

THE BROOKINGS INSTITUTION

AMERICAN EDUCATION IN THE MIDDLE EAST:
SMART POWER FOR A NEW ERA

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P R O C E E D I N G S

MR. KHARAS: Good afternoon, everybody. My name is Homi Kharas. I'm a Senior Fellow at the Wolfensohn Center for Development. The Wolfensohn Center is sponsoring this afternoon's discussion which is part of our Middle East Youth Initiative program. I'm delighted to welcome you all, to welcome a really great panel that's going to be leading our discussion. We have here David Arnold, who is the President of the American University in Cairo. We have Amy Hawthorne, who is the Executive Director of the Hollings Center for International Dialogue, and Kristin Lord, who is a Fellow at the Saban Center in Foreign Policy Studies here at Brookings.

I'm going to hand things over to Kristin in just a moment to moderate the session, but I thought I would use this opportunity just to say a couple of words about the Wolfensohn Center for Development because you may not all be familiar with the center. We do have brochures outside to give you sense of what it is that we are doing. This is a center that was founded by Jim Wolfensohn in 2006. Mr. Wolfensohn was a former President of the World Bank for many years. He's also a trustee of Brookings. He has a long engagement both in development and in Brookings and he set up a center essentially to focus on issues of how development interventions could be sustainable, could be undertaken at scale and could have some impact. And so I hope that as you listen and participate in the event this afternoon, you keep in mind that what we're

really after here is -- try to think about what actions and impact can we have to address what at the end of the day is a huge problem.

And the problem is as follows: in the Middle East, there is now something like 60 percent of the population age 30 and under. You have 100 million youth. You have, by some calculations, the need to generate something like 100 million new jobs over the next 10 to 15 years. And the difficulty it seems to me is that there's a real chicken and egg problem here. And the chicken and egg problem is that on one side you have a system which used to have a very large amount of formal employment undertaken by the government -- by the public sector -- 18 percent on average across the region. And then you had a university system which was geared towards producing graduates for those jobs. And today you no longer have the public sector extending employment. Almost all of the new jobs are being created in the private sector. But you still have the educational system oriented towards the old demand structures and you still have people who want to continue through that system because they still perceive that government jobs are the best jobs. They're the best jobs in terms of prestige. They're the best jobs in terms of security. In some places, they're the best jobs in terms of wages. So, it's not just a simple matter of dealing with the supply of education or the demand for jobs or things like that. It's also a problem of changing people's beliefs, changing people's incentives about what kind of education they want and what kind of education will prove to be valuable.

And if one player tries to move first, you may have difficulty in having success. And so you've got a coordination problem.

And that, it seems to me, is the essence of the problem that we're trying to solve. So there's a lot of new research that's being done on this. I would -- in addition to this panel -- refer you to a working paper that's just been done by Navtej Dhillon, who is the Director for the Middle East Youth Initiative at the Wolfensohn Center and who is leading this project. Navtej and Djavad Salehi-Isfahani have just done a paper called "Stalled Youth Transitions in the Middle East", which is available on-line. That means that you've got to get onto the website in order to be able to download the paper. And then when you're on the website, you'll see that there's a regular newsletter that will also give you continued updates as to what's going on. So, with that, let me turn it to my colleague, Kristin Lord.

Let me just say one word of introduction for her as she will not be able to introduce herself perhaps. She has actually written a book called *A New Millennium of Knowledge: The Arab Human Development Report on Building a Knowledge Society, Five Years On*. I think that's five years on since the 2003 United Nations Arab Human Development Report, which sort of talked about the knowledge deficit in the Arab world and the need to do much more on education. Everybody agrees on this need and I think that what that report and other works have done since is say look, yes, there's a need, but the rates of return to education are really low. Everywhere else in the world, rates of return have been exploding --

especially for tertiary education. In the Middle East, they've stayed really modest. And the issue is not money. The Middle East spends just a much if not more money as everywhere else, so the issue has to be something else. And that, I think, is what Kristin's report does. So, with that, I'm pleased to hand things over to Kristin. I think we'll first have each of our panelists make presentations for 25 minutes or so, and then we'll open it up for Q&A and close at around three o'clock. Thank you.

DR. LORD: Thank you very much, Homi. Thanks everyone for being here this afternoon. I'm just really delighted to join you here today and thanks to the Middle East Youth Initiative for inviting me to moderate this panel. I was just thrilled to say yes though because it touches on not just a very important issue for people in the region and people in the United States by the way, but also two issues that Brookings has done really substantial research on recently. And I was going to point as well to the excellent report that has just come out from the Middle East -- "Youth Initiative on Stalled Youth Transitions." I really commend it to you -- I've just finished reading it myself recently -- but also in the Saban Center, the project on U.S. relations with the Islamic world. We did put out this report in cooperation with nine senior Arab scientists and educators and business people, assessing where the Arab world stands in terms of building a knowledge society and, of course, higher education is just a critical piece of this. I'm also pleased to say that we've been doing a lot of work on the project on U.S. relations in the Islamic world on public

diplomacy and have a major report coming out on Tuesday on public diplomacy. And education, here too, plays a very important part also in U.S. relations with the region.

So, as we hear from our panelists and then move on to discussions, I'd actually love to explore a couple of these issues further here today. The first is how American universities and American-style education can help to address these very critical human development needs in the region, but also on the role that American education and American universities can play perhaps in building better relations between the United States and the Arab world.

Right now though, I just can't wait to hear from our panelists -- so let me just quickly introduce and you have their bios, so I won't go into their extensive backgrounds in depth. But, first let me turn to Dr. David Arnold, the President of the American University of Cairo. He's the tenth president of that institution. Before that, he was at the Institute for International Education for many years, and also the Ford Foundation. So as you can see, he has not just a Middle Eastern perspective to share with us, but also really a global perspective on international education. He'll be followed by Amy Hawthorne. She is a specialist on Middle East affairs. She was appointed the first Executive Director of the Hollings Center. The Hollings Center is a Congressionally-funded organization to improve relations between the United States and Muslim countries and she's been embarking on a very exciting initiative to bring together university leaders

from the United States and Middle Eastern societies, and the Muslim world more generally in fact. And I think she'll have a lot of interesting insights to contribute to our discussion today. So without further adieu, I'd like to turn the floor over to David Arnold. Thanks so much.

