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THE GREAT BRAIN RACE: RISE OF THE GLOBAL EDUCATION MARKETPLACE

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P R O C E E D I N G S

MR. GALSTON: I am Bill Galston, a senior fellow in the Governance Studies Program here at Brookings, and I want to welcome you to this latest edition of our long-running hit series, Governing Ideas. This particular edition is brought to you with some assistance, which is very much welcome and appreciated, from the Brookings Brown Center on Education Policy.

Before I go too much further, let me explain very briefly for those of you who are new to Governing Ideas what the point of this series is. Washington, as you know, is awash in policy discussions, political discussions, political analysis, political gossip insofar as those two modes of discourse can be distinguished anymore in your nation's capital. After the White House Correspondence Dinner, I think there's been a seamless fusion of all of these modes. And too often the broader context for policy discussion and political analysis gets lost. But there is a larger context. It is a larger context made up of culture and religion, frequent topics of discussion in governing ideas; of political philosophy and political ideals; and also broad historical currents and trends, many of which are driven by profound changes in the nature of economic relations, both domestic and international, which brings us to the large question that we are here to discuss this morning. It is commonplace, which doesn't mean it's not true, that knowledge -- the generation, aggregation, and dissemination of knowledge -- is at the heart of 21st century economies from which it would

seem to follow directly that the institutions that are at the heart of that threefold process of generation, aggregation, and dissemination are at the core of the core. Indeed, it's fair -- I think it's fair to say that any 21st century version of the wealth of nations would begin with the idea of knowledge, its acquisition, its generation and dissemination, and that is the topic of today's very important book, which has already been the subject of widespread commentary.

The book, as you know, is *The Great Brain Race: How Global Universities are Reshaping the World*, a very bold claim, and no doubt that claim will be interrogated in the course of this morning's proceedings. And let me introduce you very briefly to the author and then the commentators on the book. There are full bios of all these distinguished characters in your folders, and I'm not going to waste time reading their bios, but let me just give you the high points.

Ben, you know, a wonderful colleague of mine in Governance Studies recently, is a senior fellow in research and policy at the Ewing Marion Kauffman Foundation, which is a leading foundation for the study of entrepreneurship, as you know, and also a visiting fellow in Governance Studies at the Brookings Institution. He's been well known in this town for a couple of decades as a premier reporter specializing in education and public policy for a range of major publications.

We have three fantastic commentators, and let me express publicly what I've expressed privately: my gratitude to these three very busy

individuals for taking out a chunk of their morning, indeed the entirety of their morning, in order to participate in this. And I'll introduce them in the order in which they will deliver their comments.

I think there's a spare seat right here, your usual seat as a matter of fact.

You know, John DeGioia is well known to the entire greater Washington community as Georgetown's 48th president, and I'll spare you his many accolades and honors and simply note his longstanding involvement in international and global issues having to do with higher education. He represents Georgetown at the World Economic Forum, the Council on Foreign Relations, U.S. National Commission for UNESCO where he recently served as chair of the Education Committee; and he grew up in my hometown. What could be better?

Second is Jamil Salmi. He's a Moroccan education economist and is the World Bank's tertiary education coordinator. I guess World Bank-ese for what we call higher education. He's the principal author of the Bank's tertiary education strategy entitled *Constructing Knowledge Society's New Challenges for Tertiary Education*, and he has been a global advisor in the area of education to governments of more than 60 countries around the world.

And, finally, someone else who needs very little introduction, Sebastian Mallaby, who is director of the Maurice R. Greenberg Center -- I'll have a sidebar conversation with you about Hank Greenberg -- for

Geoeconomic Studies and, more happily, the Paul Volcker senior fellow for International Economics at the Council on Foreign Relations. In 2003, as many of you know, Mr. Mallaby went on leave from The Washington Post to become a senior fellow with the council where he wrote a wonderful history of the World Bank under James Wolfensohn. As you know, Mr. Wolfensohn has endowed a center in his name here at Brookings, and I guess he survived your book, Sebastian, but just barely. And his next book has the wonderful title of *More Money Than God: Hedge Funds and the Making of a New Elite*. It will be released, according to my information, next month, and I hope to get a very early copy of the book. The title makes it a must read. As you know, before joining the Post in 1999, Mr. Mallaby spent 13 years with The Economist and made quite a reputation during that period.

Let me, as the final part of this introduction, just briefly walk you through the choreography so that you know what to expect between now and 11:30. We will lead off with a presentation by the author, Ben Wildavsky, after which all of us will troop to the riser, and the three commentators will deliver their comments at the podium seriatim, after which they will be seated. There will be a 30-second technical pause while we're all mic-ed up with lavalier mikes. There will then be a moderated discussion, which I will either cut long or short depending on how rigorously the speaker and commentators adhere to their assigned time limits -- and you know what they are -- so that in any event there will be plenty of time left for Q&A from the floor, a discussion that I will moderate.

So, without further ado, the man of the hour, Ben Wildavsky.

MR. WILDAVSKY: Thank you very much, Bill, for that kind introduction, and thanks to Bill and the Governing Ideas series, for co-sponsoring this event, as well as Russ Whitehurst, the director of the Brown Center on Education Policy, which is the co-sponsor. I'd like to thank, of course, Kauffman Foundation for making this book possible, and my employer, and also the Brookings Institution, where I've been a guest scholar for several years, and it's really been a wonderful home away from home.

Now, one of the great advantages of being at Brookings is that you get advice from wise colleagues like Bill. And one of the things Bill told me is that when you're addressing an august audience, such as today's, it's really important to start with pictures of cute animals. So, I got some monkeys to kick off our discussion this morning. And I came across these guys in Southeast India. And I was staying at a guesthouse and this is actually taken from the balcony, and as you can see the cuteness quotient is very high, but it turns out the monkeys have a dark side. I found out after I'd been in the guesthouse about a day that if you leave your windows or doors open while you're away, they'll come in and they'll trash the place. So, you know, the lesson I think is that things aren't always what they seem, and the same is true of this setting.

This is in a national park. It's absolutely gorgeous. There's not only monkeys, but deer running around. There's these magnificent

banyan trees all over the place. But it turns out this is the campus of an elite university, the Indian Institute of Technology in Madras, one of a network of IITs that are often called the MIT of India. You see their logo up there. And not only is it in this congruous setting, but it's very much connected to this sort of global network of ideas and talent mobility that I'll be talking about this morning.

My first day I went to visit the director of the IIT Madras, a guy named M. S. Ananth. Here he is. And he'd just come back from Davos in Switzerland, where he'd been part of the annual, you know, global confab. He was part of the higher education working group headed by Rick Levin, the president of Yale. And as I walked around the campus and I went to places like the career office where you see sign-up sheet for interviews with Google, interviews with McKenzie. And then a little bit further down the hallway, I saw a big poser advertising graduate scholarships for KAUST. KAUST is the King Abul University of Science and Technology, a brand new, very well-endowed science and technology graduate institute in Saudi Arabia. And this sort of scene is really something that I came across over and over again during my research for the book, and, you know, this is quite different than what I expected.

When I started working on the book, I had in mind a sort of cook's tour of the world's best universities. I thought I would do a series of profiles, travel around the world, and, you know, perhaps that could have been a good book. But after a couple of months I decided that there was a

much interesting story, and the story that I really stumbled upon -- in Shanghai, actually, talking to a lot of people at a conference there -- was that we're in the midst of a sort of shaking up of the old order of the world's universities. And, you know, I realized that this was really a very important change and that's what I ended up trying to write about, and today I'm just going to give you a brief taste of what I discovered. I'm going to tell you what higher education globalization is, what some of the central characteristics are, why I think it's important, why some people are worried about it, why I think they shouldn't worry about because what I call free tree in minds is really a great opportunity and not a threat.

Now, these are some of the quick highlights I'll talk about. The first is huge academic mobility around the world; the second is this huge quest to create world class universities all over; and the third is something near and dear to my heart as the former editor of The U.S. News and World Report college guides, global college rankings, which are spreading like wildfire.

