



Association of Academic Health Centers
Leading institutions that serve society

The Multinational Academic Health Center

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Academic Health Centers

Academic health centers are essentially idealistic institutions that seek to “do good.” Our primary goal is not to seek a profit where it can be had (although profits often follow what we do), but rather to improve health and well-being. Now we need to extend that goal beyond this nation’s borders. We have a unique opportunity to work collectively on the world stage, and we need to do so in an organized way, in partnership with other academic health centers worldwide. Our institutions can come together as agents of change by serving the global community. In doing so, academic health centers will be among the critical forces shaping the 21st century.

Cycles of Change

Much has been written about human history’s cyclical changes: the rise and fall of empires, the waxing and waning of industries, and the ebb and flow of ideologies. These occur with historical regularity, and the time clock of cyclical change has been accelerating.

The hegemony of European countries and institutions from medieval times through the 19th century is well known. The 20th century has been called “the American Century,” given the spectacular growth and development of the United States as an economic, industrial, and political power. The 21st century’s chapter is now being written. What economic,

intellectual and political shifts will occur? And what role will academic health centers play in defining this chapter?

Nations face a host of formidable issues; wars, depletion of natural resources, climate change, population growth, demographic shifts, poverty, disease, terrorism, and more. Central to these issues are health care, research and education – fields in which academic health centers excel and are leaders. I contend that by working together in new alliances and partnerships, academic health centers can, and indeed, must play a positive and active role on the world stage and, by doing so, will in no small measure serve as a beacon of light for the public good.

Thus, it is a most opportune time for the Association of Academic Health Centers to include in our 2007 Spring Dialogues our *First International Forum*. We welcome to our meeting a variety of domestic policymakers to set the national context, along with distinguished leaders from India and Singapore, who will help us address the meaning of globalization for academic health centers.

My Vision

Setting the stage for the meeting gives me the opportunity to provide some background and a thoughtful perspective on the challenges that lie ahead. I know how challenging the day-to-day work is at your academic health center, and how it sometimes takes a major effort just to keep the

wheels from coming off. Today, I'd like to present a vision for the future of the academic health center enterprise, one that is not as far-removed from the reality of your everyday work life as it may first appear.

Most of our institutions are involved internationally. The depth and level of academic health centers' international activities vary, but they are growing substantially. They range from the establishment of new schools or branches, to the development of clinical or public health programs, to the advancement of major research initiatives in a wide variety of scientific endeavors.

A confluence of economic and technological advances, coupled with pressing worldwide health needs, presents a convincing case for a new paradigm of the academic health center. My vision of this paradigm is a new type of entity: the multinational academic health center, which has the potential to be the signature multinational corporation for the 21st century.

We're all acutely aware of the rapid pace of globalization, increasingly guided by worldwide economic forces and led by technology.

The World Market

Arguably, one of the most powerful forces unleashed in modern history is the free market economy, which is governed by one over-riding interest:

profit. A blind search for profit can take precedence over attention to “unprofitable” concerns, such as poverty and social justice.

The growing world market is a huge horizontal force slashing across the vertical forces of political boundaries. In a sense, this “clash of the horizontal and the vertical” is familiar to us: we face a version of it every day in our own academic health centers, where efforts to develop integrated programs in research, teaching, clinical care, and administration intersect across the silos of schools, departments and special interests. Reconciling what are often competing interests is a significant challenge of our everyday professional lives on many levels. Similar tensions are playing out today on the world stage, where the horizontally driven global market is filtered through the lens of countries, politics and ideologies. This clash raises challenging questions: What is meant by a nation-state? What constitutes national interests in an increasingly globalized world?

The Globalized World

Let’s put globalization in perspective. The United States, once the source of approximately 70 percent of the world’s R&D, now generates only about one-third. In the past, U.S. firms often retained a competitive edge by virtue of their technological superiority and the commercial depth of the U.S. economy. Now, U.S. firms must compete in a global arena with rivals from technologically sophisticated countries, rivals that often are

equal, if not more practiced, in the art of acquiring, assimilating, and rapidly commercializing new technologies — wherever those technologies have been developed.

Business analysts are quick to point out that the U.S. economy used to support the world economy. But now the world is turning upside down. The old industrialized triad of the U.S., Japan and Western Europe no longer dominates to the degree it once did. China is close to taking over the No. 3 slot from Germany on the list of the world's largest economies. India and South Korea are set to join the top 10 within a decade. According to the World Bank, developing nations collectively grew about 7% last year — more than twice as fast as high-income countries. They now account for 49% of world economic output, up from 39% in 1990.

India presents a telling story. Despite enormous economic and social challenges, this nation of 1 billion people has been transforming the world through ability, ideas, and ambition. India is a new force in high-tech competition and health care built on young talent. Many U.S., Japanese, and other companies, including IBM, Dell, Siemens, Fujitsu, and Motorola, are actively outsourcing to India. Its GDP has expanded by \$350 billion in the past six years.

