
Promoting environmental consciousness among entrepreneurs of African-owned SMEs in the UK

Maxwell A. Ayamba* and Ian D. Rotherham

Sheffield Hallam University, UK

E-mail: m.ayamba@shu.ac.uk

E-mail: i.d.rotherham@shu.ac.uk

*Corresponding author

Abstract: This chapter contributes to the growing body of literature on international environmental entrepreneurship by reporting on a qualitative empirical investigation into African-owned SMEs operating in the UK. The drivers of these SMEs have always been to identify themselves as active, important co-ethnic markets with huge influences on the African and African-Caribbean immigrant communities in England. However, with environmental issues high on political and international agendas and growing concern over climate change, some African SMEs appear slow to respond. In their quest for profit they adopt an impassive approach to the environment, indirectly adversely affecting business growth. Achieving a balance between profit and environmental responsibility constitutes a key challenge in this ever-increasing and competitive green business market agenda.

The findings of this study suggest a tendency to adopt an incremental approach to environmental performance among entrepreneurs of African-owned SMEs. Besides lack of awareness of environmental regulation and legislation, it is now also obvious that lack of environmental awareness and standards would have profound impact on how African-owned SMEs are conducted. This affects their growth and survival. The study suggests a need to increase awareness and knowledge of environmental performance and stewardship among African-owned SMEs to enhance entrepreneurial development and innovation.

1 Introduction

The ever-growing burden of environmental legislation does not affect just waste and recycling industries, but also all retail businesses. All compliance with environmental legislation has become increasingly important since the 1980s. Along with this has been a dramatic growth in complexity, which makes compliance difficult for business. What is worrying for commerce is that failure to meet the requirements of directives is potentially expensive. The range of environmental legislation now in place is so complex that many businesses are unaware of their obligations and risk inadvertently breaching.

In recent years, there has been a significant growth in literature on the behaviour of ethnic businesses (Basu, 1991; Krcmar, 1987; Okoronkwo, 1993; Pardesi, 1992; Patel, 1989). As Crick and Chaudhry (1994) point out, the studies of ethnic minority firms' behaviour have concentrated on their development and operations in the domestic market without considering their export operations. There is also a grey literature in the area of ethnic businesses' behaviour towards the environment.

This chapter explores this, and ascertains how African-owned SMEs cope with ongoing Government green agendas and environmental campaigns in the UK. The study considers business attitudes and behaviours of African entrepreneurs towards the environment. The study examines perceptions in terms of compliance and awareness by African entrepreneurs of environmental legislation and obligations. The research questions whether they are conversant with environmental policy regulations and what practical measures they are implementing or introducing to reduce environmental harm.

The chapter address the relationship between the context of the African entrepreneur and the ways the myths and realities of green business are captured. It sheds light on fundamental socio-cultural and historical characteristics of co-ethnic marketing and their implications in assessing marketing programmes and in capturing temporal, spatial and other contexts of marketing behaviour by African-owned SMEs. It seems that these are not adequately accommodated in the current UK environmental agenda. A lack of reliable information on Ethnic Minority Businesses (EMBs) is noted in many areas in the UK (Ram *et al.*, 2002). This inadequacy of data on the scale, dynamics and performance of ethnic minority firms is problematic for a number of reasons.

First, it makes it difficult to assess the extent to which ethnic minority businesses are participating in schemes, services and support programmes for small firms. Second, without adequate information, support agencies are unlikely to develop accurate pictures of the problems, priorities and potential of ethnic minority businesses. This makes it difficult to devise measures that respond to client needs. Third, the growing diversity of ethnic minority enterprise is widely noted (Jones *et al.*, 1992; Ram and Smallbone, 2003). For example, there are differences between ethnic minority groups, between different generations, between different sectors, and between different stages of development. Accurate and relevant information is important if services are to be tailored appropriately.

This chapter concentrates on policy implications and any need for further research on this issue in parallel with related environmental studies. A summary of the key literature is presented to place the research into a conceptual framework. Although a large body of literature exists on the export behaviour of SMEs (see for example, literature reviews such as Aaby and Slater, 1998; Bilkey, 1978; Katsikeas, 1991; Miesenbock, 1988), the environmental behaviour of ethnic minority businesses is a neglected area of study. This is especially so for those owned by African entrepreneurs operating in the UK.

