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Brookings Cafeteria Podcast:
U.S. business in Africa

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DEWS: Welcome to the Brookings Cafeteria; a podcast about ideas and the experts who have them. I'm Fred Dews. Africa, a continent that encompasses 54 nations, over a billion people, and thousands of languages, has four of the top ten fastest-growing nations according to the world bank. Although many of them have among the lowest per capita incomes in the world. During the week of September 19 as the United Nations General Assembly convenes in New York, the second US-Africa business forum meets to build on progress started at the inaugural forum two years ago. Here to talk about the forum, its positives and negatives and what it can mean for further American economic engagement with African nations, Amadou Sy, senior fellow and director of the Africa growth initiative here at Brookings. Stay tuned in this episode for a new metro lens segment from Elizabeth Kneebone and then a discussion with Steven Koltai, author of a new title for the Brookings Institution Press: "Peace through Entrepreneurship." Amadou, welcome back to the show.

SY: Thank you.

DEWS: You were on the show two years ago to talk about Africa and now you're back on to talk about Africa again. First let's set the stage, what is the US-Africa business forum?

SY: Yeah thanks Fred. So the forum is one of President Obama's initiatives regarding Africa and basically the forum is just basically one way to build and strengthen trade and investment ties between the US and the continent

DEWS: And who attends the forum?

SY: So it's a very high-level forum attended by US CEOs, African CEOs, and African head of governments.

DEWS: and I noted that in my research that it's co-hosted by the US Department of Commerce and a Bloomberg entity.

SY: Yeah it's co-hosted with Bloomberg philanthropies and actually this is the second time that the form is happening and these are the same actors that we had last time two years ago.

DEWS: Okay, so in that forum two years ago in 2014, that was coinciding with the African leaders summit here in Washington what what did that forum accomplish?

SY: Well I think the first accomplishment is to get US businesses and actually US stakeholders to look at Africa as a partner, as a business partner. Typically in the US, and for very good reasons, Africa has been looked at as an aid recipient, humanitarian case and it's true that Africa has a need for humanitarian aid and we will remember President Bush's PEPFAR in a very good effort to help eradicate and or at least combat HIV/AIDS but it's not just everything in Africa, right, the other side of the coin is, as you said, we have fast-growing economies, we have business opportunities and this is trying to really put Africa on the map. So the first forum was about why Africa as a business partner and the second one will be about how; how to do it, how to implement, how to seize the opportunities, how to engage Africa.

DEWS: So if those are the goals, what are some of the positive aspects of this kind of forum? Why now? Why in New York?

SY: Yeah, so as I said, the first one really kind of put Africa on the business map, on the trade and investment map and there were lots of pledges I think about 30 plus billion dollars were pledged by both US and African CEOs in a very diverse set of Sectors: clean energy, aviation, agriculture and so on. And this is a departure from just looking Africa as a destination for mining and natural resources and minerals oils and so on flows, so that was good. It's difficult to track how much of these pledges were actually ended up in real dollars but you can, for example, look at some of the projects in the Power Africa initiative and they have a Website. And at least we can document some of it.

Yeah, the other thing is also this comes at a very little cost for the US taxpayer. The US government is really trying to be a match-maker, a Sherpa, you know, trying to say okay it's not easy doing business in Africa but you know like let's look at the challenges and let’s guide American business in how to maneuver how to navigate these thse territories.

DEWS: Well very little cost for the US tax payer to host this event, that's a very big positive. Are there negatives though, for this sort of event?

SY: So one is you know, first it's a very high-level summit so you have the top CEOs, African and Americans and you have the head of States, so which comes at the risk of political grandstanding from some of the leaders which comes of the risk at a little bit ignoring the small and medium enterprises. It's true that the US government has other ways to engage SMEs like the global entrepreneurship summit but it would have been great really to have SMEs on the on the on the floor and see how to engage them also as part of this forum

DEWS: so what do you expect to happen at the second forum and what do you hope will come out of it?

