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The American University and the Global Agenda
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Featuring:

Dr. Richard Levin, President, Yale University

DR. RICHARD LEVIN: Thank you, Michael, for that very kind introduction. And it's a pleasure to be here with all of you this evening—an honor to address members of an association that leads the way in promoting international understanding. So I thank you for this opportunity.

I'm an economist by training and profession. Years ago in addition to teaching survey courses in microeconomics and industrial organization, I also taught courses on such subjects as the political economy of oil and the competitiveness of U.S. manufacturing industry. These topics reflected a long-standing interest in the politics and economics of world affairs.

And now, of course, I see these issues from the dual perspective of an international economist and a university president. I suspect, just by your interest in foreign affairs, that you are not often inclined to put universities and foreign policy in the same sentence. So let me offer a provocative hypothesis—that the American research university is a highly-effective instrument of U.S. foreign policy. And that will be my thesis for the evening.

It would be an even more effective instrument if our political leaders understood fully what a unique and powerful asset our country has in its great universities. I'm going to state the case in six parts.

First, America's power, both hard and soft, derives from a strength of its economy—the current credit crunch notwithstanding. The strength of our

economy depends in large part on our leadership in science, which in turn depends upon the strength of our research universities.

Second, the strength of our economy also derives from our capacity to innovate, which in turn depends upon the kind of education that American universities and top liberal arts colleges provide.

Third, U.S. research universities are magnets for the most outstanding students from around the world. Those students either stay here or they go home. And America wins either way. If foreign graduates stay, they strengthen the productive capacity of the U.S. economy. If they go home, they increase the capacity of their home economies, but they also serve as ambassadors for openness, freedom of expression, and democracy.

Fourth, our great universities are increasingly ensuring that American students gain exposure to the culture and values of another nation as part of their educational experience. This offers the hope that our future leaders and engaged citizens will have greater global awareness in the future than they have in the past.

Fifth, our universities have broadened the conception of what constitutes a student. Today we provide leadership education to specialized audiences around the world to help them address challenges to global, political, and economic stability; to public health; and to the environment.

And finally, with respect to at least one important item on the global agenda, foreshadowed by Professor Riesman's introduction, how to respond to the threat of global warming. Our universities have become laboratories to demonstrate that solutions are technically possible and economically feasible.

Let me discuss each of these six points in turn—first, leadership in science. For decades America's competitive advantage in global markets has derived from its capacity to innovate—to introduce and develop new products, processes, and services. That capacity depends in large part on America's leadership in science, which in turn is based principally in our research universities.

The emergence of universities as America's primary machine for scientific advance did not come about by accident. It was the product of a wise and far-sighted national science policy set forth in an important 1946 report that established the framework for an unprecedented and heavily-subsidized system in support of scientific research that has propelled the American economy. The system rests upon three principles that remain largely intact today.

First, the federal government shoulders the principle responsibility for financing basic science. Second, universities, rather than government laboratories, or non-teaching research institutes, or private industry, are the primary institutions in which basic research funded by the government is undertaken. This ensures that scientists-in-training, even those who choose industrial rather than academic careers, are exposed to the most advanced methods and results of research.

And third, although the federal budgetary process determines the total funding that's available for each of the various fields of science, most funds are allocated not according to commercial or political considerations, but through an intensely competitive process of review—peer review—conducted by independent scientific experts who judge the proposals on their scientific merit alone.

This system of organizing science has been an extraordinary success, both scientifically and economically. Oddly enough, for political and cultural reasons, no other nation has successfully imitated the U.S. system of supporting basic science, which, of course, is the source from which all commercially-oriented applied research and development ultimately flows.

In Europe, for example, too much research is concentrated in national institutes rather than universities divorcing cutting-edge research from training the next generation of industrial scientists and engineers. And in the United Kingdom, as well as Continental Europe and Japan, most research funding has been allocated by block grants to universities, or perhaps departments within universities, rather than by the intensely competitive process of peer-reviewed grants to individuals and research groups.

And as a consequence of this politicization of research funding, our lead in science has been maintained for many decades. Even today more than 30% of scientific publications world-wide are authored in the United States. And nearly half of the world's Nobel Prizes in science go to Americans.

