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**Business School**  
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Haydn Green Institute  
for Innovation and  
Entrepreneurship



Charter  
for inclusive  
entrepreneurship

# Introducing the Charter for inclusive entrepreneurship



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# Welcome

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Entrepreneurship is vital for innovation, job creation, and economic growth. It can also support social inclusion by offering individuals opportunities to create employment for themselves and within their community while also contributing to social and environmental innovation and impact.

However, under-represented social groups, such as women, ethnic minorities, young people, migrants and people experiencing disabilities, face distinctive barriers to entrepreneurship.

**The Charter for inclusive entrepreneurship** aims to facilitate equitable access to, and improved outcomes from, entrepreneurship for all individuals – regardless of their personal characteristics or backgrounds. This will be achieved through promoting inclusive recruitment, procurement and service delivery practices, including targeted and nuanced business support.



The Charter for inclusive entrepreneurship has been developed by Dr Lorna Treanor at the Haydn Green Institute for Innovation and Entrepreneurship, which is part of Nottingham University Business School. Created in partnership with colleagues from The Women's Organisation, the Charter is part of Dr Treanor's collaboration with regional partners, including Nottingham Trent University and D2N2 (the local enterprise partnership for Derby, Derbyshire, Nottingham and Nottinghamshire).



## Foreword

**Professor Shearer West CBE**  
**President and Vice-Chancellor**  
**University of Nottingham**

The Haydn Green Institute based at Nottingham University Business School is a leader in the provision of high quality enterprise education, entrepreneurial skills development and business support. The Charter for inclusive entrepreneurship carries on that leadership tradition by encouraging signatories to commit to its guiding principle of minimising barriers to entrepreneurship for all.

This initiative addresses issues faced by under-represented groups seeking to pursue, or engage in, entrepreneurial activity and will contribute to the development of a more inclusive ecosystem in the East Midlands and beyond.

I am delighted that organisations such as D2N2, the Institute for Small Business and Entrepreneurship, the Black Business Network and the East Midlands Chamber of Commerce have joined the University of Nottingham as early adopters of the Charter, demonstrating a clear commitment to supporting its values of inclusion, diversity, collaboration and innovation. I look forward to many more organisations being inspired to join us in becoming signatories.

## Why do we need a Charter?

The current enterprise ecosystem does not provide sufficient, fair and productive access to entrepreneurship for all, especially for under-represented groups such as women and people from ethnic minority groups.

The Charter for inclusive entrepreneurship is a clear commitment towards the development of an inclusive ecosystem that would support anyone wishing to start a successful and sustainable business, regardless of their personal characteristics or background.

Facilitating participation in entrepreneurship for these under-represented social groups can boost the overall economy, create substantial new business, and add significantly to employment and income opportunities.

Policy interventions, however, have often been time-limited, small-scale, sparse and symptom-oriented<sup>1</sup>. Policies and practices must be designed to support and advocate for equal and fair participation in entrepreneurial ecosystems.

Gender-aware and culturally appropriate provision which enables equitable opportunities and access to support is required. This Charter sets out principles for achieving such an inclusive enterprise ecosystem.



# Charter objectives, commitment and ownership

The Charter will support growth in the economy by promoting and enabling fair and inclusive enterprise and employment, in turn facilitating enhanced productivity.

The Charter outlines the guiding principles of providing inclusive, gender-sensitive and racially aware enterprise support provision, recruitment and procurement which enables equitable opportunity and access for all.

## Commitment



### Signatories to the Charter will:

- commit to implementing the principles of the Charter
- visibly display their commitment to the Charter on their websites and promotional material where relevant
- actively promote the Charter within their own supply chains and encourage suppliers and clients to adopt the principles of the Charter, where appropriate
- recruit diverse workforces to ensure diversity across gender, ethnicity, age and ability among their workforce and procured service providers where appropriate
- ensure staff are aware of gender, race, disability and other potential barriers to service uptake and that such considerations are factored into service delivery, design, promotion and practical arrangements
- ensure staff undertake appropriate equality, diversity and inclusion training in line with good practice

# Principles

Increasing the participation of under-represented social groups in entrepreneurship boosts economic growth, generates significant social and financial returns, and drives productivity and innovation. Research outlines how achieving gender and ethnic diversity in executive teams leads to better business performance<sup>2</sup> and increased innovation<sup>3</sup>, whilst economies that have a proportionate number of women entrepreneurs are more resilient to financial crises<sup>4</sup>.

