

Talakawa Liberation Herald (141)

BIODUN JEYIFO

Aliko Dangote at Harvard: the question I wanted to, but did not ask him (1)

It is perhaps appropriate that I go straight to the question that I very much wanted to put to Aliko Dangote but decided not to when he gave a talk at Harvard University on Thursday, October 29, 2015. This is the question: Why is it that our business moguls have never given the slightest indication that they realize that the solution to the perpetual crisis of fitful and unreliable generation and distribution of power in our country depends as much on them as a group as it does on the state, the government? Having begun this piece with that unasked question, perhaps the next thing for me to do here is to admit that I did not put the question to Dangote because I realized that it would have been a bit unfair to put the question to him in that particular context, quite apart from the significant fact that the audience at the talk would have so completely misunderstood the intent of the question that they would almost certainly have read it as a deliberate provocation to Dangote, an attempt to detract from the extraordinarily buoyant and euphoric mood of the reception of his talk. What is the background, the context for these observations and musings?

Sponsored jointly by Harvard's Center for African Studies and the Harvard Business School, Dangote's talk was the first in the so-called Hakeem and Myma Belo-Osagie Distinguished African Business and Entrepreneurial Lecture. In my ten years at Harvard, this was quite easily the most well attended lecture given by an African at the University. In saying this, I have not forgotten that other notable Nigerians like Olusegun Obasanjo, the Sultan of Sokoto, the late Professor Ade Adefuye (former Nigerian Ambassador to the U.S.) and Babangida Aliyu, former Governor of Niger State have all given lectures at the University since I have been teaching there. Unquestionably, part of Dangote's appeal is due to his fame as not only Africa's wealthiest man, but also one of the world's richest and most influential transnational business moguls. Ours is one of the poorest regions of the world and so far, with perhaps the single exception of the commercialization of religion, the efforts of our wealthiest entrepreneurs to effectively run global business operations have failed woefully. Reported by Forbes to be worth about 80 billion dollars, Aliko Dangote would stand out in any region, any nation on the planet; in Africa in particular and the global south in general, he is like a colossus. Thus, Dangote's fabled achievements in entrepreneurship assume legendary proportions in the African context and this was reflected in the turnout for



• Aliko Dangote: electrification for industry and for life

and reception of his lecture at Harvard on Thursday, November 29, 2015.

Beyond these important but external factors, Dangote's talk was also the very essence of relaxed, poised and, on occasion, witty delivery. Human self-identification with achievement and celebrity, especially in wealth, is a phenomenon known all over the world and at all times in recorded history. The good folks at Harvard, one of the world's most prestigious universities, are no exception to this norm. Thus, those who showed up for Dangote's talk – the great majority of them either Africans or of African descent – dutifully laughed at every joke that he gave and indulgently cheered every turn of phrase through which he expressed a solidarity, an African oneness with the audience, despite the aura surrounding his person and worth. Above all else, the man was absolutely in command of the occasion; he not only gave his talk fluently without any prepared notes, but he did so with a mixture of candor and a complete absence of pomposity. He has probably given versions of the same talk in many other contexts; all the same, the combination of straight-from-the-heart anecdotes concerning the origins of his wealth and the highlights of his

business activities greatly endeared him to the audience. Moreover, he was very forthright about the challenges of doing business across virtually all the regions of our continent, without obscuring the really daunting obstacles or blowing them out of proportion as many 'roving' entrepreneurs on our continent tend to do. To crown it all, during the "Q & A", Dangote was very attentive, very solicitous towards his questioners, especially the young students who, it seemed, came to the talk determined to milk every ounce of intimidation from the great man on how to strike it rich, how to become billionaires themselves some day.

In that context that I have taken such great care to describe as fully and as positively as possible, it would have been thought completely out of place and perhaps also out of order for me to have put that question to Dangote: why is it that our business moguls fail to recognize that the solution to our perpetual, crippling problems with the generation and distribution of power lies as much with them as with the government? No one in the audience would have missed the implication that behind this question lies a suggestion that our business moguls are as much to blame as "government" for our

problems with power generation and distribution. No matter how much I tried to hide or blunt this implication behind the question, the audience and perhaps Dangote himself would have felt that I was putting him in particular on the spot; I was making him personally answerable for a problem that everyone thinks lies solely with the "government". Also, it would have been thought that even if my premise was right, this was not the right place, the right occasion to bring up such a matter for discussion.