SY: Well, I just came back from my country, Senegal, and I've talked to a few investors and they were a bit, these were private equity people, and they were a bit worried that, you know, that there would be a little bit of political grandstanding. They were asking tough questions: are our African leaders really prepared? You know, do they have really, you know, prepared to get some concrete commitments and some concrete actions out of this summit and I guess you will have, you know Africa is not a country and my bet is that some countries will be better prepared than others you know and that it would have been good to have really old countries be as well prepared as they could be. But you know I think this summit will really try to address the tough questions: how do you navigate trade and investment opportunities in Africa? It's not obvious, the answers are not easy but I think, I hope that you know some concrete actions will come out of it.

The other thing though, the positive on the positive side you know I've talked to some companies who although they will not be part of the summit you know the summit will be on the fringes of the UN General Assembly in New York so some of these companies are having their own meetings because you know the crowd will be there so they're trying to attract some of these heads of states and some of the CEOs to have their side meetings and so on. So on the positive side it’s good I think to have you know basically you cannot develop Africa and have a make a big dent on the problems of human development that we have without involving the private sector. So on the it it's good that we have a private sector, both African and US but now we really have to come to some concrete actions and start a conversation and keep track of progress which is not that easy but it has to be done.

DEWS: Let's take a quick break here for another metro lens segment, this time with Elizabeth Kneebone, a fellow in the metropolitan policy program, then we'll get back to the discussion with Amadou and we'll talk more broadly about US economic involvement and engagement with Africa

KNEEBONE: In a recent analysis of neighborhood poverty data, my colleague Natalie homes and I found that the nation had passed a sobering tipping point in the wake of the Great Recession. For the first time, most poor people in the United States, 55-percent, now live in a high poverty neighborhood. That's a neighborhood or census tract in this case, where at least twenty percent of residents live below the federal poverty line. Why is that such a significant statistic? Because research has shown that the negative effects associated with concentrations of poverty and distress neighborhoods like higher violent crime rates, failing schools, higher dropout rates, worse health outcomes, or lower life expectancy, those negative effects begin to emerge once a neighborhood's poverty rate crosses that twenty percent threshold and those negative effects pile on in ways that make it harder for families and individuals to break the cycle of poverty and move up the economic ladder. The poor neighborhoods don't just create challenges for poor people. Anyone that calls these communities home is subject to the negative consequences of living in distressed and disinvested places and the fact of the matter is that the people most likely to live in such neighborhoods are people of color.

Today, most African Americans live in a high poverty neighborhood, not just the majority of poor African Americans, most African Americans, period. Fifty-three percent of the nation's black population lives in a census tract with a poverty rate of twenty percent or higher. Hispanics are not far behind at forty-six percent in stark contrast, only eighteen percent of whites live in a high poverty neighborhood. These glaring racial and spatial gaps add perspective to the long chain of protest and unrest sparked by the police killings of African Americans across the country. In Ferguson, Baltimore, Chicago, Baton Rouge, St. Paul and the list goes on. But take the St. Louis region as one example, the African American population in the metro area actually suburbanized over the course of the two thousands. Even as the city of St. Louis shed black residents between 2000 and 2014, the African American population in the suburbs grew by more than 50,000; that's an increase of about seventeen percent.

But, contrary to popular perceptions, moving to the suburbs doesn't always mean moving to opportunity. The St. Louis region added 57 high-poverty neighborhoods between 2000 and 2010 to 2014; every one of those new high poverty neighborhoods was in the suburbs, including three of the five census tracts in Ferguson. So what's the net result of these two trends? Between 2000 and 2010 to 14, the share of metro St. Louis’ black residents living in a high poverty neighborhood jumped 10 percentage points. By the end of that period, sixty percent of the region's African American population lived in a census tract with poverty rates of twenty percent or more. In contrast, just ten percent of whites in the metro area lived in such neighborhoods; a share that remained unchanged over the course of the two thousands. Such stark differences point to deeper questions about how the region has evolved over time to create such disparities: from governance land use and zoning decisions to discriminatory housing practices and beyond. And coupled with the rapid economic and demographic changes happening in suburbs like Ferguson, these statistics help bring into focus the underlying disparities that set the stage for the outcry and protests following the police shooting of Michael Brown. But these issues clearly aren't unique to just the St. Louis region.

