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Diaspora Businesses in Africa: Survival and Sustainability

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Introduction

It is estimated that there are more than 160 million African diaspora (World Bank 2012). The African Union Commission defines the African diaspora as people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union. The African diaspora is not a monolithic group. Some were born and reared outside of their home country; many migrated to the Americas, Europe and other parts of the world at an early age and others arrived to attend higher education (CNN 2013). The African diaspora group represents a large and dynamic population with various skills and competencies that could change the continent if these are well utilised. The diaspora of developing countries can be a potent force for development for their countries of origin (COO), not only

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through remittances, but also through the promotion of trade, investments, research, innovation and knowledge and technology transfers (World Bank 2011).

The need for business in and with Africa has been increasing over the years. Africa is an ever-growing continent with a population of more than 1.2 billion people (United Nations 2017). Further, it is estimated that the population of Africa will increase to more than 2 billion people by 2050 (United Nations 2017). This population presents numerous opportunities for businesses. The opportunities are not restricted to mineral extraction but extend to telecommunications, consulting services and retail to mention a few. The African diaspora has joined in to participate in the many business opportunities that the continent presents. For example, Eric Guichard, a Guinean–American founded Movement Capital (formerly Homestrings) to provide African diaspora with access to investment opportunities in Africa and emerging markets.

What motivates the African diaspora to venture into business? How can they ensure survival and sustainability of such businesses? What are some of the challenges that they face in carrying out business and do supporting systems exist? This chapter addresses the three questions using secondary data from peer-reviewed journals, study reports on research conducted by reputable institutions, such as the World Bank among others, published books, news feeds and interviews with African diaspora based in the United States of America and Dubai. It is the view of the author that there is a need to conduct in-depth research on this subject matter. First, because it is important to develop a body of the literature that will be useful for future generations and second because the current global politics of isolation dictates a new path for the continent which is one that may rely more on the diaspora contribution to resolve social and economic problems.

Diaspora Businesses in Africa

One of the motives to start a diaspora business is to make money. Unlike the widely considered subject of philanthropic activities, this chapter addresses survival and sustainability of for-profit African diaspora businesses. There is scarce literature on how many businesses have been set up by the African diaspora. This presents a challenge to understanding, for example, what sectors such businesses operate in and how they are impacted by government regulation among other important information that could be useful. This absence of information further leads to a difficulty in understanding the failure or survival rate as well as the practical strategies adopted for sustainability.

From the interviews conducted, reasons for starting a business varied from following family tradition to desire to give back to the continent. In an interview, for this book chapter, a Zambian based in California, USA indicated that the glory of achievement for the African diaspora is manifested in the ability to give back to the community that raised them or their parents (Phone interview June, 2017). In '*A Venture in Africa-The Challenges of African Business*' Sardanis (2007) starts with the following interesting extract: 'The Persian Wars'—Zounds, Mardonious, what manner of men are these that you have brought us to fight withal? 'Tis not for money they contend but for glory of achievement' The reference to the 1920 book shows how the glory of achievement could still be true when extended to the African diaspora in the twentieth century; that while others would invest with the sole intent to make money, for some it is for glory. The moral obligation to give back is necessitated by the genuine need for investment in various sectors of African economies or firsthand experiences of poor service delivery. The African diaspora in this regard is seen as a change agent and contributes to development (Kshetri 2013).

In 2012, Jacana, a UK-based Pan-African private, equity firm conducted a survey of Africans who were studying in Western business higher education institutions (Modern Ghana News 2012). Respondents to the survey were from the Africa club membership at London Business School, Saïd Business School at the University of Oxford, INSEAD, Brandeis International Business School, Wharton Business School, Ross School of Business at the University of Michigan, MIT Sloan, Stanford Graduate School of Business, Darden Business School and Cambridge Judge. Of the respondents, 70% indicated they would return to Africa to become entrepreneurs and start their own companies rather than work for someone else. This desire to return shown by the respondents ties in with the narrative about Africa rising and becoming the next frontier for entrepreneurs (Stanford Business 2011).