Now, what's happening with academic mobility? The first thing to say is probably that it's just become enormous. We now have about 3 million mobile students around the world, students studying outside their home countries, and that's not study abroad kids; that's people going for a year or more, often degree-seeking students. That's an increase of 57 percent in just the past decade. There is very intense recruiting for these students at the high end, if you like. Post-docs and graduate students really

form the backbone of the research enterprise everywhere, and so everyone wants the best students. At the same time, undergraduates are very important, really for two reasons. They often provide a source of revenues. They're often what's called full-pay students. At the same time, they really are also a source of very valuable human capital.

And the recruiting is so intense that some places have resorted to somewhat unconventional recruiting tactics. A few years ago, New Zealand came out with a sort of viral video, and one of their big target markets, as they compete with Australia and other places, is Asian students. So this is a still from the video, and you'll see the -- here we go. Hmm, well, I'm not sure why this isn't coming up. Oh, there we go. You'll see -- it's a little dim, but there's a couple of students making out in the corner of the hot tub. Over here you see the disapproving parents, presumably of one of the members of the couple looking on. And, of course, the caption is, "Get further away from your parents." And it turns out they withdrew this after not too long. So, perhaps it was too hot to handle. I'm not going to show the video itself, which is a bit steamy. But apparently it was very successful, because if you look at the growth rates in foreign students, New Zealand has done remarkably well. (Laughter) So, this tells you, you know, we know that marketing works.

Now, in addition to mobility of students, you know, we actually have seen mobility of research itself, and there's a lot one could say, but one snapshot is that there has been a doubling of cross-border scientific

collaboration. In just the past 20 years, campuses themselves have become mobile. But what we've started to see is the creation of what are often called branch campuses or satellite campuses all over the world. There are now 162 of these campuses, and again a huge increase that's up 43 percent in just several years.

And the typically Western campuses that go to the Middle East or that go to Asia, and, you know, it's really because there's huge demand for Western-style education. I'll just give you a little snapshot, and with apologies to President DeGioia, this is not one of your campuses, but this is this magnificent building on the edge of Doha in Qatar. It's part of a complex called Education City, where a number of American universities, including Georgetown, have really small outposts, but they grant full degrees from each institution. And this is sort of like a -- it looks almost like a temple. These are these very expensive buildings. They're made of marble and other fancy stuff. You know, you look at a dory like that, which looks like something out of an ancient temple, and it opens up and three young women come out in black abayas from head to toe, and at the same time, you can't see it right here, but you look around and see these big banners saying: Welcome to Aggieland. And, of course, that's because this is Texas A&M and they're attempting to bring a little bit of College Station over to the Middle East. And, as I said, you know, Georgetown has a branch there; the School of Foreign Service; so does Cornell's medical school; so does North Western's Medill School, and so forth.

So, all this mobility has caused some anxiety for a number of reasons. One of them is brain drain, which we've heard about for several decades, the notion that students, the best students, particularly from developing countries, really entirely go to developed countries to get education don't come back. And you know, one example of the sort of measures, unwise measures, people have taken in response: The president of another of the IITs in Bombay a couple of years ago actually banned students from doing overseas internships. Because they're so much in demand, he felt that he wanted to keep that brain power in India.

Now, I really feel like these developments are not something to be feared, but they represent a very healthy sort of free movement of talent around the world based more and more on merit. One of the things that it's important to understand is that we're not in a static higher-education world. We're more and more in a dynamic world where, yes, I mean brain drain is certainly a problem. I would not by any means deny it. But I think we're seeing new patterns. You'll see, for example, Indians and Chinese may start in their home countries, go overseas for a first degree perhaps, go to another country for a second degree, and then return to their home countries perhaps to work for a multinational. So, you see more trajectories like that, and people sometimes call this new trend brain circulation, or the brain train, to distinguish it from the previous pattern that we've talked about.

And I'll give you a great example of the faculty level: a guy named Choon Fong Shih, who started with a sort of conventional trajectory,

you know. He started in Singapore where he was born. He went to Canada for one degree. He went to Harvard for his PhD, but became a very well-respected material scientist, became a professor at Brown. He then was recruited back to Singapore to have an Institute at the National University of Singapore, a fast-growing place, and then became the president of NUS. Whereupon, after a few years later, he was recruited to Saudi Arabia where he's the first president of KAUST. And so he, in some sense -- I wouldn't say he's a typical example necessarily, but he's emblematic of the sort of possibilities that we're now seeing.

Now, you might say that the surge in student mobility or, to a smaller extent but a growing extent, faculty mobility is maybe not so difficult because these are decisions individuals make. You know, a lot of them have started making these decisions. But what's much harder, I think, is for institutions themselves to change. You know, universities are notorious for being resistant to change and for being slow to do so. But, really, it's remarkable how much we've seen universities change in response to globalization I've been telling you about. And, you know, Bill really touched on this earlier. People see universities as a pathway to innovation and economic growth, and one of my favorite quotes comes from a book that came out a couple of years ago, "Human capital and volume wants people as the most fundamental part of the wealth of nations." So, universities are recognizing that, and countries are recognizing that. So, places like China, for example, it doesn't just want to send students overseas. It doesn't just

want to be a host of branch campuses. It wants to build its own great universities.

So, there are really three ways that various nations are doing this from Saudi Arabia to China to South Korea to some countries in Western Europe that are trying to regain their lost luster, places like France and Germany. So, one thing is spending. You know, countries are putting a lot of resources into creating great universities. China has put billions into a number of universities not only to improve quantity. I put "quadrupled" in my book; it turns out they've "quintupled" the number of students in the past decade. They're also trying to become a serious player in global science in Saudi Arabia. King Abdul put in $10 billion to start KAUST, which instantly gave it the sixth largest endowment in the world. They're also recruiting very heavily. In China they're trying to get overseas Chinese to come back. They are often called "sea turtles," which in Chinese is a homonym for returnee. And then there are (inaudible) partnerships. A place like Singapore is a great example to build up what they have. The way you jump start that is you have is often to work with other places, so Singapore has brought in the University of Chicago Business School, MIT, many other foreign universities are now part of National University of Singapore, and they're trying to become usually a global highlight academic hub.

So, again, there are some worries about this. The worries, fundamentally in the West in general and in the United States in particular, focus on this notion that we are losing our edge, that we may no longer be

number one as we've been really since World War II. It's become common to fret especially about Asian universities, about Chinese, South Korean universities producing a lot of PhDs and in subjects like engineering, other science subjects. This came up during the last presidential campaign when President Obama, for example, talked about how can we stay competitive when all these countries are surging ahead of us in their PhD production, and the basic premise seems to be that if others are getting ahead, we must be falling behind. And here again I think that this is really fundamentally mistaken, and we should embrace these changes and not fear them.

It's absolutely true that we're in a very competitive environment. Western universities are getting a run for their money. But I think the fundamental thing to understand and really a central theme of my book is that increasing knowledge is not a zero sum game. There's not a finite amount of knowledge in the world that we all have to fight over. If are were more smart people in China with PhDs, that's good for us. It's not bad for us. You know, economists often describe knowledge as a public good. It's something that, again, it can't be contained with the national borders. It's available to everybody. And, you know, it's something that we can all capitalize on wherever we live.

Now, I've talked about ways in which very a competitive global high education marketplace is developed, and markets and education, like other kinds of market, need information in order to function. So, perhaps inevitably, mobility of students and competition for world class status has

been accompanied by a proliferation of college rankings.

Now, I'm going to just touch on this briefly. We may come back to it if you like, but I don't want to cut into the rest of our time. There's been huge growth in college rankings, and they've been around for a while, but in recent decades the U.S. News rankings started in 1983, they became enormously popular and enormously controversial. They were followed by rankings in more than 40 countries over the last couple of decades, more than I ever realized, and not just places you might expect, like Canada or Italy, but places Kazakhstan or Peru, which now have their own national rankings.

