



Speech by Rip Rapson:

Positioning Your University for Investment: The University and Urban Renewal

Address to Third Annual Kresge/Inyathelo South Africa Leadership Retreat, in Milnerton.

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I. The Challenge We Face

Over the next two days, we will explore the issue of how universities can strengthen their long-term mission and financial sustainability by creating more varied and robust relationships with their communities.

When I first came to South Africa in 2006, I was impressed by the power of what South Africa had accomplished since you gained your freedom in 1994. The challenges were daunting, but there was among the leadership I met a transcendent spirit of commitment to the very highest aspirations of democracy and opportunity. It was powerful and inspiring.

But as he so unfailingly does, Brian O'Connell, vice chancellor for the University of the Western Cape, challenged us to look deeper at the South African higher education system. He asked us: "Are our universities worth saving?"

In many ways, the conversation last year and the one we will have this year, return to that question. Because lying underneath Brian's question is the haunting reality that South Africa has great reason to be concerned about the health of its universities.

Fortunately, you need not be concerned about an absence of excellence. On the contrary, Africa is blessed with a great number of outstanding universities and it can be argued that South Africa's universities constitute the strongest system on the continent.

Similarly, you need not be concerned about an absence of ambition. In each of the last two years through the Kresge-Inyathelo Initiative, we have discussed the thoughtful strategic planning and operational commitment of many of your institutions.

Instead, the health of the South African university system is precarious because of factors both internal and external to your institutions.

The internal pressures are all too familiar. Inadequate financial support. Physical plants desperately in need of attention. Aging faculty. And many more equally serious challenges.

The external pressures are no less familiar. I am struck by the extent to which our two countries – South Africa and the United States – are caught in a maelstrom that conspires to unravel the stability of democracies both countries have worked so hard to create and nurture:

- Great migrations of people due to political and economic upheavals beyond our borders, with the attendant backlash against those people from our countrymen.
- An increasing alarm that the effects of the financial meltdown will not be temporary and minor, but enduring and significant and that our leadership may not be capable of charting a clear and effective path forward.
- A long-predicted, but ultimately unexpected, energy crisis that will, if it is not adequately addressed and in a timely manner will bring our economies to their knees.
- Climate changes that are melting ice caps, warming oceans, creating more frequent and violent storms and in countless other ways destabilizing our natural and human ecosystem.
- And, finally, a leadership vacuum in which the taking of self-serving position trumps the pursuit of the common good.

We in the United States are despondent enough about this, hoping – quite passionately – that our elections Nov. 4 will set us on a different course. But when you add to the South African mix the legacy of apartheid and a democratic tradition that is still very young, the leadership challenge before you is immense.

And yet, South Africa remains a beacon of hope in the world. You have attempted to provide justice and employ ingenuity to solve your problems in a way that the rest of us so greatly admire. For all the hard work that remains, for all of the growing complexity of the national and international order, it is undeniable that things in South Africa are incomparably better than they were 15 years ago. It is a monumental accomplishment.

And it must forever and wholeheartedly be acknowledged that South African universities have played a significant role in that accomplishment. Helping solve local problems, contributing to economic growth, strengthening civil society. You have done this. Now, we want to examine how much more can be accomplished.

II. Kresge's Response to the Challenges of South Africa

But first, I would like to describe Kresge's commitment to South Africa. It has grown since I first spoke to you in 2006. In March 2007, Kresge's board endorsed the creation of a program to strengthen South African higher education.

We are proud of our earlier grantmaking in South Africa, including our reputation for building buildings, and our more recent support of Inyathelo to help build the private fundraising capacity at the Cape Peninsula University of Technology, the Red Cross Children's Hospital Trust, the University of Pretoria, the University of the Western Cape and the University of the Witwatersrand.

Indeed, our four original grantees have collectively increased their fundraising threefold since our philanthropy initiative began two years ago. In 2005, they collectively raised R82,000,000. In 2007, they raised R253,300,000.

These successes have emboldened us to move beyond our focus on challenge grants and the construction of buildings and add a second dimension to our work in South Africa. This second dimension supports South African higher education in other, more flexible ways. We are providing support for innovative and high-performing programs, for advocacy, for research, for capacity building.

In particular, we have identified five areas in which we believe our help can be most beneficial:

First, improving learning and teaching by connecting South African university faculty who were trained in another era with today's modern, more diverse student body;

Second, increasing the quality and quantity of locally produced research by nurturing the next generation of university researchers. This might support, for example, Asgisa, the South African government's plan to increase the supply of engineers, scientists, managers and skilled technicians;

Third, strengthening and assisting university management by preparing and supporting vice chancellors for the challenges of running highly complex institutions;

Fourth, establishing an innovation fund to support experimentation in higher education; and

Fifth, promoting university-community connections.

A number of examples are illustrative. In the past year, we have made a substantial capital contribution to the University of the Western Cape's new Life Sciences Building on Modderdam Road. We have underwritten the Southern Africa Labour Development Research Unit's Summer Program in social science quantitative methods at University of Cape Town. And we have commissioned a study on South African Third Stream income by Rhodes University.

We are very excited about this dimension of our work and look forward to talking more about this with all of you.

III. Anchoring Institutions: Building Prosperity and Democracy in Communities

There is an old saying I am sure you are familiar with: "Tough times make you stronger." Well, the last year has provided us all with tough times. Times like these provide golden opportunities to try new things and to look at the world – and your neighborhood – in new ways.

