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Innovative Investment and Trade in Sub-Saharan Africa: Opportunities and Barriers for State  
Governments in a Disruptive Global Environment

by

Nkiruka Catherine Ohaegbu

A Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree

Of

Doctor of Business Administration

In the Robinson College of Business

Of

Georgia State University

GEORGIA STATE UNIVERSITY  
ROBINSON COLLEGE OF BUSINESS

2022

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2022

## ACCEPTANCE

This dissertation was prepared under the direction of *NKIRUKA OHAEGBU'S* Dissertation Committee. It has been approved and accepted by all members of that committee, and it has been accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy in Business Administration in the J. Mack Robinson College of Business of Georgia State University.

Richard Phillips, Dean

## DISSERTATION COMMITTEE

*Dr. Wesley Johnston (Chair)*

*Dr. S. Tamer Cavusgil*

*Dr. Kofi Dadzie*

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A dream delayed is not a dream denied. I was not sure if I would ever make it to this point, but I am so grateful to God for giving me the strength and support to complete this program. I thank Him every day for a praying mother, Josephine Uwazurike, who has been my biggest cheerleader even when I felt hopeless and lost motivation. I am grateful for my ever-patient husband, Chinedu Ohaegbu, who truly lived by our vows of in sickness and in health. I know this was not easy for you, but I appreciate you taking on the bulk as I stubbornly pursued this goal. To my children, Arinze and Adaeze, I know it was hard to understand why Mommy was always so busy, but I love you and I hope one day you will understand. Thank you to my baby sister, Nkechi Hood, for always reassuring me. For the spirit of my late father, Dr. Kevin Uwazurike, who encouraged me while he was alive to pursue a doctorate. In the dedication page of his dissertation, he quoted the words of Daniel Burnham that his father, Mazi Francis Uwazurike, shared with him as a youth, and that I found to be motivational: "Make no little plans, they have no magic to stir men's blood". My father said he was trying. I am trying too, Daddy.

This was in no way an easy journey for me, and I did not do it alone. Thank you to my amazing teammates, Akinwande Ademosu and Leroy Carson. As they say, iron sharpens iron, and this journey would not have been the same without you. Thank you for keeping us all accountable and making sure we crossed the finish line together. To my classmates, this journey has been transformative, and I am happy we did it together. To my chair, Dr. Wesley Johnston, thank you so much for your mentorship and supervision through these years and helping us to navigate the academic world. Thank you to my committee members, Dr. Tamer Cavusgil and Dr. Kofi Dadzie for your expertise and direction. Dr. Lars Mathiassen and Dr. Lou Grabowski, I am forever grateful for your guidance and support. Thank you to all the DBA professors and administrators,

to my family, friends, mentors, community members, all who participated in my research projects, all poured into me, gave me words of encouragement, and helped me get to this point. I will never forget what was done for me and will pay it forward a hundredfold. Onward and upwards!

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## ABSTRACT

Innovative Investment and Trade in Sub-Saharan Africa: Opportunities and Barriers for State Governments in a Disruptive Global Environment

By

Nkiruka Catherine Ohaegbu

April 2022

Committee Chair: *Dr. Wesley Johnston*

Major Academic Unit: *Doctor of Business Administration*

The objective of this qualitative study is to examine the process of global expansion to emerging markets within Sub-Saharan Africa with diverse cultures, economies, risks, and dealing with the unknown. Decision-makers with the State of California lack information about investment opportunities and risks in Sub-Saharan Africa. The area of concern is the process of global expansion to emerging markets within Sub-Saharan Africa with diverse cultures, economies, risks, and dealing with the unknown. Lessons learned can be applied and replicated by other states interested in promoting trade and investment in Sub-Saharan Africa in addition to other emerging markets. Policymakers, government agencies, and entrepreneurs will be better

equipped with the results of this study to adopt policy changes that will increase business investments within the two regions and employ the study for developmental actions. I also expected that this methodology will enrich the literature. This may in turn lead to a recommendation of future explorative research work for the broader frontier of knowledge.

*Keywords:* Trade, Investment, Opportunities, Africa, California

# I. INTRODUCTION

## I.1 Background

The objective of the paper is to examine the process of global expansion for the State of California to emerging markets within Sub-Saharan Africa with diverse cultures, economies, risks, and dealing with the unknown.

Currently, the State of California does not have a foot in the game of trade and economic development with Africa. Prior to the pandemic, the State of California expanded international trade and foreign direct investments to various regions around the world including South America, Europe, and Asia. However, Sub-Saharan Africa was not prioritized in the state's international affairs strategy. This is a missed opportunity especially since other countries, namely China, are increasingly expanding trade and investment in Sub-Saharan Africa. It is unclear if there still exists a misconception regarding the economic potentials on the African continent. This is a problem for Californian companies or entrepreneurs who would like to venture into the Sub-Saharan African market but lack the resources from the state government to take the next step.

**Table 1. Matthiessen (2017)**

<b>Component</b>	<b>Specification</b>
<b>Problem Setting (P):</b>	The State of California has investments in many regions of the world, however decision makers with the State lack information about trade and investment opportunities in Sub-Saharan Africa.
<b>Area of Concern (A):</b>	Government-enabled engagement in emerging markets within Sub-Saharan Africa with diverse cultures, economies, risks, and dealing with the unknown.
<b>Theoretical Framing (F):</b>	Ambidexterity Theory
<b>Method (M):</b>	Qualitative case study exploring how to support more robust two-way exchange on environmental protection, education, and tourism in order to understand best practices, market needs, and trends. Secondary data will be collected from tools such as RCII to support country choice of entry.
<b>Research Question (RQ):</b>	How and why should decision makers for the State of California promote trade and investment with Sub-Saharan African businesses in a disruptive global environment for a mutually beneficial partnership?
<b>Contributions (C):</b>	Lessons learned can be applied and replicated by other states interested in promoting trade and investment in Sub-Saharan Africa in addition to other emerging markets. Policy makers, government agencies, and entrepreneurs will be better equipped with the results of this study to adopted policy changes that will increase business investments within the two regions and employ the study for developmental actions.

## I.2 Problem

The problem I intend to address with this study is that decision makers with the State of California lack information about trade and investment opportunities in Sub-Saharan Africa. In addition, the global pandemic has further halted the states global initiatives. The area of concern (A) is the process of global expansion to emerging markets within Sub-Saharan Africa with diverse cultures, economies, risks, and dealing with the unknown.

Currently, California’s Governor’s Office of Business and Economic Development has trade and investment agreements with China, Mexico, and Armenia. With China, the state of California created the China Trade and Investment Network that enables businesses in both regions to share “resources and contacts, working together on trade shows and missions, and cooperating on business development.” (Governor’s Office of Business and Economic Development, 2021). In Mexico and Armenia, trade and services desks were established to promote trade and investment between businesses in the regions and California.

***Table 2: 2021 Trade Flows between California and Africa***

<b>Exports</b>	<b>Imports</b>
\$1,233	\$3,605
<i>(In USD Millions) – Source: trade.gov</i>	

Table 2 shows the trade flows between the state of California and Africa. California exported \$1,233 million in merchandise from Africa in 2021 and imported \$3,605 million.

### **I.3 Purpose Statement**

The purpose of this qualitative case study is to explore how the state of California can create global ties with Sub-Saharan Africa through trade and investment for mutual benefit. I became interested in this area when I previously worked as staff for the former governor on trade missions to China and Mexico six years ago. After a personal visit to Nigeria and observing many people from China conducting businesses away from the popular major cities, inquiries were made regarding the apparent changes in trade and development. Local residents shared that China was investing heavily in Nigeria, however, I wondered why an American presence was lacking. At the time, there seemed to be no interest in forming similar agreements between California and Sub-Saharan African countries. Personal assumptions arose that this could be due to lack of data and awareness of business opportunities in the region. In late 2019, a meeting with staff from the California's Governor's Office of Business and Economic Development at the Annual Pan African Trade and Investment Conference confirmed that the State had not considered expanding to Africa at the time and lacked data, thus creating an opportunity to conduct research in this area and share it with the state government.

### **I.4 Research Questions**

Africa is full of economic opportunity and innovative businesses in California can meet many of the needs of this growing segment. Some areas identified for opportunity highlighted by the Brookings Institute include Africa's fast growing and urbanizing population; the industrial revolution taking place on the continent; the desire to close the infrastructure gap; agriculture and natural resource innovation; and increasing digital and mobile access (Leke, A and Signé L.,

2019). As the home of Silicon Valley and the agricultural capitol of America, California has a lot that could be shared with African countries looking to innovate.

However, scholars in these fields have not yet adequately address how and why a subnational like the state of California should promote trade and investment with Sub-Saharan African businesses. In my attempt to seek information in this area, I found that there was a lack of data available, creating a gap in knowledge. To fill this gap, I will seek to answer the following research question: how and why should decision makers for the State of California promote trade and investment with Sub-Saharan African businesses in a disruptive global environment for a mutually beneficial partnership?

## **I.5 Conceptual/Theoretical Framework**

The lens through which I will be viewing my research is with Ambidexterity Theory. Ambidextrous organization is the best framework for conceptual framing because exploring new avenues while maintaining current policy directions would require the state of California to simultaneously pursue both incremental and discontinuous innovation. Expanding trade and investment in Sub-Saharan Africa would require the state of California to balance between exploitation and exploration to be adaptable and creative while relying on proven methods of business.

## **I.6 Nature of the Study**

To accomplish the purpose of this study, I will seek to answer the research questions by conducting a qualitative case study exploring how to support more robust two-way exchange on environmental protection, education, and tourism in order to understand best practices, market needs, and trends. Primary data will be collected through interviews with state officials, California based businesses looking for expansion into Sub-Saharan Africa, chambers of commerce, and if possible, African embassies. Secondary data will be collected from tools such as Robinson Country Intelligence Index (RCII) to support country choice of entry.

## **I.7 Summary**

Lessons learned can be applied and replicated by other states interested in promoting trade and investment in Sub-Saharan Africa in addition to other emerging markets. Policy makers, government agencies, and entrepreneurs will be better equipped with the results of this study to adopted policy changes that will increase business investments within the two regions and employ the study for developmental actions. I also expected that this methodology will enrich literature. This may in-turn lead to recommendation of future explorative research work for broader frontier of knowledge.

## **II. LITERATURE REVIEW**

### **II.1 Introduction**

The State of California lacking information about trade and investment opportunities in Sub-Saharan Africa means creates challenges and prospects for further research. While this area is still developing, the limited amount of relevant literature provides guidance in order to explore how and why the state of California can create global ties with Sub-Saharan Africa through trade and investment for mutual benefit. The literature review focuses on the struggles with diverse cultures, economies, risks, opportunities, and dealing with the unknown.

### **II.2 Literature Search Strategy**

In my initial review of literature, I conducted searched to see if existing research was available regarding California trade and investment in Africa through EBCSO and JSTOR. I was unsuccessful identifying existing research in this area. Next, I tried broadening the scope to look at US subnational trade and investment with Africa. Again, I did not find exactly what I was articles pertaining to my topic. When I broadened my search to include the terms “subnational” and “California”, I found articles discussing California’s work on climate change agreements with several countries. This led me to consider adding an additional layer to this research: how to tie in California’s climate change goals with global business expansion to Africa.

California’s top export is zero emission vehicles (Governor’s Office of Business and Economic Development, 2021). With the states climate change goal of reducing greenhouse

gasses and decarbonization, the Governor’s Office of Business and Economic Development has incentivized local governments to increase electric charging stations throughout the state to support zero emission vehicles. From my firsthand account through visiting Nigeria, pollution and an inefficient electric grid leading to the increased use of fuel powered generators are major contributors of carbon emissions. I see an opportunity to mutually benefit California by supporting their goal to reduce carbon emission worldwide and certain African countries by finding a solution to their problem with unreliable electric grid and pollution. I want to determine how to create mutually beneficial ties with California and Africa through trade and investment by focusing on clean energy solutions, but the most important element would be determining information that would be valuable to California businesses looking to partner with the state in this endeavor.