Africa Rising

Africa is home to 1.2 billion people and has the fastest growing and most youthful population in the world. Over 40% of the people in Africa are under the age of 15 and 20% are between the ages of 15 and 24 (African Development Bank 2012). The main reason for Africa's population growth is the high levels of fertility (Zuberi et al. 2003). Table 8.1 shows the population of Africa in relation to other regions of the world.

The population of Africa is viewed from different perspectives with some referring to it as a civilisational problem (Independent 2017). While this can be debated, Africa is not short of resources that if put to appropriate use, could support its current population. Africa's total land area is approximately 11,724,000 square miles (30,365,000 square km) and the continent measures about 5000 miles (8000 km) from north to south and about 4600 miles (7400 km) from east to west. The population density of Africa is 42 people per square kilometres. This is fewer people per square kilometre than that of Asia which is 144 people per square kilometre. Africa is not the most populated region in the world though its annual population growth rate is higher than any other region at 2.5% per year (Table 8.2).

Table 8.1 World population by region (*Source* Worldometers.info 2017)

Region	Population		
	1950	2017	2050
Asia	1,394,017,757	4,478,315,164	5,266,848,432
Africa	228,901,723	1,246,504,865	2,477,536,324
Europe	549,089,107	739,207,742	706,792,824
Latin America and the Caribbean	168,843,911	647,565,336	784,247,223
Northern America	171,614,868	363,224,006	433,113,731
Oceania	12,681,946	40,467,040	50,609,460

Table 8.2 Population change and density by region—2017 (*Source* Worldometers. info 2017)

Region	Yearly change %	Area (sq. km)	Density (P/sq. km)	World share %
Asia	0.95	31,034,755	144	59.6
Africa	2.5	29,678,687	42	16.6
Europe	0.05	22,131,968	33	9.8
Latin America and the Caribbean	1.02	20,110,725	32	8.6
North America	0.75	18,626,872	20	4.8
Oceania	1.42	8,430,633	5	0.5

Africa contains an enormous wealth of mineral resources, including some of the world's largest reserves of fossil fuels, metallic ores, and gems and precious metals. This richness is matched by a great diversity of biological resources that includes the intensely lush equatorial rainforests of Central Africa and the world-famous wildlife of the eastern and southern portions of the continent. Although agriculture (primarily subsistence) still dominates the economies of many African countries, the exploitation of these resources became the most significant economic activity in Africa in the twentieth century (French 2014).

In 2008, Greg Mills, author of *Why Africa is poor and what Africans can do about it*, started a new job as President Paul Kagame's Strategy Adviser. His assessment of Africa and Rwanda was that: Everywhere in Africa is making some strides towards economic improvement. This assessment is backed by economic studies data. For example, the Corporate Council on Africa based in Washington, DC reported in 2017 that interest in Africa by US firms has been on the rise in recent years. This interest has been encouraged by metrics reported by the International Monetary Fund (IMF), the World Bank and McKinsey & Company from their study titled *Lions on the Move*. The study reveals that:

- Six African nations are among the top 10 fastest growing countries in the world
- 19 African countries have average growth rates of 5% or more

- 90 million African households will enter the consumer class over the next decade, contributing to a total household purchasing power of US$2.1 trillion
- Africa is the world's second-fastest growing economy, well above the global average.

It is worth mentioning that despite the good statistics from the IMF, World Bank and McKinsey, none of the countries in Africa meets the qualification of a high-income country because not one country has a gross national income per capita of $12,476 or more (World Bank 2016).

While the USA's interest in Africa has been rising, China is already on the continent with an ambitious mission. The government of China is guided by the China-Africa Economic and Trade Cooperation (2013). The White Paper on Africa has six strategic goals:

1. Promoting Sustainable Development of Trade
2. Improving the level of Investment and Financing Cooperation
3. Strengthening Cooperation in Agriculture and Food Security
4. Supporting African Infrastructure Construction
5. Stressing African People's Livelihoods and Capacity Building
6. Promoting Cooperation under the Multilateral Framework.

