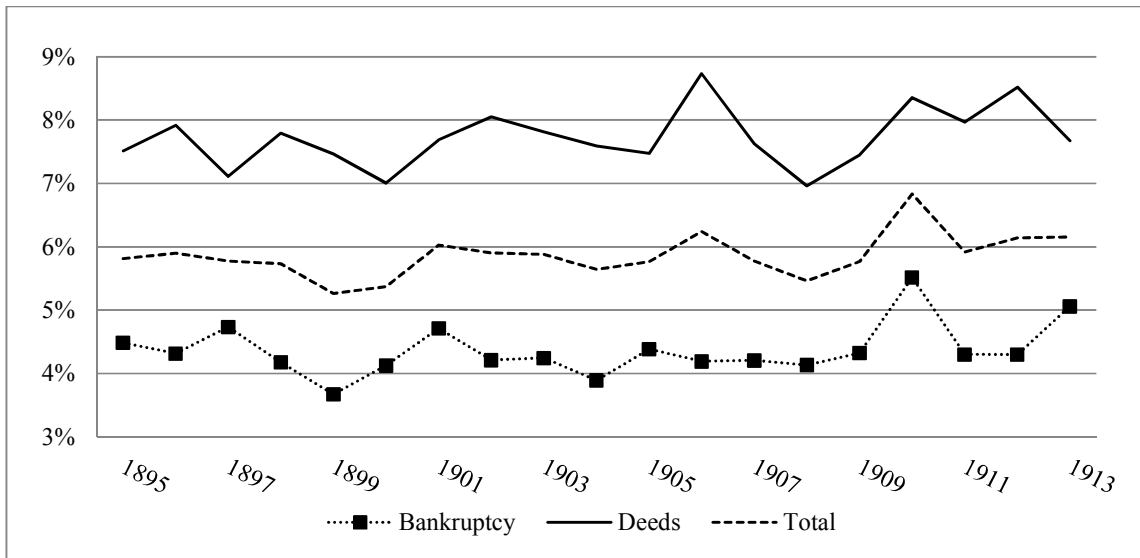


Source: Board of Trade, *Annual reports on bankruptcy*, 1895-1913

Review Only

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Figure 2: bankruptcies, deeds of arrangement and total procedures for females as percentage of male and female for each procedure (1895-1913)

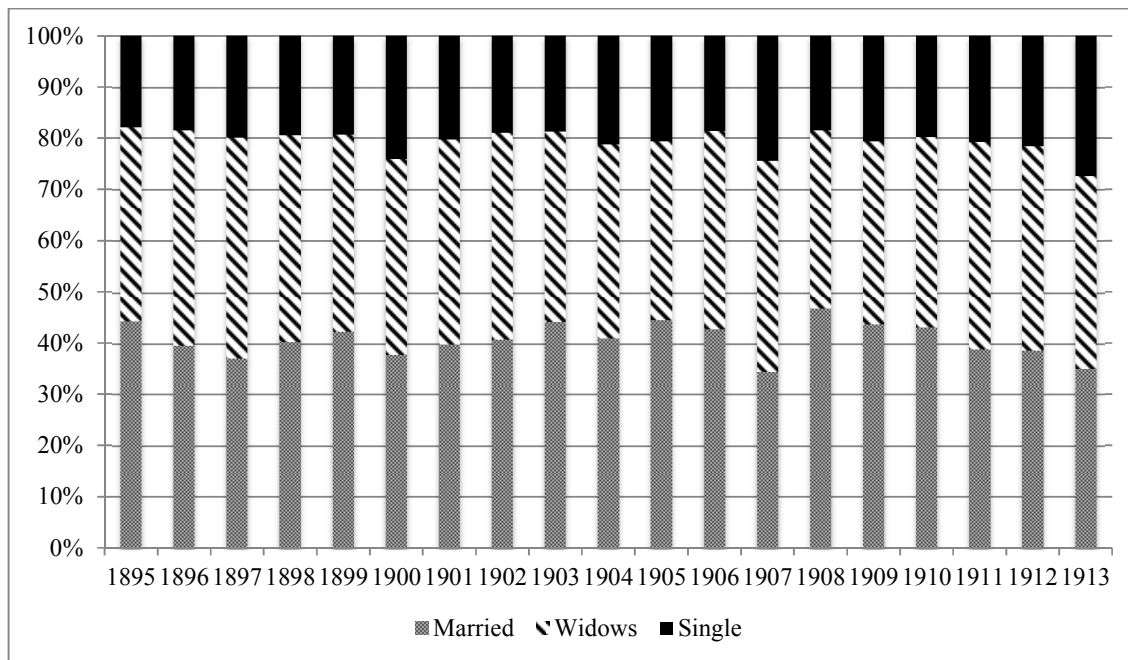


Source: Board of Trade, *Annual reports on bankruptcy*, 1895-1913

Review Only

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Figure 3: Marital status of women in bankruptcies and deeds of arrangement, 1895-1913 (%)

