

TALK IN ADRIATIC COLLEGE UWC 21-1-2013

Thank you to Rettore and all of you.

Daring of me to undertake this talk

Devotion to UWC. Prince Charles in 1977

My generation is leaving you a very complex world, and yours will have to generate a transformation

- (a) How to change the world? My experience from bottom upwards (FRIDA, 1977) and from top down (FRIDE, 1999-2013)
- (b) Eight important and relevant lessons I have learned in my life, and finally
- (c) a “Decalogue” of advice for a young social entrepreneur which you will all be in your lives

Personal history My first decision in 1968 when I graduated from HBS was to come to the World Bank. When a year later I got an unexpected inheritance as a result of my mother’s death I made a decision tree. **First, you can try to change the world from bottom upwards or from top downwards.** This leads me to tell you briefly about my own experience, as I was an early philanthropist back in the 1970s. I was in my 20s, at the World Bank, and got an unexpected inheritance of about \$10 million.

What could I do with that money? **Spend it** with Hollywood actresses or buying a luxury boat or houses? **Invest it** in Wall Street and hope to be a rich man in my 70s and 80s? None of that appealed to me and I decided **to do something socially responsible to improve the world.**

My reasoning then was that **poverty** was the only major problem in the world I could cope with, even with the help from the World Bank, where I was the Division Chief responsible for industrial development and finance in 45 countries in Sub-Saharan Africa. And I could only hope to do it in Africa. I had seen

tremendous poverty and inequity in Brazil, but Brazil was not a poor country, that poverty was a result of government policies which I could not fight. There was overwhelming poverty in India, which I knew well, but there my \$10 million would have been like a drop of water in the desert

Thus I created **FRIDA**, a project to which I gave almost my whole inheritance. FRIDA designed to help the smallest and poorest African countries by promoting profitable labour-intensive export-oriented activities and helping them to find markets. This was a project hoping to improve the world at the grass-roots level (from the bottom upwards) with a model that, if successful, could be replicated.

However, my experience as a donor and "philanthropist" in the 1970s and the very different one in the 2000s; I will briefly describe the organizations which I have contributed to create

I was one of the original founders of EL PAIS, in Spain, back in 1971. I got an unexpected sum when PRISA, the group that published EL PAIS, went public. But money was no longer important. Even without money, I felt I could change the world significantly, thanks to my passion, knowledge, and contacts. By then I had some very powerful or influent friends: not only King Juan Carlos but also Mikhail Gorbachev, Jorge Domínguez and the Harvard Center for International Affairs, and Bill Clinton at the end of his Presidency. So I decided to try to change the world but instead of doing it from bottom upwards as thirty years before, I wanted to do it from top down; I figured that an attempt to change the system had more potential transformational impact than the usually incremental opposite way of building grass-root initiatives

First, I tried to identify the **greatest global problems; six came out**

- Poverty and inequality aggravated by globalization
- Problems with democracy , freedom and rule of law
- Security: conflicts, proliferation, terrorism, crime, failed states, intolerance



- Environment problems like climate change
- Public health and pandemia
- Governance: UN and IO's created for the 1940s and not for XXIst Century

Second, I created a Think Tank which would deal with the “three D’s”, namely development, democracy and dialogue.

FRIDE

Third, FRIDE created Action Tanks like the Club of Madrid, the CITPAX, EFE-Europe, the ECFR and other organizations you can see in my cv and you can get into their web pages.

Briefly, the list of institutions that I have created and the initiatives of others that I have supported include among others FRIDE, the CLUB OF MADRID, the Toledo Center for Peace and Conflict Resolution (CITPAX), Dara International, the Education for Employment Foundation creating jobs in Arab countries, the University of the Middle East and One Voice, both promoting trust and solutions for the Middle East conflict, the ECFR whose mission is to have one European position on Foreign Policy, and the Fundación Maimona, which has developed successfully and impressively the quality of life, the economy and the welfare of my father’s town in Extremadura, which was in decay and now lives a seemingly miraculous revival and prosperity, with a model which is totally replicable in any local community or even in refugee camps.

In 2013 we are facing a different set of global problems. I am repeating the strategic planning exercise I did in 2000. In my opinion 2011 has started a revolution which will develop over the next 10 to 20 years laced with BBQs (Big Bad Questions) In addition we have a huge financial crisis which is mainly affec . I will leave that for the Question and Answer section.

