



# AAOE (UK) Response to EMBTF Report (*July 2009*)

18 September 2009

# Foreword

I would first like to congratulate the co-chairs of the Ethnic Minority Business Task Force (EMBTf) for their hard work and commitment. Their work and effort is very encouraging considering that they and their committee members are full time professionals who are taking their own time out to make a difference to BAME entrepreneurs' causes. We would like to thank the Department for Business Innovation and Skills for allowing us to submit our response to the EMBTF Report. Because of time constraints we had to work fast to consult a cross section of some of our members to ensure that our response is representative of our entire group and not a minority. Many of the issues that we highlight in this document have been on our agenda for the past few years; making this whole subject area one which we have considered for longer than the duration of the EMB Task Force's tenure. So we are confident that the issues raised and solutions proposed have been thoroughly investigated and considered.

Whilst we, Africans entrepreneurs, are grateful for being considered by the EMBTF, we unfortunately feel their report loses much credibility primarily because there is no Black African representative on their panel. We met this point with shock as we have failed to understand how that could have been the case, especially considering that the report acknowledges that the black African group is amongst the most disadvantaged of all BAMEs. Black Africans are a peculiar people. Essentially, business protocol may be generic, however, solutions to barriers in business need to consider the individual with a clear understanding of what makes up that individual; their core values, their unique hindrances and their needs and wants. Although BAMEs are all Ethnic Minorities, we are very different culturally, with very different histories and as such we have different requirements. Whilst the EMBTF's report outlines some generic requirements, we feel it does not address nor understand our specific case for requiring tailored support.

It is clear from reading the report that there is a distinct lack of understanding of the African Business community, a lack of accurate data about African owned businesses and a lack of a clear cut engagement strategy with black Africans. There is also a distinct lack of trust between the government and African Owned Enterprises. Whilst the EMBTF Report outlines a clear economic case for investment in ethnic minority businesses, we feel the government has failed to garner trust and support from BAMEs; consequently undermining their previous and current policies and initiatives to provide support for BAMEs. Black Africans particularly feel there is systematic marginalization of our group and this EMBTF report further documents this point. Ultimately the EMBTF report has not made recommendations for real and lasting change. We have put forward, in this report, ideas that can be implemented that will help build trust between the government and black Africans. We hope that the government may take time to consider our recommendations set forth in this report as they will certainly make real changes that all the previous and current task forces and forums have failed to achieve.

---

Mr. **Washington Kapapiro** | *Chairman* | *Association for African Owned Enterprises (UK)*

# Table of Contents

<b>Executive Summary</b>	<b>2</b>
<b>The EMBTF Report (July 2009)</b>	<b>2</b>
<b>Our Recommendations</b>	<b>2</b>
<b>Introduction</b>	<b>3</b>
<b>Association for African Owned Enterprises (UK)</b>	<b>3</b>
<b>Ethnic Minority Business Task Force Report (July 2009)</b>	<b>3</b>
<b>EMBTF Report - Our Opinion</b>	<b>4</b>
<b>Our Proposals</b>	<b>6</b>
<b>Restoring Trust and Confidence</b>	<b>6</b>
Create an All Party Group for African Enterprise in Parliament	<b>6</b>
Decentralization through FUBU Partnerships	<b>7</b>
<b>Access to Specialized Finance Programs</b>	<b>8</b>
Stimulate Bank Lending to BAMEs	<b>9</b>
Encourage Business Growth through Employment and Supplier Diversity	<b>9</b>
<b>The Makeover - Raising National Profile</b>	<b>10</b>
Support for Our Own Initiatives	<b>10</b>
<b>Our Youth, Our Future</b>	<b>12</b>
Establish Local Co-ops for Youth Development	<b>12</b>
<b>Conclusion</b>	<b>14</b>

# Executive Summary

## The EMBTF Report (July 2009)

The EMBTF successfully compiled the most comprehensive report proving the economic case for investment in Ethnic Minority businesses by the government. Their report successfully shows a snapshot of the need for such an investment. However, the report fails to consider the issues faced by BAMEs incorporating the Black African's perspective. As such, we feel the report ultimately excludes Black Africans and cannot effectively represent our needs to successfully and honestly justify the investment into our group. We feel there are issues that must take into further consideration the Black African's point of view, despite already being raised in the EMBTF report. As a group, we are hugely disappointed that the EMBTF panel failed to include any Black Africans and we feel this nullifies the purpose of representing all ethnic minorities set out by the EMBTF. Although we are all Black, we, as Black Africans, have been in the UK for the shortest period of all BAMEs. Black Africans tend to be first generation and tend to have grown up or spent time in Africa. Whilst we have no prejudice again any other BAME group, we feel we face certain disadvantages that fellow BAMEs do not. As such we would prefer that the government takes more time to consider how issues make a further have an impact on Africans before concluding on solutions that do not effectively help Black Africans in particular. We have made the following recommendations in our report and we hope that these may be implemented by government with a clear consideration of the African perspective.

