



PROFILING BLACK AFRICAN ENTREPRENEURS IN THE UK

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Abstract: Profiling Black Africans in terms of entrepreneurial characteristics is fraught with complications due, in part, to the diffused nature of their entrepreneurial endeavours. Whilst a pattern of market concentration is discernible at the co-ethnic level (i.e., first-entry market), there is little evidence of strategic evolution towards mainstreaming or the attainment of sectoral aggregation either at national or at regional level. As a result, they tend to suffer significant *late mover disadvantages*, which have continued to profoundly impact the growth and sustainability of their entrepreneurialism. This chapter, taken from a broader project, focuses on the more fundamental levels of personal involvement, i.e., the entrepreneurs themselves. It does this by providing a general characterisation of entrepreneurial orientations and thematically sketches a trajectory of underlying motivations. It is observed that many Black Africans embarked on entrepreneurship more to escape ethnic penalties than a strategic response to the structure of environmental opportunities. Thus, this 'escapist mindset' has meant that inadequate initial preparations have tended to characterise many African-owned small businesses. Consequently, many are failure-prone and in need of strategic interventions to secure their growth and sustainability.

Keywords: entrepreneurship; motivations; ethnic business; black Africans; UK

INTRODUCTION

The growth of Black African entrepreneurship in the UK mirrors the wider growth of ethnic minority businesses over the past two decades. Whilst different aspects of ethnic minority businesses have been studied (e.g., Bank of England, 1999; Basu and Goswami, 1999; Ram and Jones, 1998; Smallbone et al., 2001; Janjuha-Jivrag, 2003; Jamal, 2005; Barrett et al., 1996), the growing phenomenon of African entrepreneurship remains insufficiently focused (Curran and Blackburn, 1993; Blankson and Omar, 2002). Paradoxically, recent

evidence indicates that African-owned small businesses are the most rapidly mutating phenomenon especially in London (Nwankwo, 2003). At the moment, very little is known about African-owned small businesses; how they are evolving, their growth trajectories, the depth of ethnic- and non-ethnic-based networks that they create or are drawn into and, very importantly, how they are 'managing to survive' (Ram, 1994). Accordingly, this exploratory chapter makes some starting observations in seeking to provide a systematic body of knowledge relating to the entrepreneurial processes of Black Africans in the UK.

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BLACK AFRICANS IN THE UK

Interests in Black African entrepreneurship are relatively recent. This is not surprising. In general, the Black African population is relatively understudied in comparison with other visible ethnic sub-groups in the UK (Daley, 1998). However, Black Africans are not new to the shores of the UK. They have been around since the Roman times (Scobie, 1972) and their entrepreneurial endeavours chronicled in history textbooks (see, for example, the collection of work by Killingray (1994)). Nevertheless, they existed as small minority groups until the late 1940s when they began to form well-established communities (Banton, 1955). According to the 2001 census, they now comprise 10.5% of the total ethnic minority population of the UK. However, their growing presence in the higher levels of the labour market and post-16 education (the proportion of Black African youth population increased by 37% since 1992–1994 against 15% for the entire ethnic minority population) indicate a more rapidly upward and mobile population sub-group than their actual proportional representation among the total ethnic population suggests (Cavel, 2001).

One of the most fascinating features about contemporary UK-Africans is the tendency towards self-identification as British, unlike the earlier migrant groups who were mainly seen as transient migrants. This demonstrates a clear sense of permanence in relation to settlement in the UK – captured in the following statement:

“Let us not delude ourselves any more ... This is home. If anybody tells you they are packing up and going tomorrow ... tell them it’s a lie ... We might as well stake our claims on the future of this country ... Our future is here.” (Beauty Shop owner, Upton Park)

In recognition of Black Africans as a major group (Tables 1 and 2) within the ethnic minority population, the 1991 census, for the first time, introduced the category, Black Africa, as a race descriptor (see Daley (1998) and Philips (1998) for a detailed discussion of Black Africans in the UK). Overall, there has been a tremendous dynamism among Black Africans in developing beyond the social and economic niche they filled before the 1980s (Jones, 1993; Modood and Berthoud, 1997). This, of course, needs to be balanced against institutional disadvantages confronting them. While it is established that Black African men, for example, are more likely to have a higher qualification than any other comparable ethnic sub-group, they also have a disproportionately higher unemployment rate – especially when educational attainment is compared alongside labour market disadvantages.

A range of factors has been adduced to explain the patterns of migration into the UK and the seeming year-on-year growth in the population of Africans (Nwankwo, 2003). Nevertheless, it is agreed that ‘migration for education’ remains a prominent reason and this has historical antecedents. For example, in 1950, West Africans alone accounted for 43% of the total colonial student population in Britain (Daley, 1998). Recently, however, a discernible trend towards enterprise-driven motivations has been noted. Black Africans have started to make their presence equally felt in the sphere of entrepreneurship and profoundly contributing to the growth of the UK’s economy – more especially in urban cities like London, Birmingham and Manchester.

