

Martin Alier Invitational Lecture

Makerere University Main Hall, August 2, 2012

Keynote Lecture

The Role of Academia in Building a Sustainable Private Sector: the Case of Dr. Martin J. Alier

By Dr. William S. Kalema

Salutations

The Chancellor, Professor Mondo Kagonyera

The Acting Vice-Chancellor

Dr. and Mrs Martin Alier

Members of the Diplomatic Corps

Chairman and Members of the University Council

Academic Staff of Makerere University

Students, Alumni, and other members of the Makerere community

Distinguished guests

Ladies and Gentlemen

Distinguished guests, the organizers of this Seminar have asked to speak on the topic

The role of the Academia in building a sustainable private sector : the case of Dr. Martin Alier

And even after I discussed the title of my talk with the organizers I was not entirely satisfied that I could do justice to it. Upon reflection, and with the permission of the organizers, I have chosen to rephrase the Title as

Dr. Martin J. Alier : Profile of a Business Leader

In my talk I will mention the qualities that make Martin an exemplar of good business leadership, and will talk about the influences and the personal traits that have enabled him to excel in the world of business. Martin is, indeed, a well-educated and cultured person; however, I will not infer that all, or even most, that is commendable about him is attributable to his excellent education.

Of course, Martin has not only excelled in the business world;

- In 1960, Dr. Alier became the first Ugandan to establish a private practice in dentistry and was, for many years, one of the most sought after dental surgeons in East Africa. He practiced in Uganda from 1959 to 1972, and in Kenya from 1972 to 1995.
- He has played a leading and honourable role in affairs of State: he has been Minister of State for Foreign Affairs in Charge of International Co-operation, an emissary of the President in several delicate situations, in matters concerning our neighbours to the North and the East and, indeed beyond and, since 2000, he has been Senior Presidential Advisor, Special Duties, to H.E. the President of Uganda. He was also, in 1979-1980, a Presidential Advisor to Presidents Yusuf Lule and Godfrey Binaisa. He had earlier been a key player at the Moshi Conference which brought together a number of exiled Ugandan leaders to prepare for Uganda's governance in the post-Amin period.
- He has served a number of charitable organizations, including FAWE and the Board of Mulago Hospital
- He has longstanding links with universities. He was a part-time Lecturer in Surgery at Makerere University Medical School, from 1959 to 1966. He is the current Chancellor of Gulu University
- Last but not least, Dr. Martin Alier is a distinguished alumnus of Makerere University., and this is probably the main reason why we are celebrating his example this afternoon. However, to be fair,

Martin is also the product of King's College Budo, and of Northwestern University in the USA, which he attended as the first African recipient (along with the late Professor William Senteza Kajubi) of a Fulbright Fellowship.

I have provided this background so that we may be able to put Martin's business career in its proper context.

It is fair to say that Martin did not enter the world of commerce from the bottom up; he was not a management trainee, working his way up the management ladder, up to the Managing Director's office, and thence to the Board Room. Dr. Aliko did not take the traditional route; his was not the conventional business career that many other Makerere graduates have followed and hope to follow.

Nor did Martin follow the path of the self-made entrepreneur and founder of a large and successful enterprise. Such a business icon might have started in trade, diversified into real estate, established a manufacturing enterprise, or gone into commercial farming. We have several examples of such business leaders whose achievements are a source of inspiration to many of us. My Uncle, Ambassador James Mulwana, is probably the most outstanding example of a Ugandan entrepreneur who has achieved the kind of success that was once associated with entrepreneurs of Asian origin.

By contrast, Martin's long engagement with the business world has been that of an investor, a shareholder in successful businesses, and as a Director and Chairman of the Board of a number of reputable companies. Thus, his most direct impact has been through corporate governance.

Martin Aliko and Corporate Governance

In Uganda, Dr. Martin Aliko's name is almost synonymous with the highest standards of corporate governance.