## Our Recommendations

- Restore confidence and faith in the BIS and Business Link
  - Create an All Party Group for Africans in Enterprise (UK)
  - Decentralize administration of BIS initiatives through FUBU Partnerships
- Establish access to specialized finance schemes to reverse prevailing disadvantages and restore equality
  - Stimulate Lending to BAMEs by introducing government loan guarantee scheme for BAMEs
  - Encourage Public and Private Sector through training BAMEs to bring their services delivery to a higher level.
  - Encourage growth in BAME sector by influencing SME growth through employment strategy for effective growth
- Raise the National profile of Africans through partnering with and endorsing the AAOE (UK) and other FUBU Groups
- Supporting initiatives being run by the AAOE (UK) and similar groups such as the **AMBASSADOR magazine**
- Create dialogue with all BAMEs through white labeling BIS literature and allowing AAOE (UK) Branding
- Our Youth - Implement an effective national youth entrepreneurship program
- Implement Youth Cooperatives in enterprise
- Bring Black Africans into mainstream media through PR Campaign

These Recommendations are explained in some detail but we would welcome an opportunity to further elaborate on any points of particular interest. Whilst these considerations may have been considered in the EMBTF report, we have expanded the recommendations to include Black Africans. We are certain that this report also includes some new and ambitious proposals that will make a real difference to all BAMEs in the UK.

# Introduction

## Association for African Owned Enterprises (UK)

The Association for African Owned Enterprises (AAOE) is a nonprofit organization that was formed to serve as a representative for businesses owned, directed by, and/or serving, the African corporate community and individual African professionals in the UK. There have long been organizations representing Africans but often with a focus on affairs relating to Africa rather than the UK. We are a voice for our people and are committed to promoting African entrepreneurs and African enterprise. Essentially the AAOE represents Africans regardless of race, color, nationality, religion or political affiliation. We simply stand for the rights of all our members to free and fair opportunities in enterprise across all sectors. We are committed to raising the profile of Africans in the UK with a goal to increasing wealth and success for our members as well as creating role models and symbols of success that our youth can look up to. We strongly believe that business and enterprise has an important role in tackling several social problems within our community. As such, success for African businesses is critical for the future of the youth and our society at large.

Whilst the AAOE (UK) is a representative for all Africans, we are very proactive in issues surrounding the majority of our members - Black Africans. As black Africans, we have long been categorized in the same group as the Afro Caribbean and the Black British. Essentially we are the same race but we have completely different cultures and behavioral patterns. The main differentiating factor is that each group has been in the UK for different durations. Whilst some of the Black British may be direct descendants of Africans who arrived in the UK many years ago, they may have never been to Africa and were certainly not raised up in Africa. Thus, their culture is very indigenous to the UK. Afro Caribbean culture is completely different to African culture. Their backgrounds are completely different and as such these two groups do not always assimilate. This report calls for the government to identify Black Africans as a single entity, not only by name but by policy and actions. We are a very capable group who can implement many of the initiatives we will put forward from within. We do not prejudice any other member under the BAME umbrella; quite the contrary. Instead, we support the initiatives put forward in the EMBTF Report but we call for more inclusive, targeted, specifically tailored and relevant policies and initiatives for Black Africans.

## Ethnic Minority Business Task Force Report (July 2009)

The Ethnic Minority Business Task Force (EMBTF) Report (July 2009) is a comprehensive document that sets out the economic case for investment in ethnic minority businesses. The report is thoroughly researched and provides its evidence in a clear and concise manner. We agree with the report's assertion that "the report represents the most comprehensive analysis of Ethnic Minority Business in over a decade. It offers a new insight into the opportunity of tapping into the clear appetite of people from ethnic minorities to become an integral part of the next generation of UK business leaders." The report talks about many initiatives that the government has in place at the moment to help provide support for ethnic minorities to improve their prospects, highlighting the Department for Business Innovation and Skills (BIS)'s policies and agendas.

The report makes a good analysis of the current climate and goes on to make nine proposals that the EMBTF feel will be necessary to improve conditions for BAMEs:

- **National Policy Leadership for BAME Businesses.** The proposal will provide ethnic minority business with the national profile, resource and supporting infrastructure to enable Government, RDAs, Local authorities and Business Links to better coordinate policy and realize growth potential.
- **Enterprise Coaches.** This proposal seeks to ensure that appropriate enterprise coaches are universally available and offering a consistently delivered form of business support for the BAME community.
- **Enterprise and Finance.** This proposal will tackle clear market failures that are constraining growth in the BAME business base related to access to finance and investment readiness.
- **Business Collaboration Networks.** This proposal seeks to ensure that funding is universally available for intermediaries to establish and operate business collaboration networks targeted at BAME businesses.
- **Upskilling Providers.** This proposal will ensure that those providing support and advice to businesses, via the business support network or the delivery of publicly funded products and services, have the requisite competencies and understanding of BAME businesses.
- **Public Sector Supplier Diversity.** This proposal will drive forward the adoption of best-practice in supplier diversity at the three tiers of the public sector: Local Authorities; Regional Development Agencies and Central Government.
- **Private Sector Supplier Diversity.** The proposal will increase interaction between major UK-based corporations and BAME businesses. We will work with CIPS to ensure that supplier diversity is an integral component of all CIPS courses, and work with major supermarkets to foster the promotion, growth and development of BAME businesses within their supply chains.
- **High Growth Markets.** This proposal supports the development of a structured, intensive high growth support program and coaching scheme. It will establish clear policy guidelines for RDAs to diagnose and select the key high growth sectors for BAME firms, and target these for high growth business support.
- **Born Global.** This proposal seeks to develop specific support and engagement programs that link Ethnic Minority Undergraduates with international enterprise education programs as well as proactively engage them with existing provision. There is a specific emphasis on growth opportunities in China and India.

