



Association of Academic Health Centers

Leading institutions that serve society

THE PROMISE AND POWER OF ACADEMIC HEALTH CENTERS

Steven A. Wartman, MD, PhD, MACP
Presidential Address
Presented at the 2008 International Forum
of the Association of Academic Health Centers
March 31, 2008
Washington, DC

Today I want to take my concept of the multinational academic health center to a new level by discussing the promise and power of these institutions to work together in new ways. Everyone knows that academic health centers contribute significantly to health and economic growth worldwide. But there is a compelling need for academic health centers around the globe to work collectively on the world stage to enhance our fundamental missions of education, patient care and research. This need goes beyond the well understood reason that we can learn much from each other: it involves how collectively we can be a force for positive change.

Last year, at our *First International Forum* with leaders from Singapore and India, we held a round table discussion on pressing international health issues. Today, we hear from more world leaders as the trend towards the development of academic health centers continues to accelerate. It's also becoming clear that we must increase our contribution in the policy arena, with the focus of enhancing our ability to improve the global community's health and well-being.

Academic health centers are unique transglobal organizations. And globalization is an unstoppable process, capable of both positive and negative outcomes, depending on how policies are guided and implemented. At its heart, globalization involves free market penetration to all depths of society. At its best, it involves the diffusion of ideas, good practices and technologies.

Our rapidly globalizing economy exists in a troubled world, filled with conflict and competition. The impact of globalization was especially evident this year when stock markets around the world reacted to U.S. economic forecasts and Wall Street stock sell-offs. The interconnectedness of nations became quite apparent in a matter of hours, as stock exchanges plunged around the world. Economic experts and political leaders are continuing to watch and analyze the fallout of the crisis in the U.S. subprime mortgage market, in terms of the slowing of the global economy.

While globalization is not new – what has changed remarkably is its pace. We now live in a world of instant connectivity and astonishing mobility, resulting in ever increasing degrees of interdependence. Progressive globalization is catalyzing international integration. We are seeing this integration and resulting interdependence in all realms of economic life, including trade, finance, production, and consumption. This is an ongoing and evolving phenomenon that is changing fundamentally the ways in which countries, institutions, and individuals relate.

What are the implications of globalization for the current and emerging academic health centers around the world? Our traditional mission areas, health professions education, biomedical research, and patient care – usually viewed as local concerns - are becoming more global. In education, there is the back and forth flow of students across borders; in research, there is the development of multinational research teams and institutes; and in patient care, there is an increasing amount of what many call “medical tourism,” a term that I dislike, but nevertheless reflects an important development. We are also well aware of the significant public health implications for academic health centers of health threats that are directly related to the world's shrinking boundaries: from the food supply to manufactured goods; and from classic epidemics to natural or man-made disasters.

The institutions represented in this room and the rest of AAHC's members are viewed as the world's leaders in biomedical research, and a source of innovation and

discovery. As such, these institutions are the creators of new knowledge and major engines of the knowledge economy. The “knowledge economy” is described as an economy where knowledge resources, including know-how, expertise, and intellectual property are more important than land, natural resources or even manpower, for building the framework for economic development. Globalization has heightened awareness of the magnitude of the knowledge economy and focused attention on the competition to build and acquire knowledge resources, thus placing academic health centers in a strong position for the future.

Financial data shows that, in the U.S. 20 years ago, the market value of the physical assets of the top 150 U.S. companies accounted for 75 percent of the total value of their stocks. A firm was roughly worth what its plant, equipment and real estate could be sold for. Today, the book value of the top 150 U.S. corporations accounts for just 35 percent of the total value of their shares. Since the mid-1990s, U.S. companies have invested as much in intangibles – such as intellectual property and branding – as in all their physical assets. And today, it is estimated that nearly two-thirds of the value of a large company comes from what it *knows* and the *ideas* and *relationships* that it owns.

As compared to stock exchanges or national central banks, the value of academic health centers is no less significant in terms of economic and social impact. Interestingly, the rise of academic health centers, whether they be in Asia, Europe, the Mideast, North America or elsewhere, does not to date provoke the kind of defensive or protectionist reactions seen in many other sectors of the economy. Such protectionism was clear, for example, when the US imposed steel tariffs in 2002, or when Brazil disputed American cotton subsidies in 2005.

