



Leadership in an Era of Globalization

February 7-12, 2006

San Jose, Costa Rica

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“Leadership in an Era of Globalization”
Central America Leadership Initiative
February 7-12, 2006
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As the first class of CALI fellows gathered on the campus of INCAE for their third seminar, the atmosphere buzzed with the excitement of their reunion and events in the region, including the cliff-hanger Costa Rican presidential election and the early stages of implementing the CAFTA agreement with the US (which was passed while the fellows were in Aspen in July 2005). They caught up with each other and their moderators (Peter Reiling, Keith Berwick, Stace Lindsay, and Maria Elena Carballo) over cocktails — held on a breezy terrace overlooking lush forest and distant mountains — and dinner before heading to the seminar room for their first session.

Tuesday, February 12

SESSION 1: “Globalization”

Moderator Peter Reiling opened the evening session by putting the seminar in the context of Central America, then recalling the essence of their earlier meetings. “Last February, you had a chance to think about your leadership style — about what effective, enlightened leaders do and what they don’t do. In July in Aspen,” he said, “we looked at ‘the good society’ — what you think that is and what values you, as leaders hold most dear within that. You’ve made decisions, based on that, for your own selves and about what direction you think your own society should go in.”

But this seminar, Peter advised, would focus on the fact that we live in a globalized world, and this may have powerful effects on them as leaders. He posed several thought-provoking questions: “As leaders, will your freedom to make decisions based on your values be constrained by globalization? Where do you draw the line? When do you say, *No mas?*”

He went on to explain that, unlike the previous seminars, this one would use readings that are shorter, less philosophical, and more topical, offering varied perspectives on what is happening in the world, laying the groundwork for the fellows to consider what actions they might take as leaders. He also explained a slightly different methodology for this seminar: that the group would move quickly through each of the readings, summarizing the main themes, then dig deeper into the ideas and challenges posed by each group of readings as a whole.

After Peter’s introduction, the group turned to the first reading, “A New Threat to America Inc.,” a *Businessweek* article by Jeffrey Garten. It covered the competition that American businesses and workers face from developing countries, essentially painting a picture of the “new playing field” that defines doing business in a globalized world. The next reading dealt with the recent race-driven riots in France, in which children of immigrants in Paris suburbs protested their lack of access to essential opportunities. The next two readings touched on the far-flung economic effects of Hurricane Katrina and

other natural disasters, and the worldwide economic, social, and political implications of the “bird flu” outbreak in Asia — both highlighting the interconnectedness and vulnerability associated with globalization. One fellow responded with a seemingly simple but important question: “Doesn’t this really mean that our human race is all one? That beyond politics, institutions — what happens on one side of the world affects everyone?”



Moderator Peter Reiling and Guatemalan fellow Sylvia Gereda talk during a break

The next reading chronicled the “brain-drain” impact of post-9/11 visa restrictions on US universities. “I can’t help but think of an ostrich with its head in the sand,” said one fellow. “It’s a paradox,” said another. “How can the US isolate itself from globalization? The one at the center of the change is the one least ready to accept it.” Another reading covered the promise and potential of modern technology: how the Internet and blogging helped generate massive attention and donations in response to the Southeast Asian tsunami of late 2004, demonstrating that in a wired world, people are drawn together as much by affinity as by geographical proximity. It also pointed to the democratizing force of the information age; “People don’t want journalists to tell them about the world anymore,” said one fellow, the editor of a leading newspaper. “I think it is really important to let people be citizen-journalists, to express themselves with the new technology we have. This idea inspires me a lot.”

In contrast, the next reading looked at the threats posed by the Internet, reporting on online child pornography rings that prey on Central American children. The fellows talked about the troubling abuse of technology, as well what many see as a lack of enforcement of criminal laws in the region.

The final article told the story of the attempt of a native American tribe — the Makah in Washington state — to reincarnate their ancient custom of whale hunting, which is integral to their culture and identity but conflicts with endangered species protections. When they were allowed to hold their the first hunt in 200 years, it took place amidst a swarm of media boats and helicopters, protesters and supporters in droves — a revealing portrait of the old, culturally isolated world and the new, globalized one butting

heads on worldwide TV. “This is about the gray areas,” one fellow observed. “It’s about the old meeting the new, and also about the consequences of our interconnectedness.”

After touching on each of the articles, Peter asked the group to consider the overarching themes. The fellows’ comments on these themes included:

- There is a shift in the center of power
- Humanity as a whole is being taken to a new level
- Nobody is isolated; you can’t afford to think you are. What you do goes way beyond your terrain and effects others. For leaders, this requires a real change.

Then he asked the group to list what events outside the region had had an impact on Central America. Some of their items were:

- The rise in oil prices from hurricanes fueled support for populist governments
- China and India rising
- The war in Iraq
- The drug trade
- The Asian tsunami
- US immigration policies and economic slowdown
- Leadership changes at the UN and World Bank



**Fellow Luis
Javier Castro of
Costa Rica**

Next he asked them to list events outside the region that had affected them personally. Responses included:

- When oil prices rose, in the Honduran automobile distributors’ association we started to look at ethanol and biodiesel
- After the passing of CAFTA, we had the opportunity to meet with the US

Secretary of Commerce

- Global warming: the hurricanes, storms that hit the region
- Technological changes: as of the last 12 months, between my laptop and PDA, I almost don't need an office; things are so much more efficient
- US students coming to Nicaragua because they can't afford an American education; we now market to them

Peter ended the discussion by telling the fellows that the issues they had opened tonight would be the ones that they would all dig into over the next few days.

Before everyone retired to their villas, Keith Berwick reminded the fellows that they would begin the next morning with the program's traditional "check-in" — in which each fellow gets a few minutes to update the group on what's new in their personal and professional lives, and how well they have met the personal goals that they set at the end of their last CALI seminar.

Keith also told the group that they would be presenting Wole Soyinka's play "Death and the King's Horseman" a few days later and instructed them to begin the process of working together to form a cast and design a production of the stirring play. Closing, Keith gave the group an urgent reminder of the task before them, telling them that "pious aspirations" would prove hollow — and tragic — if they could not move from "success to significance," finding ways to plan and execute concrete, inspired actions to benefit their troubled countries and region. By "talking the talk" without "walking the walk," he warned, CALI would fail.