## EMBTF Report - Our Opinion

Whilst we do not disagree with EMBTF's report, as Black Africans we feel that the report is not sufficiently representative of our needs and wants and the report fails to address what we view as the real problems.

1. The biggest issue is that there is no trust nor confidence between the government and BAMEs and, as such, the EMBTF's report does not address how this trust and confidence can be generated.
2. The report lost its credibility by not having a single Black African on their panel. The EMBTF may have consulted Black Africans but there is no evidence of that. This report makes reference to the fact that black Africans are the most disadvantaged of all BAMEs but it fails to highlight any policies that will directly address this. The EMBTF members were
  - James Caan (co-Chair), Entrepreneur
  - Tom Riordan (co-Chair), Yorkshire Forward
  - Paul Ross, British Bankers' Association
  - Professor Monder Ram, OBE, De Montford University
  - Ray Perman, BIS Finance Experts Group
  - Tony Robinson, Small Firms Enterprise Development Initiative
  - Pat Smith, Business Link East of England
  - Rita Patel, The Peepul Centre
  - Kiki Maurey, Kiki Maurey Consultancy Ltd
  - Judith Kirkland, Business Enterprise Support Ltd
  - Khalid Sharif, Ummah Foods Ltd
  - Shabir Randeree, DCD Group
  - Parvin Ali OBE, FATIMA Women's Network.
3. The primary recommendation of the report is to set up EMBAN to identify, inform and disseminate best practice in supporting BAME businesses in order to influence local, regional and national policy. This seems to overlook the fact

that there already organizations in place that are failing to attract BAMEs because there is no trust and confidence in these government run programs that are perceived to marginalize BAMEs. EMBAN would simply be another task force/forum that will have intangible results unless real trust and confidence can be generated.

4. Whilst we agree to the proposals to upskill business support providers and create more enterprise coaches, we know that the proposed delivery methods will struggle to succeed if trust and confidence do not exist. Delivery methods are currently in place but are failing to make a real impact because the BAMEs are not approaching them for either lack of knowledge or lack of trust and confidence. The issue that needs to be addressed is how to get the BAMEs to the support services since the current services have not failed due to lack of skill or quality of information.
5. Private and public sector supplier diversity is essential to long term growth of BAMEs and we greatly support training BAMEs on how they can be involved and be competent when they are applying for contracts. We believe this is more an issue of training and information dissemination since the opportunities are already out there. Any further stimulation of public and private sector supplier diversification is welcome but not high enough on our agenda to warrant prioritization.
6. The EMBTF report aims to achieve success for BAMEs not with “special treatment” but with initiatives that make economic sense. We argue that without an equal and opposing force we cannot effectively activate the latent potential amongst BAMEs and thus we will continue to face the same problem. The government needs to have “special” programs in place that will help reverse the disadvantages faced by many BAMEs, otherwise there will be a continued lack of confidence and lost trust. The BIS needs to put a side more funds to specifically help the most disadvantaged and reconsider its route to market if they are to successfully engage BAMEs.
7. Whilst we agree that all BAMEs are disadvantaged, the EMBTF report acknowledges that they are not all disadvantaged to the same degree, with some groups being prejudiced more than others. However, the EMBTF report does not make any specific proposals that can remedy this. We feel that for too long the various government bodies have place all ethnic minority groups under the same umbrella and they have implemented policies which fail to have relevance to all groups. We are confident that we would like to be identified as a separate group and no longer be placed under the label of BAMEs as this group title fails to address our needs as Black Africans.
8. The EMBTF report has successfully demonstrated that there are no official and accurate figures and statistics about BAMEs in the UK. The government is in a predicament where if they cannot actively collect these statistics for fear of being perceived as being discriminatory. Yet we are aware that all decisions within government require accurate statics. We feel that the lack of accurate statistics systematically disadvantages all BAMEs since there is a perception that our numbers are few. From a survey of African Businesses, we know that the 9 out of 10 businesses will opt out of completing voluntary information on their ethnicity for fear of being disadvantaged. The EMBTF report has failed to identify this and make an effective recommendation to stop this trend. With our proposals we are confident that we can collect more accurate statistics within a 5 year period that will better reflect the numbers of BAMEs. We see this period as a minimum duration considering how much trust and confidence has been lost over the years; retrieving this trust and confidence is of most paramount importance if we are to effectively gain support for the policies and initiatives put forward by the government through BIS.

