An Entreprenurial Strategy for Empowering the Black Community

By Elizabeth Wright

I would like to tell you why I started publishing Issues & Views, for I think the recounting will give some idea of the nature of things within the black community when I decided that a publication was needed as a voice for those ready honestly to address the state of economic development, or lack of it, in our neighborhoods. Further, in the course of my telling you about the articles published in the newsletter over the years, you will learn of some of the strategies and initiatives developed by resourceful blacks who view full participation in the free enterprise system as the key to reversing economic decline.

These are people who are taking practical steps to bring to their people the right kind of information needed for an accurate understanding of American capitalism. From Aaron Bocage and George Waters, who teach entrepreneurial skills to young people, to Ralph McNeal's soon-to-be-announced small stock exchange, there is a growing movement of people determined to help blacks comprehend the critical link between a community's economic base and its progress out of poverty.

But, first, perhaps I should just give you some of the basics about the newsletter. Issues & Views is a quarterly, hopefully soon to become a bi-monthly. Copies are mailed to subscribers, the national black press, the mainstream media, and various complimentaries. The newsletter's reach is national and there are now subscribers in almost every state. It is distributed at appropriate meetings and conferences, left for pick-up at various locations, and sent in direct mailings specifically targeted to a black audience. There are subscribers on several college campuses who distribute the newsletter, and I am working to reach still more colleges and college libraries. This semester I will be running ads in some college newspapers, and I am exploring other appropriate advertising vehicles.

Although the first issue of the newsletter was published in 1985, I guess the genesis for it began somewhere in the late 1970s, when I found myself becoming more and more alarmed by the ongoing deterioration in the black community — the escalating crime, the growing number of unwed mothers, and the increasing poverty. Things were getting worse, with no sign that they would ever get better.

Party Line. At the time, I continually encountered other blacks who would mumble under their breath about what they felt to be a connection between the growing poverty and policies supported by the so-called black leadership and their white supporters. In private, these blacks could eloquently express their dismay and even anger at what they saw as the wrong path down which they felt blacks were being led. But publicly, they would parrot

what we have all come to know as the "party line," that is — all we need is more money for more programs, and eventually our problems will be solved.

Not only did I no longer believe the party line and refused to parrot it, but also I found myself often in verbal battles with blacks and whites, who were capable of engaging in what I thought were some of the cleverest and agile verbal contortions in order to justify these failed programs and the damage they were continuing to cause.

On-Target Analysis. It was somewhere around this time that I came upon an article by Thomas Sowell, whose work I had not previously known. The article, which so clearly and forthrightly put the pieces of the puzzle together — the past and present condition of blacks, the reasons for the growing poverty, and the motivations of our so-called leaders — impressed me greatly, and sent me searching for Sowell's books. Everything he wrote was so logical and, as far as I was concerned, right on target.

I could not believe that there was someone like this, right in our midst, who was doing all this solid, intelligent groundwork to show not only where we blacks had been as a people, socially and economically, but also demonstrating, through the examples of other groups, just how we could get back on track to turn things around. I soon discovered just what the black establishment thought about Sowell, and learned of their vilification of him and his work.

By this time, I was no longer surprised by anything. And in New York as more and more of the transient hotels were filling up with destitute black women and children, I realized that no matter what kind of propaganda the so-called leadership might preach, there was no way they were ever going to bring about any fundamental change in the situation. And, in fact, if this is all their policies had brought us to, a growing population of more poor folk, then it was time to challenge those policies.

Vilified by the Establishment. In their treatment of Sowell, I also began to sense a pattern, somehow a memory drifting in from the past. It occurred to me that these insulting names had been used before. And I decided to review some history, especially that of two prominent blacks whose messages essentially had been grounded in economics. Above all, they had tried to teach blacks the crucial need to become economically self-reliant. Both of these men had been vilified by the black establishment of their times and, in fact, leading blacks had worked to drum up the masses against them.

One of these men was Booker T. Washington, the pre-eminent educator, who at the turn of the century had stressed the importance of property ownership. The black leadership vilified him and purposely distorted his message of economic uplift, sneering at his "bootstrap" analogy, in which he called for blacks to use the resources they already had in their possession to lift themselves further. It should have been obvious to all that if freed blacks as early as the eighteenth century had founded small enterprises, blacks could certainly have more than duplicated their efforts by the early part of this century.