Studies often consider SMEs without differentiating entrepreneurs' cultural backgrounds. Where comparative work has been undertaken, this has tended to be between different ethnic minorities, *e.g.*, Asians and Afro-Caribbeans, rather than including indigenous firms (Wilson, 1987). Where comparative research including indigenous firms has been carried out, factors other than export activities have been investigated (Pardesi, 1992). However, this chapter addresses a gap in the literature relating specifically to a comparative study of the environmental behaviour of African-owned SMEs. As noted (Crick and Chaudhry, 1994; Pardesi, 1992; Ward, 1991), it is widely accepted that the propensity of different ethnic communities to engage in entrepreneurial activities varies. Differences in ethnic communities' business participation rates have been shown to vary between trade sectors and regions (see economic indicators such as those from the Central Statistical Office (CSO) for more details).

It is surprising that when some areas of the UK have such high levels of ethnic minority-owned businesses, yet so little has been written about the impact of their activities on the environment. The development from a review of the literature considered the history and growth characteristics of these businesses by ascertaining whether this has in anyway affected their decision-making processes and operations with regard to the environment. Second, the chapter questions whether these business entrepreneurs understand the benefits of operating a 'green' business. The main objective was to make recommendations to help shape perceptions and concerns of these entrepreneurs on environmental responsibility. It further aimed to make suggestions for African-owned SMEs to help them cope with on-going green business agendas. The chapter presents ideas to help to broadly illuminate current environmental marketing practices for Africa-owned SMEs. The intention is to establish how fundamentals of environmentally responsible marketing initiatives could be applied to promote an understanding of context-specific relationships in marketing and the environment. This highlights important constraints faced in marketing activities and being environmentally responsible. It suggests ways to foster positive responses from entrepreneurs of African-owned SMEs to environmental issues. This leads to the rationale for the study which comes against the drop of current UK legislation in terms of prompting environmental stewardship among especially businesses.

2 Rationale for the study

Media reports indicate that Britain faces heavy fines from the European Union. It is unlikely to meet an EU directive requiring reduction in the amount of biodegradable waste sent to landfill sites. A report by the National Audit Office (NAO) in 2008 analysed the expected impact of the EU landfill directive in the UK. This suggests that the UK is likely to miss on its 2013 goals of waste reduction. The significance of this particular piece of environmental legislation is of serious relevance to businesses of eco-ethnic markets.

The problem is that disposing of biodegradable waste in landfill sites is known to be harmful to the environment. A fact sheet by Friends of the Earth (2002, cited in Hazardous Waste Forum, 2003), for example reported that the UK currently produces 28 million tonnes of municipal waste every year – 83% ending up in landfill. According to the Local Government Association (LGA), that makes the UK the 'dustbin of Europe' and the country likely to run out of landfill space by 2016.

It is clear from this that the pressures of safe waste disposal are therefore mounting, with environmental issues and waste in particular moving up the political agenda. This led to the Clean Neighbourhoods and Environment Bill receiving Royal Assent following a successful passage through Parliament to become the Clean Neighbourhoods and Environment Act in April 2005. By early 2020 it is estimated that more than 2000 new waste management facilities, recycling, composting, energy recovery and landfill will be required.

It is expected that the Clean Neighbourhoods and Environment Act will deal with many of the problems affecting the quality of our local environments – which forms part of a continuum with anti-social behaviour, vandalism, disorder and other levels of crime. The Act provides local authorities, parish and community councils and the Environment

Agency with more effective powers and tools to tackle poor environmental quality and anti-social behaviour. In particular the Act includes sections on nuisance and abandoned vehicles, litter, graffiti, waste, *etc.*

Government has also sought to allay fears over health and environmental impacts with the publication of three key reports by the Department for the Environment, Food and Rural Affairs (DEFRA) in 2004. Despite these assurances there is still this 'Not In My Back Yard' attitude in some parts of the country. To address these issues, ongoing work has been planned to more effectively regulate and to implement a series of thematic strategies most notably on the sustainable use of natural resources, prevention and recycling of waste. However, the challenge includes getting local people to accept new waste facilities, changing behaviour and attitudes as well as encourage small businesses in particular to become more environmentally aware. Green business is good business is a popular slogan these days, according to Envirowise.¹ Becoming more resource efficient can give competitive advantage to your business through reduced costs, while genuine environmental and social responsibility improves public reputation. Both aspects increase prospects for generating new business success in the future, not to mention strengthening your present position in the market. It is both good for the environment and for profit. Nonetheless if the necessary information and education is not offered business owners especially SMEs, are often afraid to go green thinking this might affect their profit margins. This chapter considers the issues facing African SMEs in this respect, but also help to improve understanding of how their business practices and operations might be doing them more harm than good should they fail to go green. It is important therefore to create awareness among these businesses about the impact of their activities on local environments (in line with the Environment Agency's position statement promoting clean healthy environments) and the benefits therein.