Our competitive advantage in emerging industries based on science, such as computers in the 1960s, software in the 1990s, and biotechnology today, should not be taken for granted. Yet federal funding in support of basic research has waxed and waned. The budget of the National Institutes of Health was doubled between 1998 and 2003—a 14% annual rate of growth. Yet for the past five years the NIH budget has grown at an annual rate of less than 2%, failing to keep pace with inflation. This means that much of the young talent that was trained during the boom cannot get funding today.

What we need to succeed as a nation is steady, predictable growth in basic research. It's the seed corn of technological progress and economic prosperity. And we need that steady, predictable growth to be at or around the long-term average growth rate of GDP. If we don't do this, we're likely to lose our lead in biomedical technology and will fail to establish ourselves as the world leader in other major areas of emerging importance; for example, alternative energy technologies.

Let me turn to leadership in innovation. Our hard and soft power in foreign affairs, as I suggested, depends upon the strength of the economy. And the strength of the economy depends not only on our scientific leadership as I just argued, but also on our national capacity to translate cutting-edge science into commercially-viable technologies.

This capacity in turn depends upon two principle factors: the availability of financial capital and an abundance of innovative entrepreneurial human capital. Our highly-decentralized financial system, despite its endemic cyclicity of which today we are painfully aware, has unique advantages in encouraging investment in innovation. Funding for start-up companies in the United States is more easily available by far and more adequately supported by value-added services than anywhere else in the world.

And thanks to the kind of higher education we provide, the human capital required for innovation is also more abundant and more effective in the U.S. than anywhere else in the world. Why? Because at our best colleges and universities, we educate students to be creative, flexible, and adaptive problem-solvers capable of innovation and leadership in science and business in the professions.

We're constantly told that China and India are training more engineers than we are. And it's true. We could and should invest more heavily in science, math, and engineering education at all levels to ensure that our graduates have the technical capacity to succeed. But ironically, if you look closer at China or at India, you will see that their aspiration is to educate students who are more like ours—students with the capacity to think creatively and independently.

In the modern economy, successful companies produce products or services that are based on technology or marketing strategies that didn't exist a decade or two ago. New scientific discoveries are made everyday and new theories replace old ones with relentless regularity. The radical changes in communications technology that we have experienced over the past two decades have opened up whole new industries and destroyed others. In such a world, knowledge of a given body of information is not enough to survive, much less thrive. Scientists, business leaders, and government officials alike, must have the ability to think critically and creatively and to draw upon and adapt new ideas to changing environments.

The method of undergraduate education used in America's most selective universities and liberal arts colleges are particularly well-suited to prepare students for this kind of world. These institutions are committed to liberal education.

The premise underlying the philosophy of liberal education is that students will be best prepared for life if they can assimilate new information and reason through to new conclusions. Since any particular body of knowledge is bound to become obsolete, the object of contemporary undergraduate education is not primarily to convey content, but to develop certain qualities of mind—the ability to think for oneself; to regard the world with curiosity and ask interesting questions; to subject the world to sustained and rigorous analysis; and to use, where needed, the perspectives of more than one discipline; and to arrive at fresh, creative answers.

While many other cultures favor passive education and technical mastery, we in America gain from a pedagogy that enlarges the power of students to reason, to

think creatively, to respond adaptively—all of which conduces to their becoming innovators and entrepreneurs.

The elements of that pedagogy are well-known to this audience—small classes with ample opportunity for student participation, exams and homework assignments that asks students to weigh conflicting points-of-view or solve problems actively, rather than merely reciting facts or the opinions of authorities.

For the past four summers, I've led a workshop for the leadership teams of China's top universities. The number one topic on their agenda is how to reform their curriculum and their pedagogy to reflect the best practices of American universities. Why? Because they see in the products of U.S. education, including those U.S.-educated Chinese who are coming to dominate their own faculties, greater creativity and an enlarged capacity for innovation.

China's political leaders are encouraging this effort at university reform because they recognize that creativity and the capacity to innovate are characteristics that China will need in order to compete when they can no longer rely on a steady stream of low-cost labor migrating from the countryside to industrial employment. That's going to be a couple of decades before that stream of low-cost labor runs out.