The second man was Marcus Garvey, who, in the 1920s, had abuse heaped on him for his stress on capital investment and business development. His self-help philosophy that taught blacks to rely on their own resources was anothema to those who had already begun to depend on the philanthropy of whites. Garvey was originally from the Caribbean, and it was primarily due to the diligence of the black leaders of the day that he was eventually run out

of this country. In historian Tony Martin's biography of Garvey, Martin says that prominent blacks waged a relentless campaign against Garvey for teaching that black people could build their own institutions and succeed without white help.

When I examined history, I found that the most prominent black leaders, usually spear-headed by the NAACP, were always there to shout down every pragmatic black person who had stressed economic independence — instead of mindless integration — as the major goal to strive for.

NAACP's Agenda. In an article I reprinted from Reason magazine in the Fall 1989 edition of Issues & Views Anne Wortham reviews historian Harold Cruse's book, Plural But Equal, in which he describes the NAACP as a group conceived to promote something akin to "non-economic liberalism," a philosophy Cruse says that has helped turn blacks into "economic wards of the state."

In the course of doing the newsletter, I was to learn of another outstanding man closer to our own time who, in the 1960s, had also incurred the wrath of those who claim to speak for blacks. This was the great businessman S. B. Fuller, founder of Fuller Products, a door-to-door cosmetic company that he developed into a multimillion dollar conglomerate. I was fortunate to get a firsthand account of these events for the newsletter, which I will tell you about later.

To return to the influence of Tom Sowell, I was most impressed with his sensible appraisal of the role of politics among blacks. I had already begun to wonder at the extent to which political participation was being preached to blacks almost as a religion. We were being taught that all our troubles stemmed from being "outside the system," and, therefore, all of our energies should be turned toward getting inside. No one, however, could show just how politics could ever translate into economic prosperity. Not that this was a new development among blacks, for in the early 1900s, Booker T. had said, in referring to Reconstruction events, that it was unfortunate that the political convention or stump speaking had more attraction to blacks than starting a dairy farm or a truck garden.

Yet, Sowell shows how every other prosperous group in America had put business development first and only later turned to politics. Other groups figured out early on, to put it in Bob Woodson's words, that "political clout derives from economic power, not the other way around." Economists like Sowell and Walter Williams talk about the fickleness of political trends, and how the political pendulum can swing this way, to the left, and then that way, to the right. A group's stability should not be dependent primarily upon the political pendulum remaining on one side or another.

Still Starting From Scratch. I was impressed by Sowell's description of the progress of a middle class — how it is gradually developed through a kind of "relay race," where each new generation begins with the material and cultural advantages left behind by the previous one. In spite of all the political involvement, in spite of the many black elected officials, here are blacks still struggling up from poverty, most of them starting from scratch in each generation, more dependent than any other group on the whims of a President and a Congress.

So, when the idea for a newsletter occurred to me, I decided I wanted it to be the voice of all those blacks, who I knew were out there, all those Washingtons, Garveys, and Fullers, whose words got either minimal coverage in the black and mainstream media, or none at

all. I wanted it to be a forum for common sense, not ideology or dogma. And I wanted it to be, primarily, blacks speaking to blacks.

I decided I would focus on three areas in particular: (1) I wanted to highlight the work of those blacks who, by developing successful strategies, were lifting themselves and others by their bootstraps, instead of waiting for government aid; (2) I wanted to carry the word of those blacks who advocate greater involvement in business enterprise as the route out of poverty and toward self-reliance; (3) and I wanted to challenge directly the policies of the civil rights establishment and the guardians who protect them and who, through the media, give them the best and most partisan press any interest group has ever had.

Dealing Honestly. I found it inconceivable that in our country there could be a gag or censorship on speaking out against worthless and often downright destructive social policies, and I found it unacceptable that people dared only whisper against those who teach blacks how to extort from others what we should be building for ourselves. I also felt there should be no constraints on urging blacks to deal honestly with the internal problems that still plague our race — like family breakdown and lack of trust in one another — which are really at the core of why we cannot pool our resources and develop capital to transform our communities and get ourselves out of this mess for once and for all.

I would like to tell you now about some of the people I have covered in the pages of *Issues & Views*, and their strategies for bringing the black poor, as participants, into the mainstream economy.