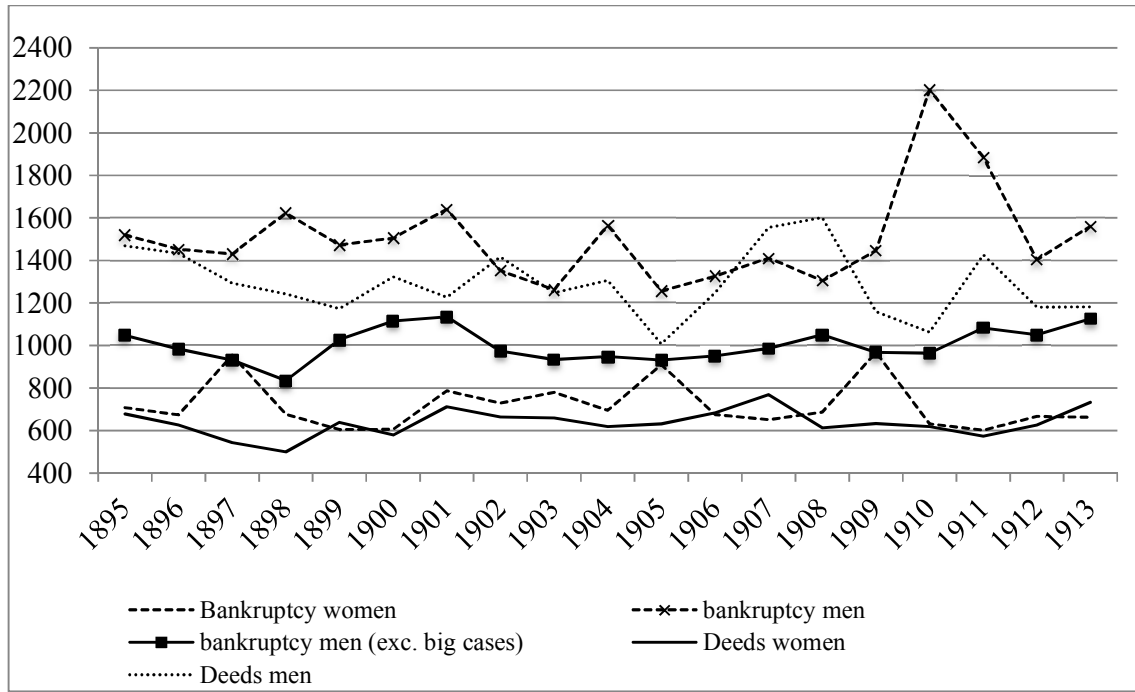


Source: Board of Trade, *Annual reports on bankruptcy*, 1895-1913

Review Only

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Figure 4: Average liabilities in various procedures (1895-1913)

