Creating Emerging Markets – Oral History Collection

Manu Chandaria, Chairperson and CEO, Comcraft Group
Interviewed by Henry McGee, Senior Lecturer, Harvard Business School
June 13, 2014 in Boston, Massachusetts, USA
Video interview conducted in English

The Creating Emerging Markets Oral History Collection is part of the collections of Baker Library, Harvard Business School. The transcripts are made available for academic research and teaching. Any other use - including commercial reuse, mounting on other systems, or other forms of redistribution - requires permission of Harvard Business School. When use is made of these texts, it is the responsibility of the user to obtain the additional permissions for requests to cite and to observe the laws of copyright and the educational fair use guidelines.

Research Inquiries & Requests to Cite Oral History Collection: Please contact Rachel Wise, HBS Archivist, rwise@hbs.edu or Laura Linard, Director of Special Collections, llinard@hbs.edu

Preferred Citation: Interview with Manu Chandaria, interviewed by Henry McGee, Boston, Massachusetts, USA, June 13, 2014, Creating Emerging Markets Oral History Collection, Baker Library Historical Collections, Harvard Business School.

© 2014 Copyright Notice The Creating Emerging Markets Oral History Collection is owned by the President and Fellows of Harvard College.
Interview with Dr. Manu Chandaria

Interviewed by Henry McGee

June 13, 2014

Boston, Massachusetts

Video interview conducted in English

HM: It’s my pleasure to welcome to the Harvard Business School campus Dr. Manu Chandaria, one of the world’s leading business persons. You come to the campus at a very interesting time. Kenya, your country, is celebrating its 50th anniversary of independence. The economy couldn’t be stronger. It grew 5% last year. It’s expected to grow another 5% next year. Many companies which used to have their headquarters in South Africa are now looking at moving their headquarters to Kenya. Yet there must be some challenges. As you look at the landscape in Kenya, what are some of the principal challenges that the country’s facing?

MC: Presently, the country is facing many challenges—security being one as we are neighbors to Somalia. In the past we used to have problems with Somalia. Unfortunately, for the last twenty years, Somalia is going through a lot of political problems. Presently it has manifested in having Boko Haram and other similar groups coming to Kenya. The Kenyan
military went into Somalia at the request of the United Nations and tried to clean it up. Due to that Kenya has been a target of terrorist attacks.

**HM:** Certainly. We saw that when there was the bombing at the mall last year. That has had, as I understand, a tremendous impact on tourism in Kenya, which is so vital to the economy. Are there other sectors that have been affected by the security issues?

**MC:** It is not only that, but lots of people are shaken, because it was not a marketplace; it was a better quality mall. The majority of the people were either Europeans, Asians, or well-off Africans and some tourists. Something like that was not even thought of. One could imagine this happening at smaller places, but this was at a major spot. That created a lot of anxiety. Even the people who have invested in Kenya started thinking whether it’s worthwhile to invest further. UNEP, the United Nations Environment Programme, and UN-HABITAT are headquartered in Kenya. There are more than 60 to 65 embassies or high commissions. There are quite a few people from overseas who live in Kenya. So all of them are shaken up.

**HM:** When I think about the history of your company and the Comcraft Group, which is nearly 100 years old—your company has been through security crises before. You’ve been through coups before. You’ve been through two world wars. You’ve been through a great depression, this
recent big recession. When you look over that one hundred-year history, what are some of the factors that allowed you to grow? It’s a multibillion dollar enterprise now with operations spanning 45 countries, yet there’s a whole historical arc here. Can you talk to us about some of the things that made that growth possible?

MC: My father came to Africa. It’s the story of almost every Asian family who came down to Africa with nothing, to find out if they could earn a living. We had gone through acute poverty and came up. There were no choices at that time in India. Kenya offered us quite a challenge and a possibility.

It was a nice ground to build and flourish; there was a good possibility to expand. So the family decided to stay in Kenya. It was a very small beginning and lot of hard work—from nothing until when I was born, the family had built a reasonable business. We could probably say, we were OK and were happy. Yes, we used to live in a concrete building except it was one room to a family. But, when one has grown in the country from nothing, one has that special kind of attachment to it.

HM: Well, there must have been—going back to your father for a moment, there must have been some decisions that he made along the way in terms of his management philosophy. What were some of the principles that he taught you when you were growing up?
MC: His principle was very simple. He could not speak, read, or write English. He had only done three standards in school in a vernacular language. He had to get somebody else to help him write a letter or an application or deal with the bank. He knew that the future of his children could never be any better than his, unless they were educated. So his push was so much harder—everybody must go to school and high school. During that period, my eldest brother Devchand—it was 1933–34—was protesting against the colonial rule of oppression and inequality, together with other Asians and Africans. Their demand was for equality; there cannot be three sections—Europeans, Asians, and Africans. In that row, my brother burnt the Union Jack.

HM: He did?

MC: Yes. So he was thrown out of school and was asked to work in the shop. In spite of the set back my father continued to insist that all the children must study. My second brother Ratilal also decided that he did not want to do anything further than senior Cambridge or the secondary school. But our father pushed us, and my brother, my two cousins, and I were the first graduates in our family. That was what my father believed in and pushed us for further studies. Two of us were sent to the United States in 1948. My brother went to Berkeley to study food technology, I went to Oklahoma. I wanted to study petroleum engineering. After one semester, I asked myself, “What am I doing here?” There was no scope for petroleum
engineering. I changed and completed first a degree in mechanical engineering and then I did my master’s. My father’s determination that the future could not be improved without education—that was the most important part.

_HM:_ I want to explore a couple of things there. I want to go back to your brother burning the Union Jack, because one of the things that you’ve had to do as a businessperson is walk an interesting line as different governments have changed. You’re obviously operating in a different political environment. What’s your philosophy about dealing with business? Presumably, you’re not burning the Union Jack anymore.