In 1988, I learned about the marvelous work of George Waters and Aaron Bocage, in Camden, New Jersey. They are pioneers in their unique approach to reaching drop-out youth by teaching them how to become economically self-reliant on the right side of the law. Running what you might call a small business incubator, Waters and Bocage show youngsters how they can find ways to employ themselves and establish small businesses right in their own neighborhoods.

EDTEC, the Educational Training and Enterprise Center, was founded when Waters and Bocage became fed up with the pressure, usually futile, that is brought to bear on all poor youth to go the college route. They believe that these young people should be addressed from where they are at right now, not from some adult's ideal notion of where they should be. They say, "We must face the reality of this enormous drop-out rate. These kids are not going on to college, and we must stop preaching that their lives are at a dead end without college. There are other options and alternatives, and we can help them to find these."

Remolding Negative Attitudes. Bocage and Waters were motivated by two questions they asked, namely, "Why should inner city youngsters learn the principles of business only from the perspective of pimps and drug pushers? Why can't teenagers be taught how to become economically self-reliant within the bounds of the law?" They try to answer these questions and, along the way, are helping to remold a lot of the negative attitudes that the youngsters they encounter have toward work.

In addition to their year-round endeavors, every summer the two partners conduct a new entrepreneurs program in their offices for about eighty or so kids. Through hands-on, concrete instruction, these teenagers learn how to make their own money by making practical use of skills they may not even know they possess. The EDTEC curriculum has been

adopted for a class in entrepreneurship at Fetters High School, a public school in Camden, where Bocage and Waters act as consultants. Waters informed me recently that they are in the process of starting a school-based business at this high school, which the students will operate. Camden has also requested them to consider doing the same thing beginning next term at a junior high school.

Fostering Small Business. After reporting on EDTEC, I got a call from an executive out in Kansas City, Missouri, who told me of Larry Gorsuch and a similar program he has developed at the Boys & Girls Club, where they are helping inner-city youth start and manage their own small businesses. Gorsuch told me, "We're really building attitudes. We want these youngsters to accept business as a valid way to function in society."

And some of you here may be familiar with the work of Steve Marriotti in the South Bronx, whom I reported on last year. Instead of engaging in paternalistic pity, Mariotti, who had earned his living as a consultant to top businesses, decided to share his craft, that is, the art of starting and managing a small business, and has been doing so with great success since the early 1980s.

As you will see from the latest edition, Dr. Percy Vaughn of Alabama State University has joined this growing movement to re-educate our youth to the principles of the marketplace, while teaching the basics of entrepreneurism.

The developers of each of these youth projects would like to see something like Youth Enterprise Centers established in all major cities, where a youngster who has an idea for making honest money can find, not only adult counseling, but a place with equipment like computers and copy machines for turning out flyers, and telephones so customers can reach them — a place where they know they will be taken seriously and get the moral support they need.

In the Spring 1990 edition, I reported on the Voice of Calvary Ministries of Jackson, Mississippi, much of whose work in helping the poor is based on free enterprise principles. This is a dedicated core of people, who are determined to treat more than just the symptoms of poverty by just giving handouts. Instead, they require that those who are helped join a tutoring program to acquire skills, and also assist with mailings and other chores. Young people are given a hands-on opportunity to learn entrepreneurial basics as vendors of small businesses that they run, and adults can work at the consumer cooperative, a budget clothing store run by Voice of Calvary.

Creating Affordable Housing. In 1987, this church purchased fourteen houses for \$28,000, which were then renovated and sold to working-class residents of the community. This year their "Adopt-A-House" program was reviewed by Deposit Guaranty Bank, which was so impressed with their responsible leadership that it entered into a partnership with the church to help provide affordable housing in the deteriorating West Jackson inner city. Unlike other such housing rehab programs, Voice of Calvary's involvement does not end when the houses are turned over to new residents. Their continuing follow-up is designed to help new buyers become conscientious homeowners. Voice of Calvary has been successful in rallying other Mississippi churches to volunteer a week of labor to, as one of their members put it, "help take a house off the list of poverty shacks."

