

Diaspora business support in Africa



By Toyin Dania

LONDON, July 20, 2013 (Pambazuka News) - My own journey as a member of the diaspora providing business support in Africa is best understood through sketching out and providing answers to the following areas: my background with African Foundation for Development (AFFORD) , what diaspora business support means, what role the diaspora have played in some business support, what has been some of the feedback from clients and what is the bigger picture of the diaspora involvement in enterprise development.

My story demonstrates the journey many in the diaspora make from individuals wanting to make a contribution and difference to the lives of the people in Africa, to structuring and formalising the way that support is achieved.

My background working with African Foundation for Development (AFFORD): This goes back nine years. AFFORD is a 19 year old charity, which pioneered the concept of 'diaspora-development'. The charity responded to the marginalisation of diaspora action and agency by so-called international development actors. At the time, international development policymakers in donor countries and multilateral agencies did not understand, accept or recognise the nexus between effective development in Africa and the substantial and substantive action of the post-cold war African diaspora.

Early priorities focused on challenging prevailing international development models, with innovative, bold, credible, practicable and ambitious responses demonstrating the multiple dimensions of the diaspora input in the development of host and countries of origin, AFFORD set out its mission “to expand and enhance the contribution that Africans in the diaspora make to Africa's development”.

As a business trainer in my day job, I had sought ways of sharing my skills and knowledge and wanted to contribute to development in Africa. I became a Friend of AFFORD, participating as business trainer at their Africa Diaspora Day (AD3). Following AD3 I volunteered as a Resource Person (RP) directly travelling and delivering business support and training in Ghana and Sierra Leone under a Diaspora Volunteering Programme (DVP). The first DVP mission was to Sierra Leone in March 2006 which saw the RPs, professionals with experience in running a business; book-keeping, accounting or other business related skills, go to Africa to share these with their entrepreneurial counterparts in Africa.

The programme's unique model leveraged the skills and resources of UK Diaspora Africans into struggling businesses in Africa. The idea, in line with AFFORDs' overall approach, which is to reduce poverty by creating jobs and wealth – particularly in the small and medium sized enterprises that dominate in Africa (and create more jobs).

The programme over 3 years supported about 1000 businesses, strengthening them with book keeping, marketing and other advice, as well improving access to banks who could provide much needed capital for growth. Later on I also took part in various projects recruiting, supporting and promoting the values of AFFORD at events around Europe and Africa.

Volunteering was rewarding, but I became more interested in bringing my skills to bear on a day-to-day level. AFFORD themselves were also restructuring and up-scaling their business support services in Africa and were looking for somebody to drive this. I was fortunate enough to secure the position of Director of AFFORD Business Centre (ABC) last year. The key objective over the medium term is to set up Business centres in 3 African countries, starting in Sierra Leone. ABC will offer a one – stop business hub with in-house experts, flexible office space, WIFI, business lounge and conference facilities.

Operating in the diaspora-development market I have seen what the diaspora in general can do regarding diasporian support for business – the gaps and the role AFFORD and others have played. But the rewards and impact are not only in Africa – it works both ways. Due to my relationship with AFFORD I have improved my expertise in business support, having worked with them on pilot projects before they were rolled out as full programmes. I have now worked with the diaspora and have researched and implemented programmes across Africa – namely Ghana and Sierra Leone.

What diaspora business support means: In the United Kingdom, the development and support for entrepreneurship and enterprises have seen a steady increase during the last twenty years. There are a number of factors driving this steady progress, including the inability to secure professional jobs, the desire to prove a point/be your own boss, create personal wealth for self and family, general rise of entrepreneurship in Britain and the formal/informal access to entrepreneurial support. The diaspora in the UK have reflected many of these points and are extremely entrepreneurial, building up many small businesses in the process.

Entrepreneurship can be defined as the ability to undertake, pursue opportunities, to fulfil the needs and wants through innovation and creativity as well as the act of creating and building

something of value from practically nothing, a human creative act.

The basic requirements for the development and growth of African diasporas' entrepreneurship are vision, passion, commitment and motivation, willingness to take calculated risks both personal and financial, ability to take personal initiatives and being an independent thinker.

