

How Canada can make its startup ecosystem more inclusive

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Credit: AI-generated image ([disclaimer](#))

The global pandemic caused devastating economic impacts, including high levels of unemployment. As with the 2008 recession, self-employment has been encouraged as a pathway towards economic participation and [boosting the labor market](#).

Yet marginalized groups, including women and Indigenous people, continue to [face barriers to starting and growing a business](#). In 2022, only 18 percent of small and midsize businesses in Canada were majority women-owned, only 16 percent were owned by visible minorities and only two percent were Indigenous-owned.

According to the Organization for Economic Co-operation and Development, [helping marginalized groups start their own businesses](#) will result in significant economic and [social benefits](#).

Women-led small and micro businesses, for example, [contribute to communities around the globe](#). They use their resources to reinvest in the health, education and well-being of their families and neighbors.

For this reason, an emerging body of research is recognizing the importance of [startups that are born out of necessity, not profit](#). Despite this, most entrepreneurial resources and support still primarily focus on high-growth [entrepreneurship](#).

Barriers to inclusivity

The Kauffman Foundation, a private organization that supports and studies entrepreneurship, follows a "[zero barriers](#)" mantra. It asserts that when some groups face obstacles to entrepreneurship, the entire system is held back. This isn't just an empty slogan—it's one [supported by research](#).

There are [three primary barriers to inclusivity in entrepreneurship](#). The first is that many have a narrow view of entrepreneurship that focuses on tech, venture capital, profit and individual achievement. This approach often leads to [support systems](#) that exclude marginalized communities.

The second [barrier](#) is that there is unequal access to information about

existing supports and resources for entrepreneurs. Lastly, there is insufficient support for marginalized communities, and a lack of trust and confidence in those providing assistance.

Effectively addressing obstacles

Despite a widespread understanding of the broader barriers to inclusive entrepreneurship, there is a lack of understanding about the specific ones, which is needed to effectively address these obstacles.

For instance, how can information about entrepreneurial support be more accessible? How should these support systems be customized to meet the needs of marginalized people? How can we establish trust and credibility in the support being offered? What is a more inclusive way of supporting entrepreneurship?

These questions can only be effectively addressed at the systemic level. Studies show that [entrepreneurship increases when there are strong systems](#)—like incubators, accelerators, funding opportunities, networks, policy frameworks and market access—in place.

In other words, increasing entrepreneurship among marginalized people calls for the development of more inclusive entrepreneurial [ecosystems](#).

Transforming the system

Creating a more inclusive entrepreneurship ecosystem involves transforming the existing one. Such a transformation calls for the involvement and collaboration of individuals and groups that support inclusive entrepreneurship.

Working on a larger scale will assist Canadian policymakers and

organizations in helping people from [diverse communities](#) make the most of their economic and social potential through entrepreneurship.

Several key characteristics [define an inclusive entrepreneurial ecosystem](#). First, it involves seeking input from entrepreneurs belonging to marginalized communities. These insights should shape policy decisions and public initiatives.

Another essential aspect is educating government officials and the media about a more inclusive definition of entrepreneurship that goes beyond typical high-growth ventures. By broadening their understanding, policymakers can develop more inclusive policies and allocate funding more equitably.

Additionally, fostering grassroots initiatives that support entrepreneurs from marginalized communities is vital. These initiatives should be led by entrepreneurs from those communities, which will likely mean diverting resources from existing power players.

Ensuring everyone has access to affordable, culturally specific education that nurtures entrepreneurial skills is also fundamental. Understanding how trauma impacts startup aspiration and success, and taking a trauma-informed approach to supporting inclusive entrepreneurship, is equally important.

Ecosystem builders

Supporting [entrepreneur ecosystem builders](#) is a pivotal way to create a more inclusive startup environment. Ecosystem builders are organizations that work to remove existing barriers in the startup system.

At [MacEwan University's Social Innovation Institute](#), we are striving to be an ecosystem builder by holding roundtables with key groups. These

groups include innovation authority Edmonton Unlimited, non-profits that support marginalized entrepreneurs, the government and financial institutions.

Participants are working to create a shared vision of inclusive entrepreneurship by identifying community strengths and barriers, and figuring out the steps needed to transform Edmonton's startup ecosystem. A key aspect of this transformation involves joint efforts to influence and shape policy decisions.

Edmonton's efforts to create an inclusive entrepreneurship ecosystem will not only benefit the local community, but also hopefully guide other cities in transforming their entrepreneurial ecosystems as well. By making these changes, we will foster more equitable economic participation across the board.

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