Runnymede: Intelligence for a Multi-ethnic Britain

Runnymede is the UK's leading independent thinktank on race equality and race relations. Through high-quality research and thought leadership, we:

- Identify barriers to race equality and good race relations;
- Provide evidence to support action for social change;
- Influence policy at all levels.

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We are very pleased to reproduce here The Runnymede Trust Annual Lecture which was presented by Iqbal Wahhab OBE FRSA (restauranteur and social commentator) at the London Guildhall Faculty of Business & Law, London Metropolitan University, on 8 December 2014.

Iqbal’s main argument is that businesses can deliver better good than governments. His argument isn’t the typical ‘business case’ argument and it also focuses mainly on employment, an area where government policy hasn’t been particularly successful in the past few decades, especially for Black and minority ethnic people.

After Iqbal’s initial presentation, he introduces contributions from: Arun Batra (Ernst and Young); Sahara Quli (Mum’s the Chef); Terroll Lewis (former gang leader); Philip Richards (Freshfields); Jake Hayman (The Social Investment Consultancy).

Each of these contributors offers particular insights into the role of business in reducing ethnic inequalities, and many readers would undoubtedly wish to learn more about their inspirational work. By weaving these presentations into his speech, Iqbal doesn’t simply highlight their good work and further engage his audience, but also indicates the range and extent of business activity for good, so supporting his overall argument that businesses can deliver better good than governments.

In his introduction Iqbal suggests that businesses will increasingly need to respond to consumers who will evaluate their choices and ultimately make decisions based on the extent to which business reflect a consumer’s values. This certainly seems a more clear-headed argument than the business-case arguments typically advanced in policy circles. It is also hard to disagree with Iqbal that such an argument will be less confrontational with businesses than legal requirements that may require central government intervention to enforce.

As a way of continuing the conversation, but allowing Iqbal to have the final word, I want to indicate four possible challenges for this approach in this foreword, and why government – if it behaved more strategically and consistently – might still have a role for advancing racial equality.

The first two of these challenges are arguably less challenging, and ones that Iqbal could easily accommodate, but are worth explaining to indicate the continued problem of racism. The first is that some consumers clearly have the wrong values. By wrong we mean racist, or at least somewhat prejudiced. Some people will actually prefer if a business could offer them products and services that excluded people they didn’t like or want to interact with. The reality of this preference is why governments have passed race relations legislation, covering both access to services as well as employment. It’s also why government promotes certain values in our schools, namely to reduce the prevalence of prejudice.

This leads to a second point, which is that government intervention will still be necessary to stop abuses, and to protect the vulnerable. I am sure Iqbal wouldn’t in any way disagree with these points, and he might also reasonably ask how many such cases would there be. Having a legal back-stop against overt discrimination certainly doesn’t suggest that government can or should otherwise implement policies to reduce racial inequalities and so Iqbal’s focus on business might still be the right one. On the other hand, we might also think that when a government over which we exercise some degree of democratic control positively affirms and defends certain values, it isn’t just a question of effective service delivery or minimal legal requirements, but a signal to everyone that those values – including racial equality – are ones that everyone in society ought to affirm. It’s hard to see how businesses could fulfil that role.

Two other issues are perhaps more challenging for the argument that businesses can do more good than government. One key question regards scale, and is particularly relevant for social enterprises or charities or indeed small businesses that may have developed a successful product or service, but that is relatively small
scale or targeted at a particular area. It will be interesting to catch up with Sahara Quli in 5 years’ time to see if “Mum’s the Chef” has expanded and with Terroll Lewis to see how far his gym has grown. Further business investment is one obvious way to scale up these activities, but there is also the question of whether government should itself take up and roll out these good ideas, for example in how education, prisons and business support services are delivered. For some readers this will be a more ideological or philosophical question in terms of who should deliver and be held accountable for particular services, but it’s also an empirical question in terms of who is better able to deliver results.

The final question is whether businesses or markets can always respond positively to social disadvantage. Low income customers obviously have less money, but they are also often a more ‘risky’ proposition or ‘harder to reach’ for mainstream business. This often means that it is more expensive or costly for businesses to reach excluded populations and to respond to their preferences and views. Typically this greater cost of getting information and designing appropriate products is passed on to the consumer, and explains why insurance, credit and other goods and services are more expensive for low income groups.

One obvious answer to this is suggested in Iqbal’s lecture: that technology and marketing will start to provide the solution, in terms of better and more cheaply gathering information and being more responsive to customer needs. That’s obviously the promise, and if more businessmen like Iqbal show his energy and commitment, and remain connected to a much wider range of people than our political and business elites, it’s a promise that just might be fulfilled. Whether or not businesses can do more good than governments, Iqbal is clearly right that governments often do a lot of harm, and that businesses must be part of the solution to many of our continued social problems, including racism. And in the context of employment specifically, Iqbal’s case is even stronger.

In publishing this lecture, we hope that others not only learn from and are inspired by Iqbal Wahhab’s personal story and commitment, and the stories of his fellow participants, but also follow his lead in taking practical, business- and values-based steps to reduce racial inequalities.