A recent *SME-environment survey*, revealed a growing number of SMEs are concerned about the environment and taking action to curb their environmental impact. Forty percent now have an environmental policy in place, compared to 25% in 2005. However the survey also noted that, half of SMEs were still unaware of how their business practices could affect the environment. These findings have resonance to findings of this study done on African-owned SMEs during face-face interviews. They spoke about the need for more advice from environmental regulators and local authorities to avoid prosecution. It was therefore not a surprise that last year alone SMEs have been fined over £2.4 million for pollution and environmental damage. This demonstrates the need for better environmental support for SMEs which has never been greater.

A NetRegs survey noted that half of SMEs when prompted with a list of activities harmful to the environment such as smoke or fumes to air, storing chemicals or fuels and storing of waste, said they undertook at least one of them. Only 15% actually realised that their activities could be harmful. A similar face-face survey conducted during this study among 15 African-owned SMEs discovered that they had no clue about the extent of the impact of their activities on the environment. These findings nonetheless come in the wake of the Environment Agency's new *Spotlight* report (2008)² which revealed that three quarters of businesses fined over £5,000 for breaching environmental laws in 2006 were SMEs.

The survey noted that with the average SME fines topping £14,500, businesses must take action now to find out their environmental responsibilities. This is because as the survey revealed, SMEs awareness of specific legal obligations is still low. Just 24% were able to name a piece of environmental legislation and this fell considerably among

businesses that employed fewer than ten staff. Since regulations are always evolving and with changes to the Landfill Directive, there is a need for African-owned SMEs especially, to constantly review the way in which they dispose off waste and their attitude towards the environment. It is therefore more important that African-owned SMEs get guidance and support about their environmental obligations to enable them to take action in order to comply with the law. Some African-owned SMEs may argue that they are generally compliant but there is a significant issue of the non-compliance this applies to direct regulatory controls. This may often be down to ignorance or perhaps unwillingness to change established practices rather than deliberate criminal intent. Some may have no awareness of the regulatory requirements but would comply if they were better informed.

3 Methodology

The purpose of the study was to collect comparative empirical data on the environmental behaviour and attitudes of African owned SMEs operating in Sheffield, South Yorkshire as a case study. The method of data collection had to be as similar as possible between samples in an attempt to avoid bias. Since in-depth information was required, personal interviews were considered necessary in order to increase the likelihood of collecting the data supported by ten telephone interviews and face-face interviews with 15 individuals of African-owned SMEs conducted between January–April 2009. The researcher was commissioned by the Environment Agency of the North East Region to undertake research into perceptions of Black and Ethnic Minority Communities about the environment which included work on BME SMEs. Field work done by the Sheffield Black & Ethnic Minority Environmental Network (SHEBEEN) is also drawn upon to support the findings. As part of helping BME SMEs obtain social enterprise funding from the Sheffield Chamber of Commerce, SHEBEEN interviewed 20 BME businesses on their awareness level with regards to environmental legislation. The findings in the SHEBEEN report indicate a 0.0% level of BME business awareness of environmental legislation and the need to become a ‘green’ business. Krcmar (1987) indicated difficulties in obtaining interviews with managers from an Asian ethnic background and in some cases encountered language difficulties. To avoid this, the methodology used in obtaining information or data gathering was to visit and speak directly to entrepreneurs of African-owned business at a time convenient to them by explaining to them the rationale for the research.

Ward (1991) for example, points out problems both in classifying different types of ethnic firms and the changes in the propensity of particular groups of ethnic managers to engage in entrepreneurial activities over time. Ward’s data suggest that those from Asian backgrounds for example, tend to have higher self-employment rates than those from other ethnic backgrounds. However this study found that there is now a growing trend in African-owned SMEs. This growing trend of African-owned businesses in the UK is attributable to the influx of African migrants, refugees and asylum seekers into big cities such as London, Sheffield, Birmingham, Manchester and Leeds. Just as Ward (1991) subdivided his classification of Asians for instance into their country of origin to demonstrate different employment rates, that type of classification was not applied in this study. As such the entrepreneurs were not further divided by their countries of origin, to avoid leaving out small sub-samples for comparative analysis with the indigenous firms. It was further considered necessary to restrict the sampling frame to Sheffield due to

time and cost limitations. Furthermore, although restrictions to the geographic bias of the study was seen as important due to the potential differences that may have occurred between particular regions, the findings nonetheless may indicate a similar trend in the behaviour of African-owned SMEs through out the UK. According to some commentators developing a sampling frame of ethnic businesses can be very problematic (Basu, 1991; Krcmar, 1987; Pardesi, 1992; Okoronkwo, 1993). These studies also suggest that certain government bodies and trade associations have limited access to information on ethnic minority-owned firms. The study therefore concluded that no single sampling frame would be located and one would have to be constructed in the course of the study. A directory was available for African-owned SMEs in Sheffield City Council unfortunately the directory never gave any indications of the country of origin of the owners. The above methodological approach was therefore considered to be the best in order to gather the data.