_MC:_ No, no. My parents always believed in living within the rule of law. My father was very upset when my brother burnt the Union Jack. What my brother did, he did not approve and was very firm that he should not have done it. When we joined the business in 1951 we lived under the colonial period till 1964. After independence we lived under the governments of the first President, Jomo Kenyatta, then President Daniel Arap Moi, President Mwai Kibaki; and now, we are operating under President Uhuru Kenyatta. So we were law abiding, concentrated on building our businesses and be at it and created a name for ourselves and tried to be good citizens of the country. That was the principle.

Every time there were political pressures from politicians for support. We always remained neutral and law abiding. Our argument was
that if we support one today, what happens tomorrow when they are not in power? To me, they are all rulers, irrespective of the party. Asians are a small minority. Out of 45 million, there are a mere 100,000 Asians. Our business was purely to do what we thought we should be doing and do it well and make very sure that we were seen to be doing good and right.

**HM:** Broadening that out as you’ve now operated in 45 different countries, what do you think the proper relationship between business and government should be, and what’s worked for you?

**MC:** I thought that governments should always have a good vision for doing good for the country. However, my experience was that government always had first priority towards politics and second priority for business. There has always been a poor environment for business. To create a conducive environment for businesses, I felt I should start taking part in business associations to influence the government. Beside corporate social responsibility, I coined a new phrase, corporate business responsibility.

**HM:** What do you mean by that?

**MC:** Meaning, top people of top businesses should participate in making decisions in business associations which can influence the government; they can talk face-to-face and discuss issues. That was why I always insisted that every business must provide the top leaders, not only for
business, but also for changing the environment of business by meeting and influencing and having dialogues with the government, and making very sure that there was a conducive environment for business. When I look back, it was something which was probably one of my major contributions.

**HM:** *Is that a careful delineation of the role—*

**MC:** Yes, absolutely.

**HM:** *As a family operation in 45 countries and various operations how does your family keep driving that? How does your family monitor your business-government relations?*

**MC:** We are a joint family. There are 50 members. Manu Chandaria is not the one who built all the businesses. I cannot be in every place. There are a few family members living in Nairobi, others in London, Geneva, Singapore, and Toronto. They manage it on behalf of the family. Earlier we used to meet twice a year and now once a year when we all get together to look at our businesses and discuss problems and growth strategies.

Running a joint family business has its own challenges but is not difficult. Today the major problem is how to run a joint family. A majority of the family born and brought up in one little town in Mombasa, Kenya with 36 people was one thing. Today, we have expanded our businesses in five continents. Leaving the first and second, the third generation, fourth
and fifth generations, are born in in other continents—in different environments. To keep them all together is a bigger challenge than running the business; meaning managing the family!

The family members living in each country manage the business-government relationship with a basic principle of integrity, honesty, and always being within law.

**HM:** *So how do you do that?*

**MC:** I think that the basis is always fairness, love, and affection. We always believe that all of them do not have the same strength. Some are very capable; some are less; to keep them together is based on a principle of an individual finger vis-à-vis a fist. We try to create the team with mixed capacities. Secondly, we have to make very sure that egos remain under control. We propagate “we,” not “I”; “ours” not “mine.” This comes with an attitude of generosity, tolerance, and understanding the family’s and business’s needs, which are very dynamic.

As family dynamics change—for example divorce was not the case in the first or second generation—as time moves, it is important to understand and read what is on the wall and try to build the family’s maturity to understand that things are changing and will continue to change. Yes, acceptance by the older generation is very difficult. That is where a lot of generosity, tolerance, and ability of keeping ones mouth shut, and developing love and affection amongst family members comes in handy.
Same attitudes have to be extended to our professionals. It is by extending the love and affection that they are a part of the family. I think this is a shift from me and mine to us and ours. It was very difficult initially, but I think we’ve been able to maintain it to date.

HM: Given this family philosophy and the family values that you’ve articulated, do you think that this led you to make different decisions than if you’d been a public company?

MC: Absolutely, because in public companies shareholders demand maximum return on share value. They might not consider giving out of their earning. Here, we are the shareholders and we can overlook the returns to ourselves for the good work we can do in the community. For example, our companies support the Chandaria Foundation more than what a normal public company would do. This has given us a huge edge over other companies in terms of giving.

Time and again a family member makes a mistake, we have to live with it and accept the consequences. Many times we all can do is to keep our mouths shut and accept it, as you cannot say, “Sorry for what you have done. Take your check and go.” Family members are automatically hired but cannot be fired. It has its own dynamics. As long as we can manage it, keep the business going and make family members feel wanted. That means we have to walk an extra mile to make very sure they feel that they are the part and parcel of the family. It is a very different ball game.
HM: Have you had any of those difficult decisions where you’ve had to tell someone that they may be getting reassigned?

MC: In olden days, there was no such issue. If the family decided to reassign in the same country, to another company or to another country, there was no argument but to do it. However, we had a couple of cases in my lifetime where one of the members decided that he wanted to get married to a Jamaican girl and wanted to be on his own. Another young man decided that he could not take the stress and he could not walk the tightrope. It was his choice to leave. Presently, except for the two mentioned above, all the family members are still together.

HM: How do you handle managing when someone is in a situation and they’re consistently not making the right choices? Unlike General Electric, as you say, you actually can’t [fire them]; do you reassign them to a different territory? How do you manage in a family company like that?

MC: We know that a family member is automatically hired, if he wants to work for the family. He cannot be fired. To avoid such a situation, right from the beginning we decided to professionalize our management, so that we could hire the best talent for the job. If the professional does not deliver then he could be fired.
**HM:** When did you come up with that?

