

# ALUMNI AT LARGE

SCOTT GILMORE



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In 2001, **Scott Gilmore** (MSc International History 1996) took leave from his career as a diplomat with the Canadian Foreign Service to join a UN peacekeeping mission in Timor-Leste. It didn't go as planned but, via a noisy landlord, it led him to create what has become Building Markets, a social initiative championing local entrepreneurs in developing countries that connects them to new business opportunities.

When Scott Gilmore arrived in Timor-Leste, he was full of wide-eyed hope at the prospect of making his own contribution to the process of supporting the country's recovery following almost 25 years of conflict. That hope was quickly replaced by his perception that the international community was unable to create meaningful jobs or generate an economic recovery, even though the operating budget of the UN was larger than the GDP of the country itself. His despondency was short lived, in unusual circumstances.

Over the course of a week he was woken up each morning at a hideous hour by a sanity-sapping banging outside the bedroom window of the flat he was renting. Deciding that enough was enough, he took it upon himself to confront the source of the noise.

"That was when I discovered that it was my landlord, a man named Senhor Antonio, hammering at the rusted hulk of a burnt-out bus," recalls Scott. "Curious and a little delirious, I asked in fairly blunt terms what he was doing. It transpired that he was using my monthly rent to refurbish minibuses burnt in the conflict, and to hire and train local boys as mechanics and drivers."

What Scott witnessed over the following months was a triumph of local entrepreneurialism; Senhor Antonio became one of the largest employers in the town, providing bus services across the country. Through his initiative, vital links between communities were restored.

Traditional aid agency programmes were, to his mind, nowhere to be seen. It became clear to Scott that Timor-Leste's development was actually being built

by budding entrepreneurs like Senhor Antonio, using the small amounts of international money leaking into the local economy – such as Scott's rent.

At this stage, the Peace Dividend Trust that would become Building Markets was no more than an idea floating in Scott's mind. After Timor-Leste, he moved on to work in Afghanistan and saw a similar pattern of entrepreneurialism – and the concept of a social entrepreneurship initiative began to take real shape.

"In Afghanistan I saw that only a tiny per cent of donor spending was entering the local economy. Most of it was spent on shipping in goods and expertise from abroad," says Scott. "So, based on what we had seen with local entrepreneurs putting income to good use in Timor-Leste, I gathered an informal group of aid and

peacekeeping professionals and we eventually managed to set up a pilot with the UN to see if we could create a path of least resistance between local entrepreneurs and the procurement officers of the largest donors.”

Getting the green light to launch the pilot in Afghanistan was one thing; carrying out the necessary work and building the local connections was an altogether more complex task. “We were testing a new idea, backed by a new donor, in the midst of a war. Our staff walked the streets of Kabul and regional centres like Lashkar Gah, searching for local businesses,” recalls Scott. “Once we identified suitable prospects, we would then train them on international contracts and help them bid on tenders. All the time, we were confronted by social and cultural challenges – at both ends of the relationship – that required patience and no small amount of diplomacy.”

On top of that, the Building Markets team was working in areas almost routinely defined as dangerous environments. “Security and the safety of our staff was paramount: we eventually had over 100 people working ‘outside the wire’ and had to spend a great deal of time and money ensuring everyone was safe. We managed a perfect track record over the six-year life of the project.”

There was also the challenge of convincing international companies and buyers that Afghan businesses not only existed, but were competitive and able to win contracts on merit. “The whole purpose of our initiative was that it wasn’t aid or charity,” says Scott. “It was about providing valid business propositions with the window to market – to demonstrate that a great network of talented people already existed that could take control of their nation’s economic development.”

## Q&A with Scott Gilmore

### Why did you choose to study at LSE?

It was the prospect of central London, world-class professors, and an incredibly eclectic student body. What’s not to love?

### What did you learn at LSE that has helped you most in your career?

It wasn’t necessarily what I learned, but how I did so: we were taught how to absorb and synthesise large amounts of information in a short period of time.

### What’s your favourite LSE memory?

The first thing that springs to mind is debating politics with my colleagues from all over the world over beers at the Three Tuns.

### Did you have a favourite academic at LSE?

Professor MacGregor Knox. He was possibly the most demanding professor I had, but as a result I learned a great deal.

In the years since, Building Markets has replicated its model successfully in countries such as Haiti and Liberia, confronted by similar challenges. What has been the secret to it? “Introducing innovative ideas anywhere can be challenging. Trying to fund and test those ideas in a sector (international development) that is risk averse and smothered in red tape is even harder. We have found having a simple model that demonstrably works is invaluable. It can overcome those obstacles more often than not. To date we have helped local entrepreneurs in these countries to win over \$1.2 billion in new contracts, creating the equivalent of over 65,000 jobs.”

Scott has now moved out of the CEO position to launch a social impact investment fund with London-based City Financial. The fund will invest in Building

Market’s network of local entrepreneurs, with a view to expanding into West Africa and Southeast Asia. He does so with one example that resonates and remains a driving force behind his work. “Our team in Timor-Leste helped a man who had a small rural business to win a relatively small contract for about \$500,” says Scott. “He used the profits to buy two bikes so his young daughters could ride to school, which they had been unable to attend because it was too far away. It was such a small amount of money, but it had a dramatically positive effect on this family. I was completely blown away by it.” ■

*Scott Gilmore was talking to Chris Kendrick, LSE Advancement.*