4 History and growth of African owned SMEs in the UK

There are more than a quarter of a million ethnic minority businesses in the UK, which contribute at least £15 billion to the UK economy per year. Growth in ethnic minority business start-up is therefore double the growth rate in total business start-ups (Barclays Bank, 2005). There is considerable variation in the experiences of different ethnic minority groups in business. For example, the highest self-employment rate is found among the Chinese (21.6%), followed by Pakistanis (17.2%), Indians (14.8%), Other Asians (13.9%) and Bangladeshis (11.1%). In contrast, low rates of self-employment are to be found amongst Black Caribbean (6.5%) and Black African (6.8%) groups (Barclays Bank, 2005). Ethnic minority businesses tend to be concentrated in a narrow range of sectors (for example, catering, retailing and clothing) and located in some of the most deprived areas of the UK where environmental issues such as waste, air pollution, dereliction among others are very serious problems in communities. Thirty-two percent of ethnic minorities live in the most deprived areas. This is double the proportion expected given their population size (Mascarenhas-Keyes, 2006). Often, such settings have been subject to urban decay, and are the focus of regeneration efforts.

In order to analyse the activities and practices of ethnic minority businesses with reference to African-owned SMEs and their environmental impacts, it is important to understand the history and growth of these businesses in the UK. Business entry decision is probably one of the most researched issues in the literature on ethnic minority enterprise (Barrett *et al.*, 1996b; Ram and Jones, 1998). Explanations tend to stress labour market constraints (Jones *et al.*, 1992), the importance of 'cultural' attributes (Basu, 1998), or similar motivations to the general small firm population (Curran and Blackburn, 1993).

The self-employed British immigrant is a staple character in the economic history of this country. From Chinese or Indian curry restaurant owners to other ethnic minority retail businesses, they are all part of a narrative progress to entrepreneurial success. Ethnic minorities now have high levels of self-employment in most major cities. The genesis of this discourse can be attributed to the fact that the majority of newcomers have found their initial employment in the low-wage and low-skill sectors of manufacturing,

the coal and steel industries and in service sectors such as office cleaning and serving restaurants. Powerful support for this view is provided by Clark and Drinkwater's (2000) study, which is drawn from the *Fourth National Survey of Ethnic Minorities*.

The closure of the coal, steel and textile industries has led most migrants into self-employment often as a response to the lack of jobs and career progression as employees. This was not a uniform tendency, differing markedly by country of immigration, economic sector and ethnic group. According to Barret *et al.* (1996a) the flow of customers has led to founding of a whole series of food shops, clothing stores, travel agents and other firms supplying South Asian preferences. In the same vein, Nwankwo (2005) observed about the emergence of Black African firms, which are growing rapidly especially in London. These are confined to mainly co-ethnic markets. The important conditioning factors for the rise of these ethnic businesses may include a number of factors for example, immigration and employment. However this expansion is also to an entry into serving mainstream markets (Ward, 1985; Ethnic Minority Business Initiative, 1991; Ram and Hillin, 1994). The UK's deregulated economy has seen licensing of self-employment and work permits leading to a steady growth of ethnic minority businesses. Immigrants are able to set up legitimate business for which they can raise sufficient capital and credit. With the exception of a few sectors such as pharmacy retailing, there are no regulatory constraints on the number of businesses, although all must comply with the general rules relating to issues such as town planning, health and safety, and now environmental pollution.

Most ethnic minorities have their origins in the imperial past (although this is changing) in the decades after 1945 which saw a stream of migrants from the Caribbean, South Asia, Hong Kong, *etc.* Most of these newcomers were regarded as citizens of former or current British colonies and held British passports who responded to vacant niches in the British economy. In that period of post-war economic growth and full employment saw positions which were poorly paid, or involved long hours or unpleasant conditions no longer attracting sufficient numbers of the indigenous white population.