**MC:** When you start finding out that there are family members who cannot manage business, we had to find an alternative by putting a few family members together, creating teams, and giving them the responsibility to perform. Before long the growth needed more and more people to actually run the businesses and the family did not have enough manpower. Because of that we have professional management in every company—they can be found, hired, and if need be, fired. However we have to nurture the professionals, spend time with them and try to impart family values of hard work and integrity and make them results oriented. We have to fire their imagination and build the family business to the size of what we plan.

**HM:** So you made the decision to grow the business. It would be best to bring in professional management that you could either reward or not reward based on their performance in a way that you couldn’t with family members. I wanted to know: As you grew the business, was the business grown mainly through acquisitions or through internal growth?

**MC:** Both, but more through acquisitions. Let me give you an example: In 1958, we were advised that all the African countries would be independent before long. We were exporting our products to almost all the neighboring territories—to Tanzania, Uganda, Ethiopia, Zambia, and...
Belgian Congo. We were told that this situation would change; as the countries got independence, they would ask for investment and not be only a market for us to supply. We were asked to make up our minds. Either we go and start investing in those countries or lose the market that we had established over the years.

*HM:* These were metal products? Or other products?

*MC:* They were metal products. It was difficult to make up our minds. We were quite happy, living in Mombasa and enjoying our life. However, because of the threat of losing the market, we debated and gave it serious thought and finally agreed to send a couple of family members to Tanzania, a member to Uganda, a member to Ethiopia, a member to Zambia, a member to Burundi, which was then a part of Belgian Congo. It was the most difficult journey but it was the only way for survival. The outcome was that in five years’ time, we became a pan-East African company. Then the family decided to send the family members to the UK and Europe. We then realized that we could not start similar industries to what we had in Africa. For they were all sunset industries. We acquired few new businesses. In some we lost out but in some we grew very fast. The majority of expansion took place through acquisitions, developing the business, and where we felt we could repeat the same in the other country, first we looked for a similar business to acquire and if not, set up a green field operation.
**HM:** In addition to the management challenge, it seems to me there must have been some capital challenges. How did you raise the money to do that?

**MC:** Raising money was very difficult because we were new in those countries. In business we need to buy businesses, equipment, raw materials, convert them into products and sell. We were hungry to buy companies and/or new equipment, raw materials, but we made sure that we paid our commitments two days ahead of time. Equipment was bought always on long-term payment while raw materials were bought on six-month credit. It was absolutely necessary to create credibility with the suppliers of equipment and raw materials.

This way our little capital went a long way, mainly supported by our good reputation, hard work, knowledge, and credibility. Our success was repeating manufacturing units which is what we knew best.

**HM:** So that focus on quality was also—

**MC:** Quality was the most essential part of our business. We maintained our quality and we never compromised on it. Besides that we supported our business by know-how, good relations with suppliers, and satisfied customers. If you are in aluminum then you must also know where to purchase it and who is going to give the best credit, but making very sure
that they are paid on time. We have always relied on very selected suppliers and built our relationship with them and they have been our partners in good and bad times.

**HM:** Does your size now, you feel, give you a competitive advantage?

**MC:** Absolutely.

**HM:** Both in pricing and it allows you to attract better managers?

**MC:** Yes, both in pricing and attracting managers. The people who work with us, many of them are still with us. We have always appreciated their work. Yes, they do make mistakes. So do we. We always try to make our managers feel at home and be a part of the family. This we think has driven our business.

**HM:** Now that business is at such a scale—because we’re now 50 years post-independence. The financial markets in Africa have obviously matured, but talk to us about your challenges of financing today, and were you affected at all by the 2008 credit crunch?

**MC:** In 2008, our businesses in Europe, and the United States and Canada, shrunk and we had problems. But we had to manage it. Because of our spread in various countries we could meet the market demand. While
we were able to manage it, it was also a very difficult time because when
the collapse came, those markets were very vulnerable. But then,
everybody knew that if we could not honor our obligations, nobody else
could honor theirs, either. Each one of them had to hold hands to make
sure that we performed and met our commitments.

**HM:** *Were there any countries in which you had to seek government help?*

**MC:** No. But in Ethiopia when the coup took place and the military
government took power, they nationalized all our assets. To date, they
have not given them back. We fretted for 10 years. However, we felt that
the loss is ours as we are losing the business of 70 million people—equal to
the population of Kenya and Uganda put together. So we went back and
reinvested. In business you cannot keep animosity in your mind because of
actions beyond your control. In Uganda, during Idi Amin’s time, they also
nationalized all our assets but the new government gave us back all our
plants.

In Burundi and Congo the situation was so bad that we decided to
abandon our assets. Once again we have put up a marketing office in
Burundi and a small manufacturing unit in Rwanda. We then set up a small
operation in Congo but again we found it difficult to operate and so we
closed it.
**HM:** I know you were on a commission in Kenya that’s focusing on capital markets there. Can you talk to us about the growth of capital markets?

**MC:** International Finance Corporation (IFC) had prepared a report for the Kenyan government that there was a need to establish a capital markets authority to manage the flow of capital. I felt it was necessary that the Kenyan government took some action on it. After numerous discussions and reminders, the government finally appointed an eighteen-member committee under the heading Capital Markets Committee to prepare the bill. I was appointed on the committee and the committee produced the paper for the government. The committee kept pushing the minister to establish a capital markets authority. After two years it was established and I was again appointed on the board for two terms of three years each.

**HM:** Do you see the lack of a highly developed capital market as an impediment to the growth of business?

**MC:** Yes. Very much so. I think that the rules and regulations that government is setting are not conducive for a younger economy. One cannot have rules and regulations which are in the United States, United Kingdom, or in Japan. Normally they pick them up and include them in the legislation.
HM: Do you think there’s a danger of overregulation?

MC: Yes, almost in all the underdeveloped countries. Because there is no knowledge, rules are copied from other countries without realizing the dynamics of the country.