When continuing my review, I looked for literature that focused on entering emerging markets in Africa. The themes that emerged from the literature review centered around the struggles with diverse cultures, economies, risks, opportunities, and dealing with the unknown.

<b>Table 3. Perspectives in Trade with Africa</b>		
<b>Perspective</b>	<b>Themes in Literature</b>	<b>Reference</b>
<b>Opportunities</b>	Consumer preference for foreign goods in African markets.	Okechuku & Onyemah (1999), Czinkota & Ronkainen (1997), (Cairó-i-Céspedes & Colom-Jaén (2014)

<b>Risks</b>	Struggles with diverse cultures, economies, risks, and dealing with the unknown. Political risk limits.	Click (2005), Cosset & Suret (1995)
<b>Adaptation</b>	Business is perceived differently. Difficulty of adjusting to the African market.	Fadahunsi & Rosa (2002), Taki-Asiedu (1993)
<b>Standardization</b>	Regional differences within a county and how the unevenness effected trade	Courant & Deardorff, (1992)

Most of the articles seem to benefit only the entrant into the market. While one study takes into consideration the consumers in Nigeria (Okechuku & Onyemah 1999), the other articles did not look at how the entrant into the market and the Sub-Saharan African country could benefit. Where I can contribute to this area of study is to show how and why engaging in business with Sub-Saharan Africa can be beneficial for the state of California. Ideally, an engagement that is mutually beneficial to both regions.

**II.3 Opportunities**

The literature streams that I will position my work in is the risk of encouraging investment in Sub-Saharan Africa, the opportunities for Californian businesses through government led engagement, and the difficulty in adjusting to African markets coming from the western world. These literature streams were chosen based off the themes that were seen in

previous studies. While one study looked at the likelihood of changes in the international business environment over the next decade (Czinkota & Ronkainen, 1997), it was conducted prior to the widespread use of modern technology such as mobile phones and the internet. Modern technology has opened the global market and has changed business around the world. This research will be more updated than previous research and consider the impact of modern technology and how the results from this research may differ extensively from the past.

Although, articles were lacking on subnational or state-level trade and investment within Sub-Saharan Africa, understanding what has led to success at the national level could prove to be beneficial to state governments. Many articles highlighted the opportunities Chinese businesses have found in doing business in Sub-Saharan Africa. One article that highlighted the benefits of BRIC countries, specifically India, investing in Senegal which led to a “win-win partnership” (Cairó-i-Céspedes & Colom-Jaén, 2014).

## **II.4 Risk**

One of the themes that emerged is that researchers looked at the risk of entering a market. One study examined the risk of US direct foreign investments from 1982–98 (Click, 2005). Another study looked at the effects of political risk limits on the performance of international stock portfolios (Cosset & Suret, 1995). While many of those risks may exist today, a lot has changed in the world over the past 22 year, specifically the widespread use of the internet. More information is available to both Californian businesses and Sub-Saharan African consumers that some of the initial risks calculated in the studies may no longer be relevant. The take-away on what is known and not known with respect to my problem and research question is that looking

at the risk as a theme is particularly important in assessing the entrance into a market. Initially, I wanted to focus mostly on the benefits, however the risks are especially relevant.

## **II.5 Adaptation & Standardization**

Another theme that emerged is the difficulty of adjusting to the African market and how business is perceived differently than in the West. One study looked at the commonality of parallel illegal markets in cross border trade (Fadahunsi & Rosa, 2002). This theme points to the differences in African markets compared to western, such as Europe and South American where California currently has trade agreements. Another study looked at culture and how it inhibited federal government intervention for entrepreneurial development in Sub-Saharan Africa (Taki-Asiedu, 1993). Lastly, another study looked at the regional differences within a county and how the unevenness effected trade (Courant & Deardorff, 1992). With respect to my problem and research question, the process of duplication of entry into a Sub-Saharan markets may not be as simple as initially thought, even with the widespread use of technology. However, since the most recent study is from 2002, I believe there is still a gap, and it would be beneficial to determine if time and technology has changed the way business is conducted in this region.

## **II.3 Summary**

International entrepreneurship research in emerging economies “has a limited presence in premier journals, is highly skewed in its geographic coverage, and is somewhat fragmented.” (Kissa, Danis, & Cavusgil, 2012). This is particularly true for Sub-Saharan Africa. The gap in scholarly understanding is if the benefits outweigh the for the state of California to encourage

businesses to invest in Sub-Saharan Africa and if technology has changed the African environment that was previously studied.

To fill the gap, first it will have to be ascertained if recent data already exists to support the state of California moving forward to establish mutually beneficial economic ties with Sub-Saharan African countries. To solve this problem, data could be gathered from other US states that have formed economic ties with Sub-Saharan African countries and see if it can be applicable to the State of California.

After concluding my initial literature review, I can now narrow my research to answer the following question: How and why should decision makers for the State of California promote trade and investment with Sub-Saharan African businesses in a disruptive global environment for a mutually beneficial partnership? To attempt to answer this question, I will study existing business collaborations between the State of California and other emerging markets to understand how they are organized and what drives them with the objective of applying the lessons learned to serve as a platform for engaging opportunities in Sub-Saharan Africa. In addition, I will use peer reviewed academic journals to supplement the practical findings with scholarly work. The published material will be used to help answer my research question by evaluating what has already been studied with entry into emerging markets of Sub-Saharan Africa. Using what was found in the literature to formulate the questions, interviews will be conducted with decision makers at the State of California, trade organizations, and businesses engaged in trade and investment in other emerging markets where California has trade agreements (China, Mexico, Armenia). If possible, I plan to interview Sub-Saharan African businesses or academics interested in partnering with the State of California and states with

established trade offices with Sub-Saharan Africa. This will depend upon if the correct subjects can be identified.

I believe that China is already seeing the opportunities available and has aggressively expanded into Sub-Saharan Africa. My desire is for the State of California to see the opportunities too and create the ties that will mutually benefit both regions. Both California and Africa have much to offer and finding out how decision makers can promote trade and investment would be a win-win for all.

### **III. RESEARCH METHOD**

#### **III.1 Introduction:**

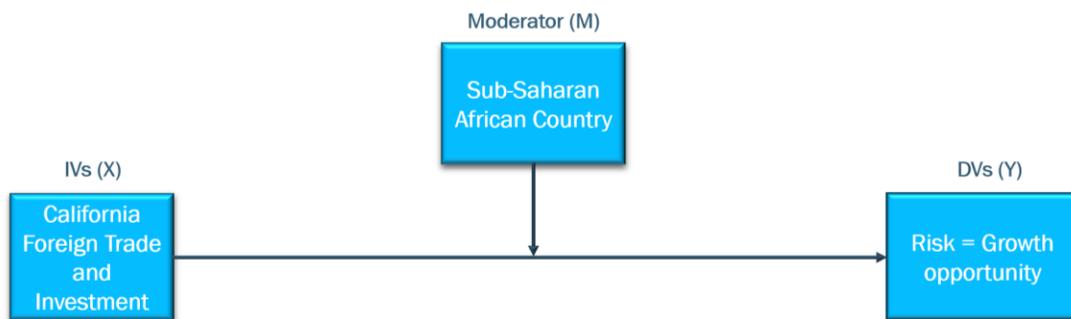
The problem faced is that decision makers with the State of California lack information about investment opportunities and risks in Sub-Saharan Africa. In addition, the global pandemic has further halted the states global initiatives. A Grounded Theory Research was employed to determine how and why decision makers for the State of California should promote trade and investment with Sub-Saharan African businesses in a disruptive global environment for a mutually beneficial partnership. The objective was to study existing business collaborations between the State of California and other emerging markets to understand how they are organized and what drives them in order to apply lessons learned to serve as a platform for engaging opportunities in Sub-Saharan Africa. Primary data was be collected through interviews with state officials, California based businesses either looking for expansion into Sub-Saharan Africa or with an existing presence, chambers of commerce, and an African embassy. Secondary data was collected from the Robinson Country Intelligence Index (RCII) to support country choice of entry.

#### **III.2 Research method and design**

After conducting a literature review, the themes that emerged included opportunities, risks, adaptation, and standardization. To understand why the state of California should engage in trade and investment with a particular country in Sub-Saharan African, the following model in

Figure 1 was utilized to accomplish the purpose of this study. The independent variable will be California operating in trade and investment.

**Figure 1 – Study Model**



Variables to control for: Population, Wage Rate, Per Capita Income, Level of Education, Local Culture

The moderator will be the Sub-Saharan African Country. This will be compared to other countries the state of California currently participated in trade and investment. The dependent variable will be the risk as measured by growth opportunity within the country. The variables to control for include population, wage rate, per capita income, level of education and local culture. Primary data will be collected through interviews with state officials, California based businesses looking for expansion into Sub-Saharan Africa, chambers of commerce, and if possible, African embassies. Multiple interview guides will be used depending on the category of the participant. Secondary data will be collected from tools such as Robinson Country Intelligence Index (RCII) to support country choice of entry.

Part of this study looked at the ways the state of California promotes investments in Europe, Asia, and South America and explore if those efforts can be replicated in Sub-Saharan Africa. While the markets in Europe, Asia, and South America vary drastically than in Sub-Saharan Africa, establishing diplomatic ties and forming local networks could be a starting point to entering the market. Lack of data to support expansion within this market has delayed the state of California from moving forward to establish mutually beneficial economic ties with Sub-Saharan African countries. The state currently has trade relations in Europe, Asia, and South America, recently opening trade offices in China, Mexico, and Armenia and have formed bilateral agreements with many in those continents. Exploring the feasibility could lay a groundwork for duplicating efforts in Sub-Saharan Africa. If data and demand existed that the state found to be beneficial then it could be used to justify opening a similar trade office in Sub-Saharan African cities. The markets must first be studied to see if they are similar, with similar barriers and opportunities. In addition, data would have to be gathered from other US states that have formed economic ties with Sub-Saharan African countries to see if it can be applicable to the state of California.

### **III.2.1 Research Propositions**

The following propositions are:

1. Businesses that benefitted from state government intervention programs have a better chance of success with trade and investment in Sub-Saharan Africa.

2. Government funded intervention programs have different implication in different countries, vary based on the country differences in sources of funding, education level, population, ease of doing business, local regulations.
3. Opportunity for growth and benefits outweigh the risk of entering emerging markets in Sub-Saharan Africa.
4. Successful strategies employed to establish economic ties in other countries will help aid in market entry into Sub-Saharan Africa.
5. Lessons learned from other states will be useful in developing an entry strategy into Sub-Saharan Africa.

### **III.3 Population**

Interviews were conducted with trade organizations, and businesses engaged in trade and investment in other emerging markets where California has trade agreements (China, Mexico, Armenia), Sub-Saharan African businesses, African embassies interested in partnering with the State of California, and academics. Decision makers at the State of California were contacted and provided questions to respond to. Although they agreed to participate, the responses were not received in time. However, they will be added to this study at a later date.

#### **III.3.1 State of California Decision Makers**

The mission of the Governor's Office of Business and Economic Development is to serve as the states leader in job growth and economic development. Within the Governor's Office of

Business and Economic Development is the International Trade and Investment unit. The deputy director of international affairs and trade was an ideal candidate to interview for this study. She manages the day-to-day operations of the unit and oversees the work of the trade and investment representatives, special advisors, and foreign direct investment specialist. The deputy director would have historical knowledge of established trade agreements, existing business collaborations between the State of California and other emerging markets, how are they organized, what drives them, and best practices from engagement with other counties. The lessons learned that could serve as a platform for engaging with these new emerging market opportunities.