Source Information Office of the State Council of the People's Republic of China

With this clear roadmap, China, for instance, has over the last 20 years grown to become Africa's largest trading partner. The trade between Africa and China has been growing at approximately 20% per year and foreign direct investment (FDI) from China to Africa has grown even faster over the past decade, with an annual growth rate of 40%. Trade between China and Africa reached $198.49 billion in 2012 (China-Africa Research Institute 2017). About $85.319 billion consisted China's exports to Africa and $113.171 billion was contributed by China's imports from Africa. The reality of the Chinese massive investments and competition present a challenge to the African diaspora and an opportunity to adopt global strategies. Some strategies that can be adopted include connecting and interacting with the Bottom of the Pyramid (BOP) population (Wood et al. 2008). To achieve this, four conditions must exist: (i) the bottom of the pyramid market itself, (ii) share of the heart versus consumer animosity, (iii) the nature and influence of global 'umbrella' brands and (iv) responsible marketing as a guiding principle for all firms, including those focusing on the BOP. By understanding and implementing these strategies, the African diaspora will be connecting to the BOP market in addition to offering what the greatest competitors may not be offering—responsible investment.

A study by the Tony Blair Institute for Global Change (2017) titled 'Making inclusive growth work in Africa' spelt out four things that Africa should do made the following recommendations:

- Get the politics and economics right simultaneously
- Understand and develop a strategic approach to fix the market system
- Establish a coordination mechanism in government
- Create a delivery team that is fit for purpose.

The Tony Blair Institutes report (2017) and books like *Africa's Stalled Development: International Causes and Cures* (Leonard and Straus 2003), *Why Africa is Poor and What Africans can do about it* (Mills 2010) and *Dead Aid* (Moyo 2009) are among a myriad of the literature that have proposed what Africa should do to come out of poverty and promote inclusive economic growth. Clearly, this wealth of knowledge has not changed the fortunes of the continent because what is needed is action. Action is needed on the part of the African governments through the development and implementation of policies that embrace the African diaspora. Very few Africans abroad are even allowed to vote in African elections, let alone consulted over vital economic decision-making processes (Bodomo 2013).

Though Africa has the right numbers in its favour, i.e. population and natural resources, the continent is plagued by disease, poverty, corruption and war. An understanding of Africa's woes requires a distinction between 'underdevelopment' and crisis (Ayittey 1999). Furthermore, sub-Saharan Africa's (SSA) problems are inseparable from its politics (Leonard and Straus 2003). African leaders have a great influence on the running of their countries' economies. What may be an economic problem like corruption could have its grounding in politics (Ayittey 1993). African leaders cannot improve their countries' economic conditions without understanding how their economies run (Ayittey 1993). Some commentators have said that the main reason why Africa's people are poor is because their leaders have made this choice (Mills 2010). The choice to preside over matters they are not fully competent in. Competent leadership is vital for successful economic reform.

Diaspora Direct Investment

Diaspora direct investment (DDI) has emerged and improved upon traditional FDI even during a major economic downturn (Ardovino 2009). DDI is part of a larger transnational superstructure contributing to the integration of societies into global economy via an interconnectedness of donations, small and large investments, trade, tourism and unilateral transfers (Orozco and Lapointe 2004). Available data shows that the amount of remittances to developing countries was \$429 billion and of this \$36.4 billion was to Africa (World Bank 2016). In comparison to Official Development Assistance (ODA) and FDI, remittances go directly to targets (Bodomo 2013).

While it cannot be concluded that remittances are solely for investment in business, it can be suggested that a substantial proportion of the total remittances supported businesses in Africa. According to the World Bank report, 'Diaspora for Development in Africa' (2011), many migrants transfer funds to households in origin countries for the purpose of investment. Data from household surveys reveal that households receiving international remittances from Organisation for Economic Cooperation and Development (OECD) countries have been invested largely in productive investments in agricultural equipment, house building, business, land purchases and improving the farms. Investments in these areas represented 36% in Burkina Faso, 55% in Kenya, 57% in Nigeria, 15% in Senegal and 20% in Uganda.