But the big breakthrough was probably seven or eight years ago when a Chinese university -- Shanghai Jiao Tong University -- came out with global college rankings, followed the next year by Times Higher Education, a British publication, and those, you know, quickly became extremely popular. I'll just show you very briefly the two rankings, and this audience, I'll know you'll all want to be looking for your alma maters here. At the top 10 level they're actually quite similar, although interestingly the British rankings seem to have a few more British universities in them. I suspect that even though these are all similar that in 50 years things may look quite different.

Now, again with rankings, you know, people are quite worried, and in general the criticisms -- they focus on the wrong factors. They create perverse incentives. They don't really measure the effectiveness of

universities. And if you really hate university rankings, if you really hate them, as a place like France does, to generalize, people will come up with counter-rankings. So, one of the French *grandes écoles,* one of the elite universities in engineering, a place called Paris Mines ParisTech which is probably the best engineering school, they came up with their own rankings. It rendered this wonderfully tautological headline in one of the higher ed publications: "The French do well in French world rankings." So, rankings are, you know, contentious. People try their own workarounds.

But ultimately I think rankings are very useful, and they're a work in progress. You know, I think they have a potential to be useful to students, to universities themselves, to policymakers. Whatever their weaknesses -- and people like Jamil have made this point -- rankings are not going to go away. We're in the age of accountability. People want these kinds of yardsticks. The challenge is going to be to make them better. And fortunately, groups like the OECD and others are trying new approaches. They don't always call them rankings, but they are trying to come up with a more fine-grained assessment of student learning on campus, as well as better measures of research.

Now, just in conclusion, I've talked about these three phenomenon -- mobility, world-class universities, and rankings -- and before I finish I just want to reiterate that in spite of the anxieties we sometimes hear, I think it's absolutely crucial that we reject academic protectionism in all of its forms. As I said before knowledge is not a finite resource. It can

benefit everybody. It is an opportunity and not a threat.

Now, the last thing I want to say as we look ahead to the future of global higher education is that the whole us versus them paradigm that we tend to see things through, especially in the United States, I think is increasingly out of date. We already have international research collaboration growing fast. We have all kinds of partnerships across borders. There might be whole new ways of organizing universities in future years. We may see mergers, the university equivalent of multinationals. John Sexton, the president of NYU, talks about the idea of global network universities where you might start in Abu Dhabi and then continue in Shanghai or start in New York and then go to Abu Dhabi, etc. We just don't know what's around the corner. But whatever happens, I'm absolutely convinced that education really is key to innovation and economic growth and it will get there through the freest possible movement of people and ideas around the world, both in universities and beyond. It's a very exciting time, and I'm looking forward to seeing what happens next.

Thank you. (Applause)

MR. DeGIOIA: Well, thank you very much for the opportunity to be with you today. And I want to begin by expressing my sincere appreciation and congratulations to Ben for a terrific book that describes in beautiful detail the challenges that American higher education is facing at this point in our history. And I thought what I might do is give you a little bit of a sense of how some of the very trends that Ben captures in the book

play out in the life of someone like myself.

I'm in my ninth year serving as president at Georgetown University, and by any metric we are what would be described as an international university. We have students who come from 138 countries on our campus. More than half of our students will study abroad as undergraduates. We have programs for study abroad for our law students, our medical students. Any metric, any measuring rod you want to use to characterize an international dimension to a university we've sort of met that characteristic of our history. In fact, at the time of our founding in 1789, 25 percent of our students came from Europe. So, we have that sort of in our being as being international. As what's emerged, as Ben has so aptly captured in his book, is that a new set of questions have emerged over the course of this last decade, and the work that I'm asked to do today is very different than the work that I began nine years ago, and the presenting question is what does it mean to be a global university?

If we think of international on one line and you just move the graph up a little bit with a different line and you put that line as global, there's different between being an international university and being a global university, and we're all trying to figure that out. There's no roadmap, and we're unsure of what it means to be a global university. But if there is going to be one, we think we want to be a part of that transition, and so we're trying to figure that out.

How are we doing that? Well, there are three questions that

have emerged for us s we try to evaluate new opportunities, new programs, and new projects. The first question: What does this opportunity mean for our basic business model, our basic economic model for delivering the work of the university? Is there revenue to be generated in a way that might make a difference in our ability to invest in our core programs?

One of the concerns I think if you bring -- I'm part of the working group that Ben made reference to that Rick Levin chairs. We meet with some frequency, and I think we're all at the table to make sure each one of us is checking out what everyone else is doing, because none of us wants to lose in this race, and at the same time it's unclear what winning looks like. But we are asking ourselves the question what does this mean for our core economic model? Because if there is a global university that can generate new revenue, we want to ensure we have the ability to generate that revenue and invest in our core.

The second question is what does it mean for our core? How does it enable us? How does this engagement, wherever we might be, enable us to strengthen the quality of the experience for our students and our faculty? We want to ensure that they have the opportunity to do their best work, to do this and become their best selves. Are we providing those kinds of opportunities?

Just one anecdote. A year ago we had 500 students studying Mandarin among our undergraduates at Georgetown; this year it's 700. We know we've got to create some new opportunities, and we're tying to sort out

what kinds of opportunities will make the most sense.

There's a third question that we ask ourselves, and that comes somewhat out of the identity of the university being a Catholic and Jesuit university 220 years old, and that is, what is our responsibility to those who are being marginalized in places where we're trying to harness these forces of globalization to our advantage? We know that we have opportunities being in different parts of the world. How does our engagement there enable us to address the needs of those who are being left behind by some of these same forces?

And this leads us into what has evolved over the course of the last 20 years as the work in human development, and we do believe that over these last 20 years a new logic has evolved, really emerging out of the work of Professor Amer Thiessen and the creation of the human development reports and the United Nations Development Programme.

There is a role for universities in human development, and with half of the world living on less than $2 a day, we believe that part of our global engagement must be cognizant of this need for human development.

There are a couple of tings that we've done to try to live out these questions, projects, initiatives, programs that we've taken on, and Ben highlights one of them in the book, and that's our campus in Doha. We were the fifth school into Education City. We followed Cornell Medical; Carnegie Mellon, which is there with management; Texas A&M with petroleum engineering and other forms of engineering; Virginia Tech, which has been

there with design. And then following us, Northwestern came in with communications and journalism, and we've been on the ground now for five years. I will go -- Thursday night I'll fly to Doha to preside over a commencement exercise for our second graduating class on Saturday in Doha.

It's been a terrific experience for us, and just a word about how that evolved for us. We were approached to join these other schools in Education City, and there were a couple of things that emerged that led us to say yes. The first was it enabled us to pursue our mission, engage our mission in a part of the world we've never been before with students that we wouldn't likely ever be able to bring to our campus here in Washington. Two-thirds of the students we're educating are women; and two-thirds are non-Qatari. So, it's -- we have students from 22 countries all meeting in Education City. We're educating a group of folks we wouldn't have an opportunity to educate before, and it's giving us an experience of being in a different part of the world trying to figure out how to do this work. We have 38 faculty on the ground for 160 students, and 21 of those are faculty we've hired for that program and 17 we bring from here in Washington, and those change from year to year. It was the mission.

We also had a very enthusiastic dean in Robert Gallucci, who was the dean of the School of Foreign Service at Georgetown at the time we got involved. And Bob had a passion to take on this project and did a fabulous job in launching it, and then finally it was for us a way of testing

what it was like to work in this kind of context. It was an effort to try to test some of the assumptions of what it means to be a global university. We probably have another, oh, half dozen or so projects like that in different parts of the world that we're exploring, and I'd be happy to discuss those a little bit later in our conversation. But I hope that gives you a little bit of a feel of what it's like right now in the context of one university coping with some of the very forces that Ben has identified in his book.

Thank you very much. (Applause)

MR. SALMI: Good morning.

