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Whither Black Capitalism

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conomic hard times, however, have prompted a growing cost-effective scrutiny of corporate and public options. The resultant incubation period provides a more realistic explanation for the apparent lull in business's social activity than do other, more popular theories.

I believe that Barber's purpose throughout—an expansion of public discussion of options for public-private cooperation—rests on substantial foundations. The question of social involvement by business corporations is thus not whether, but how.



WHITHER BLACK CAPITALISM

John Baker

MINORITY ENTERPRISE AND EXPANDED OWNERSHIP; BLUEPRINT FOR THE 70s, by the President's Advisory Council on Minority Business Enterprise

Government Printing Office. Washington, D.C.

As a veteran of the current popular effort to expand minority business entrepreneurship, I can see little that is new or imaginative in this recent report from a commission of business and community leaders to President Nixon. The Report, long delayed in completion and barely noted by the press or the White House, consists of a series of "recommendations" designed to promote minority entrepreneurship and the closely guarded suggestion that these recommendations constitute an "economic development plan" for the "minority community." Unfortunately, "economic development plan" is only inadequately de-

efined as "for our purposes . . . an increase in the viability of the economy, i.e., in its ability to produce wealth"; the Report makes no attempt to define "minority community."

One of the proposals which has not been articulated a thousand times before is the recommended expenditure of \$930 million in federal funds over a three-year period primarily for the creation of 100 "local delivery centers" each of which would coordinate the resources of both the private and public sector "and provide 'one stop packaging' for the delivery of financial, managerial, and technical resources at the community level" to minority business endeavors. The Commission also recommends the establishment of an American Indian Development Bank and the organization of a superagency, the Agency for Expanded Ownership, which would absorb all of the present federal programs dealing with minority entrepreneurial activities. The remaining recommendations are largely rhetorical: to establish minority entrepreneurship as a national priority; to enact the President's small business legislation assistance program; to expand management and business training programs for minorities; to increase the ownership and control by disadvantaged groups of financial institutions; to make a greater commitment to community-

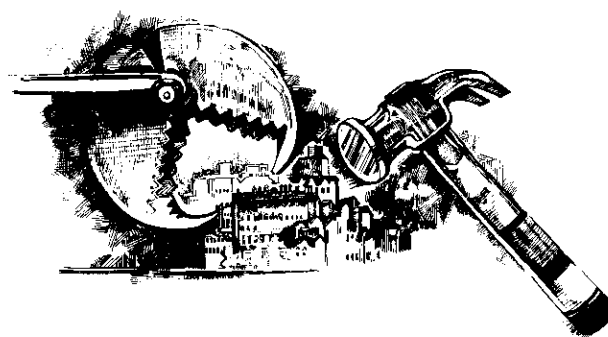
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based economic development and change; to establish a data base of existing economic resources in low-income communities; and to expand its use of public- and private-sector purchasing power to assist minority economic endeavors. The body of the Report consists of explanations and justifications for the recommendations.

One of the more interesting and enigmatic aspects of the minority entrepreneurship phenomenon is that its proponents are not clear about whether the effort is an end in itself or a means to some other end or ends. Most people who argue in favor of increased minority business ownership usually view it as a means of achieving goals running the gamut from the creation of black millionaires to the elimination of poverty communities. The Council's Report advocates increased minority entrepreneurship as a means of reducing minority unemployment, reducing government expenditures on welfare and related programs, and increasing government tax revenue. Nowhere in the Report, however, is there a clear explanation of how expanded minority entrepreneurship will assure the achievement of these ends. A recommendation to spend \$930 million dollars—not really a huge sum in a trillion-dollar economy—for minority entrepreneurship to achieve "economic integration" is, to say the least, unconvincing. Who will be economically integrated and at what level? Are the suggested programs designed to *ameliorate* the economic problems of the "hard core" poor, or are they designed to *enhance* the standard of living of minorities in general, regardless of their economic condition? If all the programs recommended by the Council were immediately implemented, would the results have any real effect upon the unemployment rate of blacks or indeed on the critical housing, health, or educational problems of minorities?

The Report fails to improve on the work of the rhetoricians who justify minority entrepreneurship as a means by which minority groups will acquire economic power. Of course the purpose of the rhetoric has been to convince us that the problems of poverty and powerlessness will be solved or greatly ameliorated as a result of expanded minority entrepreneurship and ownership of capital. This may be true, but it is also possible that minority entrepreneurship programs may reach only the same level of ineffectiveness as most of the programs designed a few years ago to "wage a war on poverty." At some

point, policy makers or advisors to policy makers should be responsible for clearly defining that which will and that which *will not* be accomplished by allocating resources to given projects. It is at least conceivable that subsidizing and counseling minority businessmen may not only have no positive effect upon incomes and the quality of life in the "minority community," but may actually be detrimental insofar as money spent for minority entrepreneurship reduces alternative uses which *may* be more productive for society in general and the "minority community" in particular.



While it is certainly encouraging that the President's Council has been established, its Report is indicative of the terribly difficult problems confronting an affluent society which still excludes economically and politically powerless persons whose status is a result of both historical and contemporary patterns of discrimination and racism. The Report, as a description of pathologies, is excellent; the recommendations and analysis, however, fall far short of charting a course of action for "minority economic development." Difficult policy choices are glossed over and very real tensions among competing values are either ignored or dismissed.

THE CORPORATE HUNTING GROUP

Paul London

CORPORATION MAN, by Antony Jay
Random House. New York City. \$7.95.

"This book . . . is an examination of the primitive hunting band in the modern corporation. Survival no longer requires the hunting and kill-

Paul London is managing editor of *Business and Society Review*.