### **III.3.2 California Stakeholders: Businesses, Chambers, Academics**

According to the Governor's Office of Business and Economic development's website ([www.business.ca.gov](http://www.business.ca.gov)), the state "handles over \$580 billion in exports and imports". Gleaning insight from those businesses already engaged would be useful. The next population interviewed is approximately 10 identified California based businesses. The characteristics of the businesses are either those already partnered with the State of California in international trade and investment or businesses desiring to engage in international trade and investment with Sub-Saharan Africa. The study data was derived from an empirical investigation of 12 stakeholders who meet the following selection criteria:

- Scale of operation: Small/medium-sized business, large business
- Market area/community: Operating within the state of California
- Branches / Fewer locations: Limitless

- Ownership: Sole or partnership, more than 51% owned, large corporation
- Business sector: Agriculture, Energy, Manufacturing, Nonprofit, Professional Services
- Years in operation: more than 2 years

In addition, business networks such as California based chambers of commerce were engaged for interviews. These business networks work closely with businesses within the state and provided greater understanding into the needs and success of businesses engaged in or desiring to engage in international trade and investment.

### **III.3.3 Sub-Saharan Business and Embassy**

Sub-Saharan African business owner and embassy representative were interviewed to provide an on the ground perspective. The business owner and embassy representative participated in the interview within the United States. Through those interviews, inquiries were made regarding Sub-Saharan Businesses with a presence within the United States and connections with them with the goal of interviewing those businesses for this study. The perspective of the Sub-Saharan business owner and embassy representative added a robust layer to this study by directly identifying the needs in their country of representation.

## **III.4 Procedures for recruitment and data collection**

### **III.4.1 Recruitment of Research Participants**

Primary data was collected from 12 California based businesses, representative, trade organizations, academics, and sub-Saharan African embassies/businesses. The interview protocol

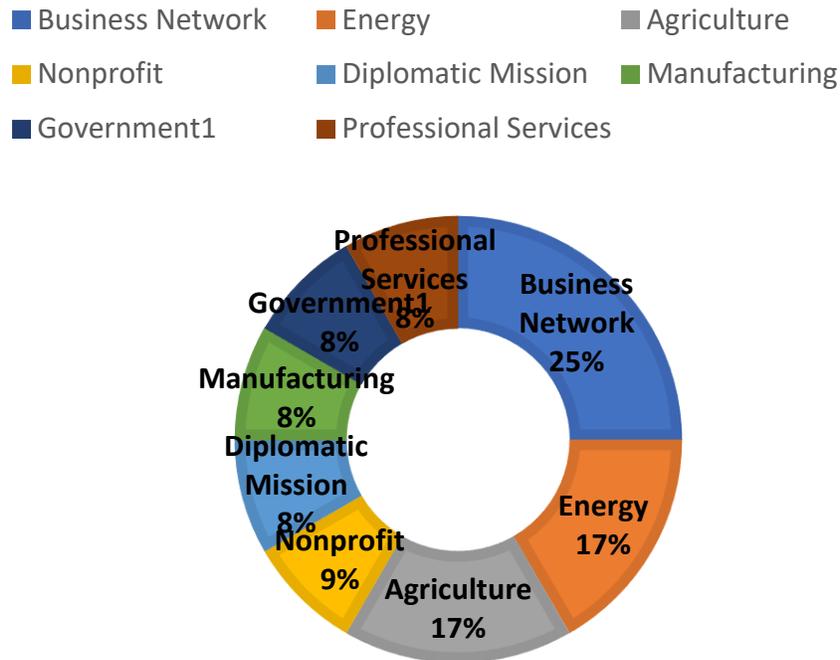
was designed in a semi-structures style. The participants were recruited via a mixture of personal contacts (with the state and trade organizations) and businesses identified by the state of California as those already engaging in or desiring to enter the international market. Multiple interview guides were utilized to capture the perspectives of the different groups of people.

Table 4 provides a general overview of the participants in the study. All names were changed for the participants to remain anonymous, and they are identified by industry and if they are California based.

***Table 4: Research Participants***

<b>Participant Pseudonyms</b>	<b>Industry</b>	<b>CA Based</b>
Amira	Business Network	Y
Barbara	Business Network	Y
Charles	Academia/Nonprofit	Y
Debora	Agriculture	Y
Ed	Business Network	Y
Farai	Diplomatic Mission	N
Grace	Manufacturing	Y
Harry	Government	Y
Ibrahim	Agriculture	Y
Jamil	Energy	Y
Kevin	Professional Services	N
Lawrence	Energy	Y

*Figure 2: Industry*



The many of the participants in the study have been heavily engaged in matters relating to trade and investment with the Sub-Saharan Africa. When asked for recommendations on who to interview, many of the same names were repeated on this list as experts in this subject. They include professors, executives at chambers of commerce, business owners, a former government employee, and a senior vice president.

### **III.4.2 Interview Process**

The Student Principal Investigator conducted all interviews for this study after obtaining Institutional Review Board (IRB) approval. Each interview was scheduled for 30 to 45 minutes, allowing flexibility to obtain relevant information for the study. Due to safety concerns and geographic variables, all interviews were conducted via Zoom. Each interview participant was

given an informed consent form to review and sign prior to interview (Appendix B). All interviews were digitally recorded with a video, audio, and a closed caption transcript file for transcription and coding. The interviews were scheduled at the convenience of the participant, who freely volunteered their time, to allow for a risk-free and comfortable environment. A semi-structured interview model was adopted to ensure consistency of information, allowing flexibility to obtain relevant information for the study.

### III.5 Data Collection

An interview protocol (Appendix C) was followed where the questions were based off the themes found in the literature allowing the participants to share in a semi-structured model. The interview was broken up into four sections: general inquiry, location – country experience/expectation, state intervention programs & business performance measurement, and a final wrap up section. Table 5 provides a general overview of how each section was divided during the interview.

*Table 5: Interview Questions by Section*

<b>General Inquiry</b>	<b>Location – Country</b>	<b>State Intervention</b>	<b>Wrap Up</b>
Business/Background	Factors Considered	Awareness	Suggestions for improvement
International Presence	Ease of doing business	Impact on business	
Presence in Africa	Years to establish	Why Africa	General advice
Fed Program Participant	How challenging	How to do it	Anything to share
	Advantages/Disadvantages	Impact on success	
	Country condition impact	Measure of success	

The general inquiry section was an opportunity for each participant to introduce themselves, share their background, international experience, experience with Sub-Saharan Africa, and participation in any federal programs if applicable. The location – country experience/expectation focused on motivation for country selection or interest if applicable or factors for consideration when expanding into Sub-Saharan Africa, ease of doing business, years to establish business in chosen country if applicable, how, and why the process of expanding is challenging, the advantages or disadvantages operating in a chosen country compared to other countries, and the impact of country conditions on success. The third section that focused on state intervention programs & business performance measurement where participants were asked about their awareness of or participation in Sub-Saharan African-focused state level intervention programs, how they perceive such a program would impact their business (or any business interested in Africa), thoughts on why and how the state of California should invest in trade and investment with Sub-Saharan Africa, which government intervention programs would contribute to success in Africa, and how they measure success in relation to expansion in Sub-Saharan Africa. The final wrap up section was designed to solicit feedback from the participant if there were any gaps that may have been apparent in the design of this interview. The participants were asked for their suggestions on what the state government can do to improve trade and investment for California businesses in Sub-Saharan Africa through their intervention programs, any general advice on our study, like how we make it better, and anything else they would like to share since they are the main stakeholders in this area.

Secondary data was collected through the Robinson College Intelligence Index and publicly available data from the International Trade Centre and the World Bank.

### III.6 Data Analysis

A qualitative technique was used for analyzing the data collected. Approximately nine hours of interviews were recorded from 12 interviews. Each interview was transcribed through Zoom’s closed caption transcription software. Due to the lack of sophistication of the transcription software provided by Zoom, the transcripts had numerous errors since the software could not identify the varying accents of the participants. Trint transcription software was also attempted, however, that proved to be futile, resulting in all the transcripts to then be manually corrected in Microsoft Word. The responses were compiled by question as previously shown in Table 4 into an Excel worksheet then uploaded into NVIVO Software for analysis.

Auto coding was utilized to extract the coding themes and sentiments. Table 6 shows the themes that were extracted from the data.

*Table 6: Data Themes*

Business	State	Exchange	Local
Trade	Program	Relationship	Missions
Company	People	Project	Sector
Investment	Countries	Level	Little Bit
Market	Area	Things	Opportunity

Each theme expanded into subthemes to provide a greater understanding of the data gathered.

Figure 3: NVivo Word Cloud



An NVivo Word Cloud was generated to identify the common topic between the responses. Business, Africa, State, California, development, government, and people were the top responses.

### **III.7 Assumptions**

Policy makers, government agencies, and entrepreneurs will be better equipped with the results of this study to adopt policy changes that will increase business investments within the two regions and employ the study for developmental actions.

### **III.8 Ethical Considerations**

I complied with ethical standards while conducting this study by following the rules established by IRB. Before the interviews commence, an application was submitted to IRB for approval. Once approval was obtained, an informed consent was provided to each participant to review and sign. Each participants data and digital image was securely preserved to protect their privacy.

### **III.9 Summary**

Once I have completed my qualitative study, I will present the results of the data analysis based on theoretical framing of ambidextrous organization to help answer my research question of what are the barriers for the state of California to promote innovative investment opportunities in Sub-Saharan Africa in a disruptive global environment for mutual benefit?

My desired result is that there is trivial difference in investing in Sub-Saharan African countries compared to other countries that the state of California already has trade relationships with. I hope that my research will prove to the state of California that a big opportunity is being

missed and it is time to play catch up with the rest of the world. Establishing diplomatic ties and encouraging trade and investment can be mutually beneficial to both regions. Many Californian businesses could benefit from expanding trade into the Sub-Saharan African region as many Chinese companies are currently seeing and reaping the benefits of trade.

What will be investigated empirically is whether the data shows what kind of barriers the state of California will have in entering the Sub-Saharan African market and comparing it to the barriers to enter the European, Asian, and South American markets. If the data shows that the barriers are similar, then it may be possible for the state to duplicate efforts in Sub-Saharan Africa that have been proven to be successful in Europe, Asia, and South America. If the data shows, they are different then a different approach will have to be taken and more research on entering the market will have to occur.

## IV. FINDINGS

In the past, most looked at quantitative data and secondary data. This study is different because of the focus on qualitative data, talking to people on the ground, looking past the numbers to understand why and how.

### IV.1 Experience with Sub-Saharan Africa

Table 7 shows the Sub-Saharan African Country selected by each participant for their business operation.

*Table 7: Country Selection*

<b>Participant Pseudonyms</b>	<b>Industry</b>	<b>African Country</b>
Amira	Business Network	n/a
Barbara	Business Network	n/a
Charles	Academia/Nonprofit	Nigeria
Debora	Agriculture	Ethiopia
Ed	Business Network	n/a
Farai	Diplomatic Mission	South Africa
Grace	Manufacturing	Nigeria
Harry	Government	n/a
Ibrahim	Agriculture	Nigeria, Ghana, Sierra Leone, Cote d'Ivoire, Zambia, South Africa. Kenya, Ethiopia
Jamil	Energy	Namibia

Kevin	Professional Services	South Africa
Lawrence	Energy	n/a

All of the participants for the interview stated that they either had experience running a business in Sub-Saharan Africa or have worked within the continent in other ways. Amira, Barbara, and Ed through their business networks, and Harry and Lawrence through government affiliation. At the federal level, only 2 stated that that they sought federal intervention programs. Those programs were through the Small Business Administration and the EXIM Bank,

## **IV.2 Country-Level Experience/Expectation**

### **IV.2.1 Motivation for country selection**

The majority of the respondents chose the country of operation because it was their country of origin and existing ties.

“Well, originally, we are from Nigeria, and we felt that establishing in that area would be an opportunity to give back to the community. That was the first thing we wanted to be able to offer opportunity for the young ones to have a climate to provide the services that was needed. .... So for us, establishing in Nigeria first would determine how far we could take the business if we succeeded in Nigeria, because we had a little bit of contacts in Nigeria... So it was critical for us to start somewhere where we had a little bit of resources already in existence.” (Grace)

One respondent used his country of origin to establish before expanding operations throughout the continent.

