Welcome to you all and to a new year in the life of AUB. Despite the uncertainties facing Lebanon and the region, we have a record number of students registering at AUB this year. We are welcoming our first PhD students since many years. We are continuing to provide a quality of education that is unrivaled in this region.

I would like to welcome and introduce to the audience some special guests. Several trustees are currently visiting AUB, and with me on the stage today is the Chairman of the Board, Dr. Thomas Morris. Also with us today is Dr. Khalil Makkawi, President of the Board of Directors of the World Wide Alumni Association of the AUB. I am pleased to see in the audience Dr. Abd al-Moneim Ariss, the mayor of Beirut and Kamal Rubeiz, the mukhtar of Ras Beirut. Let me also introduce Steve Kenny, AUB’s new Vice President for Finance, Len Nardone, the Associate Dean for University Sports, and Rania Murr Coordinator of Foreign Students in the Dean of Students office.

We are blessed to have forty eight new faculty members joining our ranks this year. The Faculty of Arts and Sciences is receiving thirty-one of them, the Faculty of Medicine six, the Olayan School of Business four, the Faculty of Engineering and Architecture three, the Faculty of Health Sciences three, and the Faculty of Agricultural and Food Sciences one.

It will come as no surprise that universities have a big impact on the neighborhoods or even the regions in which they are located. Throughout the histories of most well established universities, the administrations of these institutions have been concerned mainly with internal issues of student and faculty recruitment and the finances necessary to sustain both. Whatever happened in their near environment was to some extent unplanned.

It has been in the last twenty years or so that universities themselves have given explicit thought to their impact. Some have been driven by positive forces and some by negative forces.
Real estate developers have long recognized that the presence of a university can make an entire neighborhood attractive for residence, commerce, and related research. I am sure the municipal authorities in Cairo are counting on that in promoting the development of the American University of Cairo’s new campus in a suburb called New Cairo which is slated to have three million inhabitants. Perhaps the most renowned example of positive regional transformation is Silicon Valley with Stanford University as its motor and hub, but route 128 with its vast array of private research firms interacting with Harvard and MIT is equally famous. For some years France has pursued the establishment of technopols with universities and research centers at their heart. Dubai, Qatar and Abu Dhabi appear to be following the same model.

In some instances the explicit concern for the impact of the university is driven by the negative forces of decay and insecurity. This is particularly true of urban universities. Cities are usually characterized by a process of decay and renewal whereby formerly affluent neighborhoods decline in fortune while new neighborhoods become fashionable. Old university campuses may be left behind. Sometimes entire cities, like Pittsburgh or Cleveland, decline in fortune leaving universities as exposed islands in a dangerous sea. The University of Chicago in south Chicago, Yale University in New Haven, and the University of Pennsylvania in West Philadelphia are facing these challenges. For such universities it has become imperative that they help improve the overall conditions of their neighborhoods so that they can attract good students and outstanding faculty who might otherwise be scared away by crime, drug trafficking, and urban decay. In some instances, such as at the University of Pennsylvania, the university has become a motor for urban renewal. The University of Pennsylvania has worked with local merchants to clean streets, provide security and improve street lighting. It has worked with local schools to raise their quality. It has joined with developers to replace decaying housing. In the process West Philadelphia has been transformed, and the university has become a much more attractive place for faculty and students.

So where does AUB fit in to this process? I do not think it is an exaggeration to say that Ras Beirut would not have developed at the pace it has and with the characteristics that have made it famous had this campus not been established here in 1873. When Daniel Bliss purchased this land outside the walls of Beirut, he was regarded by Beirutis as somewhat mad, putting a university on a pile of barren rocks. It was concluded that he wanted to live with jackals and goats.

But the jackals and goats gradually disappeared, and the Syrian Protestant College soon left its imprint, architecturally, with several new buildings, culturally, by promoting diversity in its faculty and students, economically, by attracting services and trades to the area, and physically, by linking this agricultural hinterland of Beirut to the city through roads and the tram line.
Today AUB is at the heart of a vast and rich urban environment which it helped to create. There is a density of educational establishments in this neighborhood that would not be here had AUB not come first: Lebanese American University, Haigazian University, International College, the American Community School, the Collège Protestant, and many others. Cumulatively these institutions have enormous economic and cultural weight in this neighborhood, employing many thousands, educating many thousands more, and spending millions of dollars in wages, purchases and contracts every year. Ras Beirut is to Beirut what Cambridge is to Boston.