Wednesday, February 13

CHECK-IN

The first full day of "*Leadership in an Era of Globalization*" began with "check-in." Fellows reported on their lives and work, their children and families, their recent successes and failures, and how they were (or were not) meeting goals they had set at the "check-out" session in Aspen in July.

Many fellows talked about struggling to strike a balance between their work and families. Some said the previous seminars had inspired them to spend more time with their children. Many reported success in working toward their declared goals, and some were candid in admitting areas where they needed to work harder. Common themes were the business of their lives and how much the CALI seminars had made them think and make changes. Several fellows reported on ways in which they had worked with other fellows since the previous seminar. As a whole, the check-ins revealed a high level of mutual trust and openness among the fellows.

These are a few of the comments:

- I have had a lot of success with work, but when you have success, it only raises the bar higher; I feel a lot of pressure.
- I've been focused on the elections and CAFTA; my family has asked me

to take the lead in figuring out what these things will mean for us, our companies, and Nicaragua.

- Spurred on by CALI, I have accepted my President's call to become the head of Youth Development for Honduras.
- When we left Aspen I told you all I wanted to have a big shift in my life, to reduce what I was doing for the company and put more into the nonprofit side. I have made this shift in some important ways.
- I have been spending a lot of time on our family foundation. We're trying to take it to the next level in terms of effectiveness, trying to apply the same principles we use for business.
- I got wonderful materials from Peter on the Aspen Institute "Justice and Society" Seminar and have begun a seminar in Honduras. We talked about why as a sector we are the worst, the most corrupt. We assembled 250 people. I was surprised that there were that many people who wanted to change the system, too.
- Aspen was a real eye-opener for me. I've given more time to thinking and reading. And before the seminar, I really valued discipline. When my kids would come into my bed, I would take them back to their beds immediately. When I came back from Aspen, I thought, "Why would I miss this time with them?" Now I let them stay, and it is such a pleasure. Aspen was a turning point.
- My family had the best business year we've ever had. We are developing a social responsibility plan. We give away a lot of money, but it's like shooting a gun; you don't always know where it goes. There is a lot of need for accountability.
- I had appendicitis. It was very interesting: You learn about how delicate life is and how vulnerable we are — and about all the things you usually take for granted in life.
- It's been hard trying to make change at work, trying to "rock the boat." You learn how important wisdom is, as we discussed in Aspen.
- My [grown] children both live abroad and they consider themselves citizens of the world. I would have liked them to think they are mainly citizens of Costa Rica, but that is not going to happen.
- I have many regrets about not being involved in the election.



Moderator Keith Berwick (right) talks with El Salvadoran CALI fellow Ricardo Cohen (left) and visiting Henry Crown Fellow Jay Coen Gilbert, founder of AND1

After the check-in, Keith asked the group to save the dates of June 27-30, 2007, when the Aspen Institute would host a 10-year anniversary for the Henry Crown Fellowship Program, to which all of the leadership initiative fellows from around the world would be invited. He explained that it was part of the growing vision of a global leadership network, which could one day be able to make real change on a global scale. He urged the fellows to begin to think of themselves as part of this larger network.

SESSION #2: Economics

The session on the economic ramifications of globalization began with a chapter by Tom Friedman on “the golden straitjacket” — a concept that would recur throughout the seminar. Friedman proposes that in order to reap the benefits of globalization, countries must operate under a relatively narrow set of specifications — essentially, free-market capitalism.

It was followed by several readings that challenged the power of the free market alone to work for good. A statement by the US Conference of Catholic Bishops proposes moral principles that should guide globalization in addition to the forces of the market. In “Making a Killing,” Ted Fishman argues that, contrary to conventional wisdom, war and chaos in developing countries actually create wealth in many cases, so the forces of the market do not necessarily create good. “A Back Door to the US” chronicles a hellish voyage with a *coyote* sea captain who profits from smuggling Latin American migrants to the US.

The next reading turned to the respective rises of India and China, and the group compared what kind of success each nation has had, and what it could mean for Central America, the US, and the world. The group talked about how these nations achieved such growth, how their diasporas have or haven’t contributed to their success, and whether these successes were planned or government-orchestrated. “Speed to Market” probed the importance of one competitive advantage over China that Central America will never lose: proximity to the US market.

The last two articles highlighted two examples of groups who have resisted the blind forces of capital and globalization. “Think Muslim, Drink Muslim” covers an alternative to Coke or Pepsi sold in Europe; its marketing feeds on Muslims’ resentment of the US and Muslim solidarity. The final article demonstrates how Vietnam, after falling victim to the boom then bust of foreign investment in the 1970s, has worked hard to resist the powers of economic globalization and sought to embrace capitalism on its own unique terms.

Throughout this discussion, the fellows, most of who have expressed strong faith in free markets, wrestled with the readings that challenged their assumptions — especially the assumption that free markets alone can, and will, cure Central America’s societal ills. They worried about the powerful lure of foreign opportunities for struggling citizens of their countries and acknowledged, through anecdotes from their work and lives, how difficult it is for many of their countrymen to make ends meet. Peter challenged them to not only consider these issues themselves, but also to keep the most vital question in focus: “What is the proper leadership response to these issues and

challenges? You have this power, whether you know it or not,” he said, “to create change in your communities.”

Some of the fellows’ remarks on the economics segment were:

- The Costa Rican election was really a referendum on CAFTA. We have to understand that this agreement is a tool, not a solution We have to use it wisely.
- It comes down to the middle class; you need to provide for them, to be inclusive in economic policies.
- CAFTA is not really the issue; the golden straitjacket is being rolled across the world. The challenge is to humanize it.
- The golden straitjacket has been effective in creating wealth but not distributing it; leftist strategies are good at distributing, but disastrous at creating wealth. Why have we not found a way capable of doing both?
- We need to get involved in legislation; there is a great need for adapting these laws to the new world.
- People around the world are beginning to realize that the gringos aren’t the only ones who can invent things, and we can’t keep looking to the US for best practices. These new superpowers are saying it’s time to question.
- China is a threat, but India is an example.
- We need to start thinking as a region about how we can be more competitive.
- We don’t want to stand in the way of the elephant, we want to learn to ride it. I see opportunity in China’s rise. I can represent their interests, sell their products in Nicaragua.
- Wearing the golden straitjacket, we’ve been unable to create opportunity for our own people, but people from other countries see Salvadoran workers as good for their country. It’s sad. How do we adjust the straitjacket to find opportunity for them at home?
- If we are citizens of the world, should we be concerned if one of our people wants to go and find happiness in New Zealand? I think of the Costa Rican who became an astronaut. If he had stayed at home, how long would he have had to wait? Would he ever have realized his aspirations?

