

CONVERSATIONS WITH MIKE MILKEN



Strive Masiyiwa

Founder and Executive Chairman, Econet Group

May 26, 2020

Mike Milken: Strive, thank you for joining me today.

Strive Masiyiwa

My pleasure, Mike. I hope you are keeping safe.

We are keeping safe and as you know working hard at every one of the centers of the Milken Institute and our medical foundations on trying to find a solution, as soon as possible and on many fronts, to the coronavirus. Strive, I've appreciated our friendship over a long period of time. One of the areas we share passion for is the future of Africa, with a particular focus on Sub Sahara Africa. One of the programs we've talked about is the Milken Institute / IFC (International Finance Corporation) fellows program, where we would educate, in the United States, a thousand future leaders of emerging countries throughout the world to be financial experts and to be counterparties so we could create opportunities in their countries. This has been an enormous success with your help. I'd like to turn our attention to your business, your philanthropy, your focus on entrepreneurship in Africa.

Thank you so much, Mike, and thank you for those kind remarks. It's an honor and a privilege to be able to be counted amongst your friends and to have participated in some of those very transformative global conversations that you hold both in Africa, the Middle East, and in the United States.

“Public health will not be able to cope with this pandemic if it becomes a major crisis of the scale that we have seen in the West and in China. There's almost nothing we can do about it because we just don't have time. But it has been a massive wake up call.”

It's ironic, Mike, given the questions that you ask, that my own philanthropy began as a result of the last great pandemic, which was HIV/AIDS. At the time I was just running a startup business – I've been in business now 33 years – and I was at the time in the construction industry. I saw the devastation created by HIV/AIDS. And so I created an education trust, or what you call foundations, to help children orphaned by HIV/AIDS. My wife and I have run that for 25 years, and we've since sent more than 250,000 young people to school.

As you know, our business is very much on the technology side. I began in wireless communications, as you call it in the United States, and built some of Africa's early wireless networks. I know you helped people like some of the America's greatest wireless guys, so you know my industry very well. So that's where I started and I've pretty much stayed there with the evolution of communications. So I build data networks now, I build fiber optic cable networks, I build data centers, and just the tech stuff that goes on around the world these days.

Where do you stand in laying fiber in Africa and connecting the countries, connecting the people, and connecting them to the world?

Initially, because of the scale of Africa, I began around 1998 to build satellite communications across Africa. And then I turned that to building fiber networks. I have connected fiber almost a hundred thousand kilometers, linking up now most of the African nations from Capetown in the South, which you know very well, up to Cairo. We've crossed the Sahara to get to Western Africa. We've laid cables through the Congo forest.

And we are still building. Right now as we speak we are in Nigeria heading west, and we expect to reach Dakar. If it weren't for the coronavirus disruptions, we wanted to get there end of this year, but it's likely we will get there certainly by this time next year, all things being equal. So we've laid that hard fiber infrastructure for high-speed data. But of course we are also the biggest builder of data centers for the African continent.

Let's talk for a moment about the responsibilities that you've taken on relating to the coronavirus. When I left our medical conference in Johannesburg on February 16th, 2020, on the long journey home – and one of the longest journeys that you can make on this planet is from South Africa to Los Angeles – it really struck me that this virus was spreading throughout the world. We redirected our centers to focus on those six areas you and I have discussed: education, prevention, testing, treatment, control, and economic and financial safety nets. Take us to what you're focused on today, Strive, and how could we help you?

Before your Africa trip in February, I traveled to see you in LA, and we had that wonderful conversation in your office. I said to you, Mike, where is this going? And you said to me, Strive, this thing is going to be big. It is going to be big. You are one of the first people that really got me to appreciate what we were dealing with and what needed to happen and where it was going. And I really appreciated that.

“Because of the demand out in the big nations, it's been really difficult to secure supplies for the African continent. Really, really difficult.”

What we decided was, you know, we really needed to stay ahead of the curve on this, that we probably are a couple of weeks behind where the United States or Europe are, for whatever reason, with this disease. So I'm a special envoy to President Ramaphosa and the African leadership – much like Adam Boehler [in the U.S.], but on the African side. I'm dealing with trying to help with supply chains, and in our case our supply chains are on this mostly external. We have to bring in test kits, protective equipment and clinical machinery for breathing assistance and so forth. And of course, because of the demand out in the big nations, it's been really difficult to secure supplies for the African continent. Really, really difficult. All the countries have mobilized money, but managing to buy the goods is the difficulty. So that's what I am charged with, with my colleagues: to see how we can deal with that.