This Charter outlines the core principles in implementing and supporting an inclusive entrepreneurship ecosystem across five key areas:



### Promotion of role models

- Raise awareness of women's entrepreneurship and enterprise
- Enable contributions from and opportunities for ethnic minority-led businesses and entrepreneurs



### Enterprise support provision

- Implement a fit-for-purpose enterprise ecosystem, with equitable access to support
- Invest in specialist enterprise and entrepreneurship support
- Collect and publish disaggregated enterprise support provision data



### Education

- Ensure lifelong entrepreneurship learning, especially for under-represented social groups



### Finance

- Enable equal access to finance across the enterprise ecosystem
- Collect and publish disaggregated finance data



### Policy and procurement

- Reform public policy and procurement procedures to enable equal participation for all
- Implement measurable targets to facilitate inclusive organisational policy and procurement procedures
- Provide accessible routes out of entrepreneurship as an escape from self-employment poverty
- Collect and publish disaggregated entrepreneurship exit data

## Under the spotlight



**Only 1%**  
of UK venture capital goes to all-female founded companies



**Only 15%**  
of entrepreneurs in Europe are women



**£250 billion**  
missing from UK economy due to untapped potential



Fewer than five female entrepreneurs per every ten male entrepreneurs in UK

All statistics from: British Business Bank (2021), Final Future Fund data. British Business Bank, London.

## Women's entrepreneurship

Global economies, institutions, and organisations have long identified women as an untapped potential source of economic development<sup>5</sup>. Identified as the fastest growing category of entrepreneurship globally<sup>6</sup>, 274 million women launched or operated businesses across the world during 2020-21. Women's entrepreneurship has now become a central focus of global entrepreneurship research<sup>6</sup> and enterprise policy<sup>7</sup>.

Women's entrepreneurial activity significantly increased during 2020-21 in the UK<sup>8</sup>. This was despite the notable impact of the Covid-19 pandemic upon women entrepreneurs. Many women experienced increased caring responsibilities, while government support schemes did not support new, small, part-time or home-based businesses or those owned by company directors. As a result, female-led enterprises were often excluded from business support schemes<sup>9</sup> and received only 1.3% of all UK Covid-19 related funding<sup>10</sup>.

Women have no less potential than men to develop successful and sustainable businesses, but they face disproportionate challenges to so doing<sup>6</sup>, resulting in fewer than five women entrepreneurs for every ten male entrepreneurs in the UK<sup>11</sup>. This lower rate of women's enterprise activity is estimated to represent a loss of £250bn per annum and one million small to medium sized enterprises (SMEs)<sup>12</sup>.

It should be recognised, however, that the disadvantage and discrimination people experience in employment will also accompany them into self-employment – potentially constraining entrepreneurial legitimacy and negatively affecting venture profile, scalability and returns. Becoming self-employed does not provide an escape from structural biases – however, it may remain the preferred option for many women due to the assumed benefits of flexibility and avoiding the stress of workplace bias and discrimination.



## Case study

When Claire Dunn and Sarah King first met, they agreed that women faced additional barriers in the workplace, that entrepreneurship was not a welcome space for women and that things needed to change.

**Three months later, they founded Obu.**



## obu: #overbeingunderfunded

Sarah King and Claire Dunn co-founded their business in November 2018 with the purpose of reimagining entrepreneurship and investment in the UK. With corporate financial services careers behind them, they set out to develop a scalable solution that would make a meaningful contribution to closing the gender investment gap – for both early-stage entrepreneurs and first-time angel investors.

On their journey to building a Financial Conduct Authority (FCA) regulated, fintech platform they experienced first-hand some of the systemic and invisible barriers in the ecosystem which inhibit overlooked entrepreneurs from securing early-stage investment. In May 2021, and with no prior lobbying experience, obu (then known as ‘we are radikl’) created and launched the #overbeingunderfunded campaign which called for legislative changes to make early-stage investment more accessible. This included the following asks:

1. Extend the Seed Enterprise Investment Scheme (SEIS) age limit from two to three years from trading date
2. Introduce gender, race and ethnicity reporting on SEIS (for both entrepreneurs and investors accessing the scheme)
3. Redirect peer-network funding towards earlier-stage women entrepreneurs, with a focus on raising awareness of funding pathways

The campaign gained the support of the Federation for Small Businesses, Virgin Start up and Seedrs, with Clear Channel UK sponsoring a London billboard campaign. The campaign featured on ITV News, the East Midlands BBC Politics Show, in The Times, TechRound and StartUps Magazine. It was also mentioned in the House of Commons on 10 March 2022 by Ruth Edwards MP. Subsequently, in *The Growth Plan* Ministerial Statement of September 2022, Chancellor Kwarteng outlined that the first campaign ask – an extension of the SEIS age limit from two to three years – would come into effect in April 2023.

