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| Neeti Bhalla: | I too, like Dominic, was wondering why, and I think I just figured it out, Dom. I think it's the East African angle. It's the Uganda-Kenya thing. That's what I'm taking away from this. Eric, thank you so much. I think I'm suitably embarrassed by that story and I will carry it forward when I tell you the ad, but I do want to say thank you so much. I'm so deeply honored to receive this year's Foreign Policy Award, and really humbled to be in the company of past and present recipients this year. I do also want to thank the FPA for facilitating this family and friends reunion around this room. My brother and my dad flew in from India via Egypt. Please don't ask me about that flight plan. About two hours ago, and my husband and my best friend and partner for almost 20 years is here, and my brothers are here and my friends from various parts, and former colleagues and mentors, so thank you. It's very rarely that you get an opportunity to get everybody in a room together and celebrate, so Noel, thank you for that. |
|  | You know, they say it takes a village, and in my case that couldn't be more true. My family has always been there for me. I always say that they're the sort of the food for my soul, so much so that when I was considering moving from New York to Boston, some of the discussions I had with Liberty was, in order for me to move and not only would my husband and my two daughters have to move, but my mother would have to move and my brother would have to move and his wife would have to move and the nanny would have to move. To their credit, they said, "Come on over." Thanks to my family, they actually did all relocate with me, and so I share with you to say that I stand on the shoulders of many here, and for that I'm thankful. |
|  | Now of course, moving to Liberty Mutual was probably one of the best decisions I made in my life, I assure you. Actually, Dan's the one who called me about the job, about three and a half years ago. I said, "Insurance? Really?" Boy, was I wrong and insurance is not dull by any stretch of the imagination. I really do want to thank David Long, our CEO, who unfortunately wasn't able to be here tonight, but that incredible group of my colleagues and friends back there who really make every day just so much fun, so thank you, and like I said, just it was a leap of faith and I'm so glad I leaped. That's been great too. |
|  | I thought what I would do is maybe take the next few minutes to really talk to you about an issue that I've been reflecting about a lot. I thought a lot about what are some of the various things we can talk about and there is no dearth of topics, but I just thought it would be good to reflect and share with you some of the things that I am thinking about deeply at this point in time. I don't have answers. I have questions, and so maybe we can think about them together. Sir John Lubbock once noted that, "What we do see depends mainly on what we look for. In the same field the farmer will notice the crop, the geologist the fossils, the botanist the flowers, the artist the colors." |
|  | In my view when I read that, what I took away was what Sir Lubbock was referring to was the notion of perspective, and the contextual lens really by which we view the things around us. Those are informed by our social interactions, they're informed by our educational backgrounds, they're informed by the emotional connections we make and our life experiences. Essentially, I think of that as, perspective is the window through which we view the world around us. What I've come to realize is that too often that window is too narrow and too compartmentalized, especially for the challenges that face us today in the world, and so I thought I'd spend a little bit of time on that. Eric mentioned the newspaper ad that changed the course of my life, so that ad was for the Road Scholarships. Kenya sends two Road scholars every year. One of my other Road scholars is actually in the room here today and I'm so happy about that. |
|  | Kenya has a population of about just over 30 million people, and they send these two people every year, so my odds were terrible, right? Just absolutely horrific, but that didn't stop me, and it wasn't for any other reason other than at the time, my mother was trying to get me married. I figured, "I will try anything to get out of the country and out of an arranged marriage." As luck would have it, I succeeded and not only did my life change because I actually did find an husband at Oxford and, you know, the father of my two children, but at Oxford I learned how to learn. It wasn't until that moment that I appreciated just what it means to just learn, to have your mind open to have the perspective to just learn. |
|  | The education system in Kenya was much more around row to new study, to pass exams, and you never questioned your teachers — they were always right — and you never questioned books. They were always correct. Instead, when I came to Oxford I was told, "Well, you know, you're going to debate at every session and you will be asked a question, and actually question things like, 'How could Adam Smith be wrong?' Right?" I just thought this was extremely odd. Like, just tell me what I needed to read and I will go read it, and then I will pass an exam and then I'll be top of my class, and that's how the story goes, but I truly had underappreciated what it just means to learn. In fact, while studying anthropology in my second year, because when you're in a scholarship you get to do fun things like study anthropology — again, a degree my parents would never have paid for — I learned about having an insider/outsider perspective. |
