

Re Diego  
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Thanks to Instituto de Empresa and Waya Quilliver. Welcome to all, I am DH. My modest and brief talk today will cover three topics:

- (a) **A summary of my life experience and a list of organizations I have created or supported since 2000, diagnosis of global problems in 1975, 2000 and 2012 which will come chronologically**
- (b) **six important and relevant lessons I have learned in my life, and finally**
- (c) **a “Decalogue” of advice for a young social entrepreneur who would want to launch an initiative and/or contribute to improve our future world.**

You will excuse me if I speak too much about my personal experiences; I will try to explain my life in as interesting terms as I can. In my case I will tell you rapidly my history; my social conscience developed as a result of my upbringing, as both my parents had lived lives devoted to assist the weakest. Thus, as soon as I found myself in the position of helping others, I had no doubts.

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. By 1999-2000 I became wealthy again, when PRISA, the group that published EL PAIS, went public. 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

How did I go about it? First, I tried to identify the **greatest global problems**. I identified five: **poverty** and inequity worsened in Africa and other parts of the world by globalization.; a reversing trend for the so called Third Wave of transition and consolidation of **democracy; threats to peace and security** from war and conflicts, proliferation of *wmd's*, terrorism and the way the world was dealing with it; **environmental problems**, climate change and threats to biodiversity; and, a fifth one: finally, pandemics and threats to **global health**. Finally there was a sixth, **Global Governance** and the inadequacy of institutions created in the 1940s to deal with the world in the 21<sup>st</sup> century.

Second, I created a Think Tank which would deal with the first three problems through what I called the “three D’s”, namely development, democracy and dialogue. **FRIDE** stands for “Fundación para Relaciones Internacionales y Diálogo Exterior”.

Third, I promoted and organized several Major Conferences which resulted in the creation of permanent action tank to deal with the problems.

- Decomposing the problem in elements
- Finding the best world experts in the field and engaging them in a dialogue
- Organizing their work so that their conclusions and recommendations would not be theoretical but practical and implementable.
- Bringing Heads of State and finding a way to have them engage in dialogue with the experts. This was the most difficult part.

FRIDE succeeded in organizing a **Conference on Democratic Transition and Consolidation** which resulted in the creation of the Club of Madrid. We decomposed the problem of consolidating a democracy in eight interrelated parts: constitutional

design, optimal legislature, optimal judiciary power, bureaucratic reform, anti-corruption measures, the military under civilian power, political parties and civil society, and economic and social conditions. Every team of specialists had a leading authority as a coordinator and a former Head of State as moderator to ensure that the experts were not only giving concrete implementable recommendations, but also ones where the question “What’s in it for me” inevitably asked mentally by the Heads of State would be answered.

In 2005 we used the same methodology with the problem of terrorism, where the War on Terror was launched by President Bush and more or less underwritten by the international community surprisingly without having consulted experts on each of the root causes of terrorism. We succeeded in getting over two hundred experts and 66 country delegations to the **Summit on Democracy, Terrorism and Security** whose result was the Madrid Agenda. Not surprisingly, the almost unanimous conclusions and recommendations of the experts were opposite to the Bush strategy in the “War on Terror”.

Both conferences were resounding successes and resulted in the adoption of profound changes in policy. My think tank (FRIDE) and the action tanks subsequently created at its initiative (Club of Madrid, and CITPAX) have been useful and successful. I was deeply involved in their operation but I encouraged the institutions to diversify their sources of funds so as to become self sufficient, and to decide how and when to gradually unwind from me. I am also proud of other initiatives, like **DARA INTERNATIONAL** and its HRI which will and is already improving the quality and efficacy of humanitarian aid throughout the world.

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 European Council on Foreign Relations whose mission is to have one European position on Foreign Policy, and the Fundación Maimona, perhaps the one I am most proud of, 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 2012 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 . I will leave that for the Question and Answer section.

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**(b) I will now speak briefly about six lessons I learned from the World Bank, King Juan Carlos, Professor Stanley Hoffmann at Harvard University, Marti Ahtissaari, and Bechir Ben Yahmed**

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

Second, I was with King Juan Carlos in 1989 talking about Extremadura, my region and poorest in Spain. What could we do for Extremadura? I spoke about the constraints: the region was isolated (everyone travelled from Madrid to Lisbon, to Seville, not entering Extremadura), there was no entrepreneurial infrastructure, the President of its autonomous government was a feared left-winger and would-be investors were afraid of being expropriated. The King corrected me: "Extremadura" he said "is in the center of a magic triangle with vertices in Madrid, Lisbon and Seville; no infrastructure meant that there was no bad infrastructure and that it could be built better by learning of other people's mistakes; finally,

the President of Extremadura was a good man and his friend. He could grab him by the arm, grab the top entrepreneurs in Spain by theirs, and get them to agree on an important project". Out from that conversation a Development Bank called CEEEX was created and 20 years later has been the leading development agent in the region. **My lesson was that apparent liabilities, with a right approach, can be turned into assets.**

The second lesson from King Juan Carlos came in 1993 when, after hearing my Harvard classmates at our 25<sup>th</sup> Reunion speaking for the first time about globalization, led me to write in EL 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???"** That lesson has always stayed with me. It is useless if you identify a problem and do not find a solution.

The fourth lesson was what Martti Ahtisaari. told me when speaking about the Middle East: that except for death, there is no intractable problem. Martti approach is there is not such a thing as an intractable conflict, be it the Middle East or the Colombian Guerrillas. **"Every conflict has a solution"**. That is a must attitude.

That contrasts with the seemingly pessimistic statement made by Stanley Hoffmann at the 50<sup>th</sup> Anniversary of Harvard's Center for International Affairs" when he said: "In my 58 years of teaching I.R. I have come to the following sad conclusion: (a) everybody

knows what has to be done” and (b) everybody also knows that what has to be done can’t be done”. However, when I asked him if he could see any hope, he qualified that stern statement with some hopeful signs concerning youth in the US. “Undergraduates at Harvard show much more awareness about world problems, and much more idealism and solidarity in this decade than they did ever before”. **A generation renewal should be the grounds for hope**

Finally a sixth 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.

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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? Have you studied your environment? Objectives, technological, production,

marketing and financial issues? Alternatives? Decision, implementation plan?

- (e) **Follow your passion.** In this increasingly competitive world, passion will be your main comparative advantage over any other person or institution dealing with the issue. Bureaucracies
- (f) **Give yourself the education** and background you need to optimize how you deal with the problem
- (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. If nobody else is following you, your project may not be as good as you think.
- (i) **Do not "fill space in the photo"**. The more space you leave for others the more the chances of getting support from people who do want to appear in the media. On the same issue, **do not expect medals, awards or decorations.**
- (j) **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)
- (k) Evaluate the impact before the Project but make careful plans for implementation and follow up. Be able to learn from your mistakes. It is better to have somebody else who will have the competence and objectivity to evaluate your achievements.