Diego de Sola of El Salvador reviews his readings between sessions



SESSION #3: Politics

After lunch, Stace Lindsay moderated a discussion of the politics of globalization. He first guided the group through the series of readings, tackling the increasing influence of NGOs in Jessica Matthews' "Power Shift," new regulating forces in Mark Gunther's "Cops of the Global Village", and the equalizing effect of the World Trade Organization in the article by Paul Blustein. These three articles together emphasized the need for new structures and forces — consumer choice, advocacy, and global governance — to match the speed and volume of modern global exchange.

Further readings raised related leadership issues. Joseph Stiglitz argues for the creation of more global governance institutions, while in "A Crisis of Legitimacy," *The Economist* chides political leaders for essentially throwing up their hands in the face of globalization, and argues that successful leaders will be the ones who don't give in to this temptation. Writings by Fidel Castro and Hugo Chavez sparked unexpected agreement from some fellows. "To be perfectly honest," said one fellow, "I can see how people would think they are right on the money on some of these things — like how the US pushes its weight around in the region. Sometimes I wonder, are we really sovereign states in Central America, or are we just reflections of what the US wants us to be?"

These were some of the other comments made during the session:

- Globalization puts you in a political "straitjacket," not just an economic one
- It's more like gridlock than a straitjacket because it's your values against mine.
- The situation has been for Central America "follow, or you're out," but out of what? We're out anyway, because now we're losing our own people to other countries where they have opportunities.
- Our leaders are claiming helplessness in the face of globalization and throwing in the towel.
- I'm not a communist, but the coherence in these [Castro and Chavez] readings is excellent.
- There are a lot of politics in NGOs, too; they are a new world order but they have many of the problems of the old world order, such as corruption, inefficiency, vice.
- In Guatemala we have 5,000 NGOs, and now they have become their own form of corruption. They have no accountability, and they have lost all of their credibility.
- Whether they are corrupt or not, the NGOs are there, so you have to work with them. When I was in government, we were able to remove the political and social debates and put them to work. If they compete with each other, the good ones will rise to the top.
- As a region, we are not doing our job in gaining control of our natural resources. We're not moving fast enough with research.
- We're facing a new problem, populism, and we have to be aware of it; it's the next big issue we'll face as a region.
- We shy away from everything these populist leaders stand for, but sometimes

they have a point. Is there a “third way”?

- These guys do not own the truth. We let them own people’s fears about identity, sovereignty, but these are a lot of the values behind Corporate Social Responsibility.
- We shouldn’t keep saying, “Chavez is crazy” — we need to focus on the truths of why he’s winning.
- It’s time to get involved in these problems and participate. Nobody’s going to do it for us.

Closing, Stace asked the fellows what they, as leaders, would do to affect their region’s political landscape for the greatest benefit. He urged them to focus not on the sins of their ministers but on themselves: “As Keith said before,” he reminded them, “pious aspiration that the poor be helped will get you nowhere.”

After the session, the fellows split into small groups to discuss their leadership projects, and later in the afternoon they rehearsed their production of “Death and the King’s Horseman.”

Play “producer”
Victor Vial of
Panama directs the
group as they
rehearse “Death and
the King’s
Horseman”



That evening, Maria Elena Carballo hosted the group at her home in San Jose for a gracious and relaxed dinner, which was followed by a surprise Mariachi concert. The fellows sang songs from their respective countries and danced together well into the night.

Thursday, February 9

SESSION #4: Religion & Culture

The next morning, Maria Elena Carballo moderated a discussion about globalization's implications for religion and culture. The group read about the Catholic church competing with other, more "user-friendly" religions in "Next Pope Faces Loss of Latin American Faithful to Evangelical Churches," by Harold Olmos and Peter Muello, and about the virulent spread of gang violence in a *Washington Post* story. They also read about the rapid disappearance of indigenous languages in Kenya and the particular impact of globalization on women in developing countries. Overall, the fellows were torn between mourning the loss of traditions and cultural establishments and the promise of "progress" and development. They shared varied stories and experiences, illustrating that they had all seen the tensions in the articles played out in their own countries. One fellow told about working with young gang members who were trying to break free and start over. "In Guatemala we have something like 250,000 gang members," he said. "It's not a question of fighting them," he said. "It's a question of creating opportunities for them."



Karla Gonzalez and Arturo Condo, both of Costa Rica, during a seminar session

Some other comments during the session were:

- The way I see it, the church has a marketing problem.
- The Evangelical churches are like the populist movements; they tell people what they want to hear.
- Too many people, like divorced people, are excluded from the Catholic Church. Of course "family values" are important, but sometimes things don't go the way you want them to. Other churches accept that.
- Globalization has forced societies to evolve and our Catholic Church hasn't been able to keep up.
- In my country we have 18 different languages; preserving culture has to be done at a local level.
- In Latin America, women carry all the responsibility for raising children but now are forced to work, too — this is the root of the problem.

- I have this image of this man I saw on the street in Guatemala dressed all in rags begging for money, but when I looked closer I saw that his clothes were a chief's.
- What do people need? Money, education, nutrition, support. If you look around the room, these are all things that we can provide. If we think of what these women go through each day, we can be creative to make their quality of life better.
- We need to set expectations for ourselves. I will commit to do something in my own company, with all of your help, then I will get back to you all on it.
- Around this table are people who are together responsible for hundreds, maybe thousands, of people. That's why we're here; this is our challenge.

After a break, the fellows reconvened to report on their individual leadership projects (for a brief summary of all of the projects, see Appendix B). Stace showed them a video clip of Steve Jobs delivering a powerful commencement speech about the dramatic ups and downs of his own life, urging students to understand that you cannot necessarily “connect the dots” of where life will take you until you have the luxury of hindsight: After lunch, they spent the afternoon working on their production of Wole Soyinka’s “Death and the King’s Horseman.”



