CONVERSATIONS WITH MIKE MILKEN

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Mike Milken: Precious. Thank you for joining me.

Precious Motsepe: Thank you, Mike, for inviting me. It's really a pleasure to be here.

Over the years we've spent together, I can't tell you how much your passion for your fellow human beings has struck me and your mission in life. Particularly during this period of the COVID crisis, your family's response to the conditions in Africa has been uplifting to all of us.

Well, thank you very much. I can say the same for yourself, Mike; you lead a formidable organization, collaborations in various areas, including health and your leadership is truly commendable.

You were born in Soweto Africa, one year after Nelson Mandela was imprisoned. What was it like to grow up in that part of South Africa? What were the steps that motivated you to take an aggressive path in education?

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This interview has been lightly edited for clarity and readability.

I was born in Soweto, one of the poorer communities in South Africa, a township that is now popularly known worldwide because that's where Mandela also lived. I grew up in a family of five kids and my father was a teacher and my mom a nurse at one of the biggest hospitals on the African continent. We were very close family. Our parents brought us up on Christian values and held up education as a very important commodity that we could have acquired to get out of the poverty cycle in Soweto. And so I went to school, and it was, a school that really tried to give us the best education given the circumstances. I think one of the people that influenced me as a child outside my beloved parents is the headmaster at my primary school in Soweto. Her name was Mrs. Wacey. From there, we moved on to a boarding school in Rustenburg, which is about an hour out of Johannesburg.

This was a Catholic school and they offered, for most of us, some of the best education. It was a difficult, difficult system because you had to be away from home. Starting there, the hard work, the discipline was inculcated in me, even from that early stage – I must have been 10 when I was at this boarding school – because I recall that we had no electricity and the school was in the middle of the forest, so the nuns had to switch the electricity off at about seven o'clock, and we all went to bed to save power. The only place I could find a light was in the bathrooms, so I would go there, sit on the floor and study. I think that was an early development of my hunger for knowledge and just hard work and discipline.

> **"One thing that really binds us together is the commitment we have in developing the youth of this continent. In the next 10 years, Africa will probably have the biggest population of young people entering the job market, and we have a duty to make sure that they are properly skilled, they are well-educated, they can contribute towards economic development."**

I was fortunate and got a scholarship to go to Wits [Witwatersrand] University, which is one of the best universities in South Africa, currently working with Oxford to test the coronavirus vaccine that we developing one of the vaccines. So I studied medicine at this college. My parents then, could only afford so much to see me through university, and it was really through the help of some of the local doctors, community people, friends of my parents, that helped to pay my education. And I was really determined then to make sure that their investment in me didn't go to waste. I was really determined to finish my medical degree.

One of the things that has drawn us together has been this quest for knowledge and the quest for equality and the quest for opportunities for children and adults in Africa. I'm in a book club right now with, my seven-year-old granddaughter, my eight-year-old granddaughter and my, eight-year-old grandson. We are studying the Wayside School, and it was very interesting in one of the chapters where some people came in and

asked for their valuables. They didn't have any valuables, but one child told them that he's going to give them a book. And it's far more valuable than anything they will find in the school because knowledge is more valuable. Hearing your story and that of others of education leading to freedom, relationships, and if I remember correctly, you met your husband Patrice, in college. Is that true?

That's correct. Patrice and I met at Wits University. He was studying law and I studied medicine. What drove me to study medicine were two things: firstly, it was a personal tragedy when I lost my grandmother to a preventable illness that could have been managed. She died of kidney failure as a result of hypertension, which was not detected, which was not treated. And my mom tells me that when we left hospital, and I was maybe 10 years old at that time, and I said to her that I was going to study medicine and I was going to make sure that people do not suffer unnecessarily from preventable diseases.

But the other reason that drove me was because growing up in Soweto, again I noticed how we seem to have people that seem to have access to good healthcare, education, all the good things in life, and all the social indicators of wellbeing that was easy for them to access. There was another group that just did not have access to those. So, I went into medicine as a conduit to try and correct and wrong, to see what I could do to correct that inequality. When I was at Wits with Patrice it was still during the apartheid state. We were trained as doctors and were not allowed to work in white hospitals. And so that led us to be exposed to certain specific types of diseases, whereas our other colleagues were exposed to all diseases that affected all of South Africans. There was a lot of social injustice even when we were university. Patrice and I laugh when we tell the children that we were not even participating in sports at school at university because we were only accommodated as far as the academics were concerned. On the social side, interacting with students, getting that holistic type of exposure to an institution of higher learning was not possible because of the apartheid system. But again, I was very lucky in life that I met a partner who was very committed, very hard working, and our values were very much aligned.

