Keynote Speaker 2005
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FACET Keynote Address Jerry Bepko on May 21, 2005

Thanks for inviting me to join you for this FACET retreat. First of all, I could never decline an invitation from Sharon Hamilton and Bob Orr, Co-Directors of FACET, and Mary Fisher and Enid Zwirn, Co-Chairs of this retreat, since they are such good friends, and since they spent so many years doing great things at IUPUI and making me look good. This retreat always has been a highlight of the academic year, dating back to my days of active service to our university. I’ve hosted FACET at Cedar Crest in Indianapolis and I’ve spoken at FACET sessions. As I recall I actually presented a law class one year. So it’s a great pleasure to be back in your good company. It’s been nearly two years since I left my office at about 6:30 pm on July 31, 2003, after trying to set aside as many useful memos, reports and other papers that I thought might be of value to our then very new President Adam Herbert, whose presidency began at midnight of that day. As I left that night to meet Jean and friends for dinner I thought about the fact that this marked, almost to the day, 24 years of service in one office or another that we faculty would call “administration.” It took me all night to get over it and to become once again a full time professor. We left the next morning at 8:00 am for Washington DC where I attended the annual gathering of law teachers, lawyers and judges, under the name NCCUSL. This is a meeting which I have attended as a professor every year for 25 years. It is nearly a year since I went off the payroll to live in the glorious land of 18/20 recipients, meaning that my life these days is lived mostly as a volunteer. In that volunteer role I have a faculty office back home again at the law school in Indianapolis, in its new facility, Inlow Hall, from where I do research, I teach, I take on various university assignments such as service as the Inaugural Director of the Randall L. Tobias Center for Leadership Excellence. The Center is housed in the Kelley School of Business, but includes participation of SPEA, Education and the Center on Philanthropy. EXPLAIN THE TOBIAS CENTER. By the way, I do love to teach, enough to do it these days as a volunteer without pay. Last year David Baker gave a wonderful message to you including the admonition that good teachers must know their subjects and love their subjects, and that they must know their students and love their students. I do. That’s why I teach. And it’s the only reward that’s ever mattered very much to me. In relationship to active university service I now think of myself not only as a volunteer, but as a civilian -- an ordinary citizen -- and that’s the vantage point I’d like to speak from tonight. While I have some of the duties of a professor, I’m going to think tonight as a former colleague who has ventured forth as a civilian and who has listened to the civilian populations talk. I’ve done this for the most part in a role I had a taste of before retirement -- that of corporate board member and community volunteer. In the latter category I’ve had the pleasure of serving as Board Chair of the Indianapolis Convention and Visitors Association which this year was right in the middle of the efforts to bring a new
(Colts/NCAA) stadium to downtown Indianapolis along with a major expansion of the Convention Center. This brought me back in contact with our Indiana General Assembly which in turn reminded me of why retirement from administration looked so attractive. I must say, however, that our elected representatives were very attentive and ended up devising a very creative plan to fund these gargantuan projects. More than once I lamented that we were never able to generate quite this kind of enthusiasm for higher education. As a volunteer and corporate board member I’ve heard a lot of things said and I’m going to make a few observations tonight gathered from the community on an unscientific basis in the very recent past. This will set the stage for a few comments on building bridges to somewhere and anywhere. One thing seems clear. People increasingly see the times in which we live as the age of cultivated intelligence. People see that physical natural resources such as oil, iron ore, or precious metals are of declining importance and that the value of cultivated human intelligence is at the top of the list of factors that create successful societies. Thus, going forward, pools of human talent and pipelines to fill those pools are of utmost importance and have become much more a part of everyday conversation. This represents an enormous bridge for us to the world because universities are seen as the last most critical part of the pipeline. This is important for all aspects of life. In democracies the participation in government, the work that is undertaken by governments, the work that is undertaken by non-governmental organizations or not-for-profit organizations, and the work that is done by our free market business organizations all are influenced by the flow of well-educated talent that can be brought to bear in their service. I think, however, that the most pivotal uses of these pools of human talent are found in the economy. This is based on the assumption, widely held in the community, that there is a high correlation between economic productivity, invention and discovery, and the quality of every other aspect of life. This is also the sense of many of the comments that I have heard in the larger community about the need for the highly cultivated intelligence. So much of what I say will be focused on our economic productivity. How are we doing at mining these most precious human resources and maintaining the pipelines to fill critical talent pools? Everyone appreciates the greatness of our universities. Nearly everyone believes that the best advanced education in the world is found here in the United States. There’s much more I could say about that, but if I brought only congratulations I would not be entirely faithful to the input I’ve