At this point in this piece that I am writing more than a week after Dangote's lecture, I must now openly admit that this idea was and is indeed on my mind: the most powerful and influential among our business elites are as responsible as "government" for the fact that almost 200 years after electrification became indispensable for industrialization and the modernity that came in

its wake, in Nigeria and most of our continent we are still literally and symbolically in the "dark" when it comes to dependable, efficient and life-changing and life-enhancing electrification. In making this assertion, I wish to state that if it seems like an accusation, a bitter indictment of our business elites, my aim is to generate productive discussion, not to try and condemn the "accused" thoughtlessly. As a matter of fact, to the extent that virtually everyone thinks that the 'problem' lies solely with "government", to that extent have discussions on the failure of effective, regular and dependable electrification in our part of the world been extremely tortured and unproductive. If this is the case, the very last thing I wish to do in this piece is to shift the venue of frustrated discourses on incomplete, imperfect and frustrating electrification away from "government" to "business".

In his lecture at Harvard, Dangote as a matter of fact spoke repeatedly on the problems that he and the Dangote Group have had with power supply. He shared with the audience the information that the only way he solved the problem, indeed the only way he could have solved the problem, was to opt out completely from any local, re-

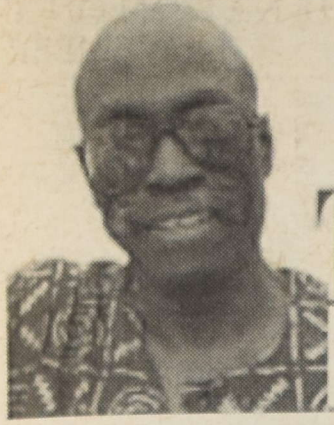
gional or national power grid, not only in Nigeria but almost in every country in Africa in which he operates as an industrialist, a manufacturer. He was particularly emphatic on the fact that he and his Group strive everywhere they operate in Africa to be completely self-sufficient in power generation and supply, at every level of all the processes involved. If this is the case, the reader might well ask how justifiable it is for me to suggest that a business mogul that has so assiduously and successfully applied himself to sufficient and regular power generation and supply for his operations could be part of a business elite that is as responsible as "government" for our national and continental crises of incomplete and unreliable electrification at the dawn of the 21st century.

I do have a response to this perfectly logical and understandable query for my claim that without exception, all our business elites are as responsible as "government" for our problems with power generation and supply. The Dangote Group may be the largest African-owned industrial empire in our continent at the present time, but its apparent self-sufficiency in power generation and supply is neither unique nor atypical. As a matter of fact, it is so typical, so normative that it stands as a mark of the peculiar kind of "industrialization" that has come to replace the nascent, vestigial "industrialization" that was first introduced by the colonizers into our country and the rest of the continent. It is this mode of "industrialization" which, at least so far, subsists on incomplete and vastly imperfect electrification that I wish to explore in this two-part series.

I locate this peculiar mode of "industrialization" in post-independent, postcolonial Africa against the background of the universal dream of all mankind at the dawn of electrification as a linchpin of modern industry: power supply everywhere and for everyone, twenty-four hours a day, seven days a week, year round, year after year. This is no longer a dream in those parts of the world in which electrification, having been extended to all areas of life, is no longer restricted to "industry" as a privileged site. In next week's conclusion of the series, I hope to show an iron-clad collusion between our political and business elites in the separation of "industry" from "life" as a primary cause and effect of our perennial problems with power generation and supply.

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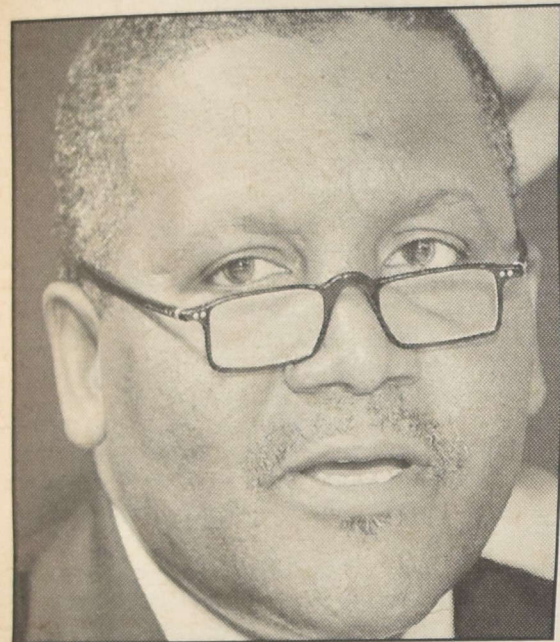
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BIODUN JEYIFO

Aliko Dangote at Harvard: the question I wanted to, but did not ask him (2)



• Aliko Dangote; Mike Adenuga; Femi Otedola and Abdulsamad Rabiu, "How can we separate the 'real' producers from the 'emergency' operators?"

