

# VANGUARD

## Pascal Dozie heads Commonwealth Business Council, plans big for Nigeria

Special Reports Dec 20, 2009

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*Dr. Pascal Dozie is the Co-Chairman Commonwealth Business Council. He is not a stranger in this role as he was the former President Nigeria Stock Exchange, founding Member of the Nigerian Economic Summit Group and pioneer Managing Director Diamond Bank PLC. In this interactive session with journalist in Lagos he unfolds the common wealth business council agenda for the continent and Nigeria.*

Excerpts

### Introduction

The Commonwealth Business Council, CBC was established by the Commonwealth Heads of Government Meeting in 1997 with the mandate to involve the private sector in the promotion of trade and investment within the Commonwealth. CBC has set out its vision as “sharing global prosperity by making globalisation work for all with the mission of promoting global trade and investment with an enhanced role for the private sector in commonwealth countries.

### Membership of the council

The Commonwealth comprises 53 nations across four continents. Its member nations represent almost a third of the world’s population and a fifth of all global trade. Its members range from some of the most developed and affluent countries through to various emerging markets and include many of the poorest nations on earth. The economies of its member nations comprise a unique range of history and development that lends itself to mutual cooperative endeavours.

### Goals of the council

The goals of the council are among others serve as a bridge to co-operation, communication and information between the private and public sectors in commonwealth countries thereby acting as partners in shaping globalization with equity and providing vibrant business to business linkages; promote global trade and mobilise investment flow between commonwealth countries by providing a bridge between the private sector and the governments, between developed and emerging markets, and between large and small businesses; facilitate Public-Private sector dialogue and joint action in issues that enhances trade and investment; and to advocate for the removal of barriers to trade, promotion of good governance, creating good environment for business investment and bridging the digital divide

*Sir, give us a brief history of the Commonwealth Business Council (CBC)?*

The Commonwealth is the political arm because in 1997, the Heads of the Commonwealth

countries, the 53 of them, but now, after the last CHOGOM in Trinidad and Tobago, Rwanda was admitted as the 54th country of the Commonwealth of nations. So, at the meeting, they decided that given that the Commonwealth constitutes about a third of the world's population and 20 per cent of the world's trade and given that most of them have a commonality of legal system, language and other things in common, they could use those things they have in common to promote economic development within the Commonwealth.



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And to do this, they agreed that among them, that the engine of growth should be the private sector and therefore they had to set up an instrument for carrying these things out, an instrument which will help them create development and growth within all the countries of the Commonwealth and at the same time, in the promotion of investment between the Commonwealth countries and other countries that are not within the Commonwealth and also between the more developed countries and less developed countries of the Commonwealth.

Furthermore, to see how the Commonwealth countries will benefit from globalization. This is the essence of the Commonwealth Business Council. And then, you have Commonwealth Business Council, which is supposed to be the private sector arm of the Commonwealth. Since 1997, Commonwealth Business Council has been in existence. It is run by a secretariat and a board.

Because of the area and size, how it is stretched for instance, from Canada, the Bahamas down to South Africa, down to Australia, down to New Zealand to the 54 countries, we needed to have more than one person to chair the organisation, because usually, if there is any event being carried out in any of the countries, it might be necessary for the chairman to be there. Just one man doing that, might create problems for himself.

***Now lets talk about funding. How is the CBC funded?***

After the first two years, the Commonwealth heads of government funded the CBC for the first two, three years. Since this is a private sector arm, they want it to behave typically like the private sector and therefore finds its own funding.

So, you find out that the CBC is not subsidized by the Commonwealth Heads of Government. The mandate given to the Council is such that we are to promote good governance and good behaviour within a particular country. You know that most countries do not like such things and therefore it is hard to get them to pay for such services. But, if you talk about getting investment within a country, they will pay, It is in the nature of the world that, certain things that are tangible, you can see it, touch and feel. For instance, building institutions, you have many countries where there are good institutions, these are the logistics steps that create development and growth.

But when you talk about developing institutions in a nation, people do not realise the importance.

Let me tell you some of the mandates of the Council. These are mobilisation of investment and advocating for the creation of good business environment through investment, advocating and advising on the removal of trade barriers through conferences, promoting issues of good corporate citizenship, corporate governance through working groups and meetings.



***Why this strange initiative of having two chairmen for one organization?***

When you look at the entire set-up, you will find out that to be a co-chair on the board of the CBC is a herculean task. So, when people are saying congratulations to me, I say no, because as an insider I know what the job entails, so I say to them, please say commensurations; that is apt.

This is because when one looks at the membership structure of the organization you will discover that out of the 54 countries, 18 of them are African countries. Apart from South Africa, each of the African country has a lot of developmental challenges.

Then you turn to the West Indies, apart from Trinidad and Tobago, Barbados, the others, the Americans or Seychelles, also have their development challenges. But then, we also have developed areas like Singapore, Malaysia, Australia, Canada, and the United Kingdom. The question then becomes, how do we get the resources of these countries and channel them into the less developed ones in order to help them grow.

So, the way I look at it is that we have the countries that are developed within the Commonwealth. Right now, the economy has more or less flattened out and their companies are now looking for investment outlets so that they can obtain growth. This is because most of the companies now in Europe and America are all looking for growth. Now, those in the emerging countries are looking for inflow of investment, how do we get these emerging countries to provide the growth board while the developed countries provide the investment. From my perspective, that is the challenge, so that everybody will eventually benefit. I recall that about some weeks ago, we had infrastructure summit in Lagos state and about 42 investors came all the way from the Commonwealth and some of them outside the Commonwealth to look at established identified projects.

