

Institution: Aston University		
Unit of Assessment: 17 Business and Management		
Title of case study: Diversity and Entrepreneurial Outcomes in the UK: A case study transforming policy and practice		
Period when the underpinning research was undertaken: 2008-2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Professor Mark Hart	Professor of Small Business & Entrepreneurship	2008-present
Professor Monder Ram	Professor	2018-present
Professor Tomasz Mickiewicz	Professor	2012-present
Professor Nick Theodorakopoulos	Professor	2017-present
	Reader	2015-2017
	Senior Lecturer	2013-2014
	Lecturer	2010-2012
Professor Richard Roberts	Professor	2018-present
Professor Trevor Jones	Professor	2018-present
Period when the claimed impact occurred: 2013-2020		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact		
<p>Aston's Centre for Research in Ethnic Minority Enterprises (CREME) has a global reputation for research and business engagement activities that promote diversity and enterprise. Its Building an Inclusive Business Ecosystem (IBE) project demonstrates its innovative approach by directly supporting around 100 growth-oriented ethnic and migrant businesses who had never accessed mainstream business support before to improve their performance. It transformed practice by working alongside a range of stakeholders, including the private sector (large corporate, trade and professional), and national and local government-funded agencies, to build capacity, shape and scale their business support activities and draw down funding for future interventions for these traditionally marginalised entrepreneurs.</p> <p>The Global Entrepreneurship Monitor (GEM) UK research project, managed by Hart and hosted at Aston as part of its Enterprise Research Centre (ERC), has a unique, large-scale dataset (2002-2020) on individual UK entrepreneurs, including ethnic minorities, immigrants and women, and is part of a broader, global project on entrepreneurial attitudes, activities and aspirations. GEM data and expertise is used by CREME to deepen their activities in diverse UK communities and most recently has provided robust evidence to NatWest and the Federation of Small Businesses which has led to new activities and strengthened the lobbying of Government.</p>		
2. Underpinning research		
<p>Ethnic minority businesses (EMBs) are located across the UK, and are particularly prevalent in UK cities. Their significant contribution is part of a largely untold story – revealed in a recent report (R1) by CREME and the ERC GEM team. This report, for the Federation of Small Businesses (FSB), uses the most authoritative data sources available (including GEM) to highlight the importance of EMBs to the UK economy. At £25 billion per annum, the economic contribution of ethnic minority business owners to the UK's Gross Value Added (GVA) is huge and equivalent to that of vital sectors such as the chemical industry, or large cities like</p>		

Birmingham and London. Ethnic minority and migrant communities are helping to reshape the UK's entrepreneurial landscape in multiple ways, including by forging vital trading links by leveraging international networks, and providing employment opportunities in hard-pressed local job markets. London, the West Midlands and a number of the UK's larger urban areas are hubs of ethnic minority business activity (R2). The vital social contribution of these small businesses is evident in the country's cafés, convenience stores, grocers and private hire taxi firms – and yet the value of this social or community contribution remains almost totally unmeasured (R3). Nevertheless, through this combined economic and social contribution, the widely advocated policy of 'inclusive growth' is being enacted in real-time by the daily actions of ethnic minority business owners (R6).

GEM UK research indicates that mobile individuals, particularly immigrants and members of ethnic minorities (especially if they are graduates), are more likely to be high aspiration entrepreneurs (R3; R4). Meanwhile, earlier research using GEM data found that White life-long UK residents had less favourable attitudes towards entrepreneurship than other groups. But while those with Black ethnic backgrounds were more likely to be intending to, or actively trying to, start new businesses, this did not translate into significantly higher levels of actual business ownership (R5).

Overall, this research provided key insights and evidence for the future direction of business support policy for diverse communities. Across England, many of the strategic economic plans of the 38 Local Enterprise Partnerships (LEPs) and their associated growth hubs embrace similar principles, yet they struggle to embed these within the current range of policy initiatives designed to promote inclusive entrepreneurial activity. The IBE project developed by CREME provided an opportunity to transform practice by setting out the steps required to build a sustainable and inclusive ecosystem for diverse communities in Birmingham's disadvantaged areas.

3. References to the research

R1 Roberts, R., Ram, M., Jones, T., Idris, B., Hart, M., Ri, A., & Prashar, N. (2020). *Unlocking Opportunity: The Value of Ethnic Minority Firms in UK Economic Activity and Enterprise*. The Federation of Small Businesses. London, U.K. <https://www.fsb.org.uk/resource-report/unlock.html>

R2 Wishart, M., Roper, S., & Hart, M. (2018). *Understanding business resilience among under-represented groups in London*. Enterprise Research Centre. Birmingham, UK.

R3 Mickiewicz, T., Hart, M., Nyakudya, F., Theodorakopoulos, N. (2019) "Ethnic pluralism, immigration and entrepreneurship". *Regional Studies*. 53:1, 80-94, 2019 <https://doi.org/10.1080/00343404.2017.1405157>

R4 Hart et al., (2020) *Global Entrepreneurship Monitor: UK Monitoring Report 2019*, Aston Business School and NatWest, November 2020

R5 Hart, M and Levie, J (2011) "The contribution of migrants and ethnic minorities to entrepreneurship in the UK" in Minitti (ed.), *Dynamics of Entrepreneurship*, Oxford University Press, September 2011.