Ben, in your very well-researched and stimulating book, you rightly reminded us that academic ability is not a new trend, that 900 years ago students from all over Europe would converge to Bologna, Paris, or Oxford; and you could also have mentioned that on the other side of the Mediterranean Sea a similar movement was happening with students from all over the art world going to, as I do now, with the university in what is called today Tunisia or in my own country to Karaouine in Fes. But as your book rightly underscores, the phenomenon today has reached an unprecedented scope and taken multiple facets. And, in fact, as I reading your book I realized that if it were not for global higher education, I would not be here today. I would not exist because when my Moroccan father wanted to continue his studies in the late '40s, he realized that there was no modern university in Morocco, because the French did not believe too much in educating the natives. So, he had to go to France, and that's where he met

my mother and that's -- so, basically I'm a product of global higher education. (Laughter)

Now, what I would like to in my brief comments today is to focus on three of the topics that were in the book: the excesses of globalization; the challenges of establishing world-class universities; and some of the positive consequences of this phenomenon.

In South Korea today, many parents have surgery performed on their children to cut the little skin that ties the tongue to the mouth, thinking that this will improve their English language pronunciation. Now, obviously my parents didn't do that for me. But without going to such extremes, as Ben outlines, people all over the world are obsessed today with global or national rankings. And you see that in university presidents, employers, academics, and, of course, the students themselves who want to go to the most visible institutions. And this explains some of the phenomena that Ben mentions, for example, this "killer" extinct that the Indian students who want to pass the IIT entrance examinations need to have to be successful, because it is indeed, I believe, the most competitive entrance examination in the world. And then as a result of this global competition, institutions and people are involved in what is the title of the book, this global brain race, this global talents war.

I remember a few years ago visiting the Posco in South Korea, which is the -- it's the world's second largest steel industry. The founder put on there, the gate, you will see these quotes, "The 21st century will be an

age of technological warfare between corporations and nations." And, in fact, he went on to establish what is now one of the best science and technology graduate schools in Korea, called POSTECH.

And as tertiary education institutions try to attract students, foreign students, sometimes they start diluting quality or even cheating, and we have, sadly, many cases of even Australian universities having not -- lower standards in some of the East Asian campuses. Recently there was a big scandal in Romania, and some of the Eastern European universities are very good now in producing medical -- having good medical schools. Much cheaper in terms of the cost, but sometimes it's even cheaper in terms of the quality. In fact, there were these Italian students who became brain surgeons without having set foot in any university.

Now, when we look at their recent experience with world-class universities, we see some common mistakes or elements of vulnerability. Let me just summarize them very quickly. For an example, the idea that if you erect beautiful buildings somehow the magic will happen and you will have a beautiful university. Many times we see that people think about curriculum design and pedagogical approaches only after building the facilities. Or they assume that you can just import institutional arrangements and content from somewhere else and it will fit into your environment; or in terms of business model assuming that -- or forgetting that you need to look at the total cost, not only building, but running the operation. Forgetting -- and that's one of the problems in the Middle East that I've seen is to -- it's

very nice to bring all these foreign academics, but if you don't build up local capacity, this is not a viable long-term solution.

And but not least, let's not be complacent about our strength. Ben mentions these very highly regarded IITs in India, but right now they are facing a big problem because they are losing academics to the private sector and that's a big challenge for them. Or even if we think about Oxford University, you may have been aware of the difficulties that the vice chancellor imported from New Zealand had in trying to reform the governance. And in fact, he's leaving, but the problems are still there for Oxford.

But let me finish with some of the positives that Ben outlined and which I share. First of all, we have to recognize that it means increased opportunities for academics and for students. My daughter is about to finish her PhD in the U.K., and she's now applying for post-doc and jobs all over the world. It's really many more opportunities.

And then the competition puts pressure on both institutions and countries to, again, avoid being complacent. Ben mentioned the French. I'm flying tonight to Paris because I've been invited by the French senate to a roundtable on rankings, and just the title of the event is very interesting because it's called "Forget Shanghai." (Laughter) One great advantage is that now we can really accelerate the process and catch up very rapidly.

One of the fascinating examples I've seen in recent years is

the relatively new Hong Kong University of Science and Technology. It's 20 years old, but it's already very high up there in the rankings because they have done a great job. And the key to their success is that they brought from the first university president to the -- all the academics, and with the right mix of experienced researchers and teachers and younger researchers from all of Chinese who had their career in the U.S., in Canada, in the U.K., and Europe, they brought them back and somehow able to -- that jelled and they built this fantastic university.

Through long-distance research we can bridge the gap between the financial and the digital gap between poor countries and rich countries. Multicultural and global education, hopefully, will help us create a more tolerant world towards those people in societies that are different from ours. And world-class universities cannot function without academic freedom, so, hopefully, that will challenge countries -- you know, Singapore and China -- to evolve in the right direction.

And I was really -- I couldn't believe my eyes. I'm pleased to see -- you may have read last week about the creation of the first international university in North Korea, and the Pyongyang University of Science and Technology opened its doors this month. And hopefully, it will be a place that opens minds rather than producing more people with a narrow view of the world. I remember the words of Supreme Court Justice Oliver Wendell Holmes who told us that the mind that is stretched to a new idea never returns to its original dimension.

So thank you, Ben, for stretching our minds. (Applause)

MR. MALLABY: Thanks very much. I have the fun task of being the last speaker, which means everyone's heard everything already and drifting off to sleep and so forth. So, I may take a slight different approach to this book talk, which is to start with a story. And my story is about a professor called Gavriel Salvendy, and he's been a long-time eminent engineering professor at Purdue University. But for the purposes of this meeting, the key thing is that he is globalization personified. He is Hungarian, Israeli, American; and he heads an American faculty at Tsinghua University in Beijing; and he's also, as well as being globalization personified, perhaps not entirely a normal person.

I spent a couple of days with him recently, and the first thing I noticed about him is that he couldn't find his way back from his apartment to his favorite restaurant 10 minutes away. He would get out of the restaurant, produce his keys from his pocket and start clicking at random cars in case they might be his. He had a spanking black Mercedes, the kind of car you wouldn't forget easily, but he was doing this at Hondas as he went along. So, he was sort of a caricature, the eccentric, absent-minded professor.

A further eccentricity was that when he wanted to find somebody's name in a directory of engineers, he gave me the directory to look it up because he couldn't do the alphabet. He didn't remember what order letters go in. And he attributed this to his upbringing, which was, admittedly, a little bit unconventional. His earlier childhood was disrupted by

the Nazi occupation of Hungary, which forced his Jewish family to hide him in haystacks and go on the run. He later moved to Israel, where in his teens he dropped out of school because he wanted to be the Israeli weight-lifting champion. So, he never got a high school diploma. Instead, he got the medal for weight lifting and then started traveling around Europe, fetched up in London with not much money and not much English either, and started working in a factory, and that's where his genius started to emerge because had a natural talent for redesigning the factory floor to make it way more efficient. He changed where the machines were positioned. He changed the design of the spare parts so that they became very interchangeable. That reduced the amount of inventory that you had to hold. And if you know about just-in-time production, less inventory means less capital is tied up in these widgets on your floor, so your financing costs go down. And the factory was transformed. And an engineering professor at Birmingham University heard about this, this innocent savant who had transformed this thing. And he went to see this crazy Israeli -- he was 24 or something -- and said never mind the high school diploma that you don't have, the bachelor's degree that you don't have, and the fact that you don't really speak much English. Come and do a PhD. (Laughter)

And Gavriel Salvendy came and did a PhD. He completed the PhD in two years and then went on the job market, and in an early example of academic globalization was offered a position in the United States and then began a career in which he published more than 200 peer-reviewed

journal articles and edited and wrote more than 30 books.

And then comes the part of the story which gets directly to what Ben has written about where Tsinghua, the MIT of China, decides it needs its own faculty of industrial engineering and it doesn't have any seasoned industrial engineers to head this faculty, so they're going to send a delegation around the world, and particularly to the United States, to find the right guy. And pretty soon Gavriel Salvendy emerges at the top of the short list. He's offered this job. He takes it and goes to China, and he's assured, of course, that the salary scale normally paid to Chinese professors will be torn up and thrown in the trash and he will be paid 20 times or something what the average salary is. And they can do this at Tsinghua because the engineers at Tsinghua have no difficulty raising corporate growth from Western companies, and if you've got Western companies giving you money, you can pay Western salaries to your professors.