Lucia Melara of Honduras , Miguel Angel Simán of El Salvador, and Alejandro Poma of El Salvador rehearse “Death and the King’s Horseman”

Friday, February 10

SESSION #5: Science and Technology

Keith Berwick moderated the next session, which looked at the integral relationship between science and technology and globalization. The readings included an alarming report on the state of the oceans by marine biologist Sylvia Earle; an article about mothers in the arctic being poisoned by faraway industrial pollution; two pieces on the controversies around biotech and genetically modified foods; “Death By a Thousand

Blogs,” an article by Nicholas Kristof on blogs empowering common people in China to expose official corruption; an article about how spreading mobile phones could be a major force in development; a report on how small farmers in India use the Internet to follow the market and run their businesses; an article questioning the value of offering Internet terminals to the rural poor in India; a piece on India’s quest to become a technological innovator; and an article about the potential for poor countries to make gains by engaging on biotechnology.

Keith challenged the fellows to find a way to see the challenges posed in these articles through the lens of individuals. He also pushed the fellows to think about their own possibilities, reminding them of the Africa Leadership Fellow Patrick Awuah who founded a university in Ghana and Jay Coen Gilbert, the Henry Crown Fellow who joined the group for some of its sessions, who had an ambitious plan to form a new business sector based on social benefit. Themes of the discussion included questions about when and how scientific progress and social benefit coincide, how to spread the benefits of technology as wide as possible — and whether that is always a good goal. Peter Reiling weighed in to remind the fellows of the pressing situation outside the seminar room: “It seems to me that you’ve got a tidal wave of Populism in the rearview mirror, coming up fast, but I don’t sense any tension. What do you think?”



Regina Ramirez of Nicaragua and American David Browning talk during a play rehearsal

The fellows’ comments included:

- These readings worried me. Science and technology are largely missing from El Salvador. We need them if we are to be included going forward.
- I think about those who are left out of technological advances — we are basically creating votes for Chavez.
- Neither science nor technology are deterministic; they depend on what we do with them. The future doesn’t have to be a certain way.
 - There’s a huge temptation from the vantage point of the private sector to think that if you can only get the Internet into schools and village, then things will change for the better, but it’s not necessarily true.
- There is so much polarization. We need to put ourselves in the shoes of the majority of our populations and we need to push our friends to also.

- We don't feel the urgency of our political reality, we're numb. I suppose, in the back of our minds, we know we could always go to Miami.
- If we want to make our lives relevant, we can't run away from the problem. And there's no more time.
- In my experience, it all comes down to basic services: roads, water, electricity, then schools.
- It comes down to the fact that we have to deliver faster. I think the barriers to delivery are the rigidity of our structures, our politics, the corruption.

As the discussion ended, Keith reminded the fellows not to think in the abstract, but to personalize all of the vast issues on the table. "How close are you to the people we keep talking about?" he asked the hushed group. "How many of those voices do you hear?"

SESSION #6: Values

After lunch, Stace Lindsay moderated the next discussion session, on values and globalization. He started where Keith had left off, asking how much contact the fellows had with the "voices" of the poor and disadvantaged in their region and talking about his own life experience in Bogota, Colombia. He discussed the paradox of success and prosperity leading to isolation from reality, using this as a segue way to discuss the readings, which began with the UN's "Universal Declaration of Human Rights." The other readings in the session were "Trying Out One's New Sword," a parable about a Samurai tradition that highlights the thorny issue of cultural relativity where values and human life are concerned; and "Culture and the Behavior of Elites in Latin America," which points to Latin American leaders as perpetrators of regional poverty and underdevelopment, from the book *Culture Matters*.

The group talked about the many rights outlined in the UN declaration, and how they conflict with the ideal of the free market, how much cultural relativism is acceptable as the world "shrinks" through globalization, and whether globalization must drive values—or whether it could be the other way around. They analyzed the values propagated by the elites in their regions and, on a smaller scale, by themselves as parents. The discussion eventually turned to populism and the appeal of different kinds of leaders.

Some of the comments from the discussion were:

- The right that stands out for me is the right to be free from fear; fear is an enormous constraint on someone's life.
- The declaration is logical and simple, yet we've never been able to achieve it.
- We as business people don't care about things that don't relate to our interests.
- At some level, we are all relativists. I can see saying 'If we just forego this right, or that one, we can do this. That's what happened in the '60s and '70s in Nicaragua.
- In our society, if you want to emphasize values, are you seen as a weakling?
- I think we've all been bombarded with the message that the pursuit of profit is the most important value. But sometimes that's a zero-sum game.
- Guatemala seems destined for a populist government; maybe it could be one

with good people?

- We can't keep running away from our countries when things don't go how we want them to.
- It's not just the flight of capital that's troubling. It's all the men leaving El Salvador to go work in the States. The market dictates where money goes, and where people go.
- Maybe it's time we saw further ahead than just the next election.
- I can't accept that the politicians are all the bad guys and we are all good.
- There is a moral imperative for us to take the first steps toward the center, instead of a step back. There's such a lack of trust in our societies, since the last round of elections. We will have to sit at a table with these people.

At the end of the session, Stace introduced Jay Coen Gilbert, an American Henry Crown Fellow who talked to the group about his Henry Crown leadership project. A successful entrepreneur (he co-founded the basketball clothing company AND1), he is now working to create a new sector of the economy called "For-Benefit" or "B" companies, which would adhere to stringent business standards of efficiency and accountability but exist primarily for the benefit of society. "Everyone's looking not at what you say, but what you do," he reminded the group. "If we want to talk about our responsibilities — they are *huge*." After his presentation, the fellows gathered around him and talked about ways they could get involved.



The CALI fellows talk with visiting Henry Crown Fellow Jay Coen Gilbert about his leadership project to create a new "for-benefit" business model

After lunch, the group spent a second afternoon rehearsing "Death and the King's Horseman." They then performed the play in the early evening. Written by Nigerian playwright Wole Soyinka, it deals with the deep complexity of clashes between cultures. It is a tragic story, full of good intentions gone bad, lapses in courage, and cultural misunderstandings, but the fellows managed to inject a bit of lightness through a few comic flourishes.

After the performance, they returned to the seminar room to discuss the play. They each talked about what they learned from their particular roles. In general, they appreciated the play and felt that the experience of working together to produce the performance was almost as valuable as the content and the issues the play itself raises.