HM: One of the things I know that you’ve pushed for in terms of rules and regulation is the dropping of tariffs, particularly amongst the East African countries, and the development of an East African common market, which we have now had for a number of years. Can you tell us a little about your role in that and the history of business amongst the countries which are now in the African common market?

MC: When I started my business career, the East African Community was in existence. In 1968 the Community collapsed because of differences of opinion and rivalry within the participating countries. Tanzania and Kenya could not see eye to eye on things. After many years, it started again because there was recognition that individual countries’ markets were too small and did not allow economies of scale. I thought the best way was to persuade the private sector in Kenya, Tanzania, and Uganda—the three members of the East African Community—to join hands and be one voice to the governments. Now two countries, Rwanda and Burundi, have been added. Negotiations are going on to add South Sudan.
To make it a success we created private sector cells in each of the three countries and I was responsible for creating the East Africa Business Council of which I was the founding chairman, where each private sector cell became members. Every year a chairman is selected on a rotating basis from each country. The purpose was to make sure the new regulations at the East African community level are acceptable to all three and create a basis so that goods can move from one country to another without any custom duties on them.

Even after creating the East African Business Council, the business interests of each country kept influencing their governments to protect their industries. Ultimately, they started understanding and seeing the benefits of the East African Community. It is working well and yet there are many other issues which need to be accepted by all five countries.

When the new government of President Mwai Kibaki came to power in 2003, they had a meeting in Mombasa where civil bodies, the private sector, academia, and NGOs were brought together to explain the new five-year Economic Recovery Paper. On the first day at a coffee break the private sector was asked to remain in the room and a number of ministers together with their permanent secretaries asked us if we could create an umbrella body of all the commercial associations in the country. Their reasoning was they were new in the government and they wanted one voice of the private sector rather than dissenting voices. We were 40 private sector members and we laughed at the idea. They asked us what was funny. I told them it was difficult to create an umbrella body as there are
around 200 associations, each one having a chairman and the board with an ego bigger than their shoulder. They pleaded with us to sleep on the idea, as they were serious. In the evening the private sector members sat and thought about it and came to the conclusion that it was not possible. The next day we were again called during coffee break to stay in the room and were asked what our decision was. We said, “We think it is not possible.” One of the senior ministers challenged me. I told him not to challenge me alone. Please challenge the private sector. I asked the private sector members sitting with me: “Are we prepared to take the challenge?” Everyone said, “Yes.” However, we told the government that to do so, we will need all the doors of the ministries, their permanent secretaries and ministers, open and regular meetings on the issues and their progress. This was accepted by them.

This created a very different environment. Kenya had seen a negative growth of 0.5%. After better understanding with the government and regular meetings, a new environment was created where businesses grew and we achieved GDP growth of 7%. Dialogues between the government and private sector to unlock issues which deter the economy were most important and showed us what could be done.

Besides the East African Community there is COMESA (Common Market for Eastern and Southern Africa), a group of 17 countries; SADEC (Southern African Development Community), a group of 8 or 9 countries; and SACU (South African Customs Union), a group of 5 southern African countries. Expansion of the economy and betterment of the population can
only take place provided the private sector and the governments singularly and collectively are committed to reform and create an environment conducive to do business.

**HM:** You’ve talked about the ability to pull together the business leaders and form a common point of view. Do you think that the government leaders of East Africa have come together to promote a common economic vision for East Africa?

**MC:** Quite a bit has been achieved but there are thorny issues which some of the governments are not prepared to budge on. Presently we have a common external tariff accepted by all, free movement of people accepted only by three countries and free movement of capital also accepted by some countries. There is still a strategy for a common currency, policies on education and research and many others. This can be achieved if the population of the countries sees the difference that it can make going together than individually. The principle is very simple. No country today can remain a 30 million or a 50 million market. It’s not possible. To survive today, you have to have a critical mass—say 100 million to 200 million people. A huge market can absorb the shocks, but a small market cannot absorb shocks. Every country understands that very well. The East African Common Market is making sense and if we now make treaties with other market blocks within Africa, it will make a lot of sense and have fast growth.
HM: In terms of attracting people from outside, one of the stories you hear about many African countries, and certainly Kenya, whose reputation suffered in this a great deal, is the issue of corruption. People are afraid of the issue of corruption in Kenya. How has the corruption affected your life as a businessperson?

MC: We always remain alert. If we can’t do something in the simplest and the most straightforward manner, we’ll not do it. Many times, we find that our growth gets retarded. But we believe that it is not the way to do it. As a family, the philosophy has always been that you must remain consistent in your core values. You cannot just play around with them. As we cannot play around with our family values, we cannot play around with business values. That is very clear. We cannot be two-faced.

What I preach, I do it, both at a family and business level. This is most important for all businesses to consistently grow. We have to stand up for what is right. That sets the standards. Today, we need standards. We also need role models. Shortsightedness, quick money—that is not the answer.

HM: When you sit down—it’s deeply grounded, as you say, in your personal values and family values—with the government leaders and you explain to them about the pernicious effects of corruption, do they get it?
What have been some of your challenges in dealing with the businesses on this?

MC: I don’t tell them that. I tell them what the ills are of the country. Why are people going to sleep without food; why are our children not getting an education; why are our students who are already educated sitting at home and pacing the streets?

I think that a moral set of values is something with which you can change people. I can be very sweet and talk about so many other things, but some of the basic facts of life have to be seen to be understood; and to be acceptable. This is sometimes very difficult. But because of the status that you reach, you can speak that way. They all listen and sympathize knowing that if I don’t like a country to live in, I have many other choices. But they know and appreciate that I am pursuing what is good for the country. I don’t think that you can make changes by pushing hard. It’s by discussions, persuasion, and setting examples.