So, picture this scene. In comes this globalized Israeli Hungarian American professor. We're talking a big guy, 6'5" or something, ex-weight-lifting champion. He walks into this very conformist, button-down, rather conventional, sort of culture of a Chinese university where the head of the university is, of course, part of the Communist Party hierarchy. It's a fairly sort of straight down the line kind of engineering culture. And here is this big guy who never wears a tie. He tells me he doesn't own a tie, except one black one for funerals. And he is invited into the family at Tsinghua because the Chinese are so determined to create the world-class university

that Ben writes about in his book. They are doing exactly what Ben describes. They are so fixated on getting this right that they will let him come in, this crazy big guy who speaks English with this rasping, Israeli accent at this huge and energetic pace. And even though they probably can't understand half of what he says, he basically is allowed to totally redesign the way they operate.

So, he starts off by saying (inaudible) published now in American peer-reviewed journals because scientifically the rest just don't count for much. That means you have to write in English. And actually I want you to teach all the graduate students in English because otherwise how are they ever going to be able to publish in English? And I think you should probably try the undergraduates in English II. And when you pick your research topic, don't pick something that's already -- where the ground has already been plowed by some foreign scholar, but really go out on your own, break new ground, take a new direction. That's how you create real knowledge. And so he did everything, which the Chinese were not used to doing, and they accepted everything he advised them.

And I went to spend four days at this faculty just in March, and they've essentially turned the whole thing around to the point that now the children of the engineering professors at Tsinghua who make it into the competitive exam and come to Tsinghua as students are all applying to be in this particular engineering faculty, the industrial engineering faculty, because it has a reputation for being the happening place where you are taught to

think creatively, where there's a lot of exchanges, where your professor might be Taiwanese or South Korean, your fellow students will be perhaps German. There's a huge exchange program going on with Aachen University, which is one of the better engineering programs in Germany. And so, really, a kind of world-class -- exactly as Ben described in his book, a world-class university faculty has been created over the last decade by a combination of the eccentric globalized professor and the determination of the Chinese authorities to just lay themselves open to whatever the global standard requires.

So, I guess the point I'm trying to make in this roundabout fashion is to say that what Ben writes about in his book is really happening in real time. In my travels around the world I've seen it, but I haven't seen anyone describe quite as carefully and as well as Ben does. And so reading his book I have here a few -- if I've got the right page in my notes here, let's see.

So, you know, I think Ben describes a variety of phenomena where the same kinds of reform that will be going on at Tsinghua, which I witnessed, were going on elsewhere, so whether you're talking about universities in Singapore or the universities in China, Saudi Arabia, South Korea -- these are only examples from Ben's book. So the push to have scholars spend more time on research and publishing international journals, that's something that Ben wrote about, too. If you don't publish in three international journals, you may lose your job at some universities. Tenure is

rewarded to very few professors in order to encourage competition.

As early as 2004, China ranked fourth in the world in terms of scientific papers published, and we can be pretty sure that would have risen up the rankings since 2004. China now takes in more foreign students than China sends abroad, an absolutely stunning fact when you think about the way that people always cite the high proportion of Chinese students in American graduate science programs.

Ben reports that top private universities in South Korea, Yonsei, has created a liberal arts college that teaches entirely in English, much as what I witnessed at Tsinghua. The Korea Advanced Institute of Science and Technology is deliberately trying to foster creativity in students, not just the acquisition of knowledge. Again, that's something that Gavriel Salvendy's engineering department is focused as well.

And, finally, I was struck by the factoid that Nanyang Technical University in Singapore has hired the former development director from an American college to build an American-style endowment.

So, as Bill mentioned at the beginning, I've just completed my own book on another aspect of globalization -- financial globalization -- seen through the prism of the larger-than-life characters who run hedge funds. And I think it's a fair bet that these same larger-than-life hedge fund characters will be managing the endowment of the University of Singapore if it gets to any size that's large enough to make then be interested.

(Laughter)

But I think that although financial globalization has been massively in the news, academic globalization is a topic about which we will hear a lot more. And as we do hear more about it, we'll be all very grateful to Ben Wildavsky for having taught us how to think about it.

Thank you very much. (Applause)

MR. GALSTON: I am going to pose a handful of questions to the assembled luminaries on the dais for a conversation not to exceed 15 minutes. We will then about 25 minutes of Q&A from the floor. We started a little bit late, and so we will end at about 20 of 12:00 to provide the full hour and a half for this panel. Those of you who have other engagements and must quietly leave at 11:30 are, of course, perfectly free to do so.

You know, like everyone else on the panel, I was blown away, you know, by the descriptive detail and acumen of this book, and so what I want to do is to try to move the conversation in a slightly different direction for purposes of the next 15 minutes, to move, first of all, from description to theory and, secondly, to look at the interface between economics and politics. And so let me -- here's the first question I want to pose.

You know, Ben describes 21st century knowledge as a public good, indeed as a global public good. Now, here's my question. If 21st knowledge is truly a global public good, it would seem to follow that place shouldn't matter at all, right? So, we shouldn't matter. We shouldn't worry about stapling green cards to diplomas because it shouldn't matter whether

the people who are educated in the United States stay in the United States and generate knowledge or go back to China to generate knowledge. If it's a public good, it's a public good. Why should place matter at all? If it's a public good, well, why should anyone invest in this public good if they have an opportunity to be a free rider? I mean, that's part of the theory of public goods, right? And if knowledge is genuinely a global public good, what about the various legal restrictions on use of knowledge with which every nation that I know, you know, hems in or hems about knowledge that's generated through patent systems, through other sorts of restrictions? So, my first question is, is it entirely true that knowledge can be modeled as a global public good?

MR. WILDAVSKY: Look, I think that certainly you put your finger on a very interesting -- you know, I guess one could call it attention. I don't think that it's an actual contradiction. I think that we have things happening -- the world's a messy place. You know, nationalism is not dead, you know. People in the United States or South Korea or wherever would like to maximize their human capital; they would like to thrive economically. At the same time, if India's new GDP is growing, I mean, (inaudible) of 8 to 10 percent a year, I mean, I would hope we don't say, oh, my gosh, the Indians are getting ahead of us, you know, that's terrible. You know, we would hope, well, we would also get in the game and do more to boost our own economic growth.

So, I mean, I should turn this over to others, but it strikes me

that one could simultaneously in the United States say, yes, let's staple a green card to diplomas, a proposal that I support; not that it's going to happen, but it's a great idea. We should have the best human capital we can. But nor should we ring our hands. If India succeeds against many odds in broadening access and improving quality on a widespread basis, because things that happen over there may (inaudible) down to our benefit. We are -- the secret sauce that we have -- and actually Rick Levin has a wonderful article in the new Foreign Affairs about the rise of Asian universities -- the secret sauce we have and my foundation cares a lot about is the ability to innovate and to take entrepreneurial approaches to scientific discovery. So, there may be a discovery in China or India or Saudi Arabia that we turn into the next Google, and that truly is a win-win, and it reflects both the notion of knowledge is global public good and the notion that we're going to do our best to get ahead using that knowledge.

MR. DeGIOIA: Place does matter, and trying to figure out how to strengthen and sustain those fragile ecosystems that are communities of scholars in a global context is one of the framing questions that I think we wrestle with today. We know that something special does happen in our academic community, and having people with offices near one another, laboratories near one another with students flowing in and out of classrooms, offices, and labs, there's something that is very hard to capture, hard to describe. But we know it's true that place matters and how easily can we replicate what happens and has been built over 200 years in one

context and how we an replicate that in another.

Now, we have -- one of our very distinguished faculty will teach in a classroom right up the street. It's -- I'm going to alienate somebody getting the technology wrong, but let's just call it telepresence where he's got a dozen students in this classroom with screens behind them live in Doha with students in a classroom just like it. When somebody's cell phone rings, we don't know whether it's the student in Doha or the student -- that's how intimate this classroom setting is. And what we're hoping to provide is an approximation through technology of an experience that is very special on our campus. But when they turn off the camera, there's 12 students in Washington who are going to walk over to the Tombs for a pizza or stay after and talk to the faculty member. That's hard to replicate over there.