But what I can say is that, in terms of how it's been, it's very early days for us to say where it's going to go in Africa. The African countries have been quite well coordinated in knowing what to do. We have done the lockdowns, even though we are unable to create a safety net. But we have done lockdowns to try and slow down the spread. We know every country is sovereign, and in the end no one can tell them what to do. They have to do their own thing. But we try and speak to each other, coordinate, and that's part of my work at the moment. But like I said, it's early days. We have recorded less than 70,000 active infections with about 3% of that in fatalities, but for a continent of 1.3 billion it's still low. The trajectory is there – you can see it – but it's just a question are we going to keep this under until *FasterCures* can give us something.

Well we are definitely working, and as you know, Strive, our tracker at milkeninstitute.org is tracking more than 300 vaccines, antivirals, antibodies, immunology and other strategies today. I don't really think most of people in the world fully realize how young Sub Sahara Africa is – where on the entire continent I think the median age is 19. It is estimated that as much as 40% of all the children in the world by the end of this century will be living in this region. Talk to us a little bit about Africa today – the countries of Africa, so diverse, more than 50 countries – where do they stand in their development and how do you feel the building of a fiber optic system will benefit them? And one of the concerns, as we have talked about over the years, is a convertible currency. In the United States, people have dramatically increased their purchases online. Whether it's Amazon or Walmart or Kroger, who are the three largest employers in the United States or Target, that might be the fourth, much of their business has moved online, but people have a convertible currency. Walk us through some of these issues.

Thanks again, Mike, and you know your Institute has done some tremendous work on the continent. Just in numbers, the continent is 1.3 billion people. We have a \$2.5 trillion economy, probably about the same size as India in terms of the size of the economy before this crisis. Out of the 15 fastest growing economies in the world, 10 were African, but also of the 20 fastest growing cities in the world, 15 African. You're going to see mega cities out of Africa, some of which are just little towns right now. Because of this continuous growth in our population, the urbanization of Africa is marching.

So it's young. It's hopeful. There's one thing you always find in Africa is bucket loads of energy and optimism. Africa is not a pessimistic place for the better part of it. A lot of young entrepreneurs starting businesses and really wanting to get on.

“So it's young. It's hopeful. There's one thing you always find in Africa is bucket loads of energy and optimism. Africa is not a pessimistic place for the better part of it. A lot of young entrepreneurs starting businesses and really wanting to get on.”

So we have these bustling cities, lots of young entrepreneurs, and we are seeing we're being taken very seriously as place to do business by really big companies. Africa's biggest trading partner has for a historical reason been Europe. But over the last two decades, China has grown very quickly to become Africa's second largest trading partner. Primarily Africa has been feeding China with commodities as it has ramped up its industrialization.

Of course we have our challenges, just like any continent. But in the main, Africa's made some good steady progress – 5% annual growth was the average before the crisis. When it comes to currencies, of course, it's a little bit like Europe, pre the creation of the Euro. Will Africa ever have its convertible common currency? It is the vision –we believe in it. All the French-speaking African countries, of which there almost 30 of them, do have a

common currency. So it's not something that is beyond us achieving in the next generation, but we probably would want to see more open currencies before that, and quite a number of the key currencies, like Kenya's shilling, are freely convertible. South Africa of course is restricted. Nigeria is restricted, but you can do business there and you can build billion dollar businesses in these countries without a doubt. You know, we've been able to do that in the mobile sector. So I'm hopeful, Mike.

So Strive, the American Dream. One of the things that has struck me over a long period of time is how this dream is alive and well in many parts of the world. I see it as I travel to the countries in Africa. And part of this dream has been your communications to this group of 4 million people talking about what it means to be an entrepreneur, what it means to be creative. How did you start with your followers and what are the messages that you want to deliver? How is that working during the coronavirus?

We are now 5 million, my community of entrepreneurs, and we're adding almost a quarter of a million every few weeks because of, I think to a great extent, a lot of young people are now coming to the platform even more. So it's a community of entrepreneurs.

They all have their businesses or they want to be in business. Some of them are social entrepreneurs, and I discuss with them the underpinning principles of successful entrepreneurship: innovation, marketing, how to build products. And they're great fans, of course, of the history of American enterprise because it's the best-written and the most-exciting for young entrepreneurs.

“We know every country is sovereign, and in the end no one can tell them what to do. They have to do their own thing. But we try and speak to each other, coordinate, and that's part of my work at the moment.”

We've just gone through a podcast together, which was done in the United States, called “Business Wars,” which looks at all the history of American companies. And it excites them when they know that Coca Cola was once small, and Bill Gates was once just like they are today, you know? And of course they know Michael Milken. And my last post to them was I'm doing this podcast with Michael and we are going to post it on our platform so that you can all listen to it. I also told them that we're going to be sharing some of the other podcasts that you've done. They're very, very engaged, and we always win the award for being the most engaged platform in business in the world on social media because of the amount of time they spend discussing amongst themselves what's on the platform.

