

The Promise and Power of Academic Health Centers

By Steven A. Wartman, MD, PhD, MACP

[A] new international collaborative can ensure that academic health centers have a voice in international matters affecting health, research, and the economy.



Association of Academic Health Centers®
Leading institutions that serve society

The concept of academic health centers as multinational institutions holds great promise for these institutions to work together in powerful new ways. While academic health centers contribute significantly to health and economic growth worldwide, there is a compelling need for them to work collectively on the world stage to enhance their fundamental missions of education, patient care, and research. This need goes beyond the well understood reason that each can learn from the other: it involves how collectively they can be a force for positive change.

THE IMPACT OF GLOBALIZATION

Globalization appears to be an unstoppable process, capable of both positive and negative outcomes, depending on how policies are guided and implemented. It involves free market penetration to all depths of society through the diffusion of ideas, practices, and technologies. It is not a new phenomenon; but what has changed remarkably is its pace. We now live in a world of instant connectivity and astonishing mobility, resulting in ever increasing interdependence. Progressive globalization is manifested by greater international integration in all realms of economic life, including trade, finance, production, and consumption. Consider, for example, the strong reaction of stock markets and financial institutions around the world to U.S. economic forecasts, Wall Street stock sell-offs, and the bailouts of financial institutions. The interconnectedness of nations became quite apparent in a matter of hours, as stock exchanges around the world reacted to reports from major economies.

Globalization is occurring in a world filled with conflict and competition. But because it is an evolving phenomenon that is changing fundamentally the ways in which countries, institutions and individuals relate, there are significant opportunities for positive change. One such opportunity is the health sector in which academic health centers play a major role.

IMPLICATIONS FOR ACADEMIC HEALTH CENTERS AROUND THE WORLD

There is a trend towards — and considerable interest in — the development of academic health centers around the world. It is increasingly clear that these entities have enormous potential to contribute to health policy with the focus of improving the global community's health and well-being.

Academic health centers are unique transglobal organizations. Their traditional mission areas — health professions education, biomedical research, and patient care — which are usually viewed as local concerns, are becoming more global. In education, there is the back and forth flow of students across borders; in research, the development of multinational research teams and institutes; and in patient care, an increasing amount of inter-country transfers of patients. There are also many public health concerns for academic health centers 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.

Academic health centers 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, 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.¹ Globalization has heightened awareness of the importance 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 the sale price of its plant, equipment, and real estate. Today, the book value of the top 150 U.S. corporations accounts for just

“Academic health centers are unique transglobal organizations.”

35 percent of the total value of their shares.² 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.³

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, regardless of where they are located, does not seem to provoke the kind of defensive or protectionist reactions seen in many other sectors of the economy. Such protectionism was evident, for example, when the U.S. imposed steel tariffs in 2002, or when Brazil disputed American cotton subsidies in 2005.⁴

THE INTERNATIONAL ACADEMIC HEALTH CENTER POTENTIAL: MISSION AND MODEL

The policies and practices of academic health centers, however, are not inherently 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. They must, in fact, continually strive to ensure that their work is not politicized for economic or other purely self-serving gains. They must seek to enhance the social good to fulfill their missions of education, patient care, and research, regardless of immediate profitability and short-term return. 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. The potential worth of an academic health center to a nation is perhaps, to use a current advertising phrase, priceless.

This potential is what presents the opportunity to develop a unique international collaborative model, a model that promotes a distinctive set of priorities and academic traditions, discovery and innovation, and the principles of ethics and humane care. There is much to gain by academic health centers sharing knowledge, programs, and services. There is also much to gain in the policy arena. However, in order to do so, academic health centers must act collaboratively in new and untested ways. The goal of such collaborative efforts is 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.

OPPORTUNITIES FOR INTERNATIONAL COLLABORATION: AAHC INTERNATIONAL™

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 embodying the ideals of 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 ensure that academic health centers 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 their combined missions. AAHC International™, 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.

Academic health centers also have the unique opportunity to work on policy development in an international context that enhances the ability to build and sustain these institutions 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.

THE PROMISE AND POWER OF ACADEMIC HEALTH CENTERS

At a time of vast economic shifts, it is especially important to consider the promise and power of academic health centers. Academic health centers sit at an important crossroad 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 academic health centers are different because profit is not their major driving force: they have missions that must continue regardless of profitability.

Big challenges loom. How much will governments and other funders spend on research, and how will they spend it? How will nations and political and business leaders seek to direct the structure and management of academic health centers that are increasingly viewed as key components of national power and prestige? Will the public good remain the driving force of academic health center development around the globe? These are only some of the questions for

“Through working together, academic health centers can become agents of change embodying the ideals of health and well-being worldwide.”

which an international organization of academic health centers can influence the answers.

While academic health centers around the world reflect different economies, governments, histories, and cultures, they have collectively shared experiences with and commitments to health professions education, biomedical research, and patient care services that go beyond national borders. There is much to learn from each other regarding, for example, investing resources strategically, organizing for maximum success, strengthening institutional and system capacity to serve larger and more diverse populations, and developing practical responses to a variety of issues facing academic health centers and their governments today.

Academic health centers must find the right balance between the benefits and costs associated with globalization and, in so doing, become involved in shaping policy. 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, they can help each other build a viable and strong academic health center infrastructure worldwide—one that can truly change the fabric of society.

References:

¹ Spira, JB. In *Praise of Knowledge Workers*. February 1, 2005. <http://www.kmworld.com/Articles/ReadArticle.aspx?ArticleID=9605>. See also, Drucker, P. *The Age of Discontinuity*. 1969.

² Shapiro, RJ. *The Idea-Based Economy and Globalization: The Real Foundations of American Prosperity in the 21st Century*. January 23, 2008. <http://www.ndn.org/advocacy/globalization/the-idea-based-full.html>.

³ Ibid.

⁴ Moeller, JO. *Is the Sun Setting on US Dominance?* *Global Politician*, February 28, 2008. <http://www.globalpolitician.com/24187-foreign-economics>.

About the author:

Dr. Wartman is President and CEO of the Association of Academic Health Centers.



Association of Academic Health Centers[®]
Leading institutions that serve society

VISION

To advance health and well-being through the vigorous leadership of academic health centers.

MISSION

To mobilize and enhance the strengths and resources of the academic health center enterprise in health professions education, patient care, and research.

1400 Sixteenth Street, NW, Suite 720
Washington, DC 20036
202.265.9600
202.265.7514 fax
www.aahcdc.org

© 2008 by the Association of Academic Health Centers