DR. ARNOLD: Thank you very much, Dr. Lord. I really feel very privileged to be invited to be here today. I used to be a frequent visitor to this building during my years with the Ford Foundation. There was a somewhat symbiotic relationship, I think, between Ford and Brookings for many decades and it feels great to be back and I'm really impressed with the way you fixed the place up since I used to be coming here a few years ago. I'm also really excited about what I've come to know about the work of the Wolfensohn Center and especially this Middle East Youth Initiative. I can't think of a topic more deserving of the kind of attention and intellectual fire power that Brookings can bring to a topic than this set of issues and challenges. So as I've come to learn more about what you're trying to do here, I'm very, very impressed and inspired really by what your plans are and the initial products that we've seen coming out. As has been alluded to, the Arab world faces tremendous needs and challenges in both the education and the development arena. Reference has been made to the report that UNDP came out with about five years ago which describes the knowledge gap that exists between the Arab world and the industrialized west. Looking at a wide range of indicators -- literacy rates, scientific publications and inventions, the

translations of books and materials into Arabic, skill competencies, the secondary school graduates, university graduates -- the knowledge society report that UNDP issued painted a pretty dismal picture of both Arab educational systems and of the scientific research capabilities that existed in the region at that time. The central link between education and development was summarized by UNDP as follows. Quote -- despite a rich and time tested intellectual tradition, and notwithstanding the region's tremendous human capital, the potential of people in the Arab region is constrained by barriers to knowledge acquisition, dissemination, production and utilization -- unquote. The good news today is that five years on, I think this issue is starting to get real attention from many parts and many different parties within the Middle East and I think that's reflected in the status report that Kristin helped to produce and coauthor. It's getting attention from governments. It's getting attention from international organizations, from educators and also from private individuals, corporations and foundations. There are a number of new foundations coming up in the region that are beginning to give serious focused attention to the challenges of education and development. A wonderful example is the new Maktoum Foundation that was established by the ruler of Dubai -- a 10 billion dollar foundation that among other things is planning to do an update of the 2003 report itself in cooperation with UNDP, but also is making significant investments in scholarship programs, in education innovations throughout the region in an effort to try

and address and tackle some of the very issues that were identified in the earlier study. Other private foundations and donors are doing outstanding work also in this area -- the Kingdom Holdings Foundation, Prince Alwaleed's Foundation, in Egypt the Sawiris Foundation and a new foundation created by the Citadel Capital Group -- are all providing both scholarship support and investments in primary and secondary education that, I think, point the way toward a new era of private sector interest, involvement and initiative focused on the central challenges of education and development in the region. Along side of these philanthropic efforts, we've also seen an explosion of interest in the region from established universities in the U.S. and other countries. Earlier this year, the New York Times ran a series called Global Classrooms which illustrated the burgeoning of American education in the Arab world and pointed to the many U.S. universities that are in the process of establishing branch campuses there. These new higher education players are joining an existing network of well-established universities, American universities in the region such as AUC, the American University in Beirut, Lebanese American University and American University in Sharjah -- a relative newcomer. It's been around about 10 years. But there is an existing network of well-established independent private American universities operating there and the new players are coming in with branch campuses that are offshoots of existing established universities here in the U.S. Who are some of these new players? Well, in Qatar, Education City now hosts

several of America's premier institutions -- the Weill Cornell Medical College, Georgetown School of Foreign Service, the Northwestern University's Medill School of Journalism, Texas A&M's Engineering Program, Virginia Commonwealth University, Carnegie Mellon. It's really quite an impressive -- impressive collection and lineup. And in the United Arab Emirates, Dubai has launched the new Dubai International Academic City -- which among many others including Australian universities, British universities -- also hosts a new branch of Michigan State University. NYU, as many of you may know, is now setting up a new branch campus in Abu Dabi and George Mason University has recently set up a new campus in Ras Al Khaimah also in the UAE. And in Saudi Arabia, there's a very dramatic new development with the King Abdullah University of Science and Technology -- Kaust, which is major new science and technology university established by King Abdullah with the cooperation of several leading universities throughout the world. All of these new initiatives are being supported by forward-thinking Arab leaders who recognize that higher education is really key to the future of their region. These leaders recognize that the real wealth of nation will ultimately be measured not in terms of natural resources or geographic location, but in the capacity of succeeding generations to meet new economic and social challenges in a rapidly changing global environment. It's also important to note that all of these efforts by foundations, universities, enlightened leaders and more are going to be required to meet the challenge of providing those 100

million young adults who are coming into the workforce with the kinds of opportunities not only to be a part of an increasingly knowledge-driven global economy, but also to be active, engaged and empowered citizens of the global community. This is an enormous and multifaceted challenge. But educators, by definition, tend to be optimists because if we didn't believe that the world could be a better place, why on earth would we bother to teach and prepare the next generation of young leaders to help build and create a better world. My university -- the American University in Cairo -- has been training and educating such leaders for nearly 90 years now. We've been involved over the past nine decades in educating Egyptians and students from the wider Arab world and also in educating Americans about the Arab world and in building bridges of understanding between civilizations and cultures. We at AUC are acutely aware of the inner-connections between education and economic progress. Indeed we recognize that these are intertwined and interdependent concepts. I think that one of the unique and distinctive qualities of the American-style liberal arts education that we provide is that it tends to produce people who are well-rounded graduates in a variety of different fields and disciplines. Our educational philosophy and our rigorous core curriculum are designed to ensure that our graduates leave with an intellectual foundation and a skill set that will enable them to advance in their respective careers, but also contribute to their respective societies. To do this, we believe requires a grounding in a range of academic disciplines coupled with the kind of

critical thinking and lifelong learning skills that are really the hallmark of a high quality American-style liberal arts education. As we think about the role that American institutions can play and do play, I think there are three main areas where I see institutions like AUC playing a crucial role. First is in educating and preparing the next generation of leaders. Future generations of young men and women can lead their countries and engage in an increasingly global world economy and global community. Second is our willingness to extend the resources of the university into the societies that we call home through our community outreach and public service activities. And third is the unique ability of institutions like AUC to serve as a two-way bridge for the free exchange of ideas and mutual understanding of our respective cultures. I think all of us would agree that at no time in our history has the need for independent minds that are able to learn, to question, to formulate their own independent conclusions been more vitally important and more necessary. AUC's approach to liberal arts education has really worked to try and prepare such minds and to produce outstanding leaders in a wide range of disciplines. We've just completed building a new modern state-of-the-art campus for the university and we moved the academic programs of the university starting September 7th to a brand new 260-acre state-of-the-art campus. In that new facility, we have about 4,500 undergraduate degree-seeking students who are working along side of their professors in a variety of different fields and disciplines from science and engineering to humanities and social