Table 8.3 Use of remittances by recipient households in selected African countries by percentage of total remittance (*Source* Modified by Author from the original—Migration Remittances in Africa: An Overview, World Bank 2011)

Use	Burkina Faso (%)	Kenya (%)	Nigeria (%)	Senegal (%)	Uganda (%)
New house construction	25.7	11.2	5.8	7.0	2.5
Food	23.5	12.8	10.1	52.6	7.6
Education	12.4	9.6	22.1	3.6	12.7
Health	11.3	7.3	5.1	10.7	6.3
Business	10.4	3.9	21.7	1.3	7.6
Clothing	5.0	–	–	–	–
Marriage/funeral	2.1	0.9	0.4	2.9	7.6
Rent (house/land)	1.4	5.7	4.4	1.0	5.1
House rebuilding	0.3	5.3	4.7	4.2	6.3
Cars or trucks	0.1	1.3	0.0	0.2	2.5
Land purchase	0.0	8.4	24.8	3.0	3.8
Farm improvement[a]	0.0	2.3	–	–	–
Investment	–	24.2	–	–	–
Other	7.7	7.2	0.8	13.5	38.0

Note – = negligible or missing data
[a]Includes agricultural equipment

Households receiving transfers from other African countries are also investing in business activities, housing and other investments in Kenya (47%), Nigeria (40%), Uganda (19.3%) and Burkina Faso (19.0%) (Table 8.3).

The extensive study of the Somali Diaspora co-funded by the International Fund for Agricultural Development and Shuraako showed that typical diaspora funded investments ranged between $5000 and $50,000. The preferred sectors included agriculture, real estate, education and fishing among many others.

There is a need to conduct further research to understand the real use that remittances are put to in Africa and to be assured if the findings of the 2011 World Bank study still hold. Furthermore, an agreement on typologies could provide insights that may have been overlooked in the past. For example, the World Bank report alluded to in this section does not include education as a spending on investment while the extensive IFAD report on Somali does.

Survival and Sustainability of Diaspora Businesses in Africa

Financing and Possible Business Models to Explore

With savings from paid work, the African diaspora starts businesses in the COO. There is some evidence that returning migrants tend to use savings accumulated while abroad to invest in small businesses (Ahmed 2000; Gitmez 1988; King 1986; Massey and others 1987; McCormick and Wahba 2003; Murillo Castaño 1988; Murphy 2000; Congressional Budget Office 2011; Benson et al. 2016). This is but the most common way in which diaspora financing is raised to support businesses. Over the years, more investment vehicles and channels have been developed. For example, the Nigerian-based United Bank for Africa (UBA) Plc offers a number of banking services to nonresident Nigerians (All Africa 2007). Nigerians living abroad can get mortgages for buying properties in Nigeria, access international account-to-account remittance services as well as assistance for buying and selling shares on the Nigerian stock exchange.

Members of diasporas can act as catalysts for the development of financial and capital markets in their COO by diversifying the investor base because so far, the capital markets of many countries are dominated by investments from government and large companies. Members of the diaspora could also introduce new financial products and provide a reliable source of funding (World Bank 2011). African diaspora can use other channels to invest on the continent, such as crowdfunding, angel funds and diaspora bonds. Using these initiatives, they can organise and mobilise funds for investments in various projects. The Ghana CyberSpace Group, led by Yaw Owusu, was set up to contribute to effect political change in Ghana in 2000. After the defeat of the Rawlings regime, they transformed themselves into an investment club—the Ghana Investment Club (Ayittey 2005). Such investment model originally applied from Broadway theatre was used to describe wealthy individuals who provided money for theatrical productions. According to the Kaufman Foundation (2016), angel investing is where

a funder provides capital for a business startup in exchange for convertible debt or ownership equity. The term was first used by Wetzel in 1978 who worked as a professor at the University of New Hampshire (kauffman.org 2016). Angel investments have advantages and disadvantages. Brandon Gaille (2016) identified eight advantages and eight disadvantages as follows:
Advantages of Angel investment

- Angel investors are the most likely to take on the risk of your opportunity.
- Investors give your business a better of find success.
- An investment from angels is not debt.
- Often perform their due diligence very rapidly.
- Gain of a link to their network and community.
- Wider presence, literally everywhere.
- Investments can happen at any stage of the business evolution cycle.
- A chance to give back.

