

Written statement of proposed testimony
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Thank you, Mr. Chairman, and distinguished members of the committee, for the opportunity to testify.

My name is Magatte Wade. I'm a Senegalese-American entrepreneur who has lived in the US since 1998 and have been a citizen since 2018. I have done business extensively in the US and Africa for 26 years from California, New York, and Texas. I have served with the Atlas Network as a Senior Fellow on Africa. I have written a book, *The Heart of a Cheetah*, which addresses issues related to entrepreneurship and prosperity, which has been endorsed by Nobel laureate Vernon Smith, development economist Bill Easterly, and Whole Foods founder John Mackey. Finally, I'm co-founder of Prospera Africa, an initiative to create something similar to Freedom Cities in Africa.

I'm here to provide a sense of urgency regarding the need for streamlined regulatory and administrative rules for business. This topic has become so mired in partisanship and ideology for most Americans that my sense is that no one can even think clearly about the issues anymore. So let me start by saying in no uncertain terms, in much of Africa this is a life or death issue. We are the poorest region in the world. We are also the most over regulated region in the world. My country, Senegal, makes it even harder to hire and fire employees than in California, one of the worst US states. The result is that my people die at sea trying to escape to Europe to get jobs. When the state chokes businesses so much that people are dying, one feels greater urgency over these issues than do most Americans.

As a consequence of my perspective, I'm aware of the fact that even in the U.S., it is difficult for a business person to be fully compliant with all laws. In Senegal I constantly have to pay lawyers to make sure I'm compliant with laws so that bureaucrats don't shake me down (corruption is caused by over-regulation). In the U.S., given the fact that I'm involved with four for profit entities and several non-profit entities, I could easily be committing "Three Felonies per Day" if I'm not keeping all the paperwork on all of my companies up to date. Large, powerful firms can afford armies of lawyers and attorneys to stay compliant. Smaller entities do their best and try not to slip up.

Everything I do is for the sake of African prosperity. There is no sense in which I am a "greedy business person." And yet most of us engaged in business are subject to the potential of punitive public officials.

As an African-American immigrant, I'm familiar with many informal small businesses run by other Africans in the U.S. Of course the most common example of occupational

licensing run amok are hair braiders - I expect that most of the African women who braid my hair are breaking the laws. But my tribe from Senegal, the Mourides, are known globally for their entrepreneurial initiative. We are some of the hardest working people you'll ever know - and many of the less educated among us are sending money home every month while running our businesses. We are the last people you should want to be penalizing.

To take a different issue, Austin housing prices were rising rapidly due to excessive land use regulation until recently. Last year I testified for Texans for Reasonable Solutions to deregulate land use regulations. They've made progress in reducing the growth in housing costs. There are estimates that 30-40% of housing costs are due to excessive regulations in some areas. When I moved to the US, I lived in San Francisco, which was the most beautiful city in the world before it became filled with the excrement from homeless people. SF has arguably the worst housing regulation in the US, and therefore one of the worst homelessness problems in the U.S. Are you getting a pattern yet?

My husband is an educational entrepreneur who was a leader in the microschool space before it became a thing. If you want a new renaissance in education, you need to minimize the regulations pertaining to new school creation. Do you really want to be penalizing entrepreneurial educators?

What to do? In my role as co-founder of Prospera Africa, we are seeking to pass a "General Repealer" for our equivalent of Freedom Cities. That is, we legislatively pass a law that repeals all existing commercial law within a zone so that we can get a fresh start. There are so many millions of laws, both in the U.S. and Africa, that no one knows when and how a law might be used against us. If we truly want "permissionless innovation," then we need to start with a clean slate and begin afresh. If it is just in a limited zone, then the risks are contained to those who voluntarily choose to relocate to the zone. Everyone else can stay under the regulatory environment they prefer.

Just as Californians are free to stay there if they prefer, as we create new, freer jurisdictions for business in Africa and the U.S., I predict that those jurisdictions will attract the most motivated, talented, and entrepreneurial people. As one of the many emigres from San Francisco to Austin, I see it with my own eyes every day. Once we have full on Freedom Cities, growth miracles like Austin will have to compete with a new generation of super star growth miracles. Can you empower anywhere in the US to have a general repealer so new Freedom Cities can be created across the US?

As an immigrant, I love the U.S. more than anywhere in the world. It is critically important to me that the U.S. remain a prosperous global leader in innovation. As I work to transform Africa into a region of prosperity and innovation by means of creating the best business environment in the world, I demand that my adopted country keep up!