BLACK ENTREPRENEURSHIP AND ETHNIC MINORITY BUSINESS PRAXIS

Generally, there is a rich and growing body of literature on ethnic entrepreneurship

Table 1 Structure of the UK population

	Total greater London residents	% of total	Economically active as % of population aged 16–74	Self-employed as % of all employed			Unemployment rate (%)
				Persons	Males	Females	
White	5,103,203	71.2	69.5	15.6	5.3	6.0	4.4
British	4,287,861	59.8	70.2	15.4	5.0	5.7	4.1
Irish	220,488	3.1	63.1	16.1	5.9	7.1	4.5
Other White	594,854	8.3	67.8	16.7	7.2	7.9	6.5
Mixed	226,111	3.2	63.4	12.7	12.3	14.2	10.4
White and Black Caribbean	70,928	1.0	64.2	11.0	15.6	18.5	12.9
White and Black African	34,182	0.5	62.1	11.6	14.7	16.5	12.8
White and Asian	59,944	0.8	63.5	13.8	9.2	10.6	7.5
Other Mixed	61,057	0.9	63.3	13.6	11.2	13.1	9.4
Asian or Asian British	866,693	12.1	60.0	15.8	8.8	9.2	8.2
Indian	436,993	6.1	66.4	16.0	5.9	5.9	6.0
Pakistani	142,749	2.0	52.3	19.2	12.2	11.6	13.3
Bangladeshi	153,893	2.1	43.7	11.7	20.5	20.6	20.0
Other Asian	133,058	1.9	61.7	14.6	9.3	9.5	9.0
Black or Black British	782,849	10.9	65.8	8.6	14.3	17.2	11.6
Black Caribbean	343,567	4.8	66.8	8.1	12.3	16.6	8.8
Black African	378,933	5.3	64.7	9.4	16.0	17.1	15.0
Other Black	60,349	0.8	66.0	7.0	17.6	22.7	13.4
Chinese or Other	193,235	2.7	58.4	14.7	9.0	10.3	7.7
Chinese	80,201	1.1	60.0	17.7	7.1	7.5	6.7
Other Ethnic Group	113,034	1.6	57.2	12.3	10.4	12.3	8.4
<i>All ethnic groups</i>	<i>7,172,091</i>	<i>100</i>	<i>67.6</i>	<i>14.9</i>	<i>6.7</i>	<i>7.6</i>	

Source: ONS, 2001 Census

(e.g., Waldinger et al., 1990; Aldrich and Waldinger, 1990; Ram, 1997; Rath, 2000; Chaganti and Greene, 2002; Basu, 2004). With regard to Black entrepreneurship, the 'Brixton disorders' (Scarman, 1986) unwittingly helped to raise the low level of awareness of its 'arrested development'. At the wider ethnic entrepreneurship level,

there is considerable evidence to suggest that promoting Black entrepreneurship has started to receive policy interests at different levels of government (Oc and Tiesdell, 1999). However, the picture that emerges from the body of evidence is somewhat fuzzy due, in part, to a range of factors:

Table 2 Schematics of London's black population

The black, African and Caribbean communities in London's economy	
<ul style="list-style-type: none"> □ According to the 2001 Census the black population of London (African, Caribbean and black other) is over 782,000 or almost 11% of the total population (343,000 Caribbean, 379,000 African and 60,000 black Other). This rises to over 880,000 if you include mixed white and black Caribbean and mixed white and black African. □ Around 66% of the black working age population of London is economically active, slightly lower than the average for all ethnic groups, which is 68%. □ Unemployment rates are high. In 2001 the ILO unemployment rate was 16% for black Africans and 12% for Black Caribbean compared to 6.7% for the total population and 5.3% for the white population. □ Although there are 24,000 self-employed black people in London, this is only 8.6% of blacks in employment. The average for all ethnic groups is almost 15%. □ Indian, Pakistani and Chinese people in employment are more likely to be self-employed than the average, while black African and Caribbean people are less likely. □ Blacks are underrepresented in the more highly paid professional and managerial occupations and over-represented in lower paid occupations such as in sales and customer services (GLA, 2003 – <i>Black People Pushing Back the Boundaries</i>). □ Compared to 17% for the average across all ethnic groups 10% of black people are in managerial and other senior positions. □ African and Caribbean workers are distributed across industries in approximately the same patterns as the population as a whole. However, black workers are overrepresented in the health and social work, Public administration and Transport sectors. Interestingly, the same proportion of black African employees is employed in Business Services, as for the population as a whole. □ There are over 10,000 black-owned private-sector businesses employing one or more staff in London (4% of all London businesses). These businesses contribute over 70,000 jobs (3% of total employment by private-sector firms with one or more staff) and have a turnover of over £4.5 billion. Black-owned firms are clearly underrepresented compared to the black share of the population. 	

a Tendency towards over-generalisation, i.e., viewing the UK's ethnic minority population as a monolithic group. Ethnic minority businesses are far more diverse than is generally assumed. For example, because of racial and cultural similarities between Black African and Black-Caribbean communities, studies of the latter are often generalised to apply to the former. Entrepreneurial orientations of Black Africans differ from those of Black Caribbeans and, indeed, other ethnic sub-groups in the UK (GEM, 2002).