|  | I don't know how many of you have read Gillian Tett's book on silo thinking and she brings this perspective as well around how if you go through life constantly looking from the inside out, and ask yourself, "Why? Why are things this way? Why do we organize this way? Why is this the world system? How could it be different?" it creates a different mindset and it makes you look at things a little differently in every sphere of your life, sometimes to the great annoyance of a lot of people around me when I keep going, "Why? Why?" but eventually we get to a good place. If I apply that mindset to some of the issues today, here are the questions I'm asking myself and I'll share my burden with you. |
|  | First, at a time when all the talk is about what we have a lot of, right? Super abundant capital, BCG I think calls it. Drowning in data. Excess capacity. Peak political polarization. Peak income inequality. Have we stopped to ask what do we have a deficit of? This is something I think about a lot and where I've landed is, we have a real deficit of individuals with a balanced perspective. We have a shortage of cross-trained, diverse talent that has a sufficiently long and broad perspective to most efficiently tackle the issues that we face today. Two, why is it that we organize ourselves by asset class, if I use an asset management angle to this, when most of the opportunities we all come across actually either fall between the cracks or tend to overlap across asset classes, and yet we somehow force organizations into these silos? |
|  | Third, why is it that we organize ourselves, again, bottom up, top down, quantitative, fundamental, and yet when we have to bring a perspective to solve a business problem, we've got to bring all those perspectives to bear? So why are we creating hurdles for ourselves in decision making through structure? Four, are we destined to go to war with China? Because more often than not, history tells us, right? That when a rising power meets an incumbent power, the end result is war. Graham Allison at the Belfast Centre at the Kennedy schools, actually got a book coming out on this where he's gone back and looked at 16 episodes over the past 500 years, and 12 of those ended in war. |
|  | And does the US need a new operating model, as I think Richard Hass has called it at the CFR? In fact, one could question, do we all need a new operating model because the institutions that have existed since the Second World War, a world that the US essentially designed, are those being challenged now, and what replaces that? What do I, as an asset allocator, do with all of this anyway, right? How do I incorporate this into making these long term investment decisions that we have to make every day we have to put money to work, and we have to balance the short term with the long term? What do I do with this? How do you analyze this? |
|  | Simply put, in my view I feel that we have allowed entrenched, outdated structures built around rigid silos to get in the way of developing forward looking talent and forward looking strategy. We have a misalignment between the nature and scale of contemporary problems, be they in asset management, be they in innovation of new products, be they in foreign policy. The capacity of existing arrangements to solve our problems, I don't believe exist in the order that we have today. I appreciate that these questions are not easy and they don't have quick, easy answers. I also don't think we will get there tomorrow, but we have to start asking them and then saying, "Then what? How do we solve for this?" |
|  | Sometimes I do think that the enormity of all of this is so much that inertia wins. It's just so much easier to tackle the tactical and not have to think about how will all this evolve, because when it does, I'll deal with it when I get there, but I, for one, am actually really excited. This is an amazing time in history, I think, and we all have an opportunity to question and possibly affect challenge however small it may be. I would think this is a very exciting time for organizations like the FPA too. Foreign policy is great again, right? There are more questions than answers, which is awesome, I think, because who wants to live in a world where everything is predetermined and where the textbooks are right and the theories are correct? |
|  | Maybe, maybe some of you in this room have cracked the code. If so, please, can we talk after dinner? Because I am not sleeping very well these days, but for those of you who are wrestling with these similar issues, what an amazing way to network in a group like this, so thank you to the FPA for putting an event like this together and once again for this incredible honor, and thank you to my friends and family and colleagues, and all of you for being here. Thank you. |