Karla Gonzalez and David Browning opened the play performance with an impressive dance number



Saturday, February 11

SESSION #7: The Challenge of Leadership in an Era of Globalization

The fellows began the last day of the seminar with a discussion of spurred by the short novel *No Longer at Ease*, by Chinua Achebe. Achebe tells of a successful, foreign-educated Nigerian expatriate returning to his country to assume a role as a leader and facing his society — its deeply ingrained corruption in particular — with a complicated perspective. It struck a chord with many of the fellows. They also talked about Moses Naim's "Bad Medicine," a condemnation of the counterproductive "War on Corruption" in Latin America. Some of their comments were:

- It reminds me of how many people I know come back from studying abroad full of ideas and enthusiasm. Then the system and peer pressure bring them down; they drown in the system.
- You can bring idealism from another culture, but then it's easy to shelve it away and say, 'that's just how we do things here.'
- There's a level of fatalism. People want to do good, but they give in.
- It's shocking to see the poverty we have. But it's more shocking to see the people who have the education and values to do something about it but don't.
- It reminds me of when I got back from school. Right away, someone tried to bribe me in business.
- There's not one grand moment of corruption, there are a thousand tiny moments, a thousand little daily compromises.
- We're all part of this system. Doing nothing is worse than participating.
- If we don't take on corruption, we're going to face radicals who *will*.

To close the corruption discussion, Peter Reiling pressed the fellows to consider incidents of temptation they've each faced in their lives, and to propose concrete ways to help break the cycle of corruption in the region.

Next the group turned to the topic of leadership. The readings highlighted business efforts by or tailored to members of the Latin American diaspora. "Repats Help Payless Shoe Store Branch Out in Latin America" features the return flow of human capital and entrepreneurial spirit; "A River of Gold" chronicles the return of financial capital, and "A Bid to Cut Costs of Money Transfers for Immigrants" covers a business idea inspired by and for the benefit of the millions of immigrants sending home money via wire transfers. The last reading was "The Virgin of Guadalupe" from Tom Friedman's *The World is Flat*, which examines posed by globalization to the developing world and what makes the difference between success and failure, highlighting the "intangibles" — among which leadership is key.

Peter placed this discussion in the context of the CALI seminar series, reminding them that the purpose of this seminar was to open their eyes to the forces and conditions that define the world and regions in which they will act as leaders. "When you make your decisions as leaders," he said, "we want you to you make them with your eyes open."



Guatemalans Edwin Escobar (left), Sylvia Gereda, and Emmanuel Seidner continue the discussion on globalization during a session break

CHECK-OUT

After a break, the fellows began their "Check-Out," describing one-by-one what they felt they would take away from this seminar and what they would set as goals to accomplish by the next (and final) time the group meets, in July. Many talked about continuing to strive for balance in their lives, and the importance of keeping close ties with the rest of the group. Some said they felt reinvigorated or empowered to take on more challenges. One fellow quipped that the seminars were giving him a "headache" — that they made him think and challenged him to the point that he could no longer take comfortable, easy routes in his life or in his role as a leader. Other fellows said they shared the "headache."

For some, it was an emotional time. Some talked about being afraid that they wouldn't accomplish their goals. Another said that he now felt he had taken the wrong public position and actions surrounding his country's recent elections. One fellow presented to the class a draft of a formal pledge that he had created for them all to sign, inspired by the US Declaration of Independence, to commit them to action and recognize that they had a call to heed.

The most common theme the fellows expressed was the desire to turn all of the thought and talk into real action — especially at this third seminar, as the end of the fellowship term began to loom larger. “It is a real privilege to come here, a real high,” said one fellow. “I hope we can all be smart enough to take advantage of it and make what we have learned matter.”

Founders' Seminar

After lunch, the fellows were joined by several of the founders of CALI. Each introduced him or herself and talked briefly to the group. They discussed several readings around the theme “Ethics and Leadership”: an account of the Enron scandal by whistleblower Sherron Watkins; “The Bathsheba Syndrome,” about why certain leaders give into self-destructive temptation; and “Gooseberries,” a Chekhov story about happiness, prosperity, and passivity in life. After the discussion, George Lodge offered an in-depth presentation about a concept for an entity called the World Development Corporation, which would harness the power of business as a development agent and facilitate corporate activity in the developing world.

That evening, the fellows, moderators, and founders went to the home of Roberto Artavia, the rector of INCAE, who hosted a gracious dinner for the group. In the morning the fellows left INCAE and spread out in many directions — some toward home, some toward far-flung professional obligations. But wherever each fellow was headed, it was clear that all had plenty of food for thought on the trip.

APPENDIX A

AGENDA

Moderators: Keith Berwick
Stace Lindsay
Peter Reiling
Charles Shaw
Maria Elena Carballo

Tuesday Evening, February 7

5:00-6:00 pm Opening cocktail reception

6:00-7:00 pm Dinner

7:00-8:30 pm **Session 1: Globalization**

- Jeffrey E. Garten, “A New Threat to America Inc.”
- Mark John, “French Riots Energize Far-Right Politics in Europe”
- Louis B. Mendelsohn, “Top Market Forecaster Warns of Serious Hurricaneomic Effects on Financial Markets”
- Kristina Nwazota, “Bird Flu: Spread of the H5N1 Strain”
- Victoria Gilman and William G. Schulz, “U.S. Schools Losing Foreign Talent”
- Brian Handwerk, “Tsunami Blogs Help Redefine News and Relief Effort”
- Casa Alianza, “Internet Porn Threatens Children in Central America”
- Sarah Kershaw, “In Petition to Government, Tribe Hopes for Return to Whaling Past”

8:30 pm Introduction to Group Exercise

- Wole Soyinke, “Death and the Kings Horseman” (pull-out booklet)

Wednesday, February 8

8:15-10:15 am “Check in” & discussion:

- What’s new in the Fellows’ lives?

- What progress have the Fellows made on their leadership commitments made at the July 2005 “Checkout” session?