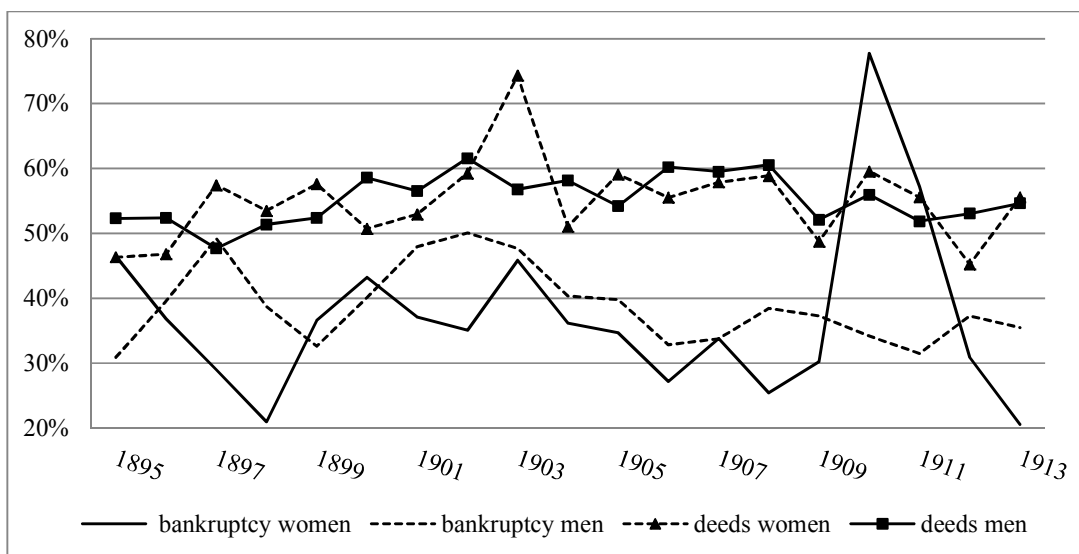


Source: Board of Trade, *Annual reports on bankruptcy*, 1895-1913

Review Only

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Figure 5: ratio assets/liabilities in various procedures



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

Review Only

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Table 1: bankruptcies in selected occupations, total number and as percentage of people employed in each profession.

Occupation	Year						
	1891		1901		1911		Average
	% of employed	Number of cases	% of employed	Number of cases	% of employed	Number of cases	
Builders	1.04	195	1.14	286	0.81	240	1.00
Wine and spirit merchants	0.63	33	0.37	18	0.50	14	0.50
Tobacconists	0.00	29	0.46	47	0.52	41	0.33
Furniture dealers and makers		34	0.54	50	0.37	35	0.46
Jewellers	0.31	42	0.35	39	0.41	34	0.35
Butchers	0.34	116	0.37	136	0.30	97	0.34
Publicans		267	0.37	286	0.28	199	0.33
Fishmongers	0.26	36	0.34	55	0.37	67	0.32
Drapers and haberdashers	0.35	104	0.31	95	0.26	58	0.31
Grocers	0.31	202	0.21	305	0.21	203	0.25
Tailors	0.22	83	0.23	89	0.24	81	0.23
Bakers		94	0.21	98	0.24	106	0.23
Boot and shoe manufacturers and dealers	0.25	137	0.22	115	0.16	64	0.21
Architects and surveyors	0.23	16	0.14	10	0.21	20	0.19
Farmers	0.09	187	0.08	167	0.08	201	0.08
<i>Total in selected occupations</i>		<i>1575</i>		<i>1796</i>		<i>1460</i>	
<i>Total bankruptcies</i>		<i>4216</i>		<i>4244</i>		<i>3742</i>	
<i>Share of bankruptcies in selected occupation as % of total bankruptcies cases</i>		<i>37%</i>		<i>42%</i>		<i>39%</i>	
Average							0.34
Average (without building)							0.29

Source: Number of cases: Board of Trade, *Annual Report on Bankruptcy* (1892, 1902, and 1912); percentage of employed: authors' elaboration from Lester, *Victorian insolvency*, Table 7.3.

Table 2: selected characteristics of the cases included in the archival sample (marital condition; size) and comparison to national data (1901-1908)

Year		Number of cases	Marital status (%)				Size Average assets per case (£)
			Married	Widows	Spinsters	Not stated	
1901	National data	200	37	40	24		292
	Archival sample	16	13	31	31	25	467
1902	National data	177	42	40	18		255
	Archival sample	8	25	38	0	38	5650 (381)*
1903	National data	182	38	42	20		358
	Archival sample	14	21	36	29	14	264
1904	National data	177	37	44	19		252
	Archival sample	17	6	41	24	29	466
1905	National data	209	47	32	22		316
	Archival sample	21	24	38	24	14	634
1906	National data	186	37	41	22		184
	Archival sample	17	18	29	35	18	126
1907	National data	173	26	51	23		220
	Archival sample	7	43	57	0	0	356
1908	National data	178	44	34	22		175
	Archival sample	12	8	42	33	17	336
Total	National data	1482	39	40	21		258
	Archival sample	112	17	40	25	26	527 (397)

Source: See text.

* = Average excluding two exceptional cases (see text).