And when the faculty member says you know, one of my colleagues is working on this topic, let's go knock on his door or her door, that -- what makes us special is these communities of scholarship that we've built. And we recognize that through technology, through enhanced technologies, we can extend that. But there's something very special about what we have and it's hard to replicate that in these settings that we're in.

MR. GALSTON: Other comments on this point?

MR. SALMI: Ben, like you said -- like in his book -- that we shouldn't worry about India or China getting better, I think that we should still worry about losing ground on some aspects starting with funding. If you

have global public goods, you need also public funding. And one thing I observed that is in this country is that public higher education is losing ground. I usually work in developing countries, in poorer countries, but last October I was part of the team in the OECD looking at the relationship between higher education institutions and the innovation system in the state of Arizona. So in Tucson, and we were looking at the University of Arizona, and I must say I know they are famous or infamous right now for different reasons, but I think it's linked to the same mindset, I was shocked because it was the first time in my life that I found myself in a place where the public authorities --

SPEAKER: We can't hear in the back.

SPEAKER: Microphone please.

MR. SALMI: I was shocked because it was the first time in my life where I felt that the public authorities did not believe in education as something important for the future of the state or the country. So, I think that's one aspect we need to look at.

At the same time, I think there is a social production of knowledge now, collaborative tools, that have lots of promises. Carnegie Mellon University has an open, running laboratory which -- and they share all their open source material and you have universities all over the world picking it up, developing it in other languages, and that escapes the traditional world of patterns and intellectual properties.

MR. MALLABY: I would break it down in this way. I mean, I

think you raise a very good question because I'm a bit troubled. Even if you agree with the bottom line that trade in minds is on balance good -- and I've spilled more ink writing pro trade journalistic commentary than most journalists I think -- even if that's the right bottom line, I think getting there does involve some, you know, anxious thinking. I think there are benefits from trade and movement in academic talent. You know, one is the freedom that is implied for the individuals who are moving, who have more choices. That's a good thing.

It's true that ideas are non-excludable and that if you generate them in one place they can be shared everywhere, and so we can benefit from research innovations whether they're in Saudi Arabia or China. That's true. So that's a second one.

The third is that there's a kind of element of U.S. cultural diplomacy, the enhancement of U.S. soft power through the education at, say, a branch campus in China of Chinese students. That's helping to spread a kind of pro-American world view, probably, and that's a third benefit.

And then maybe fourthly a financial benefit to the health of U.S. education institutions if they can make money by serving foreign students. That can be a good thing in terms of strengthening their base for remaining number one globally at their headquarters within the U.S. So there are a lot of clear benefits I think to this process, but there's also a worry, and the worry comes down to this issue of clustering.

In economics, there's a whole literature on which kinds of industries -- you know, you just locate something wherever it's cheapest and most sufficient to produce. But that happens when the production process is basically commoditized. So, the classic example in sort of economic history is the New England textile industry where in the early phase you had to create machinery, new technology to create the textiles, and so it was all clustered in New England because you had to be in that cluster to be at the cutting edge of the technology, which was rapidly changing. Once the technology had matured, then the whole industry changed and it started to move to the South because it had cheaper labor, closer to cotton, and there were other reasons for going southwards.

Now, an industry that is continuously at the cutting edge, like finance for example, tends to cluster. That's why New York and London have for the last century been the two leading financial centers, and it's quite tough for other centers to break that dominance. I think higher education is a classic example of an industry that is constantly innovating the business ideas. The ideas have to change by definition. It's going to be a clustering kind of industry, so there's going to be huge benefits to being the cluster that people want to come to.

And if you were to lose that through a process of the rise of really world-class institutions in China or Saudi Arabia or South Korea, wherever, yes, knowledge is a non-expendable good; yes, we can benefit in theory from the research benefits, from the research results that come out of

the factory and university. But in practice, I think, it's true that position does matter. And so I would perhaps reach Ben's bottom line, but not without, you know, tearing my hair a little bit on the way.

MR. GALSTON: Well, I will just, you know, content myself in saying that I think we've uncovered a very interesting tension between non-excludability on the one hand and the continuing significance of place on the other, which we've heard described in very different terms, but very much in the same direction. And it seems to me that tension has to be kept in mind constantly as we think about this question. I will say no more about that.

We've nearly exhausted the 15 minutes that I assigned the panel discussion. We've got through exactly one question, so let me just tie this off by putting a couple of theoretical concerns with practical consequences on the table, not for comment right now because we need to get to the audience, but perhaps for further discussion as we defrock college professors, say.

You know, first -- you know, in addition -- point number one: In addition to the idea of public goods, which is one of the driving themes or propositions of the book, another driving proposition is the analogy between goods and ideas or knowledge with regard to trade and freedom of trade. Those -- by the way, those two bodies of theory are not isomorphic. They're not the same thing. They relate in interesting ways. But the theory of public goods and the theory of free trade, you know, it takes some work to put them together both intellectually and in practice. I will merely content myself

in saying that there is some gap between the theory of free trade and the conditions that need to be satisfied in order for that pure theory to work as advertised and real-world conditions and which is not a knockdown argument against organizing one's endeavors by the polestar of free trade. But that gap is something to keep in mind.

And in particular -- and this ties in to something that John DeGioia said -- there is a familiar problem in trade between aggregate gains to an entity on the one hand and the distribution of those gains on the other. And that problem can't be wished away when one is talking about knowledge any more than when one is talking about goods and services. And that's particularly important if the compensatory mechanisms of a society are as weak as ours are. There is no reason to believe in practice that the winners are going to compensate the losers. There simply isn't. And it's not happening. And now that's not necessarily an argument against the policy, but it speaks to the politics of the policy big time, and I cannot believe that that process won't be replicated around the world. So, that's the first thing to keep in mind.

The other -- you know, the other proposition in your book that is part of its animating theoretical structure that I just want to put on the table for everybody's consideration before we turn to questions is stated with admirable clarity on page 194, and I quote, "National borders are simply less relevant than they once were." One could read -- one could have read very similar propositions throughout Europe in, say, the year 1912, and that's the

sort of proposition that's true until it isn't. That's the sort of proposition that's true until the article in the New York Times last week about changing Chinese naval strategies, you know, turns from a projection into a reality. At that point, a theme that goes all the way back to Aristotle, namely the relationship between knowledge and innovation on the one hand and national defense on the other, is going to be huge. And at that point the incentive to try to capture and sequester knowledge gains for national purposes is going to become very important. And there are certain areas in which every nation tries to restrict the fungibility and malleability and transferability of knowledge in its own interest. That's the politics of knowledge, and it ain't going away. And so I think it's important not to get to carried away with the idea that knowledge is a pure public good, the theory of free trade and ideas, and the idea of the disappearing significance of national borders.

And so those are just some things to keep in mind, some cautionary notes, if you will, which is not to gain, say, any of the trends described in this book, but it is a framework for asking some worried questions along the way.

Okay. With that, I am going to disencumber myself, stand up, take off my cape, and turn into your mild-mannered moderator, and a word about the logistics of the question-and-answer period. There will be traveling mikes. When I recognize you, you will get your hand on one of them. And please begin by stating your name, and affiliation if you wish, and

then pose a crisp question.

The first question goes to Joe Duffy here in front.

MR. DUFFY: Joe Duffy --

MR. GALSTON: Whoa, whoa, whoa. You've also violated the protocol.

MR. DUFFY: Since John says place matters, history matters, I want to provide a little bit of historical context. I served in a very controversial position with President Carter, so controversial that first George Bush kept me over, President Reagan kept me over, and so I came to Brookings for about a year in 1981. I stunned my friends when I left because I came as a nerdy sociologist studying the social construction of reality, and I left consumed by the question of U.S. competitiveness because there were scholars here pointing out that manufacturing was moving overseas, the French were building the airplanes, we were failing in this area. With the end of decade, of course, the issue also became the deficit.