10:15-10:30 am Break

10:30-12:30 pm **Session 2: Economics**

- Thomas Friedman, “The Golden Straitjacket,” from The Lexus and the Olive Tree
- “Joint Statement on United States-Central American Free Trade Agreement (US-CAFTA) by the United States Conference of Catholic Bishops (USCCB)
- Ted Fishman, “Making a Killing: The Myth of Capital’s Good Intentions”
- Ginger Thompson and Sandra Ochoa, “By a Back Door to the U.S.: A Migrant’s Grim Sea Voyage”
- Manjeet Kripalani and Pete Engardio, “The Rise of India”
- Ted Fishman, “The Chinese Century”
- Andres F. Velazquez, “Speed to Market: China threatens Central America’s biggest industry...”
- John Henley and Jeevan Vasagar, “Think Muslim, Drink Muslim, Says New Rival to Coke”
- William Pesek, Jr., “Vietnam Embraces Globalization on Own Terms”

12:30-1:30 pm Lunch

1:45-3:45 pm **Session 3: Politics**

- Jessica Mathews, “Power Shift”
- Marc Gunther, “Cops of the Global Village”
- Paul Blustein, “U.S. Farmers Get a Lesson in Global Trade”
- Joseph Stiglitz, “The Need for International Public Institutions,” “Governance,” & “Transparency,” from Globalization and its Discontents
- The Economist, “A Crisis of Legitimacy”
- Fidel Castro, “On Globalization and Latin America, Havana, May 1, 2001,” from War, Racism, and Economic Injustice: The Global Ravages of Capitalism
- President Hugo Chavez, “Speech Given by President Hugo Chavez at 60th UN General Assembly”
- Shanthy Subramaniam, “Venezuelan Oil War Between China and the West” from the India Daily

3:45-4:00 pm	Break
4:00-6:00 pm	Small Group Discussions of Individual Leadership Projects (Groups of 4-5)
6:00-7:15 pm	Dinner
7:30-9:30 pm	Group Exercise: Play Rehearsal

Thursday, February 9

8:15-10:15 am	Session 4: Religion and Culture
	<ul style="list-style-type: none"> • Harold Olmos and Peter Muello, “Next Pope Faces Loss of Latin American Faithful to Evangelical Churches” • Kevin Sullivan, “Spreading Gang Violence alarms Central Americans” • Kiplangat Cheruiyot, “Our Languages are Dying” • Valentine M. Moghadam, “Gender and Globalization: Female Labor and Women’s Mobilization”
10:15-10:30 pm	Break
10:30-12:30 pm	Plenary Presentation of Individual Leadership Projects
12:30-1:30 pm	Lunch
2:00-6:00 pm	Group Exercise: Play Rehearsal
7:30 pm	Dinner

Friday, February 10

8:30-10:30 am	Session 5: Science and Technology
	<ul style="list-style-type: none"> • Sylvia A. Earle, “Sea Change: A Message of the Oceans” • DeNeen Brown, “Poisons From Afar Threaten Arctic Mothers, Traditions” • Justin Gillis, “U.N. Touts Biotech to Boost Global Food Supply” • Justin Gillis, “Clone-Generated Milk, Meat May Be Approved” • Nicholas D. Kristof, “Death by a Thousand Blogs” • <u>The Economist</u>, “The Real Digital Divide”

- Amy Waldman, “Indian Soybean Farmers Join the Global Village”
- The Economist, “Behind the Digital Divide”
- Steve Hamm, “Scrambling up the Development Ladder”
- The Economist, “Southern Comfort, Eastern Promise”

10:30-10:45 am Break

10:45-12:45 pm **Session 6: Values**

- UN General Assembly, “Universal Declaration of Human Rights”
- Mary Midgley, “Trying Out One’s New Sword”
- Carlos Alberto Montaner, “Culture and the Behavior of Elites in Latin America” from Culture Matters
- Chinua Achebe, No Longer at Ease (separate book)
- Moises Naim, “Bad Medicine”

12:45-1:45 pm Lunch

2:00-5:00 pm Group Exercise: Play Rehearsal

5:00-6:30 pm Play Performance

6:30-7:30 pm Discussion of Play

7:30 pm Dinner

Saturday, February 11

8:30-10:30 am **Session 7: The Challenge of Leadership in an Era of Globalization**

➤ Readings:

- Joel Millman and Ann Zimmerman, “ ‘Repats’ Help Payless Shoes Branch Out in Latin America”
- Peter Bate, “A River of Gold”
- Krissah Williams, “A Bid to Cuts Cost of Money Transfers for Immigrants”
- Thomas Friedman, “The Virgin of Guadalupe” from The World Is Flat

10:30-10:45 am Break

10:45-12:30 pm “Check-out” and Closing Comments

Lunch

Founders’ Seminar

APPENDIX B

Leadership Projects

(As of February 2006)

Aline Flores is organizing a leadership initiative for emerging business leaders within COHEP, a Honduran business organization. The goal of the program is to promote better leadership and civic engagement, and to create a mutually-supportive network for these leaders. An additional goal is to create generational change within COHEP.

Ricardo Terán has created *Agora Partners*, an organization that operates a for-profit venture capital fund and a nonprofit consulting firm for small entrepreneurs in Nicaragua. With initiatives such as engaging MBA students from around the world as consultants, it focuses on fostering opportunities in agro business, tourism, and services — the region's leading sources of economic potential. Agora has about 15 companies in the pipeline and has raised some \$175,000 since its inception 18 months ago.

Luis Javier Castro has accepted the Chairmanship of AED, an association of 63 Costa Rican companies, and plans to use this organization as the vehicle for his leadership project. As Chairman, he hopes to grow AED's social development portfolio with a particular focus on youth (promoting community service in high schools), on raising the profile (and respectability) of entrepreneurs in society, and on instilling democratic/civic values in Costa Rica. Luis Javier estimates that 50% of his time will go into this.

Alejandro Poma is spearheading a nonprofit organization that aims to eradicate malnutrition — the root of many inequalities and societal problems in El Salvador -- among infants and pregnant and nursing mothers. Applying business principles such as efficiency and accountability, it will incorporate initiatives to combat the immediate, mid-term, and long-term causes of malnutrition.

Regina Ramirez is developing a “Kids’ Corner” in the library of the college where she works. It will offer a place for disadvantaged children to have access to books, and will enlist university students to read to them and assist them with math and computer literacy after school.

Guillermo Pereira is using his position as an attorney to address judicial corruption, one of the leading societal problems in Honduras. Building on the Aspen Institute's “*Justice and Society*” seminar, he has implemented several major educational conferences for legal professionals as well as business leaders, providing a unique forum to air related issues, and emphasizing the integral relationship between a transparent, fair judicial system and development.