“I originally started doing business in Nigeria. From Nigeria, expanded to Ghana, to Sierra Leone, to Ivory Coast, Cote d'Ivoire. I was limiting myself just to the West African region. Right after we started to continue to improve then we expand to other African nations. So I do business in Zambia. I do business in South Africa. Kenya, Ethiopia for now.” (Ibrahim)

Country familiarity provided an advantage for the participants who selected it as their country of choice.

#### **IV.2.2 Factors for consideration**

Although Jamil is not from Namibia, he chose it along with other European and Asian countries for expansion for his energy business. As the only business owner covering regions that have established trade and investment with the state of California, he shared some factors that businesses should consider when expanding into Sub Saharan Africa.

“They should consider the fact that business is done differently, so business culture is different. It's not necessarily contracts on the same approach to business development sales. A lot of it is relationship-based. And then there is a different relationship with time. The value of time is not the same around the world. While the U.S. and American mindset is time is money, in Africa. time is time, and then it will take the time that it takes to do something. So patience then becomes a big factor. That means you have to have patient capital. You had to have patient decision making. So you have to structure yourself for and change the expectation of how quickly things will get done. Third

financing is always an issue something to consider. If you're doing big projects, African territories tend to be perceived by international finance years as high-risk territories. so anything that you do will have an expensive complex by listening structure. To it. Third, the importance of relationships got to be there. You got spend time. you kind of really know the terrain. This is not off the shell cells. These are really people to people relationships that are really driving this. So it's important to establish those for the opportunities and potential is massive. But you've got to know you just have to be patient with the barriers until you get through them.” (Jamil)

An understanding of the cultural and how to navigate seems to be an important factor to consider. Kevin who owns a professional services business in South Africa offered these factors to consider.

“The first thing is, is there infrastructure, good infrastructure, meaning roads and electricity. If you don't have electricity, they don't have good roads, it makes a big difference. After that, I would say probably you’re looking at the quality of the workforce. How educated people are. Is there a reasonable level of education? Other universities? South Africa has many universities and international quality universities so you can get trained. People are fairly well-trained people here.” (Kevin)

Going a different direction, I asked a participant whose company did not have a presence in Sub-Saharan Africa to understand the concerns and what factors his company would need to consider.

“I guess the factors of Sub-Saharan Africa that would need to be considered would be...what's the political climate like? What are the democratic institutions? How solid are

they? How mature are the regulatory processes? Is there is there the likelihood of political instability in the future? What's the partnership with the government going to look like, and what's it going to be like? Those are the types of considerations I would think would be really important for businesses looking to do business and social there in Africa. and then, like what are the business opportunities? From my industry particularly I'm guessing that you know there are some significant opportunities in energy development, and there are significant opportunities for building of power plants.” (Lawrence)

Culture, building relationships, infrastructure, and the political climate all are all factors for businesses to consider before expanding into Sub-Saharan Africa.

#### **IV.2.3 Ease of Doing Business**

“There's nothing easy. You have the will and have a system of your own in doing business in sub-Saharan Africa.” (Ibrahim)

Due to the broad range of this study, the responses to the question regarding the ease of doing business in the country of choice varied. Even within the same country, the responses varied.

“Currently we are sitting on a computer ...you are able to register a company online on the CIP website and you are able to then book a name, register within 24 hours the company should be able to be registered. These are the type of things that we are doing to improve the ease of doing business and also to improve our rankings. The issues electricity or being connected to electricity, we are working on that. The issue of infrastructure, we are working on that. In terms of connectivity, we rank quite high. So I

think every year we are making strides of improving the ease of doing business in South Africa.” (Farai)

A different perspective from the same country:

“The red tape just raises the cost, it's not that prohibitive red tape. It's just things that raise the cost level. The trade unions are very strong here. The government is very supportive of trade unions. You know there could be regulations, require a year manufacturing to be unionized. Companies may not like that. There can be all types of other rules and regulations on trade which just raised the cost of production. That's what red tape usually does. Doesn't stop and it just raises the cost level. And usually people are coming here to take advantage of lower costs of production. So if it's annoying when you're hit with a lot of red tape, which increases your cost of production. And it's more difficult to do business in Africa than it is in more industrial countries. You know that, and especially, I think labor relations are well in South Africa. Labor relations are very problematic. The unions are very powerful, and you know, if the contract says you're done at 5 o'clock, everybody's packed and out the door at 5 o'clock.” (Kevin)

#### **IV.2.4 Years to Establish Business**

Once again, the responses varied by country. Table 8 show the time it takes to establish a business in a country according to the participants.

*Table 8: Number of Years to Establish in Country*

<b>Participant Pseudonyms</b>	<b>No. Years</b>	<b>African Country</b>
-------------------------------	------------------	------------------------

Debora	3 years	Ethiopia
Grace	5 years	Nigeria
Kevin	1 month	South Africa

#### IV.2.5 How and Why the Process of Expanding Is Challenging

Participants were asked how challenging is it to expand into Sub Saharan Africa and why. Barbara provides the perspective of business networks that work with many companies who have explored other regions.

“It is probably just mental and geographic. We're all human beings, and if it's easier to engage in a country that's closer, that's kind of where you tend to start and I think in particular, for first time exporters, that's important. I think the language can be important. So maybe you start with, with Canada our friendly neighbors to the to the north. But I think that the more sophisticated exporter, could really see the potential in doing something in sub-Saharan Africa.” (Barbara)

The distance seems to be a concern for many when it comes to Sub Saharan Africa.

“I think it's going to be extremely challenging mainly be like. I said, mainly because of the distance, and maybe mainly because you've got to have a lot of whatever it is you're trading or selling or whatever it's got to be a lot. Well, you've been to Africa of course it's a 19-hour trip to East Africa, and I have shipped things over there that have taken a month to get there, which is difficult for small businesses They don't have that kind of turnaround time and waiting to be paid. It's a big barrier here. Even small businesses

working with our government here, when there's 90 to 120 days before they get paid for whatever their products are. It's very hard on a small business to have that kind of lag time in between the time that they produce in the time that they get paid. So doing it internationally, that would certainly have to be one of the first things that we'd have to look at is how our members would be paid in a relatively short amount of time so that they could keep their businesses.” (Amirah)

Again, distance is references as to why it is challenging to expand to Sub Saharan Africa,

“First the time zone difference is tricky. You barely have any overlapping, actually being able to have a conversation with African customers. Second, it’s far to fly to Johannesburg you got to connect to Europe, and so you just want to punch anywhere in Africa. It's difficult. so you almost need kind of an outpost representing California interest and companies ... Second, the business culture is different...When you mention Africa to people ... it's perceived as a dashboard of red lights on all fronts, too many rays too far away, not close to our territory too much of an opportunity cost. I’d rather go chase a project in the U.S. versus chasing a project in Africa. I don't know who to call to make a deal. It's just appearing to be this completely foreign territory. It might as well be Mars. And so there's just this kind of barrier psychological for the most part to actually engaging.... So the barrier is real, and I think there's something here that the State should do, or others could do, to really help reduce these barriers, and this perceived risk.”

(Jamil)

Charles provided a different perspective, stating that culture could be the reason for the challenge.

“I think it varies from place to place, depending on which part of the continent, which country or region maybe talking about in sub-Saharan Africa. I think part of it is cultural. That is always that tendency to be reluctant to engage in a place or a culture that is different from yours or, you know, little about or may have a lot of baggage or stereotypes. I think this task is where the West Coast compared to those in the East Coast to get to the nearest country in the continent. And, you know, four or five hours more compared to people who are closer especially the East Coast corridor this task definitely, may be maybe a barrier. The point I made before in terms of the cost of doing business, quite a good number of African countries can benefit from improvement in that business climate in terms of people knowing what it takes to establish a business to engage in legitimate business that is and have the proper instruments in place to resolve any conflicts that may arise as a result of the business transaction. That is predictable, that is efficient, but also fair. It is operations, I think would be a language barrier. Especially dealing with a population that is not quite fluent in English language, maybe the challenge. The government structures as they relate to the business climate, you know, if you have instability in the country, in terms of conflicts people are less likely to keep going or think about it because of their own safety, because of these issues with the safety of lives and livelihoods in terms of the investments to make and before you know, that government is no longer in place and a new government is in place that can introduce a new regime and regiments that may be different from one that one had going in. Yeah, so I think you know, there are some improvements ...Rwanda is one that comes to mind over mind that has really ranks quite high in the African countries in terms of the cost of doing business in the business environment. The cost of it in terms of dollars and cents

may not necessarily be the cheapest, but still friendly. Yeah, efficient, and more transparent.” (Charles)

#### **IV.2.6 The Advantages or Disadvantages Operating**

Most respondents focused on the advantages of operating in Sub-Saharan Africa when asked what are the advantages or disadvantages of operating there.

“I think that advantages are the issue around population a growing market ...it’s a continent working on the issues of connectivity connecting all markets and if you locate to the continents, your goods are able to move freely in the continent ... take advantage of a growing market ...so those are the advantages of being on the continent. We are harmonizing our standards requirements so that products can move quite freely if they’re located ....” (Farai)

“Advantages. I think if you get to the right people and doing business in Africa, if you get to the entities that are doing business internationally, they will know how to make the commercial exchange happened quicker there is in in many African countries when you when you buy large commodities. There’s less red tape than there is in the United States, or in Europe. So the commercial exchange with large companies that are familiar with doing business can happen actually, very quickly. There's less red tape with smaller businesses or with businesses that are just starting up in Africa. Of course you'll have the inexperience of the commercial enterprise there, and the inexperience of the commercial enterprise in the United States, so that you have 2 businesses that are new in terms of

dealing with each other's countries and the regulatory procedures so that sometimes can create problems and slow down the process.” (Harry)

"Operating, yeah so let's, say advantages of operating in Africa is that you start to have a seat to the table and what could be a very large market in the future. And so African demographics are pretty clear to young continent fast growing. So you'll have more people, you should have more overall consumer power. The other advantage is that Africa is really big. You could be multiple locations in Africa and leverage that diversify risk. And you know, ship across the continent, and 2 different corners of it. Africa has also interior agreements and a whole bunch of incentives to come for investment as tax free zones. There's import of exemptions there is a lot of financing by African development banks and other international banks that's available to tap into and so operating there opens up actually access to all these incentives and could make it actually very globally cost competitive to be located. There got to be big is also another location next to demand centers. Europe is a large consumer of energy. Africa could be a large producer of energy and other types of raw materials. And so you, operating from Africa, could be another way to tackle European markets. So that would be true, for example, for North Africa.” (Jamil)

“Advantages. It seems to me the main advantage of coming to Africa is a new market. If you're selling you that cheap labor if you're pretty here, labor rates are going to be less expensive in Africa, so that those would be the 2 main things the disadvantages are generally speaking a lot more red tape. to go through. Most African countries have problems of corruption to varying degrees. You know that from Nigeria, which is so corruptions and issue and corruption and red tape, is an issue, a negative, a big,

Disadvantage but. And new markets and lower production costs could be the made advantages of producing and Africa.” (Kevin)

“I would think the advantages are that you have lots of opportunities. I mean there's lots of opportunity. And I would also think that there are lots of natural resources that exist on the Continent. And so I think those 2 things alone would lead me to the pollution that there are lots of investment opportunities, and I suspect that's why you know there has been such an effort by USAID, and the United Nations. To do a lot of development in Southern Africa and Sub-Saharan Africa, because there are so many. There's a lot of need and so I think with that need there comes a lot of opportunity.” (Lawrence)

The disadvantages highlighted by the respondent discussed corruption, lack of training, and political instability.

“I'd say there is obviously the high level of corruption that's happening in many countries. So how do you navigate that is critical? There is a lack of probably well-trained resources to be able to deliver on, on, you know, being on your business? It's touched by talent although that's probably easily solvable by just training. People. there is a little bit of uncertainty around politics. You know stability of government is a subject. So how do you make investments? Over 25 years, knowing that in between you know one or 2 coup d'etas might happen in the country where you're operating and then let's just say also at its port not well connected to the rest of the world. Flight wise. and shipping line wise and so there's this kind of logistics point to it, although that's starting a change. So let's say these are and then I would say maybe the last one is just standards of living. I mean California executives being asked to move to a European city like London. The father probably don't think twice about it, but they'd be asked to go to another city in Africa.