b Concentration, almost exclusively, on the more prominent sub-groups. In particular, although ethnic entrepreneurship in the UK has been studied from a

variety of sources (Ram, 1997), a steady accumulation of evidence over the past decade has tended to illuminate, more profoundly, the entrepreneurial dynamics amongst some ethnic sub-groups (e.g., Asian) than others (e.g., African and Caribbean). This may be logically explained on grounds of the structure/composition of the British Ethnic Minority (BME) population but, nevertheless, mirrors a general lack of clarity in how ethnic enterprises are defined, differentiated and characterised.

c Inability to capture the dynamically evolving environment of ethnic minority entrepreneurship. Owing to changing patterns of migration, the ethnic minority

map of Britain is continually evolving, so also are the businesses with which BME entrepreneurs are associated.

- d Resulting from the above, the more nascent BME entrepreneurs have not yet gained deserved visibility in relation to the study of BME entrepreneurship. Paradoxically, these entrepreneurs are quickly altering the dynamics of ethnic entrepreneurialism. Into this group are to be found ethnic minority women entrepreneurs, in general, and, in particular, African entrepreneurs who are yet to be focused in any meaningful way despite their growing numbers and recognition in the public policy domain.

METHODOLOGY

Methodological appropriateness rather than orthodoxy was fundamental in the design of this project. A combination of idiosyncratic (Gartner, 1989) and multiplicative (Reynolds, 2000) sampling strategy was applied – in a discovery-oriented context (Mahrer, 1988). Research questions were adopted from the attributional questions used in the Panel Study of Entrepreneurial Dynamics (Reynolds, 2000; Shaver et al., 2001 – see also Fielden et al., 2000). Data collection was limited to London. The choice of London was dictated by the spatial concentration of Africans in this geographical zone (London accounts for about 80% of the total of Black African population in the UK). At the end of the primary survey (involving 104 respondents in 40 sessions of both focus group and in-depth interviews), over 2000 min of tap-recorded data was acquired. In consideration of the exploratory nature of this work, a connected narrative approach (Mishler, 1990) was considered appropriate in presenting the results – to maintain richness of context and, very importantly, share authorship with the

respondents. Interviews and focus groups utilised open-ended questions to elicit stories and perceptions about the experiences of Black Africans in the context of their entrepreneurial processes. The objective was to promote ‘story telling’ and elicit ‘informant oral histories’ within the specialised context of entrepreneurship.

Three key features marked out the novelty of the research protocol:

- a the use of a control panel
- b exclusion of the informal sector activities
- c non-Black Africans from the sample.

(a) Control panel

This panel was randomly but discretionarily selected to act as a sounding board and to help to ferret out issues that may be ethnically subterranean and ingrained in respondents’ modes of thought and behaviour (Nwankwo and Lindridge, 1998). The panel comprised:

- i Five well-established entrepreneurs with sustained records of achievement in their respective areas of business. From the outset, it was obvious that some ‘underground’ activities were masked as formal entrepreneurial undertakings, thus making it difficult for ‘outsiders’ to distinguish genuine from not-so-genuine entrepreneurs. This group helped to filter out ‘underground’ activities from normative entrepreneurial behaviours/activities.
- ii Five community leaders were co-opted to help ‘build bridges’ and facilitate access to the target population through their trusted, gatekeeper, networks. African communities are very difficult to penetrate for research purposes (Fadahunsi et al., 2000) and the use of community leaders proved particularly helpful.

- iii Five independent academics who provided valuable opinions arising from the knowledge and 'privileged information' they share through their long years of experience of advising and working within the population group.

This was helpful when considered alongside the discovery-oriented nature of the research.

(b) *The informal economy*

From the outset, the need to separate the formal from the informal African-ethnic economy was overwhelming. A significant proportion of the interviewees at the beginning of the study classified themselves (in terms of occupation) as being 'in business'. Thus, 'I am in business' or 'I am a businessman' emerged as a core professional identifier, an identity catchphrase that was in many cases amorphously and surreptitiously applied to capture a range of non-mainstream but nevertheless entrepreneurial activities. In some instances, the phrase was invoked when the respondents intentionally wanted to say very little about the particular field of activity in which they are engaged. Hence, 'being in business' could be used euphemistically to shield the activities that may be 'unreportable' in any formal sense. For this reason, it was necessary to distinguish the formal from the informal entrepreneurial activities. For the purpose of this study, informal activities are classified as non-entrepreneurial and mainly consigned to the informal economy.