The fact that the majority of the nation's black population and most of our poor now live in high-poverty neighborhoods should underscore for policymakers and practitioners that we won't be able to successfully address the glaring racial and economic inequalities that exist in the United States without directly engaging the growing geographic disparities to which they're so closely linked. I'm Elizabeth Kneebone you can find out more about the changing geography of poverty and opportunity on our website.

DEWS: And now let's return to the discussion about the US-African business forum. Amadou, can you talk about US investment in Africa kind of broadly: what is its shape, its size, and so on.

SY: So you know people talk a lot about China and China's engagement economic engagement in Africa but you know when you look at the data, especially when you look at the foreign direct investment data, the US has the largest stock of frame direct investment in Africa behind the UK, right, and European countries also have Eurozone as a group has also a larger share but when you look at countries the US is really up there. If you look at the flows if you look at the flows of greenfield investment, a recent report by Ernst & Young, it’s called Africa attractiveness survey, finds that the US had the largest green field flows, meaning acquisitions of new firms and so on last year. So basically, the US is really an important actor when it comes to investment in Africa.

And also, although a few years ago most of the investment, it's true, was directed to countries like South Africa, Nigeria, Angola, and also Mauritius into sectors like oil and gas sector. We can see a diversification of the US investment in Africa and in sectors like the hospitality business, aviation, and even information, communication, and technology. So the other thing also is that typically, US investment comes often we've a lot of training of local stuff with some transfer of knowledge and hopefully some transfer of Technology and if you look at the Pew surveys which look at the perception of countries in Africa the US has a very good- the perception of the US by Africans is quite high- so so basically the US is an important investment investor in in Africa.

DEWS: Well sounds like there are a lot of diverse opportunities for investment in Africa but what are some of the obstacles to US investment there.

SY: Yeah so basically there is really a potential for US investments to be much higher. One thing, from an African perspective, the US is so big that a small percentage change in US investment is a lot of money for Africa with a potential for jobs and both here in the US and in Africa. So the obstacles you know you would hear about the cost of doing business you know but basically you could think about regulatory and policy frameworks that need to be improved. You can think about, to be polite also, rent thinking activities. I mean I am from Africa and for a long time I've always cringed when people would talk about corruption in Africa and so on because corruption exists everywhere but we have to be realistic. Sometimes, even when investors want to come in you know they face obstacles and you have, always when you have change, you have winners and losers and sometimes you have people who benefit from rent-seeking activities that just don't want to let go so we have to be realistic and it has to be addressed. Yeah.

DEWS: What about things like political instability or uncertainty and then there's conflict in a few African nations, I mean by no means most of them

SY: Yes that's a good question. So the first thing is to realize that when you look at the data, you know, Africa has improved a lot right, so if you look at for example civil wars or conflicts between states it has gone down drastically from the sixties and seventies, right, so that's a good thing. But now the nature of political risk has Changed, right, so we have more elections, we have more democratic transitions but this comes at the price of post-election violence, right, we have also the emergence of new actors that are that that cross borders, that cross states like Boko Haram for example, around the lake Chad basins.

But also we've seen that in response to this threat we've seen that countries around the lake Chad basins – Nigeria, and the Cameroons, the Nigers, and the Chad – are putting their efforts together to combat this threat so I guess the idea is just like identifying, measuring, and managing political risk and acknowledging that in Africa, Africa is not a continent things have – sorry is not a country – and things have improved, have changed, and the nature of risk has changed, but the key issue, the keyword for me is how to manage these risks and it's doable.