Disadvantages of Angel investment

- A high tolerance for risk has its price.
- Limits on future profits with an angel investor.
- Loss of some control over your business.
- Expectation of a way to exit.
- No expectation to receive follow-up investments.
- Not every investor has a mutual best interest at heart.
- Investors do not have the same level of national recognition.
- Some investment in companies that are outside their expertise.

Diaspora bonds are another opportunity that can be explored to engage the African diaspora as a means to invest on the continent. Countries have an option to raise funds through the capital markets as debt or approach donors for aid. Diaspora bonds can be an attractive vehicle for countries to secure a stable and cheap source of external finance (World Bank 2011). The scarcity of capital threatens to jeopardise long-term growth and employment generation in developing countries that tend to have limited access to capital even in the best of times. Official aid alone cannot be adequate to bridge short- or long-term financing gaps. Ultimately, it will be necessary to adopt innovative financing approaches to target previously untapped investors. Diaspora bonds are parts of mechanisms that can enable developing countries to borrow from their expatriate (diaspora) communities. A diaspora bond is a debt instrument issued by a country—or, potentially, a sub-sovereign entity or even a private corporation—to raise financing from its overseas diaspora. Another factor that might play into the calculus of the diaspora bond issuing nation is the favourable impact it would have on the country's sovereign credit rating. The practice of tapping into migrant wealth through the issue of diaspora bonds is not new. In the early 1930s, Japan and China issued diaspora bonds followed by Israel and later India in the 1950s (Anglade and Garbrah 2012). In Africa, Ethiopia is the first country to have explicitly issued a diaspora bond in 2008 (Anglade and Garbrah 2012). The Millennium Corporate Bond was intended to finance the Ethiopian Electric Power Corporation hydroelectric power project, Gilgel Gibe III. In 2011, Ethiopia issued a second round of diaspora bonds needed to allow the country to build a 5250 MW dam called Grand Renaissance Dam Project on the Nile River with an estimated cost of $4.8 billion. By making available a reliable source of funding that can be called upon in good and bad times, the nurturing of the diaspora bond market improves a country's sovereign credit rating.

Because African diasporas have the advantage of knowing both worlds, they can use that knowledge as a comparative advantage to create strategic partnerships. David Baldwin Burnes explains some of the opportunities and issues in this area. 'There's unlimited opportunity in Ghana', says David Baldwin Barnes, a US-based entrepreneur of Jamaican and Haitian descent, and president of agriculture firm Solve, which provides services and consulting to farmers and 'agripreneurs' in Ghana. 'But starting a business in Ghana is challenging for someone who is unfamiliar with the societal mentality that influences behaviour across all sectors of life, including how business is done', he adds. David Baldwin Barnes further argues that 'It's not the amount of bureaucracy that's the issue, it's the culture of the bureaucracy that you have to learn coming from a different business and regulatory environment' (*The Guardian* 2013). A Right to Abode Act was passed in 2001 giving members of the African diaspora the right to live and work in Ghana, the first legislation of this kind by an African country (*The Guardian* 2013).

Strategic partnerships and alliances could be developed among the African diaspora or between the African diaspora and established businesses from host countries with people on the continent in some instances. Robert L. Wallace, a trained engineer and successful entrepreneur and founder of the BiTHGroup Technologies Inc., proposed a strategic partnership model (Wallace 2004). In the book *Strategic Partnerships: An entrepreneur's guide to joint ventures and alliances*, Wallace details 12 key elements and processes for a joint venture based upon 20 years of research, interviews, anecdotal experiences and observation of enterprises. The 12 key elements are:

- Build trust
- Define mission goals and objectives
- Define customers, products and services
- Complete self-evaluation
- Know your partner
- Meet the family (if they have any and observe how they treat them)
- Establish relationship boundaries
- Determine initial project
- Maintain independence
- Relationship maintenance
- The vow aspects—all legal aspects must be well documented and clear
- Exit strategy.