But China's leaders are very far-sighted and they actually are quite aware that they're going to have to become technological competitors to survive in a knowledge-economy two decades down the road. It's a sad fact that China's leaders have a more sophisticated understanding of the decisive advantages of U.S. universities than do our own political leaders.

Educating international students is the third point I'd like to comment on. Nearly one-quarter of all students who leave their home countries for higher education abroad come to United States. And our nation's share of the very best of these is much larger. Only the finest universities in the United Kingdom offer serious competition to the best institutions in the United States. Seventeen of the top 20 world universities in the London Times ranking are American.

Although in recent years, Australia and Singapore have made significant efforts to compete for strong international students. These countries—Australians and Singapore—made substantial gains in the first years after the passage of the Patriot Act, when the failure of the Departments of State and Homeland Security to adjust rapidly to new requirements, rendered many thousands of students unable to secure visas in time for the start of the academic year. The problem with student visas has now largely been fixed thanks to a felicitous high-level intervention.

But it's seldom appreciated in policy circles how much America gains from the inflow of international students. Nearly half—43%—of America's Nobel Prize winners in science have been foreign-born. In the current debate about

immigration policy, almost all the public attention focuses on the inflow of low-income immigrants from Mexico and the Caribbean.

Outside Silicon Valley, Seattle, and Route 128, we hear too little about the difficulty that our technologically-sophisticated companies are having in attracting highly-skilled scientists and engineers. Much of the outsourcing of R&D that's been undertaken by high-tech firms in recent years is not driven by cost considerations—as is the outsourcing and manufacturing, back office work, and call centers—instead much R&D outsourcing is forced by the absence of qualified, highly-skilled engineers with scientists and graduate degrees. And yet we're educating these people right here in our own country.

The annual quota for H1B visas, which cover foreign students to seek to remain and work in the United States after graduation, has been fixed for years at 85,000. And the annual allocation is typically exhausted within days at the start of each year—every April 1st. Recently a new rule has extended the period of stay under the H1B to 29 instead of 12 months. That's a step forward, but the number of visas allocated has not been increased.

The demands of high-tech industry have been lost in the contentious debate about illegal aliens and immigration of unskilled workers. There's just no doubt that our nation would benefit from retaining more graduate engineers and scientists. And for them, there's a very simple solution. Let's scrap the H1B visa and staple a green card to the diploma.

As I mentioned before, our universities serve the nation well, not only by educating those who stay in our country, but also by educating those who return to their home countries. It's true that, in some cases, we would gain even more by retaining them here. But it's also true that those who return home typically serve as ambassadors for American values.

I've already cited one example. The pressures for curriculum reform and critical thinking in China, which will in the long run carry with it demands for political reform—you teach people to be independent thinkers and they're going to be independent thinkers. So that pressure, along with pressures for greater freedom of expression on university campuses in China—these pressures are coming in large measure from those educated in the United States.

Again and again, I encounter international students at Yale who tell me that they've been astounded by the degree of openness and intellectual freedom that they find in America. And when I travel abroad, I see senior leaders in influential positions whose views of the world have been transformed by their educational experience in the United States.

Let me talk a little bit about sending our students abroad. Increasingly, American universities are encouraging domestic undergraduates to spend time in another country. Traditional junior-year abroad programs remain widely available. And

they attract a large fraction of students at certain institutions like Dartmouth and Middlebury, which have promoted them very effectively.

But only a modest fraction of undergraduates at Yale spend part of a junior year, or all of a junior year, overseas. That's 'cause they love New Haven so much. It's actually true. But we've responded by offering every undergraduate at least one opportunity for international study or for work internship either during the academic year or during the summer, and most choose summer. And we provide the financial resources to make this possible. Every student on financial aid gets fully supported in overseas study, whether it's even in summers.