Despite the civil war, Ras Beirut is still a vibrant and relatively prosperous sector of greater Beirut. We do not face here the problems the University of Pennsylvania or the University of Chicago face in their environments. It is still a neighborhood that reflects many of AUB’s core values of diversity and cultural innovation and creativity. Its heart is a large, highly educated middle class that enjoys its proximity and access to the university and that constitutes a significant market for goods and services.

AUB wants to contribute to the social, cultural, and economic health of the neighborhood, not simply to be a good neighbor, but much more because the long term health of the university is dependent upon the long term health of Ras Beirut.

The long term health of Ras Beirut cannot be taken for granted. For an older generation much of the change going on in the neighborhood is negative. New buildings are often shoddy and tasteless. There are more glaring gaps between the affluent and the poor. The campus is increasingly boxed in by the towers of the wealthy sometimes built in violation of zoning codes and exploitation ratios. A time may come when Ras Beirutis will have to go to the Corniche in order to see the sea.

Iconic landmarks often tell a tale better left untold. Faysal’s, the near legendary symbol of all that was good outside AUB’s walls, closed in 1985, ten years into the civil war. This was AUB’s Deux Maggots. Now when we gaze out through the Maingate, we see this, hardly a place where students and professors can hang out and concoct the next revolution. Nonetheless, establishments like City Café have come along to pick up the baton, so not all is lost.

But a part of me wonders: could AUB have helped Faysal’s survive and thereby helped both Faysal and the university? After all how does any stranger know today how to locate the university without Faysal’s as a landmark?
Faysal’s may be a symbol of AUB’s neighborhood as a whole. Should the University sit passively in the face of rapid change, some of which may harm the University in the long run?

For more than a year, a small team at AUB has been working on something we are calling The Neighborhood Initiative. The goal of this initiative is two-fold. First we want to understand better and in detail what our impact is in Ras Beirut and in Beirut as a whole. Second we want to understand how, within our resources, we can act constructively to make Ras Beirut a better neighborhood for all its inhabitants. The day-to-day leader of this initiative is Dr. Cynthia Myntti an anthropologist and urban architect with long experience in the Middle East and who has been a visiting faculty member in our Faculty of Health Sciences.

Over the last year Dr. Myntti has carried out extensive surveys of our interactions with the urban fabric and urban life of Ras Beirut. She has received the enthusiastic cooperation of many AUBites who have quickly understood the significance and the importance of what we are trying to do. We also enjoyed the cooperation of many friends in the neighborhood. The initial year of research and mobilization was generously supported by the Cairo office of the Ford Foundation.

We have learned a lot through formal and informal surveys. We have a better idea now of where our students, faculty, and employees live, how they come to work or study, what they spend and where. We also have a better idea of how much the university itself spends in purchasing goods and services in Beirut, and contracting for its major construction projects. We have tried to obtain a better understanding of the Ras Beirut real estate market and of the dynamics of commercial life in the neighborhood.

AUB has 3500 non academic employees and over 600 faculty members. Our salary bill is now well over $62 million annually. This probably makes us the single largest employer in the Lebanese private sector, easily eclipsing Middle East Airlines after its restructuring of a few years ago.

We spend well over $9 million in undergraduate financial aid and another $3 million to support graduate students. In addition we spend nearly $3 million annually to pay for the education of the children of our staff and faculty. We spend annually $1.3 million to defray housing expenses for faculty who live off campus and we make loans to faculty who wish to purchase housing in an eight kilometer radius from our campus. These outlays impact directly or indirectly on commercial life in Ras Beirut.
AUB pays a lot of taxes of various kinds—income tax on salaries, social security contributions, municipal and built property taxes, and VAT. Thus AUB is a major contributor to the public finances of Lebanon, and we hope that some of these payments result in improvements to our neighborhood, such as the re-paving of Hamra Street or the new sidewalks currently being installed along the Corniche.

AUB is also a major customer to many suppliers and contractors. The hospital alone makes purchases each year worth well over $30 million and the university as a whole purchases nearly $50 million in goods annually and $7 million in services. Within the framework of the campus master plan we have around $100 million in projects underway and probably an equivalent amount scheduled for the next ten to fifteen years. The major projects are the Charles Hostler Student Center and the Olayan School of Business, but these are only two of dozens of major projects that have brought teams of project managers, architects, engineering consultants, and construction workers to our campus.