They will just consider a whole bunch of comfort. How do I live comfortably? How do I school my children comfortably? How do I provide alternative? You know open job opportunities for my spouse So those little things, it seems, start to actually play quite big into moving decision makers and executives from California to what could be an outposts? In California in Africa. But again that's something to they could be smarter. That's it for some of the disadvantages that you mentioned." (Jamil)

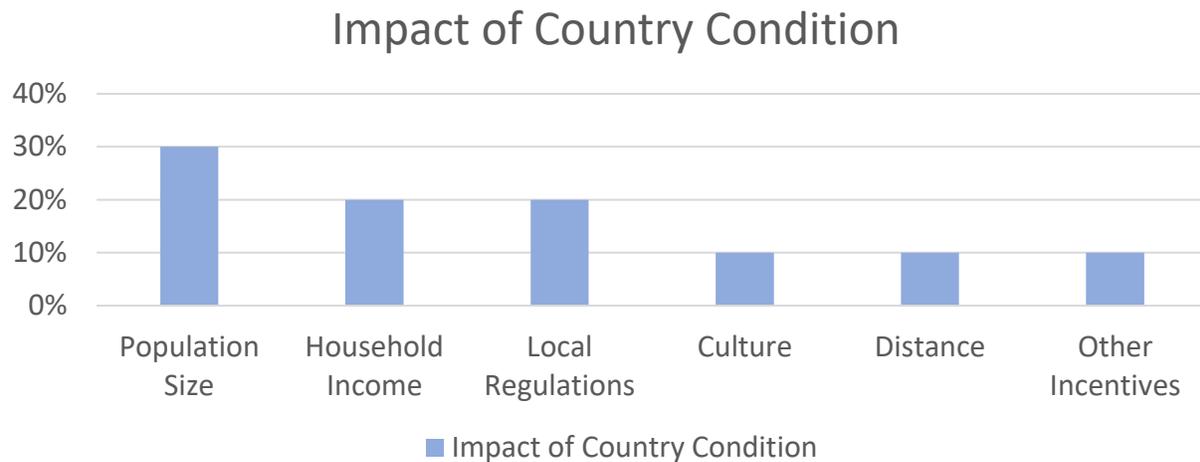
#### **IV.2.7 Impact of country conditions on success.**

Table 9 shows the number of responses when asked which of the following country conditions have impacted your business success the most?

***Table 9: Impact of country conditions***

<b>Country Condition</b>	<b>#</b>
Population Size	3
Household Income	2
Local Regulations	2
Culture	1
Distance	1
Other Incentives	1

**Figure 4: Impact of country conditions chart**



Three people (30%) responded that population size impacted their business success the most. Two people (20%) responded household income and two (20%) responded local regulations. One (10%) person each responded culture, distance, or other incentive.

“Population. Populations, its number one, economic health. I think when you say about what you just said, something economic or salary or something like that. Household income. In sub-Saharan. We don't tally. We don't have any data for such demographics. Even if we have data, it's usually skewed. Tell us you have a lot of untapped, unclaimed a whole lot of things holding that are not taking into account a lot of things are missed, I mean, for example, there was a time when AT&T Bell went to Nigeria when it comes to the telephone itself. So thank you. And that came back and said, hey, look, those people, they live less than \$1 a day on \$1 a day income so they cannot afford telephone. All right, then the MTN people came, said Well we are going to put money in this country. MTN came, they expect they anticipate their projection was to make 600 million naira something annually, but in the first three months, they made over seven hundred million.

In a year, they made more than one billion, and this is a fact. This is factual. Check it in Google. Do whatever you have to do. There is a report. What AT&T people forget is that there are a whole lot of FDI going into Nigeria from a whole lot of diasporas that did not include in the House of Econ.” (Ibrahim)

Now look if it's a foreign investor who's trying to sell into Africa then household income and population. is very important you wouldn't want to invest, and you know, within South Africa it's surrounded by a couple of smoke. There's a couple smaller countries embedded in south Africa like Swaziland and Lesotho. I mean they have maybe 2,000,000 people each. wouldn't necessarily want to put your investment there unless you were assured that it had free access to the South Africa market. So the point is, you want to go into you want access to if you're selling it to Africa, you want to get into the largest market possible without a lot of duties and cross-border Do reason regulations. So, and that that's becoming more easily done because Africa has been pushing this Africa union there's several you know, in West Africa. There's a there's a west Africa monetary union in Southern Africa. We have a satic. The Southern African development community where there's largely free trade for things that are produced within that area. They can be shipped they can be traded without local duties. So that is an important factor, and I think country companies who want to begin selling, and Africa looking at the size of the market, which means to population of the country and its surroundings and household income and for those reasons that's Why, I said, South Africa is a little bit more interesting. It has one of the highest household incomes where or at least GDP per capita in all of in all of sub-Saharan Africa, and the population of the country. I think it's around 58,000,000 it's you know it's substantial and it's part of this free trade area in southern

Africa. So yeah, that's important. Then I would say local regulations that this now comes to the problem of red tape and corruption, and that's. That's this going to be a product. that's they may be problematic all over the there is a lot of red tape in Southern and South Africa.” (Kevin)

### **VI.3 California History in Africa**

There was a lack of publicly available historical trade history with Africa available from the state. At the time of this writing, the questionnaire sent to the state had not been received to provide some historical context. However, Barbara, a senior executive of a California based business network was able to fill the void and provide this information.

“Many moons ago California did have an office [in South Africa]... if you go back to Governor Deukmejian and Governor Wilson, they felt very strongly about kind of getting more involved in the international community and there was a California Department of Commerce that was established. Then it ended up having about 350 people in it, which at the State level, supported export financing, assisted companies in doing trade missions, and trade shows and also there was the establishment of 12 different foreign trade and investment offices around the world, and in fact, one of those was in was in Johannesburg.... Unfortunately there came a time after that where California's economy and the recession hit rather hard and the Legislature kind of looked how could they limit California’s budget and the unfortunate result was that the M California Department of Commerce and all of these 12 offices were closed, which we thought that was a bit short-

sighted and frankly, a lot of these programs could have been left open for, and certainly the offices could have been left open for several years” (Barbara)

#### **IV.4 State Intervention Programs**

##### **IV.4.1 Awareness of or participation state level intervention programs**

Participants were asked one of two questions based on their background: people with a history or current presence in Sub Saharan Africa were asked if they sought state intervention programs. The alternative question was if they were aware of California State government programs for international businesses interested in Africa. Majority of the respondents said they were not aware of such programs. Others tried recalling programs that ended up being federal programs of part of business network not related to state government. Amira shared her experience trying to participate in a program.

“We have tried, but all of the trade that I’m so very interested in is in Africa. It doesn't seem to be much of an interest in California to work in Africa.” (Amirah)

##### **IV.4.2 Perception of business impact**

Participants were asked how they perceived a state sponsored intervention program would impact businesses interested in Africa.

“Well are 3 ways. First, the intervention program brings public attention to the need to increase trade. That we have a policy of trade between California and the African continent. Of all continents of the planet, California does the least business with Africa,

and so we do more business with Europe. Of course, you know, 350,000,000 people in the European common market, and a long history of business that's understandable. But we do more business with Asia. We do more business with the with the Pacific. We do more business in South America than we do with Africa. Yet, we have more population of more than a 1,000,000,000 and Africa. So the business exchange should be higher, so it brings attention to that issue. That's number one. number 2: The intervention will provide as I understand its goals will provide opportunities for credit for American businesses that are willing to invest in Africa and invest in increasing trade with Africa. And it will also provide. thirdly, provide information, contact, information, economic development, and information, and, of course, economic analyses of various economies in in the 49 states in Africa. So that American businesses would better understand investment opportunities and trade opportunities with African commercial enterprises.”

(Harry)

“Well, it will impact the business tremendously if I can, if there is a specific program for all the products that I bring in from sub-Saharan Africa and I'm not talking about just a West African now, I'm talking about sub-Sahara. All the countries below the Sahara or all the other providing for the agri-business from there will benefit, and it would benefit the states to raise something in the protocol business relations that is tailored to sub-Sahara in agri-business. But this is- that is where my niche is and that is where I excel.” (Ibrahim)

“If properly strategized and structured, it could be a significant impact to our business. California has a very nice label of innovation and that's a track record of the renewable energy in the country, U.S. And so, as such, it is trusted that has a brand internationally on being able to deliver best in class innovation. Best-class project best in class. Pretty

much everything that brand can be useful in the business development. At first, we're not in cover so a California State sponsored intervention supporting California companies to go to Africa could be very helpful, but it has to be structured carefully it should not be, in my opinion, only for small business. Intervention like okay I'm gonna give you \$5,000 - \$10,000 to go through the method back. That's beginning. But that's not heavy enough from my opinion another layer is necessary a bigger layer whereby you're pretty much asking for almost partnerships localization. Bringing heavy enough of a project from California to Africa in order to create a significant impact. And by that I can illustrate where you have a California ecosystem of companies that are innovating looking for projects to deploy their technology, an African project could be structured that benefits. Obviously, the African country and entities and all the local industrials that can consume. U.S. technology, California technology in that project could be structured by the State of California. Obviously in collaboration with Federal and all that and help California companies deployed products in Africa. California companies always need pilot projects first commercial projects, and they always seek one that's nearby in California. Sure we do that. Then in order to really want to be back for you, want to them to think. Okay, right after California, I'm going to go to another country in Africa, under the safe call it environment that the California State could create going to deploy my next project in Africa in this country and then have a lead on any. I have a first mover advantage on any other competition that might come in, be European, Chinese, or other. And I think that could be very impactful for California companies for the American technology companies that are looking to export themselves for the U.S. in general to be able to beat against a mighty Chinese government that's sponsoring pretty much everything will be

doing in Africa, and I must add that the only and one of the strongest mechanisms to be able to compete way a Chinese economic development in Africa is to bring California companies to the table. There's one set of U.S. companies that knows how to compete that thrives on competition on innovation, be able to potentially have a chance at fighting back against a Chinese low-cost competition is to really put the California companies that despair of this battle. So I think the State could really help structure that.” (Jamil)

#### **IV.4.3 Why Africa?**

Participants were asked to share their thought on if the state of California should invest in trade and investment with Sub-Saharan Africa and why or why not?

“I can say four things. I think Africa is the future, is the second largest continent in the world, right? With untapped resources. I dare to say that it's largely unexplored compared to other continents, so to say so it does have quite a roster of untapped natural resources with the human capital, such as say, you know, 70 percent of the continent is on the edge 30, so in terms of youth you know, I can probably say this is the future, not too soon to say. The second is historic or historical, which is the Black Race, the African American connection makes it inevitable, right? If you adopt a pan-African view that the US relations with its black Americans cannot be complete without reckoning with Africa. I've been thinking about our pan-African view is quite reasonable, I think. Sensible to take it, right. The third is profit, you know, by and large all indications are even listening to those speakers from the, you know, Go Biz panel I was talking about 2019 or 2018 conference. All of us spoke about the profit margin in doing business in Africa is

expected to be much higher than what it is even in the US here or even in Asia, for that matter, is a matter of you being savvy enough and patient enough and doing their homework to know how to go in and navigate all the intricacies there. What it seems to suggest is that the cost of doing business overall does allow for substantial profit margin in that regard. And finally technology. California is the leading technology.... which relates to the first point and the second point on the first point that I made about being the future of technology is that future, why can't the fifth or sixth largest economy in the world be engaged in this part of the world? At least those four key themes would seem to make the case for such meaningful engagement.” (Charles)

“Well, there's business opportunities associated with the areas that I just mentioned to you. I just read off to you on specific areas that the African continent needs to develop their own business infrastructure, particularly just strengthen their power grids to build more housing to set up more businesses that are involved in manufacturing or food processing and they're looking at for businesses here that can either sell them specific types of technology or will invest there to develop the industries that are needed to promote, to set up the opportunities that exist for employment as well as for trade. The state is, you know, is effective. Nation says that their goal is to have more small businesses involved in international trade because it expands their market base and also the revenues that can be generated for tax purposes. Here in the state of California, basically while working through some of the current federal programs, I just. A name to you can actually begin to create the programs that are needed to get their businesses involved in that way. In the continent as well. And the errors that I listed earlier. Their businesses here in the USA mean here in California specifically. They actually have

either can provide direct services contract or can sell products and or provide services that will there's a market for that in Africa right now.” (Ed)

#### **IV.4.4 How to establish global ties**

Participants were asked to share their thought on how the state of California can participate in trade and investment with Sub-Saharan Africa.

