

## **American University of Armenia: Investing in Human Capital**

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The American University of Armenia was founded on Armenian Independence Day in 1991 by the Armenian General Benevolent Union (AGBU), the University of California and the Armenian Government with support from the US Government. It is a good example of a successful public-private partnership. Over the past 20 years, it has had nearly 2000 graduates and many thousands more extension students, over 85% of them living and contributing to Armenia in the private and public sectors. AUA was designed to complement not compete with local institutions and traditional educational strengths. AUA's original focus was on mid-career students retooling for post-soviet era; hence, for the past two decades it has been a master's-only institution. The fields of study were selected to address the specific needs of a post-soviet country in transition to a free-market democracy: Teaching English as a Foreign Language, Business and Management, Political Science and International Affairs, Public Health, Engineering (Computers, Industrial, Earthquake) and Law. The emphasis, as is typical at the master's level, is not theoretical, but practical and professional. The goal is enhancing and perfecting skills needed for professional competence. The overarching mission has been to promote democracy, a free market economy, the transition from soviet isolation to global integration, and Armenia's competitiveness in much larger, less protected playing field than the former Soviet Union. As a leading institution of higher learning in Armenia whose language of instruction is English, AUA is a significant asset for global competitiveness.

There is much to be said about the AUA experience. For those interested in more detail, the AUA website ([www.aua.am](http://www.aua.am)) has a Factbook, open to the public, which presents extensive statistics on the students, faculty, and alumni. Also, on the web-site are a range of materials relating to AUA's accreditation by the Western Association of Schools and Colleges. With its US accreditation, AUA is a unique asset for Armenia. It is also a good example of best practices in higher education administration: a broadly participatory process of continuous quality control, through self-study, self-evaluation, and self-governance.

Today, I would like to address five factors that have made the AUA an important contributor to the development of Armenia's human capital.

**1. Leading by Example** – AUA follows internationally accepted standards of instruction, both in content and in method. Indirectly it has contributed to changes in the way English and other subjects are taught, simply by its example. This applies not only outside the institution, but also within. There's an old saying in American education: "It doesn't matter what you teach, if you don't practice what you preach." Students learn by example and they learn from the environment. They are

pragmatic, and do what is necessary to survive and succeed in the environment, notwithstanding the message in the classroom.

**2. Connecting to the World** – English language proficiency, broad, multi-cultural mind-set, openness to new world views. The goal is not replacing, but rather expanding and contextualizing the local and global cultures, giving students a broader repertoire of ideas, languages, cultural versatility, helping them claim their rightful place in the world.

**3. Tailoring the Global to Local Needs & Conditions** – This is a major added value of a local, yet globally oriented institution. Contextualized study is hard to simulate outside the environment. Contextualization demands constant grounding in the rapidly changing landscape of a country in transition. Developing English language methods tailored to Armenian speakers, or adapting legal concepts to Armenian institutions and practices, health policies to Armenia's current challenges, policy research to issues facing Armenia's women or homeless in Gyumri, earthquake engineering focused on Armenia's risk profile, construction methods and materials; business methods tailored to Armenia's business culture, resources and realities.

**4. Life-Long Learning** – AUA originally focused on the "non-traditional student" and continues to attract a large number of mid-career students. In today's world, it is expected that people will need to learn their whole lives. People will change jobs and careers several times. We all need to be life-long learners. Across the curriculum the emphasis at AUA is on learning how to learn. The most important thing a student can learn is to be an independent learner. That goes not only for AUA, but for all education.

**5. Community Service** – Aristotle argued that we are not born human, we become human through instruction and practice: just as a good pianist becomes good through proper instruction and practice, or a good sportsman becomes good through proper instruction and practice. Being human, however, is not merely an individual activity; it is a team activity. Hence, at AUA, we emphasize team work and participatory learning. Just as you cannot be a good football player on your own, so too you can not be a good human being on your own. We need practice at governing ourselves, at designing our lives, at building things together, deliberating together to find solutions to the problems we face as a community. AUA's classroom methods, student-centered learning, participatory process, self-studies, accreditation, are all a training ground and model for learning to be human.

For Aristotle at least, we cannot have a good life, unless we live in a good society. We along with our laws, customs and values are shaped by the society we live in. It is not possible to live a fully good life within the confines of the "private sphere" of family, clan, business. Hence, AUA encourages community service. Service to the community is not just a nice thing to do. It is essential for self-actualization. As Beinhocker pointed out in his book, *The Origin of Wealth*, when operating in a zero-sum game environment, the selfish drive out the altruistic; the suspicious and conspiratorial

drives out the risk-taking, cooperative; "might makes right" drives out the creative, rational, innovative and cooperative. When people do not feel secure, they do not take creative risks, and without creativity there is little innovation. A creative person who feels insecure in his or her civil rights and business relations, is likely to expend unnecessary time and energy on being defensive and overcautious and may not have the time or energy necessary for innovation. Such an environment has a chilling or stunting effect on the development of human capital.