DEWS: So you mentioned China a few minutes ago and also the European Union, thinking in terms of or I guess I should say should the United States think in terms of being in competition with Chinese investors and European investors or is the market just so large or so many opportunities there. How should we think about Chinese and EU activity?

SY: Yeah so I think really, I mean, the potential is really so large, it's not easy, it takes time, one needs to do a lot of homework but the potential is there and there is room really for different partners and there's also this comparative advantages also that exist like the US is better than China or the EU in certain areas and the opposite is true also for other areas. So for example, I've read that in oil and gas for exploration, for activities that require lots of technology, it's very difficult to compete with the US. So let's take, you know, technology again, right, so the US has its comparative advantage but I think the key question Fred is that what are African policymakers and African stakeholders expecting to get from the relationship that they will have with China with the US and with the Eurozone.

I think that's really a key question especially for at the end of the day the African common citizen because we want to these countries to grow we want these countries to have more employment, less inequalities, less poverty, and to improve their human development so I think we have to put this question in the context of that and see what should also the African citizen get from this trade and investment with these countries for example the cases in point is if you look at foreign direct investment, one issue is that if this foreign direct investment doesn't come with employment, doesn't come with transfers of skills and technology, then its effect on the population is much less right important right and you could see think about an offshore oil rig somewhere on the ocean that we don't even see and we have oil revenues that we don't even see or we might not benefit fit from as a the local population I mean by we compared to you know an investment where we are training programmers, we are training technician, and over time you know we have some of these young people that become entrepreneurs

DEWS: Let's go back to the US-Africa business forum here just for a second. We know that the US government is involved in the event through the commerce department but what longer-term role does the US government play and do government's generally play in a private sector investment?

SY: Yeah so my sense is that when you compare the US with other countries, the US government is typically less aggressive into supporting or promoting its business; there's kind of a separation of tasks that that doesn't exist as much in other countries right so in other countries you have a very strong economic diplomacy with its with its pros and cons right but the US typically has not been like that. I think what we've seen here is, with the Obama administration, is an effort to step up the role of the government as a Sherpa, as a match-maker, as an enabler in Africa and I think that's a good thing. Now, I think a lot more can be done and I guess at the end of the day it has been difficult to get US taxpayers money to support such a such an effort but I think for example one could think about US economic diplomacy in Africa and having US embassies and US diplomats playing a much greater role when it comes to you know facilitating trade and investment between the US and the continent.

DEWS: Amadou let's wrap up this conversation by kind of going back to a theme that you and I discussed two years ago and I encourage listeners to go and find that episode that I did with you two years ago and listen to it, it’s really excellent and that is we often think about Africa as one entity but as I said in the intro, it is a vast continent -

54 countries - but now regional integration is becoming a rallying cry for many of those countries, why is this trend important?

SY: Yes I think this training is really Important. First of all, I mean from the perspective of foreign investors you know some many African countries are quite small its small market size you could have a big US metro area which is which has a GDP which is much higher than some of these African countries. With regional integration you get scale right and then you get really much bigger markets so I think that's from a US perspective but from an African perspective too, you know and by having you know free movement of people free movement of capital free movement of goods you know we can have more intra-regional trade more intra-regional investment and that could help spur growth so I think everybody has to win really from encouraging regional integration in Africa. It's happening, it's a multi-speed phenomenon, the eastern African community which has Kenya, Tanzania, Uganda, Rwanda, and Burundi is making a lot of progress.

Others, like the West African monetary union have been integrated for a long time at least financially and are also trying to strengthen that integration in the southern cone also we have South Africa in the neighboring countries and we have SADC and so on so we have a lot happening but I would like to see a greater role played by Nigeria in the ECOWAS which is like the community of Western African state. It's difficult because Nigeria is one of the biggest economy in in Africa and the other countries that are in the West are much smaller but let's say we were just we just finished a study looking at swift data, basically payments, transfer money transfers from one country to the other and you could see that Nigeria is not playing the role it could when it comes to financial integration in the region so a lot more can be done we are coming from a low base, this should be a priority.