What is Corporate Governance? Many books, and countless theses, have been written on this subject. One definition is: "the balance of control between, stakeholders, managers, and directors of business".

Another is: "the systems by which companies are directed and controlled"

In recent years public interest has been heightened following the failures of corporate governance that led to the collapse of large global firms such as Enron, Worldcom, and Arthur Andersen. The legislative response to these failures, notably in the form of the Sarbannes-Oxley Act, has created a veritable industry of lawyers, accountants, and consultants, who are paid to ensure that firms avoid a repetition of the Enron-type disasters. Yet the challenges remain. In 2011 Olympus, the Japanese camera maker, was shaken by revelations that it had covered up losses of up to US\$ 1 billion. The world economy is still reeling from the effects of the financial crisis brought on by weak regulation, coupled with corporate greed, that led to the collapse of the invest bank Bear Stearns among others. The recent losses at JP Morgan are now estimated around US\$ 5 billion, and mounting.

The objective of corporate governance is to as nearly as possible align the interests of individuals, corporations and society within a framework of sound governance, promotion of the common good, and sustainable growth.

Corporate governance principles embody the highest forms of transparency and accountability. This is critical for sustainable growth, investor protection and access to capital. Establishing a sound corporate governance framework involves not only adopted best practice on standards and codes, but understanding the underlying country complexities within which businesses operate and in a country such as Uganda with a marked history of political, economic and social instability presents formidable challenges. To address these challenges it is also important to understand the subtle process that has characterised the evolution of the private sector in Uganda, as we know it today.

For much of Uganda's history since independence in 1962, the political environment was unfavourable to good corporate governance. This was especially true during the period of military dictatorships and civil wars in the 1970s and 1980s. The coming to power of the NRM Government in 1986 started the process of rehabilitation and economic transformation, but that process has yet to run its full course. The values of Ugandans had been shattered by the traumatic events since the 1960s. To date,

many Ugandans do not yet fully trust national institutions, and their leaders do not always respect those institutions.

However, our interest today is not to discuss corporate governance *per se*. I am more interested in Martin's contribution to the development of corporate governance in Uganda. He has contributed not through initiating or influencing legislation, but through his example and his active participation in directing and growing businesses, and through his mentorship of present and future business leaders.

Over the last 50 years, Dr. Martin Alier has been a Director of a number of companies, including the following:

1961-2001	Director, Uganda Breweries Limited
1962-72	Chairman, Cooper Motor Corporation
1964-67	Chairman, Commercial Bank of Africa
1964-72	Chairman, W.E. Green Limited
1964-91	Director, East African Distilleries Ltd.
1964-72	Chairman, Uganda Argus Newspaper Chairman, Consolidated Printers Limited
1964-85	Chairman, Crusader Insurance Company Chairman, Crusader Properties
1965-87	Chairman, Longman (Uganda) Publishing Company
1966-89	Director, East African Breweries Limited
1966-91	Director, Ind Coope Africa Investments
1967-72	Director, Standard Chartered Bank Uganda
1967-72	Chairman, Uganda Building Society
1967-	Chairman, Camker Limited
1968-	Chairman, Gimoro Limited
1969-1993	Director, Phoenix Assurance Company of East Africa

1991-2004	Member, Africa Region Advisory Board, Coca Cola Company
2000- 2006	Director, Cooper Motor Corporation Uganda
2000- 2005	Director, East African Railways Development Corp.
2001 -2011	Director, Nation Media Group
2001-	Director, Hima Cement Company
2001- 2011	Chairman, Monitor Newspaper & Publications Limited
2001 -	Chairman, Credit Reference Bureau
2002- 2008	Chairman, Stanbic Bank Uganda
2002- 2005	Chairman Uganda Breweries Limited
2003–2010	President, Heritage Oil and Gas Co. Uganda
2005- 2012	Director, National Insurance Corporation Limited
2007- 2009	Chairman, Nation Media Group
2010 -	Director, Uganda Clays Limited
2011 -	Director The New Forests Company Uganda
2012 -	Deputy Chairman, National Insurance Corporation

I mention this long list of corporate Directorships not to suggest that Dr. Alikor's corporate impact should only be measured by the scope of his engagement in the running of corporations.