HM: Well, implicit in that is that you believe business has a purpose in those countries or in general beyond making a profit. What do you think the role of business is?

MC: I think that the role of business is to make a profit. But profit is a means, not the end. The end is the difference you make in a society that you live in. One has to ask oneself if one has been able to make a
difference. Doing good is not the monopoly of one person or a business. It is in everyone’s domain. Profit must be there to build bigger and better business. A part of it should go towards making sure the standard of living of the people around is improved.

**HM:** In addition to that philosophy, you set up early on in history the Chandaria Foundation—and by the way, you are among Africa’s great philanthropists. What led you to set up the philanthropy?

**MC:** It is a long story. My brother and I finished our first degree and were sent to United States for further studies. My brother Keshav did a degree in Food Technology and I did Bachelor’s and Master’s degrees in engineering. My cousin Kanti did civil engineering in India and another cousin Kapoor did a Bachelor of Commerce. We all came back to work in our family business around 1951. During the war we had lost quite a bit of our business. All that was left was one wholesale provision business and a very small manufacturing plant with 40 people and six members of the family working. On top of that we had 30 members of the family at home to look after. Time and again we kept feeling, Is this the type of business we are going to be in or should we leave the family business and lead a comfortable life, with a 9:00 to 5:00 job with all the perks and be on our own? Having the education to get a job was not difficult. We kept discussing the pros and cons amongst ourselves for a year.
Then it occurred to us that our parents had sacrificed so much for us to get where we were. We were not born with a silver spoon. It was their hard work and tremendous sacrifice to give us higher education. They had their dreams and vision that we would improve our family’s conditions. We consciously started worrying about what could happen to our family if we just walked away. Our decision was influenced by the Gandhian philosophy which was instilled in us while we were studying at university in India. Gandhi had started the Quit India Movement which spread like a fire. We were mesmerized by Gandhi’s philosophy of sacrifice—Quit India meant telling the colonial powers to leave India. The principle behind this was not to use anything which is imported from outside; not to use anything which is manufactured by machines and equipment from outside.

This meant we had to spin thread for one hour every day, give it for weaving. For four years, our wardrobe consisted of two pairs of pants, two shirts, two pairs of underclothes and one pair of socks. If you didn’t spin for a few days you had to stitch a patch on your shirt. Sacrifice showed us that was the fundamental reason how India got independence. It was not something which was achieved by fighting, as Gandhi believed in ahimsa [nonviolence]. One man, Gandhi, and his followers’ efforts achieved the independence of India. This had a strong influence on us. We realized that our parents had spent their lifetime on us and how could we walk away? The decision was made that we would all work for the family.

In a couple of years’ time our business started growing and we had 200 people working. In 1953 the four of us, with my two elder brothers
Devchand and Ratilal, garnered the courage to ask our father, “Father, while we are creating wealth, how about setting up a Chandaria Foundation?” He looked at me, because I was one of the spokesmen. He said, “You know, something’s wrong with you.” I said, “What’s wrong with me?” He said, “You’ve lived too long in the United States.” I said, “I lived there only three years.” He said, “Look, we are not Rockefellers or Ford. We have a large family to support. We’ve got a big hole here. Fill that up first. Then we’ll talk about it.”

I said, “Please, you are not understanding our point. All we are asking is that we need to set up an institution today so that in case we are successful in creating wealth, then a part of that wealth could be used for looking after the society we live in.” He said, “Come on. Get to work.” So we accepted his viewpoint and earnestly started to build our business. In five years’ time, from a forty-person workforce we grew to 500. In 1956, after seeing the growth, our father came back and said, “I am agreeable to set up a Chandaria Foundation.” He said, “Yes. I’ll give 10% of our company to the foundation.” This was music to our ears.

We were thinking of having an attitude that we should use the money to make an impact in the society where we live. As a successful business we employ many people and thus we are supporting their families. That is a byproduct of running a successful business. You should extend it further by trying to get involved in the society where you operate. The Chandaria Foundation started with one or two scholarships but with a clear philosophy of extending ourselves to improve the society where we
operate. You called me a philanthropist. However, I only represent the
philanthropy of the Chandaria family as one of the trustees of the
Foundation.

**HM:** *Interesting story. You’ve talked about the influence of Gandhi on
your life. Has religion played a role?*

**MC:** Yes, because we are Jains. Jains believe in nonviolence, extending
the ideology of not hurting others through thoughts, by speech, or
physically. To be truthful and to be able to hear another’s viewpoint.

  Gandhi was more Jain in that way—ahimsa, nonviolence, truth.
That was all adopted from there.

  In our business it is a philosophy to be useful to others, to be friends
to others, to be holding the hands of others... because you have a capacity
to hold. I think that has worked out very well. That is one principle that
we adopted and practiced and instilled in our children. We always told
them that money is here today; money may not be there tomorrow. A good
set of principles and values will remain with you for a lifetime. Sometimes
you might have to walk on a sword’s edge. But at the end of the day, it will
be very satisfying.

**HM:** *You’ve talked about how the family’s now scattered from
Switzerland to all over the world. Have there been challenges in imbuing
them with those values you just outlined?*
MC: Yes, I think many times it is difficult to convince the younger generation, born overseas with varied influences, to have the solid and strong set of values that we had. It’s always easy to adjust to a new environment but difficult to follow the set of value we propagate.

There are a lot of controversies because of the modern way of living, imbibing, new technology and seeing new things happening. In spite of this there must always be determination to remain on the ground. You can’t be just floating. Once you’re on the ground, then you understand the realities of life. The challenges are very many, and to keep a family of 50 together is not an easy job. It’s more difficult than managing the diverse and complex businesses that we have.

HM: Really?

MC: Yes. Because keeping the family together is the aim. Maybe that philosophy might shift after people like our generation are gone. But to me, that is where more time, more discussions, and deeper understanding of values is necessary. Money is not the only thing to keep you happy. Contentment is.