DEWS: Well I want to thank you Amadou for sharing your time and your expertise today to help us understand.

SY: Always a pleasure Fred.

DEWS: You can find out more about Amadou Sy and the African growth initiative on our website at brookings.edu/africagrowth Our final part of this episode is Bill Finan's interview with Steven Koltai, author of the new Brookings Institution press title "Peace through Entrepreneurship: Investing in a Startup Culture for Security and Development." Joblessness, Koltai argues, is the root cause of the global unrest threatening American security; fostering entrepreneurship is the remedy. Here's Bill and Steve.

FINAN: Fred thanks and thank you Steven for joining us today for this podcast. I thought we'd start by you telling us a bit about yourself; you've had an interesting career and your experiences are distilled in your new book.

KOLTAI: Thank you for having me. I, the book is very much written from the perspective of a business person who went to Washington so it's unusual I think both from a Brookings press standpoint in that regard and also perhaps for the general audience. So I'm somebody who has about a 30-year business career mostly in the entertainment industry, spent a decade at Warner Brothers as head of corporate strategy and development, spent some time on Wall Street Salomon Brothers and management consulting at Mackenzie, and then had several entrepreneurial ventures so my career is about a third entrepreneurial, two-thirds corporate and the entrepreneurial ventures were, generally speaking, miserably unsuccessful with the exception of one that was very successful which was a television satellite company that is today called SCS and that is based in the grand duchy of Luxembourg and distributes over 6,200 channels of audio video and data on 52 satellites. It's most commercial cable television channels outside the United States everything from Al Jazeera to CNN to MTV outside the United States and I only came to this public policy work later after having retired from a business career, I really had sort of a second career which was, started at the State Department and then led to this book

FINAN: And that position at the State Department was a newly created first time position and that was-

KOLTAI: Yes I was the first senior advisor for entrepreneurship in secretary Hillary Clinton's State Department and the post really came about because of President Obama's Cairo speech in June 2009 at Cairo University where, for the first time, a president of the United States talked about using America's entrepreneurial skill and know-how to in a foreign policy context. In this particular case it was to spur job creation in the Muslim world and coincidentally that was what would have been one of my passions and interests for quite a long time and so when that was in his speech it was the perfect match to starting this program.

FINAN: You are an entrepreneur. Your book has three major concerns or arguments, one of the most important is the need to make entrepreneurship the centerpiece of our economic development policies, our foreign policy and in fact, what do you mean by entrepreneurship?

KOLTAI: Well I equate entrepreneurship with the single most powerful job-creating tool so really my view is that that the most important thing the thing that contributes most to failed States and to the rise of terrorism is actually joblessness, particularly among young people and that while clearly there are many factors here: cultural, political, religious, historical, no doubt about that, when you actually look at and you talk to an interview and some of the people who are at the forefront of these movements whether they’re terrorist movements or whether they’re movements to recast a government, it's very often driven by the frustration and desperation of jobless people and we know in the United States that the single best way to create jobs is through entrepreneurship, in fact in the United States, according to the Kauffman Foundation, from 1985 to 2005, in that 20-year period all of the net job increases in the United States were in small and medium-sized businesses that had been started by entrepreneurs.

So applying that same theory abroad, you know, when we have an unemployment rate here of eight-and-a-half percent like it was after the recession of 2008, it was a national disaster, it was a catastrophe. In the Arab world, the average unemployment rate is thirty-five percent and in most countries that only includes men because they don’t even track women's unemployment so it's an enormous driver of instability and entrepreneurship, i believe, is proven as the single best way, the single best antidote to counteract that.