Business support programmes tailor made for the diaspora has demonstrated that when entrepreneurs have access to quality business support, including access to finance, they flourish. Traditionally most businesses especially start ups owned by African diasporas face serious difficulties in raising business finance. The full factors which inhibit the development and growth of their enterprises and entrepreneurship both in the UK and their home countries include:- inadequate Capital, poor information on availability of opportunities, poor knowledge of existing regulations, poor infrastructure in diasporas homeland, poor knowledge of the market and lack of cross border policy and strategy on diasporas enterprise and entrepreneurship development.

Entrepreneurs on the continent, much like entrepreneurs the world over, are open and eager for assistance to help them build their enterprise. This type of AID assistance is extremely important in the bid to eradicate poverty, create jobs and see African countries progress into sustainable and self-sufficient nations. Business development programmes that give a positive growth experience for all stakeholders and evidence by example highlight the way forward for real sustainable development. In Sierra Leone, the success of our DVP programme gave rise to the rationale for AFFORD-SL and the AFFORD Business Centre.

What role the diaspora has played in some business support: Operationally, the DVP merged business management workshops with physical site visits. This was to provide assistance that balanced theory and practice in the business support it delivered. It also allowed the diaspora RPs to get to know and understand real-life challenges that faced the entrepreneurs they assisted.

Over the period of 7 years of the programme AFFORD was able to take over 200 resource people to Sierra Leone and Ghana who were able to reach over a thousand beneficiaries. The value of the work and time, that the RP's volunteered, equated to £300,000 but the real value was in the experience for all involved.

The missions helped the RP's see the African countries visited differently, as places of opportunity, potential and exciting possibilities. It opened their eyes to a different way of thinking, being and living that informed how many wanted to move forward in life and business. The experience also showed them their value as people and repositories of important information and knowledge. Many either subsequently invested in some of the businesses they supported, or were physically returned home to start their own businesses and take advantage of the growing opportunities.

What has been some of the feedback from clients: Key performance indicators by any organisation offering business support involves setting a benchmark where clients were and where they are going; as well as subsequently enumerating the successes and challenges along the way. Has there ultimately been a positive effect on clients - e.g. lack /increase in turnover, lack /increase/number of staff, lack /formalisation /registration of business, lack /opening of bank account, lack /preparation of business plan, lack /access to new investment (loan or equity), lack /access to overseas markets? Clients having these milestones and

indicators to monitor and share with us gave them much more satisfaction, motivation and confidence in the strategies and advice to adopt to develop or increase their activities to achieve targets.

Previous clients also stated help with setting up email addresses and Skype accounts so that they can make regular and cheap contact with their diaspora advisers was very welcome and made them feel part of a team.

Cost effective access to equipment was welcomed from any relationship with our clients. Therefore activities to acquire computers, software and other office equipment of high specifications through sponsorships from corporations in the UK, EU or USA and selling or leasing these to clients at discounted rates was a positive and welcome way to encourage our clients to adhere to agreed business development activities – under a type of ‘Access to Equipment’ programme.

Access to support our clients with diaspora SMEs that provide IT support, and help them access new clients was also welcomed.

What is the bigger picture of the diaspora involvement in enterprise development: There is no doubt that the African diaspora have a huge potential to contribute to enterprise development and prosperity of host and home countries if necessary support is provided to overcome some or all of the barriers they face – if they have business Development Agencies to provide support

to diaspora entrepreneurs or joint ventures and co-operatives by diasporas both in the host and home countries.

There is scope for African diasporas to participate fully in enterprise development and entrepreneurship both in host and home countries with beneficial economic results. They can achieve this with a clear vision, absolute commitment, a willingness to take calculated risks backed up by an enabling platform and a tripartite strategic partnership involving the host and home countries and diasporas themselves.

Only a minority of the African diaspora are actively engaged in enterprise development and entrepreneurship, although there is huge potential and interest amongst many. Greater understanding is needed about the factors, which prevent the majority from doing so.

The right business support structures would increase and encourage more skill exchanges and facilitate more regular travel to both home and host countries. We can also look at some of the core actions that must be taken by African diaspora and key stakeholders in order to smooth the path for increased participation in enterprise development. It is important for Africa that this business partnership between the diaspora and entrepreneurs on the ground, continues to grow. **(Pambazuka News/Buziness Africa)**