It is worth making the point that the informal (African-ethnic) economy loosely refers what may be described as *fly-by-night* economic activities that are not recorded in the national accounts, and not subject to formal rules of contract, licensing, inspection, reporting and taxation. Much of the activities in this sector comprise basic personal

survival activities that creates little in the way of sustainable employment or wealth, demonstrating more of an 'instantaneous opportunity mindset' on the part of participants (Morris and Pitt, 1995). Arguably, the scope and importance of this 'informal sector' tends to parallel the levels of poverty, marginalisation and underemployment in the economy. It needs to be emphasised that one of the most fascinating features of this sector is its tremendous growth, which is frighteningly fragmenting (more so, when it is noted that this phenomenon has escaped attention at policy levels) but this pattern may not be dissimilar from what is generally observable of other 'disadvantaged' ethnic minorities (Bonacich and Modell, 1980). Nevertheless, a decision was reached to exclude the 'informal' entrepreneurs from the sample. Consequently, four qualifying tests were applied in sample selection:

- the business must be registered
- it must be traceable and possibly have an official address
- it must have an identifiable employee or somebody answerable for its activities
- it must have a record of annual tax returns or evidence of related systems (e.g., verifiable accounts ledger).

(c) *Non-Black African entrepreneurs*

A lot is being said about the emergence of an 'African-ethnic economy' in the UK (see, for example, policy papers at *African Caribbean Business Network*, ACBN, <http://acbn.vbnlive.com>). This, of itself, is a misnomer. Essentially, the popular assumption that the boundaries are coterminous with those of continent-origin immigrant groups is more likely to be unstable and unsafe. Therefore, seeking to delineate its boundaries is sure to be problematic. The problem becomes more severe when Black and White

Africans are juxtaposed, in which case the African-ethnic economy will be found to suffer severe 'internal ethnicity' (Light et al., 1993). Accordingly, the term, Black Africa, is used as a census rather than a social category (Daley, 1998). There are obvious socio-historical, economic, cultural and religious differences amongst immigrants from different regions of Africa (North/Mediterranean, West, East, Southern, Central, Anglophone, Francophone, etc.). However, the depth of heterogeneity with the dominant (Caucasian) population is more profound with Black than White Africans. There is a much higher degree of 'sameness' between White Africans and the dominant (Caucasian) population than with Black Africans. Essentially, the dissimilarity index (DI) (Massey and Denton, 1988) between White Africans and White British will tend towards 0% (low amount of dissimilarity). Comparable DI with Black Africans will tend towards 100% (large amount of dissimilarity). For this reason, it was concluded that the inclusion of White Africans in the sample could potentially distort the data. Therefore, participation in the project was limited to Black African entrepreneurs.

CHARACTERISATION OF ENTREPRENEURSHIP

Categorising African entrepreneurs is deeply complicated partly because of the high degree of fragmentation in their entrepreneurial endeavours. There is little evidence of structural concentration in any particular sector – for example, as is the case with Asian corner-shops/confectionaries and Chinese ethnic restaurants. Paradoxically, the lack of structural concentration at the national level should not be confused with an absence of ethnic-based market aggregation. A pattern of concentration was observed (e.g., barbing/hair dressing, cosmetics and

food stuff) but this was at the co-ethnic level. This observed pattern is consistent with what is already known in the literature regarding the growth patterns of nascent ethnic enterprises (Jones et al., 2000). It seems the case that ethnic enclave theories (Bonacich and Modell, 1980; Waldinger et al., 1990) offer some explanations about the nature of served markets and market entry strategies of African entrepreneurs. For example, an overwhelming majority of the interviewees admitted that their businesses are positioned to serve fellow Africans, i.e., co-ethnics as core market segments. They tend to concentrate on goods and services that serve the needs of co-ethnic clients as a matter of competitive realism. However, the level of competition in each served market was surprisingly high, contrary to the 'protected market' axioms (Waldinger et al., 1990). Characteristically, first-entry co-ethnic markets exhibit low entry-exit, fluid and fragmented features and high mortality rates especially in the absence of pre-start-up planning on the part of the entrepreneurs.

Table 3 shows different categories of enterprises in the survey. It is not possible to give statistical estimations of the proportional representation of each enterprise-type in the sample because of two major reasons

- a the depth of fragmentation of the businesses
- b cross-functionality among the entrepreneurs.

For example, there was a classic but not peculiar case of a male entrepreneur who

- i is a qualified accountant and maintains an accounting firm
- ii operates a cab office
- iii manages a restaurant/night club

Table 3 Categorising African enterprises

<i>Professional service firms</i>	<i>Fashion and beauty</i>
<ul style="list-style-type: none"> • Accountancy • Legal/solicitors • Financial advisory • Training/consultancy 	<ul style="list-style-type: none"> • Hairdressing salon • Barbing salon • Cosmetics • Clothing • Fashion accessories
<i>Food</i>	<i>General services</i>
<ul style="list-style-type: none"> • Restaurants and catering • Public houses • Food retail 	<ul style="list-style-type: none"> • Auto mechanics • Electric and electronic • Logistics (freight forwarding) • Cab offices
<i>General merchandise</i>	<i>Miscellaneous</i>
<ul style="list-style-type: none"> • International trading activities 	<ul style="list-style-type: none"> • All purpose enterprises

iv in partnership with his wife in running a hair salon (for females) and barbing shop (for males).