By mobilizing our alumni around the world, we've created a superb infrastructure of serious summer work internships in 17 cities—Shanghai, Hong Kong, Singapore, Delhi, Accra, Cape Town, Kampala, Athens, Brussels, Budapest, Istanbul, London, Madrid, Buenos Aires, João Pessoa, Montreal, and Monterrey. In addition, we send hundreds abroad every summer for immersion language courses or for Yale summer school courses taught at partner institutions.

We expect that an increasing number of institutions will follow our lead in making an overseas experience available to every student. Harvard has announced it—haven't completely followed through on it. And eventually we intend to make overseas experience a requirement for a bachelor's degree.

I believe that a twenty-first-century liberal education requires not simply the capacity to think critically and independently, but also the capacity to understand how people of different cultures and values think and behave. The world has grown smaller. Nations have become more interdependent. Whatever profession they choose, today's students are likely to have global careers and deal regularly with collaborators or competitors who see the world differently.

To be adequately prepared for such careers, exposure to another culture is necessary. And a single meaningful encounter with cross-cultural difference in one's formative years will typically make it possible to learn easily from subsequent encounters with other cultures later in life.

I also believe that providing American students with a meaningful overseas experience is the best way to escape the insularity and parochialism that has too often influenced American foreign policy. With international exposure, our students will not only become better professionals, but better citizens. By getting more U.S. students abroad, our colleges and university will create a more informed citizenry and one capable of thinking about foreign policy issues with greater sensitivity and intelligence.

Let me talk now about educating leaders to advance the global agenda. Our universities serve not only those students who enroll full-time in courses of study that lead to undergraduate, graduate, and professional degrees, they're also increasingly engaged in the provision of short-term executive education.

Many institutions, notably the Kennedy School at Harvard, make a truly substantive contribution to U.S. foreign policy by running short-term and even semester and year-long courses for foreign government officials.

Recently Yale has initiated a series of multi-disciplinary programs for senior government officials from China, India, and Japan. To cover effectively the complexity of the most important global issues, we draw, at Yale, upon faculty from throughout the university. We don't have a School of Government or Foreign Affairs, so we draw on our Professional Schools of Law, Management, Forestry and Environmental Studies, and Public Health, as well as our Departments of Economics, Political Science, and History.

The students in these programs typically have the rank of Vice Minister, or in the case of India and Japan, also Members of Parliament. Education programs such as these have a very high impact because we're working directly with students who already occupy positions of significant power and influence. Even in America's finest universities, only a small fraction of our regularly-enrolled students will turn out to have significant influence on the affairs of the nation and the world. But these high-level programs are focused on people who already have influence.

Such high-level programs have an effect similar to that of Track 2 diplomacy; that is, informal interaction among senior government officials from different nations. Only here the contact is not government to government, but U.S. experts to foreign governments. Even if the views of our academic experts don't always align with the position of our government, the foreign ministers and parliamentarians who attend these programs leave with a deeper understanding of American perspectives.

Now let me point to one final idiosyncratic way in which American universities can assist our nation in addressing the global agenda. The problem of global warming is one that cries out for a multi-national solution to reduce carbon emissions in a way that is equitable and efficient.

Developing nations like India and China fear that serious limits on greenhouse gas emissions will unfairly constrain their future growth. Skeptics in the United States—evidently even the President—fears that controlling carbon will impose a large cost on our economy as well—although he has made a step in the right direction within the last 24 hours. And yet all recognize that if we collectively fail to take action, future generations will face much larger costs from economic dislocation and environmental destruction.

Universities have an important role to play in the effort to curtail global warming. Much of the work on climate science that led to the detection and understanding of climate change was done within our walls. And we've been at the forefront of modeling the economic, social, and environmental impact of rising global temperatures and sea levels.

We also are participating in the development of carbon-free technologies, such as solar, wind, and geothermal power, and in finding more efficient ways to use carbon-based fuels.

More recently, universities began to play a different role taking the lead in setting standards for carbon emissions that are substantially more restrictive than those adopted by national governments. 2005, as Professor Riesman mentioned, Yale made a commitment to reduce carbon emissions to 10% below our 1990 level by the year 2020, which translated to a 43% reduction in our 2005 carbon footprint—43%.

