

REMARKS

Of

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*The Global Economic Threat:
The Global Economic Opportunity*

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The Global Economic Threat: The Global Economic Opportunity

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Good Afternoon. I thank the Embassy of the United States and the wonderful team, who with the Bahamas Chamber of Commerce and the Bahamas Development Bank extended the invitation to address the Business Education and Development Seminar. I am honored to be here. This is my first visit to the Bahamas, and my first formal remarks upon leaving national government service.

I would like to begin my remarks where I ended my final official speech as the National Director of the Minority Business Development Agency in December 2008. The occasion was the Caribbean American Chamber of Commerce and Industry Business Summit, Brooklyn, New York.

The focus of the summit was to begin anew the discussion of building a sustainable relationship premised on developing greater synergies between the Caribbean, Africa and the United States.

The theme of my remarks was “*The African Diaspora- Africa, Caribbean, U.S. Strategic Alliance*”. As the National Director, I was honored the agency served as the principal host of the summit. I made several observations:

1. Early in the first term of the Bush Administration, I had the honor of traveling to Africa. It was my maiden voyage to the continent and the

experience opened my eyes and swelled my heart about the unbroken linkages and the unfinished agenda of the African Diaspora worldwide.

2. In 2002, I began to think strategically about the role of the African Diaspora and the global economy. This later led to a desire to renew the programmatic focus within MBDA of the importance of Minority Business Enterprises in the Global Economy. I believed it important to pursue a new sense of urgency to make the *business case* for the inclusion of MBEs to actively pursue meaningful and sustainable participation in the global economy, equally important to strategically link with Small and Medium Enterprises (SME's) in Africa and the Caribbean.
3. It is my firm belief in February of 2002, in December of 2008 and today, the African American Diaspora has a duty not to abandon the plight of the worldwide Africa Diaspora. The African American has a special responsibility to actively engage U.S. Foreign Policy with regard to Africa and the Caribbean.

I further noted before the Caribbean American Chamber of Commerce:

- “I want the African American Diaspora to have the same relationship with the Caribbean and especially with Africa that Asians have with Asia; and Hispanics have with Latin and South America. I want to see the same historical links back to Africa among the African Diaspora that Jews have with Israel, the Irish with Ireland, and Germans, British, French and Dutch descendants have with Europe.”

Your gracious invitation has afforded me the opportunity to continue, now, in a private capacity, the important discussion and work of pursuing the economic, social and political *strategic linkage* of U.S. MBEs with SMEs in Africa and the Caribbean. This quest is not new. I am not the first to advocate for such linkages. What has *changed* is globalization may offer emerging domestic markets the opportunity to reset the economic playing field to their *competitive advantage*.

Globalization: Threats and Opportunities

The literature on globalization is vast. Even the focus on threats and opportunities are widely discussed. Unfortunately, the discussion on emerging domestic markets is cursory and encapsulated within the poverty paradigm. The discourse regarding SMEs in developing countries or even MBEs in the United States is dominated by small business policy. The classic belief that what is good for small business is good for the emerging domestic markets. I respectfully disagree.

In the United States, the fastest growing business sector is Minority Business Enterprises (MBEs). Congruently, the fastest growing population segments are minorities. Any labor growth that will occur in the U.S. between now and 2042 will be driven by minorities and impacted by immigration. Therefore, it is imperative we embrace a strategy to enhance the growth and expansion of emerging domestic markets...and strategically link urban and rural market sectors with tradition tribal and communal market sectors that thrive in Africa and the Caribbean.

THE THREATS

1. **The Lack of Vision:** The vision to see yourself in the worldwide economy as part of a global supply chain. Many of our business and government leaders suffer from the politics of thinking small. We must think globally.
2. **Access to Capital:** Variations in high net worth capital flows, credit and investments will further complicate the already cumbersome struggle for capital to emerging domestic markets.
3. **Global Competence:** The developmental competence to competitively engage the challenges of the global economy. (Global Competitive Skill).
4. **Organizational Change:** Failure to anticipate change, to recognize change(s) in business models and the required cross-cultural skills.
5. **Speed of Global Inter-Connectedness:** Whether you believe the world is flat or not, the speed at which communication and information travels is having quantitative and qualitative consequences. Staying connected is critical to success.
6. **Security:** The protection of brand quality (products, services, reputation, tourism, etc).
7. **Trade Impairing Policies:** The imposition of rules that inhibit global financial integration and free trade.