# Our Proposals

## Restoring Trust and Confidence

We strongly believe that the biggest duty of the BIS must be to restore Trust and Confidence in their initiatives and their leadership amongst BAMEs. There have been many forums in the past few years that have yielded very few tangible results and we would strongly support the BIS in implementing decisive steps towards making real change. But the starting point must be restoring faith and confidence that the system will not continue to discriminate or marginalize BAMEs. And where there are instances of discrimination, the BIS needs to reassure the BAMEs that these will be stamped out and will only be the actions of individuals rather than the whole establishment. When BAMEs have this confidence, we are certain it will allow them to flourish and ultimately fulfill the latent potential described in the EMBTF report. We propose that the BIS takes the follow steps as requested by a cross section of African businesses;

## Create an All Party Group for African Enterprise in Parliament

Parliament has a number of all-party subject groups concerned with a wide variety of subjects. Membership of these groups is drawn from backbench members of all political parties in the House and they provide an opportunity for cross-party discussion and co-operation on particular issues. We would like to see the establishment of an All Party Group for African Enterprise in parliament including non-MPs to provide a parliamentary forum where issues of relevance and importance to Africans in the business enterprise sector can be addressed and to conduct reviews of specific policy areas that impact on the sector. This will allow a dialogue to begin directly between government and African businesses. An All Party Group will raise awareness of the need for measures to provide parity of protection from discrimination and promote equality and dignity for Black Africans, and to highlight the common interests of different BAME groups facing inequality and strengthen relationships between them. This will also raise the status of African Businesses and show that we are now being invited to sit on the main table with the rest of the UK.

This request is somewhat decisive as it will show without any doubt that the African Enterprise agenda is being considered in the highest offices and not solely by a task force that has no real credence. Whilst no other BAME group has a distinct All Party Group, most other BAMEs have representatives in parliament at varying levels. Creation of such a group will be a step towards addressing the poor representation of Africans in parliament We propose that the BIS takes an active role in garnering support from various MPs who will be sympathetic to the African Enterprise agenda. We would like an All Party group to be established primarily because we need a body that can argue our cause in parliament, giving more weight to our voice and proactively raise awareness among British parliamentarians of the plight of Africans in the UK in business. This All Party Group will also monitor the various policies initiated by BIS to ensure they are carried out effectively. As things stand, there is no real and influential support for Africa Enterprise. This is a major stumbling point where trust and confidence is concerned because most African businesses feel that policies and initiatives are not in place for our benefit but rather the benefit of a government that needs to be seen to be doing something yet they are not affecting change at all.

At the moment there is an All party group to represent within parliament the increases and concerns of the Panjabi community in Britain and another to represent the Irish community in Britain. There is Race and Community group to bring about a more equal and cohesive society through raising awareness of issues affecting the diverse multi-ethnic communities

within multi-cultural Britain; to seek to influence the development of public policy capable of achieving greater equality and cohesion; to raise awareness of racism, racial discrimination, and those elements of best practice capable of eroding racial discrimination; to bring about greater empathy and understanding between different ethnic and racial groups within society; to press the case for mainstreaming, not just racial equality issues but all equality issues, within the government's legislative program. Whilst the latter operates within the remit of our agenda, we would benefit from having a group representing us such as the former groups. There are many groups for various subject groups. We feel that the Africans in the UK agenda would equally benefit and would be equally justified by having an All Party Group represent us in parliament.

## Decentralization through FUBU Partnerships

FUBU stands for "For Us, By Us".

Over the years the government has created policies and launched initiatives to support BAMEs. The government has often failed to understand why there is often a poor uptake of these facilities and as such they continue to see their policies, initiatives, task forces and forums fail. There are many reasons for these failures but the underlying cause for this failure is that the BAMEs do not feel ownership over the projects. They feel these initiatives are not targeted at them and then they feel that they stand little chance of success as they feel the projects are geared for indigenous businesses. Having spoken to the BIS, they are in a predicament where they cannot effect reverse discrimination by supporting ethnic minorities over indigenous businesses. They cannot even collate accurate statistics of BAMEs for fear of it being viewed as a reverse discrimination. However, accurate statistics are NEEDED to be able to make accurate assessments. Considering evidence presented in the EMBTF report, there are clear instances where some groups are evidently disadvantaged and as such targeted policy needs to be put in place to directly reverse these injustices. The government needs to take these actions without being perceived to be discriminating indigenous businesses.

We propose that the government sets up strategic alliances with representative bodies for the various BAMEs. The bodies already exist but generally lack support, funding and sufficient skills to successfully implement the government's agenda. Considering our own organization, AAOE (UK), we are well placed to strategically reach all Black African businesses throughout the country. With the pending launch of our nationally distributed magazine, The Ambassador, we are confident that we will have more direct access to Black African businesses than Business Link because we know where and how to engage this group. We know that our members already trust information we give them so they will be more inclined to participating in BIS programs if they felt they were coming from a trusted source.

We propose that the BIS identifies representative bodies within each of the group represented under the BAME umbrella and forge relationships that will see BIS programs distributed as white label products carrying the representative body's branding. This will allow these programs to reach the relevant demographics whilst endearing trust and confidence. Business Link as an organization is the main outlet for BIS initiatives. We propose that they remain in their position and continue their good work. However, they need support from the representative bodies such as AAOE (UK) to reach a demographic that has no trust and faith in achieving success through working with Business Link.

The BAMEs will trust working with organizations that are set up from within their group to represent their group. This will create a feeling of "FUBU", sequentially resulting in achieving BIS objectives. We feel that all previous panels have been exclusive to the BAME communities because we have never felt ownership of the task forces. This is especially evident with the current EMBTF which does not even have a single Black African representation on the panel and yet we managed to consult several BAMEs in the compilation of our report at such short notice.

