

[Can Entrepreneurship Transform Africa?](#)

With all the downbeat news that seems to pour out of Africa—civil unrest, human rights violations, famine, the list goes on—it’s a real change to hear a message of hope emerging. And that hope is rising on the wings of entrepreneurship.

As a panelist speaking before the Wharton Global Alumni Forum in Cape Town, South Africa, recently, Eric Kacou, the managing and regional director for Africa at OTF Group, said that “despite a vast amount of natural resources, we [Africa] have very little to show for it.”

The panel was convened to discuss business as a means for improving Africa socially and economically. He likened business in Africa to a caterpillar that was slow-moving and easy to step on. But as one panel moderator noted, Africa’s economic performance has improved dramatically in the last few years and conflicts in the region have decreased, setting the stage, Kacou said, for Africa to enter a “cocoon” phase—one in which the continent will undergo a business metamorphosis that relies less on natural resources and more on innovation and private sector growth—hallmarks of entrepreneurship. ([Click here](#) for the full article from Wharton, citing statistics reflecting growth in Africa’s economic performance since 2002.)

Entrepreneurship as a tool for lifting populations out of morass is not new. Muhammad Yunus, a Bangladeshi banker and economist, founded the Grameen Bank to extend microcredit—very small loans—to entrepreneurs who are too poor to qualify for traditional bank loans. He follows the philosophy that when people can become self-supporting, it breaks a vicious cycle of poverty and oppression. By extending credit that allows the poor to put underutilized skills to work, they support themselves and pass along a future to their children. The model uses a credit approach in which members of the borrowing group monitor one another to ensure business success and loan repayment. The word “grameen” literally means “of the village.”

In 2006, Yunus and the Grameen Bank were jointly awarded the Nobel Peace Prize “for their efforts to create economic and social development from below.”

Here in Kansas City, First Step Fund is a nonprofit agency that has been providing business training and support to low- to moderate-income individuals in Kansas City since 1994. From the beginning, First Step Fund’s mission has been to foster economic self-sufficiency through entrepreneurship training, access to capital, and ongoing support. The founders shared a common belief that self-employment, or entrepreneurship, can be a viable alternative to public assistance or minimum-wage and other low-paying jobs. Although First Step Fund does not extend loans to its clients—its emphasis is on training and technical assistance—it does offer its graduates access to a microloan program.

First Step Fund is one of more than 450 microenterprise development programs that have been operating in the United States since the 1980s, and they are having an economic impact. More than 1,400 Kansas Citians have graduated from First Step Fund programs. The organization has assisted more than 700 businesses and its graduates have launched 310 businesses that

employ another 260 individuals. That's employment for at least 570 people who might otherwise be without work or mired in low-paying, sporadic jobs.

While we can pour over job creation statistics, dollars generated for local economies and other hard figures, what we can't yet assign a number to is the *ongoing* impact of these entrepreneurial initiatives. When you break cycles of poverty and oppression, the results multiply. Change sometimes starts slowly with individuals, but the momentum can transform societies and civilizations.

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