In a word, human capital is heavily impacted by the environment. If the whole environment cannot be reformed, then we must create oases, or islands of virtue – places where it is safe to take the risks to be creative and innovative. AUA is one of those. Free enterprise zones could be another. Certain international company subsidiaries and branches in Armenia could be another. Certain progressive, well-administered state bodies could be another. But this is not enough. Islands need to be connected to each other and the world. People also need to be in constant multi-level, multi-channel communication with the world.

For the next generation or two at least, English will continue to be the richest information carrier and the most widely used mode of communication in global interaction. AUA has been a leader in equipping Armenia with English language skills and more importantly, training English-language teachers, thus multiplying its impact. A very small portion of the new and useful information available in English reaches us in Armenian. A fraction of a percent of the world's 8 billion population speak Armenian. Russian is an important regional language, but even Russians, indeed all Europeans, as well as inhabitants of small countries and large, even China and India, find it necessary to at least read and understand English in order to stay competitive.

Language proficiency is an essential part of human capital. The time may come that computer-assisted translation devices such as Google translate or its hand held version, will make language barriers disappear, but it will be much longer before they will replace the ability to shape an effective message or deliberate instead of us, articulate thoughts appropriate to situations and solve problems and express solutions in a way that is understandable and persuasive.

Schools and universities can teach English, but the environment can make an essential difference. Armenian children come to pre-school as semi-native, bilingual Russian speakers, primarily because Russian is widely accessible in the ambient culture, primarily through TV. They could just as easily become trilingual – Armenian-Russian-English speakers – if the environment, in particular TV, exposed them to more English. This would save schools, students, and parents time and resources. Instead of teaching basic English vocabulary, grammar and phrases, schools could be teaching more advanced communication skills.

While we are on the topic of language proficiency, I would like to emphasize as I did earlier, that English-proficiency is an expansion or enhancement, not a replacement for knowledge about one's

own language, literature, history, culture and heritage. Students tend to learn the skill of written and oral expression best in and through their native tongue. It is the first, but not the only, shaper of their thoughts and habitual ways of thinking and speaking. It is a shaper, but not the "hard code" of their minds, which neuro- and psycho-linguists have found to be much more versatile and flexible. It is like a viewpoint on the world, but it is not the eyes themselves, which are still capable of seeing and discerning many different things, if we train them. The untrained eye fails to see certain things in the forest, in an art museum, in the night sky, or at the negotiating table.

Language is, of course, much more than a mode of communication: it is a content-laden medium, a storehouse of narratives and ways of speaking about and seeing the world. Human beings are story-telling creatures. We learn our roles in life from the stories we tell about our past, present and future. We learn those from our environment. In this sphere, schools and universities have less impact than mass media and popular culture, in particular TV. If the environment has pragmatic, historical narratives that teach the lessons of the past, help understand how to avoid past failures, and show how innovative, creative, honest, courageous people contribute to societal justice and prosperity, then students will internalize these narratives of their nation and rolemodels and develop a compatible narrative for their lives. From these narratives, we learn to be the authors of our lives, or not.

One of the things that AUA does is to help students to understand that, like it or not, ready or not, they are the authors of their own lives; they have a duty to live good lives and to develop their talents and use them in service to society, both to repay those who have contributed to their success and to afford coming generations the same or better opportunities. This may or may not be in harmony with the narrative they absorb from the environment.

Universities are social investments: investments in human capital. One must be careful with the investment analogy. One cannot judge their value by their balance sheets, or by their current profit-loss statements. Their faculty and students are their primarily capital, and they bring with them a huge accrued value of knowledge and mission, commitments and human virtues, on which no accounting system has ever been able to put a monetary value. Some things cannot be commodified, even if they do have a utilitarian value, because their potential value is so much greater, more indirect, and harder to measure than financial assets.

In other respects, however, investments in human capital are quite similar to other investments. Well conceived and managed, they produce returns. Like other investments, the environment can make or break an investment in human capital. Human beings help shape other human beings, but the environment is a decisive, unescapable factor. The environment needs to be right, and shaping the environment is the function of government and society, including universities, schools, church,

police, health care, army, families, lawmakers, law administrators, and law enforcers. Universities and schools cannot do it alone.

Universities can be oases or islands of virtue, but the environment outside the university has to be conducive for those who graduate to rationally, innovatively, and successfully apply their knowledge and skills, to live happily and creatively. The islands must turn into archipelagoes and as the waters of transition recede, become a foundation, a critical mass, or at least serve as a bridge to a better future.