sciences, business, economics, journalism, mass communication. All of them are receiving a fully-accredited U.S.-style of education and majoring in very sophisticated and advanced fields ranging from biotechnology to nanoscience to mass communications, computer science, IT -- a variety of different fields. But all of them receive a common core curriculum that really is a foundation for every graduate that we produce. The aim of that core curriculum is to ensure that our students are not necessarily taught what to think, but instead how to think. It's a curriculum that is ensuring that they're not just well-trained graduates, but they're also well educated. And they're equipped with the tools that are needed to continue learning and exploring over the course of a lifetime. And this type of education should not just be something that is the privilege of the most elite segments of society. Students from all backgrounds can benefit and do benefit from what AUC has to offer. That's why more than 60 percent of our students receive some form of financial aid and roughly 10 percent come on full scholarships including our public school scholarship students and students from across Egypt that are supported through our Leaders for Education and Development Program which brings 54 students from Egypt's governance to AUC each year through a special scholarship program carried out in cooperation with USAID. Perhaps the best reflection that I can cite in terms of the value of the style of education that AUC provides is the product itself. And that is our roughly 30,000 alumni that are working in a variety of different fields and disciplines in different

countries in Egypt, in the region, in Europe and the U.S. In addition to such prominent alumni is Queen Rania and Suzanne Mubarak and Kamal Mubarak and former Egyptian Ambassador Nabil Fahmy, AUC has produced outstanding graduates in the foreign service, in banks, corporations, universities, NGOs, media -- a variety of different fields. This job of educating future leaders is our primary mission and it's what we've been doing, I think, quite successfully for almost a century now. The second key area where universities like AUC can make a difference is in our willingness to extend the resources of the university into local communities and to educate our students on the importance and the need for responsible citizenship and stewardship. For AUC, because of the socioeconomic and geopolitical realities we face, we've always understood our civic responsibility to be service to Egypt and the Arab region. And we've always understood that we have an obligation to teach our students to do the same. One of the most vibrant aspects of student life at AUC is the network of student volunteer organizations and community service clubs. These clubs work with street children, organize book donations for village libraries, promote environmental awareness, raise money for cancer research and sponsor a host of community outreach projects. More than half of our students are participating in one or more of these activities during their time at AUC. We've recently created a new center -- the John D. Gerhart Center for Philanthropy and Civic Engagement, named for my predecessor and my friend John Gerhart -- which is really

helping faculty to develop innovative service learning and community-based learning courses that connect what the students are doing in their volunteer -- extracurricular activities -- with what they learn in the classroom. And it's helping ensure that the students have the tools and the knowledge they need to play an effective role in tackling and addressing the social and economic challenges faced by their societies. This Gerhart Center is also working with new and emerging private foundations throughout the region to build a network of Arab philanthropists who are committed to economic progress and social change in the Arab world. Let me mention another area where education is closely linked with development at AUC. And that is the university's Social Research Center -- something that was established more than 50 years ago and over the past half century has helped shape the face of social research in Egypt tackling sensitive and critical research areas that range from reproductive health to the eradication of illiteracy. The Center conducted in its early days pioneering studies of Nubian villages in Upper Egypt before the inundation caused by the construction of the Aswan Dam. More recently, SRC researchers have been working closely with the National Council on Women and also the Council on Women and Child Health to document and address issues and problems of maternal and child health, female illiteracy and barriers to women's economic and political empowerment -- all areas that are considered sensitive by the Egyptian government, but where the tools of modern social science

research can actually help improve and strengthen and target public policies and program intervention strategies. A final area where we think universities like AUC can make a difference is with our continuing education programs -- a concept that is, I think, quite common in the U.S., but is not a widespread phenomenon in Egypt or the Arab world. At AUC's School of Continuing Education, each year we train more than 40,000 adult part-time learners providing information technology, management and English language skills through afternoon and evening classes which most of the participants pay for from their pockets -- 300 Egyptian pounds for a six week course because they see the value and importance of gaining that additional training. And it's one of the things that AUC is perhaps best known for in Egypt, aside from our outstanding graduates, is that this is the place where you go to study English or to get basic computer skills or to get a basic accounting course. We feel strongly that AUC has an obligation to extend the resources of the university to the wider society and to reach out to those who cannot afford the time and the money to attend the university as degree-seeking students. It also enables us to serve a much wider segment of Egyptian society than what we could do through our ongoing academic programs and research activities. The third and final aspect of AUC's role is really in building the educational and cultural bridges that are needed between east and west. I think in many respects universities have a vitally important role to play in fostering international exchange of knowledge and

ideas as well as cultural awareness and understanding. At AUC, we're proud to serve as a two-way bridge helping our Egyptian and Arab students gain insights into U.S. and western culture and enabling American students and scholars to obtain first hand experience of the rich cultural and intellectual traditions of the Arab world. In any given academic year, AUC hosts more than 1,000 American students -- undergraduates, graduate students, intensive Arabic language students and study abroad students -- each of whom has come to learn more about Egyptian and Arab history, culture, politics, language and religion. Our university press -- the AUC Press -- publishes more than 100 new titles each year specializing in academic publications focused on the Arab world, but also in the translation of Arabic literature into English and other languages. Through the AUC Press, we bring Arab and western scholars together and enable works that would not be accessible to western audiences to be translated and disseminated not just in English, but in dozens of other languages. Also, through our Adham Center for Journalism and journalism training, we're bringing Arab and western journalists together for joint training and reporting projects. So, whether it's in a classroom, over a discussion at lunch or on a study abroad trip or in a lecture on campus, the real and often times transformational dialogue is taking place at AUC between student scholars from Egypt, from the Arab world and students and scholars from the west, I think, has tremendous potential to shape opinions, to offer hope and to take us one

step closer to the kind of understanding that we so desperately need in the world today. In closing let me quote H. G. Wells, who once observed that quote -- human history becomes more and more erased between education and catastrophe. We at AUC are committed to doing our small part to ensure that education wins that race. As I noted earlier, to do so really requires the combined and cooperative efforts of all of us -- of government, government leaders, business leaders, foundations and yes, think tanks. As I said earlier, educators tend to be optimists. And when I look at the faces of the young men and women on our campus, all of them are eager to learn, are committed to doing more and doing better for themselves, for their families, for their country, I confess to feeling optimistic about the future and I know that with the help of institutions like AUC that future will be a future in which generations of young Arab men and women are able to obtain a world-class education, are able to acquire the knowledge and skills that are needed to become effective leaders and change agents within their respective societies, within the region and within the world. I also see a future in which our graduates -- people with passion, vision and commitment -- begin to move into the senior leadership ranks of major corporations, government ministries, international agencies, nongovernmental organizations and leading universities around the world. I think as you look around the region today you can see some promising and hopeful signs that this vision can become a reality, that education can win the race against catastrophe.

We are making good progress, but there is a long way to go. The challenges are great and we still have miles to go before we sleep. Thank you.