1
2
3
4
5 **Test 1: Results of Friedman two-way ANOVA test performed on data from table 1**
6

7

Source	Partial SS	df	MS	F	Prob>F
Model	.22414667	11	.02037697	1.63	0.1730
sectorcat	.22012	9	.02445778	1.95	0.1082
yearcat	.00402667	2	.00201333	0.16	0.8526
Residual	.22524	18	.01251333		
Total	.44938666	29	.01549609		

8
9
10
11
12
13
14
15

16 Number of obs = 30

17 R-squared = 0.4988

18 Root MSE = .111863

19 Adj R-squared = 0.1925
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4 **Test 2: Results of Kolmogorov-Smirnov test performed on the variable “assets”**
5 **reported in table 2**
6
7

8
9

		Assets
Most Extreme Differences	Absolute	.625
	Positive	.125
	Negative	-.625
Kolmogorov-Smirnov Z		1.250
Asymp. Sig. (2-tailed)		.088

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

For Review Only

Footnote references

- 1
2
3
4 Acheson, G. C., and Turner J. D., 'Shareholder liability, risk aversion and investment return in
5 nineteenth-century British banking' in D. R. Green, A. Owens, J. Maltby and J.
6 Rutterford, eds., *Men, women and money: perspectives on gender, wealth and investment*
7 *1850-1930* (Oxford, 2011), pp. 206-27.
8
9
10
11 Alexander, S., *Women's work in nineteenth-century London: a study of the years 1820-1850*
12 (1983).
13
14 Aston, J., 'Female business owners in England 1849-1901' (unpub. PhD thesis, Univ. of
15 Birmingham, 2012).
16
17
18 Barker, H., *The business of women: female enterprise and urban development in northern*
19 *England, 1760-1830* (Oxford, 2006).
20
21 Barker, H., and Ishizu, M., 'Inheritance and continuity in small family businesses during the
22 early industrial revolution', *Business History*, 54 (2012), pp. 227-44.
23
24 Berg, M., 'What difference did women's work make to the Industrial Revolution?', *History*
25 *Workshop Journal*, 35 (1993), pp. 22-44.
26
27
28 Berg, M., 'Women's property and the Industrial Revolution', *Journal of Interdisciplinary*
29 *History*, 24 (1993), pp. 233-50.
30
31
32 Bowstead, W., and Scrutton, T. E., eds., *Commercial laws of the world: comprising the*
33 *mercantile, bills of exchange, bankruptcy and maritime laws of all civilised nations*, vol.
34 XIII, *Great Britain and Ireland, I* (Boston, 1911).
35
36
37 Bowstead, W., and Scrutton, T. E., eds., *Commercial laws of the world: comprising the*
38 *mercantile, bills of exchange, bankruptcy and maritime laws of all civilised nations*, vol.
39 XIV, *Great Britain and Ireland, II* (Boston, 1911).
40
41
42 Burnette, J., 'The wage and employment of female day labourers in English agriculture, 1740-
43 1850', *Economic History Review*, LVII (2004), pp. 664-90.
44
45
46 Carter, R., and Van Auken, H., 'Small firm bankruptcy', *Journal of Small Business*
47 *Management*, 44 (2006), pp. 493-512.
48
49
50 Casson, M., *Entrepreneurship and business culture*, vol. 1, *Studies in the economics of trust*
51 (Aldershot, 1995).
52
53
54 Clark, A., *The working life of women in the seventeenth century* (1992).
55
56
57 Davidoff, L., and Hall, C., *Family fortunes: men and women of the English middle class, 1780-*
58 *1850* (revised edn., 2002).
59
60
61 Di Martino, P., 'Approaching disaster: a comparison between personal bankruptcy legislation in
62 Italy and England (c.1880-1939)', *Business History*, 47 (2005), pp. 23-43.