However, with the steady influx of more migrants coupled with the credit crunch has seen the job market began to shrink. The population of first generation of migrants together with British-born residents who share the same country or countries of origin on the grounds of their common cultural heritage have also seen a rise in refugees and asylum seekers from Africa and other countries. Even though some migrants might have acquired British citizenship and passport for that matter, however to some extent citizenship may not be seen as the only determinant of identity, and often not as the most important component. Reports suggest that some ethnic minorities suffer from deliberate or inadvertent discrimination perhaps because of their culture or appearance especially when it comes to issues of education or employment in white collar jobs. (Barrett *et al.*, 1996b; Jones *et al.*, 1992; Ram, 1994) noted that from the very outset a weighty body of evidence has been presented to suggest that the Asian drive into self-employment has to be seen in large part as a survival mechanism during a period of de-industrialisation and catastrophic job loss which, in a racist job market, affected ethnic minorities even more heavily than other workers.

Individual minorities therefore tend to concentrate in service sectors where the feel they face less competition. Here entrepreneurs take advantage of their specialist knowledge of for example, particular tastes of their own ethnic group in order to establish themselves in markets where they are protected from competition by firms based in the

more general white-dominated economy. For instance, Indians, Pakistanis, Bangladeshis and Chinese are all strongly represented in distribution, hotels, and restaurants. The Chinese and Bangladeshis are more prominent in the restaurant trade, while Indians and Pakistanis have a principal involvement in retailing, especially convenience grocery stores and newsagents. In addition, Pakistanis are known to be strongly represented in the transport business such as cab driving.

In big cities such as Sheffield, Birmingham, London, Manchester, Liverpool among others oriental restaurants have spread along major parts of these cities to provide an almost ubiquitous dining opportunity for the white population at large, especially Chinese 'take-aways'. Protected markets have also witnessed a rise in Indian and Pakistani food retailers and now Africans owned SMEs especially in London and other cosmopolitan cities. The flow of customers has seen the generation of a whole series of food shops, clothing stores, restaurants among others, such as jewellery to meet the cultural and traditional demands of their communities. Hairdressing and beauty salons are also on the rise especially among the growing African, Caribbean and refugee communities.

Although some of these co-ethnic markets may have serious limitations due to the size of the markets they serve for some of their products, nonetheless, there appear to be a growing trend in attracting the dominant white population who tend to patronise restaurants in most multicultural communities. This is largely down to the rapid rise in recent times of higher incomes, more single person households, more women in employment and the changing tastes of British multicultural society.

5 Reasons for self-employment

These findings are based on the steady accumulation of evidence since the first major study of Asian and White shopkeepers in 1979 (Aldrich *et al.*, 1984) which illuminated different facets of this basic question – why Black Minority Ethnic people choose to become self-employed? Curran and Blackburn (1993) for example, in a survey of African, Caribbean, Bangladeshi, Greek-Cypriots and Srinivasan's (1995) account of Asians suggest largely positive reasons for becoming self-employed, even though not significantly different from the general small firms population. According to these commentators, groups notably South Asians it is argued, have a self-employment rate of 20% compared with the general average of around 10%, thus accounting for a 'self-help' ethos and culture conducive to entrepreneurial activity (Basu, 1995; Werbner, 1990). However, other commentators maintain that ethnic minority businesses often rose out of a context of disadvantage, and that the adverse 'opportunity structure' carries greater explanatory power than speculations on 'culture' and so-called 'ethnic' resources (Jones *et al.*, 1992).

These competing explanations according to some commentators permeate other important areas of small business activity. For instance, the apparent distinctiveness of labour practices in ethnic firms (particularly South Asian) has attracted much comment. Some maintaining that intensive utilisation of co-ethnic labour is an important source of competitive advantage and a signifier of culturally-specific entrepreneurial spirit (Basu, 1995; Ward, 1991); whilst others argue that this veneer often conceals exploitative work environments (Anthias, 1983). However according to (Jones *et al.*, 1993), recent surveys reveal many similarities across ethnic groups despite the persistence of stereotypes,

and on the crucial issue of finance, with the debate as to whether the problems that ethnic entrepreneurs are reputed to have with banks are 'business-related' (Curran and Blackburn, 1993) or 'race-related' (Deakins *et al.*, 1994).

Ethnic minority SMEs are now an established and growing feature in cities such as London, Birmingham, Manchester, Sheffield and others. In addition to fulfilling an important economic and social role for minority communities themselves, ethnic enterprises have also made a significant contribution to the revival of the small business population. It is without doubt that, particular areas of economic activity, such as retailing, clothes manufacture and catering, have been transformed by the dynamic presence of minority communities. For instance groups such as South Asians and Chinese have been notably conspicuous in effecting such transformations in often adverse competitive environments. Even though Africans initially were said to be 'under-represented' in self-employment, however, due to the influx of emigrants, refugees and asylum seekers has seen an emerging presence on the small business scene. Another under-reported group of migrants who are beginning to set up their own SMEs are Eastern Europeans especially the Polish.

