

Thank you very much. Thank you very much Doug. President Carmelo, thank you for the welcome. University Rector Benito, thank you. Ladies and gentlemen, all of the faculty members, business leaders and others who came to see me, and the students that I met earlier. I am delighted to be here. Let me say to all of you, first, you see me drinking coffee in the middle of the day. I apologize for that but I have, in the last week been to Germany, Austria, Britain, Korea in the middle, back to two stops in France and I flew overnight to come here, so I thought it would be a good thing if I could stay awake during my speech. I am very honored to be here and to be associated with Doug Becker. We have become friends. I am grateful for the support he has given of my efforts in Haiti. Two members of my administration, who are also very close friends of mine, have been involved with the Laureate Learning Centers, Governor Richard Riley was my Secretary of Education for eight years and he's been on the board and, Joe Duffey was my Director of the United States Information Agency. He took America's message throughout the world, and he was the first person who called and lobbied me to support the concept of education and access to higher education embodied by this university and by the Laureate Centers around the world.

I want to start with a proposition here in my remarks and then I'll come back to it, but for all the students, I want to make an argument that the things about this university which brought you to it and the connections that all the Laureate Centers have, the networks they have established with other institutions throughout the world are a metaphor, if you will, an example, for the kind of world we should be trying to build in the 21st century, 'cause this place works. By any definition, it works. If you look at the population of traditional college-age students in Spain, and what had been happening to it, and the fact that a lot of the public universities are free for tuition, there's no way in the world that enrolment should have doubled here over the last few years; but it has. Why? Because people want to come here, because you believe you get a high quality education that is relevant to your future and to the larger world you live in at a reasonable price; and it's connected to the world beyond the borders of Spain. Now I want to explain why I believe that is a metaphor for the 21st century world we should be trying to build. And let me say I spend a lot of time now giving talks like this, trying to help people organize their own thoughts about the world in which we live. One of the most important kinds of intelligence the students here can develop, is, what I would call, a synthetic intelligence, the ability to synthesize. To take what looks like totally

unconnected developments in the world, organize them into patterns, explain what they tell you about the world you live in, and then understand what the consequences are in terms of what we should all be doing. And so let's just start. If I were to ask all of you to describe in one word the 21st century world, what would your word be? Until the recent financial crisis and the preoccupation with terror in the 21st century, and all the headlines about, troubled places, I suppose the initial word would have been globalization. I far prefer, and some people who live on the Internet would say this is interconnected world, both of those things are true, but I prefer the term interdependence. This is the most interdependent time in all of human history. Interdependence can be good or bad. It can be good and bad. I would argue to you that in the modern world it is good and bad. You are the products of what is good about global interdependence. You can come here and go to school and you go to school with students from other countries and you find information on the Internet, and you can communicate with people all over the world. And you, when you leave here, you know that you will be connected to the positive aspects of our future in which you will not only be able to earn a decent living but you will have a more rewarding life. So you are the products of positive interdependence. But we also know there are manifestations of negative interdependence. And Spain is suffering from that too. The financial crisis that started in the United States, I'm sorry to say, spread quickly around the world. We had too much risk, too much leverage in our financial institutions. We had plenty of notice that we were having too many home mortgage foreclosures and nobody did anything about it. And then last September, after the government bailed out two big institutions for reasons that only the... God knows, they decided that they needed to make an example out of a company called Lehman Brothers, and they let it fail and it led to the collapse of stock values in America and an exposure of this whole mortgage and finance problem in the United States. Soon as that happened everybody started looking around the rest of the world. Turned out that the United Kingdom and Ireland were more heavily leveraged in real estate than America. Then it turned out that Iceland, which until the financial collapse, had been held up as the crown jewel of European entrepreneurialism; Iceland had the highest percentage of self-made millionaires of any European country. But they also had very heavily leveraged financial institutions and when they failed the pension funds of police officers in small British towns dried up. Then the fury came to Spain with a vengeance. I think largely for the same reasons that in the United States the very warm states of Arizona and Nevada have the highest home mortgage foreclosure rates and have been in terrible trouble. You're suffering