And in the upcoming Fall edition, the work of Marshall England is described, who is another pioneer in training youth in the basics of business skills. England, who was a blazing 1960s nationalist, and comes out of that tradition that taught it was noble and, indeed, humane for blacks to develop as a virtual socialist enclave, rather than join greedy, meanspirited capitalists, is now renting a huge space in the Bronx, where he is helping to turn homeless youth into business owners. In his unique flea market, young people set up booths and as vendors sell either articles they have purchased from manufacturers, or items that have been contributed by neighborhood people for them to sell. The flea market just opened this summer, and England is spreading the word through the local churches and schools. He is slowly winning respect for this innovative project and is getting cooperation from churches and other organizations. England has big plans for the flea market, and has just completed a business course in import/export training that he plans to pass along to his young vendors.

Corporate Academy. In 1988, Issues & Views was one of the first publications to report on the work of Bill Granville, a black executive with twenty years under his belt at Mobil Oil, who with his own money founded the Granville Academy, an after-school program based at Princeton Theological Seminary. Granville was determined to build a bridge between the corporate world that he knew so well and that of inner city teenagers. He wanted to teach them what he calls "the language of the corporate world." His academy is for those teenagers who are doing well in their regular school work and are motivated to attend this coaching and counseling program.

Here they are taught not only the fundamentals of accounting, managing, and banking by business executives who serve as mentors, but are also taught interpersonal skills and how to behave in a business setting. Over a year there are twelve sessions, which students are encouraged to repeat a second year and even a third. There is follow-up and an alumni association. Graduates are eligible for summer internships, usually at the companies of their corporate mentors.

Granville explained to me why he was motivated to start this program. He says the idea formed while he was on assignment for Mobil in the Middle East. Mobil was involved in a joint project with the Saudi Arabian government to build an oil pipeline across 750 miles of desert. "There was such a labor shortage," he says, "that we went out into the desert and recruited Bedouins to work on the lines. In effect, we actually brought Bedouin Arabs into the mainstream Arab economy. I saw how Saudi nationals became an integral part of the operation of companies such as Mobil. These nationals eventually managed the companies they came into. So, I asked myself, if that can be accomplished over 7,000 miles away, why can't we do it here with our kids?"

Thanks to Issues & Views, the Granville Academy was read about by a business executive in Cleveland, who has become one of its major fundraisers. In fact, he spent the past year helping to set up an academy out there, which opened this year.

Sharing Successful Strategies. The newsletter frequently reports on the work of Bob Woodson's National Center for Neighborhood Enterprise. In fact, I dedicated an entire issue to coverage of NCNE's 1986 convention, where people with successful grassroots, self-help strategies came together to share information and to learn about other projects that might be duplicated in their communities. For decade or more, NCNE has been coordinat-

ing the work of community self-help groups, encouraging problem solving through free enterprise, and assisting with legal tenant takeovers and management of public housing.

In the Winter 1990 edition, *Issues & Views* reported on the Majestic Eagles, which is here in Washington, and is a sort of incubator for new entrepreneurs. Its founder, John Raye, is dedicated to bringing business knowledge and information to his members, in order to assist them to start small ventures. They usually begin their careers engaged in direct selling through their own distributorships. Through their Federal Credit Union, members of the Eagles are able to expand their businesses further.

On another front, Issues & Views is also there to cover events where I feel important thinkers come together. Last year, the newsletter covered an outstanding conference on the "Economics of Black America" out at Hillsdale College in Michigan. Among the participants were businessmen Willie Davis, owner of All-Pro Broadcasting, and Paul Pryde, who has spoken here at Heritage, and is a development consultant. Other speakers included Walter Williams, Washington Post columnist William Raspberry, social scientist Charles Murray, and educator Steve Marriotti.

Pryde, as you may know, is also author of a book on black entrepreneurship that was reviewed in the newsletter. In his book, he explores what he calls the lack of an "entrepreneurial culture," or certain attitudes and behavior patterns that he believes have been lost in the black community.

Matter of Faith. By the way, I think it is important to note that, along with others, both Paul Pryde and Steve Mariotti tell of their encounters with educators, and of the general aversion to business that so many of them hold. In his book, Pryde confirms what others have observed — that it is common for most educators, black and white, to systematically downgrade business as a career, and the prospects of starting a business. He feels that this is especially detrimental to black youngsters and says, "This can only work to reinforce damaging beliefs about their entrepreneurial abilities."