Now, I tell this -- I mention this, because I went to the University of Massachusetts and we began to get an enormous amount of defense money, Cold War-inspired, for research. Parallel processing, which undermined the (inaudible); computers moved us all ahead; polymer sciences. At the end of the decade, and here I stop, one member of Congress said if you're getting all this federal money for your research and your graduate students, that cannot go to non-American students. I contacted some of the people with whom we were working at Monsanto, Bell

Labs, GE. We contacted the first President George Bush about 1989, and he met with us in the White House because we had a very serious concern. As we sat around the table, the thing we all said was we are doing fundamental research in our universities relating to national defense and advancement. We want you to know if this rule passes it's over for us because the leading scholars in polymer and the computers and who started Silicon Valley in a very large extent I would be willing to say 70 percent were from China and other countries. So, we should have that perspective as we look at that particular era of growth. And what's really happening now is that they do go back. That's the challenge.

MR. GALSTON: I'll take a question from the press in the front. Mr. Mitchell.

MR. MITCHELL: Thank you, using the term liberally.

MR. GALSTON: That's me, a liberal.

MR. MITCHELL: This question for Dr. DeGioia, and it relates to a question that you -- or a tension I think that you posed at the outset that I find is an intriguing one, and that is what is the distinction between being international and being global? And this raises -- the question that it raises for me is twofold.

One, you're probably further along in your thinking than you revealed at the podium, and I would love to hear you talk about that. And the context that I want to apply to it is -- this is, of course, a question that American business, and in particular professional service firms, like

McKenzie, et cetera, have had to deal with and at McKenzie and specifically a man by the name of Kenichi Ohmae started writing about something called "Triad Power" and then moved to talk about borderless world. So, anything that you could flesh out for us on that distinction would be --

MR. DeGIOIA: It's a great question, and we actually have brought in the McKenzies and some of the financial firms to share with us their experiences in trying to wrestle with these forces.

Let me describe a couple of projects, just to give you a sense of how we're wrestling this. Our law school brought together 10 law schools from around the world. We set up a campus for these students and faculty in London right near King's College. We used the King's College library for the purpose of the program, and King's is a partner institution. But we've got 10 law schools. We coordinated, and we sent the faculty leadership over from our law center here in Washington. We're trying to develop a new field. What I think what might have once been international law and then became comparative law we now call transnational legal studies. And we're really trying to carve out a new discipline that what we're finding is our students who are graduating from our law schools are going in and taking the bars in states and then they're going to work, and as soon as they're working they're confronted with cross-border issues -- not among our states, but among the nations. How can we prepare people for that?

So, we were actually creating a study of broad experience for law students with faculty from these schools to try to deal with these

transnational issues that we're confronting.

We've joined an online network in the university, so about 800 in Latin America, Spain, and Portugal -- called the Universia, and we produce an online academic journal on governance and globalization and competitiveness. And we produce it with all the normal traditional sort of academic peer review dynamics, but we do it online, and we do it with the faculty from these 800 member institutions -- in three languages.

We have an interesting partnership that we've done in China with the Ministry of Religious Affairs, where we've had a visiting scholar of religion from China on our campus for the last three years rotating. We've done conferences both in Beijing and in Washington on the role that religion is playing right now in the development of the country.

The questions -- you know, when I talked earlier about half of our students studying abroad -- those are all bilateral relationships. We've got a one-on-one with, you know, 135 universities around the world where we've established over time, exchanged relationships and how we'll count the monies and the flows and the like, and we know how to count the credits that our students are earning there. That hasn't changed in 30, 40 years, and we've been doing that pretty -- you know, it's that bilateral dynamic. What we're finding now is increasingly -- if we're going to be effective, we're going to need to do this with more than one other institution, and we're going to need to do it more than one other place focused on certain kinds of ideas.

So, Ben made reference to this group that meets under Rick's

-- Rick Levin's -- chair. We've done some work on sustainability. We've done some work collectively on how we might be able to share some of the things that we've developed and have made available online among our institutions with African universities because there really is a need for access to some of this knowledge. I think what you're seeing is a recognition that we're going to need to work together, and we're trying projects in which we can do that. Even what we're doing in Doha is an example of six institutions. We're all a little siloed. We're all doing our own thing. But we're looking for ways where increasingly we can cut across our institutional boundaries. It only gets really complicated during March madness when everybody's trying to -- but it's important for us to try to figure out how we can create more there than just what right now are the sum of our parts.

MR. GALSTON: Any other comments on this point? If not, what I'm going to do is I'm going to take two more questions from the front, and in the name of geographic equity, I'm going to shift to the back. So, woman here. You are?

MS. STONEHILL: I'm Harriet Stonehill, and I'm an adjunct professor at the University of the District of Columbia, and I also work on a program that works with parents to help them deliver the habits, the attitudes that are necessary for success.

What we're talking about is individual people, and on Saturday in North Carolina, the parent conference for the state, I delivered a talk on global economy and what are you as parents from pre-K all the way up

doing to help your children prepare because we don't even know the jobs that they will be using in 15 years when they get out of school. And we're talking about each individual student. You people have the cream and the elite who have already accomplished what they needed to do and what behaviors and the transfer of knowledge that they needed to have. So, we need to even go back a little bit and say what are we having available to families, to elementary schools, to high schools, and to colleges? Because I work at the University of the District of Columbia, which is an open enrollment school, and those students really need to know what other habits and what is transfer of knowledge, because what they are learning today they will have to make decisions on tomorrow.

And so in policy, I think that has to be part of the thinking of a global economy, because not every country teaches their students. But if you go and look at Japan and all these issues, you know that those students are engrained from early on of what it means to have effort and perseverance and teamwork. And so we need to transfer those habits to all our students, because they are our job market, and they will be part of the global economy. So, I think that needs to be considered.

And as a sidebar, I went to high school with your father in Brooklyn, New York, at Erasmus Hall High School. Shall say early '50s. Anyway, we graduated together.

MR. GALSTON: Yes, this gentleman here.

MR. BALZER: Yes, I'm Haley Balzer from Georgetown

University. Jack did not know I was going to be here. I'm also on the board of trustees of one of the two higher educational institutions in Russia where this book would actually be embraced than attacked. And I have two very specific questions that come out of the book and that were also raised by Sebastian.

One is at the beginning, you talk about the protectionism in India and China, and then your discussion of those two countries seems to imply a very different trajectory in the way they're operating in this global environment. And I'd love to hear you say a little more about that.

And the other I guess is a missed opportunity. You mentioned this race for endowment and that everyone believes it will make universities, research universities, and yet the real research funding seems to come from governments not from endowments. Harvard, the liberal arts programs are in much more trouble from the endowment decline than the sciences would be. And I wonder if you could follow up on that a little bit as well.

Thank you.

MR. WILDAVSKY: Sure, and let me respond to this most recent question, and I'll say something very briefly about the first question.

You know, China and India, they're both -- nothing is perfect. You know, one thing I would say just very broadly to Bill's point is I'm talking about trend lines. You know, without belaboring and being defensive -- those are great questions. The book is about -- there's many caveats in the book. Winners and losers. There may be lots of missteps along the way. I

believe this is going to be happening 50, 100 years, and I don't believe we're going to retreat from national borders and it's a long-term trend.

Now, in terms of China and India, you know, India has been a particularly egregious offender. I mean, India has -- they've certainly sent a lot of students abroad. As I said, they've had ambivalence about doing this. Now, one of the hot issues is they've made it almost -- they've made it impossible for years for foreign campuses to come in despite -- it's just a crime; it's a tragedy. India is full of incredible people and human capital, a wholly inadequate higher education system both in quantity and in quality, and there are many outside universities that want to come in, the nonprofits, the for-profits. They've made it impossible. There's now a bill going through parliament that would open things up, but even there the devil's in the details. We don't know whether caste quotas that apply to Indian universities, including the IITs, will be applied to the foreign universities. We don't know -- there's a, at this point, a provision forbidding repatriation of profits, which creates a huge problem for for-profits, like Laureate where Joe Duffy works. So, India's been a real problem.