Dr Omar Khan
Director
Runnymede Trust
When I was asked to deliver the Runnymede Trust annual lecture I chose to explore the closeness between commercial activity and social change.

Largely based on the many government failures I’ve witnessed over decades and for which we are all now paying the consequences, in preparation for this event I embarked upon a series of realisations about the magnitude of my hunch if it were correct.

Whether it’s addressing ethnic inequalities in the labour market or the manner in which we treat ex-offenders, businesses can – as mine has done – step forward where public policy has been less successful.

Some businesses will do this driven by their conscience. Increasingly though, they will be driven by the consciences of their customers who more and more inspect the moral codes of those whose products and services they buy.

So we have had the legal case for diversity which was aggressive in tone and a business case for diversity which in the past was largely more aspirational than inspirational. In writing this, I think I have stumbled over the ultimate commercial pleaser – the consumer case for diversity.
I am very pleased to be here at The London Met to deliver this year’s Runnymede annual lecture.

I have associations going back many years with both institutions. I wrote a publication for Runnymede in 1989. On my way to give a talk to London Met business students a couple of years back, I was on the phone to a minister at the Department of Works and Pensions where I had chaired their Ethnic Minority Advisory Group for many years under both this and the previous government. I wanted to know what she was going to do about the just published statistic that 49% of young black men in Britain were out of work. “Iqbal”, she said. “The Work Programme will sort that out.”

I decided then and there (there being on a phone outside) that I was wasting my time advising government and I told her that I was going to step down and use the time I had spent sitting on groups like that opening more restaurants.

I told her that by doing so I would probably be employing more black people than any government initiative would. I may have said that in a fit of pique but it kick-started a series of thoughts which I am now returning to London Met to share with you this morning.

And they’re thoughts backed up by a specific action. I’m putting my money where my mouth is.

Early next year I am hoping to launch a company which aims to put what I am proposing to you today into practice.

In the hugely competitive environment of the London dining scene, I am planning a major new restaurant growth company which will place its social commitments and duties right at the fore of what we do, that will take its stakeholders through the joint commitments of delivering a commercially viable and thriving business with measurable impacts to fixing some of the many problems our communities face.

You will know that all businesses have risks attached to them and to add to that jeopardy or more optimistically, to prove how much I believe in what I am proposing to you over the course of this talk, I am putting all the money I have made over the years into this fund.

My reputation, my savings, my investments are all being put on the line. Because that’s how much I believe in what I am saying.

So I hope you join me in hoping that I am right.

Businesses are more far-sighted than governments

Imagine you’re the head of Business in the Community, the umbrella organisation the Prince of Wales set up to harness the many areas of good social practice that companies across the country undertake with a view to amplifying them.

You’re standing in a grand room in St James’s Palace with HRH and 200 of the country’s top business people like the chairman of Marks and Spencer, the MD of Waitrose and head of Wates Construction – well 199 of them plus yours truly who slips into these events on a SME/BME two-for-the-price-of-one ticket – all of whom have proven credentials over sustained periods of time in fixing many of society’s problems.

What can you say that isn’t patronising like “You guys do great work” or presumptuous like “We’d like to see you do more of the kinds of things you do in the coming year”. This is a tough crowd – people who have managed to drive commercial gains for their companies, often against a recessionary backdrop, and yet not neglected and in fact –increased their social impact activity such as offering work to ex-offenders or apprenticeships to young unemployed people.

They (we) haven’t come to get a pat on the back but rather to share what practices we have adopted and to see what ideas we can take from others. Like Vidal Sassoon in his famous TV commercial where he says “If you don’t look good, we don’t look good”, Stephen Howard – the man in question – knows his audience will switch off him quickly if he doesn’t get them early.

So he metaphorically puts a mirror back on us by quoting a Zulu warrior saying “If you want to run fast, go alone. If you want to run far, go together”.

The difference, I am going put to you this morning, is that governments like to go fast and businesses like to go far. Governments and politicians need to
see quick fixes in order to get re-elected and ignore longer term impact activity – whether that’s on climate change, challenges on obesity or extremism – that they will not be around to claim the credit for.

Businesses, I will argue, need to – and increasingly do – step back from the narrow focus on increasing sales – our version of votes. More widely, we see the need for bigger alliances with our customer base – both existing and potential – and what we learn from them both in terms of the goods or services we offer them or in terms of their wider expectations of us increasingly drives our performance.

The evolution of marketing
In his celebrated book *Marketing 3.0*, Philip Kotler takes the reader on a journey as to how businesses have evolved over time. Marketing 1.0 revolved around selling an existing product, summed up best by Henry Ford’s description of his Model T: “Any customer can have a car painted any colour that he wants,” he said, “as long as it is black”.

Marketing 2.0 stems from today’s information age and the digitalisation of our communications strategies to tailor the way consumers now rapidly scour markets and actively participate in the production of goods and services which we then purchase. We are now Prosumers.

Marketing 3.0, he argues, builds on the customer-driven approach and widens its appeal to incorporate values – and by values he means addressing means of tackling society’s problems.

To quote: “*Marketing 3.0 lifts the concept of marketing in to the arena of human aspirations, values and spirit. Marketing 3.0 believes that consumers are complete human beings whose other needs and hopes should never be neglected. Therefore, Marketing 3.0 complements emotional marketing with human spirit marketing.*”

So, what does that mean and what are we to take from it?