The duty and responsibility to collect accurate statistics of our demographics must lie with a FUBU Representative organization. I know for certain that other BAMEs will have no objection to registering with an organization that is run by their peers with a view to improving their conditions, especially if the said organization is recognized and acknowledged by the BAMEs as a champion for BAME causes. So it is crucial that these FUBU initiatives are well publicized and due recognition is given to the organization. These organizations can be monitored by Business Link and regular training carried out by Business Link to ensure there is clear upskilling of service/support providers as recommended in the EMBTF report.

The role of Business Link is essential to enterprise in the UK. However, their services are not reaching the disadvantaged BAMEs for a lack of trust and confidence. We strongly recommend that BIS review its intended idea to simply streamline services on offer and centralize delivery because they will struggle to garner support when the communities fail to take ownership of their initiatives. FUBU partnership will get the information out to the people without compromising on BIS integrity through reverse discrimination.

## Access to Specialized Finance Programs

We propose the government takes a closer look at the imbalance of Finance options available to BAMEs, particularly Black Africans. Whilst the government has done a lot to date to ensure a level playing field and ensure equality, we feel the imbalance has gone on for too long to justify continuing with a policy of establishing equality where Black Africans are distinctly handicapped. A survey commissioned by BIS (Finance for SMEs: a Comparison between Ethnic Minority and White Owned Businesses) found that:

- Ethnic minority owned businesses pay higher bank loan charges than White owned businesses on average;
- The gap between the amounts of business finance sought and the amounts agreed is significantly greater for Black African and Pakistani owned businesses;
- Black African and Black Caribbean owned businesses are much more likely than Indian, Pakistani and White owned businesses to be rejected for loans outright, and feel discouraged from applying for finance. (See page 13 of EMBTF Report).

Black Africans are so adversely affected by high bank charges that we were the predominant group in the Sub-Prime mortgage sector. The high cost of finance imposed on African owned businesses could be attributed to various reasons ranging from poor credit history and a lack of trading history. One of the reasons why this is the case is that when new immigrants arrive in the United Kingdom, they have no knowledge of how the economic system works here. I have met many BAMEs who have failed to qualify for finance because their credit file has been tarnished by a mobile phone contract that was MIS-sold to them when they were still new to the United Kingdom. Unknowingly, they may have neglected such a mundane issue such as paying a phone bill on time that they no longer have a decent credit score. As a result they cannot apply for the best rated finance products and they can only qualify for the sub-prime products. This systematic flaw is further complicated by the fact that there are several people within our group who rightly have poor credit ratings. The government needs to have a route for those who have genuinely good reasons for having poor credit ratings to qualify for Finance for their businesses.

Raising finance is more difficult for most African Owned enterprises, especially start-ups because usually these start ups have no collateral to put up. The bank and most other finance sources often want to see what collateral the business owner will invest. Traditionally, financiers encourage borrowing from family and friends if one does not have enough money saved. The problem faced by most Africans is that they are first generation immigrants in the UK so as such tend not to have family and friends to invest in their businesses. Much latent potential is subsequently lost because the banks and the government have failed to consider this dilemma.

We propose that the government creates a tailored Access to Finance Scheme that will target African enterprises with clear consideration of the typical problems that usually cause Africans to fail to qualify for finance for their start-ups. We propose that the scheme is strictly administered to ensure that only the genuinely committed qualify for the scheme considering other aspects to measure commitment other than personal contribution. Close monitoring and simultaneous training of entrepreneurs will harness the latent potential. Ongoing support and monitoring will ensure that the funds are not misappropriated. This initiative, although directly beneficial to a single group of people, only serves to bring a disadvantaged group on a par with other groups. It is NOT reverse discrimination. All the reports ever published have identified that black Africans are particularly disadvantaged but no report has ever managed to make REAL CHANGE. We propose that the BIS

effect this change and make a real difference. Again, we recommend close coordination between FUBU organizations and Business Link.

## Stimulate Bank Lending to BAMEs

We propose that the government encourages banks to lend to BAMEs through the introduction of a BAME Firm Loan Guarantee Scheme tailored for BAMEs with no collateral. Whilst we are advocating pumping in money into various schemes, I must reiterate that we equally advocate best practice to ensure moneys are paid out to the businesses most likely to make best use of the funds and successfully launch and run their enterprises. We want to reiterate that the strong economic case for investment in ethnic minority business is most crucial now as the country and the world fight the global economic downturn. The case is clearly argued in the EMBTF report. We believe the proposal to stimulate bank lending to BAMEs is critical in ensuring that the gap in funding does not widen during this period. BAMEs are geared to grow and this can only become possible with bank assistance.

We propose that the BIS, through Business Link, introduce a strict and rigorous Investor Readiness program that can be administered by the FUBU organizations. These will ensure that best practice is adhered to by organizations looking for funding. Many African Owned businesses have never taken time to write a business plan and devise effective systems to grow their businesses. This has contributed to failure to secure funding within our group. If the BIS were to implement this strict Investor Readiness Program, only those organizations who would have qualified will be referred to the BAME Firms Loan Guarantee Scheme. This will ensure the best guarantee that there will be no misappropriation of funds. Business Link already carries out many similar schemes to help get businesses ready for investment but as we already mentioned, these schemes are not tailored to meet specific requirements of African Owned Enterprises, and these funds are the same funds that research has already shown that the Black African group is failing to qualify for. Government needs to agree with the banks that businesses qualifying for loans under the BAME Firms Loan Guarantee Scheme must not be given sub-prime products and have to repay high interest rates. This would only leave these businesses with less chances to succeed.