received. There are five general points made recently to me in different ways. First, there are some enormous, gaping leaks in this educational pipeline that leads to our pools of talent. In this week’s editions of the Indianapolis Star there has been a most sobering series on the dropout rates in Indiana’s high schools. Although there is still some debate about how these dropout rates are measured, I think the sheer shock value of these data, constructed in part by the Star to generate attention, is worthy of quotation. At one Indianapolis public high school - Arlington - the graduation rate was only 12.6% for the class that should have graduated in 2004. Other schools did better, but not nearly well enough. For the entire IPS system of five high schools the graduation rate was 34.9%. The suburban schools in Marion County are better, but not good, ranging from 53% to 91% in the smallest district, and all these percentages were reported as representative of the
entire state. Failure to persist and earn a high school diploma is tantamount to incurring a serious disability. In the future economy it will be increasingly difficult to find meaningful work and a minimally sufficient level of income. These dropouts are likely to be a burden on society through welfare payments, the criminal justice system, low productivity, and as a group will create a drag on the economy. Moreover, participation in our democracy is in question if people haven't brought themselves at least to the level of earning a high school diploma. Democracy depends on some level of understanding of public affairs. In the recent discussions of social security it is agreed that in about 25 years the ratio of tax paying workers to retirees will be only two to one, and later even one to one. Those who envision themselves as social security beneficiaries will be very uneasy if thirty per cent of those working age tax payers are high school drop outs. A second problem in the pipeline is found not only in K-12, but in higher education, as well. It has to do with the number of students who study and complete a rigorous curriculum in math and science and how well our students perform as a result. Bill Gates has said, "In math and science, our fourth graders are among the top students in the world. By eighth grade, they're in the middle of the pack. By 12th grade, U.S. students are scoring near the bottom of all industrialized nations . . ." This may be caused by diversions in the pipeline. Students are dissuaded from taking the most rigorous curriculum by short sighted parenting/counseling and social pressures. In colleges the social pressures are even greater and the diversion continues when college science majors are lured by good-paying jobs at Eli Lilly or Merck that keep them from studying at the graduate level in the sciences. These are among the reasons our graduate programs in math, science and engineering are so over weighted with foreign students. And this is another area of national concern since it is now more difficult (because of national security) and less attractive (because of our image overseas) for foreign students to study in our graduate programs. Moreover, for reasons I'll suggest in a moment, the foreign students don’t need us as much. I'm told that last year for the first time in memory the number of international students in the US dropped. The good news is that in state by state comparisons Indiana was one of two states that did not see a decline. Third, as people think about the pipeline they want to make sure that we not leave any groups out. There is magnified concern for those groups that historically have not participated in advanced education, in general, and a similar magnified concern for those who historically have not participated in the sciences. This includes some minority groups and, perhaps most importantly, women. More than half of those in the general pipeline are women. If, for whatever reason, women are not fully participating, especially in the sciences, the leaky pipeline problems will be even more serious. Fourth, the pools that flow from the pipeline may confront greater international competitive challenges. These challenges have been emerging for many years but have been brought into a new focus by a recent book by New York Times columnist Thomas Friedman. Let's call this Friedman's "Flat World" thesis, which serves as an overarching theme for my thoughts tonight. Facilitated by the development of new search engines and the enormous investment (possibly overinvestment) in global networks resulting from the "dotcom bubble," the costs of transmitting data have dropped to a level that encourages greater global competition on a new level playing field. Marc
Andreessen, co-founder of Netscape has said that "...the most profound thing to me is the fact that a 14 year old in Romania or Bangalore or the Soviet Union or Vietnam has all the information, all the tools, all the software easily available to apply knowledge however they want. ... (The) next Napster is going to come out of left field. As bioscience becomes more computational and less about wet labs and as all the genomic data become easily available on the Internet, at some point you will be able to design vaccines on your laptop." In other words, the world is not round as Columbus proved in his travels from Europe to the New World. After traveling the world in recent years Friedman says, in the title of his book, the "World is Flat" in terms of competition The greatest benefit may be for India, which previously could not afford the connectivity. It has much cultivated intelligence, but its people could not engage in the global economy. Now they can; from home. Friedman says that India and China are not racing us to the bottom. They are racing us to the top. Bill Gates has observed that "In 2001, India graduated almost a million more students from college than the US... China graduates twice as many students with bachelor's degrees as the US, and they have six times as many graduates majoring in engineering. In the international competition to have the biggest and best supply of knowledge workers, America is falling behind." Craig Barrett, the CEO at Intel, says, "You don't bring three billion people into the world economy overnight without huge consequences, especially from three societies - like India, China and Russia - with rich educational heritages." According to Friedman, there is also an ambition gap. Our success has made it difficult for us to make the sacrifices that others may do much more readily. We also have a numbers gap. Not only is China graduating more high end talent, but there's a gross number that is daunting. Assume you identify a person who is one in a million in terms of talent. In China there are 1300 of them. And we certainly have a skills gap. Companies are finding that there are better skilled employees in these countries who work much harder for much less.

