

Larry Olomofe Executive Director, People of African Descent Link (PAD Link)

Living and working in the Central and Eastern European region since 1999, I have witnessed the struggles of many putative people of African descent (PAD) entrepreneurs and businesses over this time. Their struggles congeal around a number of factors – **institutional and societal racism, discrimination, harassment and profiling from respective local law enforcement, arcane administrative procedures, exclusion from local bank loan opportunities, and racial hostility from local communities** – which makes opening, running and sustaining a business a challenging ordeal. Consequently, we can see a long history of failed PAD businesses in the region with only a handful that have maintained their presence and continue to be lucrative. In this presentation here, I shall be focusing upon experiential observations and insights that I have encountered or had reported to me in my various capacities (within the OSCE and PAD Link) over the years. Many of these cases are personal anecdotes based upon request for my intervention to assist these PAD entrepreneurs who have struggled to conduct their businesses in a meaningful manner. In doing so, I will present some of the phenomena that shape and impact ambitions of PAD entrepreneurs and discourage others from seeking similar economic interest.

Arcane administrative procedures

From the outset, many African or PAD led businesses in the region have encountered challenges and barriers to their attempts to establish themselves within their local spaces. **Rules and regulations that govern the setting up of a business enterprise are not conducive to potential PAD businesses owners, and create extra layers of bureaucracy that is often inimical to their ambitions.** For example, due to the strict language rules with these local administrative offices that oversee registration and taxation of businesses, any PAD business owner who does not speak the local language, would have to employ the services of a recognized translator and pay for this service as well as any other related costs in this regard (mainly that of a consultant who, nominally, will help them navigate the relevant administrative processes and procedures).

On the face of it, this could be a solution to the language barrier, but in reality, many PAD business owners are more vulnerable since these consultants often mislead or do not properly

advise their PAD clients and exploit their lack of knowledge about local procedures. This is evinced in one case that I know of where the potential PAD business owners were duped by the consultant who misled them with flimsy assurances that everything was ok and that they could move forward with their business plans. However, after paying for this “service”, to their horror, they found out that they had not complied with tax regulations and were told by the local tax office that their business would be blocked and their registration cancelled or rescinded. It was at this juncture that they reached out to me to see if I could help them in this matter.

Proxies

Due to situations such as the one mentioned above, potential PAD business owners often use third parties (partners/spouses, friends, colleagues) as “proxies” as a way to address the language barrier and to save on costs. These proxies would officially own the businesses and all legal documents would be in their names with a clause that the PAD partner would be an associate but have no real executive force or leverage in the business. The immanent vulnerability of such a situation is manifestly clear here. The PAD “partner” is dependent on maintaining a good relationship with their local partner and is susceptible to the whims of their partner out of fear of losing their businesses. I have been involved with a few cases where relationships have ended, the local spouse or friend has closed the business down or reported the “malpractice” to local authorities who then close said businesses down.

Racial skepticism interlaced with prejudice

The situation explicated above leads us to another related phenomenon which exacerbates the experiences faced by PAD businesses and owners in the CEE region. **Due to institutional racism and prejudice in the region, there are several instances where PAD people, generally, and PAD businesses specifically, experience racism and prejudice from state officials.** In one case, a Nigerian restaurant owner mentioned that he was perennially harassed by local police officers and was once told during a meeting at the local tax office to address a discrepancy with his papers, **“you are Nigerian. We all know that Nigerians are scammers!!”**. He was angered by this and engaged in a heated argument with the person who claimed that they were merely stating a “fact” based on research and “common knowledge”. The Nigerian

business owner contacted my office to report the incident, but since there were no witnesses or any other corroborative information/evidence, no action was taken.

This was and is not an isolated incident. Many PAD people have talked about similar experiences in their daily lives, all hinting at a form of **racial skepticism** if not outright racism! Due to this, many PAD people do not seek to pursue careers in business in the region and just decide to go back home or leave the region to other more “accepting/tolerant” countries (within the EU and further afield).

Access, Opportunities and Types of businesses

Despite the existence of a plethora of programmes aimed at assisting small businesses in the region, many PAD led economic (and otherwise) initiatives are not eligible for them. This is mainly because of their individual status in the country (as non-citizens) as well as the issues I have presented earlier above. **Consequently, many PAD entrepreneurs do not independently possess the capital to start a company or any other economic enterprise and will not qualify for any state assistance** (such as the emergency assistance fund set up by governments in the region to help small businesses cope with the impact(s) of the COVID19 pandemic). This has seen PAD led businesses concentrate in the hospitality sphere, opening up “African restaurants” that have a short life-span and fold very quickly due to a weak customer base (transient African students who come to the region for a short, limited amount of time) and little scope for diversification or consolidation.

Addressing the Diversity Equity and Inclusion (DEI) conundrum

Much of what I have presented here represents what is happening at the micro level. However, deeper analysis of the macro level also provides insights into the challenges and the barriers faced by PAD communities in the region. The majority of these people of African descent originally came to the region as students. On completion of their studies, some have moved on to seek their ambitions elsewhere and those who have stayed have faced frustrations finding employment that is commensurate with their experience and qualifications. **Whilst there are a number of policies in place to ensure diversity, equality and inclusion, these seldom apply to PAD professionals and are often exclusionary in their application and enforcement.** Application of these policies do not take into account race or

nationality and focus on other elements of the DEI spectrum (gender, sexual orientation, age and disability). So, while governments in the region can present these policies as signs of “progress” and greater inclusivity, *prima facie*, in reality, we can see that with the continued exclusion of people of African descent in the marketplace, that it is selective inclusivity and that more work needs to be done to ensure proper participation and representation.

What needs to be done

In conclusion, it is my hope that this short intervention has provided relevant insights about the nature of the struggles and challenges faced by PAD communities accessing the marketplace in the CEE region. These challenges compel us all to seek robust and innovative solutions aimed at addressing these issues. Having statutes on the books that proclaim to address discrimination, inequality, access and participation is not enough. We need to have stronger enforcement and assessment of these policies to ensure that they meet the needs of PAD communities and not merely a façade that pays lip service to these communities. For example, **PAD specific initiatives such as small business loans for PAD entrepreneurs, positive action employment and onboarding programmes, grants for addressing bureaucratic procedures and other ancillary costs for PAD business owners; proper policing and support for PAD public businesses and communities from local law enforcement agencies.** These are a few examples of progressive steps and procedures that could be employed to ensure the full engagement and participation of PAD communities in the CEE region.

Thank you.