“I think the State of California by providing official U. S. Government representation. The Company aim businesses as they wanted to business development. You know, a private company representative could be in the same room as a California State representative. The California State representative could help bridge some of the difficulties that could be there around business culture, providing a reassurance to the private company. That counterpart. Oh, operate within. You know rules of engagement that the California companies are familiar with the State of California. I don't know provide yeah; I think this is a tricky one. It's because of not sure what the limits of state versus Federal are, I would say, Yeah, maybe State can provide financing. If that's something that you know if California, patch, and funds is an investment tool in the California, the U.S. Could there be other mechanisms to provide a pool of money that's willing to be invested in internationally? I think that could be good to have, you know, a California financing for California companies that, providing advantage to the situation definitely. In terms of mobility. If the State could sponsor travel, or part of the travel, I think that could be helpful. You know it is expensive to go from California to Africa for a conference. I mean I'll just give you an example right now, we'll be in facing a question

to go to conference in Cape Town. And we're looking into it and it's just obviously the time 2 days to travel each way plus the ticket, you know, makes it, you know, a big barrier. just psychologically. So I can this State help. Maybe the State could provide, you know, subsidy to actually fly, hey? If to conferences that are violated, recognized by the State. Then, you know, provide some other facilities to make sure you remain operational during your trip. And then incentivize export, meaning that you know California companies will be first focused on California and U.S. for market to. Then could there be a mechanism dead? This State provides to say, hey, if you do your project in Africa, I will provide you. This other incentive could be tax, break could be a discount. It could be a matching mechanism, the other one that worked well, actually. And this is a good one. is de-risking some of the business development. For example, the USADA has a very nice program for feasibility, study, and Bible Project grants. I think that is very impactful. to have the State of California do something like that for California companies wanting to go into Africa and have an airmark. You know, part of money for business development, project development studies, technical assistance pilots, pilots, and first commercial deployments. I think that that would be very impactful.” (Jalil)

“If I were to argue for a fifth reason which ties into why the question is the diaspora, the African diaspora here is unmistakable wherever we are in the educational sector, the business sector, you would be hard pressed to come across any successful large company or business that wouldn't have a significant Africa connection. Nigerians sure you probably know are as immigrants, are with the highest levels of education compared to other immigrants, which does say something and I would venture to say 90 percent of this group, including myself, have connections and ties still in the continent...so creating an

environment, you know, I always make the point one of the reasons I have stayed this long at this university has been having that environment to allow me to do the work that I do in the continent, so to the extent that holds for many of people like me, you know, doing the research, you know, are allowing groups of joint partnerships and collaborations and so on and so forth. Taking people from here to Africa bringing people from Africa to here from meaningful exchanges. I think for me, would be a good reason for such engagement. Also, to the point I made before the profit margins seem attractive. Is one that has psychic rewards not just the monetary rewards, so to say.” (Charles)

## **IV.5 Business Performance Measurement**

### **IV.5.1 Intervention Programs Contributing to success in Africa**

Table 10 shows the number of responses when asked which aspect of government intervention (like direct funds, tax incentives, training, technical supports, etc.) contributes the most to your business success in Africa?

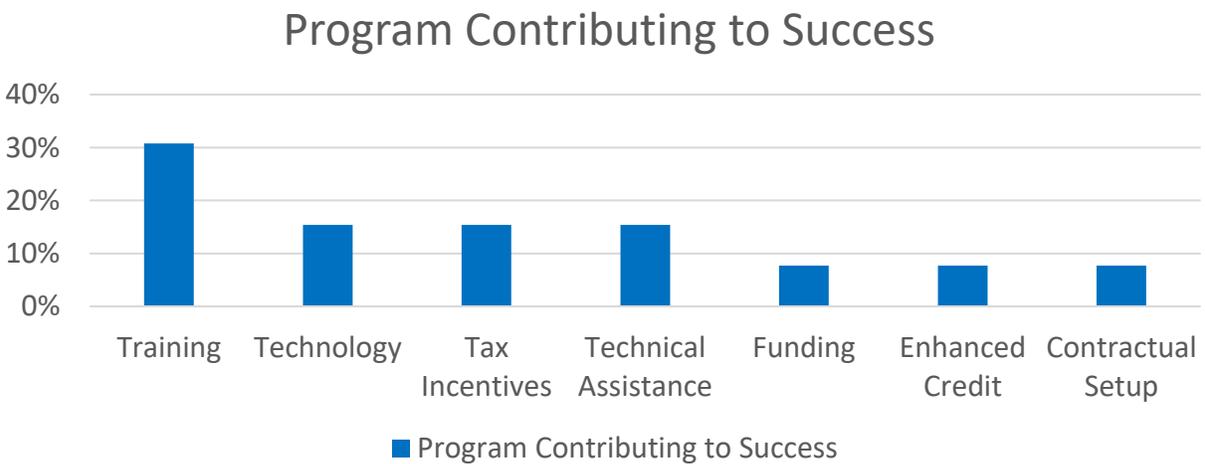
***Table 10: Program Contributing to***

***Success***

<b>Incentive Programs</b>	<b>#</b>
Training	4
Technology	2
Tax Incentives	2

Technical Assistance	2
Funding	1
Enhanced Credit	1
Contractual Setup	1

**Figure 5: Program Contributing to Success**



Four people (31%) responded that training contributed the most. Two people (15%) responded each to technology, tax incentives, and technical assistance. One person (8%) responded each to funding, enhanced credit, and contractual setup.

“I think the training would if it's thoughtful, mindful, and well done would seem to have the potential for internal capacity building. For sustainability and multiplier effects. So I would choose that ...having been the local ties, definitely, you know, would be meaningful because it would allow room for reinforcements, some level of continuity. It just makes sense. So, yes, of all those options, I think training will would be my number one.” (Charles)

“I think I would say for me, money can come later. You know what I mean by resources, resources, and training and technology, because we're living right now in the technology online society. And when you go to Africa, we still have not even get the agriculture right, let alone all the sectors disagreement. So the agriculture sector not that they're yet the manufacturer sector is not there, the induced receptor, not there yet. The service the technology. So we have so much sector to work on. So that's why there's so much to do in Africa.” (Debora)

“Definitely technical, that's for sure. And yeah, as far as internal funding is concerned, it is not much of funding, OK, because we're at this point in our time, banks and financing investors are where the funds come from. OK, tax incentives is going to be a huge, huge benefit and contribution. So any intervention that the state will have for sub-Saharan Africa that we have, we have projects, we have a whole lot of a slew of opportunities and sectors that we could have developed very well and amicably where it's going to be a Win-Win situation to everybody that everyone concerned. But when there is no intervention from our government here, it's a bit daunting challenges to achieve that goal.” (Ibrahim)

“So business that's looking to expand into Africa This is for going into Africa or out into Africa. You're talking now you'd be interested in what would be the best stimulus for to attract inward flows of investment like from California, or from any place. You know. Usually the first thing companies look for is tax incentives and tax holidays that's tends to be one of the first one of the key factors. The that's not effective unless there's already a skilled workforce and infrastructure in place. I mean you can't sort of build you're not gonna build the factory in the middle in a less developed place just because it's cheap. So

I think the I think companies do some research and try to find locations which have reasonable infrastructure, meaning electricity and transport. And then a reasonable, skilled, skilled workforce. I mean workforce with which have some skills then after narrowing down some subset. Then they would be shopping around for tax holidays and things like that. I'm not sure. Local trading port programs are important. Most companies, I would guess, would do their own training growth set up their own training program.”  
(Kevin”

#### **IV.5.2 Measure Success**

Participants were asked how they measure success in relation to expansion in Sub-Saharan Africa.

“Couple key metrics. How much revenue are you growing every year? And obviously you know what profits are you making out of that? All this while doing obviously business in the most ethical ways. So I would say from a perspective of high-level success, I would limit it to How much road and revenue is being generated by the African contribution to the business. And what is the margin slash to profit that's coming out of that And so I would, do, you know, probably simplify it to these 2 points, the other actually a third one is market share, which I think is an important one to mention here. You know, as the markets grow. Yes, our market share could remain constant while our revenue might grow because the market's growing. But it's important to keep in mind how your market share is doing, not getting smaller or getting bigger. And so on This third point market share I do believe placing yourselves in Africa is almost critical to

global market share, because other competitors, international ones. We'll go for that market, and then that market grows, and it becomes bigger if the U.S. Doesn't have a share in it by definition the global market share of U.S. companies will get smaller 2. So you almost need to see that a table in order to just stay competitive. What happens if your market check it's smaller globally? They become a niche player with high, more expensive cost structure. Because you have less volume. If your cost structure becomes more expensive, then your pricing becomes more expensive, and that makes you even smaller. Sharing you get trapped into a circle of niche players. So you know to some extent you might coin. You might be able to coin a phrase that says you have no choice but to go to Africa. If you want to keep a seat at the global table of business and California representing, I guess, the fifth or sixth or seventh largest economy in the world, I'm not sure where pranks these days is a global economy player. And so, if you want to stay there, and my opinion to have a seat at fast growth markets, and after that one." (Jalil)

"You know I think the measure of success would be if it's you know if it's an infrastructure project that gets build within a certain time at a certain level of budget. If it's the expansion. of you know a greater percentage of your goods being sold in sub-Saharan Africa, I think that would be another measure. It could be the measure of importing of goods from Sub-Saharan Africa and to California that could, so I would imagine it's like a variety of different measures depending on the industry and depending upon the type of company. Thank you. And to wrap up. what would you suggest that the state of the California State Government can do to improve, made an investment for California businesses and Sub-Saharan Africa through their intervention programs? I

would say, first and foremost, are, what are they doing to publicize? Those intervention programs. I don't like the do businesses are our businesses aware of what exists and what the opportunities are. So I would imagine there's some level of public relations that the State could be doing just to let businesses know. Here are the opportunities available to you in Sub-Saharan Africa. And here's how California can help you here's what our offices have available to help so cause I'm like not even aware. I mean, I know, like we do trade missions China and other countries all the time. I've not heard of California conducting a trade mission to a country in Sub-Saharan Africa. So that might be another opportunity is to conduct a trade mission, you know, identify industries, goods, and products that we would like to see sold in sub-Saharan Africa and can do a trade mission. Take a bunch of people over there let's start opening up lines of communication and tree channels.” (Lawrence)

#### **IV.5.3 Improve trade and investment in Sub-Saharan Africa**

Participants were asked what they would suggest that the California State government do to improve trade and investment for California businesses in sub-Saharan Africa through their intervention programs.