It means the market, namely consumers, are ahead of us in terms of wanting to see businesses not just produce goods and services that we desire or will want to desire, but that their moral codes are in tune with those who make them rich.

Businesses are learning the lessons of reputational risk and are increasingly coming off their back-foot defensive posture and instead are pro-actively promoting their social impact activities. We don’t any longer just want to know whether our coffee is free trade or whether our chickens are free range.

We no longer just want to know what the people we are spending our money with are doing to reduce their carbon footprint or how diverse their workforce is – we need to know.

*Marketing 4.0* – which has yet to happen but it can only be a matter of time before Philip Kotler writes it – will be when the consumer shops elsewhere when they find their existing producer cannot live up to their expectations.

A survey published earlier this year found that a third of people questioned felt ashamed that they bought from businesses they knew had questionable or unethical codes of conduct.

Around the same time as Kotler wrote *Marketing 3.0*, The Harvard Business Review published one of its most reputed and best known articles, one that was slightly ahead of its time three years ago but now resonates loudly in the aftermath of our banking scandals.

Written by Michael Porter and Mark Kramer, the article was titled “Creating Shared Value” which in itself doesn’t say very much but the secondary heading does: “How to reinvent capitalism – and unleash a wave of innovation and growth”.

It’s the growth aspect that is driving much or what I am going to propose to you today and I’ll be peppering this morning with interventions from businesses that have stepped in where governments have failed to address social problems and – crucially, for the sustainability of their businesses, they make money by doing so.

Porter and Kramer argued that the Gordon Gekko “greed is good” Wall Street perception of business is what has triggered the re-invention of capitalism. It took an economic crash to bring us to our senses and it took the consumer to drive this message home to us. As they write: “Businesses acting as businesses, not as charitable donors, are the most powerful force for addressing the pressing issues we face. The moment for a new conception of capitalism is now; society’s needs are large and growing, while customers, employees and a new generation of young people are asking business to step up.”

Businesses once stepped up by adding corporate social responsibility to their structures and a few
How Businesses Can Deliver Better Good than Governments

years ago we all thought that buying fair trade coffee and chocolate made us better people.

But these were largely tokenistic measures. Delegating CSR to invariably one person at the end of the corridor only served to relieve the rest of the company’s employees of their own obligations and responsibilities. CSR, as the authors say, was a reaction to external pressure, a cost to make the company look good.

Today, as I will hope to prove to you, businesses no longer see this as a cost but if anything as the opposite.

And like moving on from CSR, we need to look beyond fair trade.

Fair trade – originally triggered by religious movements and NGOs – aims to increase the proportion of revenue that goes to poor farmers by paying them higher prices for the same crops.

So what’s wrong with that, you ask?

It’s an old-fashioned redistribution model whereas the savvy shared value investor looks at expanding the business.

The shared value approach sees the poor farmer not as someone we can help but as a commercial partner. It looks at increasing farmers’ efficiency, yields, productivity as well as sustainability. A bigger pie means bigger revenue and bigger profits for all.

Porter and Kramer cite the case of cocoa farmers in the Ivory Coast which showed that the implementation of fair trade would lead to their incomes rising by between 10 and 20%, while shared valued investments led to their incomes rising by 300%.

So shared value means everyone profits and businesses can materially benefit by stepping into the many government – any government – created social anomalies and inequalities.

So let me give a closer-to-home example, one which resonates strongly with the ethos of Runnymede and their tireless work in tackling racial inequality.

Runnymede’s director Omar Khan was part of the DWP’s Ethnic Minority Advisory Group and we saw how ministers in the last government and this one simply failed to understand how we came to have a situation where people of BME backgrounds were twice as likely to be out of work as the rest of society.

The smart ministers – and there were some smart ones – who did understand the issue failed to do anything about it.

But two businesses emerged on the back of our experiences and we’ll hear from them this morning. One of our members set up a project with a huge multinational company driven by successive governments’ failures to address workplace inequalities and has developed a multi million pound enterprise with precisely reported programmes in creating jobs for BME people for its clients.

Another is a social enterprise local to Croydon which has taken housewives largely from ethnic minority backgrounds out of benefits and into work with a calculated first year social return on investment of £1 million by creating 40 job opportunities.

Arun Batra – tell us how easy it was for you to convince Ernst and Young to back your National Equality Standard.

Presentation by Arun Batra

Hi, I’m delighted to be here and thank you, Iqbal, for inviting me.

Having spent 20 years in the public sector, based largely around the South Bank, I often took walks along the river and through the City, gazing longingly at the imposing buildings wondering how, as the son of an immigrant and taxi driver, I could ever persuade the senior folk who occupied the offices how my limited talents might be of value to them....

And now I find myself in the offices of almost 200 of them on a regular basis.

Let me use my 5 minutes to explain how that happened.

I used to work for Boris Johnson and his predecessor, Ken Livingstone, as the Diversity Director and ran the Mayor’s Standard in London.