> **"Hopefully we'll be in a world where technology is accessible to a majority of the people. That's going to be the new, divide; that's going to be the new thing that causes inequality in terms of incomes in societies. For the poor people that are not able to have access to technology, they will be left behind."**

In the United States we are not only dealing with the coronavirus, but we are dealing with the reawakening of the inequalities. I had financed a man named Dr. Ernie Bates, and he had gone to a school at Johns Hopkins, and he was one of the first African-Americans to graduate from the school. But they had segregated wards when he graduated, so similar to yourself, he went to the University of Rochester to go to

medical school so that he could work in a non segregated environment. Later he became a neurosurgeon and founded a company called American Shared Hospital Supply. Later in life, he became the vice chairman of the board of trustees of Johns Hopkins.

So in many ways, the system that you were born into, we still had remnants decades ago here in the United States. My father told me that my children wouldn't have a good life unless all children felt they had a chance at the American that we can all succeed based on our ability, not we were born, not who our parents were, not what our religion is and not whether they're a man or a woman, but this dream that existed. It really has driven my life to think about, that what my father told me was not just for the United States, but for the world. How far has South Africa come since you were born under apartheid? And how far does it have to go? I know your boys are still relatively young. , but what will the world look like when you have a granddaughter? How were her world looked different than your world?

That's an exciting question Mike, and that is probably what drives us to continue to do the work that we do, to ensure that the world we leave behind for our grandchildren is a better one. But to go back to the American Dream and that your wellbeing, your wealth, is very intertwined and dependent on other people's wellbeing and survival, is crucial. That is the philosophy that also drives us, because we know that our children's wellbeing cannot be isolated from the wellbeing of the other children in South Africa or other kids on the continent for that matter. If I look back how fast on Africa has come from the time I was a young girl, it has come quite a long way. It really has.

When I grew up in Soweto, we had no electricity in my home. Now most of Soweto has electricity. Most of the rural communities have electricity. When I was young, we did not have some form of a national health insurance plan. When Mandela became president, he made it possible for women, pregnant women, nursing mothers, and children under the age of six; he made sure that healthcare was free and accessible to them.

My eldest son, who is now 31, finished his first degree; he started at Wits University where Patrice and I studied. And his class is totally different from our class. In my class, there were six black students in a class of 100 to 150. In his class, it's now 80 percent black students. So that was a major shift.

When I was young there were a lot of local industries, and people produced to supply locally and create jobs locally. And with globalization, obviously all that change in supply chains, where it just became global. Interestingly now with COVID-19, we seem to be moving again in reverse; globalization seems to have been shaken by the pandemic.

And then of course the other big change has been technology. Teaching itself has changed so much now with COVID-19. We're seeing are more modes of education, using online learning as well as class-based systems. So there's been a total change in education, in health, in, the economy from the time when I was a young girl to now. And my granddaughter or grandson, hopefully we'll be in a world where technology is accessible to a majority of the people. That's going to be the new, divide; that's going to be the new thing that causes inequality in terms of incomes in societies. For the poor people that are not able to have access to technology, they will be left behind. I'm hoping that when my grandchildren are here, that issues around equality, access hopefully we'll be in a world where technology is accessible to a majority of the people. That's going to be the new, divide; that's going to be the new thing that causes inequality in terms of, incomes in societies. For the poor people that are not able to have access to technology, they will be left behind., and social justice, we will have sorted it out because I think that's what we're going through right now. You cannot have one group of people that have access to everything, whereas the other group of people are dying from poverty and malnutrition. It's just a very imbalanced world.

> **"The issue of ESG is very important We're looking for entrepreneurs and businesses that use the newer forms of energy so that we can help move the continent away from the types of the fossil fuels and all the other forms of energy that has polluted our environment."**

You agreed to become the chancellor of the University of Cape Town (UCT), one of the most beautiful cities in the world and a great university. You took this position of leadership and then all of a sudden the coronavirus hit. What are the challenges at the university? How have the students responded?