One hopeful way to look at these developments is to think of them as the second Sputnik - the 1957 launch of the first Soviet space flight that set off a renewed awakening of interest in science and engineering. Stanford economics Prof. Paul Romer says, "A crisis is a terrible thing to waste." I'll come back to this. A fifth and final feedback is that the pipeline is not providing good well rounded and well grounded leaders. The words Enron, WorldCom, Tyco conjure up a colossal failure of leadership. The highly technical nature of corporate finance tends to diminish ordinary common sense about the long term advantages of integrity in business. For example, at Enron the miscreants were people who manipulated financial complexity. When people experienced in the energy business raised objections they were dismissed as old "gas pipe line types" who did not understand new ways to make money. The emphasis on the economic model - that of the profit maximizing person - tends to drive out other factors. And uncontrolled greed is sometimes camouflaged by deference to the "market." Business dean Richard Shiller writes that at the notorious August 7, 2003, NYSE board meeting at which CEO Richard Grasso was given unconscionable annual compensation of $140 million, "questions of whether the compensation was too high were aired but got nowhere... (since) it may well seem that these increases must be entirely the result of respectable "market forces." CEO salaries have soared so that the US leads the world in the
multiple of CEO compensation over average employee compensation. Some of those CEOs have earned their enormous compensation through bonuses related to profits achieved by outsourcing or off-shoring work that eliminates jobs at home. These compensations packages drain resources that could be used for modernization and efficiency, and also create morale issues that weaken American productivity. Shiller concludes, "Whatever happens to Grasso . . . these scandals would be a little less likely . . . if more of us professors integrated business education into a broader historical and psychological context. Would our students really fail to understand . . . (the consequences of their actions) if we treated the subject matter not as an arcane specialty, but as part of a larger liberal arts education." If we are interested in Building bridges to . . . Anywhere! these five concerns may be worth thinking about.

Let your imaginations explore the possibilities for bridges of engagement and learning in context. You're all so good at envisioning learning in context that I'll not have much to add, but I heard something recently that I think is most interesting. (FFA motto: Learning to do. Doing to learn. Earning to live. Living to serve.) Indiana University has already responded to the challenge of building bridges in significant ways. Its eight and one half campus ( Columbus ) university is a model for the future. Enrollment patterns suggest that multi-campus state universities will continue to grow as the dominant mode of providing higher education in the 21st century. Indiana University should be the best of these multi-campus institutions. This is because it has at its heart and in its deepest historical roots the international treasure of the Bloomington campus which stands along with other Big Ten campuses as a globally significant center of learning. We all derive some of our strengths and our high standards of intellectual achievement from the Bloomington campus. In addition to IUB, however, we have seven other campuses. There is a major urban research campus at IUPUI that contains the state's Medical Center, that addresses the state's largest population center, and more, and actually leads Indiana University in attracting external support for research. There are six other excellent campuses that also address their population centers and that are at different degrees of development, but that all have at their core the absolute commitment to high quality that is a defining characteristic of Indiana University. In my view highest level achievement blended with linkage to the state's populations is important for the next era of development for higher education. Parenthetically, I should emphasize that our campuses utilize on-line distributed and distance education strategies. They'll adapt the best technologies to create optimal conditions for learning. And they'll reestablish the importance of having campuses in population centers, rejecting the notion that education will be delivered predominantly through distributed means. I'll bet my money on our campuses as they continue to serve in more and more effective ways. This was Herman Wells' plan that was typically farsighted. The idea was to bring Indiana University quality to the entire State with an emphasis on baccalaureate and graduate degrees designed and offered close to the populations they serve. That the plan has been successful can be seen in many ways, including the fact that Indiana as a state is very productive of baccalaureate degrees ranked among the top states. Indiana mines many more baccalaureate degrees out of its total public university enrollments than other states. It does so at comparatively lower total costs and low state investments.