This was not an isolated case. For this reason, it was determined that any statistical information aimed at explaining the pro-

portional representation of each enterprise category might be misleading and unhelpful at this stage of the research. However, some fascinating person-specific insights could be discerned (see Table 4).

Table 4 Summary demographics

<i>Demographic characteristics</i>	<i>Percentage</i>	<i>Demographic characteristics</i>	<i>Percentage</i>
<i>Age of owners</i>		<i>Year in Britain:</i>	
Less than 20	2.0	1 to 15	65.8
20–39	44.7	16 to 30	29.1
40–59	49.5	31 to 49	4.5
60 and above	4.8	50 and above	0.6
<i>Gender</i>		<i>Marital status</i>	
Male	73.7	Yes	64.3
Female	26.3	No	35.7
<i>Education</i>		<i>Age of business</i>	
Less than secondary	3.8	0–4	13.3
		5–9	52.6
Secondary school level	24.6	10–19	23.0
More than secondary school	71.6	20 and above	11.1
<i>Method of start</i>		<i>Number of employees</i>	
Started up	81.1	Less than 3	30.1
Purchased	16.2	3–6	50.6
Inherited	0	6–9	10.7
Worked as employee	2.7	10 and above	2.6
Type of business	*see Table 1	Gross income from business	*Data unreliable, therefore not included
<i>Generation of ownership</i>			
First generation	96.3		
Second	3.7		
Third or more	0		

PERSON-SPECIFIC CHARACTERISATION

Table 4 reveals some interesting traits:

- *Youthfulness*: Majority of the entrepreneurs fall within an active employment age bracket. Two possible conclusions consequently arise
 - a youthfulness could be taken as an indication of vibrancy in group-entrepreneurship – probably at an early take-off stage
 - b that a significant number of employable Africans are failing to be fully absorbed into the mainstream labour market and, therefore, resorting to own-businesses (i.e., escapism mindset).

A note of caution is in order here to avoid sweeping generalisations about labour market disadvantages. Many entrepreneurs in the Professional Service sector (Table 3) were found to be motivated more by value-based factors (e.g., need for independence and self-actualisation) than instrumental welfare considerations.

- *First-generation operators*: The relative nascence of African entrepreneurship is underpinned by the fact that over 90% of the entrepreneurs are first-generation business owners, over 60% are sole proprietors (although some employed family members) and over 50% of the businesses have been in operation for less than 10 years.
- *Gendered nature of entrepreneurship*: Entrepreneurial activities are male-dominated (over 70% of male participation in the survey). The picture that begins to emerge is one of a gendered nature of entrepreneurialism. Male entrepreneurs tend to dominate certain sectors

such as professional and general services. Paradoxically, sectors such as cosmetics, fashion and hair salon are dominated by women. This apparent polarity in terms of masculine and feminine entrepreneurial orientation may be related to cultural orientations – an aspect that needs to be explored further.

- *Highly educated class*: None of the respondent was found to be unable to read and write. Two possible implications arise from this. First, the future growth/development of African entrepreneurship is more likely to be more revolutionary than a slow evolutionary process if formal education is accepted as a predictor of success in operating own-business. The GEM (2002) report seems to bear this out. It indicates that Africans are five times as likely to be involved in an autonomous business start-up compared with Whites and other population subgroups. It states that

“African people are the most likely to see good business opportunities and have the highest *Total Entrepreneurial Activity Index* (TEA) overall of all ethnic groupings. The TEA index for African men is 50% compared with 14.6% amongst Caribbean men and 11.3% amongst Asian men.”

Second, the growing number of educated Africans in entrepreneurship may indicate ‘circumstantial default manoeuvre’, i.e., resorting to starting their own businesses by default, having initially trained for careers in the mainstream labour market which, unfortunately, seems to underemploy many.

- *Success criteria*: Data on business performance (including capitalisation, profit

levels and gross income) obtained seemed strongly suspected and could not be confidently presented. This area proved too sensitive to the survey participants and none was prepared to provide any freely verifiable statistical information about their finances in a manner that might allow a more informed assessment of business performance to be made. Obviously, performance and success cannot be solely measured on the basis of profitability and other easily quantifiable measures.

It is very easy to neglect or underrate other facets of accomplishments (e.g., learning new skills) that are not easily measured on a stand-alone basis but nevertheless needs to be factored into performance evaluation. This is obviously an issue with huge exploratory potentials for further studies.

ENTREPRENEURIAL MOTIVATIONS

A number of factors account for why Africans, more than ever, are progressively making inroads into entrepreneurship. In the literature, a distinction is often made between 'pull' and 'push' factors or negative and positive motivation (Scase and Goffee, 1989; Storey, 1994). Push factors sometimes connote negative narratives such as inability to find job in the formal mainstream sector, underemployment, underpayment, discrimination in the labour market and redundancy. Pull factors, on the other hand, connotes positive motivation such as desire to seek independence, control of ones future, higher social status, use ones own initiatives and the desire to leverage personal skills and abilities (Basu and Goswami, 1999; Morrison, 2001).