So one of the things that you and I have talked about is that in some ways Africa has underinvested in health-delivery systems, infrastructure, public health. There's been a focus as you know, over the decades on improving the quality of water and other

things. Where do you see, if we were to reach out, that you'd like to see investments in Africa as it relates to the public health system? Can these mobile networks you've built and fiber optics you made laid bring doctors? Many, many years ago at our global conference, we had a session on doctors in Uganda, and there was one doctor for every 125,000 people in Uganda at that time. We cannot expect Africa to develop the same way the U.S. did with doctor's offices and things like that. Nor do we expect them to lay roads throughout Africa. I'm sure drones will play a larger role. Have you thought about how we could deliver health more effectively to Africa using your digital systems?

Well, to begin with, Mike, you're right to say that we have horribly underinvested in public health. I guess when you've got a lot of young people, you sometimes – as policymakers – it's easy to not pay that their attention when they've got so many things to run with, but that's not to condone anything.

Public health will not be able to cope with this pandemic if it becomes a major crisis of the scale that we have seen in the West and in China. There's almost nothing we can do about it because we just don't have time. But it has been a massive wake up call to say we need to carry out major investment in public health as well as to liberalize the healthcare sector so that investment can come in because we don't have private

“Almost 40% of Africa's population makes their livelihoods as smallholder farmers. ... A destruction of livelihoods and destruction of food supplies could see major parts of the continent destabilized and creating problems.”

hospitals either. Certainly the poor in Africa, it's been a terrible injustice the way a public health system has been developed over the last few decades. So there are a number of leaders now in Africa, led by president Kagame of Rwanda, who have now formed a voluntary group which is saying, okay, post this crisis, we must at least emerge with a platform that opens up investment in the healthcare sector.

Now talking to the digital side, obviously there are tools out there that can help us to deliver. It's not a panacea for failure to build public health. You know, a hospital is still a hospital. But having said that, there are a lot of tools that we can apply in telehealth and other digital tools that make it possible, and that's what we are trying to do. We've had amazing experiments. We had a full operation done with a fiber optic link with doctors sitting in the United States helping African doctors to carry out a procedure to put somebody's arm that had been taken off by a crocodile.

There's a lot you can do and I think also one of the things that may come out of this pandemic is an acceleration of the digital tools. When I'm talking about how we are tackling this pandemic, I say I talk about “TTIT”: we've got to test, we've got to trace, we've got to isolate, then we've got to treat. If we get the first three right, then treat – anyway in a situation where we don't have the hospitals and we don't have the cure –

we've got to focus on the first three and those first three do allow us a lot of imaginative possibilities in digital tools, provided we do not infringe the privacy of others.

Strive, I think it's exceedingly important that our listeners understand how different Africa, particularly Sub Sahara Africa, is from almost the entire world. China is aging faster than almost any country has ever aged before, and someday China will have more people over 65 than live in the United States. And so dealing, as you've pointed out, with a population dominated by people that are younger versus other parts of the world, sometimes when you're young you feel that you are immortal against disease. I think was an important point. So Staci Warden, who runs our Center for Global Market Development that you know well and have worked with, we launched an Africa COVID- 19 tracker just for Africa which the United Nations and others are following so we can track Africa. Let's talk for a moment about food. How are we going to make sure we can supply food to this continent during the coronavirus? We've had significant focus on this area, and one of your partners that I did a podcast with, Jeff Skoll, has been focused on this as a challenge.

A continent like Africa has many different food systems. Some have rice as a staple, some have cassava as a staple, maize as a staple, potato as a staple – you know, we all have staples. And in many cases, some African countries find it cheaper to import something rather than to produce it. There's been a major disruption in the supply chains, particularly movement of goods. The lockdowns have affected smallholder farms, so their livelihoods, and almost 40% of Africa's population makes their livelihoods as smallholder farmers. So this pandemic is going to have a major impact and is already impacting supply of food and the pricing of food, and that is usually an explosive nexus. So a destruction of livelihoods and destruction of food supplies could see major parts of the continent destabilized and creating problems.

So we all need to keep an eye on this and to help Africa navigate itself through something which is not of it's making and is affecting us, but it has far less capacity to tackle this. And this is where we really need some global thinking – audacious thinking of the kind that created Bretton Woods and the Marshall Plan organizations in post-world-war Europe. Because if we don't think like that, towards how to help Africa through this, it could be a very difficult next two or three decades. And it doesn't have to be so.

Strive, you and your family have joined Lori and myself and our family at the Giving Pledge and I think the commitment and one of the joys of my life has been getting to know your entire family, your children, and I wish you Godspeed in your efforts to help lessen the load in Africa of the coronavirus. All the best.

Thank you Mike, and God bless you and your family. We will see you soon.