“One thing I would suggest is exchange of business delegations. Maybe something with us in government exchanging what priority sectors .....California should exchange the same .... Exchange business delegations...we don't do business, but we facilitate business so when Business needs them, they will be able to find areas which they can

work together for trade for investment so those are some of the areas I can suggest in terms of exchange business .....so we can get to know each other's market so that our people can also meet and do business.” (Farai)

“I would say, State of California could work by identifying which ones of its biggest industrials or the big industrials that can be exported to or expanded to Africa, benefiting from the various resources of the African market can provide and append to those a set of California companies that can provide them with the relevant services and support to move forward. For example, if there is a steel-making company that takes iron ore in California, transforms into steel, and then sells it in the U.S. The State could work with that company to expand itself to Africa, and they do the same thing when they hire our Iran or our country. And but along with that steel manufacturer you would bring the energy companies that would provide the steel manufacturer with energy. You would bring the engineering firms that would basically engineer this. Perhaps the construction firm that are willing to construct it. So you would bring a whole ecosystem of players around one central industry type, and then you would duplicate that. “ (Jalil)

## V. DISCUSSION, CONTRIBUTIONS, LIMITATIONS, AND FUTURE RESEARCH

*The psychic difference in international business: Paris is just as far as Asia, but California focuses more on Asia. English countries shorten psychic distance. It is perceived to be easier to do business in Canada than in Africa. It is not always the physical distance.*

### V.1 Discussion

After a robust analysis of the data, this allows me to discuss the findings. Prior to discussing the findings, I want to return to my original propositions:

1. Businesses that benefitted from state government intervention programs have a better chance of success with trade and investment in Sub-Saharan Africa.
2. Government funded intervention programs have different implication in different countries, vary based on the country differences in sources of funding, education level, population, ease of doing business, local regulations.
3. Opportunity for growth and benefits outweigh the risk of entering emerging markets in Sub-Saharan Africa.
4. Successful strategies employed to establish economic ties in other countries will help aid in market entry into Sub-Saharan Africa.
5. Lessons learned from other states will be useful in developing an entry strategy into Sub-Saharan Africa.

The responses from the participants in this study seem to support the original propositions. Although none of the businesses interviewed benefitted from the state, they all

perceived that there would be a benefit to their business if the state offered an intervention program for businesses trading/investing with Sub Saharan Africa

The respondents from the interviews states that culture, building relationships, infrastructure, and the political climate all are all factors for businesses to consider before expanding into Sub-Saharan Africa. One could argue that at its core this is applicable to any country worldwide where one would want to start a business. The perceived risks associated with operating in Sub Saharan Africa is not unique to that region and would be a consideration anywhere.

Some of the biggest obstacles are areas that the state can help business overcome with entry into Africa. In addition, there are a lot of opportunities for partnerships that could still grow the California tax base while strengthening the relationship with sub-Saharan Africa. They include:

- Nollywood/Hollywood connection
- Technological needs and growth opportunities
- Microgrids and energy needs
- Agricultural ties and learnings

## **V.2 Contributions**

This study will contribute to practice by giving decision makers in state government data in order to use to shape their own programs promoting trade and investment in Sub-Saharan Africa in addition to other emerging markets. Policy makers, government agencies, and entrepreneurs will be better equipped with the results of this study to adopted policy changes that

will increase business investments within the two regions and employ the study for developmental actions. As stated previously, Ambidextrous organization is the best framework for conceptual framing because exploring new avenues while maintaining current policy directions requires the state of California to simultaneously pursue both incremental and discontinuous innovation. Expanding trade and investment in Sub-Saharan Africa requires the state of California to balance between exploitation and exploration to be adaptable and creative while relying on proven methods of business.

### **V.3 Limitations**

Some of the limitations include difficulty getting information from the federal government and state government due to bureaucracy. That was not taken into account when this study was designed. Also, due to the COVID-19 pandemic, there were fewer opportunities to meet people in the industry to interview.

### **V.4 Future Research**

#### **V.4.1 California Energy Companies in Africa**

While interviewing Jamil, the owner of a small California based energy company doing business in Sub Sahara Africa, I asked for advice for this study. He graciously shared that I should ask large corporations what would have to be true for a large energy company to establish in Africa. Based off of that suggestion, a senior executive from a large California based utility company was interviewed for this research. However, future research should focus specifically

on California's ability to bridge the gap between electricity with renewable energy. Several studies have looked at the opportunities with renewable energy in Africa and the lacking electricity market (Batinge, Musango, & Brent, 2017). This unmet need for electricity in Africa could be satisfied by a variety of renewable energy sources such as solar (Sylvester & Yeom, 2021).

#### **V.4.2 Single Country Focus**

One of the ways to overcome the limitation of this board study is to focus on one country. While I focused on Sub-Sahara Africa as a whole due to a variety of reasons, including having diverse voices in the interview, future research could focus on the needs of one country and how to create local ties. Amirah, the head of a business network states that she attempted to establish a sister city with a city in Rwanda and her local city in California. Future research could focus on the benefits of creating such ties.

#### **V.4.3 Other States and Africa**

Future studies could focus on creating ties where there are a larger number of African Diasporans such as Georgia, Maryland, Texas, New York, and Michigan. It would be very interesting to see the level of commitment from the state governments to establish permanent and sustaining ties and the difference in the research results.

#### **V.4.4 China and Africa**

Further research could explore what is already being done by Chinese companies who have invested heavily in infrastructure throughout Africa. This search was limited to Africa and United States, however future searches could be conducted to see if electric companies from other countries have made progress with the electric grid through Africa. Also, the barriers with regulations could be explored.

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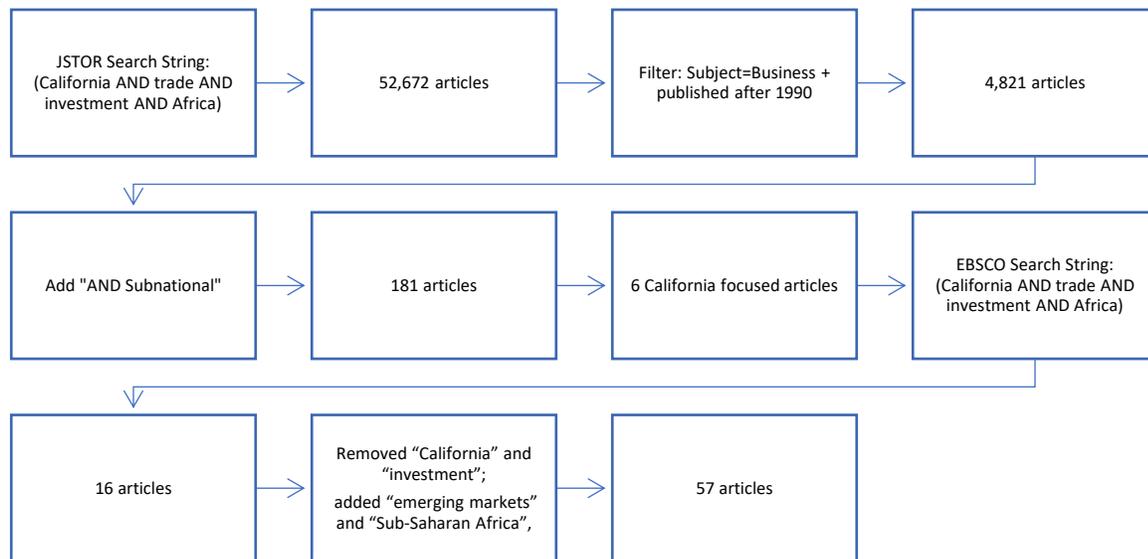
<https://www.trade.gov/tradestats-express-national-and-state-trade-data>

## APPENDICES

### Appendix A: Search Results

The process steps I used for selecting the literature used in this paper began with very specific terms. Using JSTOR, I searched “California and trade and investment and Africa” and which resulted in 52,672 articles. Narrowing the parameters to the subject of business and journals published after 1990, resulted in 4,821 articles. Next, I added “and Subnational” which resulted in 181 articles. There were 6 relevant articles on California which focused on climate change.

*Figure 1. Search Results*



Unsatisfied with the results, I switched to EBSCO and used the original terms to conduct a search and narrowed it to academic journals which resulted in 16 articles. Then I removed “California” and “investment”, added “emerging markets” and “Sub-Saharan Africa”, resulting in 57 articles.

## **Appendix B: Interview Protocol**

### **I. INTRODUCTION**

Hello, my name is Nkiruka Ohaegbu, and I am a doctoral student and candidate in the Doctor of Business Administration program at the J. Mack Robinson College of Business at Georgia State University. Thank you for agreeing to speak with me.

This interview will cover several areas aimed at examining the impact of state government support and intervention programs on your business success with international trade and investment and explore opportunities and barriers of expansion into Sub-Saharan Africa with state government support.

The overall objective of the interview is to understand the effectiveness of state government programs on California based businesses seeking to do trade and investment with Sub-Saharan Africa, its challenges, and, also, hear your recommendation on areas of improvement.

Our interview strategy involves three thematic approaches:

1. We will examine the type of state government intervention and support systems that you have participated in, the overall benefits, challenges, and opportunities.
2. We will review the program accessibility process for California based businesses/entrepreneurs, and factors inhibiting other businesses from the engaging in trade and investment with Sub-Saharan Africa.
3. We will examine your business from a perspective of the tangible impact of state government program on your business performance, what changes were made, and results observed.

## **II. TOPIC**

Innovative investment and trade in sub-Saharan Africa: opportunities and barriers for state governments in a disruptive global environment.

## **III. INTERVIEW TYPE**

We will be adopting a semi-structured interview model to ensure consistency of information, allowing flexibility to obtain relevant information for the study.

## **IV. INTERVIEWEES**

We will be conducting interviews for a minimum of 12 California based businesses/entrepreneurs.

The participants will be recruited via a mixture of contacts with the state and trade organizations, and businesses identified as those already engaging in or desiring to enter the international market. Questions are designed to capture the perspectives of the different groups. Due to safety concerns and geographic variables, all interviews will be conducted virtually unless an alternative is requested.

## **V. INTERVIEW QUESTIONS**

### **SECTION A: GENERAL INQUIRY**

1. Please tell me about your business, including when and how you started (*Alt: general overview about your background.*)
2. If you currently have an international presence, which countries are you located? If not, which countries are you aiming for expansion?
3. What attracted you to this line of business and the location?
4. Does your business currently have a presence in Sub-Saharan Africa? If not, are you interested in expanding to Sub-Saharan Africa? Why or why not?
5. What kind of federal intervention programs have you participated in?

## **SECTION B: LOCATION – COUNTRY EXPERIENCE/EXPECTATION**

1. What made you choose to expand your business internationally? What did you consider before locating your business in (country)? (*Alt: what factors should be considered for businesses looking to expand in Sub-Saharan Africa?*)
2. How would you describe the ease of doing business in Africa? How long did it take you to establish your business?
3. How challenging is the process of expanding internationally? Why is that?
4. What are the advantages or disadvantages operating here compared to other countries?
5. Explain which of the following country conditions have impacted your business success the most?
  - a. Local regulations

- b. Population size
- c. Household Income or Level of income
- d. Other incentives

## **SECTION C: STATE INTERVENTION PROGRAMS & BUSINESS PERFORMANCE MEASUREMENT**

1. Have you sought state intervention programs? If so, in seeking state support, what business challenges or problems were you trying to solve? (*Alt: Are you aware of California State government programs for international businesses interested in Africa?*)
2. How do you perceive a state sponsored intervention program in Sub-Saharan Africa would impact your business (*or businesses interested in Africa*)?
3. Please share your thoughts on if the state of California should invest in trade and investment with Sub-Saharan Africa. Why or why not?
4. Please share your thoughts how the state of California can participate in trade and investment with Sub-Saharan Africa.
5. Which aspects of the government intervention (like direct funds, tax incentives, training, technical supports, etc.) contribute the most to your business success in Africa? Why?
6. Explain how you measure success in relation to expansion in Sub-Saharan Africa?

## **SECTION E: WRAP UP**

1. What would you suggest that the state government can do to improve trade and investment for California businesses in Sub-Saharan Africa through their intervention programs?
2. Any general advice on our study, like how we make it better?
3. Before we conclude this interview, is there anything else you would like to share?