That's a reduction in the range of what will be needed to keep global temperatures from rising more than 2 degrees centigrade by the end of the century. It's an ambitious goal. If the nations of the world were to negotiate a reduction of this magnitude in Copenhagen in 2009, we would be taking a giant step towards saving the planet.

And here's the good news. We believe a reduction of this magnitude is not only possible, but relatively inexpensive. We think that we could achieve our goal at a cost of less than 1% of our annual operating budget—probably no more than one-half of 1%.

We made this commitment because we believe that in so doing, we are being faithful to our mission as a teaching institution. We are leading by example. We've encouraged our sister institutions in the Ivy League to join us in setting a specific goal for reducing carbon emissions. And five of the remaining seven have already done so. The other two have promised to do so by the end of this academic year.

We're working on eliciting similar commitments from our nine partners in the International Alliance of Research Universities, which spans the globe, and from the 34 Chinese universities with which we've been working on curriculum reform and other issues over the past four years.

We've no illusion that the collective action of universities will have a measurable impact on global carbon emissions. But we do hope that our action will inspire others to believe that significant carbon reduction is feasible. In leading by example, we hope to make a global carbon compact more likely.

So let me recapitulate. I've argued that America's universities are a highly effective instrument of U.S. foreign policy because they give America decisive leadership in science, educate students with the capacity to innovate, educate international students who strengthen our nation by staying here or by serving as ambassadors when they return home, give U.S. students a deeper understanding of foreign nations and cultures, prepare international leaders to tackle the global agenda, and demonstrate solutions to global problems. I hope I've convinced you.

Thanks very much. I'll be happy to take a few questions. Yes?

FRANK JANUZZI: My name is Frank Januzzi [phonetic]. I'm Yale Class of '86. This is the 50th anniversary of the National Defense Education Act, which was a response of our nation to the Sputnik moment a couple years before when the Soviets launched a satellite, and our nation felt that we were not adequately prepared to understand the Soviet Union. And we launched a major initiative.

On this 50th anniversary, if you could draft a new version of the National Defense Education Act to better prepare our nation for the challenges of the next 50 years, what would be in that Bill? And how would you convince a nation, which is already in hock up to our earlobes in terms of our budget, that it was worth expending the funds to do it?

DR. LEVIN: That's a great question. Let me take the second part first. Where do we get the money? This country has run reckless fiscal deficits for the last seven years. And, you know, at its core, that's actually imperiled significantly—the foreign policy position and the hard and soft power of the United States—by basically having foreign nations finance our deficit in ways that subject us to grave danger potentially.

We need to correct that. And we need to do it to make room for the kind of what is called discretionary spending that supports education and infrastructure. In truth, I mean, we could stop the Iraq war tomorrow and that wouldn't yield enough savings.

We have to reform the entitlements programs. The only solution to making America fiscally sound is to courageously take on the question of Social Security and healthcare reform. It just has to be done. And healthcare reform doesn't mean just spending more money on healthcare. It means actually developing a more rational system that delivers healthcare more efficiently. Social Security reform's probably easier to fix because if you just raise the retirement age, you could easily bring that into balance.

So you have to get the money from somewhere and not by raising our deficits, which are already much too large. I can say it. I'm not a politician. You don't have to cut taxes all the time either. We - - that something goes two ways depending on economic conditions. I'm not suggesting we raise taxes in the middle of a coming recession, but structurally we're out of balance.

Now what would I do? I think, first and foremost, I would adopt the regime for funding basic research that I suggested—keep the ratio of basic research spending to GDP constant. Let it grow at the same rate as nominal GDP. That more or less happened for a fairly substantial period of time after the Second World War. And it's what gave us our tremendous leadership. And the stability and predictability is important in terms of, you know, allowing scientists to build predictable and stable careers. So that would be point one.

The National Defense Education Act also gave strong financial support for developing expertise about foreign countries. It supported language study—and

now it does only in a very small way—and supported area studies around the country to develop area expertise.

In my service on the President's Commission on intelligence failures in Iraq, you know—this was not a field I knew a lot about, but it was appalling to learn how pathetic our expertise is in most of the regions of the world that matter.