I’d also sat in on a number of government related meetings where there were attempts to develop a National Equality Standard.
The key drivers for this were the Equality Act 2010 and a feeling that there was generally a lack of clarity and consistency.

So what did I do?

Those who know the world of diversity and inclusion will know the same sorts of conversations have been had for a number of years. For example:

“It’s awful ethnic minorities and women are not in senior positions and they operate in the lower levels of the organisation.”

“Men and women are not paid the same.”

“Glass ceilings exist for black people and women.”

“Why is all the power in the hands of one homogeneous group who tended to be tall, white and male?”

“How will we deal with people with mental health problems?”

“How do we diversify the supply chain?”

Then, you would leave the meeting, come back three months later and you would discuss “Isn’t it awful black people are not in senior positions?” and “How do we diversify supply chains?” and have the same conversation sometimes three years or even three decades later.

I was absolutely fed up, bored and a bit frustrated and thought something had to change. I’m one of those people who has to feel that I’ve achieved something and if I don’t I get quite depressed.

This led to the following thoughts:

Wouldn’t it be great if business and public sector had to treat performance against diversity and inclusion with the same rigour that they treat the end of year accounts?

Wouldn’t it be great if they were held to account for failure?

Wouldn’t it be great if we did not only identify what was wrong – which they knew already – but told them how to fix it?

Wouldn’t it be great if we provided a comprehensive overview of business performance related to diversity and inclusion and linked it to productivity, growth, investment and performance?

Wouldn’t it be fantastic if businesses could talk freely about their concerns instead of being worried about being arrested by the equality police?

Having worked in lead diversity roles in central and local government I knew there was no way, despite good will, that they could manage the marketing, the audit requirements, the forensic analysis, the slickness the business community demands and also resource it, with recession and redundancy being the words most of us became very familiar with.

I knew I had one chance and, having run the London Standard for Diversity, I knew that a diversity initiative of this scale needed the might of one of the Big 4 accounting giants to back it as they had the infrastructure to make it succeed.

So I managed to find my way into EY (Ernst & Young) – and met the managing partner – and no joke – set out the proposition and asked for a multimillion pound investment….

To my astonishment they agreed but with one rather large condition. We needed an independent board of sponsors to help fund the development. I then thought the dream was over.

But, one morning over breakfast when Iqbal offered to contribute a large sum into the pot, I thought “If Iqbal will sponsor it so will others!” And they followed one by one – with some of the world’s biggest brands, Microsoft, Vodafone, Pearson, then BT, Cisco and it went on and on and we had to stop the board growing anymore and we stopped any more investment.

These companies joined hands and said business want a National Equality Standard and if the government can’t organise this we will – and they paid for it!

This was evidence of the power of business and we did more in those six months than had been talked about in the last 20 years.

The Confederation of British Industry, Equality and Human Rights Commission and The Home Office became founder members. We wrote the standard together. We hired our auditors, we skilled our workforce and now we have a strong pipeline of 200 businesses which range from HSBC to seven departments of Government to Amnesty International.

Iqbal asked me to consider why the National Equality Standard is good for business…. Well, as well as
simplifying a very complex subject, setting demanding criteria, and increasing healthy competition which has a focus to making the daily experience of people better, it also benefits EY hugely as they understood the brand value of being aligned to a national diversity initiative. Our Chairman, Steve Varley summed up the benefits as being about fairness. About equality. About doing the right thing and about a touch of morality. More importantly though, EY stand outs as being at the heart of good business, of having competitive advantage and contributing towards making the UK more competitive. Steve summarised this in two words – better together.

However, it has not all been plain sailing and getting the standard off the ground has not been without challenge. We have had to negotiate a number of internal and external barriers on the journey. Driven by a determination to succeed and with a lot of hard work we are off and there is no going back….

Thank you Arun. What EY have done will, we hope, grow and businesses will climb on board more and more and indeed he has a waiting list of companies keen to enlist his services because we see statistics about mobility within some businesses for people of BME background actually falling and they know this has to stop not because they have a social or moral conscience – and I really don’t care if they do or don’t – but because the market expects it of them and failure to perform will lead to corporate loss when people choose to shop elsewhere.

**Responding to government failures on employment**

But what if you can’t afford to shop in the first place?

What if you’re living in cramped and damp council accommodation, you’re the mother of three children whose husband after many years of physical and mental abuse to you has finally chosen to abandon you all completely?

We safely – and lazily - assume that the public purse acts as a safety net for people so unfortunate. It’s convenient for us to think that way.

What’s not convenient is to know the consequences of the bizarre benefit cap.

Capping benefits has meant that families with more than two children will be left with a rent deficit, and be presented with a choice of leaving London to find cheaper accommodation, or find a job.

When the Department of Works and Pensions undertook their impact assessment on this initiative they recognised that it would be ethnic minority families that would be most affected by the benefit cap, as ethnic minority groups had larger families.

Boris Johnson asserted that the policy was nothing short of ethnic cleansing. Nonetheless the policy has been implemented and it has seen thousands of families move out of London, removed from their support networks and displacing their children during their GCSEs or other critical exams.