And it gives more students an opportunity to start their studies at a campus that offers baccalaureate degrees, rather than navigating the turbulent waters through a community college on to a four-year program. IU is strengthened by our multi-campus schools. They give an opportunity to find the right mix of large scale thinking and high performance, of aspiring to international standards, with the need to focus on student learning at the point of service and the commitment to focus on community needs, which are entirely local in nature. Another organizing feature is the faculty governance or the UFC. While I’ve found occasion to poke good natured fun at the UFC, which is as ponderous at times as Congress, I think this interconnection has brought a refreshing exchange of ideas and a confidence that the faculty has a defining role at the highest levels including the Trustees. Most important, perhaps, is FACET. This is our intercampus body devoted to student learning which gives the broadest range of possible points of intellectual contact. And I think it has produced the most positive results, both in terms of programmatic accomplishments and participant satisfaction levels (If we use student satisfaction surveys to measure our own classroom work we might as well use satisfaction surveys to judge the activities in which faculty engage for self improvement.) And of course as expected in such a well organized forward-looking university, the right issues are nearly always on the table. Currently I understand that President Herbert has launched a very healthy discussion about creating greater commonality and definition for the baccalaureate degree at Indiana University. Amen. These connections point up the wisdom of IU’s complex organization. At our sites we have campuses that can aspire, compete favorably with peers nationally, and use campus identity as a rallying point, especially for undergraduate student achievement. The integration of IU gives another level of possibilities - opportunities for synergy especially in research and technology applications, sharing of talents and sometimes other resources, and the updraft toward excellence that comes from our shared vision of IU. Prepared as we are, this may be a moment of opportunity to build bridges and engagement using the Friedman Flat World thesis. The flat world thesis may serve as a call to our university family. It may be something of a Sputnik phenomenon because of the way it has crystallized many issues and resonated with the public. Most people I’ve met, who have been exposed to Friedman’s writings on the subject, say it not only crystallizes what has been bubbling up in different parts of our collective consciousness, but also provides a very helpful framework for thought and a vocabulary of catch phrases. Can we use this catalyst and these related concerns to renew our efforts to build bridges and engagement? There are interesting currents at play and I believe you and our colleagues will think of the best ways to exploit opportunities. Meanwhile, here are just a few initial thoughts. You might begin by using Friedman’s Flat world thesis to show the utility of our basic arts and sciences education. The Flat World bridge to the future will require more people who have studied languages and culture, who have studied world history and the social sciences, who have engaged in cross cultural studies. Can we show a renewed relevance for our international programs and students, and arrange more community oriented events of benefit to business and government? Businesses in our communities will need guidance in cross cultural communication and understanding. At IUPUI, a Center on Cross Cultural Communication was
launched in 1998. Now the recipient of significant annual contract and grant funding, as well as an endowed chair, the Center does research based on linguistic theories and applied linguistics, and also provides services, much in demand, to local businesses, government, postdoctoral fellows and faculty. That Flat World future should include larger fuller pipelines of student in the sciences, mathematics, and engineering. There should be more and more external sources of funding for these purposes and we should be creative in attracting these resources and bringing the public into the world of university science. Another IUPUI example is the Center for Earth and Environmental Science which has obtained funding for the Lilly Arbor project. This is a project that joined the public, high school students, IUPUI students and faculty. It has re-created along the White River on campus the original flora and fauna that existed 200 years earlier before there was a European population living nearby. We probably have the capacity to accommodate more students and we should try to connect their curricula to government, university and business needs in the sciences, not only to attract students but to create synergies with respect to research. An example of this is found in Akron, Ohio, which was home to the major rubber and tire makers of the first two thirds of the 20th century. When the tire business moved on to other countries, the Akron community