MS. HAWTHORNE: Good afternoon. I'd like to thank Brookings and the Wolfensohn Center for inviting us here today and for the really important work that they're doing in bringing the issues of Arab education and youth to the attention of the policy community here in Washington. Higher education is, I think, a unique channel for building strong ties between Arab society and American society as opposed to between the American Government and Arab governments. Education creates people-to-people networks and it opens minds especially among young people who are extremely receptive because of the age and the stage that they are in life to cross-cultural learning. And higher education serves as a bridge, as David said, with ideas and benefits travelling between societies in both directions. And this concept of a bridge of mutuality is very important, I think, due to the nature of U.S. Arab relations in which power and influence is weighted so heavily toward the United States. I want to echo what David said about the really vital role that AUC and its well-established sister institutions -- if I can use that term -- American University of Beirut, Lebanese American University, the newer American University of Sharjah are playing in the Arab world and he expressed that very eloquently. And I want to build on his remarks and talk a bit about what other institutions in the region -- other higher

education institutions in the region -- are doing with respect to American-style education and how American colleges and universities are becoming more involved in Arab countries. These efforts collectively have huge potential and they're so important, but they're still nascent, I believe, because of the complexity of the endeavor and because we must acknowledge they're taking place within the larger context of U.S.-Arab relations with all of its challenges and difficulties. In my remarks, I'll draw on the findings from a series of dialog programs that my organization, the Hollings Center, has organized over the past few years between university and higher education leaders from across the United States and throughout the Muslim world with, of course, a very heavy participation from the Arab world. So, my remarks are really drawn from ideas and points made in those dialog programs by the participants themselves. There are -- as has already been referred to this afternoon -- a number of efforts underway in many Arab countries to reform higher education and raise it to what people in the region refer to as international standards. And the goals are to prepare the new generation for leadership positions -- but especially for the labor market so that education can better meet economic and social needs and so that Arab graduates can work in economies and businesses that can compete globally. There are deep concerns in the Arab world. This is nothing new, but I think the concerns are increasing and they are being talked about much more publicly in recent years -- about the mismatch between the skills gained in higher

education in Arab institutions and the demands of the marketplace -- especially as the private sector becomes a key employer. And there's also a lot of, I think, concern about what's perceived as the declining reputation of many Arab universities -- not all. Many of my colleagues in the Arab world were dismayed by the results of a recent -- there's a survey that's done every year by University in Shanghai. There's a lot of debate about the validity of the survey, but it gets a lot of attention. It ranks the top universities in the world and there was no Arab university ranked in the top 500 universities worldwide. So educators in the Arab world, especially with the long tradition of education in Arab society, are working to change this and improve the situation. And in these efforts, American education is widely admired. It is seen as the world's gold standard and the model to be emulated. And it's admired for its openness, its rigor, its innovation and most of all for its quality and its prestige. And I find it very interesting that the association of the word American, with respect to education, has such positive connotations in the Arab world. In any country you visit in the region, you can find not only universities and colleges using the word American, but also just a storefront in Sana'a, Yemen you can find the American Language Center, the American Institute. And these days, I think it probably is the last way in which the term American is used as a selling point and something that is seen as very, very appealing to the public. So there is something to this appeal of and respect of American education in the region that's very genuine. The American model -- what I

might loosely call the American model -- is especially appealing to the new generation of private universities -- independent universities and colleges that have sprung up across the region in recent years. And the best of these -- those that are focused really on quality as opposed to profit making -- are trying to build their institutions around ideas inspired by an American liberal arts model. Although often the term liberal arts is not widely used in the region, there's an aversion to the word liberal for a variety of reasons. So often this approach is called general education, arts and science education, but the general inspiration is what is seen as our American liberal arts tradition. And these approaches are trying to -- these universities are trying to incorporate approaches of student centered learning, core curricula, new teaching styles, rigor, smaller classes and lots of student attention. When we've asked the participants in our programs what they think of when they think of the best of American education, they often talk about this idea of small size and lots of student attention in the classroom and outside and that's very amusing to me as someone who attended a huge state university in the U.S. That's the last thing I would associate with that part of our educational system. But there is an admiration of the idea of sort of very good resources, facilities and lots of attention for students. There are also some state run -- some public universities in the Arab world that are trying to implement reforms that are perhaps less overtly linked to the model of U.S. higher education, but nonetheless I think they are inspired by it. And you can see this

influence in different initiatives that are taking place in some Arab universities -- some public universities -- to raise standards, develop new approaches to measuring quality in education, to reform the curriculum, introduce new types of classes, change the way those classes are taught, introduce more foreign languages. And some of these institutions -- some of these universities are partnering with American universities to try to achieve these reforms. And it's very interesting to note this because in many countries, these state universities which are, you know, government-run universities -- for many years in the past, would have been very averse to partnering with an American institution. So, there's really been a change, I think, in the mindset and much more receptivity to partnering with -- with American universities. And in the region, there's a lot of excitement and energy and enthusiasm around all these activities that are taking place and the new ideas that they're bringing into the region and the potential that they hold for contributing to this much larger effort to strengthen education at all levels in the Middle East and North Africa. But, they also have a lot of challenges associated with them. And one is -- I think as anyone who's familiar with the Arab world knows -- creating a new institution or reforming an existing one is a very challenging task -- as it would be anywhere, but, I think, particularly in this region. There are also some questions, I think, about which aspects of American higher education can best be adopted in and adapted to the Arab world. And some of what we might think of is some essential

attributes or key features of American higher education are difficult maybe to implement in this region -- especially on a very broad scale. The first such attribute I would note is the decentralized nature and the autonomy that our higher education system has in governance -- how universities are governed -- in standards, in curriculum -- what's taught, who teaches it, how it's taught. And the U.S. system has been very decentralized and very autonomous from its very origins several centuries back. By contrast, in the Arab world higher education has in recent decades really been characterized by centralization, strong government control and, I think, a real reluctance to grant much, if any, autonomy to educational institutions, particularly those within the state system. And there's a lot of hesitancy about that on the government level to really make universities -- give them the autonomy that they really need to flourish. Then there's also, I think, a culture within the universities themselves where there's a very tight centralized control. And in some of our dialog programs, participants from the Arab world have been amazed to hear their American university president counterparts talk about how powerful professors and faculties and departments can be in American institutions and how much they can push back. And that's a model that really is not very widespread in a lot of Arab universities. There's also the different political context. Obviously, here our higher education system exists in an open Democratic system and in the Arab world, universities exist in countries that are somewhere on a spectrum of different forms of authoritarian or different forms of non-