HM: Well, it goes back to, in terms imbuing values—you talked about your father’s emphasis on education. What about this current generation, where are they going to school, what’s your sense?
MC: They’re all very well educated. Since we went to university, not a single person in the family has been without a university education.

HM: So it’s expected?

MC: Yes, our firm belief is, without education it is difficult to make choices between good and bad. No education means no going forward. I think it’s worked out well. For us, the focus of all our philanthropy work is also the same—education and health.

HM: We talk about this global family that the Chandarias have now evolved into. I think the first pilgrim, if you will, was your father who moved to East Africa. We’ve talked about this, but only fleetingly. I’d like to talk a little bit more about the challenges he faced and your family faced as an immigrant family to Africa. We know, for example, you’ve alluded to it—you’ve lost factories depending on what the political life is like. There’s sometimes been violent Indophobia. Obviously, in Uganda, you had the situation with Amin. Again, because you have a hundred-year history in Africa with your family, how has Indophobia shaped your experience in Africa?

MC: In my experience in Africa, whichever country you go to, whether it’s Kenya or any other, to remain relevant one has to build a size. To be
able to take an interest besides the business in the people around you. It must be those businesses plus the people who run the businesses and their influence within the society.

My parents lived a very difficult life. As I said, if my father wanted to apply for a post office box he needed to go to the neighbor and seek help to write a letter. To negotiate with banks he had to take somebody with him. To expect help from others, one has to create relationships and accept the help as an obligation. Many times I wondered how they could ever survive in an environment which was not conducive and where you had to find solutions for every situation you come across. People ask me whether I had seen the poverty which my parents went through. When I was born, there were spoons in the house but not silver or gold. They lived without so many amenities. They lived in very poor accommodation. The means of travel was by foot and hours of work were between 16 and 18 [each day]. They survived all this as they had a vision and a goal to achieve. Being an Indian and part of a very small population, under colonial rule where apartheid made you a second-class citizen, was unbearable and yet they had to endure.

I remember after a year I came back from the United States and I decided to go to Nyali Beach Hotel in Mombasa to have a cup of coffee. An African staffperson came and told me nicely and politely that they do not serve Asians or Africans. I asked him, “Why not? I am going to sit here and wait till I am served.” I asked him to call his manager, a white man,
whom I asked, “Why I am not served?” He politely told me, “We do not
serve anyone except Europeans.” I told him, “I will sit here until you serve
me.” After a few minutes four people came along, lifted my chair and put
my chair outside on the road. I was so furious. I went home and told my
parents I am not prepared to live or work in this country. They asked me to
tell them what happened. I told them about the incident at Nyali Beach
Hotel. My father said, “Don’t you have self-dignity?” I asked him, “What
do you mean by this?” He said, “Why do you have to go to a place where
you are not wanted? We have lived here for a number of years but never
thought of going anywhere where we are not wanted. You must have some
self-esteem.” I understood him, cooled down, and accepted his advice.
Many people in the past, trying to get apartheid removed, have gone to jail
and suffered because they believed in equality and yet my father put it in
such a way that I had no answer. Indians, called “Asians” in this country,
are hardworking and have done well for themselves. They continuously
expose themselves as well-to-do people in the eyes of the local people,
which creates jealousy, which is natural.

HM: But today—and they did obviously overcome all those
circumstances, all the prejudices, in terms of the businesses and where they
could live and so on—when you go to look at a country to invest, do you
feel that you’re welcome, or they’re looking at your father’s nationality,
rather than your nationality?
MC: I think that the investment today does not see any nationality anywhere. As long as you’re prepared to invest jobs and wealth, you are always welcome. As long as you add value for your being there, I don’t think there’s any country that would say no to you. We were always welcomed wherever we went—because we didn’t simply go to earn only a living but to add value.

HM: In your home country in Kenya, it wasn’t too long ago that there was election violence that was really sparked by ethnic tensions. Now, in that case it was two groups inside of Kenya. What’s the state now in terms of tribal relations, and how do you—with someone whose father was from India—fit into a society that had these strong tribal ties?

MC: Well, the point is I am more Kenyan than Indian. However, if you ask my children, who were born and brought up in Singapore, they would think that they’re more Singaporeans. Immediately after ethnic tension in Kenya 2008 Kofi Annan, together with other prominent leaders, came and there was a national government formed. I flew with the president and the prime minister. We rebuilt two schools, which had been totally finished—they were in ashes. The same children who were against each other started sitting there again, playing and enjoying. We also took up a position then: How do we build national understanding amongst them? It was a tough time, but I think it worked out well.
I am a chairman for the Global Peace Foundation in Africa. Our people went to all the provinces in Kenya, met the younger generation, and tried to explain that peace was an essential requirement for stability and development. In 2013, before the election, we brought 2,000 people into Nairobi for two days to tell them and show them tapes of the violence and impress upon them that what they saw in the video were younger people without work who created the mayhem of 2008. This worked out well and there was not a single life lost during 2013 election.

**HM:** A lot of that is driven by you and the values you’ve talked about this afternoon. Do you think business, in general, has a role in stepping in and building when there are institutional voids?

**MC:** Yes. That’s what I think is the most important part that we are forgetting. We must make sure that businesses play a role of shedding light on the issues on the ground. A politician sees things very differently. As a businessman, I see things differently, because I come in touch with the common man all the time. I think that wherever civil society and the business community have matured enough, they start realizing and understanding that they can exert a lot of influence on the government. That’s the experiment that I’ve seen in a number of places.

**HM:** Talking about changes—one of the big changes that people keep remarking on is the arrival of China on the shores of Africa. A lot of
people feel it’s a plus. Others feel it’s a minus. What’s your view on Chinese investment in Africa?