6 Key literature

6.1 Findings and results

The findings and results suggest that both African-owned SMEs and indigenous SMEs, formal planning of environmental policies on the whole is limited and this can be attributed to lack of exposure and knowledge and thus affecting attitudes. This observation extended to marketing research activities with relatively few indigenous businesses claiming to undertake environmental practices actively. However findings of the study noted that in none of the African-owned SMEs are any employees aware of environmental training. The results further suggest that because of the cultural issue of success which is common among African entrepreneurs making profit is very important than any other thing. Managers felt that being unsuccessful had serious future outcome of their businesses since they would be seen as having 'failed', and this affected the quantity, quality and types of businesses operations undertaken.

This finding is not to say that managers of indigenous firms may be any less pleased at having failed in business, only that the issue of success among African-owned SMEs can be of an important consideration in the commitment of managers from this ethnic group. Against this backdrop, managers have to be engaged pro-actively to start with a gradual involvement in business operations that has the green or environmental perspective in mind. To help with this, assistance should be provided by environmental advisers until these businesses gain enough experience to manage on their own, perhaps with the aid of a checklist of points to consider on a step-by-step basis. The findings in this study suggest that too many managers of especially African-owned SMEs were unaware of government environmental services on offer and therefore the way in which assistance programmes are communicated should also be reviewed.

This was particularly the case with African-owned SMEs and therefore assistance may need to be communicated in a different way to various ethnic managers, for example, in conjunction with particular environmental business advice centres for individual ethnic groups. With the relatively high levels of ethnic minority-controlled

businesses in some UK industries, including ownership by second generation managers, it is potentially wrong to group all SMEs into the stereotype mode of operation. From this study, it was found that a relatively large number of the African-owned SMEs export and import to Africa and some European countries where there are large African populations. This has implications for policy makers in that most of the raw materials and products of co-ethnic markets have to be transported from long distances from various part of Africa and, would require assistance on the use of sustainable modes of transport to off set their carbon foot prints.

7 Operational issues

The decision as to whether to switch to a green business or not may be compounded by lack of knowledge, awareness and information/education according to findings of the research. Also the issue of lack of resources and time are among a number of concerns which received considerable mention in this study. Interviews in the course of this study suggested that despite a limited sample size, on the whole, African-owned SMEs tend to concentrate on few markets where there is less competition. Although they hold more favourable views about the environment and would want to become environmentally responsible and conscious, however they think they have not been pro-actively engaged as compared to the indigenous big businesses counterpart in terms of their operations.

While no causation of success is implied, and indeed, some of them could be advised to receive or undergo environmental training and guidance in order to operationally reduce risk, the lack of time and the fear of profits falling are considered as issues. Hence the findings suggest that policy makers should consider this as a desirable way to start initiating them into the whole environmental agenda until they become environmental minded in their operations. Although it is widely recognised that these businesses often need to adapt to different policies and customer needs, African-owned SMEs are invariably more unwilling than other businesses to adapt aspects of their marketing mix dramatically in line with environmental requirements if not given the necessary support and time to do so.

An environmental performance initiative coupled with marketing orientation and innovation could help to address this gap gathering from the findings of this study. Sharing of good practice and dissemination of information could constitute as an activity in the field of ethnic minority business support. Although as Ram and Smallbone's (2003) noted, there is still a dearth of knowledge on what constitutes good practice however this has been further compounded by a lack of systematic dissemination of key developments with very little independent evaluation. They argued for example that, a review of a range of initiatives targeted at EMBs noted that in one respect or another constitute good practice, however to address some of these issues the authors readily conceded that more work needs to be undertaken on the content and impact of such initiatives. Calls for evaluation were repeated by Deakins *et al.* (2003) and Ram and Smallbone (2003). Evaluation is an important tool for identifying good or appropriate practice and it can serve an important function in promoting policy learning (Sanderson, 2002, p.13). African-owned SMEs receive limited promotional material or information on environmental issues or anything to do with the green agenda as gathered from the findings of this study.

Although the policy implications in this paper are based on a limited sample size within a single co-ethnic industry in the South Yorkshire region, more research is recommended into these issues to determine the extent to which environmental policies may need to be reconsidered in relation to ethnic minority-owned businesses. This said, however, it should be remembered that some cultural attitudes of entrepreneurs of African owned SMEs may be difficult for policy makers to change and the results of this research offers a foundation on which future research can be developed.