All in all, AUB has a population of students, personnel and faculty reaching nearly 12,000 and that does not include all their dependent family members. This population spends a great deal annually in the neighborhood economy and is a vital source of customers for the dense network of retail enterprises in Ras Beirut.

The AUB hospital is of course a major provider of medical care to our neighborhood but also to all of Beirut, Lebanon and beyond. We handle upwards of 30,000 cases a year through our Emergency Department alone. During the July War of 2006 we provided and continue to provide emergency medical services to the refugee populations in Beirut, and we continue to provide free medical care to those still suffering the effects of the war.

At the same time AUB contributes to some of the problems facing Ras Beirut, particularly to vehicular congestion and the demand for parking. It is not only our students and employees who create these pressures but the thousands of in-patients and out-patients and their families and friends who use our medical facilities and clinics on a daily basis.

Our student survey for example showed that a third of our students come to campus by private car. I personally was somewhat surprised to learn that 22% walk to campus while 25% take public transport. That means that nearly half our students are not contributing to the congestion problem.

I believe it has always been the hope of AUB’s trustees and administration that our faculty will live close to or on the AUB campus in order to foster closer contact with students outside the classroom setting. Indeed, it was part of the importance of Faysal’s that it could serve as an informal meeting place for students and faculty.
With that in mind, it is disquieting to note that only 40% of our faculty live in Ras Beirut. Our neighborhood has simply become a much more expensive place to live over the years. Luxury housing has replaced middle income housing and driven up property values in a general sense. That trend has not been interrupted by the assassination of Rafic Hariri nor by the July War of 2006. The change in affordability since 1970 has been dramatic. In that year 80% of all AUB employees lived in the neighborhood. Now it is only about 20%.

This trend is a matter of great concern to the university and presents a long term challenge. What is at risk is not only affordable housing for faculty and staff, but the very diversity that has always made Ras Beirut culturally distinctive. The only way that diversity can be preserved is through joint efforts involving all the stakeholders in the neighborhood.

Once again turning to our student survey we find that students feel that what is most lacking in Ras Beirut are cinemas, quiet cafes or other places for meeting or studying, cheaper parking, sports facilities, and healthier eating options. Many of our older neighbors noted the same deficiencies. There would seem to be a market ready to be made with plenty of demand waiting for supply.
The next phase of the Neighborhood Initiative will be to figure out what AUB can and should do to bring about positive changes in its neighborhood. There are three possible roles AUB could play in ascending order of ambition and cost.

- **Role 1: AUB as a good neighbor.** Here we would intensify things we already do like sponsoring cultural events, perhaps a neighborhood art fair, visits to the archaeological museum, expanding our Continuing Education offerings, and expanding student and faculty involvement in community service.

- **Role 2: AUB as a partner in neighborhood revitalization.** This would entail a higher level of involvement and resources. Faculty and student talent could be made available to promote neighborhood diversity, help small businesses to understand their market better, or to enhance the cleanliness and security of the neighborhood. We would have to develop channels of communication to the community beyond our walls and encourage participatory planning with major neighborhood stakeholders.

- **Role 3: AUB as a producer of knowledge.** This would build on the previous two roles and entail more ambitious commitment of human and material resources. We would try to harness faculty talent to address longer term issues facing Ras Beirut so that we can anticipate together major challenges and provide solutions. Ideally this phase would involve sister institutions in Ras Beirut. When one thinks of the talent we have collectively in education, public health, business, civil and environmental engineering, medical care, and public administration, it is obvious that we have expertise that would be the envy of any city anywhere.

The goal for all of us should be a neighborhood where people of all sects and different levels of income can live together in peace if not in harmony, and where all inhabitants can enjoy and contribute to the cultural and intellectual life that all these educational institutions create. I have always marveled at the Corniche just outside our gates. Here we find Beirutis, men and women, children and grandparents, all income levels, the religiously conservative to the religiously indifferent, sharing the sea, the air and one another. That is or was the spirit of Ras Beirut, and AUB has an obligation to nurture that spirit. It is an obligation we should accept willingly and gladly.

Here’s looking at you, Ras Beirut.

In closing, let us all pray for a year in which our politicians are afflicted with the disease of sanity and concern for the public good; a year in which we can say a corner was turned and Lebanon is once again on the right path.