Democratic control. That's not a value judgment. It's just a statement about what the political systems in that part of the world are and obviously -- like any part of culture -- education is profoundly influenced by the environment in which it takes place. A second attribute is the liberal arts model and the concepts at its core -- the idea of education creating a student as an individual and education helping that student become an active and questioning citizen, the idea of critical thinking, the idea of campus residential life. All these aspects of our liberal arts approach here are not necessarily so easy to translate -- transfer directly into the region. There's also the issue of the high cost of high quality education. And here in the United States, the high cost of education is a significant public policy issue. It's widely discussed. And it's something that has many students and parents and educators concerned. But nonetheless, we do have a system of financing higher education that includes endowments, government and private financial aid, alumni giving -- that sort of creates a foundation that supports our higher education institutions -- public and private. And in the Arab world these approaches are very fledgling. Some of them are very new and a lot of the new -- the newer private institutions - - those that have really been established just in the past decade or the past few years -- rely almost entirely on student tuition to finance their operations, which is a very precarious business model for those institutions. So there are definitely some concerns, some questions about the long term viability of some of these newer private institutions that are

consciously trying to adopt an American approach -- particularly those that are outside of the Gulf region, you know, countries where the resources are more scarce. Finally, there's the question of access to higher education and one of the aspects of U.S. higher education about which, I think, we can be most proud in the United States is the access that it provides to all members of our society. It's been a very, very long struggle and the original form of U.S. higher education like so many institutions in our country was exclusionary. But after many, many decades of work and struggle, now I think we can say that in the United States we have elite education that isn't just for the elite. And there are also so many good choices for students who are from non-elite -- community colleges. I mean we have 4,000 different colleges and universities in the U.S. There's a wide choice for all different types of students to get a very good education. And this openness and flexibility allows higher education in this country, I think, to play its unique roll as the greatest generator of opportunity for citizens in the U.S. In the Arab world, I think it's a different situation right now. I think the American-style initiatives -- I'll just put a big group of initiatives into that category -- are still touching a very small number of Arab students and those who are touched by these new -- these educational approaches are overwhelming elite. And there are some efforts to address this. David mentioned some of the really important things that AUC, for example, is doing to broaden access because these universities are expensive. But those are not very

widespread throughout the region. In fact, I think AUC has one of the most extensive approaches in that area and other institutions are certainly looking at how to emulate that, but it's not easy. And I think the larger question is really how Arab countries over time can develop high-quality education for all the young people who want it. In the face of, you know, trends that point to rising economic inequality and social exclusion in many of these countries, it's a real, real challenge. So, the question is really broadening this out. That's a very daunting prospect. There are two deeper issues that I wanted to point to. One is I think there's an interesting maybe difference in visions about the purpose of higher education among some in the U.S. and in the Arab world. In the Arab world, I think a real motivator for this reform effort that's taking place in higher education is to better prepare students for employment -- to help them find jobs and help them succeed in those jobs. And specifically the jobs that are available in the market place -- not jobs that aren't available that people are prepared with skills that aren't useful -- that people are trying to change that. So there's a very strong practical and professional emphasis in these reform efforts, which I think is entirely appropriate in the Arab world. But, in America, of course, the link between education and degree and someone's profession is much less direct and although there's been, from time to time, questioning about what is the purpose of our higher education system and it should be entirely driving people into jobs and all these other things that it provides about the development of

students and values and learning aren't as important. But generally speaking I think there's a consensus about our approach of really preparing students for their careers -- in a broad sense for adulthood, for citizenship in a broad sense. There is still some skepticism, I think, in Arab countries -- among government officials, among students, among parents who are key players in this whole situation -- about liberal arts education and will it really give my child what he or she needs to get a really good job. Well, what's really the point of this? What's the value of it? How much is -- how useful is it really going to be? So, it's just -- I think it's an -- there's interesting sort of difference in perspective on that issue. And I'll just mention quickly, there's an example I know of a prominent, private, independent Arab university that was founded a little more than a decade ago with an explicitly liberal arts approach. And this university was -- after a very challenging beginning -- was finally getting its sea legs and was really trying to prepare its students and give them an education that would be what we would describe as a liberal arts education -- a very broad education. And a couple of years ago, the government in this country commissioned a study of the economy and the jobs market by a leading -- actually U.S. -- consulting firm. And that consulting firm came in and said, you know, the growth in this economy in this country is in the IT sector. It's in the service sector. It's in engineering. There's no use for this liberal arts approach. This is just a waste of time and we should end it. We should end this school which had some support from the

government. And we should end this university and we should restructure the entire higher education system to directly lead to those employment outcomes and everything else is a waste of time. And this university was trying to survive and make the case that employers -- especially in the private sector in this country -- really found that graduates from this university -- even if their degree were in literature or history -- were so much better prepared to work in the private sector and take on these jobs than were students who had sort of a business degree or an engineering degree from one of the older, more well-established universities. But, it's a tough sell -- so -- in many quarters. So, that's my point. It's just the idea is still -- is still viewed skeptically. Let me just in conclusion briefly say a few words about what's happening on the U.S. side -- what U.S. colleges and universities are doing to become more involved in the region and David referred to this. In the last seven years or so -- really beginning maybe a little before 9-11, but really picking up pace since then -- there are many more American colleges and universities who are getting involved in the Arab world. And although there have always been some ties and some linkages between institutions here and in the region, the scale in the level of interest really is new. This interest results from opportunity I think -- an interest in the region -- sometimes in the form of financial incentives from Gulf countries that have a lot of resources to put behind the establishment of a branch campus in their country. But it also stems from other factors -- from a growing interest on American campuses

and becoming more international and becoming more connected to the world and specifically to linking more to the Middle East which is being understood as a really important region of the U.S. for American students and faculty to understand better. As David said, there have been a number of branch campuses of American universities opening in the Gulf. These are degree-granting institutions. You can get a degree from Georgetown or Cornell Medical Center in Qatar from the branches of those U.S. institutions. There are a number of joint programs that have been established. There are capacity building projects whereby U.S. universities are providing technical assistance to their Middle Eastern counterparts to help them reform their curriculum and do other kinds of changes. There are -- there's an increase in the number of faculty exchanges -- sending faculty back and forth and hosting researchers and scholars on both sides. There's been a very significant increase in U.S. government funded scholarships, fellowships -- both for at the faculty level, but also at the student level -- especially for studying Arabic. There are so many more opportunities now to study Arabic in the region at an Arab university with a fellowship provided by one part of the U.S. Government or another. This is a really important factor. There's been a huge increase in Arabic language study. I'm sure many of you are familiar with the study that came out last year by the modern languages association that said that Arabic is now in the top 10 of foreign languages studied on U.S. campuses. So there's a real interest in that and that leads

students to want to go to the region. And study abroad. American students studying in the region for credit has increased significantly. In the past two years, the rate of increase over the previous years has been the largest in the Middle East and North Africa of any region in the world. However, the numbers are still very, very, very small. In 2006, 2007, there were about 2,700 American students studying for credit in the region for which Institute for International Education was able to collect data. There are 240,000 American students who study worldwide. So this is less -- you know, it's about one percent. So the numbers are still very, very, very small. Even though the trend is an upward direction, you're still talking about a tiny number of American students. And these efforts have so much potential to benefit Arab universities and higher education institutions, but also to benefit U.S. colleges and universities and our society more broadly by spreading American values and also helping us understand this part of the world which is something that's so urgently needed. So, it's very much in our national interest. But many of these efforts are still quite new and it's unclear how many of them will be sustainable. I think the real test for these new branch campuses will be to see if they can become more than just sort of islands of the United States, islands of America and the Gulf. They will not survive if that's all they are. They need to create linkages to their societies and really become rooted in those countries and that's something that doesn't happen easily. There are a lot of questions about standards. If American students study at Arab