8 Recommendations

The lack of access to information has tended to marginalise and exclude African-owned SMEs from the whole green debate or ongoing environmental campaigns. The issue of African SMEs becoming environmental aware has therefore got to be addressed by policy makers and encouraged to adapt their practices and operations in line with environmental policies and regulations rather than the standardise information that all other businesses are expected to access. This alongside teaching them about improving their environmental performance must be taken further than purely for profit, in addition to other elements of the marketing mix. For example, assistance should be offered on reducing energy with regards to distribution channels, export and imports as well as use of clean technology. Furthermore, they should be encouraged to plan actively for a sustainable environment rather than treat it as an *ad hoc* activity, including carrying out the necessary practices and having the necessary organisational skills.

This is because the comparative findings and results of the environmental behaviour of African owned SMEs in the UK from this study, offers some interesting differences from the generally accepted conclusions on the environmental behaviour of other SMEs. Hence this will have serious implications for policy makers in that the type of business assistance offered and the way in which it is delivered may have to be reconsidered. The findings noted for example, that to offer generic programmes to both indigenous and ethnic minority-owned SMEs with the same approach is inappropriate if the environmental debate is to be of a major consideration. Certain culturally specific characteristics of African-owned SMEs for example need to be appreciated otherwise the limited resources needed for assistance may be wasted. Policy makers should ensure that they do not attempt to impose formal, marketing constructs used by large (probably indigenous) firms or businesses on these co-ethnic-owned SMEs, since these may be counter productive. It must be recognised that with the limited sample size, together with concentration in one industry and geographic area of the study, only provides indications of African-owned SMEs and their behaviour towards the environment which can be inferred rather than suggest specific conclusions.

The findings and results indicate that the entrepreneur is an important factor in the business operations of both African and ethnic minority SMEs. In African-owned SMEs the head of the family is usually the father/eldest male who is the main decision maker, any assistance will have to be targeted at this person and aimed to persuade him change what may be a firmly held attitude. Policy makers must convince this person of the benefits of being environmentally responsible if they are to become involved in the green business agenda. With the presence of the family business becoming more prominent as Africans move into their second and third generations in the UK, other members of the family may also need to be targeted and perhaps indirectly influenced. For example, as

more students are taught international marketing as part of university business degrees, the perceptions of the environment may become more positive, and indeed, be seen as necessary. The promotional procedure used by policy makers in the provision of business assistance should also be reviewed to incorporate the environmental agenda. In African-owned SMEs, it must be recognised that levels of understanding of the English language may also be limited especially where much of the environmental language is to some extent technical and 'jargonistic' to some managers (usually older ones). Therefore, policy makers should appreciate that information may need to be printed and tailored in the appropriate language or at least presented in an easily understandable format. It could be that unions of African owned businesses will have to receive or undergo some form of environmental training to help give advice for example at clubs and respective ethnic business advisory centres to members in order to help to reduce or address potential anxieties.

Since most African owned SMEs are involved in the hospitality, leisure and tourism businesses the potential environmental impacts of their activities which they ought to be aware include; air missions, from kitchen facilities and vehicles; energy use, equipment and machinery, lighting, and heating and cooling; land contamination, accidental spills of chemicals and oils; waste disposal such as packaging, worn fixtures and fittings, and catering and food waste; water use. Others are, drinking water, cleaning tasks and in kitchens, bars, bathrooms and toilets as part of the Pollution Prevention Guidelines (PPGs) measures.

The findings noted that most African-owned SMEs are guilty of almost all the above measures, one only measure that they come up with in response during the research is recycling. But not measures such as energy efficiency, waste reduction, emitting smoke or fumes into the air or storing chemicals and oil. Besides these, the question in response to how many of them have an environmental policy in place or an Environmental Management System (EMS) drew a blank response. It is obvious from the findings that most African-owned SMEs have not taken any action in terms of training to address their environmental performance and have therefore fallen foul of the law on a number of occasions. For example when prompted in the interviews to name some of the pieces of environmental legislation set out by the Government illustrated the lack of knowledge of 99%. This is because African-owned SMEs and other indigenous SMEs in general *per se*, tend only to consider three main things: to reduce the risk of prosecution; create good relations with customers and; to reduce operating costs. When it comes to environmental matters SMEs often go to only Local Authorities, some have no idea who the environmental regulator is in order to go for advice. Hence the majority are unaware of the Environment Agency, NetRegs and Envirowise or what environmental websites to visit for information and guidance. Perhaps one other alternative of addressing the environment – African owned SMEs nexus should be through the Ethnic Minority Business Forum (EMBF), which exists to advise ministers on the issues facing ethnic minority business communities. Launched in July 2000 to strengthen government's dialogue with ethnic minority business communities, the Forum is a sounding board for ethnic minority businesses and government alike. The EMBF's remit is to provide independent advice to government in relation to SME policy and practice as it relates to ethnic minority business. It has two principal functions: to engage with government departments and offer strategic advice on matters relating to ethnic minority enterprises and to listen to ethnic minority businesses in order to take note of their views.

