





# BUILDING THE BACKBONE FOR DEVELOPMENT

## CREATING AN SME PLATFORM IN THE GAMBIA

Graphically speaking, the spread of wealth in a developing country is rather asymmetrical. The majority of the people is poor while a disproportionate minority enjoys extreme riches. With only a few big spenders, it is impossible to build a strong, healthy economy. A country needs a backbone, a middle class well above the survival level to spend money in grocery stores, boutiques, restaurants, and service organizations. Jobs are the key to upward mobility. Since governments are not hiring and micro enterprises can't afford personnel, it is time to create a platform of solid small and medium-sized enterprises (SMEs) for sustainable employment opportunities.

Laurens Smals, a Dutch entrepreneur of great merit, visited the Gambia for the first time in 2006 as a Business Leader in the Future Leaders program. There he met Modou, a self-made businessman who had earned a small profit with a micro-credit in agriculture. He had just reinvested his savings in a boutique, unique for the wider region, built with his own two hands.

Laurens: "Because of the one-sided news coverage on wars, hunger, and HIV, the talents of African people are grossly underestimated. I have met outstanding entrepreneurs all over Africa. They run fine businesses with outdated machinery and no access to work capital. Take Modou for example, he built his shop in the vicinity of the market knowing it would have a positive trade-off. He needed to (pre)finance the stocks but the general interest rate is 30%. These entrepreneurs need a SME network to strengthen their position in society. That's why I offered him a short-term loan for half the rate, knowing his business plan was good for it."

Together with Better Future, Laurens has developed a new program that connects entrepreneurs in the Gambia. Entrepreneurs need each other, and they could also use Dutch business partners to exchange knowledge and attract venture capital. Dutch SMEs are very much inclined to become involved with African entrepreneurs but don't always know how to go about it. This program –called Tesito, the Mandinka word for 'let's get to work'– is designed to coach and connect entrepreneurs and build a backbone for development.

**"THESE ENTREPRENEURS NEED A SME NETWORK TO STRENGTHEN THEIR POSITION IN SOCIETY"**