



“Old Strategy at Home Can Be Successful Abroad”

By

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Growing Black American prosperity is producing surpluses that can fund a wide spectrum of new opportunities. Given the relatively slow growth outlook for the U.S., Black entrepreneurs should consider using those surpluses to fund international opportunities that produce higher returns.

The timing is perfect for such considerations because President Obama plans to double U.S. exports by 2015. Larger foreign direct investment flows may accompany the expected surge in exports.

Traditional thinking concerning Black American business abroad has focused mainly on Africa. Following that tradition may seem logical today because many of the continent's economies are growing quite briskly. The International Monetary Fund's (IMF) outlook for Africa's growth averages 5.2% over the next two years, compared with 2.9% U.S. growth.

While there are several positive factors that point to Africa, there are also negative factors that may temper Black American entrepreneurial success in Africa. Malcolm X re-opened the continent to Black Americans in the 1960s. Certain West African countries even offer dual citizenship rights for Black Americans as a result of Malcolm's diplomacy. Even today, former U.S. Ambassador to the United Nations and former Mayor of Atlanta, Andrew Young, lines up business deals in Africa.

At the same time, the historical role of Black Americans in Liberia's recent turmoil, and Africans' association of Black Americans with U.S. operations in Somalia and U.S. inaction during the Rwanda crisis serve to chill what could otherwise be very warm relationships between Black Americans and African nations.

For those Black American entrepreneurs who seek to capitalize on Africa's growth, they should enquire concerning the impetus for that growth. It is true that the quality of African leadership is improving. That leadership is engineering stronger economies. But it is also true that a significant portion of certain African economies' growth is attributable to outsiders.

For instance, China, India, and Japan have convened African summits in the past few years during which they have made plans to increase their economic presence on the continent. China's involvement in Africa is well known, while India's and Japan's involvement is less well-known—but growing.

Consequently, Black American entrepreneurs face increasingly stiff competition in Africa. But decreasing opportunities in Africa are likely to be more than offset by increasing opportunities in Asia. The three-billion-person-strong Asian market could offer substantial opportunities for Black American entrepreneurs. Both China and India include rural populations of at least 600 million, which are experiencing steady rises in income.

Significant opportunities across the services sector are likely to surface in China and India as their rural populations develop demand for services that are commonplace in advanced economies.

However, Black entrepreneurs should be aware that adverse media images of Black Americans that have been promulgated in Asia stand as a hurdle to success. Until such media images can be overcome, we suggest that Black businesses consider partnering with expatriates of Asian countries who have facility with the language and who would be motivated for success due to their partial claim on profits. Black Americans have employed this type of partnering strategy in the U.S. to circumvent discrimination.

Given the IMF's outlook for "Emerging Asia" of 8.7% average growth through 2011, compared with the aforementioned growth outlooks for Africa and the U.S., Black entrepreneurs cannot afford to not consider opportunities that are apparent in countries such as China, India, and Indonesia.

However, commercial success in Asia will not be handed to Black businesses on a silver platter. Rather, Black entrepreneurs may have to employ an old strategy that was successful at home to produce success abroad.

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