## Encourage Business Growth through Employment and Supplier Diversity

Many African Enterprises fail to make the transition from a successful start-up to an established SME because of a lack of knowledge of how to grow their business. We propose that the BIS through Business Link and their FUBU Delivery partners encourage BAMEs to grow by hiring best talent. There are many organizations who reach a terminal end because of their failure to recognize benefits of hiring skilled labour. Utilization of best talent, regardless of nationality and race is an essential ingredient to stimulate growth. It further reassures clients of the firms commitment to quality and professionalism. Whilst we support BAMEs, we fully encourage adhering to current employment guidelines and legislation.

As the BAME organizations continue to grown, we propose continuation of training initiatives such as Train 2 Gain and funding for continued career development. This finance is often hard to find in a business with strict cash flow constraints. The BIS needs to provide support for organizations to get training that will allow them to transition from being a start-up business to being an established SME on a steady growth curve. Typical training that would benefit businesses at this stage includes Tendering Process, Import And Export (international expansion), floating companies onto the markets, corporate partnerships, acquisitions and mergers, and sales of businesses. This is the stage where many businesses fail to make the transition for a lack of funding, support and mentoring. We advise that the BIS recognizes the role of FUBU organization such as the AAOE (UK) to communicate with member organizations. As delivery partners, we would typically need access to upskilling ourselves to ensure we can offer best information.

Training at this stage will also ensure that when BIS stimulates Public and Private Sector Supplier diversification, suppliers from BAMEs will be best geared to provide as professional a service as any other indigenous organization. It is also critical that the BIS stimulates this supplier diversification by simultaneously encouraging strategic corporate partnerships so that companies who would otherwise be too small or not established for long enough can forge a relationship with more established organizations and still qualify for a piece of the action. As first generation Black Africans, many of our

organization's members may not have been in business long enough to have established a substantial trading history to compete with organizations that have been established in the UK for much longer. As such, Black African are systematically prejudiced as a result of not having been in the country for long enough to be competitive. We propose that the BIS encourages the Public and Private sectors to be sympathetic to the issue of how long immigrants have been in the UK when making the supplier decisions.

## The Makeover - Raising National Profile

African Owned Enterprises are generally disillusion in the UK as there is no official body that represents their interests. Nationally recognized organizations include The Royal African Society and The Africa Centre. Both of these organizations have achieved a high status in their respective fields.

- Since its inaugural launch in 1964, the Africa Centre has played an important role in projecting a positive face of Africa in London, providing a focal point for all forms of cultural and social activities related to Africa through meetings, talks, visual arts exhibitions, cinema, literature, and the performing arts.
- The Royal African Society is Britain's prime Africa organization. Now more than 100 years old, its in-depth, long-term knowledge of the continent and its peoples makes the Society the first stop for anyone wishing to know more. They foster a better understanding of Africa in the UK and throughout the world - its history, politics, culture, problems and potential. They disseminate knowledge and insight to make a positive difference to Africa's development as a continent. The Royal African Society are involved with the Africa All Party Group and proactively keep African continental affairs high on the agenda in parliament.

None of these prominent organizations are primarily set out to represent Africans in business in the UK. Besides the Association for African Owned Enterprises (AAOE), there is no known organizations fighting to champion the rights of Africans who have settled in the UK and want to go into business. The emergence of the AAOE over the past two years has created a unified voice for all the different African Nationalities in the UK. There are various national organizations set up to represent their nationals in the UK with emphasis on trading with the home nation such as Nigerian or Ghanaian organizations, but there is no organization geared to champion the rights of Africans in the UK besides the AAOE (UK).

We propose that the BIS engages with the AAOE (UK) in dialogue with a view to mutually working together to achieve the success of positive initiatives and policies and stimulating growth of trust and confidence in government policies and business support services by Africans in the UK. Collaboration with the BIS will raise our profile; this will be beneficial for both parties. As such, we propose that the BIS finds similar organizations to the AAOE with whom they may create relations that will help engage other BAMEs. All ethnic groups are more than capable to administer projects that will benefit their constituents. The age of creating task forces to represent such a large group of people must end. The various task forces and forums set up by the BIS are especially viewed as disparaging and patronizing especially when they fail to effectively represent the groups they are supposed to represent.

## Support for Our Own Initiatives

We propose that the BIS supports the initiatives and projects being launched from within the BAME community groups. Within the AAOE, we have projects that we need government support to maximize the projects effectiveness. We are **launching a magazine called the Ambassador** which will be distributed to all African businesses nationwide. We know that this tool will be effective in disseminating information to our members. The magazine will also directly raise the profile of our members and instill pride and confidence. We have a desperate need to recognize our champions who have successfully navigated corporate Britain. At the moment, these success stories are never published and as such fail to influence and encourage our community. BIS support is essential to ensure the accurate relevance of the magazine with the national agenda.