THE OPPORTUNITIES

1. **The Power of Strategic Alliance:** Linking where appropriate and efficient, the Africa Diaspora in the United States, Africa and the Caribbean.
2. **Global (targeted) Free Trade:** Design and target Global Free Trade Agreements with nations who will enhance the growth, expansion and diversification of Small and Medium Enterprises (SMEs).
3. **National Apprenticeship Training Initiative:** Develop national apprenticeship program designed to educate and train the next generation of master builders, carpenters, plumber, and electricians. IT Engineers and architects.

4. **Organizational Change:** Take advantage of the opportunity to adapt, rethink, regroup and reemerge to the global financial and organizational “*cultural*” changes and efficiencies in business and government.
5. **Emerging Domestic Markets:** Africa is open for business. The Caribbean is in a unique position to strategically partner with SMEs in Africa and MBEs in the USA.
6. **Technology:** Technology, particularly the internet is collapsing distance and time in the business and governmental sectors. The transfer of technology and related skills is having a transformational impact in previously distant and remote areas of the world and cost efficient.
7. **Rebuilding Trust:** Globalization if used as a tool build bridges to distant shores and faraway lands, (particularly with emerging domestic markets) can rekindle what has made capitalism triumph in the West and fail everywhere else is ...*TRUST*. We must rebuild the trust.

TACTICS

One of the most effective business tactics implemented by the MBDA during my tenure was the *Business-to-Business Linkage Forum*, the B2B forums. The strategy is simple. It involved linking MBEs of size, scale and capacity with small MBE or SME firms through a joint venture, LLC or formal MOU.

It also involved having an *intelligent relationship* between business and government such as the U.S. State Department, the International Trade Administration Official of Commercial Services, Overseas Private Investment Corporation (OPIC), the Small Business Administration (SBA), U.S. Housing and Urban Development (HUD), the Kaufman Foundation, and Marathon Club and DOD, many others.

We learned very quickly entrepreneurs and business interests would spend their **time, talent and treasure** if there is an opportunity. They are not reluctant to compete for opportunities. If with your help we can identify the opportunities, many will come and join will you to compete for those opportunities.

The Next Leadership Class

Finally, if success is to be achieved, a new leadership class is required. I am not talking about a generational shift of leadership, but rather a new, smart leadership class who embraces the threats of globalization and strategically pursues alliances to capture and execute opportunities.

I firmly believe in the power of strategic alliances and purposeful collaboration. I also believe we are entering a period in which being small, nimble and adaptable to change will be a major *competitive advantage*. Yes, there will be challenges. Yes, there will be losses, disappointments and failure. However, if we have faith, if we believe, and faint not, we will in due season reap the rewards of victory.

The scriptures tell us, “The race does not go to the strong, or to the swift, but to those who endure”. The inner challenge facing us as a people of the Africa Diaspora is whether we will get up, rise and finish strong.

To those who fear change, and others who believe we are overwhelmed by our historic circumstance, I direct you to the words of the Apostle Paul’s to the Corinthians:

“We may be troubled on every side, yet not distressed.
We are perplexed, but not in despair.
Persecuted, but not forsaken.
Cast down, but not destroyed.”

II Corinthians, Chapter 4:8-9

The American perspective and one of the best justifications or business case for minority business enterprises to engage in the global economy was presented in September 2002, at MBDA's National MED Week by a son of the Caribbean, and former U.S. Secretary of State, Colin Powell:

“ I'm anxious to see how you can improve your business, anxious to see how you can get the venture capital you need to expand your businesses... but I hope you also do it in the knowledge that you have so much to contribute not only to our society... but you have so much to contribute to all of those nations around the world who are in need and who are looking to the United States for inspiration, for support and for investment, and for an example of what is good in this world and what is right in this world. And, we as a nation must always be there for them, helping all the people of the world live a better life ”

I am committed to the Africa Diaspora wherever they are. I also believe in the American mission of freedom, human rights, dignity and justice. I know there are great entrepreneurs and leaders in this room and in the Caribbean. I am confident there is the will not just to be good, but also to be *great* and I look forward to our journey together. THANK YOU.