And what of their options in respect of finding work? Most of the programmes we visited when sitting on the Ethnic Minority Advisory Group involved job clubs that helped those most affected by this policy to write CVs. The difficulty was that their English was so poor that when selected for interviews they naturally were not employed.

Some of the participants had been in the UK for ten or more years.

So local government in this case fails our hardest groups.

And in response to these consequences a market opportunity emerged – a social enterprise was created by another member of the group who spotted a commercial and empowering route out for mothers who were living in ever more dire straits.

Sahara Quli, please share with us how your project Mum’s The Chef has made a commercial success out of government failure.

**Presentation by Sahara Quli**

Mum’s The Chef (MTC) is a social enterprise centred on helping benefit capped women in Croydon cook their way out of poverty and into society.

A pragmatic approach to social issues is at the heart of Mum’s The Chef. Helping long term unemployed
Manager at Croydon has advised us that this equates to £26,000 saving per candidate to the welfare state. Representing £1,092,000 in savings to the state. This is just the saving based on one year, which will be threefold as these women sustain their employment. If our growth plans are realised we will potentially save the state many more millions as we scale this project out across London.

This project was conceived to address the inequality of a policy that was reactive, affecting a target group that were tarred with the same brush – individuals taking up the best homes at the expense of the taxpayer.

Our graduates wanted to work as do most people on benefits. Recognising the impact of this project one business leader awarded Mum's The Chef two catering contracts a year ago now. This provided Mum’s The Chef with the confidence to grow. As a result we have directly employed over ten women, have a catering unit and have built a very good street food reputation.

Thank you Sahara.

What Mum's The Chef have done is highlight and tackle a problem we weren’t really aware of being there. The mothers and housewives she has empowered through work were largely out of sight to most of us and therefore out of mind.

Prison policy failings and individual entrepreneurial success

Previously out of sight but increasingly on our minds these days are the failures of successive governments and indeed of us as employers, as families and as citizens in a civilised community, in dealing with the fate that our prisoners and ex-offenders have to endure.

It costs around £40,000 a year to keep someone in prison and nearly two thirds of young people re-offend within a year of release, primarily because they haven’t got a job to more properly engage them in the social contract that the rest of us are signed up to.

And is it any surprise that the same two-thirds statistic applies to the number of those who were on benefits prior to committing their crime?

Five years ago I was asked to head up a project for Mosaic, the Business in the Community programme created to raise the aspirations of young British
Muslims on why the number of people from this section of society in prisons had doubled.

It was a responsibility which took me on a whole new mission with how prisons and the judicial system more widely fail those who have had the bad luck to have become involved in crime get turned around and rehabilitated into safer, more meaningful lives.

I have seen in other countries like the US – which on many levels has an even worse approach to criminal justice than we do – that they have recognised that many criminals have proven entrepreneurial flair, especially gang leaders.

In Texas there is a Prisoners Entrepreneurs Programme which helps people who want to set up a legitimate business on release get started. They manage to make small investments (remember the cost of keeping someone inside a British prison costs over £40,000 and when you’re released you’re given £43 to get set on your way).

They also bring in business studies students from the local college to help offenders write their business plans.

And how successful are these turned-around criminals? The creator of the project has given a fascinating Ted Talk which I urge you all to look up where he says that his ex-offenders turned entrepreneurs have a higher success rate than graduates of the Harvard Business School.

Last year I travelled to Togo in West Africa to see the amazing work the YMCA does there with prisoners. They too manage to invest small sums in prisoners to enter into business on release and I saw at first hand how a tiny investment can have a huge and lasting impact.

I met Essian, a formidable young lady whom the YMCA’s legal team helped get released from the dreadful Lomé prison and helped her set up a hairdressing salon, which she has been so successful at that she is now growing the business and is going back to the jail that she was held in to train prisoners there in hairdressing and then taking them on when they get released.

A group of business people – led by Lord Hastings, whom I am pleased to see has joined us here today – are now setting up in London a fund to invest in gang leaders to become legitimate businesses. The public only gets to know about the people we are talking about when there’s a shoot-out or a tip off for a drugs raid.

No-one here in Britain is as yet providing practical means for this group to conduct more successful, more profitable and much longer lives.

I’d like to introduce you to a man with a quite amazing story. Terroll Lewis was once the most feared man in Brixton. With the street name of Boost, he ran a fierce gang which wreaked havoc over the lives of many, many people.

Terroll – please share with us how you used your gang experience to make a successful business.

Presentation by Terroll Lewis

Thanks Iqbal. My name’s Terroll Lewis, I’m from South London (Brixton). As Iqbal said, I got into a lot of trouble as a youngster. I indulged in a lot of things, in a lot of gang activity. I got in trouble a lot and ended up in prison. I went to prison for 11 months then got ‘not guilty’ at the Old Bailey court.

When I came out I remember going to a Fitness First in Brixton. I asked them how much it was and they said I had to pay by direct debit. I was literally confused. I didn’t have a clue what they were talking about. I’d never had a bank account. I used to keep money under my bed.