MC: Right now, China is going around very fast, all over the place. I think it’s that hunger, that appetite of finding resources that they need so badly. They have principally a major interest in procuring raw materials they require for China. Whatever other interests they might have is difficult to speculate. One thing is certain, that after the colonial rule in Africa for years, I do not think there are any new chances of colonizing countries in Africa.

But if China cannot continue to create a better environment for the people, then automatically, the rejection will start. But to me, right now, they’re going very well. Roads are being built. Buildings are being constructed all over the place. Whatever they are doing, they are doing in a huge way. No other country is prepared to do that right now. At one time Japan was the largest giver of aid followed by the United States and Europe. But now it is not only the money but investments which will employ people and create wealth.

HM: Is that the sort of business investment, business role—for example, where the state potentially can’t build a road or the state can’t provide a clean water plant—where business does have a role, whether it’s Chinese business or local business, to step in and build those roads?
MC: Yes, I think so. I think ultimately that will happen. There are discussions going on within the countries, in South Africa and Angola very strongly, about what is the role of China? I think the local business must provide what is needed. Local means the businesses locally, whether it’s owned by General Electric, or it’s owned by us, or owned by somebody else. That is the right way. One wonders whether the West and other countries realize the speed at which China is moving. This can create a huge problem for their economy.

HM: You said that that’s been a recent phenomenon; it’s happened very quickly. Yet the history of the Chandaria family is quite long. As you look out over the next 100 years, what do you think are the factors that are really going to shape the company? When your grandson is here in that chair giving an interview 100 years from now, what are the factors that are going to shape the future of the company?

MC: Well, I think that wherever the Chandaria family is operating I’d like to see that they have deep understanding of our philosophy. Ultimately destiny is carved by every generation. As our parents carved their destiny, we added our vision and the generation after us who are in their 70s also did the same. The generation in their 50s and 30s, if they continue to do the same, there will be no problem for a hundred years. Ultimately it is up to them to finally decide the fate of the family and the businesses. As long as the family adds value to the country they operate in and the society they
live in, they will be able to meet the vision of the family. That will be the best the family can do.

In my own life, over the last 85 years, I have seen huge change. Many times I wish I was born now so that I could be a part of the new technology which is shaping our lives. That would be very exciting.

Each generation has and will find their own way, as long as the generation has a basic set of values and interest in growth and not just sitting and enjoying life, but able to contribute to the welfare of the country and the people around them. As I watch the younger generation today, I do not see a problem.

**HM:** We’ve talked about the nexus between business and government. What do you see as the future of Kenya in general and Africa going forward?

**MC:** As time goes on the government will have to be more open and dependent on the private sector and develop policies in consultation with the private sector. The history of all recently developed countries points out a strong partnership for growth with the private sector. The future of Kenya is bright. Kenya has remained a leader in the eastern coast of Africa. It has intellect, capacity, and the will. One cannot see a country in isolation. We have to compare what is happening in the neighborhood and Africa in general. Today Kenya is the headquarters for two UN bodies, UNEP and UN Habitat. The standard of education and health services are much better
than majority of the countries around. One has to continuously keep putting in efforts to remain at the top. One has to recognize the way Ethiopia is growing. Unless Kenya tightens her belt she might not remain number one within the region. Africa in general has huge potential and a number of countries are taking strong advantage of opportunities offered. There are a few countries yet who have not come out of the old philosophy of control and impunity.

HM: *Was it because of specific policies they adopted that are fueling that growth, and are there any prescriptions from that that you’d give to other African leaders?*

MC: Yes, their policies are growth-driven. I see a similarity with China and Ethiopia when I first started visiting China some 40 years back. What was China then, and what is China today? I think that they are adopting similar policies in transforming what Ethiopia was all these years into what Ethiopia is going to be. They are definitely making decisions and making it happen. The political issues do not stop them.

In Kenya because of democracy and the freedom to discuss, many times they cannot move. In Ethiopia, what is planned is done. There’s no arguing with that. That’s why probably the speed is much faster. That’s the worrying part, too, because any government’s dominance on a nation anywhere will always ultimately lead to conflicts. We don’t want conflicts.
Africa today is set for development. There’s no other continent that has those possibilities. How can each developed country’s government help in the process to their advantage and develop the countries in Africa?

Today’s younger generation of Africans is not prepared to wait as their forefathers waited for the last 50 to 60 years to enjoy the fruits of independence and a better standard of living. Wherever there is development it is very much welcome. If the African private sector and African government can work hand in hand, I am sure expectations can be met.

**HM:** *As you look out over the next period of life of the Chandaria family businesses, what would you see, if you had to name one, as the single biggest challenge you face, and what’s the biggest opportunity?*

**MC:** The number one challenge is to keep a family going—as a joint family which requires generosity, tolerance, and understanding. As long as they can understand and continue with the philosophy there are chances for continuity. Anything short of that is a dangerous sign. Opportunities are galore. For our family there is no single opportunity but many opportunities in the industries we operate mainly steel and aluminium. Today we are major manufacturers of steel and aluminium. The younger generation has got everything going for them. What is needed now is to make it happen. We believe that it is not the capacity to create wealth and capacity to use the wealth, but the ability to hold the wealth.
HM: Great. Well, thank you very much.

MC: Thank you. Thank you. I’d just like you to meet my my other half. Without her, I could not be what I am today. (Laughter.) No, no. Just be here. She’ll be sitting with me here. Come on. Yes, yes. She’s small enough to sit with me. She sat with me all this time. Now you can ask. She is continuously worried about my tie. I’m 85. She’s 80.

My life without her is empty. She provides so much strength for what I do. It’s not my wife alone, but all the wives of the Chandaria family who have a tremendous amount of strength and support to build our family. As and when we are expanding, we want to run, they are there behind us, supporting us. Our children’s value sets come from them. We are grateful to them. Personally, when I think of my life without her, it would have been insignificant.