R6 Edwards, Paul & Ram, Monder & Jones, Trevor & Doldor, Sabina. (2016). "New migrant businesses and their workers: developing, but not transforming, the ethnic economy". *Ethnic and Racial Studies*. 39:9, 1587-1617 <https://doi.org/10.1080/01419870.2015.1116702>

4. Details of the impact

The IBE project's design was a direct impact of the underpinning research. R5's insight on the importance of building an inclusive culture of business support for old and new immigrant groups led to the project's focus on three ethnically-diverse Birmingham areas: Lozells, Sparkhill and Small Heath. The emphasis on connecting EMBs in these areas to wider business networks, motivated the involvement of mainstream institutions including NatWest, the Greater Birmingham and Solihull LEP (GBSLEP) and the Aston Centre for Growth. And the

need to connect initiatives to the communities in which they operate drove the inclusion of community-based partners including Citizens UK and Ashley Community Housing (ACH).

The IBE project, supported by the underpinning research, directly underpinned the development and application of an innovative model of inclusive business support, which leverages complementary resources from a unique cross-sector partnership of organisations. The participating companies were supported to prepare for the future, embrace uncertainty and strategise around it.

The high-level impacts of the IBE project were threefold:

- Enhanced performance of ethnic minority and migrant businesses
- Building organisational capacity
- Scaling up business support

These impacts are evidenced across the following examples:

1. Seventy ethnic minority and migrant businesses in Birmingham received support that enhanced their performance. These firms have benefited from an estimated £100k of business support provided by NatWest. None of these entrepreneurs had previously used business support. The most obvious impact in the short-term is a changed mindset towards enhanced and more sustainable business strategies (**S1**).
2. The GEM research on diversity and the positive experience of the IBE project was instrumental in NatWest's decision to pilot a 'pre-accelerator' for Black, Asian and Minority Ethnic (BAME) businesses in London in April 2019. Fifty aspiring entrepreneurs have gained support from the programme to validate their business ideas in order to build sustainable businesses. The pre-accelerator has been so successful that NatWest has decided to extend the model with four more pre-accelerators opening for applications in London, Birmingham, Manchester and Edinburgh in early March 2021. More pre-accelerators are planned for Milton Keynes, Bristol and Glasgow (**S2**).
3. The IBE project has had many important impacts on Citizens UK, which seeks to organise communities for the common good. The IBE project helped Citizens UK develop long-term relationships with business-facing organisations including the GBSLEP Growth Hub and NatWest Bank. The financial and in-kind support provided by these organisations has helped Citizens UK to ensure that ethnic minority business owners have access to appropriate guidance and advice. The success of the IBE project has also been instrumental in Citizens UK receiving funding from the innovation foundation, NESTA, to explore how this model can promote the 'democratisation of innovation'. NESTA views the IBE project as a powerful example of how innovation and enterprise can be nurtured in local communities (**S3**).
4. The IBE has also influenced initiatives by its partners NatWest (in London) and Bristol Ashley Community Housing. Both have been evaluated positively and have led to the scaling-up of activity. ACH has developed a **#Rethinkingrefugee** campaign based on the research of CREME and GEM. The IBE project has led to international conference presentations, and secured £31m of new contracts in training and consultancy for ACH (**S4**).
5. The IBE project led to GBSLEP Growth Hub developing more inclusive forms of business support. In particular, IBE has allowed GBSLEP to target areas in the city where it rarely has a significant impact and build relationships with 70 business owners not previously engaged with the Growth Hub. The IBE has been so successful that GBSLEP agreed to fund it for three more years (2019-22) (**S5**).
6. The evolving relationship with NatWest at a regional and national level led to the GEM UK project providing research evidence for the Rose Review on Female Entrepreneurship in 2018. In 2018, NatWest also became the lead sponsor of the

GEM UK project and the evidence generated by it each year is used to evolve its products and services (**S6**).

7. The “*Unlocking Opportunity: the value of ethnic minority firms to UK economic activity and enterprise*” report for the FSB in 2020 by CREME researchers using GEM data in 2020 led to a number of recommendations for Government (**S7**). They include: improve the accessibility to business support; improve ethnic minority access to finance; conduct a comprehensive and regular national level study of ethnic minority entrepreneurship, and ensure ethnic minorities are a key part of Government sponsored campaigns designed to boost exporting.

5. Sources to corroborate the impact

S1 Feedback from intensively-assisted businesses

S2 NatWest testimonial statement from Strategic Lead for Diversity in Business Banking, NatWest Bank

S3 Citizen UK testimonial statement

S4 Ashley Community Housing testimonial statement

S5 GEBSLEP and Growth Hub testimonial – Ian McLaughlin, Manager, GBSLEP Growth Hub

S6 The Alison Rose Review of Female Entrepreneurship, p117, p129

S7 Testimonial statement from the Federation of Small Businesses on the 2020 Unlocking Opportunity report