So, I started working out in kids’ playgrounds in and around where I live in Brixton. I did a YouTube video and got thousands of views. People were interested in me doing pull-ups and trying to get muscles. I did more YouTube videos and people wanted to join the sessions that I was doing, teaching free, community-based body-weight exercises. I started running sessions in the parks, where I’d train people and they’d all learn what I was learning. It grew until I was working with people from 13 to the age of 26. These people were a mix of active gang members and those just on the fringes of getting into gangs. We worked with loads of them. I created trainers out of those young people, some of who are now qualified trainers.

I now run a fitness programme called Block Workout. I’ve got a business and I just set up a foundation which I’m launching in January. We’re going to be working with 13–26 year olds, helping them get out of gangs or ideally, never even get into gangs.
A lot of these people are entrepreneurs. I was a drug dealer. Literally, I was a drug dealer, I was a robber, I was everything you could imagine with that kind of lifestyle. I had the mind-set of being a drug dealer: you go into an area and you give a sample here, you give a sample there... you say “Do you know what, I’ve got stuff. I’ve got the good stuff”. I was giving it “I’ve got the fitness, I’ve got the fitness”.

But I changed that mentality. I’ve used it to form a business. I’ve just opened a gym in Brixton. It’s a street gym, the first ever. It’s a body weight gym for functional training. We charge £10 a month for youngsters. I’m opening another one in Poplar in January which is seven times bigger than the place I’ve got now. So I’ve got so much space, so much room to do more stuff with the youth over there. And when I went to Poplar, it’s all a bit ‘grey’, so I hope my new gym can enliven the community a bit more.

So, I’ve come from a certain background. I’m here now and I’m going somewhere. There are so many of these young people that have the right mind-set. They have entrepreneurial skills; they just need support and love – for people to support them – to be able to use those skills in a positive way.

Thank you Terroll – an amazing story of what can be achieved in the face of extreme adversity.

A corporate response: employing ex-offenders

Earlier this year, I held a meeting of various gang leaders, past and present, from Peckham and Brixton along with a few people who had successfully worked with transforming the lives of those who had been sucked into this underworld like the amazing Camilla from Kids Company.

I held it in the private room of The Cinnamon Club, which was usually used for serving breakfast to permanent secretaries and ministers. As they walked past us into the main restaurant and wondered what I was doing, I smiled at the thought of seeing their faces if they knew these guys were all packing guns and knives.

I told the guys from Peckham and Brixton about the story chronicled so well in the book *Freakonomics* of the psychology student in Chicago who took on an assignment to understand the inner machinations of one of the local gangs.

The leader showed him how they operated. He had spreadsheets for everything – forecasting not just sales and profits like we all do in our businesses – but also some for how many of his members would end up in prison, another for those who would be killed in each year and would need replacing.

My suggestion to those in the room that morning was that they had the requisite skills for using their gang experience to run a more conventional business – that they understood management, marketing and margins. They just needed to bring their skills to the safe side of the road and we would help them get into more legitimate business like we’ve just heard from Terroll.

At this point one of the gang leaders said “That’s all very well, Iqbal. But unlike you, we run our businesses through intimidation, threats and bullying”.

To which Camilla replied: “So does he – he just uses lawyers to do it!”

So this would be a good time for me to introduce you to a lawyer.

Philip Richards is a partner at the law firm Freshfields. Of all the sectors which could extoll the virtues of employing ex-offenders, you’d guess restaurants would be at the high end of the list and law firms pretty much down the bottom because of the way most of them recruit.

Philip, please share with us how you bucked this perception and actually made money for your company by diversifying your view of the talent pool Freshfields felt they had available to them.

Presentation by Philip Richards

Good morning.

I feel very honoured to have been invited to talk to you about the journey we at Freshfields have taken over the last few years in relation to ex-offenders.

First a little about us, just to set the scene. We are one of the big global law firms with about 5000 people across the world, in Europe, America and Asia. But we started as a City law firm, and there are still over 2000 of us in our offices on Fleet Street. Now when I say “us” what do I mean, and what is it we actually
How Businesses Can Deliver Better Good than Governments

We just assumed it would be “too difficult”...our opportunities, but to be perfectly honest we bottled people with unspent convictions to take up these Early on we wondered about whether we could allow of all the London placements done so for over 10 years. But we do more than 25% we provide about 25 placements a year and have lots of non-law support work that people can work placement opportunities to help people out of the no home, no job cycle. And as I've explained, we had always done stuff in a fairly haphazard way, responding to particular passions of partners or staff. From supporting law centres in tough parts of London to reading partners at primary schools. Anyway, one of the things we signed up to in our new era was Business in the Community’s “Ready for Work” (RFW) client on his or her personal merits. This is non-trivial in terms of the work involved. We talk to probation officers. All decisions are ultimately made by our Global HR head. Once we had a well thought through vetting procedure, we discovered that none of the people we thought might be worried about this idea were. The insurers were fine, the Law Society was fine, and the business clients we talked to about it were relaxed too. Supportive in fact.

We hummed and ha’d about what we should say internally. We weren’t completely sure that everyone would be fine about this. And we didn’t want to make life any more challenging for the RFW clients than it already is. In the end we didn't make any formal announcements... but have just let it be known. No-one has objected, and such reaction as there has been has been enthusiastic and positive.