IN continuation of the series that began in this column last week, the first order of business is of course to correct the glaring error that I made in giving the figure of 80 billion dollars as Forbes's estimate of the net worth of Aliko Dangote. The correct figure that I meant to write was 18 billion dollars; how my fingers typed 80 instead of 18, I do not know, especially as no billionaire in the world has reached the figure of 80 billion as his or her net worth. Perhaps my fingers were being preternaturally 'prophetic' in an unconscious prediction that Dangote will one day make it to 80 billion dollars. The only thing that militates against the likelihood of my fingers acting as the unconscious medium of such a 'prediction' is the fact that for me health is wealth. In other words, I am asking the reader to please read the superabundance that my fingers mistakenly typed for Dangote's wealth as a wish for his health!

And indeed, no slogan is more appropriate for the things that I wish to reflect upon in this continuing piece in the series than the well known adage, "health is wealth". This is because if it is the case that no woman or man can dispute the wisdom undergirding this adage of "health is wealth", the reverse - wealth is health - is far from being unquestionably true. This becomes even more so when the *wealth* of the nation is appraised in terms of the *health* of the nation: overwhelmingly in our country in the last five decades or so, the wealth of our nation has been a relentless generator of the ill-health of nation. This is as true of the specific topic of this series - the collusion of our economic elites with our political rulers in investing billions of dollars in electricity generation and distribution to little or no avail - as it is true of the massive privatization of national assets, public utilities and collective resources in areas as diverse as air transportation and civil aviation; public sanitation and waste management; road construction and maintenance; health services through private hospitals and clinics; mobile telecom services; education at all levels from the primary to the tertiary; and even the collection of taxes for some of our governments by private firms. And with re-

gard to the specific topic of this series, let us not forget that if responsibility for power generation still largely remains with the state, power distribution has in large part been privatized.

My main focus in this series is on how our business moguls can come to the realization that as much as they have been collusive with "government" in being part of the problem of the transformation of the wealth of the nation to the ill-health of the nation, they may yet play a role in being part of the solution. But before moving to this center of gravity of my reflections in this series, I would like to make one final comment on this alleged role of our business elites as part of a problem that is often solely ascribed to "government", to the state.

It is tempting to describe the nefarious symbiosis between, on the one hand, our political rulers and, on the other hand, our business elites as crony capitalism. But the matter is far worse than that. Crony capitalism exists in every region and nearly every nation in the world, with perhaps the exception of Cuba. As bad as it is, crony capitalism does not typically treat consumers and citizens with the combination of greed, cheating and extremely inferior services with which the alliance of "government" and business elites treats Nigerians in general and the poor masses in particular. In my view, it is perhaps nearer the truth to use the analogy between the real economy and the shadow economy to describe our political rulers as the *real* government and our business moguls as the *shadow* government. In contemporary capitalism of the advanced economies of the world, in many respects the shadow economy has become more central, more determining than the real economy. So it is with the "shadow government" in our country. In other words, what the "real government" does to the people through corruption, arrogance of power and mediocrity of services rendered the "shadow government" of business elites does on a more grandiose scale through their total disregard for consumer rights. Indeed, the Nigerian consumer, the Nigerian people are so unprotected from the kind of services provided by our "shadow government" that even the business elites themselves have to run for cover

from the services they provide to their fellow countrymen and women. For education, they send their children abroad; for "real" health services they go to India, Europe and America; for safety of travel within and outside the country they buy private jets.

If the profile I have given above of the "shadow government" constituted by our business elites gives the impression that I am of the opinion that nothing good, nothing patriotic, nothing decent and genuinely altruistic can be expected from all our business elites without exception, let me quickly state that this is in fact not the case. Just as I have not given up on the "real government" run by our political elites so have I not given up on the "shadow government" run by our business elites. To think otherwise is to have a rather low and cynical view of human nature. Human nature is not static; it is not unchanging, especially in relation to the collective institutional challenges for cooperation, peace, justice and survival that we face as a nation. This view holds true as much for rich men and women as it does for the poor and the wretched of the earth even if, quite often, the wealthy and the powerful in our country think and act as if what applies to human nature in general does not apply to them at all.

