

In Black And White With Milinda Moragoda



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In this episode of 'In Black and White,' telecast on TV One (MTV), Milinda Moragoda (MM) is in conversation with Lord Jonathan Marland, former minister in the United Kingdom and Chairman of the Commonwealth Enterprise and Investment Board (JM).

MM: Your career background is extremely interesting - from business to politics, and of course to a Commonwealth role. We will start with your business career and then move on to get an understanding of your journey, if you will. On the corporate side, what motivated you to get into business and what were the businesses that you built?

JM: Well you flatter me. My career is very modest compared to most people. But it is kind of you to ask me. It may sound curious but I am actually an anti-establishment figure. Perhaps as I got older I have become less anti-

establishment, but I have always been against, or frustrated by, this establishment. And I started my career - I did not want to go to the university because I got fed up with people teaching me things, so I started in the insurance business in the city of London. And after about five years of that, I felt that I was working in a deeply frustrating environment, which was dead man's shoes. People were still writing with quill pens in a traditional sense. Of course we didn't have the world of computers back then, it was still very traditional and in order to progress, you had to really challenge the system. And it coincided, not exactly but almost, with the time of Margaret Thatcher coming into power, where she wanted to empower a different generation of people to regenerate growth within the country. At the ripe old age of 25, with two or three other people, we formed a city-based insurance business, broking business. And looking back now, I think the cheek of it and the madness of it, was extraordinary. Because we thought we knew what we were doing, but at certain times we certainly didn't. We were unbelievably lucky with what happened. We were carefree; I wasn't married, I didn't have any dependents, I didn't have a mortgage, so I could take the risk. I was lucky to work with a bunch of people who had a similar endeavor and we were lucky with timing. As you will know, business is probably about two things, it is about luck and hard work. I believe it is Gary Player, the great golfer, who said, 'the more I practice, the luckier I become'. Nothing is truer really, than that in life.

MM: Would you say that you are a product of the Thatcher dream if you will, because she empowered entrepreneurs, and in the financial sector, she had a lead role to play.

JM: What an extraordinary Government that was. Unlike - certainly in the UK, all of Thatcher's ministers had done something. The average age was mid 50s or early 50s. They had run businesses, newspapers, magazines or had been very successful barristers, and there was real leadership within the civil service for the first time in a while. Because they had been, the Government had been papering over the cracks of the post-war era, trying to find a way through after polling, breaking in a system that the war created and the debt that we had. The Thatcherite Government took leadership that was able to take decisions.

MM: Did you join the Conservative party at that time or did your political angle develop?

JM: No, I had no real interest in politics then.

MM: When did you get interested in politics?

JM: I suppose when I was about 37. People said to me, 'Oh, you will go into politics,' and I said, 'You must be mad.' What I wanted to do at the time was to make a career for myself.

MM: Then what made you make the shift into politics?

JM: Well, I guess Thatcher had lit a fire in most of us. We admired politicians and had the privilege of meeting her on several occasions. Having been considered a recently successful businessman of the younger generation, the party machinery asked me to give some money and I said no, which is ironic given that ultimately I was the Treasurer of the Conservative party, asking people to give us money. But the whole system of government raised the bar in terms of how you look to politicians if you were a commercial individual.

I first got involved in politics through a very close friend of mine whose father was Airey Neave. Airey Neave was killed in a shocking IRA bombing in the Houses of Parliament. His son and I were very close friends, in fact he spent a lot of time with me on the night of his father's death, since he was not allowed to go and see his mother because of the security and protection systems implemented at that time. This was an absolutely shocking thing, the first assault on Parliament since Guy Fawkes obviously. Also, Airey Neave had been running Thatcher's campaign, he was a Northern Ireland minister, he had escaped from Colditz, he was a barrister in the Nuremberg Trials. He was a really significant figure, and he was killed. After that event, we set up a charitable trust to respect his wishes and a number of Conservative politicians were involved in that, including the Prime Minister herself.

MM: One of your initial portfolios was Energy and Climate Change. In your view what were the biggest contributions you made in those two areas?

JM: Well many people say this to me and you will know this yourself, what it is like being in a government when you have not been a politician. The easy part, if you have been a businessman and have run a business, is to run the department. I was asked by the then Secretary of the State to run the department and the

businesses in the department. I would say that the department had not had leadership, in that civil servants are not by nature decision makers, quite rightly. They are to act on the decisions of the politicians. The easy part was taking the businesses in our department, which was nuclear waste, and was a huge government spending. The attractive bit was reshaping the spending of the department, in other words reducing the cost base by 30 to 40 percent over a three-year period, which we had to do after the appalling financial crisis that we went through. The easy bit was reshaping our coal industry, and then reshaping some of the burden of subsidies that the previous Government had created, which was going to be a non-cost for the consumer on electricity bills. I set about those tasks.