In situations that are not normal but prevalent, these 12 elements could be aimed at building the capacity of entrepreneurs where a partnership is the most feasible option for the diaspora to invest. Such occurrence could be as highlighted from the interview with a Dubai-based diaspora of Zimbabwe origin. He noted that the economic conditions in his COO were hard to the extent of limiting access to one's own funds because of government regulation. In such an instance, partnering with a business already in the country is feasible and these 12 elements could work as a necessary means of survival for the business.

Global Trends Impacting the Local Business Environment

Reality for Business on the Ground

Businesses run by the African diaspora, though based on the continent, are not insulated from the events happening at the global level. It had been noted by major global institutions and think-tanks that the financial crisis of 2008–2009 would have minimal impact on Africa. This proposition was grounded in the argument that Africa's financial market is not fully developed and integrated internally and globally to be affected by the crisis with the exception of South Africa (Congressional Research 2010). With only banking as the major component of the global financial market, experts were quick to make the assertion. Later, it was evident that the financial crisis did indirectly affect Africa. The financial crisis was transmitted to SSA mainly through declining demand for exports and declining export prices (Allen and Giovannetti 2011). Furthermore, the level of aid that comes on the continent was reduced during that time (Anyanwu 2011). Remittances from the diaspora decreased and it can be assumed that investment from the group may have suffered some reduction too. This is because they live in economies that felt the effects of the financial crisis first hand and that may have led to apprehension in committing to investment on the continent during the period. This is particularly true for remittances to the West Africa Region (World Bank 2012).

Furthermore, the continent has lately been feeling the impact of its new global partner China. With more than 10,000 companies (McKinsey Africa 2017) owned by the Chinese on the continent, the nature of trade has changed drastically. There is stiff competition for business contracts with the Chinese investors. According to a Zambian born Engineer based in Texas, USA, who runs a firm that works in the hydro power sector in Africa, no African business is shielded from the impact of China in Africa. The respondent, whose firm has notable projects in Malawi, Zambia and Lesotho, shared his experiences of running businesses in Africa. He indicated that most businesses owned by the Zambian diaspora are in the clothing and cosmetics sector because these are not high on technical requirements. However, there are few like his engineering firm that work around technical issues and operate in the formal sector with other established private sector actors and governments. In his submission, he further said that all business types have been affected by heavy competition from the Chinese. Chinese investment has been motivated by a desire to access critical resources (oil, bauxite, etc.). The Chinese approach has been to downplay political issues (e.g. human rights). Although recipient African nations have received investment inflows, they have come with certain drawbacks. For instance, they have negatively impacted local trade and commerce (Adisu et al. 2010). With their ability to mobilise capital, the Chinese are able to make massive investments in all sectors.

While the African diaspora uses money from personal savings and capital they access including credit cards, these resources may be difficult to transmit to Africa because of undeveloped banking systems in most countries. The Chinese have the advantage of their government backing. In 1997, China opened its first financial institution in Africa, the Bank of China in Lusaka, Zambia. The bank is a facilitator of various business transactions including corporate and personal services, credit facility, account services, international settlement, exchange services, Chinese RMB services and so on. This enables Chinese nationals to do business in every sector in Africa, from clothing and cosmetic businesses to street hustling. It was never known to be a space for investors to roast maize on the streets and sell (as the Chinese do) which was predominantly for the local people; but the change in times has overtaken this assumption. The African diaspora's space and opportunities are open to competition from adventurous Chinese who are out to do any kind of business. Most governments have huge construction contracts with the Chinese and business deals inked in sectors such as mining and agriculture on a daily basis. The Chinese are on the continent to stay and they love it. This love can be seen from their remarkable pace of integration into the African culture. Though the African diasporas have an advantage of being indigenous to the continent, a lot has changed and will continue to change that affect this advantage.

Limitless Opportunities

Notwithstanding the global and local environment, the opportunities for African diaspora for businesses are immense. Some critical sectors where value could be created include agriculture, energy, mining, tourism, education and health. These are priority areas for many countries and resonate with the African Development Bank strategy for Africa (African Development Bank 2017). For example, the African diaspora can invest in tourism by facilitating exchanges between their host countries and their COO. Diaspora involvement in this sector could cut the cost of air travel. The cost of air travel in Africa is high and there are several reasons including (a) low demand, (b) poor infrastructure and (c) bad politics.

