
Event Report

2008 African Economic Forum Panel: “Capital Change: Market-Based Philosophies for Social Good”

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On April 4, 2008, the Pan-African Network of Columbia’s School of International and Political Affairs hosted its fifth annual African Economic Forum to encourage discussion of core issues relating to African development. Several promising entrepreneurs presented their respective visions for addressing the most pressing social needs for the continent in a panel entitled “Capital Change: Market-Based Philosophies for Social Good.” The social entrepreneurs were Adrien Couton, water portfolio manager at the Acumen Fund; Trevor Dudley, founder of the Kids League; Nadine Hack, president of beCause Global Consulting; Wanja Michuki ’02, founder of the Highland Tea Company; and Euvin Naidoo, president and CEO of the South African Chamber of Commerce in America.

For entrepreneur Wanja Michuki ’02, the epiphany that she was destined for another life path came to her while she steadfastly burned the midnight oil as an investment banking summer associate in 2001. “I was like, what am I doing here? I was doing something I really wasn’t passionate about.” Realizing that her heart instead remained back in her homeland of Kenya, and wishing to embark upon a career with a broader social mission, Ms. Michuki cofounded the Highland Tea Company with her mother, a Kenyan tea farmer. Using the fair-trade model, the company packages specialty teas grown by her mother and farmers in the same area of Kenya for distribution across North America.

Ms. Michuki decided to pursue tea trading for several reasons. First, she realized that North America provided a virtually untapped market for Kenyan specialty teas, as only traditional blends, primarily from India, China and Sri Lanka, were being sold there. Furthermore, of those

Kenyan teas sold in the United States, most are blended and sold in bulk with other teas so that the point of origin remains relatively unknown. “Highland Tea Company was created to brand Kenya’s specialty tea,” Ms. Michuki said.

Additionally, like many of the other panelists who pursued social entrepreneurship in Africa for its far-reaching impact on an often overlooked part of the world, Ms. Michuki is convinced that small-scale tea farming can play a crucial role in alleviating poverty in Kenya. Accordingly, she has tried to ensure that the local farmers from whom Highland purchases its tea are compensated equitably by using the fair-trade model. The fair-trade approach is designed to guarantee a fair price for farmers despite potentially negative market conditions and to ensure that the benefits of trade reach the farming communities. For Highland, this means that for every kilo of tea that the company purchases from farmers, it contributes 50 cents to a fund that invests in infrastructure projects determined by the farming community. While this contributes to the premium pricing of fair-trade products, Ms. Michuki says that consumers generally don’t mind spending a little extra for a good cause.

Although Africa’s widespread lack of infrastructure and basic services is alarming to most foreigners, Euvyn Naidoo of the South African Chamber of Commerce in America sees the continent’s gaping hole in these areas as a bright opportunity for investors seeking to build development efforts from the ground up. Mr. Naidoo devotes his time to expanding business, trade and investment opportunities between the United States and Africa. “The South African Chamber of Commerce sees job creation as a sustainable solution to Africa’s resolution of the poverty trap,” he said. “Issues of scale and market access are crucial. That handful of entrepreneurs who believe products are scalable and can compete internationally, we try to help their dreams come true. Africa needs role models.”

Joking that he did not realize he was a social entrepreneur until he was given a grant for being one by the Ashoka Foundation a few years ago, Trevor Dudley mused, “There are thousands of people in Africa who are doing things and they don’t realize they are social entrepreneurs; they’re just doing.” As founder of the Kids League, Mr. Dudley uses sports as a way to instill confidence and life skills in Ugandan children, many of whom live in poverty and suffer psychological effects from years of civil strife. A former construction consultant in Uganda, Mr. Dudley observed that schools were under excessive pressure to improve academic results and were accordingly excluding sports from their curricula. He became concerned that Ugandan children would not get the necessary training in teamwork, cooperation, health, goal setting and leadership, all of which are engendered by sports programs.

In his poignant presentation, Mr. Dudley carefully explained how he established both the Kampala Kids League in 1998 as well as the Kids League in 2003 to provide youths with structured soccer leagues. His words of advice to budding social entrepreneurs: “First, define a problem. But don’t keep it a problem. You have to find a way to convert it into a challenge. Develop a passion for trying to solve that challenge. And think quality—if you are going to do something, do it well. If you want to convince others of your mission, it must be of the highest quality.”

Similar to the other panelists, Adrien Couton gave up a lucrative career—as a consultant at McKinsey & Company—to work at the Acumen Fund, a global nonprofit venture fund that provides philanthropic capital and business acumen to develop critical enterprises in developing nations in the areas of health, sanitation, water, energy and housing. Through the Acumen Fund, Mr. Couton was able to bring affordable and efficient drip-irrigation systems to East Africa and India. “My objective is to build my professional life around the transfer of knowledge and skills between the business world and the social sector in order to tackle poverty,” he said. “The exchange of ideas and people between these sectors is scarce, and this divide is a barrier to addressing global challenges, from fighting pandemics to providing basic services for all.”

Nadine Hack of beCause Global Consulting provides advisory services to the philanthropic initiatives of corporations, foundations, governments, nonprofits and individuals. She carefully summed up the thoughts of the other panelists: “For any program, in any part of the world—including the chicest part of New York City—to be successful, it must pull from the public sector, the private sector and civil society. We cannot deal with issues sequentially, and those of us that care about social entrepreneurship must collaborate with each other while still keeping our own goals defined. The challenge for us is to move forward with all things simultaneously—a water program, a job-training program, a sports program and an infrastructure program.”

In closing, all the panelists agreed that development work in Africa has just begun and that numerous challenges abound, from understanding the relevant issues to various implementation hurdles. However, Ms. Michuki best summed up the boundless optimism of each entrepreneur: “It’s something that’s worth being awake at three o’clock in the morning for.”

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