Now the numbers involved are not huge. But we have hosted half of all the RFW clients with unspent convictions. And they have been great. Committed, energetic, and employable. So far we or our on-site suppliers have offered jobs to seven of them in just two years.

And so when Business in the Community (BITC) started its “Ban the Box” campaign, it just wasn't a
difficult decision for us. This campaign seeks to get employers to stop routinely including a “box” in job application forms that asks applicants if they have any unspent convictions. The unfairness and the waste caused by thoughtlessly excluding all those with unspent convictions from even applying for jobs is glaringly obvious. And we had confidence in our ability to make sensible judgements about people with this background. There is no doubt that this isn’t something that you can delegate to a machine. It does need proper resourcing. But we thought that was a commitment we should make. And when we announced this, not only was there no dissent, but many colleagues loved that we were doing this.

The reason I’m standing up and shouting about this is not so everyone thinks “clever old Freshfields”. It’s because this is a huge problem and we can’t make much of a dent in it on our own. But if a stuffy firm of lawyers with just one office in London can do this then imagine how many other employers could be doing it, and imagine what sort of impact the big national employers could have. Imagine what impact the public sector employers could have, in particular. If we can influence others to follow in our footsteps, that would be great. And most importantly, “Banning the Box” isn’t going to work unless people with unspent convictions know who is and is not a B the B employer, and get confident that they will genuinely be given a chance. We need to get the word out.

Thank you for listening to me.

Thanks Philip

So we’ve seen and heard today not just how successive governments have failed to create fair societies – whether that’s for ethnic minorities, people who have committed crimes and desperately want to avoid being driven down that path again but invariably feel compelled to do so – but also how business can step up and deliver to our communities and to our customers a more complete and rewarding way of living.

Charity, philanthropy and measuring social change

But what role does charity play in fixing our problems?

Britain has a huge and honourable track record in donating to good causes around the world. But it’s specifically the world of philanthropic giving that I want to address today.

In the past, philanthropists felt the need to “give something back” to society and invariably this meant a kind of Victorian era noblesse oblige approach which entailed the writing of a cheque for a worthy cause.

The notion of fulfilment in this process was completed traditionally at the point when a donation was made and very rarely in the impact it achieved.

Charities have become used to receiving these donations and as government funding has become restricted they have buried their heads in the sands hoping that an economic downturn will be overcome and their favourite word “funding” will become respectable again.

The reality is rather different.

Charities will start going to the wall and many will rightly do so, just as many poorly run businesses have.

The ones that survive are those that can show not just coherent purpose but, essentially now, commercial robustness too.

Increasingly they are using the mode of social enterprise to straddle their important purposes with the need to be financially independent.

We heard earlier from Mum’s The Chef. Sahara isn’t asking for a donation to build a women’s refuge – she’s after contracts to employ more people with real jobs with the real skills they have become empowered with.

Commercial banks have started to back social enterprise investment funds to trigger unconventional businesses like hers.

But the philanthropist is increasingly willing and of course able to drive more measurable social change than governments.

Jake Hayman runs an amazing global project called The Social Investment Consultancy.

Jake, please share with us your belief that philanthropy can step in successfully where governments fail to do so.
Presentation by Jake Hayman

Thank you so much Iqbal for inviting me for being a part of your presentation today. It really is an honour.

I find the example you started with a fascinating one—speaking to a government minister who believed that the Work Programme would solve the problem of 49% of young black men in Britain being out of work.

There are two things that government tends to very bad at: innovation and understanding local communities. So when faced with a challenge like this, which needs both, they have no solution. They grab at the closest tools available, regardless of their limitations, and pour money in.

The Work Programme is not the answer to the vast unemployment rates of young black men in Britain and government has no means to find out what is.

Philanthropists on the other hand can find the answers. They are able to move nimbly, without bureaucracy and without being held hostage to short term election cycles. They are able to take risks, to make mistakes and to take a longer term view.

When flaws were exposed in national work experience programmes in schools, government decided that it wasn’t getting value and rather than innovating to improve the programme, they scrapped it—removing a mandatory duty for schools to provide work experience for Year 10 students.

When philanthropist Piers Linney saw the exact same problem he decided to innovate. His response has been to seed finance an exciting new matching service between employers and young people for work insight opportunities.

That’s fascinating Jake – thank you for showing the role philanthropy alongside business has in fixing government failures.

I suppose part of what my own activities are predicated on are a mixture of philanthropy and commercial reality. I mentioned earlier my trip last year to Togo.

Whilst there we visited the most miserable slum dwelling called Katanga where it dawned on me that charities can often be as damaging as governments, because while the latter failed the people there, the former often delivers false hope and broken claims towards solutions.

I’ll give you an example of what I’m talking about.

The residents committee of Katanga showed me a Development Plan prepared for them by a French charity. I had a quick look through it–it said they needed to fix their drainage, they needed a school, a hospital, they needed improved sanitation, better housing.
All they thought they needed was someone to fund them.

I pointed out to them what was glaringly obvious to me as it would be to most of you here – that that wasn’t a plan, it was a list. I told them that if they tried to do all those things in one go, they would fall over.