So I think a, you know, strong program of incentives and inducements to learn about the Middle East, to learn about China, to learn about the areas of the world that are going to be critically important for our future—and develop the kind of expertise, you know—and not everybody has to go on and work in the defense or intelligence agencies. This'll help, you know, people going into business knowing more and having more expertise. It will be helpful to the economy and the country as well. So that would be another strong platform.

The other key focus would be immigration policy, as I suggested. I would make it much simpler, once students are here, to do things to have complete freedom—I'll come to this—both in terms of what they're exposed to in universities and to stay if they receive their degrees from the right level institution. I'm not suggesting you should come to trucking schools and stay. You know, probably you would want a master's degree or beyond to have an automatic entitlement to stay in this country. But I do think that that would be an important component.

The other smaller issue, which I think we're on the way to fixing, is the export control regime, which impinges on education—most people don't understand this—in a very odd way. We regulate so-called deemed exports. So if there's a controlled technology—you know, some sophisticated centrifuge or piece of imaging equipment or something or lasers—that we don't want the actual machine exported out of the country, we make it a requirement that foreign students who are going to learn how to operate these machines be licensed to do so.

Now for many years we operated under a basic research exemption that was quite of a case law—not really written into the statute. And a couple of years ago, some Inspector General in the Department of Defense got agitated about this and decided that export control should more rigorously-enforced.

Universities have been fighting this off, but we ought to have a clear statutory fix of the export control regime. It's crazy to say that, you know, foreign students can come to our country and not be allowed to work on equipment in a lab that their colleagues are working on. It just doesn't work. And, of course, the rules are, in fact, violated routinely. It's not a workable regime.

The whole export control regime actually needs fixing because the list of banned technologies includes literally thousands of pieces of equipment that anybody can buy in Europe or Japan. I mean, you know, they can buy the American version that's exported to Europe and send it to China. It's utterly insane. And fortunately Secretary Gates is actually on the right side on this one and that's under review. But that's something that ought to belong in this program as well.

What ought to be left out of such an Act to strengthen science, in my view, is overly-targeted applied research and development-type funding from the government in, you know, downstream technologies. We've been a total failure at that. We're very good at supporting basic research. Supporting research with a particular commercial purpose, we have a very bad record. And so do most countries. You know, the market selects that stuff better. Let's make basic science work, and I think the rest will take care of itself.

John? Sorry it was a long answer, but such a good question. Yes?

DR. JOHN BRADEMÁS: John Brademas. That was a brilliant talk—

DR. LEVIN: [interposing] Thank you.

DR. BRADEMÁS: —Mr. President. And if you'll—

DR. LEVIN: [interposing] Whoops.

DR. BRADEMÁS: That was a brilliant talk and—

DR. LEVIN: [interposing] I'm glad you turned the mic on.

DR. BRADEMÁS: Yes. And if you'll give me a copy of it, I'll send it to my former colleague, your Senator, Chris Dodd, and ask him to put it in the Congressional Record.

DR. LEVIN: [interposing] Oh, thank you. Okay, very good.

DR. BRADEMÁS: I'm very enthusiastic about your commitment to global education. And I remind you that in 1966, I wrote, as a member of Congress, the International Education Act, which authorized federal funds—federal grants to universities—for the study of other countries and cultures. Congress passed it. LBJ signed it into law, but Congress never appropriated the money to implement it. And I think one of the reasons we've got into so much trouble, as you've very articulately said, is ignorance of those countries.

Second, you talked about climate change and that challenge. I also wrote the Environmental Education Act, which authorized federal funds to schools to teach about the environment—this was around Earth Day—and to universities to prepare teaching materials. And what's happened to that? That became law. And under the present administration, it's sort of been buried. And we've lost an entire generation of opportunity to educate people.

Now I'm going back home to my old congressional district in a few days to make some campaign speeches in the Indiana Presidential Primary and also to campaign for the fellow seeking election to my old seat in Congress. And I intend to talk about these matters—

DR. LEVIN: [interposing] Great.

DR. BRADEMÁS: —when I'm out there. So your speech has been very provocative. You know, after I'd been president of New York University for a few months, I was back

on Capitol Hill and my former colleague said, "John, what's it like being University President?" I said, "Well you know, when I was here, I made a lot of speeches, I raise money, I wrestled with massive egos. In short, I feel very much at home."