When we look at universities and hospitals, we see what we in the United States call "anchor institutions." This term describes the critical role universities, hospitals, museums, parks, sports arenas and performing arts centers play in anchoring a community – providing community identity, employing neighborhood residents, contributing to fiscal health, attracting visitors, providing goods and services and serving in countless other ways to stabilize the life patterns and vitality of a neighborhood.

Community is, of course, a relative term. It can relate to the local neighborhood, a city, province, country or region. I was struck by this yesterday when Bill Moses, the program officer who leads Kresge efforts in South Africa, and I visited the Red Cross Children's Hospital Trust. Nicky Bishop, the trust's director, told us a story of mothers and children riding the bus for 16 hours to be seen by a health care worker – clearly, the hospital's community extends into countless regions of the country.

Whatever the geographic reach of these institutions – your institutions – they are an essential ingredient in the build-out of this nation’s democratic order. Educating students, to be sure. Engaging in world-class research, certainly. But I would submit that the third leg of this stool – community service – has been a pivotal part of South Africa’s modern history, and remains underdeveloped and rich with potential.

Many South African universities played a critical role in fighting apartheid – whether it was educating the leaders of the liberation movement at Fort Hare, providing an intellectual home to the left at the University of the Western Cape or measuring the social impacts of apartheid-spawned poverty by the University of Cape Town’s Southern Africa Labour Development Research Unit. There were others, of course, but you know this history better than I.

The passing of apartheid doesn’t extinguish the importance of community engagement. At whatever scale – local, provincial, national – universities can feed the pressing appetite for leadership. They can contribute practical research solutions to here-and-now problems. They can think creatively about issues others have written off as too difficult. They can provide forums in which divergent perspectives can be brought together in neutral, safe environments. They can channel the energies and talents of students and faculty in community service projects. They can find ways to employ people from adjacent communities. And, one more example, they can buy goods and services from community businesses.

This is a model finding increasing adherence in the United States, although slowly. This is difficult work. As Carol Colletta will remind us tomorrow, a university’s greatest contribution to community is to increase the number of graduates they produce. And in pursuit of that mission, many American universities have walled themselves off from their communities to avoid the messy, confusing and often disruptive politics they can bring.

But in the more visionary cases, we are seeing universities embrace their neighbors. They realize that they have enormous investments in a place and can’t just pick up and leave. So, instead, they begin to look at their communities to see what common interests they can pursue to benefit both the university and the community at large.

Perhaps one of the best-known examples of this engagement has occurred in Philadelphia, where the University of Pennsylvania has reached out to its neighbors in the low-income West Philadelphia neighborhood. This commitment to a broader institutional mission first emerged under Penn’s former

president Judith Rodin, now the president of the Rockefeller Foundation. This example will no doubt come up again in our discussions – and I hope you will get a chance to read Judith Rodin’s book, “The University and Urban Revival,” which is included in your registration materials.

Over the next few days, you will hear stories from some of the best local and international institutions that have re-imagined themselves by engaging their communities. You will see how institutions get beyond the troubled histories and move forward. How they become more engaged with their communities for the common good. How the unique qualities of “place” affect your options. How you take advantage of this concept of place to benefit your institution and your community.

Many of you may not realize this, but The Kresge Foundation is deeply involved in re-imagining our hometown in Michigan. Before I close, I want to give you a glimpse of our history, our challenges and our aspirations for the region. You will see many similarities, I am sure.

IV. Detroit

Bill and I come from Detroit. Detroit has a modern history that is almost as old as Cape Town’s. Established as a military and fur-trading outpost by the French in 1701, it later became the center of the automobile industry, one of the most dynamically innovative industries of the first half of the 20th century.

Detroit helped to establish the American labor movement, which gave us a 40-hour work week and created the broad American middle class. In World War II, it became known as the “arsenal of democracy” for its industrial might in the triumph over fascism. It later became a musical and cultural mecca. In the 1950s, it had 2 million residents.

Today, our story is very different. The city has fewer than 900,000 residents. Its public school system has nearly collapsed, and you have no doubt heard about the woes of the automobile industry. Michigan’s unemployment rate is one of the worst in America. Yet we believe that communities don’t flourish by focusing on their weaknesses. Instead, as I described earlier, we believe communities need to focus on their strengths and the unique things that make them special.

The Detroit area has wonderful cultural institutions, amazing research hospitals, the busiest border crossing in North America and one of America’s most modern airports. It has a beautiful waterfront and its downtown has some of the finest examples of early 20th-century architecture. It sits in the midst of the

Great Lakes, which are the largest body of fresh water on the planet. Its regional universities, most notably Wayne State University and the University of Michigan, are some of the strongest in the world.

We are working with civic leaders to build from our strengths. For example, we hope to take advantage of our international border, our airport and rail and highway lines, and the industrial strength of Michigan and neighboring Ontario, to become a logistics hub. Much of the thinking about the options we have has come from reports produced by researchers based in or affiliated with our universities. They know they can't flourish without a prosperous community around them. Place is critical; community partnerships are critical.

V. Conclusion

Before you go to sleep tonight, I hope you'll have the chance to take a look at the report from CEOs for Cities, *City Anchors*, which we have included in your packets. In the report, David Maurrasse talks about how anchor institutions can be leveraged for urban success. In his research, he cautions that not all engagement is useful, or even benign. He also challenges all of us to go beyond rhetoric to real engagement that benefits our communities, our institutions and our shared prosperity.

I look forward to working with you over the next few days and as we explore and sort out these opportunities and experiences, and how they may have relevance to improving institutional advancement and your ability to raise private funds to benefit your own critical missions.

It is always a pleasure to come to South Africa. I very much look forward to what will be a productive and lively retreat.

Thank you.