The policies and practices of academic health centers, however, are not designed to ward off competition or control the market. Academic health centers, both established and newly-forming, may well determine a major part of the future course of countries around the globe, because they hold important keys to knowledge, discovery, and the health and well-being of billions of people. We must, in fact, continually strive to ensure that our work is not politicized for economic or other purely self-serving gains. We must seek to enhance the social good, as we fulfill our missions of education, patient care and research, regardless of immediate profitability and short term return. The potential worth of an academic health center to a nation is perhaps, to use a current advertising phrase, priceless.

This potential is what gives us the opportunity to develop a unique international collaborative model, a model that promotes our distinctive set of priorities and takes into account the academic traditions we stand for, the discovery and innovation we promote, and the principles of ethics and humane care we must protect.

As leaders of academic health centers, our goal must be clear—to improve health and well-being, to increase access to education, and to produce important new discoveries that ameliorate disease and improve the quality of life. The organization, management, and promotion of life science resources across the globe are integrally related to the human talent that must be cultivated and sustained for the academic health center. While there is much to gain by academic health centers sharing knowledge, programs, and services, there is much to gain in the policy arena as well. But to do so requires that we act collaboratively in new and untested ways.

In this context, I propose an international collaborative organization of academic health centers. There is today a critical junction of need and opportunity for academic health centers to work in partnership worldwide and, in doing so, be among the critical forces shaping the 21st century. Through working together, academic health centers can become agents of change that embody the ideals of enhancing health and well-being worldwide.

By serving to mobilize and speak on behalf of their enormous collective strengths and resources, this new international collaborative can help ensure that these institutions have a voice in international matters affecting health, research and the economy. As an organized group, academic health centers can address pressing needs in public health, patient care, health professions education, and biomedical and clinical research.

In addition, academic health centers can help each other to develop the organizational and management expertise that captures the power of our combined missions. An international organization of academic health centers offers an exceptional platform as a “thought-leader” to facilitate a number of key issues with targeted activities and events, including:

- Developing and disseminating models of the organization and management of academic health centers
- Addressing the infrastructure for public health, patient care, health professions education, and biomedical and clinical research
- Promoting best practices, and
- Enhancing collaborative, interprofessional research, education, and scholarship.

We also have the unique opportunity to work on policy development in an international context that enhances our ability to build and sustain academic health centers as they work to improve the public good. Examples include:

- Holding summits on emerging issues
- Sharing approaches to critical health systems issues, and
- Fostering international partnerships.

At a time of vast economic shifts, it is especially important to consider the promise and power of academic health centers to individual nations and the world economy. Academic health centers are sitting at a cross roads as the world’s nations react to a different kind of economic future. Many of the forces enveloping us are similar to those impacting the business sector. But we are *different* because, as I have pointed out, profit is not our major driving force: we have missions we must continue regardless of profitability.

Big issues challenge us for the future. How much will governments spend on research and how will they spend it? How will our nations and political and business leaders seek to direct the structure and management of these institutions, that will increasingly be components of national power and prestige? Will there be sufficient concern so that the public good is the driving force of academic health center development around the globe? These are only some of the questions for which we need to influence the answers.

But, as this forum demonstrates, academic health centers can come together to talk about setting our course in the global marketplace. We come from countries with

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different economies, governments, histories, and cultures. We are gathered here because we have shared experiences with, and commitments to, health professions education, biomedical research, and patient care services that go beyond national borders. We are here to learn how to strategically invest resources, how to strengthen institutional and system capacity to serve larger and more diverse populations, and how to develop practical and useful responses to the strategic national and global issues facing academic health centers and their governments today.

As we come together, we have to find the right balance between the benefits and costs associated with globalization. We need to understand the policy choices facing us, and we must become involved in shaping the policies of tomorrow. The benefits of progress and economic growth cannot be limited to one country or one segment of a population. Academic health centers, with visionary leadership, can forge a new path to create models of collaboration and integration. Together, we can help each other build a viable and strong academic health center infrastructure worldwide, one that can truly change the fabric of society.