Singapore initiated a plan in 2000 to turn the country into a global biomedical hub. Since then, scores of the world's top companies and scientists have been lured by promises of hassle-free funding, and the freedom to follow their research interests, unfettered by the conflicted ethical debates that, for example, surround stem cell research. The biomedical industry has become a pillar of Singapore's national economy. The government's centerpiece investment is Biopolis, a \$300 million "science city."

Elsewhere in Southeast Asia, countries such as Malaysia are realizing the potential of engaging in the biomedical industry, making significant investments in this area. And China, well, you all know the vast potential that is being unleashed there, with implications for every aspect of the American economy and standard of living. Among their many forward-looking programs under development, China is building 100 research universities, with the goal of achieving the caliber of many of the best in the U.S.

The Knowledge Economy and Knowledge Workers

Given these developments, we must not forget that the root of innovation and success is still people — human capital. Knowledge has always formed the basis for economic and social development. Now, with advances in information technology and communication, the ground rules for knowledge development have changed. We operate in a global

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knowledge economy where productive, well paid work is based on ideas, information, creative thinking, and analysis. Intellectual capital is what often differentiates companies, and may well be the trump card in the global economy.

Today, we are increasingly aware that the needed intellectual capital — the knowledge workers — do not always come to America; in fact, some of our own are leaving. For decades, American companies shifted blue-collar manufacturing jobs to parts of the world with low labor costs and acceptable quality standards. Now, they are outsourcing knowledge work — engineering, software, and product design and development — to such countries as China, India, and Russia. These workers represent the kind of highly educated, technologically skilled employees who can write computer code, design sophisticated products, and manage high-end production processes.

What attracts scientists and other talented professionals? Billions of dollars in government investment, brand new research equipment and facilities, and a certain sense of freedom and adventure, along with the opportunity to conduct research unfettered by social politics. In short, we are in an era where there is an unprecedented flow of knowledge workers across international boundaries. The worldwide ramifications of this must be addressed by working together.

A large proportion of the knowledge workers are or will be in academic health centers. Other countries are increasingly recognizing the scope and significance of academic health centers, perhaps better than many American policymakers. They realize these institutions contribute enormously to the creation of knowledge workers, the generation of new ideas and technologies, and – more importantly – contribute to improving the health of the population. Perhaps one of the most vital ingredients for sustained economic growth will be the knowledge and discovery that emerges from academic health centers to power the technology and innovation of the future.

So it is no surprise that many countries are establishing their own academic health centers and, in some cases, having U.S. academic health centers locate branches there. And I know you are well aware of the current and potential impact of the rapidly expanding affordable and high quality health care, which some countries are now offering to patients from around the world.

But let's not forget that the pre-eminent academic health center enterprise in the U.S. We are especially strong in the area of creative and out-of-the-box thinking, a very critical asset, which is in high demand around the world.

The Potential of the Multinational Academic Health Center



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At this critical juncture of need and opportunity, we need to turn to academic health centers as agents of change that embody and personify the ideals of equality and justice, as they work for both economic and societal progress.

We have much to contribute to growth and development worldwide, as academic health centers are increasingly recognized as major drivers of the economy and international prestige. How we choose to engage and participate in policy debates will impact the actions of political leaders around the world. In this regard, it is essential that policymakers fully understand our collective strengths by first, not taking us for granted, and second, investing significantly in our enterprises. We must take the lead on sending the message how our work serves to enhance the global community's health and well-being.

To successfully take the lead, we need to view academic health centers, both nationally and internationally, in the collective sense. Academic health centers must promote their shared leadership, even as we seek to enhance our individual institutions. We applaud the nascent foray into international alliances by many academic health centers, and view them as first steps towards new overarching models and networks that join together multiple academic health centers in the United States with our neighbors overseas. As we continue to rethink our traditional assumptions about the organization and management of academic health

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centers, we must consider as a priority the work that they can do in the new global context.

This in large part will require a process of reorienting and restructuring academic health centers into multinational institutions. Some have already started this process, either consciously or reflexively. Our programs, students, professors, patients, businesses, researchers, partners, and stakeholders must engage a far wider circle than most of us are used to. Taking the best ideas – from wherever they may come – and acting on them is essential. We need to change our view from “protecting our turf” to “adding to our turf.” This means, among other transitions, that international partnerships and alliances may come to dominate many of our programs.

This is the moment when academic health centers collectively can point the way toward positive change around the world, including increasing access to knowledge, modern technology, and health care. We can and must join together to form international alliances and partnerships, to develop programs that enhance health and well-being, and to advance the concept of a global community. We must think collectively and act internationally, as we work together to develop a shared idea of how we can help create a world environment that is driven by the ideal of improving the public good. We must work together and with our policymakers to ensure that the benefits of progress and economic growth



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are spread throughout and among the populations around the globe.
What better institutions to drive this vision than redefined and fully
engaged multinational academic health centers?