universities -- not AUC, but some of the less well-known ones -- will American universities give credit? Will they allow the transfer of credits back and forth because the standards and the quality are different? U.S. institutions need to be aware that becoming involved in the Arab world in a significant, long-term way requires a major investment of time and resources. It is not an easy undertaking and especially on the resource end. With the financial tightening of the belt that's going to be taking place, or is taking place on campuses across the country, this may drop off as a priority. There had been such a boom in the last five to ten years in international initiatives on campuses and this may be something that is difficult for university presidents who are really facing a tight budget to continue. There's definitely still some apprehension among university leadership and faculty about this part of the world. One university president told me, you know, well, the Arab world is very interesting. It's very important, but it's, you know -- it's politically unstable. It's dangerous. You know, there's still, you know, a challenge there. So, I think, in conclusion I'll just say that there's as I said at the beginning, there's so much potential for all of these efforts, but they're still very nascent. It's going to take a lot of commitment on the resources -- both financial and human resources level to make them succeed over the long run. Thank you very much.

DR. LORD: Amy and David, thank you so much for two very rich presentations. I'd like to ask you both just two questions and then

open up to the floor for the remaining time. The first has to do with higher education in the region and its role and the second has to do with U.S. relations with the region. The first question for you both is to look -- not just at the American universities, but at higher education in the region more generally -- and you know, when you look at the situation, it's a very daunting challenge. There's this twin pressure both to improve quality and to expand access. And these two things don't go very easily together. It's an extremely difficult problem especially when you have a big demographic bubble. Can you make some projections for us about how well the region is likely to cope with this challenge and is it going to be possible for these universities to succeed in increasing quality when they have these demographic and access pressures on them?

DR. ARNOLD: Short answer -- no. I think that there are some promising initiatives that are underway -- both in terms of standard setting and accreditation of existing institutions. Not necessarily following U.S. models of accreditation, but trying to introduce new competency-based approaches to assessing educational quality and outcomes that hold some promise over the long term of enabling the consumers -- students and parents in particular -- to be able to differentiate among the different institutions that are offering degree programs. That, I think, combined with the opening up of opportunities for private institutions of higher education in places where state universities have been the dominant, if not exclusive, source of higher education, to me holds some

promise of making tangible gains on the quality side over time. I remain somewhat skeptical though about whether you can make those tangible gains in quality at the same time you are running Cairo University with 250,000 students or Ain Shams University with 225 or Alexandria University with a mere 190,000 students. These are -- these are mammoth, massive institutions. And the -- the need, in terms of access, is probably to create different types of institutions that will serve different segments of the population. There are social status issues involved with being a university graduate. They used to be -- it used to be linked with jobs. The social contract was you go to university, you graduate and you get a government job. That social contract has broken down, but the social status associated with being a university graduate is still high and still great, which is fueling the demand for access. There are no good technical institutions, community colleges -- all the specialized kinds of other tertiary institutions that Arab societies need because there are actually jobs that are going unfilled in those technical arenas. But to get there, you both have to have the institutional mechanisms that will offer those options to students that don't necessarily have what it takes to do a high quality, rigorous baccalaureate degree. And you've got to begin to hammer away at the social status questions of being a university graduate versus going to a technical institution or another kind of a tertiary institution. So, I don't think you can do both things simultaneously with the existing institutional structures. I just don't see it happening. We've got to

invent some new things and create space for new kinds of institutions to come up.

MS. HAWTHORNE: I would agree completely and I think adding to the daunting challenges that David had just outlined is the fact that none of this is really happening within a vacuum. By that I mean there are also huge needs for strengthening education in Arab countries at the primary and secondary school level. And after all those -- it's that level of education that feeds graduates into higher education institutions of all sorts. And so, it's very challenging I think, as an Arab, a university leader, education leader in the Arab world or policy maker to figure out how to address all of these challenges, but also at the same time focus on the rest of the educational system because these universities ultimately will only be as successful as the quality of the people who are coming into them and there are huge needs at the primary and secondary level as well. So, it's a real simple endeavor by any means.

DR. LORD: And then the last question that I personally wanted to ask you both was about the U.S. relations with these different American universities -- especially the ones that are either American branch campuses or the American University of Cairo, American University of Beirut. You talked a little bit about the role that these universities play in bringing together students and scholars, but one group you didn't mention was the U.S. Government. What role should the U.S. Government play? What should that relationship be like? Should the

United States Government actually be trying to support some of these institutions financially or otherwise in order to help improve our relations with the Arab world or does the success of these universities come from a pretty, pretty distant relationship with the U.S. Government?

DR. ARNOLD: I think that part of the credibility -- part of what enables universities to play the kind of neutral convening or interlocutor role is that they are seen as independent. They are seen as academic institutions. AUC, for example, has been in Egypt longer than the U.S. Government has had official diplomatic relations with Egypt. There was no embassy at the time AUC was established. For most of our history, we were one of the few, if not sole, American institutions in the country. So, it sort of provides a level of standing that enables folks to see that this is not an arm of the U.S. Government. It's not an instrument of U.S. foreign policy. And I think it's critically important that universities -- whether the existing old, older, established, American independent institutions in the region or branch campuses -- continue to maintain that independence, that, you know, privileged position. But there are some things that the U.S. Government can do and has done that can really support American institutions abroad. Support for scholarships, for example, is -- I've alluded to the LEAD program -- Leaders for Education and Development. USAID is funding that. That has not in any way tainted either the university or the students that have been supported under that program. We've had longstanding support from USAID for various capital

projects, for purchase of equipments, for help in building libraries and things like that. And I think those sorts -- that sort of help can be very, very important especially as newer institutions are coming up and getting started. And there -- you know, there is a whole new generation of American universities abroad in places like Afghanistan and Iraq and Nigeria and other places that, I think, without at least some help in the early stages from U.S. Government sources, they're going to have a difficult time really getting established and getting started. But it needs to be done in a way that doesn't in a way interfere with the basic academic character of the institution, or in any way take away from its independence.

DR. LORD: And just a point in clarification, those capital projects that you mention -- libraries and the scholarships. Are they actually branded as funded by the American people or is it pretty unclear where the money might come from?