The difficult part is performing in the House of Lords. As I was then, I still am. And having to answer questions on this portfolio. I knew a certain amount about energy, and climate change, but I did not know the full details about what the kilowatts per hour were or such information, and you basically have to do a university degree in about two weeks. Because after about two or three weeks you were expected to stand up, and talk about the portfolio in the House of Lords, tell them about the policies you intend to implement or bring forward. And also answer questions for 40 minutes. Questions on a random basis on this portfolio, not pre-organized, given that the House of Lords had, I believe, ten former Energy Secretaries of State, Finance Ministers, the Head of Climate Change Authority, great professors and so on.

MM: Many experts.

JM: Well yes, and I wasn't. You really have to get into the details; it is like anything in life. If you are naturally competitive, as I would be described and certainly feel, you want to do it right. And you do not want to be caught up by anything. You want to be able to challenge those people, and I was not taking nonsense from them down the line where they know they have got someone they can get on the run. As I said, it was really like doing - not that I did a university degree - but like really in depth learning for three weeks.



MM: On the energy side now there is a debate going on again on climate change. And in the US there is a very big ideological debate on this, in the UK I think may be to a lesser extent. Where do you stand on that?

JM: There was a huge debate going on in the UK promoted by nearly a week of protests. We had to shut down the streets of London last week. There is a big debate. The problem with the climate change issue is that it has been a debate. The action of many countries has been not aggressive enough. And we will pay the consequences for it. Where I stand on it is that one has to practically deliver policies, which the public can live with. Policies that can demonstrate to them that they are entirely to their benefit. Bringing down the consumption of cars is entirely to their benefit, they pay less on petrol. You can deliver a subsidy to benefit people who convert from fossil fuels to heat exchanges or to further lagging or protecting your house so that you use less electricity, less gas to heat your place. But they have to be practical things. For example, it may come as a

surprise to you, one of the subsidies I stopped was for solar panels in the United Kingdom. And if you have been in the United Kingdom, I know you have been a lot, the sun does not shine as much as it does here in Sri Lanka. But we do get a lot of wind. Thus, offshore wind farms I thought were a very acceptable form of promoting subsidy. You know, it is ridiculous, the amount of waste that we create and yet do not recycle. I think that is a very important way of supporting climate change. But you need to educate people, that these are actually to their benefit. That they have to put bottles into one bin, not to use plastic bags.

MM: On the trade side, now there's a lot of talk post-Brexit. What are the opportunities for countries like Sri Lanka in dealing with the United Kingdom? What are the opportunities you see from a trade perspective?

JM: Well I think the UK and Sri Lanka have a very strong bond. We have got a lot of Sri Lankans in the United Kingdom, and we are luckily having visitors from Sri Lanka to the United Kingdom. We have a lot of British people over here as well; my hotel is full of British people, which is wonderful. We particularly like coming over here when we beat you at Cricket. For us it's a real win. Happily I was here last time; sorry about that.

There is this great bond between our countries. We have shared education. It is very interesting that there isn't a sense of colonialism that some countries feel they have towards the United Kingdom. Sri Lanka has grown beyond that as a nation. They do not feel that the UK is a colonial tyrant that it used to feel, in the same way that other countries quite reasonably do.

And I think the relationship is very much on an even friendship basis, where they share experiences. The amazing thing about Sri Lanka is that you are an entrepreneurial race. It is not just amazing, that's what you are. You are an entrepreneurial race; I see that everywhere I go. People are trying to make things, buying and selling things, and by nature you are an industrial, hard-working, energetic race. You see opportunities.

The problem with the United Kingdom is that it has enjoyed the bread basket of Europe for too long, and that it has not been entrepreneurial enough. It has not outreached to the extent that it used to do. And one sees the old British companies that used to work in Sri Lanka and now are not. It has got to get used to doing that again. And that was the problem we had when I was the Prime

Minister's Trade Envoy responsible for international trade, getting the British SMEs in particular to export. What was extraordinary about that was the fact that 60 percent of the SMEs in the United Kingdom did not export. And of the 40 percent that did, 40 percent of them exported only when someone came and knocked on their door saying, 'I'd like to buy,' rather than expanding overseas. That was a really difficult problem for us. And what I set up was a series of trade envoys to each country so that they had a trade envoy and still has. The reason for that was that ministers come and go, politicians come and go, but trade exists and is in perpetuity despite political interference or lack of it. And that deals cannot be done just on one or two visits. They have to be done over a period of time because that is how the relationship develops. The idea was that it was an across party, non-political thing. We have had representatives from the Labour party, the Liberal party and others, who were trade envoys. Despite the government we could keep building relationships with a country overtime.