Out at Hillsdale, Pryde described what he considers a mood among blacks and other minorities. He said, "What we now have is a situation where blacks disparage the marketplace, no matter how important it is to our economic health, and we advocate government, no matter how detrimental its policies may be." He suggests that minorities use public policy primarily to help create environments where people will have the incentives to come together and pool resources for investment. "At bottom," Pryde claims, "development is a matter of faith. We can play around all we want with public policy, but if we aren't willing to take the leaps of faith necessary to trust one another and invest in ourselves, none of it will matter."

Although there are other examples of innovative projects that have been covered in the pages of *Issues & Views*, I am going to tell you about one more that I have been following for a couple of years, and will probably be detailed in the next edition.

New Stock Exchange. You will be hearing more about this in the mainstream media in a couple of months. Some of you may know the name Ralph McNeal, who is the former president of North Street Capital Corporation, which was a venture capital company of General Foods. For about seven years, McNeal and a dedicated core of black executives have been doing the groundwork to create a stock exchange that will primarily help finance small

minority-owned businesses. Three years ago, I sat in on one of their meetings, where they discussed the various qualifications and legal protections needed, and the manner in which the new exchange should be run.

Patterned after London's successful Unlisted Securities Market, the American Small Business Stock Exchange, or ASBEX, will officially file for certification in a couple of months with 100 seats. Last spring, McNeal visited England, where he finalized plans to join this newly-formed American exchange in an association with Europe's twelve small stock exchanges. In November, after ASBEX is officially in operation, a meeting of all thirteen of these small exchanges will take place in London.

Source of Credibility. McNeal says that London's Unlisted Securities Market, in the ten years of its existence, has helped finance over 750 small businesses. It has given these companies credibility that they would not otherwise have, which means that they're in a better position to get bank loans. He believes that ASBEX will handle twice as many companies in its first three to five years. Among other things, ASBEX will provide an outlet for such things as pension funds to help capitalize small businesses.

McNeal says, "ASBEX will produce a flow of new professionals who can provide services and technical knowledge. Capital will be accumulated, jobs will be developed, along with new products, new companies, and new real estate developments."

In talking with me recently, McNeal said that he disagreed with the idea that an "entrepreneurial culture" among blacks has been lost. He claims, "It's never been lost, it's only been simmering, and waiting for something to feed it. It just has never been adequately developed." He believes that ASBEX has the potential to create a new generation of entrepreneurs.

In addition to reporting on practical things that people are doing, *Issues & Views* also contains forthright editorials and commentaries, sometimes by me, but also by others, who generally have strong opinions about what is going on in our society. Readers get to hear from people like Jay Parker, editor of the *Lincoln Review*, who is an adviser for the newsletter and has been very supportive of its goals. In one edition, Parker wrote about the mounting social crisis that is overtaking the black community and the destructive consequences of single parenthood.

In another issue, Walter Williams, who is also one of the newsletter's advisers, described the waste of the public school system and the tragic state of black education.

My own commentaries have taken to task the influential elite in our community, who still insist on doing re-runs of the 1960s — rehashing old grievances, and approaching old problems in the same old way. Unfortunately, such people help to keep the masses of blacks locked in an outmoded mindset — one where they spend their energies working at making whites take notice, move over, and give.

There are also regular departments, one of which is "From the Press," which reprints excerpts from outstanding articles and editorials from black newspapers. As many know, above all, the black press follows the standard party line on social issues, and generally one is hard pressed to find any deviation. Yet, there are those courageous editors and columnists who speak their minds. One of the best black newspapers is the weekly *Toledo Journal*, and I would like to quote briefly from a recent editorial. The subject was the possibility of

Toledo's city funds being used for the establishment of a branch of the National Urban League, and the editorial denounced the idea:

Toledo's African American community doesn't need any more feel good organizations that can only tell you what is wrong or unfair. Funds should be used instead to create an economic development center in the central city for the creation of black and hispanic businesses. This will provide jobs in depressed areas of the city, and will provide more tax dollars. Affirmative action as black America once knew it is dead. We will have to provide employment for our people, if the majority are to work in the future. Time dictates the agenda, and ideals need to face new challenges. This is not the time for an Urban League in Toledo, it's time for Toledo's black community to get serious about economic development for themselves, families, and community. It's time for us to take our rightful place in this city by becoming employers and entrepreneurs, making our community as strong as other ethnic communities in Toledo.