This seemingly counterintuitive view that some or a segment of our business elites can be part of the solution to our problems and crises was in fact strengthened by some particular comments that Aliko Dangote made during his lecture at Harvard on October 29, 2015. I may be wrong, but I very much doubt that he or any of our business moguls make these sorts of statements at home to their fellow Nigerians. Let me add here that since some of these statements were given in the context of an unwritten speech that was delivered without reference to any notes, it may very well be that Dangote was in fact speaking straight from the heart. At any rate, let me inform the reader at this point that Dangote made these particular observations at moments in his speech when he was at his most relaxed, witty and engagingly unself-conscious. What were these observations?

First, as an acknowledgement that

businessmen and women are always deeply involved with government, Dangote stated that he in particular and many other businessmen in general had to be very careful during the era of military rule not to be perceived by the soldiers as an actual or potential financier of coups. To my astonishment, Dangote added that nearly every coup was financed by a businessman. At any rate, the main point in this particular observation is that he, Aliko Dangote, had stayed away, both in principle and in practice, from the "business" of coup-making during the military era. Second, was Dangote's sharp observation that corruption is so deep, so antithetical to the possibility of our country's transformation into a developed modern economy that it is far more deadly than the Boko Haram insurgency for our collective survival.

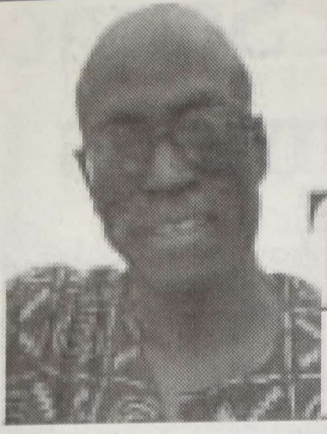
The third of these observations or assertions by Dangote at his lecture of October 29 was on the surface more mundane. To me, however, it was the most revealing: he stated that though he was one of the handful of Nigerians who succeeded in obtaining licensing from the government to launch a corporation for GSM or mobile telecom services, he was so uninterested in that line of business that he was quite happy to sell off his license so he would not be tempted to get into the fraternity of MTN, Glo, Starcomms, Etisalat and the other mobile telecom providers in Nigeria. I must add here that I was surprised by the figure that Dangote gave for the sale of his license, this being 250 million which, I am certain, was in dollars, not in naira. However, against my wonderment that one could make a cool 250 million dollars without having produced anything at all, I squared off the significance of Dangote's self-avowed decision to stay focused on industrial manufacturing of goods in the real economy. As a matter of fact, it was on the basis of this self-declared determination to be a *producing* industrialist rather than an idle-rich GSM provider that Dangote pitched his remarks in his lecture on his determination to be completely self-dependent in electricity supply for his industries.

If the connection of these musings about Dangote's lecture at Harvard

to the issue of the solution to the crises of incomplete and imperfect electrification in our country and our continent is not (yet) clear, let me now spell it out unambiguously. I don't know if it was intentional on his part but to me, the drift of Dangote's lecture was a separation of his brand or mode of industrial and entrepreneurial activities from the more common and much better known tribe of "emergency" contractors, businessmen and operators. This separation is not exclusive or personal to Aliko Dangote; rather, it is historic and every country or region of the world that has successfully or substantially erected industrial production at the base of its economic production has had to go through it. Sadly or tragically, the distinction between real producers and "emergency" contractors and businessmen and women in our country seems either nowhere in sight or is indeed non-existent.

Every modern amenity, utility or infrastructure in colonial Nigeria was put in place primarily and sometimes exclusively on the basis of how the particular amenity, utility or infrastructure prepared the groundwork for the industrial or commercial exploitation of the country, its peoples and its resources. This is the root of what at the end of last week's column I described as the separation of industry from life in our country and our part of the world. To take only the case of electrification here within cities in particular and the whole country in general, only those segments of the population and areas of the country crucial for the commercial exploitation of the land and its resources enjoyed electrification. This pattern of placing "industry" over "life" has not only persisted in post- and neocolonial Nigeria, it has worsened immeasurably. In next week's concluding piece in the series, we shall explore Dangote's implicit separation of "real" from "emergency" producers as a basis for both overcoming the separation of "industry" from "life" and rapidly and successfully making incomplete and imperfect electrification a thing of the past.

