



## UM President Donna E. Shalala on Innovation, Health Care, Politics and More

“Miami es el mundo — Miami is the world,” is how Donna E. Shalala, president of the University of Miami, welcomed attendees in her opening remarks at the University’s Global Business Forum Jan. 15 - 16, 2009. The former Secretary of Health and Human Services went on to talk about the cultural diversity and global connectedness of Miami — both the city and university — and their importance to business, but much of her talk and the question-and-answer session that followed focused on health care and its impact on the competitiveness of U.S. businesses in the global marketplace.



Shalala started by thanking her fellow panelists and acknowledging the “vital need for partnerships” with organizations such as the John S. and James L. Knight Foundation, FedEx Express and others participating in the Global Business Forum. “Your support helps us to expand our academic strengths and reach into the heart of the community,” she said. With a nod toward Miami’s globally acclaimed status as “Gateway to the Americas,” she described the city’s unique geographical location and profile as a major urban center as making it “a natural launching pad for any serious discussion of global connectivity.”

Indelibly branded by its location, the University of Miami helps shape the business world’s perception of South Florida as a thriving and competitive global marketplace, and a significant part of its mission lies in creating new opportunities for economic growth through innovation and by strengthening the important connections between higher education and the business community, Shalala noted. As the largest private employer in Miami-Dade County, the University provides a working model by which best practices can be successfully adapted and implemented.

Shalala spoke about the importance of partnerships that can exist between major research

universities and the cities that house them, singling out Madison, Wis., recently named as the top city for job creation in the United States. She credited that accomplishment to the city's success in making the connection between its great university (the University of Wisconsin at Madison, where she was chancellor before joining the Clinton cabinet) and the creation of jobs. "Madison created research parks and attracted businesses that wanted to take advantage of the university's knowledge base, particularly in science, technology and health. It understood where the job growth of the future was going to be," she said, adding that many of the top 10 cities for job growth are home to outstanding universities.

The University of Miami serves as an incubator and clearinghouse for new ideas and increased productivity in a culturally and ethnically diverse environment that looks more like the "real world" than the ivory tower, Shalala emphasized. "If we are going to prove anything in Miami, it is that you can be diverse and you can be superb," she said. "When we recruit students, we tell them if they want to go to school with people who look exactly like them, they shouldn't come to Miami. This is a place where you're going to meet people from all over the world, and you're going to learn how to live, work and play with them."

Shalala made the case that the kind of diverse experience students have at UM is the best preparation for leadership in the world. She also noted that the University's placement center includes The Launch Pad, an advisory center for students who want to start new businesses. "It's interesting that at least half of the students [who start new businesses before graduating] are not majoring in business. We're a unique institution, and never has there been more of a need for a place to train people for a global environment," she said.

Shalala, who was awarded the Presidential Medal of Freedom, the nation's highest civilian honor, by President George Bush (whom she calls "a good friend") in 2008, displayed the depth of health care knowledge she accumulated during her eight years as Secretary of Health and Human Services under President Bill Clinton. Noting that many people have great hopes for the administration of President Barack Obama, she said her personal hope relates to health care. "I not only expect the new administration to inspire the next generation of young people to be entrepreneurial ... I also expect this administration to understand that American business cannot survive without us doing something about what is currently called the health care debate," she said. "The burden of health care on our employers in this country has become untenable to make us competitive around the world."

Floating the idea that it might be time to move away from an employer-based system for the provision of health care, she proposed that a piecemeal approach to making the shift might have the most realistic chance of being successful. She envisioned a system where health care is provided to all workers, not necessarily by the government, but by some entities organized by the government and the private sector working together. The goal, she argued, is to provide access to health care without it contributing an additional cost on products and services provided by American companies, which puts them at a disadvantage to their international competitors that

benefit from government-provided health care.

The initial move away from employer-sponsored health care will not be dramatic, Shalala predicted, but will likely begin by focusing on the 47 million employed workers and their families who do not have health insurance and with the recently unemployed. “It is that group ... that the new administration will move to help cover, probably through existing platforms and programs, and probably by understanding that we have to take some of this burden off employers, particularly small employers,” she said. “The politics of health care will become a dramatic part of the first year of the new administration, in my judgment.”

While she was optimistic about President Obama’s prospects for addressing this critical issue for U.S. businesses, Shalala remained realistic. In response to a questioner who asked if the new president would be able to meet all the expectations people have of him, she replied, “The answer is no, just as it was for President Bush. But what Obama demonstrated during his campaign is discipline. And if he uses that same discipline on a limited number of issues, he will be able to accomplish a handful of things.”

*By Michael J. McDermott*

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