It's interesting that we talked about my youth and then being where I am now as the next chancellor of a university. As a child, if you told me that I will be chancellor of the best university on the continent, that was just not even something I could wrap my head around at that age, given South Africa where it was in the apartheid era where UCT was not even accessible to black students.

We had planned to have my installation at UCT earlier in March. Those plans had to change as we realized that the spread was coming to South Africa. When I spoke to you in March we must have had 900 cases of coronavirus. We're now sitting close to half a million cases of coronavirus, people that have tested positive. So, we had to totally change. We didn't have that installation because of fear we would not be able to have social distancing. We were not ready for the virus. And immediately thereafter, we had to decide to send students back home. It was just a quick decision; people had to vacate

the university and be sent home. Now you must remember that some of these students come from rural communities like KwaZulu-Natal, which is quite a distance from South Africa, from Cape Town, Johannesburg. Some come from Zimbabwe; our neighboring countries also have a lot of students that come to study at UCT, so we had to make plans to have these students send back home.

What it did also to show us clearly the inequality that existed in our society. For instance, the students who went back home to rural communities have no electricity still. When we talk about social distancing, it's not a possibility; that's a luxury because of the spaces that they live in. When you talk about hand sanitization, there's no running water, so that's not even possible. Let alone studying, having a decent place to study where they could then continue the studies.

That was just a challenge. So, we organized transport obviously, got the students home, and then the university had to quickly move on to online learning. Of course, students from wealthier families can afford laptops. There is infrastructure to support internet connectivity, but for poor students, it was still paper-based learning because they have no access to technology. And this is where our family foundation got involved, where we collaborated with universities, organized for students to have laptops, collaborated with some of our service providers to ensure that students have data for their work. It's been a very, very stressful situation to try and manage, to make sure that people are kept healthy and safe, and ensure that the project of education still continues to try and save the year.

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And then of course there was the mental stress where people were losing jobs. Parents are losing jobs, students not worrying about failing the academic year. All those stresses made us realize that there was a need to address the issues of mental health in the community in general. So we hosted about five webinars where we spoke about mental health issues; as you know, South Africa is known to have a high incidence of gender-based violence. So we had to also go in there and just make sure that we help people to deal with their issues, bring in holistic kind of wellbeing, not just focus on the academic. It's been quite challenging and it's really called for solidarity from all sectors of society, from business, from ordinary people, from government; we we've just been working together. I guess

this is one positive thing that we've never seen collaborations at such high levels, and with so much compassion and determination to work on this coronavirus.

So the leadership in sub-Sahara Africa kind of began with the Motsepe Foundation that you had founded many years before. Precious, as you've pointed out, during these periods of extreme difficulty during a pandemic, those at the lowest end of the socioeconomic ladder are most effected. So you made a public announcement early that your foundation is going to respond to these challenges. How did your children respond when you and your husband Patrice made that announcement?

Our boys are now 31, 24 and 18, and they've grown up watching us, being involved with philanthropy all these years. One of my favorite projects is where we distribute about 200,000 toys to the children in our community. We've been doing this over the years and it's something we do with the children. When we told them what we thought we were going to do in response to COVID, there was a generally a feeling amongst the three boys that it was the right thing to do because they also understand we can't be living in a world where we can afford most things that we need, especially health, when our fellow brothers and sisters out there do not have access to the things that we have.

> "I must have been 10 when I was at this boarding school. I recall that we had no electricity and the school was in the middle of the forest, so the nuns had to switch the electricity off at about seven o'clock, and we all went to bed to save power. The only place I could find a light was in the bathrooms, so I would go there, sit on the floor and study."

The commitment we made went primarily into providing PPEs for healthcare professionals and all the first responders, as well as ensuring that there was water and sanitation for people in rural communities who do not have water. We also worked hard to help with the distribution of technology, as in laptops and data to university students. And in high schools and primary schools, long term, we have projects that help with the infrastructure where we build classrooms, laboratories, libraries for students in these schools. But also we look at the sports side to ensure that the children have a holistic outlook to life; we build their soft skills through sports, through music. Our continuous commitment to development is what really drives our work in South Africa, on the continent, and globally.

Precious when I think of Africa with more than 50 countries, and the path of South Africa and how it's developed over the past decades is totally different. Maybe the difference was a leader in Mandela. Both you and Patrice and your family have not limited your efforts just to South Africa, but have taken leadership on the continent.

What are the keys that you look for: is it government leadership? How do you interact with other leaders from other countries?