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BIODUN JEYIFO

Aliko Dangote at Harvard: the question I wanted to, but did not ask him (3)

When PDP came to power in 1999 Nigeria was generating about 4,000 MW of electricity. After 15 years and \$20 billion spent we are generating between 3,000 and 4,000 MW.

Presidential Candidate Muhammadu Buhari, November 2014

As published in *ThisDay*, February 22, 2015 on the eve of the presidential elections that swept Goodluck Jonathan out of office, the following statement was made by Jonathan's Minister of Power, Professor Chinedu Nebo, during the re-commissioning ceremony of the privatized Egbin Power Plant in Lagos State:

"Your Excellency, since privatisation, the power sector has received as it were a new baton to move Nigeria to the next level of moving in the direction of uninterrupted power supply. Your Excellency, since privatisation and handing over to the private sector, distribution and generation value chains of the electricity sector, we have seen an employment of over 2,000 engineers hired in the sector. Your Excellency, please remember that for 16 years before you became President, the entire power sector in the country under both NEPA and PHCN did not hire a single engineer. The level of dilapidation of the power sector that you inherited was so huge that it was not only with regards to material components but also with regards to human resources. It was also with regards to funding that was allowed to go so low that it appeared the power sector had become an orphan"

Please note Professor Nebo's observation that in the 16 years prior to Jonathan's ascendancy to the presidency, the entire power sector in Nigeria had been in such a state of "dilapidation" that it seemed to have "become an orphan" grossly lacking in vital human and material inputs that could have made it capable of resolving the nation's perennial crises of inadequate and irregular power generation and distribution. Note that for most of those 16 years before Jonathan came to power, his party, the PDP, was in power. Note also that the PDP presidents before Jonathan, Obasanjo and Yar'Adua, had in fact disbursed billions of petrodollars for the resuscitation of this sector, all to no avail. Finally and finally, please note that Professor Nebo's boast about the unique "achievement" of the Jonathan administration within the 16-year reign of the PDP pertains to the fact that energy production in Nigeria rose to its highest level ever in the country, this being 5,500 Megawatts. But as soon as you compare this "achievement" with energy production around the planet, it is actually one of the lowest per capita, not only in the world at large, but within the African continent itself. I pass silently over the fact that among all the nations of the world, we have an unusually



•"Power lines over Nigeria: do they carry intimations of complete, adequate and reliable electrification in Nigeria of the immediate future?"

high and even superabundant supply of the raw materials needed to generate and supply power to our peoples - fuel oil; natural gas; coal; water; sun and wind. But this question I will not pass over: at the dawn of the reign of the new ruling party, will things be different in the energy sector?

In the context of this series based on Aliko Dangote's lecture at Harvard University on October 29, 2015, this question is directed as much to our business elites as to our political rulers. As a matter of fact, I am directing the question more to our business moguls that to the government. In doing this, I ask the reader to please remember that I started this series with the following question that was prompted by Dangote's lecture at Harvard on October 29: why is it that our business elites have never considered that they could be part of the solution to our perennial crisis of power generation and distribution? Let me now proceed directly to a discussion of this all-important question.

Given the depth of the crisis of power production and distribution in Nigeria, the reader of this series will be surprised to learn that there is actually in existence a considerable number of quite excellent studies, reports and commentaries on the things that are wrong with the power sector in our country. But to my knowledge, not a single one of these excellent studies and reports was sponsored by any of our business moguls. If I am wrong in making this assertion, I ask anyone who has the evidence to refute my assertion to please step forward and correct me and I will take back my assertion. For now at least, this much

I can further assert with absolute certainty that nobody can step forward to disprove what I now declare: there has never been a lobby, a self-organized front among our business elites to promote ideas and actions that could make our energy problems and crises things of the past. To put this assertion in concrete terms, let me point out to the reader that there is in existence a so-called Presidential Task Force on Power (PTFP); however, there is not now in existence and never has been a task force set up by our business elites on power generation and distribution in Nigeria. If the matter really interested them, all Aliko Dangote or any of our billionaires or business moguls would have to spend on sponsoring and vigorously promoting studies on solutions to the problems of the energy sector would be very small fractions of their immense fortunes; they haven't. More precisely, they have never thought of doing such a thing.