(b) I will now speak briefly about eight lessons I learned from the World Bank, King Juan Carlos, Professor Stanley Hoffmann at Harvard University, Marti Ahtissaari, and Bechir Ben Yahmed, I hope that you will remember them because they have improved my life and applicable to many

First, the World Bank Program for Division Chiefs taught me in 1974 that the only constraint we usually have to optimize work isfear. As FDR said in his inaugural speech in 1933, “we have nothing to fear but fear itself”.

Second, I learned that there are five positive motivators:

- Need for power
- Need for advancement
- Need for responsibility
- Need for learning
- Need for recognition
- Need for affiliation
- Need for achievement

And those, as you grow up, will hopefully tilt to the last two. I will develop that in my Decalogue coming at the end of my talk.

Third and fourth (anecdote), I learned two lessons from my World Bank colleague Tom Tsui:

- Listen before you speak, but even if it is afterwards, listen!
- Give feedback early at how people are responding to your expectations, whether good or bad.

Fifth, I was with King Juan Carlos in 1989 talking about Extremadura (anecdote) **My lesson was that apparent liabilities, with a right approach, can be turned into assets.**

Sixth, and second lesson from King Juan Carlos came in 1993 when, after hearing my Harvard classmates at our 25th Reunion speaking for the first time about globalization, led me to write in EL



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PAIS a gloomy article about winners and losers, Spain being a loser. Indeed Spain was saddled with no prospects to qualify for the Euro under the Maastricht Treaty, a 25% unemployment rate, a broke pension system, potentially explosive neighbours South of the Mediterranean, mediocre universities, too many civil servants..... I wrote I saw no light at the end of the tunnel.

That evening I had dinner with King Juan Carlos of Spain. As soon as he arrived to the restaurant instead of shaking hands with me or hugging me he hit me very hard in the forearm. He told me:

“I have read your article. Gee, you are very good at finding problems! Why don't you return to Harvard and find Solutions???”

The seventh lesson was what Martti Ahtisaari. told me **“Every conflict has a solution”**. That is a must attitude.

The eighth lesson, that contrasts with the seemingly pessimistic statement made by Stanley Hoffmann at the 50th Anniversary of Harvard's Center for International Affairs” when he said: **A generation renewal should be the grounds for hope**

Ninth lesson: You will be told sometimes that history results from the interplay of social trends and individuals have no role. That is not true. People change the world. (Harvard anecdote)

Finally a yenth lesson came from Bechir Ben Yahmed, a Tunisian founder of the Jeune Afrique Magazine which has been published since 1958. He told me **“Diego, you must think BIG! If you think small your results will be small, only if you are a bit of a megalomaniac and you think big you have a chance of getting big results”**. I have always remembered that advice.

c) I come to the last part of my talk, which is a **“Decalogue”** of advice I give young people who want to initiate a project making a contribution to society; in addition to pieces of advice, these are also criteria for me to become a donor or to support their project

- (a) **Problem identification.** What problem or need are you seeking to remedy? Is it a priority? Who is going to benefit? Is your solution incremental or transformational?
- (b) Do you have to think small? **Can you think big?** What are the dangers of scaling the project up? If you are successful, **what are the possibilities that the project can be replicated** by you or others elsewhere and succeed, thereby multiplying exponentially its impact?
- (d) **What is your methodology? Do not reinvent the wheel.** Are there others doing what you plan to be doing? Will you not be hindering others’ efforts? Who will be your “stakeholders” willing to help you?
- (e) **Follow your passion.** passion will be your main comparative advantage over any other person or institution dealing with the issue. Bureaucracies are bad
- (f) **Give yourself the education** and background you need
- (g) **Raise resources at the beginning** when our project is an idea that can fit anybody’s dreams
- (h) **Reality test:** “look behind you from time to time: whether you have people who have rallied behind you, who have shown willingness to back you with their work and funds.
- (i) **Do not “fill space in the photo”.** The more space you leave for others the more the chances of getting support + **do not expect medals, awards or decorations.**

(j) Evaluate the impact before the Project but make careful plans for implementation and follow up. Be able to learn from your mistakes. External evaluation.

(k) **Do not confuse reality with dreams, avoid wishful thinking.** Do not allow yourself to be fooled (I will tell the real anecdote of Lord Hume in Brussels)

Diego Hidalgo, January 21, 2013