DR. ARNOLD: No, there's -- I think it 's -- has historically been, you know there are signs, there are stickers, the whole -- the branding is there and, I think, it's understood that this is capital support. It's not paying salaries or paying for the administration or that sort of thing. So it has a level of acceptance that I think if it was seen that the institution itself was receiving direct subsidies for operating costs, for example, it would probably be harder.

MS. HAWTHORNE: I think there is -- the U.S. Government can play a really valuable role in two areas with respect to this issue. First is funding support for scholarships and fellowships for students and faculty -- both at Arab universities to help them as David mentioned earlier expand and broaden the types of students who can attend their universities and also to help bring American students to the region to study Arabic and to teach as visiting professors. Those kinds of opportunities are invaluable. They're so important and when they happen on a scale at many different institutions and many different countries, the cumulative effect is very powerful over time of those exchanges and those educational experiences. So I think this is an invaluable role that the U.S. Government and others who want to support these kinds of things can play in the scholarship and fellowship arena. The second area in which I think the U.S. Government has a really important role to play is to continue to make American institutions of higher education open to students coming from the Arab world -- to continue to make it possible for people to get visas and to come here and live here and study at the undergraduate and graduate level in our institutions. It's not a surprise that many of the people in the Arab world who are leading some of these reform efforts and these innovations that we've talked about today were educated here. So they have a very personal understanding and a very deep appreciation of our higher education system and these are the people who are really best placed. Not Americans -- but Arabs who have studied here to transfer and

translate these concepts into their own society. So continuing to make it possible for students from the Middle East and North Africa to come here is, I think, one of the most important things that the U.S. Government can do.

DR. LORD: Okay. Thank you. Let's take your questions. If you could kindly introduce yourself and use the microphone.

MR. WILDAVSKY: Hi, I'm Ben Wildavsky with the Kauffman Foundation. I'm also a visiting scholar here at Brookings working on a book that touches on some of these questions, so it was very interesting to hear all the presentations. So thank you first of all. I wanted to try to -- if I could squeeze in a few related questions. You haven't spoken a lot about the role of women at universities and at American, excuse me, universities. I'm particularly struck by this because I just came back from Qatar yesterday and I spent some time talking to the President of Qatar University where classes are segregated by sex and then was over at Education City where, of course, men and women are in class together although they very quickly segregate again in the student lounge and so forth. So I'd like to just get your thoughts about that. That's been a sort of hot button issue for some critics of branch campuses, for example, here in the states. And that relates to the second two questions, you know, which is really the clash of cultures between the commitment to free inquiry that's supposed to be really at the center of American higher education and, of course, which is not so often at the center of the sort of cultures in which

these institutions are embedded. And I'm wondering how much of a conflict do you see that as being. And that relates to a place like Kaust, for example, in Saudi Arabia, which has been particularly controversial at places like Berkley, which has a partnership with Kaust. There have been a lot of protests and it has to do with the treatment of women, the commitment to free inquiry, the treatment of gays. All these things which, of course, you know are viewed very different in Arab societies than they are here. End of long question.

DR. ARNOLD: I guess that's me. I think -- I think you're raising a set of issues that are going to be wrestled by different institutions in each of the particular settings in which they're going to be working. Egypt is very different from the Gulf. I mean doing -- we have -- 53 percent of our students are women. All of our classes are coeducational. If you look at the summa cum laude's -- whether it's in mechanical engineering or construction engineering or physics or whatever -- the top students tend to be women. I think they allow men every now and then to take top honors, but the President's Club -- President's Cup which goes to the Valedictorian -- usually it's two or three women that are, you know, sharing the glory. And on the campus itself, it's very much mixed -- there's quite, you know, intermingling without the kinds of restraints or constraints that exist in the Gulf area. And I think on the clash of cultures question -- again AUC, partly because we have been around so long and partly because we do occupy this sort of privileged spot, there is a kind of a

deference extended by the Egyptian authorities to AUC. I mean there's -- some of it oh, it's those people. You know, they're different. Let them do their own thing. But, you know, we do have issues with censorship of -- I mean books that are coming into the country that have to go through government censors, of issues that are raised about curricula on occasion. There are -- there are government censors that approve theatrical productions. Anything that's staged publicly has to be feted with the government sensors. We operate in Egypt under the terms of a bi-national protocol between the U.S. and the Egyptian government and between the university and the Ministry of Higher Education. And that protocol gives us a lot of cover in terms of doing what we do and the mission of the university. But, we also are conscious of the fact that we are there as guests of the Egyptian society and so I think there are some basic rules and norms that have to govern your operations in another society -- even one where you've been there for almost a century. You -- we are still a foreign institution. We're a U.S. registered nonprofit, educational institution and we're operating in Egypt. So, we have to be true to both our academic principles and values and we have to be sensitive to the culture of which we are a part.

MS. HAWTHORNE: And I just want to point you to something that's in some ways I think even more concerning and if you want to take a look at our Knowledge Society Report that's on the webpage, it's very clear in the data. Actually, access to education

generally and to higher education for girls and women has expanded really quite remarkably in the Arab world over a relatively short period of time. But, when they actually graduate and go into the job market, women fall off a cliff. They just are in the job market in very small numbers. So, I mean it's particularly striking in science and engineering where the percentage of women students is actually vastly higher than in the United States. However, there are very, very few women scientists and engineers who are employed in the workforce. So that's a huge loss of productive knowledge that just disappears when people graduate. So, I mean, speaking from my personal perspective after studying this data for a while, that's the issue I'd point to as being a big concern.

MR. Eisendrath: I'm (inaudible) from the philosophical to the more practical -- by way of introduction, I'm Edwin Eisendrath. I'm from a consulting firm -- not the one that you've mentioned. But most -- much of our work in the last years has been with Kaust, a client, and others in the U.S. who are moving to the region. So everyone you've mentioned. There's a massive competition for human capital in these universities -- not just students, but faculty, administration -- and I'm just interested in your perspective on how in God's name you're going to keep up.

DR. LORD: Do you want to start this time, Amy?

MS. HAWTHORNE: I agree with you that it's a huge challenge facing these new institutions across the region, particularly in the Gulf, because they're --

MR. EISINGER: (inaudible) not just -- but they will pay anything to take your faculty. So I want to get perspective (inaudible).

MS. HAWTHORNE: Yeah. I think the financial incentives are important. That's not the only reason that would lead someone to live and work in a particular place, so over the long term we'll have to see what role those play. But it's definitely an issue and I know from a lot of conversations I've had with university leaders in the region, this is a big concern -- both in terms of indigenous talent and also bringing in talent from other countries.