9 Conclusions

It is imperative therefore that existing and emerging African entrepreneurs must come to the understanding that their businesses do not exist in isolation, simply as a way of accumulating profit, even though they may be employing less people. Also, not only are their customers, suppliers and the local communities affected by what they do, but that their services and bi-products and the way they are made, delivered and disposed off have an impact on the environment. They stand to benefit if they promote business activities that bring simultaneous economic, social and environmental benefits. They need to work in partnership with the private sector, community bodies, unions, consumers and other stakeholders and adopt innovative approaches and continuing development and application of best practice.

As well as ensure decent minimum levels of performance in areas such as health and safety, there is need to be environmentally aware and to encourage responsible behaviour. These are very important elements in the emerging green debate and the need for businesses to become environmentally responsible does not only help to meet legal and regulatory requirements but also being ethical. For example, Corporate Social Responsibility (CSR) takes into account all this. It simply means African-owned SMEs showing responsible attitudes and follow simple principles irrespective of the size of their businesses. There is a need to have an understanding that their businesses affect many different people – employees, customers, suppliers and the local community and also has a wider impact on the environment. As findings of the study noted, African SMEs have no knowledge of CSR or ethical code of conduct as they were tied down by various constraints ranging from finance, counselling, information technology and marketing. As some argued, SME's are at a stage where they are struggling to establish themselves and do not have the man-power or resources to address these issues and therefore they tend to ignore anything to do with the environment.

However, with the ongoing climate change debate which ironically affects developing countries where Africans entrepreneurs originate, demonstrates a need for owners of African SMEs operating in the UK environment to become more environmentally responsible. Besides this, there is also the moral argument in that African-owned entrepreneurs should be doing more to help protect the environment and their customers. Even the simplest energy efficiency measures, like switching off lights and other power equipment when they are not needed can help to make a real difference. Reducing water usage directly cuts costs while minimising waste can also make an important contribution to waste reduction in landfill sites. Simple steps like these in addition to for example reduction in packaging can reduce the amount of paper waste and immediately cut costs and save trees and the environment.

Caring about the environment can increase income too. For example, many customers who are becoming environmentally aware now prefer to buy from environmentally responsible businesses. There are all sorts of ways that African owned SMEs could think about reducing the environmental impact of their business. The issue of CSR by businesses have therefore come under increasing pressure for them to demonstrably engage in activities which are described as corporate socially responsible and African owned SMEs are of no exception. CSR has traditionally been the province of the corporate sector but recognition of the growing significance of the SME sector has led to an emphasis on their social and environmental impact. This study advocates on the need for further research to ascertain the understanding of African owned SMEs about the

term 'corporate social responsibility'; What it means to them and whether it is appropriate for their business?; Does CSR act as a barrier in terms of environmental management and their business?; and finally, whether in addition they also understand or are aware of the importance of the British Management Systems (BMS) and Codes of Practice used by a wide range of large organisations?; including EMS to help improve environmental performance.

According to research conducted on those large businesses that have incorporated these practices it has in many cases led to the identification of resource efficiency savings which go straight to the bottom line. It has been widely acknowledge that, whilst standards such as ISO 14001 remains the preferred EMS in the UK (largely as a result of its global nature), regulators and policy makers increasingly show a preference for the EU's Eco-Management and Audit Scheme (EMAS), as it offers more transparency, credibility and reliability. For example, the Environment Agency for England and Wales now recognises EMAS over ISO 14001 in the way it regulates industry under its Operator and Pollution Risk Appraisal scheme. A new British Standard (BS8555),³ designed primarily for SMEs, was published last year. This allows companies to take a phased approach to environmental management and can lead to either certification for ISO 14001 or registration for EMAS and has been proven to work well in the supply chain, where it can help companies meet contractual and procurement obligations. In conclusion, there have not been any survey conducted to ascertain the overall levels of environmental awareness and activities amongst African owned SMEs, especially those employing less than ten people, this chapter is therefore only the beginning of an attempt to address this gap.

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Notes

- 1 www.envirowise.gov.uk
- 2 HM Government – Making is Simple Annual Review 2008 – BRE Better Regulation Executive, URN08/P70, www.betterregulation.gov.uk.
- 3 www.theacorntrust.org