The creation and celebration of the movers and shakers from within our community is also essential to stimulate confidence in the government and the BIS's initiatives. The resounding question is how we can sit on the same top table if we are not recognized for our successes. As such, we propose that the BIS becomes instrumental in identifying suitable candidates to be recommended for the Queen's honors shortlist from the Black African community. It is increasingly important to extinguish the perception that there is a glass ceiling in the United Kingdom that prevents BAMEs from reaching the top echelons of the British society. The latest honors list included 7.7% ethnic minority candidates. Of those we identified only 1 as being of African descent. Surely there were more than one suitable Black African recipients for an honor. Whilst we appreciate any honor bestowed upon our fellow Africans, we particularly encourage an honor for a recipient's services to business and enterprise. An honor to an African business person would be a great motivator to their peers. At the moment, there is a huge number of black African businesses that continue to operate but have not registered with Companies House or Inland Revenue. An official honor would go a long way to bringing Black Africans to taking their business to the mainstream and officially registering with the various organizations that are responsible for collating data. This revamp of perception will be effective in building trust and confidence in the system. Effectively helping to build confidence in BIS policies and agenda.

The Wilson Review proposed an influx of independent members onto honors selection committees, with a requirement that appropriate proportions should be female or have an ethnic minority background. However, statistical analysis corroborates other evidence which demonstrates the continuing failure of the honors system adequately to reflect the country's diversity. Diversity will not be improved unless there is much greater public awareness of the opportunity to nominate people for honors, especially among underrepresented groups such as BAMEs. The BIS should implement a strategy to raise public awareness of the honors system amongst BAMEs; educating them how nominations can be made and encouraging participation by BAMEs especially in the business sector. The participation would be positive if the BIS passed the information to the BAMEs through organizations such as the AAOE and all others that will directly communicate with their community groups. Taking information to the ethnic minority groups by this route will cultivate confidence in both the BIS and the FUBU representative partner organizations; ultimately achieving the collective goal of honoring more BAMEs.

Whilst the biannual Queen's Honors will present the highest honor, it would be vitally important for the BAMEs to conduct their own annual awards events that will receive national coverage. The involvement of ethnic minorities and their activities in mainstream media is of critical importance to stimulating and cultivating trust and confidence in the British system. At the moment, the only Africans in mainstream media include presenters, athletes and musicians. There is hardly any notice paid to African enterprise in the UK. The only other Africans on the news are criminals and grieving parents. The anti-knife and gun crime programs would be better aided by informing and educating the criminals of alternative options to their current lifestyles and showing them more positive images of what they can achieve with the right guidance. Whilst the EMBTF Report proposes continuing to support this through further support of events such as the MOBO Awards, we, as Black Africans, emphasize that MOBOs represent Afro-Caribbean and Black British rather than Black Africans. We have no real apathy towards the MOBO Awards. Right now, there are no nationally recognized awards or ceremonies that are distinctly African. We propose the BIS institutes a national PR campaign to feature the success stories amongst BAMEs and demonstrate that there is support for these group by the government. Whilst this campaign will further our goals, it will further stimulate support for BIS initiatives for BAMEs. Consultation with all BAMEs will ensure the success of this campaign. At this point we must stress that the BIS needs to take new and innovative approaches to tackle the BAME agenda especially considering that there has been much work undertaken by the EMBTF and various previous forums; all of which has failed to yield desired outcomes. The BIS can do more if they are willing to make active the appropriate groups and resources to aid their endeavor.

## Our Youth, Our Future

The AAOE (UK) is committed to making a difference at all levels within our community. There is a direct correlation between business and society. We acknowledge our responsibility as business leaders to be exemplary as role models and mentors to our youth. The plagues that have haunted our community, including knife and gun crime and teenage pregnancy, have largely been attributed to our youth being disillusioned and not seeing a hope for their futures. The reasons for their disillusionment would require a report of their own. However, it has been noted by various experts in social welfare that the solutions to the problems in our communities as Black Africans cannot be solved by government policies and police intervention. It has been widely agreed that the communities must find solutions from within themselves. The hindrance to this proposal is the lack of appropriate support. Whilst the BIS is responsible for enterprise, it is important that we all do not overlook the role business has to play in society and the importance of fostering a youth that will not suffer the same obstacles currently being endured today. To this end, we propose that the BIS adopts a positive youth policy that will show our BAME youths that there is ample support available from the government and that there are no glass ceilings holding them back from attaining their goals.

The problem faced by Black Africans who tend to have been first generation immigrants in the UK is that they did not have any education of how the UK socioeconomic system works. We propose that the BIS begins to implement their young entrepreneur program thorough education of our youths of how they need to preserve their credit status by not being irresponsible with finance facilities. We need to include in this curriculum a robust training of how to compile business plans and their importance. These programs would be best implemented by trained local advisors of the same ethnic background so that the Youth can clearly learn that there is truly no systematic barrier to success. Thorough education and training at an early stage will ensure that the next generation can avoid self-inflicted hindrances such as poor credit ratings and little trading history.

### Establish Local Co-ops for Youth Development

We propose that the BIS initiates entrepreneurial cooperative projects for our youths. These will be business ventures that will pay a wage and commissions to high performers. Projects will typically be businesses that have low overheads but descent yields. Examples include a courier business, recruitment business, marketing agency, modeling agency, local pizza delivery serve, and various other business models. The BIS could appoint the project to be administered by local councils or interested social workers. These initiatives will typically recruit 16 to 20 year olds (dependent on relevant legislation). There would typically be a paid manager who will monitor and administer shifts of the workers. This will instill a sense of responsibility for the youths involved and a sense of ownership as they will receive a small wage and receive some sort of dividend at the end of each full year they are involved with the project.