DR. LEVIN: You were very farsighted serving the nation in your years and it's completely true. You were on the right side of the - - on all of these important questions. So, you know, thank you for your good thinking and good intentions and good legislation, even if it wasn't adequately supported.

Yes?

GARRICK UTLEY: Garrick Utley, President of the Levin Institute, State University of New York. We deal with globalization if it's a second career. There's a new institute that's been established here—

DR. LEVIN: [interposing] Yes.

MR. UTLEY: —to deal with globalization issues—

DR. LEVIN: [interposing] Terrific, terrific.

MR. UTLEY: —I've been reading your speeches. Today it's the American University and the Global Agenda, but you've been speaking on a number of countries about the global university.

DR. LEVIN: [interposing] Mm-hm.

MR. UTLEY: Question—yes, universities such as Yale are in the forefront of exchange programs of various initiatives. Are there many universities too who are now setting up full-fledged four-year degree-giving campuses—many of them in the Persian Gulf, but also been invited elsewhere?

DR. LEVIN: [interposing] Right.

MR. UTLEY: Is this a good idea? Is it a possible idea? Is it something that we should embrace as "the global university"?

DR. LEVIN: I think it's a good idea. I don't think it's something Yale will do anytime soon. But for many institutions, I think it will help open up the educational systems in foreign countries. You know, University of Nottingham has such an example in Ningbo, China.

I think introducing different perspectives, competition to the system—you've got to remember, in many, many other countries, there are no private universities, only government universities. They're controlled by Ministries of Education, which can do some terrific work sometimes, but can be unpredictable and, you know, can cause the systems to decline—can subject the universities to political forces.

If you look at Continental Europe, I mean, it's just a tragedy how so many great universities have declined over the last 30 years from insufficient funding and excessive—I don't want to say—egalitarianism would be the word—you know,

antimeritocracy—and, you know, that's just a confusion between, you know, what it takes to make a democratic society work. You need to reward some people for merit to develop leadership.

So I think, you know, it can be a healthy injection into those foreign countries to have the presence of American or British universities, you know, in the mix—source of new ideas.

How does it work for the American universities? I think there are strategic differences. You know, Yale has a problem with setting up a Yale in the Middle East, or a Yale in China, at this point because we could not replicate the environment for faculty in those nations that would allow us to have a faculty of really remotely comparable quality to what we have in New Haven.

I mean, you know, without the resources that we—the key thing is the agglomeration of people. And while we could theoretically provide great laboratories and study facilities if we wanted to invest enough, I think it would be very hard to create a great center of learning in one of these remote campuses.

And Yale is privileged to be one of the half-dozen places in the world—or 10 or 15 places in the world—that truly could be described as a great center of learning. If a university is not quite at that caliber, I think it's a different strategic proposition because you aren't diluting the institution by locating a remote campus. And you're doing something good for the world.

So I think NYU's leap into this game in a very aggressive way, I think, makes a lot of sense for NYU, which is a university that is ambitious to make itself stronger and where John Sexton and his predecessors have actually done a fine job in strengthening that university over the past 30 years or so. So, you know, I think it works for some institutions quite well.

Yes?

ALBERT GOLSEN: Albert Golsen [phonetic], a member of the Foreign Policy Association. This is a presidential election year and there's probably the distinct possibility that you might have a leader that represents a completely different and younger generation than the one that's currently in power. With that possibility—with a much younger political cadre in office, do you believe that the emphasis on education in America—globalization education—will significantly or can significantly change?

DR. LEVIN: It can. I mean, I have to say, you know, I'm not sure that the interest in international affairs, at this moment at least, correlates to the, you know, youth of the candidates. I mean, if anything, McCain is probably most deeply knowledgeable about sort of international affairs. But that's not to constitute an endorsement. I'm endorsing no one.

In fact, from the Yale perspective there is some distinct possibility that this may be end of our 20-year run of controlling the White House. So I don't know. I mean,

what can I say? I think that any of these candidates could turn out to be a really positive—I think actually in truth it's likely, I think, that any of the three would improve America's standing in the world.