- 1
2
3 Di Martino, P., 'Legal institutions, social norms, and entrepreneurship in Britain (c.1890-
4 c.1939)', *Economic History Review*, 65 (2012), pp. 120-43.
- 5
6 Di Martino, P., and Hautcoeur, P.-C., 'The functioning of bankruptcy law and practices in
7 European perspective (c.1880-1913)', *Enterprise and Society*, 14 (2013), pp. 579-605.
- 8
9 Doe, H., *Enterprising women and shipping in the nineteenth century* (Woodbridge, 2009).
- 10
11 Doe, H., 'Waiting for her ship to come in: the female investor in nineteenth century shipping',
12 *Economic History Review*, 63 (2010), pp. 85-106.
- 13
14 Duffy, I. P. H., *Bankruptcy and insolvency in London during the Industrial Revolution* (New
15 York and London, 1985).
- 16
17 Finn, M., *The character of credit: personal debt in English culture, 1740-1914* (Cambridge,
18 2003).
- 19
20 Foster, D., 'Albion's sisters: a study of trade directories and female economic participation in the
21 mid-19th century' (unpub. PhD thesis, Univ. of Exeter, 2002).
- 22
23 Gleadle, K., *British women in the nineteenth century* (Basingstoke, 2001).
- 24
25 Green, D. R., Maltby, J., Owens, A., and Rutterford, J., 'Who comprised the nation of
26 shareholders? Gender and investment in Great Britain, c.1870-1935', *Economic History*
27 *Review*, 64 (2011), pp. 157-87.
- 28
29 Green D. R., Owens A., Swan C., and Van Lieshout C., 'Assets of the dead: wealth, investment
30 and modernity in nineteenth and early twentieth-century England and Wales' in D. R.
31 Green, A. Owens, J. Maltby and J. Rutterford, eds., *Men, women and money:
32 perspectives on gender, wealth and investment 1850-1930* (Oxford, 2011), pp. 57-81.
- 33
34 Hemingway, J., 'Millinery and old lace: Miss Jane Clarke of Regent Street', *Textile History*, 43
35 (2012), pp. 200-22.
- 36
37 Hill, B., 'Women, work and the census: a problem for historians of women', *History Workshop*,
38 35 (1993), pp. 78-94.
- 39
40 Honeyman, K., *Women, gender and industrialisation in England, 1700-1870* (Basingstoke,
41 2000).
- 42
43 Hoppit, J., *Risk and failure in English business 1700-1880*, (Cambridge, 1987).
- 44
45 Hudson, P., 'Women and industrialisation', in J. Purvis, ed., *Women's history: Britain 1850-
46 1945, an introduction* (2002), pp. 23-50.
- 47
48 Humphries, J., 'Women and paid work', in J. Purvis, ed., *Women's history: Britain 1850-1945,
49 an introduction* (2002), pp. 85-106.
- 50
51 Johnson, P., 'Class law in Victorian England', *Past and Present*, 141 (1993), pp.147-69.
- 52
53 Jordan, E., 'The exclusion of women from industry in nineteenth-century Britain', *Comparative*
54
55
56
57
58
59
60

- 1
2
3 *Studies in Society and History*, 31 (1989), pp. 273-96.
- 4 Kay, A., *The foundations of female entrepreneurship: enterprise, home and household in*
5 *London, c.1800-1870* (2009).
- 6
7 Knaup, A., and Piazza, M., 'Business employment dynamics data: survival and longevity',
8 *Monthly Labor Review*, 130 (2007), pp. 3-10.
- 9
10 Lester, V. M., *Victorian insolvency. Bankruptcy, imprisonment for debt and company winding-*
11 *up in nineteenth-century England* (Oxford, 1994).
- 12
13 Lewis J., 'Separate spheres: threat or promise?', *Journal of British Studies*, 30 (1991), pp.105-
14 15.
- 15
16
17 Manson, E., *A short view of the law of bankruptcy* (3rd edn., 1920).
- 18
19 Nenadic, S., 'The social shaping of business behaviour in the nineteenth-century women's
20 garment trades', *Journal of Social History*, 31 (1998), pp. 625-45.
- 21
22 Pearlston, K., 'Married women bankrupts in the age of coverture', *Law & Social Inquiry*, 34
23 (2009), pp. 265-99.
- 24
25 Phillips, N., *Women in business: 1700-1850* (Woodbridge, 2006).
- 26
27 Pinchbeck, I., *Women workers and the Industrial Revolution 1750-1850* (1969).
- 28
29 Polden, P., *A History of the county court, 1846-1971* (Cambridge, 1999).
- 30
31 Purvis, J., ed., *Women's history: Britain 1850-1945, an introduction* (2002).
- 32
33 Rendall, J., *Women in an industrializing society: England 1750-1880* (Oxford, 1990).
- 34
35 Ringwood, R., *The principles of bankruptcy* (11th edn., 1914).
- 36
37 Rose, S. O., *Limited livelihoods; gender and class in nineteenth century England* (Berkeley,
38 1992).
- 39
40 Sharpe, P., ed, *Women's work: the English experience, 1650-1914* (1998).
- 41
42 Vickery, A., 'Golden age to separate spheres? A review of the categories and chronology of
43 English women in history', *Historical Journal*, 36 (1993), pp. 383-414.
- 44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60