You tackle sanitation and when you’ve done that, you tackle health care and so on. You don’t go to a bank or an investor and say you need backing for 100 restaurants, you go to open one and if successful, you do another. And you scrutinise your costs at each step of the way to maximise your chances of success.

So we walked around this dwelling and we visited their hospital. The head of the residents committee told me they desperately needed to build a fence around it.

“Why?” I asked.

“To keep the children out,” he replied.

“Why do you want to keep the children out?”

“Because it says so in the plan.”

It gets worse: How much would this supposed miracle fence cost to build? £8000.

The old style philanthropy that Jake is working so well in transforming would have seen someone with deeper pockets than mine visit this desperate place and write a cheque partly out of outrage at the way residents there had their fate forced, partly out of feeling good about the good they were doing.

But quite often the sad fact is that the toxic combination of government failures – of all persuasions, all over the world – well-intentioned charities and well-intentioned donors all fail to empower the kinds of people I met when there in Togo or those I meet in Brixton Prison or a homeless shelter for our army veterans.

**Education and business in Togo**

It’s easy though to talk and not provide an alternative framework.

Some of the women of Katanga had set up micro businesses. It being a costal town, they bought fish which they smoked and then sold but they were constantly out of pocket because of the amount of time between buying the fish, smoking and preserving it and then taking it to market.

The business people here will identify that as a classic cash-flow problem. There they identified it as an addition to their poverty.

So I have set up an educational fund to put a group of Katanga women through business studies courses so they can come back and run their businesses more commercially and be able to trade their way out of there.

And part of their contractual obligation is that when they do become successful enough to leave, that they also return and share their knowledge for others to do so, making the intervention, the investment, sustainable.

**Conclusion**

A little while ago, I began to question why I didn’t amplify more the various activities I undertook of what used to be called a non-commercial nature.

It was a timely question because a little while back I had a bit part in Gordon Ramsay’s TV series “Gordon Behind Bars” where he went into a prison and taught some of the inmates how to cook. I was invited to a lunch they had prepared after six weeks’ training from him and was hugely impressed by the skills of one prisoner in particular and told him he should call Roast when he was being released if he wanted work experience with us.

A few months later I was walking into my office and in the welcome area I saw him sitting there and I said: “Hey, I remember you from Gordon’s programme. What are you doing here?”

“Well you’ve given me a job and I’m just filling in the forms.”

I said I was delighted but it was hugely important for him to know that I had no involvement in the appointment and had, if truth be told, completely forgotten about my work experience offer. He had won his job fair and square.

That knowledge lifted him so much that he contacted the TV programme’s makers who in turn told the *Evening Standard* who then ran a feature article on Andrew joining us.
When that article came out we received a huge number of letters and emails largely saying the same thing: “Dear Roast, I’ve never been to your restaurant but now that I know you do things like that, I shall start coming”.

So we come full circle to Philip Kotler’s *Marketing 3.0* suggestion that the consumer rewards the producer who shares their values with their custom.

In other words, it’s now proven to be good for business.

So the question I put to myself led me on a thinking journey, the first steps of which I am sharing with you today – namely that there are no longer two universes – the commercial and the non-commercial.

There are no longer two coins at opposite ends of the spectrum, one which you make and one which you donate.

We don’t even need to bring the two imagined coins into closer alignment.

They are not even I believe two sides of the same coin.

The reason, in conclusion, for why businesses can make greater social impacts than governments is because, as we have heard this morning, that now, I believe, there is only one coin – no sides, just one coin.

It’s a coin that I am placing everything I have on.

It is a coin that demonstrably delivers on all fronts.

It is a coin that is now open for business to all.

Thank you.
Runnymede Perspectives
Runnymede Perspectives seek to challenge conventional thinking about race in public and policy debates. Perspectives bring the latest research to a wider audience and consider how that research can contribute to a successful multi-ethnic Britain.

About the Author
Iqbal Wahhab OBE FRSA

Iqbal Wahhab was born in Bangladesh and came to Britain at the age of eight months. He was educated in London and is a graduate of the London School of Economics. After working as a journalist in the national press for three years, in 1991 he set up his own PR firm which specialised in food, drink and restaurants and then in 1994 he launched Tandoori Magazine.

He sold out of the magazine to launch the multi award winning Cinnamon Club in 2001 - a restaurant and bar aimed to change the way we view Indian dining. In 2003 he co-authored The Cinnamon Club Cookbook and in 2005 opened the highly successful Roast, a British restaurant and bar in Borough Market. More restaurants are now planned.

Iqbal is Chair, Autograph ABP; Fellow, Royal Society of the Arts; Chair, The Asian Restaurants Skills Board and a Patron at Mum’s The Chef.

He has received numerous awards, including On-Trade Business Person of the Year 2008, The Drinks Business; Honorary Doctorate in Business Administration, University of East London; Honorary Doctorate in Science, University of West London; Visiting Professor, London Metropolitan Business School; Restaurant Personality of the Year by Menu Magazine.

Iqbal was voted one of the Top 10 Restauranteurs in Britain in an Independent on Sunday survey, Entrepreneur of the Year, Muslim News Awards 2010 and has been listed in the Caterer Power 100, the GQ 100 Most Connected, and The Sunday Times Maserati Top 100 business start-up mentors.