FINAN: You give an example in the book of the kind of entrepreneurship you're you're interested in fostering and that's the story of Warner Otto in Nairobi, Kenya; can you tell us about that?

KOLTAI: Yeah, I mean it's a perfect example. Lorna, you know was a very enterprising, is a very enterprising young woman who saw the amount of garbage, particularly plastics that were being discarded and started a business to really accomplish two or three things at the same time: one, is deal with the garbage; two, is recycle because she was very much aware that this was non-biodegradable material that would last forever either in the ocean or in landfills; and three, to create a new product which was a new kind of fiber and from which a whole bunch of things from, you know, textiles to purses to building materials could be fashioned.

That's the kind of entrepreneur and she then went on to create a successful business which has, you know, employed, at this point, hundreds of people. That's an example of the kind of entrepreneurship that I'm talking about that we find in the developing world very often in the most inhospitable places and it's why the cover the book is sort of shoots poking through cracks in the concrete because in the United States entrepreneurs are rock stars but in the developing world, which is where I spend most of my time, they're the furthest thing possible from rock stars. They're the crab grass that grows up in the cracks and that's, Lorna is an example of that.

FINAN: And one thing you make clear in the book too when you talk about entrepreneurship, you're not talking about opening up a Banh Mi shop, but it's something like what Lorna did too and it because it's scalable, you can make it larger.

KOLTAI: Right, it's a very important point. I make a distinction between small business and entrepreneurship so anybody who opens a new cafe or restaurant or a barbershop is a small business person and that's great, but the difference between opening a barbershop and being, what I call, a scalable entrepreneur is the difference between what Starbucks is versus a barbershop. Starbucks innovated a business process and my definition of an entrepreneur is someone who innovates a product or process and has the ability to make it happen. So Starbucks didn't invent coffee but they invented a new process, a new model for selling coffee. So in my parlance, you can have no tech, low tech, and high tech entrepreneurs which is an important distinction because in America we tend to think just of tech entrepreneurs in the developing world it's all three of those but it's still distinguished from just any new small business because it has either a product or a process innovation which is what that allows it to scale. So today, for example, and I have this statistic in the book, there are more people who work for Starbucks in Silicon Valley than who work for all of Google worldwide.

FINAN: Your time in government also led to a frustration and that's the third concern in the book; you talk about entrepreneurship and burgeoning youth unemployment and the third is our current development program and you offered an extended scathing critique of the US Agency for International Development in the State Department of which it’s a part in the pages of the book. Can you take a moment to explain what this current development program is that US has under USAID and why it is a central problem?

KOLTAI: Yes, you know I make the point that as an outsider, as a businessman, and as an entrepreneur coming into the government, I had a little bit of an Alice in Wonderland experience; it sort of looked like America it sounded like America but it wasn’t America. In my experience in the entrepreneurial world, when you face an obstacle or problem, you know you find the workaround and you plow through it. In government, so often what I found was that if it can't be done there's a reason it can't be done and it just can't be done and that was true, that is true across the board in government. It's not, I don't think you need to just, the State Department or USAID. What also is a key problem that I talk about in the book is that the vast majority of the actual programming of the actual activity of implementing the policy that government comes up with is conducted by outside contractors and that is increasing annually. It's well over half of US government activity, both domestic and foreign. It is handled by contractors.

FINAN: Is that part of that privatization that went in place in the early eighties?

KOLTAI: Yes, yes and I think it was also part of the view of probably both administrations, that the private sector can do things better. What has happened, though, I don't necessarily refute that the private sector can do things better, I actually think that's true. The problem is that the method by which the government selects the contractors, what in government parlance is the procurement and contracting mechanism, is so broken that very often, the people most able to accomplish the tasks are not the ones who win the contract and I give the example, I use the metaphor that it's like turning a screw with a rubber screwdriver. Even if we have the policy right and many policymakers agree with the importance of job creation through entrepreneurship so frankly that is less novel and less difficult of a concept to understand, though of course there are people who disagree even with that.