I would like to close by sharing the comments of two of my favorite people. One is the late S. B. Fuller, whom I mentioned earlier, who died in 1988 at age 83, and the other is Harlem businessman Jimmy Murrell, whom I interviewed for the newsletter in 1987. Murrell, his brother, and a friend are owners of a commercial building in Harlem in which they have a bar/restaurant on the first floor. Murrell is very outspoken when it comes to the many opportunities that blacks allowed to slip by when they had every chance to buy and essentially own Harlem. He says, "The only way for improvement is through businesses that you own that give you independence and you're able to control your capital. Business is the first priority. But those who leave the neighborhood are not going to invest in it. And the ones who are leaving are the educated ones with the money." Murrell, who is originally from the South, continues, "Sometimes it's hard to have sympathy for these black folks up here in the North. They've been free all their life, so to speak. You're talking fifty years ago—they had all kinds of opportunities here."

Man of Guts. In a firsthand account of S. B. Fuller, by a former associate of his, Issues & Views carried one of the few bios on this great man. Fuller, with only a sixth grade education, and reared in the teeth of southern Jim Crow, founded, in 1935, first a door-to-door cosmetics company, that he used as a base to create a string of companies nationally, employing blacks in almost every state. In the 1960s, Fuller had had the guts to challenge black leaders for guiding blacks down the wrong path and, as far as he was concerned, for making them even more economically dependent on the state. He said publicly at a meeting of the National Association of Manufacturers, "Even more than racial barriers, it is a lack of understanding of the capitalist system that keeps blacks from making economic progress." And, "Blacks are left behind economically because they have nothing to sell. If you have products and services and skills to sell, you have greater tools in the struggle to end racism." In a later interview, he added to his heresy, just for good measure, by calling the prominent blacks of the day a "false leadership," and making it clear that he regarded dependence on others as little more than updated slavery. Fuller said that such blacks stand before the white man "with a handful of gimmes and a mouthful of much obliged."

For being so outrageously out of step, black leaders declared war on him, calling on the black community to boycott all his products. Sad to say, they followed suit, but Fuller managed to avoid bankruptcy by transforming his company's branches into proprietorships owned outright by the managers. Fuller, I am happy to say, died a millionaire.

Missing Bottom Rungs. Now, you might ask if I, or the people who write for the newsletter, see any role for these so-called leadership organizations. Many people who oppose them believe there is something they can do, and that is use their prestige and influence to remove unnecessary and burdensome government regulations off the backs of the poor. Walter Williams and other economists have shown repeatedly how the bottom rungs of the economic ladder are cut off, because the poorest face occupational and business statutes that simply were not there when the early immigrants arrived in this country. Such regulations severely restrict personal freedom of contract and the right to work.

Steve Marriotti says that restrictions put on the entrepreneur prevent people who would normally start a business from doing so. He says that in places like the South Bronx, people are actually driven out of legal businesses and into illegal ones. Along with Williams, he says it is the state that is actually impeding the progress of the poor.

And Marshall England talks about the Davis-Bacon law, which he calls the biggest inhibitor to good housing in poor areas. He says, "Many groups can afford to take a building and then, through sweat equity, renovate it and provide new housing. But Davis-Bacon prevents you from doing that. That law is the bane of our society, because New York wouldn't have nearly the number of slums if we could get a good sweat equity program going."

Another area in which the leadership's influence might count is in education. They should stop trying to block the work of people like Polly Williams — of whom there are going to be many more — who are fighting for parents to have a choice of where to send their children, thereby bypassing wretched public schools,

In a column by William Raspberry, which is reprinted in the current issue, he says that the fascinating thing about the many "choice" schemes is how little they are involved with race. It is just parents wanting the best education for their children. The NAACP does not even know enough to be ashamed to be a party in a lawsuit against Polly Williams, and although it would be a complete turnabout for them, considering their maniacal support of integrated schools at all costs, here is their chance to be relevant and join in this movement that is not going away.

I think I would like to close on that note — that all the people I have just talked about are determined to bring new knowledge and awareness to blacks, so that we may finally take control of our community. They are representative of a movement that is not going away.