Africa is a very special continent, and South Africa is really fortunate that it has world-class infrastructure, financial systems, health. It is what you can find anywhere in the world. It has been a leading economy. As South Africans, we have a duty to ensure that as we develop so does the rest of the continent. One thing that really binds us together is the commitment we have in developing the youth of this continent. In the next 10 years, Africa will probably have the biggest population of young people entering the job market, and we have a duty to make sure that they are properly skilled, they are well-educated, they can contribute towards economic development of countries where we are. That is a commitment that we have to the children of this continent.

Now you spoke about Mandela and the leadership that he provided to make sure that South Africa turned out to be the way it is. He was a true visionary. He was a leader with lots of integrity, courage. He had compassion. He was probably the foremost philanthropist who did not have lots and lots of money, like most philanthropists have, but he used his stature, his agency, for the benefit of his countrymen and for the world. One thing that he did for South Africa, which really led us in the path that we went, was that he truly believed in equality. He believed in non-racism. He believed that black and white South Africans had a right to live side by side in South Africa. He believed in uniting all of us. So he is a leader that we look to when we think about how we can help South Africa and the rest of the continent to continue on this trajectory of development. As a people, how we can really reach the development that our people deserve.

> **"My eldest son, who is now 31, finished his first degree; he started at Wits University where Patrice and I studied. His class is totally different from our class. In my class, there were six black students in a class of 100 to 150. In his class, it's now 80 percent black students."**

Patrice and I are very fortunate in that we've been part of the World Economic Forum for probably 20 years. We meet a lot of leaders through various club platforms. We have met Rwandan President Paul Kagame at the Milken Institute. We share in his vision he's belief in developing his people is something that we believe strongly in. We have built enough trust amongst leaders on the continent who have realized that our work is really focused on helping individuals on the ground. That's where our interest is: helping communities, helping individuals, children, particularly, women on the continent. Because when we help individuals, they will ensure that their communities thrive and nations thrive. Our interactions with leaders across the board – religious organizations,

traditional leaders, heads of states – is a relationship of trust where the ultimate goal is to ensure a social, economic, political, upliftment of the people on the continent.

As we have focused so much on the world's largest investors, more and more of them have focused on ESG – environment, social and governance issues. What will we have learned from what's occurred here that will change how we deal in the future?

One of the collaborations we have with you that excited me a lot is the IFC-Milken Institute Capital Markets Program, because through that program, you're taking young people from the continent who have the capacity to learn more about capital markets from exposure in the U.S., and you're bringing them back to Africa to help be part of their governments. We've seen how some of the states on the continent have failed because of mismanagement, or just lack of knowledge of how to raise funds outside, how to manage those, and what we invest in. So that program is very special.

The issue of ESG is very important. Patrice and I also have been involved with investments in new energies because that's also another big area, particularly on the continent. We're looking for entrepreneurs and businesses that use the newer forms of energy so that we can help move the continent away from the types of the fossil fuels and all the other forms of energy that has polluted our environment. I think from the customer's point of view, people also want to know that companies that are buying from care about the issues that they care about; about climate change, about how people are treated, labor in companies, that they are not just used to work in sweatshops that kill people. Customers and consumers have become very aware and are putting their money behind companies that are environmentally friendly, care about social issues, and their investments actually makes a difference in the world.

When we made the commitment to purchasing PPEs, we also try to make sure that along the supply chains, women-owned businesses also part of providing these PPEs to make sure that small businesses also benefit from philanthropic dollars and to ensure that they remain sustainable. So we are looking at the issue of ESG from the private-sector perspective, but also in where we are investing the philanthropic dollar.

The Milken Institute IFC program that you spoke about, our goal was, can we create 1,000 financial experts that are patriotic to their countries and are willing to go back and work in their country for their government. And you saw the opportunity to bring them together from 40 different countries. They will change the world in figuring out how to leverage with the need to create hundreds of millions of jobs. We are particularly excited about the new Motsepe Prize, where we can challenge entrepreneurs throughout Africa to build new businesses, new opportunities, and create jobs from them.

I just want to thank you for being a symbol of the American Dream. This young girl from Soweto who today is the chancellor of a university she could not even attend, is a symbol to all young girls of the opportunity in front of them, not just in South Africa, but in the entire world. So thank you, and all the best.

Thanks, Mike. Thank you very much.