In this survey, clear lines of distinction between pull and push factors as a single set

of motivators could not be safely drawn. For the vast majority of the sample population, both push and pull factors were evident – albeit in varying degrees. To shed more light on the broad range of factors cited by the survey participants, a trajectory of start-up motivation is offered hereunder. This trajectory is useful because it not only clarifies the underlying motivating factors but also shows that these may, in fact, help to predict the strategic orientation of the entrepreneurs and their susceptibility to failure crisis. In this regard, four types of entrepreneurs have been identified – using the frog metaphor to embellish the discussion (Richardson et al., 1994). These are 'boiled frog', 'drowned frog', 'bullfrog', 'cool frog' and 'tadpole' entrepreneur-types.

- *Boiled frogs*: This category of entrepreneurs, comprising 23% of the sample, represent those motivated to leverage their skills and take advantage of the 'window of opportunity' in their operating environments. Majority in this category expressed a sense of sub-optimisation of their competencies in previous work lives or *have had enough* of perceived institutional disadvantages and decided to start out on their own. The boiled frog mythology goes like this: put a frog in a container of water. Gently heat the container; catastrophe builds up slowly until disaster is imminent. As the heat becomes unbearable, the frog leaps out – possibly splashing water all around. In the context of African entrepreneurship, the boiled frog entrepreneur-types encompass those who have, metaphorically, 'rebelled' against perceived disadvantages they faced in salaried employment. Most entrepreneurs in the professional service sector (Table 3) are accommodatable under this category. The motivation for entrepreneurship contain a mixture of strands but largely skewed towards

self-fulfilment, e.g., the need to control ones destiny, desire to prove oneself, need for independence and to optimise ones capabilities – much of the sentiments are encapsulated in the following statements:

"I felt I could do better than the raw deal I was getting ... The crunch came when (named individual) who was very much my junior was given a post that literally made him my boss." (Independent Financial Adviser)

"... you have a feeling that your opinion was sought for the sake of it, not that it mattered ... decisions are taken above your head on matters that are supposed to fall squarely within your span of control." (legal practitioner)

"... I am not exactly sure what it was ... but you felt treated like an outsider ... you are in no doubt that you don't belong."

"... I thought I was beginning to waste my time ... I could do a lot more on my own, for myself ... you do all the hard-stuff but get little of the glory." (Audit practitioner)

- **Drowned frogs:** Continuing with the frog metaphor, the pond is supposedly the frog's natural habitat and it feels at home therein. The same analogy applies to many Africans who came to Britain full of hopes and aspirations. Much as they are confronted with ethnic penalties (Carmichael and Woods, 2000), they ploughed on in the hope that 'things can only get better'. Eventually, they reach a realisation that their lots have not significantly changed but rather, they have become 'drowned' by the system. This category of entrepreneurs, 35% of the sample, provided much deeper negative narratives of their experiences in paid

employment. Essentially, they seemed to have been 'frustrated out' of the salariat – as opposed to the 'boiled frog' types who opted out principally on their own terms. Reasons for leaving paid employment to start out on their own include: underpayment, lack of recognition, no visible career progression path and inability to meet domestic commitment with salary from paid employment. Evidently, a significant number of entrepreneurs in this category tend to be financially 'over-exposed' in terms of family (nuclear and extended) commitments both in the UK and in 'home countries'. As a result, seeking alternative or complementary sources of income becomes inevitable. It must be pointed out that this category contains a mixture of sort: some devoted full time to their businesses whereas others were found to be playing dual roles – i.e., keeping paid employment while at the same time running their businesses. As one barbing shop owner (employing three barbers) explained:

"I was heavily weighed down by domestic responsibilities ... Almost rotting away at work ... I had to use my intelligence to figure out how to make ends meet ... Work was no longer as interesting as it used to be."

The main difference in motivational values between boiled frog and drowned frog entrepreneurs is analogous to the distinction made by Rokeach (1973) between 'instrumental' (boiled frog) and 'terminal' (drowned frog) human values.

- **Bullfrogs:** Representing 29% of the sample, the bullfrog-type entrepreneur is an expensive show-off and engages in exhibitionism. The bullfrog ventures forth from its pond lilly garnered for the entire world to see, with trappings of status and

power. The bulldog entrepreneurs are usually the money-messing megalomaniacs; wearing expensive jewels, driving expensive and flashy car, leading high-profile social life, spending the money that the enterprise has not earned, using business funds as personal funds and, as result, adept at 'creative accounting'. The types of enterprises they create are the *small firm flash*. The business' stature is itself part of the bullfrog-entrepreneurs' catalogue of reflected glories. For example, they are more likely to spend much of the business' resources on pet projects – often unproductive ones that are more to do with the acquisition of personal status than the strategic development of the enterprise. These pet projects are those to be financed, come 'hell or high water' – if necessary, in very creative ways. Their very entrepreneurial approach often raises ethical questions – the lack of transparency in their dealings sometimes exposes them to suspicions of '*sailing close to the wind*' of legal behaviour. It must be said that the underlying motivations of the bullfrog-type entrepreneurs are mixed, often geared towards impressing their UK ethno-social publics as well as those in their original home-countries.