What's more difficult is to make it happen using this rubber screwdriver and that's where I talk about the need for procurement and contracting reform, which frankly are usually not within the purview of civil servants or foreign service officers but they come from Congress via the Federal Acquisition requirements which is which is what governs all US government procurement. It’s a 54 volume set, each volume is 2,000 pages, phonebook thickness if people still remember what phone books looked like, and that's what it takes to win a US government contract. So needless to say, a very small number of people do that. At USAID, there are less than 10 contractors that account for a third of USAID’s 35 billion dollar annual budget.

FINAN: So there's this Byzantine process of winning contracts but there's also this focus on large projects too that's been part of the US development program for ages ever since the end of the Cold War I guess.

KOLTAI: Absolutely, and, you know, you put your finger bill on one of the other metaphors I use, which is the difficulty of small innovative entrepreneurial companies and organizations to become contractors and work with the US government and the metaphor I use is it's like a mouse dancing with a hippo, it always ends badly for the mouse and and that's what happens when smaller companies try to win some of these contracts because dancing with the hippo, managing the process of applying, complying, once you have the contract, are so onerous that unless you have a large organization with a lot of people with a lot of specialized experience in managing US government contracts, you're just going to run screaming from the room in the opposite direction.

FINAN: So we have the problem but you also have a solution or solutions and that solution is to focus on entrepreneurship but it's not just focusing on entrepreneurship, you used the example of the fact that everyone thinks that entrepreneurs like Steve Jobs or Hewlett-Packard, creating their tech empires in garages and those, but those garages existed not in a desert but in what you call an ecosystem and that's what you want to build, build out and yet an entrepreneurial ecosystem and you have a 6 plus 6 entrepreneurial ecosystem model that you talk about at length in the book, can you tell us about the various elements of that?

KOLTAI: Yes, I, after studying how entrepreneurship grows or doesn't grow, I realized that there's no silver bullet, there's no one single thing that accounts for success. It's not about starting a venture capital firm and all of a sudden, a whole bunch of startups spring up around it, it's not about a business plan competition, it's not about one incubator that started in a derelict building downtown, it's about a complex of things and so I developed this 6 plus 6 model for entrepreneurial ecosystem building, which frankly works both in the US or in a developed country as well as in a developing country and it basically proceeds from the premise that I just described, which is that it's not about one thing and in this case I've identified six categories of activity and six categories of player that must be woven together programmatically to create programs that actually move the needle in spurring more entrepreneurship so the six categories of activity are identify, train, connect and sustain fund, enable public policy, and celebrate entrepreneurs.

And the six categories of players are corporations, foundations, universities, non-government organizations or NGOs, investors and government. And so in the work that I do through my consulting firm, we design and execute programs almost always with many other partners that fill in the gaps in an ecosystem that come from this 6 plus 6 analysis so we first do a diagnostic of an ecosystem and an ecosystem can be a neighborhood in a big American city or it can be a state or it can be country.

Entrepreneurship is usually hyperlocal so the ecosystem needs to be pretty local and then, you know, when you find what the gaps are then you can address filling them.

FINAN: Thanks Steven for showing us the dark corners of the development program we now have in place and where we could shine some attention to what your book calls for peace through entrepreneurship.

KOLTAI: Thanks much for having me.

DEWS: You can get a copy of peace through entrepreneurship on our website and that's all for this edition of the Brookings cafeteria. My thanks to audio engineer and producer Mark Hoelscher and our producer Vanessa Sauter. Bill Finan does the book interviews. And design and web support comes from Jessica Pavone, Eric Abalahin and Rebecca Viser. And thanks to Richard Fawal for podcast support. You can subscribe to the Brookings Cafeteria on iTunes and listen to it in all the usual places. Want to ask a scholar question? Send an email to BCP@brookings.edu and I'll get an answer for you. Until next time. I'm Fred Dews.