What can I say? I mean, our reputation abroad right now is not in a good place. Our standing was much higher in Bill Clinton's time. And, you know, it's a very large part the Iraq war. But it's partly lack of sensitivity and sort of, you know, skill at dealing, I think, with foreign nations. And in a certain way, I think all three would offer hope in that dimension. Joel?

JOEL: I too want to thank you very much, President Levin, for those brilliant remarks. I just wanted to go back to the whole issue of globalization and how it seems—at least for this country, which has embraced globalization probably more than any other liberal democracy—and with the impact, I think, of aggravating an income distribution problem in this country. Are you concerned that institutions like Yale contribute to a growing income distribution problem both at home and globally?

DR. LEVIN: Well it depends where you start the measurement. That is, if you ask, you know, are we producing graduates who are going to overwhelmingly go to the high end of the income distribution, thus skewing it, the answer would have to be "yes." But if you look at the origins of our students, we —and not just Yale—the selective institutions in America—a lot of the state universities as well—are tremendous avenues of upward social mobility.

Let me give you a little bit of statistical information that is, I think, astonishing and remarkably positive about the effects that are outreach in attempt to get low-income students into Ivy League schools and is-like.

A survey of highly selective private institutions was done a couple of years ago. And we—this is Yale and a bunch of pure institutions, including liberal arts colleges as well as research universities, but the most selective ones—surveyed students who had graduated 10 years ago and 20 years ago. And unfortunately, we didn't have long-time series data, so we had to just ask these people, "When you entered college, was your family much richer than most in your class, richer than most of your classmates, just about the same, or poorer than most of your classmates?"

Now only about 5% of the students said they came from backgrounds where they were much wealthier than their classmates. And not surprisingly, ten years later, those students had higher incomes than the others in 20 years later. But the astonishing thing is, if you were in the 95% that said you were poorer than your classmates, the same, or richer, there was no difference—no statistical difference—in the incomes of those students.

So, in other words, the experience of coming to one of these institutions, no matter where you came from, you ended up on average in the same place, which is in the top 1% of the income distribution.

But, you know, I think that's a remarkable fact—that our institutions do create upward mobility. You know, they don't redistribute, you know, in a sense—they're

producing a direct outcome that is leveling 'cause they do tend to generate—people that go to the top of the distribution. But they do make it possible for everyone to get there. So that's, you know, the American dream, after all.

Yes? I don't know when it ends. I suppose I need to cut off at a certain point, yes? One more—okay, one more question.

MARY BELNUT: Mary Belnut [phonetic], Foreign Policy Association. You think in light of some of the scandals we've had in the last 10 or 15 years that maybe more courses in ethics should be included in these great universities?

DR. LEVIN: I do think that ethics ought to be, and fortunately is, a prominent feature in the curriculum. We don't have, you know, mandatory courses, as one of our donors has long tried to do—mandatory courses and the difference between right and wrong, which I think would be a nice idea, but not really workable.

In the professional schools, almost all of them now have some kind of ethics component. You know, our business schools actually—even before the Enron scandal, but certainly accelerated afterward—have, you know, a fair component of, you know, ethical conduct in the core of the curriculum. And usually not just in a course on ethics, but embedded into the curriculum, you know, which is actually a more effective way to teach it.

Our undergraduates—it's a popular subject. One of our most popular professors in the philosophy department teaches ethics and draws hundreds of students. If you have inspiring teachers on these issues, you tend to do very well.

I think students are keenly interested in figuring out, you know, how to approach the world. I mean, young people, fortunately for all of us, are characterologically idealistic and optimistic about life. And I think they do approach, you know, the world with, you know, a lot of good will and with the desire to do good in the world. And we try to capitalize on that and sort of direct that optimism and motivation in a constructive way.

It's been a great pleasure to speak with all of you. Thank you very much.

MALE VOICE: President Levin, may I thank you on behalf of the Foreign Policy Association? That was an inspiring speech and in the best tradition of the Foreign Policy Association. We thank you also for your dealing with the questions, and we hope you will be returning to us.