Edwin Escobar's project is made up of several different but thematically-related efforts: organizing a group of professionals who meet weekly to help promote technology and innovation in education in Guatemala; developing/building a major facility in which

school students can access computers and other key technologies; and developing quality control certification labs for technology professionals.

Spurred by the spirit of CALI, **Lucia Melara** has, as her project, accepted an appointment by the First Lady of Honduras to coordinate the creation of a National Youth Council. The purpose of the Council will be to empower young people to participate in public policy development, to evaluate ongoing youth programs, and to organize a national referendum for youth. She will help set the agency's agenda, draft a 10-year plan, and select its leader — avenues through which she feels she can have a major positive impact.

Diego de Sola has designed and initiated “a mass corporate volunteering effort”, using his family's companies as a testing ground and springboard. Under this program, employees will be offered designated amounts of paid time for community volunteer efforts. He is working on creating a database and “matchmaking” entity to pair volunteers with opportunities that fit their interests or areas of expertise. After testing the project on a small scale, Diego hopes to expand the project regionally, matching the interests, skills and time of thousands of volunteers from hundreds of companies with specific social projects' needs. His aim is to encourage hands-on participation and dialogue and to spur purpose-driven individuals to make a tangible difference in their societies.

Alexandra Kissling is developing a preventive mental health model to be applied in Costa Rican communities. It aims to help prevent abuse, violence and other problems that are the consequences of poor mental health. Attention to mental health is currently lacking in Costa Rica. Among the components of Alexandra's project is a program to use the arts to promote emotional expression in schools.

Victor Vial will pursue two projects: a business plan competition with TechnoServe to spur small and medium-scale business development in Panama and a program called “Wired to Learn” to collect used computers from businesses and donate them to public elementary schools that lack resources. The donor companies would “adopt” schools, and internet companies would complement the effort by donating service.

Ricardo Cohen has helped to launch and joined the board of a foundation addressing the needs of street children in El Salvador, mainly in San Salvador. Its goals are to give the children “life alternatives”, to address the drug addictions that many of them struggle with, to offer them education in a safe environment, and, through these avenues, to prevent them from joining the gangs that cause so many problems in the region. The foundation is now working with 30 children (Ricardo is mentoring one personally) but aims to scale up significantly in the coming years.

Karla González has developed a road safety campaign (“*For Love's Sake, Drive Better*”) for Costa Rica, where bad road conditions and widespread reckless driving take a disproportionate societal and economic toll. The campaign focuses on raising safety awareness among those who drive for a living, and will eventually target young people as well. This project is being carried out in partnership with the Auto Club of Costa Rica.

Arturo Condo has proposed to coordinate the activities of the inaugural CALI class over the coming year and after the formal fellowship ends as his project. He based his decision on the regional impact that he felt the group could have as an ongoing unit, and the need for the Fellows to have an organizer and facilitator to maximize effectiveness.

Miguel Angel Simán has created a foundation dedicated to integrate the rural poor into El Salvador's and the region's economy through training, creating educational opportunities, and improving the infrastructure upon which they rely to connect to the rest of the country and world.

Mirei Endara has developed an environmental awareness program to implement, in its first incarnation, in an influential private school (grades 1-12) in Panama City. It is a program to be applied school-wide, in the hopes that every student will have both a theoretical and a hands-on experience with his/her surroundings -- expanding their horizons and problem-solving skills. Through enhanced environmental awareness, Mirei hopes future decision makers will take better care of their surroundings and planet. Topics included in the program for the first year are: waste management and recycling, endangered species, wetland ecosystems and biodiversity. She hopes to expand this program to other schools in the future if there is interest.

Alfredo Cuadra Garcia has designed an in-school program to educate children in Nicaragua about democracy and civic participation. The target group is 600 students aged 9-11 years. He will mobilize volunteers from the business community to teach students how communities, governments and financial systems function.

Sylvia Gereda has launched two major new initiatives in the Guatemalan newspaper she edits, *El Periodico*. The first is a youth magazine called "*Switch*," which features a youth editorial board that selects topics for publication -- thereby offering a forum for a rapidly growing and increasingly important — but generally voiceless — segment of Guatemalan society. The publication is searching for new, young leaders in the country who can serve as role models for other youths. The second is a special section in the paper in which, each week, four pages are dedicated to non-journalists, allowing ordinary people to submit their stories and express their opinions.

Emmanuel Seidner's project focuses both on encouraging and highlighting economic competitiveness in Guatemala. He has selected and analyzed 12 successful Guatemalan businesses, turned them into multimedia case studies, and is now supplying them to 200 professors in 63 business school professors as content for their courses. He will continue this work with more successful businesses in the future. One future case study will focus on how Wal-Mart is integrating local businesses into its regional supply chain.

APPENDIX C

PRE-SEMINAR QUESTIONNAIRE

The fellows answered the following three questions as the seminar began. They had many different definitions of globalization, but most of them agreed that it could help development — depending on how well it is understood. As for the challenges Central American leaders face, the most common answers by far were ‘corruption’ and ‘poverty.’ A sampling of responses appears below.

What is your definition of globalization?

Answering this question, almost all of the fellows mentioned the economic integration of widespread areas of the world, and a new era of interconnectedness due to technology. A few fellows mentioned cultural integration, but the responses were heavily focused on the economic and technical aspects of globalization.

Some of the answers to the question included:

- Progress, opportunities
- The connectedness of the world as one holistic system
- Integration of markets and meshing of cultures; interrelationship of policies and world governments and NGOs
- Interdependence among people, companies, countries and leaders of the world, affecting the lives of humans worldwide
- The dismantling of walls and buffers in our global society and the disruption that this process creates
- Blurring of boundaries due to increased communication and travel

Does globalization aid or hinder Central America’s social, political, or economic development?

In response to this question, the fellows’ thoughts were mixed. There were responses on both sides, and quite a few who said either that globalization could help OR hinder development in Central America. Others said that globalization itself would not help or hinder development; it would come down to how the region responded to the trend.

Some of the answers to the question included:

- Aid. It’s a great opportunity for joining efforts to reconstruct our countries
- Aid. Evolution through competitiveness, a global culture, a true human community
- Both, depending on who is the leader and how committed they are to development
- It depends on what we do. It is not deterministic.
- Aids on the political front because it will put a straitjacket on the free-for-all attitude of many of our leaders.
- Hinders social development; aids political and economic development.