China I think is also difficult to deal with, you know, for the usual reasons: bureaucracy, there's the Communist Part aspect, there isn't true academic freedom. Nevertheless, I think China has shown a greater willingness to have a lot of partnerships and collaborations. It's rare to have a true branch campus there. There's a few, but there are many, many partnerships, and they don't -- I think the partnerships are a bit more stable.

In India, you know, I saw -- I visited one partnership were Virginia Tech was offering degrees, and I did a follow-up call as I was getting near to sending the manuscript to press. It was over, and it was over because the government decided they didn't like it.

Now, I'll just jump quickly to the first question and, yes, human capital at K-12 level in our country certainly is a huge problem. But getting to the globalization, one criticism already has been this is an elite phenomena, which I think is a way of answering what you suggested. My view is 3 million students cannot be wholly elite. If it were 100,000, 200,000 -- they're not all going to Oxford and Cambridge and KAUST. What's particularly interesting, though, going back to the private sector, the for-profit sector, is there are many, many opportunities being created to serve underserved markets, students who are interested in more vocational-oriented programs who don't get into the elite universities. And paradoxically, in South American and Latin America you have these free elite universities, which sounds very egalitarian, but you have to go to an elite private secondary school to get into them. So, middle or lower class kids are sort of left out, and places like Laureate, Kaplin, Apollo Group, the parent of University of Phoenix, they're all jumping in to serve a whole different market. So, paradoxically, the for-profit sector that we tend to be wary about here is actually I think creating a different sort of globalism. I have one chapter about this that sort of works differently, but in tandem with the other stuff that I'm talking about.

MR. GALSTON: Okay, I'm going to move to the back now. I see a couple of questions along the row.

MR. NELSON: I'm Michael Nelson at Georgetown University. I teach some communications, culture, and technology programs, and I wanted to talk about multidisciplinary training. When you look at China and other countries, their first focus was on creating very narrow specialists, scientists, engineers. One of our advantages is that more and more of our universities are trying to teach more holistically, teach people to work across disciplines. I was just in our Doha campus about three weeks ago and I was impressed that in Doha at least they understand that, and that many of the students are coming there with the intent to learn about two or three disciplines and how they can between them to creating breakers. If you talk to CEOs, many of them come from backgrounds where they got a jazz musician degree as an undergraduate, then they became an economist, then they became a CEO. Do we see countries around the world moving in that direction or are they still focused in the narrow disciplines? And can we take advantage of this multidisciplinary trend to keep the U.S. ahead?

MR. GALSTON: Well, before you answer that question, let me just say what an unexpected pleasure it is to be able to host a meeting of the Georgetown faculty center. (Laughter)

MR. WILDAVSKY: Why don't you go first?

MR. DeGIOIA: Sure. Well, just a word about that. It has a strong connection to the first question that was asked because one of the

presenting questions that we're experiencing in China, for example, and I think this does emerge in some of the things that Ben has written, is there -- you know, there's a very strong focus on science and engineering. I think we will graduate 70,000 engineers in the United States this year; 600,000 in China. So there's this -- you know, they've got the numbers. But I think what they have come over and asked us about -- and I don't mean just Georgetown in particular, but American higher education institutions -- you seem to foster a capacity for innovation, for creativity, for entrepreneurship that we haven't cracked the code on in the same way that seems much more ubiquitous in a United States context. And as we probe that in conversation, the importance of what we would consider the fundamental liberal arts education that begins in K-12 in many respects and then we do cherish at the collegiate level, we want to provide that kind of access to the best that has been written and said. And so we're in conversations regularly regarding how we might be able to share some of our experience in liberal education in contexts like China.

And this is where place matters because we have a culture that sort of we swim in that values this, and it's not easily exported, it's not easily given to somebody. You have to really -- you have to almost go through a metanoia, a conversion, that you believe this stuff really matters. And that's going to be an interesting challenge in this next generation whether we're able to share that depth, which I think is at the heart of what enables us to do that multidisciplinary work. It's that respect for those

disciplines that right now we cherish in a way that I don't think are fully appreciated in the same way in other parts of the world.

MR. GALSTON: Before we get to the next question, which, alas, will have to be the last question in the interest of time, and my apologies to all of the people who no doubt have valuable questions to pose, I would -- you know, I'd just like to underscore the significance of what was just said. If you look at the history of the West since the 17th century, you know, the idea of intellectual freedom, you know, was, you know, the grain of sand in the oyster around which the pearl of the broader idea of cultural and political freedom formed. And the people who put the idea of intellectual freedom on the table were well aware of the fact that this is a baby that we strangled in its cradle unless there were expanding concentric circles of freedom to sustain it. And if I were a senior official of the Chinese Communist Party paying any attention to Western history, as Zhou Enlai famously did, I would be asking myself some questions about the relationship between this grain of sand on the one hand, you know, and the history of the pearl formation in the West and, you know, and the extent to which this phenomenon is compatible in the long run with the system of governance that is, at this point, the old pell-mell constructing these universities. Are they building their own Trojan horses?

Last question. There's a gentleman in a white shirt on the row or has your question been taken? Okay. Well, then, you've yielded your place to one other lucky person, this gentleman right here.

MR. SOARES: My name is Lou Soares. I'm with the Center for American Progress. Just as a quick question. I focus a lot of my work in higher ed around low-income, first-time students. And, you know, as I scanned through the book, I got an early copy, there was an elitist kind of media idea that jumped off of me. But then I was starting to think more deeply. So, are we looking at a change in the instructional model? So, is this globalization of higher ed going to in some way meaningfully transform the instructional model of, for example, U.S. higher ed?

You know, in the world that I -- in the policies that I think about and write about there's this great sense that many of those students that are underperforming and not succeeding need different instructional models. The semester-based model doesn't seem to work for them. Is -- do folks see a transformation? So, does Georgetown see -- 50 years from now will Georgetown look entirely different because of the work that you're talking about and Ben alludes to in his book or is this something that's going to happen to some degree on the margin of the institution and not actually transform the core of the institution?

MR. DeGIOIA: Terrific question. Thank you. Well, that's the question we're living with right now, and truly we don't know. I believe that there is a timeless core to what we do, that we've been doing for 220 years and I suspect we'll be doing it again in 50 years. But how we share the resources that we've built -- when I mentioned that third question -- how do we respond to those who are being marginalized? -- it's the heart of what

you're getting at. When we're in China, we've got an office in Shanghai, we've got a liaison person in Beijing. We're doing all the stuff that you would expect a university to be doing. But when we sit down with folks both in the government and out, the kinds of needs that they would look to us to try to address are needs about human development. This is not about -- if you accept everything that I've said already as appropriate in terms of building great universities and trying to address issues that are missing in our respective contexts, half of the population is living on less than $2 a day in China, and they're left behind in this. How can we access -- how can we make available, make accessible resources that we take for granted that can make all the difference in the world in human development in China?

I do believe our universities are going to have to take a role and responsibility in this transition. Sebastian wrote about this in his book about the World Bank and the transition that President Wolfensohn tried to lead in terms of this move toward a different kind of index, a human development index as opposed to GNP is the only source of measurement of growth. Whether at Laureate or at Georgetown can crack the code on how to make available these kinds of resources in a way that lift up more and more of our people is a question I think every university is going to have to confront in this next generation. The question is how do we do that while ensuring that we can sustain that core that makes us as special as our institutions have become?

MR. GALSTON: To put that point slightly differently, a higher

education sector whose business model has been predicated on the idea of excludability is now faced with, you know, this profound question of moving towards if not total non-excludability of knowledge, at least something way -- you know, down that continuum. What does that mean?

MR. DeGIOIA: We had great rankings -- U.S. News and World Report -- because we turned down 83 percent of the people who applied to our institution. This is not a model.

MR. GALSTON: Well, two concluding notes. First of all, Ben's book will soon be available in better bookstores everywhere, but I'm delighted to inform you that it's available right now, right here at the back table. And Ben has agreed not only to sit there and sell his books, but also to sign them if you're so inclined, and he may even be willing to continue the conversation along the way.

Secondly, I want you to join with me in thanking, you know, Ben, John, Jamil, and Sebastian for a real terrific discussion of a very important issue.

(Applause)

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