For the obu team the #overbeingunderfunded campaign continues. Their focus now is on the second campaign ask – introducing reporting – and on ensuring as many early-stage women entrepreneurs as possible are aware of the age limit extension and what it could mean for their business.

For more information about obu visit: [obuinvest.com](https://obuinvest.com)

Under the spotlight



**£74 billion**  
worth of annual economic contribution by ethnic minority-led enterprises

**3 million**  
people employed by ethnic minority-led businesses

**16%**  
UK enterprises are ethnic minority-led

**17%**  
of ethnic minority enterprises are led by women

All statistics from: MSDUK (2021) *Minority Businesses Matter: The Contribution and Challenges of Ethnic Minority Businesses in the UK*, MSDUK, Leicester.

## Ethnic minority entrepreneurship

Ethnic minority entrepreneurs contribute significant economic and social dividends nationally. One million ethnic minority-led enterprises contribute an estimated £74bn to the UK economy and employ three million people across the country<sup>13</sup>.

Ethnic minority-led enterprises are diverse and wide-ranging. Seventeen percent of all ethnic minority-led businesses are run by women<sup>14</sup> and 40% of the current UK start-ups valued at \$1bn were co-founded by ethnic minority entrepreneurs<sup>14</sup>.

Representing 16% of all businesses in the UK, ethnic minority-led enterprises are recognised to be more innovative and more likely to operate in international markets, than white-led companies<sup>15</sup>.

Individuals from ethnic minority backgrounds face discrimination and bias in the labour market with constrained employment opportunities encouraging many to pursue entrepreneurship. As entrepreneurs, they also face increased barriers when seeking access to finance and resources. They also experience a lack of culturally sensitive business support, fewer leadership and management development opportunities, and constrained career progression<sup>16</sup>.

While many ethnic minority entrepreneurs will overcome these challenges and establish successful enterprises, these structural barriers often constrain long-term business growth and returns from entrepreneurship. Thus, ethnic minority entrepreneurs experience substantially worse business outcomes than white entrepreneurs<sup>14</sup>. Black women entrepreneurs and female business owners from Asian and other ethnic minority backgrounds experience the lowest levels of business success<sup>14</sup>.

Contributing to a level playing field for entrepreneurs from ethnic minority backgrounds would yield benefits for the UK economy.



## Case study

# Nia Black Business Hub



The Nia Black Business Hub (NBBH) will be the first physical, minority-led business incubator and support centre in the Liverpool City Region. The initiative was established in recognition of the ongoing lack of business support for ethnic minority-led businesses in the city. It was designed to tackle the historic discrimination and disadvantage faced by Black and other ethnic minority entrepreneurs. The Hub, still in its inception stage, aims to address the deficits in ethnic minority-led business creation and growth by providing a model of enterprise support bespoke to the needs of ethnic minority entrepreneurs.

The business case for the NBBH combines academic research and primary evidence from ethnic minority entrepreneurs across the region, highlighting the significant gap in enterprise policy and practice relating to ethnic minority entrepreneurship locally and nationally. By providing targeted and bespoke support, the Hub will act as an anchor organisation for potential and existing ethnic minority entrepreneurs and enterprises in the region. NBBH will be integrated into the wider enterprise ecosystem and provide a model of best practice in tackling the discrimination, policy and practice deficits, lack of investment and culturally sensitive support experienced by ethnic minority entrepreneurs within the enterprise ecosystem.

The Federation of Small Businesses (FSB) has launched a national ethnic minority-led business network and is actively championing the contribution of such businesses, recently publishing their *Unlocking Opportunity* report which highlighted their £25bn input to the UK economy in 2018.

For more information about NBBH visit: [niablackbusinesshub.co.uk](https://niablackbusinesshub.co.uk)

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For a complete list of references, please see the full Charter document which can be downloaded at [nott.ac/charter-inclusive-entrepreneurship](https://nott.ac/charter-inclusive-entrepreneurship)





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## Charter for inclusive entrepreneurship

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For more information, to download a copy of the full document  
or to become a signatory of the Charter, please visit:

[nott.ac/charter-inclusive-entrepreneurship](https://nott.ac/charter-inclusive-entrepreneurship)

For alternative formats of this document  
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