This scheme would be tedious to implement as is any new startup but once it is operational, it will be both profitable for the administrators and the employees. The employees (our youth) will benefit in two ways; they would gain valuable work experience in a small business environment and they will make some money. Giving the youth this sort of empowerment would take away from the lure of teenage gangs and teenage pregnancy. If the youth learn how to earn money in new and different ways, this will eliminate the reliance on social welfare and expectation of support from the government. This will empower the youth to take their careers in to their control and train them how a business must be operated. It is easy to expect BAMEs to become more entrepreneurial but the skills must be learned through practice.

These cooperative ventures will give the youths first hand experience of how a business is run and it will show them that through their efforts, money can be successfully generated through legitimate means without recourse to crime. As simple an idea as this may seem to be to people who are in enterprise already, it is a crucial lesson to youths who cannot see an alternative to their current poverty or other difficulties. Through successful implementation of this scheme, the BIS will show that business can affect change to a community. This program is not only relevant to Black Africans but to all BAMEs although other BAME groups traditionally train their youth more effectively than others. This initiative may also prove to be effective for all youths from disadvantaged backgrounds.

**AAOE (UK) Response to EMBTF Report (July 2009)**

If the BIS feels that their administering a program of this size could become tedious for business link, the program could be scaled to allow youth groups, with the involvement and supervision of an appropriate adult, to apply for young entrepreneur capital grants after completing a thorough business plan. We certainly feel it would thrive under the auspices of local government and local Business Links. We welcome the opportunity to be more involved in the implementation of such a scheme with the BIS and develop a model from our local community to demonstrate that this scheme works.

# Conclusion

In conclusion, I must emphasize that we have no prejudice against any other BAME group. Instead we sympathize with their plight as they suffer similar disadvantages to our own. Yet as Black Africans, we feel we have been marginalized by both the EMBTF report and the British socioeconomic system for several years; and we would like things to begin to change under the current administration of the BIS. We reiterate our request for the government to recognize that this umbrella of BAMEs is too broad. The group has grown to the extent that we cannot continue to be labeled as one group. Amongst the African, this group includes immigrants from all of Africa's nations. Administration of such a broad spectrum is so diverse that a single task force could not possibly all their requirements whilst equally representing the other BAME groups. As such we plead that the government reclassify us as a separate entity. We plead with the government to not allow this exercise to be one that is not acted upon and subsequently swept under the carpet.

We are confident that we have made good recommendations in this report but we need to see action from the government. We would like the government to review their position and decentralize the administration of activities, policies and administration of BIS agenda since their responsibility to maintain equality means they often fail to serve the needs of BAMEs. Instead, we request the government to forge partnerships with FUBU organizations such as the Association for African Owned Enterprises (UK), with whom they can effectively collate accurate statistics of their partner's constituents without seeming racist or any other way discriminatory. FUBU organizations must subsequently promote the sense of ownership amongst their members for the initiatives put forward by the BIS. They must effectively help in restoring trust and confidence in the BIS. This will prove beneficial as it will ultimately bring BAMEs to the help facilities they need to run their businesses. We acknowledge that many of the facilities are in place but we would like the government to be active in getting the right businesses to the right help and support mechanisms.

We accept that the government must act impartially and continue to promote equality, particularly where support is concerned. However, we reiterate the result of many investigations that the different parties have not started from the same point and, thus, for there to be equality, some groups will need more support than others for that to be achieved. This is most apparent in the area of accessing finance. Whilst we acknowledge that there exist some self-inflicted wounds but despite that, there still remains areas where specialist support can be given to Black Africans that will push them forward towards equality with the rest of the BAMEs and indigenous enterprises. Whilst we do not want to attribute any future success to receiving unfair advantages, we most certainly would like to see the current disadvantages reversed and allow us to compete with our compatriots on a level footing.

As BAME organizations begin to grow, we encourage the private and public sectors to diversify their procurement policies. Our BAME SMEs cannot grow without winning the large contracts that are eventually won by the same established organizations. We encourage our growing SMEs to stimulate this growth through training and employment of skilled professionals without prejudice. We know that there can only be growth through education and as such we encourage the BIS to continue to support training and introduce more support for further training especially in more specialized fields.

The profile of Africans in the UK has long been undermined. Perhaps because there has previously been a lack of coordination and unity over the African Agenda. But since the inception of the Association for African Owned Enterprises (UK), the African agenda requests government acknowledgement and support. We want to see the African profile raised nationally and African pride and confidence restored and maintained in the UK through a cohesive effort between government and the AAOE (UK). This alliance will see confidence restored in BIS initiatives and simultaneously raise the profile of Africans in business. Raising this confidence will see the initiatives and policies that have already been implemented begin to benefit more people, especially the BAMEs that some of these policies are supposed to benefit. Raising the profile of Africans in Business will give them the confidence required to conduct successful businesses and this will also create

successes that will motivate the youth. Our youth are our future. As such implementing an effective youth program is vital to ensuring a bright future for corporate Britain.

---