If the African diaspora coordinated and set up a fund to create and own an airline business, they would contribute to the development of the continent. Africa is made of about 20.4% of the total earths land area. In 2014–16, about 23.2% of people in the sub-Saharan region were undernourished (FAO 2015). African diasporas can invest in agriculture and coordinate the use of advanced agriculture methods. About 795 million people were hungry worldwide and of this number, 233 million were in sub-Saharan Africa (World Hunger 2016). This does not make sense considering Africa's share of the total earths land area and population that is in productive age group. A look at the energy sector revealed that an average American uses more energy on an electric furnace in a day than a Nigerian uses in three months from the report by ONE the global organisation working against extreme poverty (ONE 2014). Africa is not devoid of sources of energy; the sun is abundant in most parts of the continent, thus the reference as hot and abundant water resources too that could be converted to hydroelectricity. The world's longest river, the Nile, is found in Africa. For many decades, the mining sector has been the privilege of western foreign investors. With the Chinese on the continent, mining is now being undertaken by large and small Chinese-run businesses. This is because African governments favour foreign firms in contract tenders. The favouritism of African governments to foreigners outside the continent is hard to understand. Would having an African diaspora supported investment in the mining sector fail? Africa's mining potential is huge and provides an opportunity to explore (Oluwatayo 2017). It is likely that such an investment would employ the local people in large numbers as opposed to the Chinese mines that bring labour from China.

Support Systems and Structures

With the roots of modern Pan-African thought entrenched in the African diaspora, the transition from the Organisation of African Unity (OAU) to the Africa Union (AU) in 2001, finally signalled systemic institutional Diaspora inclusion in the continental unity project with the recognition of the Diaspora as the sixth region of the AU (Hakima 2008). The economic impact and value created by the African diaspora cannot be underestimated (Styan 2007). For years, the migration of Africans to the diaspora was referred to as a brain drain. This has now changed as evidenced by the value that the African diaspora community has created for the continent (Logan 2009). The African Union and African Development Bank have been spearheading various initiatives including setting up a forum on diaspora within the AU headquarters in Ethiopia (Mwagiru 2012). African countries have consequently developed policies aimed at integrating their diaspora in national development initiatives with some allowing a constitutional provision for dual citizenship. International development agencies have over the years been placing some emphasis on the need for increased in trade with and among African countries. The World Bank, IMF, the OECD as well as bilateral donors have placed programmes supporting entrepreneurship within the continent as a priority. Across the world, various organisations have been set up to support diaspora inclusion in the continent's development discourse. Some notable organisations include Africa 21, African Diaspora Voices for Africa's Development and the African Foundation for Development.

These initiatives have formed a supportive structure for the African diaspora (africanprogress.net 2017). With the coordination of the African diaspora being done through many institutions in various continents, obtaining information from the African diaspora is a difficult undertaking (Phone interview 2017). In the case of the Chinese investments, the aggregated information can be obtained through the Ministry of Commerce and the National Bureau of Statistics of the People's Republic of China among other credible sources. The Chinese immigrants have actively passed information to their fellow nationals about Africa as observed in the book *China's Second Continent: How a million migrants are building a new empire in Africa* by French (2014). There would be more benefit if each representative African embassy collected data on their respective citizens and worked together with their host countries as well as home countries to establish how many such supportive organisations exist and develop plans to better support their operations.