## **Appendix C: Informed Consent**

J. Mack Robinson College of Business Georgia State University

Doctor of Business Administration Program Informed Consent

### **Title:**

**INNOVATIVE INVESTMENT AND TRADE IN SUB-SAHARAN AFRICA:  
OPPORTUNITIES AND BARRIERS FOR STATE GOVERNMENTS IN A DISRUPTIVE  
GLOBAL ENVIRONMENT.**

### **Principal Investigator:**

Wesley J. Johnston, PhD

### **Student Principal Investigator:**

Nkiruka C. Ohaegbu

### **Purpose:**

The purpose of this research study is to examine how the state of California can create global ties with Sub-Saharan Africa through trade and investment for mutual benefit. Currently, the State of California does not have a foot in the game of trade and economic development with Africa. Historically, the State of California expanded international trade and foreign direct investments to various regions around the world including South America, Europe, and Asia. However, Sub-Saharan Africa was not prioritized in the state's international affairs strategy. By contrast, many countries are increasingly expanding trade and investment in Sub-Saharan Africa. With the increase in economic opportunity withing the continent, innovative businesses in California can meet many of the needs of this growing segment. As the home of Silicon Valley and the

agricultural capitol of America, California has a lot that could be shared with African countries looking to innovate. This study seeks to examine how and why decision makers for subnational like the State of California should promote trade and investment with Sub-Saharan African businesses in a disruptive global environment for a mutually beneficial partnership.

**Procedures:**

If you decide to participate in this study, you will have a brief recorded interview with Nkiruka C. Ohaegbu, a current Doctor of Business Administration student and candidate in the J. Mack Robinson College of Business at Georgia State University. The interview will take between 30-45 minutes.

**Risks/Discomforts:**

We don't anticipate that you will experience any risks or discomforts greater than those in a normal day of life.

**Benefits:**

Participating in this research will not benefit you directly. Overall, policy makers, government agencies, and entrepreneurs will be better equipped with the results of this study to adopted policy changes that will increase business investments within the two regions and employ the study for developmental actions. If requested, I will be glad to share the general results of the investigation with you.

**Voluntary Participation and Withdrawal:**

Participation in research is voluntary. You do not have to be in this study. If you decide to participate in the study and subsequently change your mind, you have the right to withdraw at

any time. You may skip questions or stop participating at any time. Whatever you decide, you will not lose any benefits to which you are otherwise entitled.

**Confidentiality:**

We will keep your records confidential, however certain information discussed during your interview may be utilized in the future when we present this study or publish its results. Dr. Wesley Johnston and Nkiruka C. Ohaegbu will have access to the direct recordings of the information you provide. Information may also be shared with those who make sure the study is done correctly (GSU Institutional Review Board, the Office for Human Research Protection (OHRP)). We will not use your name rather we will use the study reference. The information you provide will be stored digitally through password, and firewall- protected, computers. If you participate in a telephone interview, we will record your answers. If you participate by digital video interview, your name, title, and organization will be recorded for use by the researcher. If you respond by email, we will transfer your answers to a spreadsheet before deleting the email with your responses. Your name and other facts that might point to you will not appear when we present this study or publish its result. The findings will be summarized and reported in group form. You will not be identified personally

**Contact Persons:**

If any questions, comments, or concerns about the issuance of this survey and or the usage of its results, please feel free to contact the principal investigator at the J. Mack Robinson College of Business at Georgia State University, Wesley J. Johnston, PhD at [wesleyj@gsu.edu](mailto:wesleyj@gsu.edu).

The IRB at Georgia State University reviews all research that involves human participants. You can contact the IRB if you would like to speak to someone who is not involved directly with the

study. You can contact the IRB for questions, concerns, problems, information, input, or questions about your rights as a research participant. Contact the IRB at 404-413-3500 or [irb@gsu.edu](mailto:irb@gsu.edu).

Interviewee

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Student Researcher

Nkiruka C. Ohaegbu

Name

\_\_\_\_\_  
Signature

\_\_\_\_\_, 2022

Date



## **Appendix D: State Response to Questionnaire**

### **I. INTERVIEW QUESTIONS**

#### **SECTION A: GENERAL INQUIRY**

**1. Please tell me about the Governor's Office of Business and Economic Development, and specifically the Office of International Affairs and Trade.**

The Governor's Office of Business and Economic Development (GO-Biz) serves as the State of California's leading agency for job growth, economic development, and business assistance efforts. We offer free support to businesses through incentive identification, site selection, regulatory or permitting compliance assistance, foreign direct investment, and export assistance.

Our teams are comprised of experts that span industries, geographies, and business backgrounds who are focused on facilitating economic growth in California. The International Affairs & Trade team promotes California exports, including helping small businesses enter global markets, and works to attract foreign direct investment.

**2. If GO-Biz currently has an international presence, which counties are you located in? If not, which countries are you aiming for expansion?**

California does not have an international presence if defined by overseas offices with dedicated staff or contactors. Rather than invest in such resources, the state has instead pursued trade and services desks in strategic markets that can serve as a resource to

promote trade and investment. These desks are not staffed nor are they funded by the State of California.

For example, California established the China Trade and Investment Network (CTIN) as well as trade and investment desks in Mexico and Armenia. These international networks and facilities aim to promote California exports and attract investment to California.

GO-Biz also manages extensive relationships with and leveraged the support of partners overseas, such as the U.S. Commercial Service, American Chambers of Commerce, as well as foreign government agencies that share an interest in addressing common challenges and promoting two-way trade and investment.

Finally, the GO-Biz International Affairs and Trade team has three Trade and Investment Representatives charged with overseeing regional portfolios. Those permanent, civil-service staff are responsible for developing business relationships in-market and promoting trade and investment activities. A small travel budget is allocated to each representative to grow California presence in the regions.

**3. Does GO-Biz currently have a presence in or ties with Sub-Saharan Africa? If not, are you interested in expanding to Sub-Saharan Africa? Why or why not?**

There are no California trade offices currently based in Sub-Saharan Africa., GO-Biz maintains regular contact with U.S. Embassies located throughout the Consulate as well as African consular offices in California. Our partnership helps to support incoming African ministerial and other delegations and also provides support to businesses that would like to explore cooperative initiatives in our state.

Projects managed by the Trade and Investment Representative whose portfolio includes Africa include supporting commercial opportunities in key industries and building a deeper understanding of the topics that affect business leaders in California and throughout Africa.

For example, climate related challenges have impacted both urban and rural communities throughout the world, including southern Africa. In recent years, the region has suffered from a severe and persistent drought. South Africa, along with other affected neighboring countries, is determined to invest in energy and water management projects with an investment volume of approximately \$2.8 billion over the next 5 years and is on track to generate \$68 billion in investment. Target projects include energy efficiency systems, surface water accessibility, desalinating seawater, and reusing wastewater.

Given the alignment of industry goals between California and select African countries to increase environmentally sustainable practices, GO-Biz is engaging California companies with solutions in sustainability to support trade partnerships in compatible African emerging markets. To that end, we are partnering with the U.S. Commercial Service and Power Africa to support the Enlit Africa trade conference in South Africa in June 2022.

## **SECTION B: LOCATION - COUNTRIES**

### **1. What made the state choose to help businesses expand internationally? What was considered before helping businesses expand in those countries?**

GO-Biz has long supported California companies looking to expand to global markets through exporting. Exporting provides companies the opportunity to tap into the 95 percent of consumers outside of the U.S. and helps mitigate risk with more diversified

revenue streams. Our State Trade Expansion Program is our flagship effort to support these initiatives and is targeted at small businesses. The program supports trade missions and events and also awards competitive, reimbursable grant funding for small business export activities.

**2. How would you describe the ease of doing business in various countries? How long did it take to establish international ties with these countries?**

GO-Biz relies on the expertise of our in-market partners, notably the U.S. Commercial Service at embassies throughout the world, in evaluating the ease of doing business. We refer our business clients to those resources when those companies are considering business decisions.

**3. What are the advantages or disadvantages for California businesses operating in Sub-Saharan Africa compared to other counties?**

Identifying the right strategies for an emerging market can come with challenges. As noted above, GO-Biz refers companies looking to operate globally, including sub-Saharan Africa, to the resources and expertise provided by the U.S. Commercial Service in-market.

The populations within African countries are young, growing, and increasingly urbanizing—and household incomes across the continent are on the rise. According to a Brookings report published in 2020, Africa’s population is expected to reach to roughly 1.7 billion, and the continent will be home to one-fifth of the world’s population by 2030. Given that Africa’s infrastructure gap is narrowing, and the continent is expanding its

industrial base, we recognize that California businesses can bring their products, services, and solutions to help the continent meet development and environmental goals.

Despite the economic opportunity, companies also face challenges in doing business in African markets. Areas that have less infrastructure can present barriers to trade, and companies may need to vertically integrate to fill gaps in the value chain. Businesses can also face domestic competition and information gaps about the unique aspects of doing business in Africa's many markets.

California's geographic proximity to the continent can also be a factor that poses a challenge in competing with foreign suppliers that are more closely located to Africa.

Nevertheless, California possesses unmatched strengths in key sectors where African countries are looking to grow, including innovative agriculture technologies to medical devices and environmental solutions.

**3. What opportunities are available for California businesses interested in trade and investment with Sub-Saharan Africa? Which specific countries have greater opportunities?**

See above.

**5. Explain which of the following country conditions have impacted the state's international success the most?**

California has had significant success with international partners, particularly in establishing shared commitments to climate change solutions. Common factors that often support commercial growth in international markets include transparency in trade practices, public institutions, regulations, and rulemaking.

## **SECTION C: WRAP UP**

### **1. What would you suggest that the state can do to enhance trade and investment for California businesses in Sub-Saharan Africa?**

Africa-focused international programs managed or supported by GO-Biz are a great way for California companies to explore and expand business opportunities with potential Sub-Saharan African partners but there are several other organizations in the state that can also play a distinct role in enhancing commercial ties. Incubators, universities, and small business development centers are just a few of the places trade and investment can grow from the grassroots level to overseas markets.

### **2. Any general advice on our study, like how we make it better?**

No comment.

### **3. Before we conclude this interview, is there anything else you would like to share?**

No comment.

[1] <https://www.bloomberg.com/news/articles/2022-03-24/afdb-to-commit-2-8-billion-to-south-africa-over-next-five-years-114rkb8w>

## VITAE

Nkiruka Catherine Ohaegbu

<https://www.linkedin.com/in/ncohaegbu/>



### EDUCATION

#### **Doctor of Business Administration**

J. Mack Robinson College of Business, Georgia State University

Atlanta, Georgia, May 2022

#### **Master of Business Administration**

California State University Sacramento

Sacramento, California, May 2014

#### **Bachelor of Science - Business Administration**

Wayne State University

Detroit, Michigan, August 2008

### PROFESSIONAL PROFILE OVERVIEW

Dr. Nkiruka Catherine Ohaegbu is an accomplished leader serving on the Local Government Affairs Team with Pacific Gas and Electric Company, where she advocates for equity in clean energy and sustainability, enhancing and sustaining public affairs partnerships, programs, and government relations outreach strategies for a variety of initiatives. Prior to her current role, she served as a Business Loan Specialist at the US Small Business Administration, working with

businesses recovering from economic loss due to the COVID-19 pandemic. Nkiruka previously served as a gubernatorial appointee at Business, Consumer Services, and Housing Agency, filling various roles and managing the development and implementation of a variety of special projects. She also served in several positions in the Office of Governor Edmund G. Brown Jr. including special assistant to the Governor and First Lady.

She was also a 2017 Fair Housing and Social Inclusion Fellow certified by the University of California Davis. Nkiruka is an alumnus of Leadership California CIT, Leadership Sacramento, and a Senior Fellow with the Nehemiah Emerging Leaders Program.

Nkiruka serves on the board of directors for the YMCA of Superior California, Sacramento State Alumni Association, and Sacramento Black Chamber of Commerce. She also serves on the Leadership Council for Metro Edge as Chair of the Empower Committee and on the Nehemiah Emerging Leaders Program Connections Committee. She was awarded Sacramento Business Journal's Top 40 Under 40 Award, Diversity MBA's Top 100 Under 50 Emerging Leaders, Sac Cultural Hub's Exceptional Women of Color Excellence Award, and Sacramento Bee's Top 25 Black Change Makers.