It is really kudos for Lagos state because they just didn't ask for people to come and look at the investment opportunities. What they did was to work with the secretariat of the Commonwealth, identify these projects, bring them up to a marketable point so that every one can see. Then, you as investors will look at it and see whether this is an opportunity you would want to get involved in.

Lagos state has in their portfolio; many infrastructural development projects and they are following it very systematically. How I wish all of us can be like that. But they planned it out.

So what we want to do, although they just involved 54 countries, but as an African, I think it also is an opportunity to see how we can really put the mandate given to CBC by the Commonwealth of Heads of Government into good use so that every one can benefit.

***Given the scenario, who do you think needs it most?***

Those who need it most, I believe, Africans and other Caribbean countries but those ones are even better because they have the influence of America. You can not be surprised, for instance, when you hear of Trinidad and Tobago how industrialized they are based on oil and gas.

***How many are they?***

Barely about 97, 000 but their per capital income is about \$10,000. Their purchasing power is high.

When you talk about effective demand, it doesn't mean numbers, neither is market size determined by numbers. Effective demand is how much do you have. If we are ten and we have N10 each, that means ten times ten but if we are five and we have fifty naira each, it is fifty times five which is much more than five times ten. That is purchasing power. The important thing, I think is how to increase the development of each of the Commonwealth countries that are lagging behind in terms of economic development.

Both in terms of those things that constitute bottlenecks to development and growth.

If you take for instance, Zimbabwe, which has broken down due to political struggle, they need to develop. Although Zimbabwe is now coming up in terms of political alignment, they will need to rebuild.

The Commonwealth Business Council is going to play a role there. Take for instance, places like Zambia, Cameroon, Nigeria, all have challenges. In the case of Nigeria, somebody was saying that Nigeria has been achieving five percent growth rate but with the infrastructural deficiencies that we have, can you imagine when we solve all these infrastructural deficiencies, how much more do we have grow wise? Mind you , I like growth but also I prefer development.

***Why do you say so? Please explain.***

This is because growth statistics are statistics, but by development, we are talking about the welfare of the citizens and how equitable this is being distributed.

***The Nigeria Economic Summit Group has been hammering on the issue of private public partnership for a long time to no avail and there is other issues concerning power and the down stream sector, all seem to have defied solution. With your new position, is there any way Nigeria can benefit from the CBC in solving these problems?***

One of the things we plan to do during this time at least in the next two years is to build capacity of the secretariat, so that it can effectively handle the jobs that are expected of it. Now, one of the things we plan to do, is to go to some of these developing countries and help them identify some projects. You know there is a Yoruba proverb that says, if you ask somebody to help you find something which you have lost, you have to give the something a name to enable your helper assist you effectively.



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But if a country says to us, come and help us develop, there is a market. Then, you have to look of it from a realistic point of view and ask what do you really need? What are the potentials?

Okay, these potentials, can you dimension them? If you say, it is electricity, the question becomes, how much electricity do you want? And how many protects will supply you that amount of electricity?

You can now say, we want 10 plants of so much megawatts and they will be sited here, there and there. By that you are dimensioning them and then you can now take this project and find out for yourself how is it going to be. How do you tackle it?

Government alone cannot do it. Because, it has been proven all over the world that government cannot do it alone. And where they have the money to do so, the issues involved are more than money. It has also has to do with the power to execute, not only to execute but to execute effectively, and in the most effective manner, taking into consideration the ability of the people to do it. So, what we hope we are going to do is, in each of the African countries and some others, we go and talk to the government and say: here we are, you people have mandated us to do this and that, our services are open. Which are the areas you would want us to look into?

We could also suggest certain areas which we think are going to be beneficial to such countries. This is because, we are going to at look the country as a whole, so that we will be able to tell them what they need. We can start off by bringing in people who are interested in that country.

It is not sufficient to bring in people. You need to get targeted programmes, that is, if you are talking of electricity, you bring in people who are interested in electricity. If you are talking of water, you bring in people who are interested in water. For example, Uganda has asked the CBC to organise a conference on Uganda bringing in people who are interested in agriculture. Now, what that means is that, the CBC is going to send their team to Uganda and they are going to work with officials of Ugandan government and identify the projects, dimension them and bring them up to marketable levels.

And because it contains information, massive information, you would know companies that would be interested. Then, you now send these information to them and say; Company A, this is information on agricultural project from Uganda, we will tell you what are the risk factors there. By doing this, you are helping the company take a decision, so that when the company takes the decision to go, it means that the likelihood of their coming is bright, because they have been given tangible information on the potentials as well as the risk factors.

We would also go to them and help them develop projects, prioritize these projects in accordance with the priority of that country.

Because, as an advisory body, you are not to prioritize for a country, but you can help them in doing so. Do not forget that each of these countries has its own organs of economic development and growth. So, there are experts within each country. All you have to do is work through those experts and help them bring people who can help implementation. Of course anybody the CBC will bring is verified because we are not going to introduce

anybody we cannot rely on. Given the penchant for African countries to inflate contracts, owing to kickbacks, what is your take on corruption?

“Talking about things like corruption, which is one of the most punitive issues in any country that hinders development, I think people don’t really appreciate the dangers of corruption. Until somebody quantifies that danger to a nation, how it destroys the economic development of a nation, people don’t appreciate it.”

For instance, if you take the cost of a project and start measuring such project not in terms of so much money spent on it, but in terms of the quantum physical development, it can be shocking. Nigeria for instance, the amount of money we are supposed to have invested in infrastructure, if that money was actually efficiently invested in infrastructure in this country, we would not be complaining about the state of infrastructure. All I can say is that, the beauty of corruption is that a person who is corrupt pays for it one way or the other. It is a vicious circle.