- *Cool frogs*: These are rare froghopper specie; cool, calm and calculating and almost a direct opposite of the bullfrog. Entrepreneurs in this category (6%) are few and found principally in the publishing, specialised import and export, oil and commodity brokerage sectors. The cool frog entrepreneur-types are unlikely to be motivated by exhibitionistic intentions. In most cases, such entrepreneurs migrated to the UK with a clear understanding of what they wanted to do – and set about doing them. The enterprises they establish tend to be more

formalised in terms of both structure and processes. Interestingly, the sources of invested capital are usually traced to outside the UK. Many of the entrepreneurs have been very successful in operating similar businesses overseas or have had successful and rewarding careers in their original home countries. Paradoxically, they do not appear to suffer significant ethnic disadvantages in the same degree as many ethnic minority businesses. This is partly because they have progressed to the stage of 'middleman market' or economic assimilation (Engelen, 2001) in their market positioning.

- *Tadpoles*: Tadpoles never develop into frogs. In entrepreneurial settings, tadpoles represent the failed start-up – an enduring, major context of business failure. Tadpole-type entrepreneurs (7% of the sample) have very limited vision of why they are in business. Many of them got into business largely because they wanted to emulate the more successful entrepreneurs from their ethnic/tribal enclaves. Here is an explanation offered by one of the participants in the study: *I went home (name of town and country given) last time ... I was astonished about what I saw ... All these guys had many properties around ... Even my uncle asked me if I lived in the same country as ... (some names provided) ... I said to myself, I must do something and quickly too ... I knew that there was no way I could make it by relying on my monthly salaries alone. I had to muster the courage to take the plunge ... After all, Rome was not built in a day. Although many tadpole-type entrepreneurs tend to start out with a great deal of enthusiasm, they often find that the realities are much harder than imagined – thus triggering off failure crises that could have been averted had expert advice been sought at the outset. Such entrepreneurs find themselves continuously shifting base, from one*

type of business to another. One of the key reasons that often lead to their failure to achieve viable business status is due to over-optimistic assumptions about: the attractiveness of the business' products and services to potential customers, sales volume and sales prices to be achieved, speed of market take-up of products, actual costs of operation compared with actual revenues, profits and cash to be generated, the level of support to be provided by important providers of resources and the entrepreneur's ability – skills and ability to plan, organise, attract and to implement the strategic vision.

What this schema reveals is an intractable problem in disentangling the myriad of factors motivating African entrepreneurship. The schema points to differences in entry motives, nature of businesses, the degree of embeddedness in the ethnic economy and susceptibility to failure crises. Essentially, the analysis reveals unity and diversity among the entrepreneurs in the degree to which economic, psychological, social and cultural factors impact entry motives and business orientations. Consistent with the study by Basu and Altinay (2002), the desire for independence as a motive for business entry was clearly strong among all the groups, in the same degree as the desire for "control", "more effective application of expertise", to "improve economic standing" and "enhance social status in the eyes of own community members". However, a common thread that seems to run across all entrepreneur-types is that business orientation is largely impacted upon by socio-cultural values and beliefs. For example, the phrase '*we Africans*' or '*the way we African do business*' was so frequently used in ways that suggested '*Africanness*' in entrepreneurial orientation – although this could not be deconstructed at this stage of the study. However, the socio-cultural characteristics of the entrepreneurs are not

homogeneous. In this regard, the notion of acculturation becomes an important factor in determining not only sectoral choices but also business entry strategies and strategic orientations. For example, the entrepreneurs who have succeeded in moving higher up the 'Acculturation Interest Group' (AIG) classification (Nwankwo and Lindridge, 1998) seem to be more in control of things – stable, assured and audacious in their undertakings. Perhaps, this indicates that the level of acculturation is more likely to have a determinant effect on the success of ethnic entrepreneurship – another area that deserves further probing.

CONCLUSIONS

It is fitting that this conclusion highlights some of the problems uncovered in the course of this research and which are more likely to have a moderating effect on the sustainability of African entrepreneurship. As to be expected, the problems are many and varied, arising from

- a person-specific factors
- b the operating
- c institutional environments.

Obviously, it is not possible to provide a comprehensive synthesis of those problems at this stage of researching the phenomenon. Therefore, issues sketched out here are to be taken as starting observations:

- *Low interaction with institutional support systems:* African entrepreneurs are not effectively interacting with the small business support environment as to be able to take advantage of support opportunities. They are reluctant to seek and accept support from external sources. Some of the reasons for this include

Low awareness of the support provisions mainly because many entrepreneurs are so operationally embedded in their ethnic communities to the point of being almost oblivious of what obtains outside the community network. This obviously raises some concerns about the mechanisms through which some of the small business support systems are communicated and the strategies of engagement with the intended recipients. There might be a lesson here from the field of marketing. One of the philosophical aphorisms embedding marketing communications is that when a message fails to get through to the intended target audience in a manner anticipated, it is the fault of the sender and not the receiver.