MM: Now you are in the Commonwealth Enterprise and Innovation Council. What is the role of this entity and how do you see Sri Lanka benefitting from an organization like that?

JM: Well, when I was in the government, I realized the Commonwealth was this incredible jewel, which was underused, of which people did not recognize the networking opportunity. My vision - sorry I do not wish to sound immodest - my thought process, for want of a better word or phrase, was that in a world where there is increasing globalization, there are very few organizations that straddle countries and continents where they can get together and discuss the issues of the day, whatever the issues might be. Trade is one of those issues, business enterprise are also part of the issues. And the Commonwealth consists of 53 countries, well over 60 if you include some of the dependencies like the Caymen Islands, which is an incredibly important financial sector.

MM: And all of these countries are now members of your council, is it?

JM: Not all of them, some of them are. They are all participating or involved in it. When we have our business forum we have representatives in 80 countries, 25 heads of states, 25 ministers, 20 billionaires, ten multi-billionaires, including America's Bill Gates - he was at the last one - four members of the Royal family. The gathering is incredible. It is an enabling place where people can physically see each other. They can make the effort physically with each other.

MM: Is it only for networking or do you do something beyond the networking aspect?

JM: We are an enabling network organization, so we do not do business deals between organizations. We merely say, 'You are a Sri Lankan who wants to sell garments to Africa, here is our contact officer in Africa, here is someone who is wanting to buy, and its up to you.' If you can't do the business deal, you cannot do the business deal. And the point about trade - and this is something that we would like to work with the Sri Lankan Government - is helping the SMEs to export. An SME - Small Medium Enterprise - largely build their business internally. They have the questions of 'Where do I go next, how do I export, when I go into a country, how do I minimalize the risks because the airfare is expensive, how do I choose an accountant, how do I choose a lawyer that can help me, who could be someone I could partner with in that country'. And those are the things we try and do. We've got a program called CommonwealthFirst, which helps SMEs export from their own country to the Commonwealth countries. Typically we take three or four delegations a year around Commonwealth countries, and try to give them the opportunity of seeing beyond their own country, where there are business deals to be done.

MM: Final question. Some years ago, when I interviewed Dr Mahathir Mohammed, Prime Minister of Malaysia, I asked him what would be your advice to a young man or a woman who wants to enter into politics, and who is watching this program, his comment was, "Tell them to start a business." He said, "Let them run a business. I am a doctor, I understood my profession and I entered politics, but my advice today would be to start a business." What would your advice be?

JM: Well, I think no one would dare disagree with a politician who is so successful that he is aged 94, and is still running the country. But I do think he touched on it. He was a doctor, which does not mean he is running a business necessarily but I think you've got to do something else to help you understand what's going on in the world: the everyday lives of people, those you have to hire and people you unfortunately occasionally have to fire, the team building nature of it, the issues that we will have on a daily basis. The political bubble unfortunately protects you from living in this world. It doesn't really understand what people are doing in other parts of the country to earn their daily bread and the suffering and the hardships and the joys that they have in their every day life. And until you

recognize that, you are going to find it hard to understand. The problem with politics as I said early on when I was talking about Margaret Thatcher's Government - this is not to make a political point of view; this is not one thing - these people had the experience of running things. If you are put into the position of power, where you have to make decisions, you need to have some experience of how to make decisions. You do not always need to get them right. Being a minister is about making decisions. And when Tony Blair's Government came into power, the Minister of Trade had been a university polytechnic lecturer, very good on theory, but probably never made decisions.

When the Cameron Government came into power, I was one of the five or six people who had been in business. Lot of them had been technocrats. They were learning on the job it seems. And this is probably not how the government should be. That does not mean you shouldn't have politics. It is about understanding - I was lucky in that - having been the Treasurer of the party, I knew a lot of politicians, I made speeches, I knew how the political side worked, which is slightly fortunate. But you need to understand politics; you cannot just come from business into politics and expect everything to be fine. You have to understand the political processes, you have to go through the frustrations of decision making and the time it takes for a decision to be made and enacted through legislation. It is not just about having business experience; it is about learning some political experience. You know this better than I do.

MM: Thank you for the good advice.