now because people wanted to have another home here. Everybody wanted to move here. There was a lot of growth and opportunity here and when real estate collapsed it had a disproportionate effect on the places that before that had been growing the fastest because investors assumed that the next three years would be like the last ten. And when that turned out not to be true, those who rose the fastest fell the deepest, the most. So that's what happened, but why am I telling you all this? Because the financial crisis is just as much a symbol of our interdependence as your being part of a global network of universities in which you share information and knowledge and opportunities. I'll give you another example, we had the... the Swine Flu cases in Mexico and a couple of cases in America, which frightened people so badly that the Fort Worth, Texas School District was closed for a month... because there were a couple of people in Texas with Swine Flu. They were worried because there was no known vaccine at the time. In New York we had one case and total strangers started coming up to me on the street asking if it was safe to take their children into New York City anymore. That too, is an example of interdependence. When Spain suffered the terrible terrorist attack on the subway, here, the train, perpetrated by people from beyond your borders, when in America it dealt with 9/11, when a hotel in Bali blew up and killed tourists from all over the world, that too is an example of interdependence. In other words, interdependence can be good or bad or both and by and large: it's both. Interdependence means one thing, you cannot separate your destiny from people around the corner and around the world. It simply means that divorce is not an option... That in the 21st century world we are bound up together, we are going to rise or fall together. That has certain very real implications for all of you. The first is that you made a good decision to come here, because you're gonna get a good education, high quality, it'll be relevant and your chances of finding meaningful and rewarding employment are far greater. That's the good news. But ask yourself whether you can break into categories, what is wrong with the modern world. What are the negative sources of interdependence?and there are three, and you should be able to know this cold. Every student here should have a feeling for this, because your life will be shaped by it. There are three huge problems with the 21st century world. The first is that it is too unequal. It is too unequal to be healthy. We have.....we see, in this decade and largely for the last 30 years.....35 years growing inequality, more and more concentrated wealth and opportunity, and more and more poor peopleand there are lots of reasons for this but, lets just look at the facts now. There are a billion people who live everyday on less than one US dollar a day, a billion people on earth, a billion people who go to bed hungry every night, two

billion people who have no access to sanitation. There are 130 million school children....school-age children who never go to school and another 100 to 150 who go to schools without trained teachers or any learning materials... and in a poor country just one year of schooling can add 10% a year to earning potential for a life. One in four of all the people who die on Planet Earth this year, 1 in 4, will die from AIDS, Tuberculosis, Malaria, and infections related to dirty water: Cholera, Dysentery, Diarrhea ...and in the last category 80% of those will be children under the age of 5. Those are the diseases of the poor. In Spain, no one need die of AIDS unless they just don't take their medicine or their medicine stops working; that happens for a few people. But people die, because they're poor and because they live in places that have no clean water, no sanitation, no access to basic medical care. There is inequality in incomes, education, and healthcare; first problem. Second problem, we've been discussing: the world of interdependence is also highly unstable, that is, just as good things can make their way across the world instantaneously, because of the Internet, a financial crisis cannot be contained within national borders. A problem like Swine Flu could sweep across the world. The same networks which open us to each other and make it easy for you to fly around and find out things on the Internet.... make it easy to impart information on the Internet about how to organize, build, and detonate bombs. The same open borders which make travel exciting make all of us more vulnerable to terror. There is an instability about the modern world. And the third thing that's wrong with it is it's completely unsustainable because global warming is real, climate change is real. There are still a few skeptics who say, "Oh it's not really all that serious." And since more than 95% of the climate scientists agree that we are heading toward a disaster unless we reduce our greenhouse gas emissions, roughly 80% by 2050, let me ask the young people in the audience something. Are you really willing to risk your future and the future of your children on the skeptics? If 95% of the reputable scientists say one thing, and 5% say another, because the 5% offer you an easier life, and say you don't have to change, are you really willing to put your eggs in the 5% basket with the consequences it could have for your children? I don't think so. So, if we live in an unsustainable time, we have to find a way to produce and consume energy differently in a way that does not bankrupt the economy. Lot of controversy in Spain now. You've become, you know, one of the three leading countries in the world in virtually every clean energy category, second behind Germany in the production and the deployment of solar energy... thanks to solar thermal as well as photovoltaics, third behind the United States and Germany in the perce.. in the sheer volume of wind energy generated