It is perhaps useful to place these astounding observations of mine against the historical background of electrification as a vital part of economic, technological and cultural modernity throughout the planet. Historically, there are essentially only two paradigms or patterns available to us as models. The first and by far the more familiar paradigm is that of effective electrification by modernizing capitalist elites who were real industrial, commercial and financial *haute bourgeoisie* and on that basis used their influence with politicians and the state to construct power generation and distribution monopolies that were later broken up into

smaller enterprises. Western Europe, North America and Japan are of course the big exemplars of this paradigm. Parenthetically, let me add here that history provides no single instance of bands of "emergency" contractors and business moguls that successfully led their nations to complete and adequate electrification of the nation and its economy.

The second and far more limited but no less effective paradigm pertains to socialist or communist states that used the mechanisms of a centralized, command economy to rapidly construct successful national power grids as a vital sector in the drive towards economic, social and cultural development. One of the most memorable examples of this particular paradigm is that revealed in the slogan of the Bolsheviks when they came to power in Russia: "socialism = collectivization + electrification". Within one decade the Bolsheviks transformed Tsarist Russia, one of the most backward countries in Europe into one of the economic and political powerhouses of the world; effective electrification of the country and the economy was one of the engines of that spectacular achievement. Maoist and Post-Maoist China and Cuba are also shining exemplars of this paradigm.

It is of course indisputable that Nigeria under the new ruling party, the APC, is most definitely not about to take the path of the Bolsheviks and other socialist or state-capitalist nations of the world in installing full, adequate and reliable electrification in Nigeria. In ideological temper, the new ruling party is at best Centre-Right; the handful of Centre-Left thinkers and politicians in its ranks wield no real influence in both the party and the federal and state governments that the party controls. Moreover, at the current historical moment, very few countries in the world seem poised to follow the socialist path of the command economy and its model of technological modernity with particular relevance to rapid, complete or adequate electrification. In these contexts that are both national and global, the question that arises with regard to prospects of full and adequate electrification in APC-ruled Nigeria is this: Can or will the ruling party successfully apply the paradigm of true capitalist modernization in the energy sector and if so, what will be the contribution of our business elites to that process?

Any regular reader of this column knows that if I had a say in the matter, we would choose the socialist path of rapid, complete and reliable electrification. Beyond ideology, there is a profoundly humane aspect to this preference: socialism places human beings, their needs and aspirations above economic production either an end in itself or as a means of surplus accumulation by the wealthy and the powerful. But since, as I have said earlier, it would be extremely unrealistic or delusional of me or anyone to expect that the APC governments at the centre and in the states are likely to choose this socialist path, the burden that lies

squarely on the shoulders of the Buhari administration is to successfully apply the well known paradigm of the capitalist path. But since in this series I have been more interested in the contribution of our business elites, I must save the last words here for that group.

Nothing proves more decisively that oil wealth has effectively wiped out the small, burgeoning group of real capitalist industrialists and entrepreneurs that we had when the national economy was based on cash crops and light consumer goods industrialization than the ridiculously miniscule quantity of power generated in our country at great expense. At all times since the coming of oil doom, *actual* production of power has trailed far behind *installed* capacity for production; and both installed capacity and actual production have been one of the lowest per capita in Africa and in the world. Significantly, neither state-controlled energy production and distribution nor massive privatization has made the slightest dent in the abysmal quantity and erratic nature of power production in the sector. For this reason, we may conclude that there are no true capitalists in government or business in our country.

In Dangote's lecture at Harvard on October 29, 2015, I heard distinct intimations that he represents an emerging group of real capitalist industrialists and entrepreneurs. If this is true, will Dangote and these small groups among our business moguls please step forward, separate themselves from the majority of "emergency" or "barawo" capitalists in our country and lead the way to complete, regular and reliable electrification in Nigeria and our region of the continent? This will enormously make life much better for all our peoples. Moreover, the reduction that this would create in the cost of doing business in our country and our West African region is literally incalculable. In turn, this will create a vast internal market of actual and potential consumers in the region that will be numbered in scores of millions, most definitely one of the biggest regional markets in the world. And indeed, it boggles the mind that our business moguls that regard themselves as more than mere "agbero", "barawo" or "emergency" contractors and businessmen have never set their sights, their prospects of surplus accumulation this high. It makes one wonder whether indeed there are true capitalists in our country beyond the philistine, lumpen-bourgeois hordes that emerged in the wake of the oil doom. I happen to think that there are; indeed, I personally know a few among them. What I have never observed among their ranks is a sense of critical self-awareness of themselves as a group on whom the fate of capitalism in our part of the world depends. Dr. Yemi Ogunbiyi, CEO and Chairman TANUS Books Limited, I swear I am not thinking of you as I write these words!