- I'd probably cop out and say both! It will depend on cooperation between the public and private sectors. If we have weak institutions and short-sighted businesspeople we'll be in trouble!
- It depends on how it's implemented. It does promise a fantastic opportunity!
- It's not a matter of whether it aids or hinders, it's about how we accept this reality, prepare, work together as countries/region, and take advantage of it. So it aids or hinders depending on ourselves; it depends how we face the challenge and responsibility as leaders.
- It aids economic development but presents important challenges socially and politically

What do you think are the top three challenges that a Central American leader faces in a globalized society?

Most of the fellows referenced poverty and education in response to this question. Many also cited the rising challenge of populism, and the problem of disenfranchised people and areas.

Some of the answers to the question included:

- Join the region, work in changing rule of law, fight poverty
- Equalization of opportunities through education, equalized state of law and rights, work
- Understand the problems and advantages of each country, generate wealth for more people, know how to listen to what the people say.
- Generation of opportunities, sustaining democracy (populism), use of critical resources
- Integrating people into the "haves", maintaining regional cultural identity, creating a new generation of business and political leaders with understanding/world view to compete in global world
- Reduce/control/eliminate corruption, reduce poverty, increase literacy
- Lack of educated population (to prepare for CAFTA's requirements and opportunities), social disparity, corruption
- International crime organizations, corruption, poverty
- Recovering societal values in largely materialistic turmoil... what makes a society achieve well-being? It can't just be money!
- Sharing a common Central American vision, work to integrate poor rural towns into their countries, in order to open up opportunities in terms of economic and social development
- Education, technology, competitiveness, not lose values and culture

POST-SEMINAR QUESTIONNAIRE

One the final day of the seminar, the fellows filled out questionnaires with the following questions. Summaries and samples of their responses appear below each question.

Did your view of globalization change as a result of this seminar? If yes, please describe.

Responses to this question were divided, but among the fellows who answered this question with “yes”, most went on to explain that they had come to realize that the implications and challenges posed by globalization are much broader than they had thought before the seminar began. Those who answered no tended to say that the seminar reinforced their pre-seminar understanding that globalization would be a positive force for Central America, full of opportunities for growth and progress.

Some of the responses were:

- Yes, I have come to realize that globalization is much more than just an economic phenomenon. My narrow focus on market forces has changed.
- It was interesting to see globalization in a holistic way.
- It reinforced the idea that globalization is a positive force for the region if fully harnessed.
- Yes, especially in what “we”, a region, should be.
- Yes: the implications of globalization not related to trade — religion, culture, values, etc.
- Yes, culture matters, and all the intangibles. Wholesale and retail reforms are not enough!
- Yes. I really believe that globalization is here to stay. But we need to prepare ourselves and work faster in our lives for a better world and to take advantage of globalization.
- It didn’t change but was amplified. I have been aware of globalization but this seminar brought it to the forefront of my consciousness.
- Not too much. Maybe the most important part was to remind me not to dismiss the criticisms of globalization, but to try to understand what’s behind them.
- No. In fact my view was reinforced and broadened.

Did your view of *your role* in ensuring that globalization is a positive force in Central America change as a result of this seminar? If yes, please describe.

- The seminar has helped me understand my role and my responsibilities.
- Yes, in gaining the sense that I have a role, even if small, and I can contribute to make it a positive experience.
- Before coming I understood that I had a role but wasn’t sure what it would be. Now I am open to it, and listening.
- I have always considered myself a “Central American,” but I now have a better

- perspective of what that means and the responsibility it entails.
- Not many people in our region understand the implications. For us it is a responsibility to get involved.
- Yes: Be pragmatic and make decisions with eyes open in a global era; take action, don't wait; and focus on results.
- Yes, I realized I need to take a more active role otherwise it would backfire.

As a result of this seminar, do you feel better equipped to tackle the challenges of leading in an era of globalization? If yes, please describe. If no, what can be done to better equip you?

- Yes. The discussions enable me to see all the angles, but especially to be introspective and know what I myself need to change.
- Better equipped — is there such a thing? More aware, and empowered.
- Yes, but to a certain extent the question that has not been answered fully is how to create a political or personal platform to support your efforts in facing the challenge of globalization.
- CALI will be a great asset that will help us deal with the challenges. Bringing together the diaspora into CALI is a potential asset.
- Yes. Inspired, resolved to act, knowledgeable of challenges, pitfalls and opportunities.
- Yes, I will have a fuller context in which to evaluate the situations, decisions, and challenges.
- I am still struggling with how to start my action plan.
- Yes, I've been exposed to many relevant issues I haven't studied enough about.

Are you satisfied that your leadership project addresses the criteria established for these projects by CALI? If not, what will you do to improve it?

Most fellows answered this affirmatively, several with hopes that their project would broaden with time.

- Yes and no. Yes because I know I have tapped a need in which I can make a difference. But I need to calibrate my project to make a measured impact.
- My project needs more links with the community.

Are you satisfied that the projects of your class of Fellows will be a source of pride for CALI?

All fellows answered this affirmatively. Some conditioned their responses by adding that the group must continue communicating and meeting to have an impact as a region.

Some responses were:

- I was impressed with the quality and diversity of the projects.
- Yes. We need to “connect the dots” between us.
- Yes. And I believe other projects will spring from this first round.

The last section of the questionnaire asked fellows to Assess the following specific parts of the seminar on a scale from 1 to 5:

(1= agree strongly; 2= Agree; 3= neither agree nor disagree; 4= disagree; 5= disagree strongly)

The moderators were knowledgeable

The moderators added value to the seminar

The readings were useful to the discussion of leadership

Time allotted for discussion was adequate

The logistics were well organized

The conference and lodging facilities were comfortable

The fellows' numerical responses reflected extremely positive feedback overall; in fact, the only item that received 3's and 4's — and a significant number of each — was the item referring to the time allotted for discussion. Many fellows expressed that it was inadequate.

Finally, they were asked for any other comments or suggestions to improve the seminar.

Several of the few responses in this area dealt with food, requesting more variety.

One fellow suggested more time for introspection.

A suggestion: not to have an evening session the first day.

More readings/articles about Central or Latin America; Spanish!

Two fellows: The play was a lot of fun but costly in terms of time invested. Is it necessary?

Lodging should have been like the first seminar, with housemates/roommates.