DR. ARNOLD: I think you've put your finger on what I would regard as the -- the kind of largest single constraint that this movement is facing and that is faculty recruitment and development. There is going to be and we're starting to see increased competition not just in the fields you would predict -- IT, finance -- you know, those high, high demand fields, but as more and more of these institutions are offering a broad-based general education, there's, you know, challenge in the humanities and social sciences for English language instructors, for Arabic instructors. So I think -- I continue to believe competition is a good thing and it's a healthy thing for faculty to have choices about where they want to be and what they want to do. One of the things that we have tried and that has been really an interesting experiment and has worked quite well is we've recently developed a new post teaching fellows program, which we stole from the University of Chicago actually -- where we bring freshly minted

PhDs from very good places on three year contracts, non-tenure track appointments. We pay them very little. We work them very hard. They teach three classes per semester. We give them each a \$5,000 research stipend and housing and a trip home each year and we had over 250 applicants for the first six slots and I think we had 400 applicants for the next six slots. And they're stunningly good. And I think for a lot of young academics just coming into the field, the opportunity to come -- not with the idea that you're going to stay for your entire career -- they're going to get on a tenure track and you're going to teach in a university 'til you drop, but to come for a three year voyage of discovery, if you will, get some experience teaching, turn your dissertation into a book, come back for professional conferences, but really then come into the regular academic job market with that kind of experience behind you. That is I think proving to be a very attractive proposition and we're getting very good people coming as a result of that. So I think some innovation, some creative ideas like that may broaden the pool beyond folks that you would recruit just, you know, to come on a tenure track -- a typical tenure track appointment. And so I think we have to be a little more flexible, a little more creative, a little more imaginative in terms of how we get the caliber of talent that we need for different kinds of roles and jobs that faculty do -- not a one size fits all approach.

DR. LORD: Thanks. I bet you get professors at the end of their careers, too.

DR. ARNOLD: That too.

DR. LORD: Could you wait for the microphone, please?

MS. SAKR: Laila Sakr from Georgetown University, School of Foreign Service. You raised already the issue of access to those universities. My question is what is done concretely in order to attract those talents who have -- who are very eager to pursue higher education, but yet don't have the resources? Is there a myriad based approach that is considered? What is done to basically identify those talents and bring them in? And is there a quota for them?

MS. HAWTHORNE: Every university in the region that we've talked about handles this issue differently and it's a question of both I think resources and attention. All different colleges and universities are trying to build up their scholarship fund so they can increase the number of scholarships that they can give to students who can't afford to pay the very high tuition. And that's obviously the most important priority. But in addition to that, from speaking to some of my colleagues in the region, there are also some -- some class and socioeconomic challenges that can come from students who are coming from a different background into these very elite institutions and one institution that really worked hard to increase its -- the size of its scholarship fund, offered a whole bunch of scholarships and very few people took them in one particular country. Very few students accepted the scholarships, so then they sent out to find why and they learned that these students were nervous about going to

these -- this school which they thought was just sort of a bastion of the wealthy elite and they didn't think they would fit in and they felt very uncomfortable about it. And so then this university set off on a project to try to help these students feel more comfortable on campus. And once -- once they accepted and they got there, they loved it. But it's also these perception issues I think as well. So it's a multifaceted effort I think that has to be undertaken.

DR. LORD: Did you want to try that one?

DR. ARNOLD: No.

DR. LORD: I think we have time for about one more question. Yes, ma'am -- right in the back.

MS. HOZIE: Hi, my name is Kathleen Hozie. I'm from the State Department's Bureau of Educational and Cultural Affairs, which I may add supports and funds many of these exchange programs for both the elite students and primarily, in recent years, a focus on disadvantaged youth and students. My question is -- alludes to a discussion here on November 10th in which one of the speakers said that students graduating from universities had to wait numbers of years before finding employment. He referred to it as a waithood as opposed to adulthood. And I was wondering, Dr. Arnold, if you found among your students graduate from your university, if they're securing employment quicker than their counterparts in other Egyptian universities?

DR. ARNOLD: Let me answer by giving you an example.

We have each semester an employment fair where employers come and have booths on the campus to recruit both our graduating seniors and alumni of the university. So this year we just had the Fall employment fair about a week ago -- 10 days ago -- and we had 150 companies that sent 800 recruiters for a graduating class of 350 students. So they had -- the recruiters outnumbered the graduates by two to one. The graduates -- our graduates are in very high demand and that applies whether they're studying philosophy or they're studying, you know, mass comm marketing. The combination of English language competency, cultural competency, teamwork skills, problem solving skills, analytical ability is really a very attractive combination for both multinational companies and increasingly for Egyptian firms that are trying to break into global markets. So, our students don't typically go for a long period after graduation without jobs. Now, a number of them -- I would say about a third of them -- are going directly into family companies, family enterprises. So there's a segment of our graduates that are basically not on the job market because they're preprogrammed to move directly into the job that mommy or daddy has waiting for them in the family company. But for those that are in the job market, they are in very high demand.

DR. LORD: I think we are going to take one more because there was a little confusion. This lady in the back and then that will have to be our last question. We'll wrap up.

MS. MALONE: Hi. My name is Mary Malone. I was curious, are there other countries that are setting up schools as the Americans are in the Arab world? Like the French or Germans or -- and is there cooperation or competition or I guess, you know, an understanding amongst them?

DR. ARNOLD: I can speak for Egypt. I think what you would find in other Arab countries probably is somewhat similar. In the five and a half years that I've been at AUC, we've seen a new German university, established a new French university, a British university, two Canadian universities. The Japanese are coming. The Russians are coming. It's -- it's the gold rush. I can't quite figure it out. Now most of these are proprietary institutions. They are not nonprofit universities in the sense that we would know -- think of a private university. Typically they're set up by an Egyptian entrepreneur with some connection to one or more overseas institutions. The Canadian university -- one of the Canadian universities is connected with Cape Breton University. The British university is connected with that widely-known and highly-respected institution named Luftborough. How many people know where Luftborough -- but it's -- so these are somewhat tenuous connections with institutions in these other countries, but the label on the door says the French university, the German university, the this, the that. So that's the phenomena that we're seeing in our region. Now there are other institutions that are setting up branch campuses and if you go to Dubai, for

example, you'll find Wollongong University from Australia operating there. You'll find a British university. There is a British university in Dubai. There are several that are more serious either as branch campuses of other foreign institutions or being set up really as legitimate, nonprofit universities. So the U.S. is not alone. There's great competition now among countries for export -- I mean higher education as a service export. And if you can't bring the foreign students to your universities, then take your universities to the foreign students. And that's I think the model that we're seeing.

DR. LORD: And the last word is yours.

MS. HAWTHORNE: No. That's fine.

DR. LORD: Alright. Well, thank you all so much for coming.

I'd like to thank the Wolfensohn Center and the Middle East Youth Initiative for hosting us today, to our speakers -- David Arnold and Amy Hawthorne -- and, of course, to all of you. So thanks very much.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

Notary Public

351998

in and for the Commonwealth of Virginia

My Commission Expires: November 30, 2008