Self-exclusion: Some entrepreneurs who appeared to be flimsily aware of the support networks thought that such were not intended for them. They believed themselves to be operating at the margins of the economy, meaning that their activities could not be of any notable significance to the 'authorities'. Consequently, this raises some concerns with regard to the much-orchestrated social inclusion agenda – from the local authority to the national government levels.

Self-preservation: A sense of self-preservation emerged as a major reason why many of the entrepreneurs are not 'open' and will very readily shield their businesses from external scrutiny. Tax, immigration and employment regulations were seen as real issues. 'Outsiders' are viewed with suspicion and as far as possible 'shut out' until trust is established. Concomitantly, mistrust of 'outsiders' is, in part, rooted in occupational duplicity of some

of the entrepreneurs. For example, some are known to hold down full-time jobs in addition to operating their businesses, some are self-declared unemployed and claiming associated benefits but actively engaged in their private businesses.

- *Strategic introversion and inadequate practical training:* Many of the entrepreneurs lack a long-term outward view of where their businesses are headed but, instead, turning inward and depending on co-ethnics for survival. Ethnic embeddedness, by itself, is not a problem insofar, as it is determined by a clear strategic market positioning. The harsh realities of operating a business are all too frequently underestimated. Moreover, operating an enterprise requires some basic skills. While a clear need exists for targeted training, many shy away from undertaking appropriate training that might enhance their chances of success in entrepreneurship.
- *Paternalism in entrepreneurial orientation:* Although the vast majority of the entrepreneurs seem to 'throw in' all they can muster (e.g., working very long and sometimes unsociable hours, often ploughing into the enterprise hard-earned income from employment or capital raised from borrowing/re-mortgaging of homes), theocentricism appears to underpin their evaluation of success. There was little clarity in how success is determined – to enable effort-reward relationship to be evaluated. An issue of paternalistic or theocentric orientation arose because of the apparent effect of extraneous factors (particularly religion) in shaping entrepreneurial orientations. For example, success in entrepreneurship is often seen as an 'act of faith' – a matter of divine intervention rather than an outcome of strategic processes. Nevertheless, it seems that this paternalistic tendency is not simplistically

culture-bound but an expression of 're-signed reaction' to perceived institutional failures or ethnic disadvantages.

- *High levels of entrepreneurial stress:* Burdens of entrepreneurship are often 'bottled up' and, therefore, not shared – for example, with specialist advisers or consultants – leading to burn out. In many respects, family commitments (both nuclear and extended) interfere with work. Both personal life and entrepreneurial life get muddled up together – resulting to strategic drift and lack of clear direction of where the enterprise is headed.
- *Octopus phenomenon – spreading out too thinly and widely:* Many entrepreneurs were found to engage in many business undertakings simultaneously – with insufficient attention to the core business. The enterprises they establish become a cluster of disparate activities linked only by the entrepreneurs but lacking any strategic coherence.
- *Late mover disadvantages:* The phenomenon of African entrepreneurship is recent and confronted with a range of take-off difficulties, thus undermining early efforts at growth and sustainability. It is no surprise, therefore, that many are 'muddling through' and in need of public policy support. At the moment, public understanding of the phenomenon of African entrepreneurship is incomplete. Undoubtedly, public policy has played a role and will continue to act as a catalyst in supporting the growth and sustainability of the small business sector in the UK. For African entrepreneurs, the apparent lack of targeted support has entailed that many are not getting the support they need at critical stages in their development – thus making 'breaking out' of the ethnic economy and sustainability rather more difficult to achieve.

This study has attempted, albeit preliminarily, a characterisation of Black African entrepreneurship in UK. It could be inferred that although ethno-cultural orientations have had an impact on business orientations, to a significant extent, entrepreneurial motivations are driven by context-specific imperatives. For example, many Africans started their own businesses to escape ethnic penalties. This 'escapist mindset' is underpinned by adequate preparation prior to the start-up. It is no surprise, therefore, that many of the businesses collapse or suffer failure crises ever so frequently. This flies in the face of a wide spectrum of government policies aimed at promoting the growth of ethnic minority businesses. There are obvious policy intervention issues to address to ensure the sustainability of this emergent phenomenon. At a broader level, the extent to which the myriad of small business support infrastructure effectively engages ethnic minority entrepreneurs, in general, remains a very open question. Therefore, it is of considerable interest that the emerging phenomenon of African entrepreneurship is explored further to address the lacunae that currently exist in both literature and policy arenas. More so, over the long-run, studies of African entrepreneurship will afford novel insights in conducting inter-ethnic and cross-ethnic studies of entrepreneurship in the UK as well as providing the basis for comparative studies with other developed countries that have visible ethnic minority groups. The potential contribution of such studies to policy processes cannot be over-emphasised, with special reference to social inclusion, regeneration, community business, and economic diversification and growth agendas.

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