HM: Well, I’m glad to have this opportunity to talk with you. I know that you were greeted when you came to campus by one of my colleagues, Kalpana Jain—she spent the better part of the last year or so for a grand celebration—we celebrated 50 years of women being on the Harvard Business School campus. The School is over 100 years old—women have been here only 50 of those years. Women, of course, are now beginning to make their way up in the U.S. and in American businesses, though there’s still only a handful of CEOs who are women. Could you talk to us a bit
about women in the Chandaria family? Are you actively involved in running any of the businesses?

AC: No, our family does not allow women to go into business because they feel strongly that we should be paying attention on our growing family. But we have always given moral and other support.

HM: You say you have a granddaughter in New York. Tell me about her. Is she in school there?

AC: My granddaughter is Nahema who did her first degree at Columbia, worked for a year as she wanted to be a lawyer. At the end of the year she said she was not cut out to be a lawyer. She then did a master’s degree at Sotheby Institute in Art Business and she passed as a validatory student. She joined a gallery looking after two funds, an art fund and a housing fund.

HM: What does she want to do? She wants a career in business?

AC: Yes. While she was working, she came up with an idea that there are so many paintings behind closed doors at art galleries and museums while many walls at corporate, public places and private homes are empty. So she created her own business under the name Art Remba where she got galleries to hire their paintings to corporations, public institutions, and
private homes. She organized five people, the gallery who rents the painting, the painter if he is alive, the insurance company who will insure the painting, the conservator who will fix the painting, and the client who wants to hire the painting, so that the client would have the painting on his wall. This was a novel idea. She created waves in the art world. She was sought for interviews in magazines, newspapers, and speaking engagements. She then pursued her MBA at Columbia.

HM: Do you think she’ll stay in the States?

AC: Yes, she doesn’t want to go to any place except New York.

HM: Was she born here?

AC: No, in Geneva.

HM: This is such an international family.

AC: And I have two granddaughters, Ayushi and Nirali, born in Singapore. Both are Kenyan citizens, and Ayushi swims for Kenya.

HM: Really? I know the foundation has focused on health and education. Has there been a focus in any of those towards women or girls in any
particular area, women’s health or girls’ education, or they’re just part of the general philanthropy of the foundation?

AC: The Foundation has supported the building of the Chandaria Accident and Emergency Centre and Day Theatres. The Foundation also built the Chandaria Medical Centre at Gertrudes Childrens Hospital—the only childrens’ hospital in the eastern coast of Africa. Negotiations are going on to set up a Chandaria Childrens Referral Hospital at Kenyatta University and a Cancer and Chronic Diseases Centre at Moi Referral Hospital in Eldoret. The Chandaria Foundation has been providing scholarships for secondary school education with a clear policy that 60% should be for girls. My husband is involved as chairman of Starche Girls Centre, which takes bright girls from poor backgrounds from all over Kenya, gives them life skills and education free of charge. Surprisingly, of the 400 girls who passed the examinations, approximately 385 are in universities.

HM: Where’s the hospital?

AC: In Nairobi.

HM: It focuses on children.

MC: Only children, and that’s where they go, Chandaria Medical Center, which looks after upgrading the know-how and the quality of treatment.
HM: Dr. Chandaria’s reputation is worldwide, all the things he’s done both as a businessperson and as a philanthropist. Surely, he’s presented you with some challenges. What’s been the biggest challenge working with this guy?

AC: Because I have been with him for the last 60 years, the challenge was to give him all the support so that he grows not only in business but also in social services. In our home I have entertained presidents, ministers, ambassadors, high commissioners, and including street children.

HM: (Laughter.) See, this is what I wanted to get. This is the part I wanted. Talks about coming to the States to go to school. Now we know who was really behind him! So 60 years—What’s been the secret? That’s a big anniversary to celebrate. What’s been the secret of 60 years of happy marriage?

AC: I speak little and he speaks a lot and I tolerate it.

HM: (Laughter.) I can see in the quiet back room you’re giving your viewpoint. You travel? Did you always travel? I know you travel with him now.
AC: Yes, now, I always travel with him. Because now the children are not in Nairobi. When he was younger, I used to stay at home six months a year with the children.

HM: Well, I’m so glad you could join us today and share him and the great stories about the family and all the wonderful values.

AC: Thank you.

MC: But please remember I would be half of what I am if I wouldn’t have the support. It’s not to flatter her, but she is the strength behind me.

HM: I can see that. Tell me about Mother Teresa.

MC: Mother Teresa came into our lives just accidentally. My daughter came home from studying, and as usual, we would not let the women come into the family businesses. I tell them, you can set up your own businesses, but not in our family. So she said, well, I’m getting bored every time I come home. I said why don’t you join a friend of mine who was just building up the first Mother Teresa’s home. So we went over there. I said, “Why don’t you go and work there?” She agreed. She worked there for about a year building the home.

I think the charm of Mother Teresa is something which is unbelievable. What we saw was that after four or five years, one day she
had come down to have a cup of tea at the U.S. ambassador’s home, who lives opposite my home. When she was going, she looked at the sign board: Chandaria. She came to our home, pressed the button, and my wife opened the door. Her first question was “Is this by any chance the home of Priti Chandaria”?

**HM:** She was just downstairs?

AC: First, when she came, she said, “Bring your granddaughter’s photograph who lives in New York. First I will bless you, and then I will go inside.” She has been to our home four times. She autographed our portrait of Mother Teresa’s work by Husain, who was a leading artist in India. She autographed it.

**HM:** Well, that really shows the quality of work and the impact of the work that your charities are having if she would take notice like that.

AC: Thank you. Thank you very much.

**HM:** This is going to be such a great addition to our collection. I really appreciate it.