resolved in partnership with the university of Akron to become the polymer chemistry capital, something related to scientific competencies already in place as a result of the tire industry. Indiana's life sciences have presented parallel opportunities. And we certainly have to find ways to encourage those who have not been drawn into these fields to enhance the pipeline. We must work to bring more women and underrepresented minorities into the sciences. Maybe Larry Summers did more for the commitment to bring women into the sciences than anyone would have imagined, both at Harvard now that he has made an enormous financial commitment, but also because in a perverse way he has put the issue near the top of the national agenda. While we cannot match Harvard's $50 million investment in bringing women into the sciences, we surely can roll up our sleeves and recruit more women faculty, and more women students who can become faculty, accelerate the cycle, and enhance the pipeline. Should we experiment with university education in the sciences that will not necessarily lead to finite research or laboratory work? Is there a type of education in some scientific fields that focuses on innovation and the connections between the core scientific field and other fields of endeavor? We have an experiment under way at the moment in the subject of Informatics that may yield important results. Fields such as bio-informatics are already blooming. Education in the sciences probably should reach back in to K-12 preparatory work. Universities probably should work with high schools and their science teachers to coordinate relevant curriculum, to recruit students, to support science by bringing teachers and students to campuses to participate in sophisticated lab work or experiments. Community based efforts, using the Friedman Flat World metaphor, might be helpful in getting community support for science education at all levels. Much is to be done to help K-12 deal with the horrendous drop out rate. This involves teacher preparation, which is not just for schools of education, but is for all the departments in the arts and sciences if not the entire university. It involves public attitude changes, efforts to inspire young people
to defer gratification and commit to learning, and emphasis on the attainability of higher education that should be seen as the ever accessible gateway to the middle class. The Indiana based Lumina Foundation for Education, a $1.2 billion foundation devoted to creating access and success in college, is supporting research and model development on a broad range of preparation initiatives. This activity funded in our own back yard should give us encouragement to try out our own good ideas. Our bridges probably should include more experiences at all levels in the elusive subject of leadership. Many of these will involve communities either on or off campus. In these settings we must do better at helping students accumulate the experiences, ethical and moral insights, stability and discipline that will allow them to be successful in leadership roles. This should coincide with their taking on more and more responsibilities in business, volunteer work in their communities, or leadership in their families. The Tobias Center is just one example of the kinds of programs that may avoid Enron type lapses and build strong constant leadership for our communities. When change is in the air, and large issues may be emerging, I think we have to seize the moment. We have to employ fresh thinking, bold ideas and vision. In other words we need to reinvent; to renew what's good and innovate in areas of weakness. And we have to remain optimistic that our ideas and our solutions to challenges will be the best. Maybe this is another application of the old glass of water metaphor. Is it half empty as the pessimist sees it or half full as the optimist sees it? Well, we should be optimists and believe it's half full. But it's more complicated and there are other perspectives. The economist will say that the glass is not used efficiently. The lawyer will say there may be a person who drank half the glass and was made ill by its contents. The engineer will say the glass is 50% too large for the work it's doing. The former Enron executive will say that the appropriate way of accounting for the amount of water is to view the glass from the bottom looking up, thus deriving a correct impression of the abundant water in the glass in comparison with the trifling amount of air in the upper half of the glass; and that executive will also suggest that any depreciation of the water due to evaporation can be set up in a separate company chartered in Nassau. Today we should view the glass and conclude that the water in the glass is a precious resource; that we know how to give that resource to people who thirst for knowledge - people who will help us renew the resource so it will be self sustaining and grow, to enhance the pipeline. I believe we can do that better than anyone else and it's once again time we made that clear to all. Besides, a crisis is a terrible thing to waste.

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