Some Challenges for the African Diaspora and the Role of Technology

The support system is not only challenged by coordination (World Bank 2011) but also trust. African diaspora who send money with the hope of investing have not been spared from swindling scams, sabotage and corruption. Relatives whom the diaspora rely on to undertake projects on their behalf have been perpetrators of these vices. There are countless stories of diaspora who sent money for construction projects and various business only to find nothing on their visit to check progress. Stories of sabotage too are common. Mr. Sammy Maina, a resident of Lowell, Massachusetts, always harboured the dream of running a cruise boat business on the Lake Naivasha in Kenya. What was meant to be a dream investment back home sank before the venture could start paying back for his hard-earned investment. One day he woke up to find people had sneaked into the boats docking spot during the night and drilled holes in its bottom, sinking baby Amani (Daily Nation Kenya News—2013). Corruption which is the order of operation for most countries in Africa perhaps is the most serious problem that African diasporas have to encounter in business endeavours in Africa. Corruption is an insidious plague that has a wide range of corrosive effects on societies (United Nations 2004). It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organised crime, terrorism and other threats to human security to flourish. This evil phenomenon is found in all countries—big and small, rich and poor—but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice and discouraging foreign aid and investment. Corruption is a key element in economic underperformance and a major obstacle to poverty alleviation and development. Such immoral vices have been the reason why some African diasporas have not been inspired to invest back home for fear of being victims. There is now recognition that 'the most effective institutions are often ones that have been modified to fit the particular social characteristics of the country in which they are being applied' (Fukuyama 2011: 323). To the extent that this approach now informs the World Bank's new strategy on public sector reform for 2010–2020, alongside broader calls for all governance work to be underpinned by political economy analysis and 'best-fit' rather than 'best-practice' approaches (Levy 2014).

The advent of technology presents many opportunities for the African diaspora and the African continent. The African diaspora can use technology to their advantage in investment and benefit of the continent. Technology has unlocked many opportunities for marketing and advertising goods and services through platforms, such as Facebook, WhatsApp, Twitter and Instagram to mention a few. Social media are fundamentally changing the way we communicate, collaborate, consume and create. They represent some of the most transformative impacts of information technology on business, both within and outside firm boundaries. Social media has revolutionised the ways organisations relate to the marketplace and society, creating a new world of possibilities and challenges for all aspects of the enterprise, from marketing and operations to finance and human resource management (Aral et al. 2013). In particular, social media have been integral to recent advances in relational inference about consumer preferences (Hill et al. 2006; Aral et al. 2009; Trusov et al. 2010), novel peer-to-peer interactions and targeted marketing techniques (Aral and Walker 2011, 2012) and demand prediction (Asur and Huberman 2010; Bollen et al. 2011). The transformative power of social media extends beyond marketing and aspects of consumer behaviour. Furthermore, applications such as blockchain can be used to explore the possibilities of ledger management and keeping accurate accounts that are less corruptible thereby enhancing the knowledge around stock and finances when not physically present. In Kenya, M-Pesa, a mobile money transfer service has revolutionised the payment system in that country. The service has more than 18 million active users in Kenya and in 2016 it processed more than 6 billion individual transactions in the 10 countries where it operates (CNN 2017). With the use of technology, the cost of doing business can be reduced and trust enhanced thereby, increasing the chances for investment to the continent.

Conclusion

Africa is at a critical juncture of its history. An era where a combination of demographics, education and communication technologies have begun to open possibilities for several African countries to break the cycle of poverty and underdevelopment and rise into the ranks of middle-income countries. This is knowledge that the African diaspora is privy to and many do not want to be left behind. For many, the knowledge of the operating environment is the comparative advantage they are exploring to the fullest. There have been a number of perspectives about what Africa should do to move out of poverty and progress. Why hasn't Africa changed? Is Africa rising up to implement the recommendations coming from these perspectives to attempt to resolve its problems? Africa is rising but it may take time to get everything in a well-coordinated way. It may not be in the next 5 years but it is a possibility worth hoping for. Clearly, the birth of African diaspora businesses is grounded in many reasons and the motivation varies from one entrepreneur to another. However, the opportunity to make money and the availability of avenues are the same for everyone. Africa gives these opportunities to its diaspora in a manner that needs close examination if improvement is to be made. The benefits of African diaspora investment accrue to the various structures within the African continent: governments, the citizens and the African diaspora investors. There is a need for more research in this area with a view to helping institutions working around the promotion of the African diaspora agenda and the African diaspora itself to propose and advocate for policies that will make their contribution more meaningful. Besides, it is an unarguable fact that the African diaspora is Africa's secret weapon.

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