The impressive list of corporate Chairmanships and Directorships is but an indication that Martin has always been sought out by private companies looking for Directors with the requisite qualities of personal integrity, sound judgment, business acumen, and leadership, to steer and guide their operations. These skills and attributes are, to a large extent, acquired through years of experience.

A good Chairman of the Board may be likened to the Conductor of an orchestra, bringing out the best in all the musicians, and enabling them to produce good music, in harmony with one another. Often he is more like the Coach of a football team, coaching, mentoring and motivating his players, from the sidelines, without being a player himself. The Non-executive Director must not be hands on; he/she must leave the operational decisions to management. Yet, he/she must be “eyes-on”, ensuring both conformance and performance. The role of the Board is to select and empower the managers, to set goals and agree strategies with management, and occasionally to fire the managers when necessary.

Just as the success of a football coach is measured by the performance of his team, so the quality of a Board is evident from the success of the company in terms of profit, growth, and reputation. Through his service as a Director, Martin has been contributed to the growth and profitability of the many companies.

In his successful role as a Corporate leader, Dr. Martin Alier has exhibited the following qualities:

1. Personal integrity.
2. Wisdom and foresight
3. Business acumen
4. Social responsibility
5. Leadership

Makerere graduates who aspire to a corporate career should try to nurture those qualities early in life.

Makerere’s role in training leaders

This is the University that educated Julius Nyerere, not to mention four other former Heads of State, and prominent judges, doctors, and teachers. Makerere has a proud record of training leaders in many fields: politics, the civil service, the judiciary, medicine, academia, science and technology, and business. Of all the above, however, the contribution to business leadership has been the least notable. This is a weakness that we must redress.

Until quite recently, a Makerere education did not necessarily produce job-creators, though it did train clear thinkers and good citizens.

It was not long ago that governments took an avowedly anti-business line and actively discouraged investment, foreign or local; but how times have changed! In an increasingly private sector led and business-friendly economy, Makerere graduates are bound to become the corporate and business role models of the future.

But what kind of citizen should Makerere be producing? A good academic education should not only facilitate the acquisition of knowledge and skills but also should inculcate ethics and values that will sustain the educated person for the rest of his or her life. It is those ethics and values, even more than the functional knowledge acquired in labs and lecture rooms, that will enable academe to help build a sustainable private sector. If you need proof, just look at Dr. Martin Alier.

As a friend of Makerere I am pleased to see the University reclaiming its place in the academic world and re-asserting its position as a breeding ground for the future leaders of East Africa. Well done, Makerere! We know you can, and should, do even better.

And yet, I must register a concern, supported by my own experience as an employer, about the declining morals and ethics of some of our Makerere graduates of today. Of their intelligence there is no doubt; it is the use to which they put that intelligence that is sometimes disappointing: some have disgraced their alma mater through acts of fraud, plagiarism, and professional mediocrity. All who care about this University should sit down and find a solution to this problem.

One of the key attributes of effective leaders is that they train and nurture future leaders so as to ensure that the institutions they serve can outlast them. Martin is justifiably proud of the dozens of successful individuals who have grown and made their contribution to society, thanks to his mentorship.

I can bear personal testimony to Martin's contribution based on his distinguished record as Chairman of Uganda Breweries Ltd., where he served as a Director from 1961 to 2001, an all-time record tenure. When I took over from him I found that his shoes were hard to fill. But with his

helpful advice and encouragement I was able to settle into the role and to continue his legacy of performance.

Ladies and Gentlemen, I give you Martin Jerome Okech Alier.

Thank you.