and now you've got a study that says that your commitment to clean energy, I saw it in the press today, has cost you twice as many jobs as it gained you. I don't agree with that by the way, and I can... I'll, anybody wants to know why, I'll tell you why I don't agree with it. But the point is, you have to ask yourselves.... you young people.... if you want to avoid global warming, and you want Spain and Europe and the world to continue to grow, knowing that it's expensive to change the way you produce and consume energy, well what are you going to do about that? Because these three problems could wreck your future. We know what's good, you're... in what's good about the interdependent world. You're at a great school, you're learning something, and it's gonna give you a good future... but if you really expect it to work, you have got to deal with the inequality, the instability, and the unsustainability of the world you are moving into...and that's what I try to do in my current life. And so, I don't want to go through all the details, I wanna ask you to think about this. It matters what government policy is, you need good government policy. It matters whether you have a vibrant private sector, but I now am in the third sector of society, the non-governmental sector, which is the fastest growing. In the last 20 years, there's been an explosion all over the world of foundations; private citizens trying to do public good, trying to identify those things that the government's not doing and that the private economy won't deal with, where people like you and me can get together and make a difference.... and I think that's very important, because sometimes when private citizens decide to take on a problem, they can do it faster, more effectively, and much less expensively than if you just wait for government to solve the problem, because of networking. The same thing that makes the Laureate Learning Network work....works for the NGO's. In the United States there are a million foundations, that's twice as many as we had ten years ago...twice as many. China has a half a million, India has half a million. I just was talking to a friend of mine at lunch here in Madrid, who said, "...well our foundation is ten years old this year." That is typical, this thing is exploding all over the world...people looking for ways to network and solve problems together. And that brings me to the last point I wish to make. Whether you're talking about a limit, reducing poverty and promoting economic empowerment, increasing access to education, providing healthcare networks, (which is what I work on increasingly around the world), dealing with the inequality issues, or reversing the tide of climate change by creating genuine, meaningful opportunities to change the way we produce and consume energy. Look at this room we're in. How many of you have....how many of you asked yourself when you walked in this room whether this is an energy efficient room. The answer is...it is. In a

warm climate, you should never build a building (if you want to save electricity and be efficient) that doesn't have lighting coming in at the top like that, it changes everything and light will reflect off the floor, you need less electricity, the whole thing is interesting, I think about this all the time now. But if you want to have a world where you get all the benefits you found in the network of the Laureate Learning Centers and in this university and none of those problems you're going to have to think like this. What can I do about inequality? What can I do about instability? What can I do about the unsustainability of the way we produce and consume energy? And this brings me to the very last point I want you to think about. When I was in politics for over 30 years, and I loved it, every bit of it. And I tried to do a good job, as President of my country, as the governor of my state, but I noticed that the public debate that we had with each other me and my political opponents and my allies and the way the press covered politics We just saw the people who were kind enough to come and cover the speech today and take a few pictures. There was always a discussion that centered on two things in politics. What are you going to do, and how much money are you going to spend? For example, I have been following the debate between the United States and the European Countries and I was asked the question of whether there should be an economic stimulus to try to get the economies going again and how much money should be spent on it? And should the deficit spending restraints that the EU normally impose apply to this moment, or should we forget about it so everybody can go out and spend more money? And besides, if Spain has a twenty-seven percent contraction and, you know, in it's output or for ..for a quarter...it doesn't make any sense, if you have a contraction like that, you're not going to have enough revenues to balance your budget. But anyway, all this discussion has been about, what are you gonna to do? You going to have a stimulus or not, and how much money are you going to spend on it? In America, the debate was, what are you going to do with your stimulus, are you going to spend money to create jobs and to save jobs in Healthcare and Education or are you going to give tax cuts because business is more important in creating new jobs? And then, the debate was, or how much will you spend on tax cuts? How much will you spend on spending? Now, why am I telling you this, because the third question may be the most important of all and it's hardly ever discussed. How are you going to do whatever you do in a way that maximizes the chances that you'll get the results you seek? How do you turn your good intentions into positive changes? If you have tax cuts, how do you design them to generate the most number of jobs? If you have spending, how do you invest money to give our young people the cleanest energy future in the most economical way? The

“How” question is more important than how much. And you should use your university education on whatever things you’re interested in, that affect us all, to ask this over and over again....”How?” You think every young person in the world should have the same access to higher education you do and it should be affordable, “How?” And if you want people to go into higher education, don’t they all first have to at least have a basic education, in a world where 130,000,000 people never go to school. “How” do you propose to do that? This generation of university graduates should literally define itself as the “How?” generation: the people who ask and answer the “How?” question. When I left the White House and I looked at all the things I still cared about, where I could still make a difference, I began with AIDS. It made me sick that all these people were dying of a disease that was killing no one in America anymore, unless they refused to take their medicine or they were among the rare people for whom none of the medicines worked anymore. But it was too expensive, so I said to myself, “How” can we get medicine to all these people” and we went to all the generic drug manufacturers and we told them that we thought they had a bad business model. They were charging then \$500 a person a year for low volume sales of uncertain payment. So I made a deal with them in India and South Africa, I said, “suppose I got you huge volumes with absolutely certain payment? How much will you cut your price so I can keep people alive?”...It’s a long story, but the end of the story is, that medicine now costs about \$100 a year, not \$500, the children’s medicine, for little children who were dying like flies from AIDS costs \$600 a year. Keep in mind, a lot of these countries ...their incomes are less than a dollar a day. It now costs \$60 a year. We answered the “How” question. That’s why 2,000,000 people get medicine off these AIDS contracts. That’s half of all the people in the world getting AIDS medicine, because we answered the “How” question. We have the money? Yeah, we had a little money, but the point is, the money went further because we figured out “how” to lower the cost. So now, there’s this study, as I said earlier, there’s this study that you’re gonna have to deal with in Spain, somebody says, “Oh this is...this commitment to solar and wind energy is costing you twice as many jobs as it’s giving you because you have to subsidize it too much.” Well all I know is that we have to go to a future where we change the way we produce and consume energy. So you should be asking yourself, “how” can we create the largest number of jobs while we reduce our greenhouse gas emissions? So, I started a program to do that. And we work all over the world, starting with making buildings as efficient as possible. One of the most famous buildings in the United States, outside of our capital in Washington D.C. and the White House is the Empire State Building in New York. It’s an energy

dinosaur built in 1931. We just announced that we are going to cut its greenhouse gas emissions by 38 percent and its utility bill by 4 and a half million dollars a year and that will have the impact of taking 19,000 cars off the road. One building. And it's gonna create a lot of jobs. It will take less than 8 years to pay it off. I think it's a good investment. We answered the "How" question. You need to be thinking about that. It's a good thing for Spain to be leading the world in solar technology, a good thing to be leading the world in wind technology. And eventually, not very far from now, the price of wind and solar and coal will converge, if you keep doing it. But it matters how you do it. Every year at the opening of the United Nations we bring together world leaders who come there for the UN, corporate executives from every continent, philanthropists, and non-governmental leaders, from, many of them from very poor countries that we fly in and we ask them to get together and ask and answer the "How" questions. It's the only meeting in the world where people will literally pay 20,000 dollars to come to a meeting knowing that they have to promise to do something else or they'll never be invited back. Everybody has to make a commitment to make progress on one of these problems in the world, and then to keep it. But we all have a very good time trying to answer the "How" question. So I leave you with that thought. I honestly believe the 21st century will be the most interesting, prosperous time in all of history. I think you're gonna see more diversity, more connectedness, more networking, and I'll predict to you that as we work through this, saving the world from climate change will actually mobilize more economic activity, create more businesses, and open new horizons for discovery than anything we've done in a very long time. It'll keep us going for 10 years. And then about 10 years from now, when all of you are just hitting your stride in your careers, nano-technology and bio-technology will lift the world one more time...to whole new vistas. That's the good news. But if you want it to happen, you have to address inequality, instability, and unsustainability. And you have to be the "How" generation. So I ask you to think about that. You can no more live without regard to people around the world than you can live without regard to people who share the building that you live in and go to school in. We are for good or ill interdependent. And it's good and ill, but divorce is not an option. So you have to be the "How" generation. If you do what I expect will happen, this current crisis will just be a passing bad dream. Nobody gets a free ride in life. There's never been a time when there were no problems. So we're paying the price of terrible mistakes that were made over the last decade or so. But it's gonna be fine, it's gonna be fine. Don't be confused. You gotta answer the big "How" questions. I first came to Spain when I was twenty-two years old, forty years ago last month.

Forty years ago last month! I am old. And the world was obsessed with the Vietnam War and with racial and other conflicts. It almost seemed like a new form of radical communism might be asserting itself. The Red Brigade was running crazy in Germany, just up the road. The idea that there could be a European Union that you could be a part of; that Spain would ever be among the world leaders, the top three countries of the world in solar and wind energy, the whole thing would have been considered totally absurd when I was your age. I say that just to make this point. There will always be difficulties. The trick is to face the problems and the opportunities at the same time, to build up the positive forces and reduce the negative forces of interdependence, and to get up everyday with a happy heart and an optimistic determination to put one foot in front of the other. Never expect to live in a trouble-free world; only expect that you have an obligation to make it better. And that you cannot do it just by waving your arms and being emotional and being committed. You've got to be able to answer the "How" question. It is the great question of the 21st century.

Thank you and good luck.