

Reverend Pere Daccache

Excellences,

Dear Parents,

Ladies and gentlemen,

Representatives of the new generation of Lebanese

I have the honor to be with you this evening, at the commencement ceremony of our graduates from the faculties of Law & Political Science and of Economics and the Insurance Institute. I would like first of all to thank the Reverend Pere Rector Selim Daccache, the faculty and staff for their devotion and indefatigable efforts to endow successive generations of students with the tools for success in their lives and careers. It is thanks to their passion and hard work that this illustrious university radiates and is recognized as one of the foremost academic centers in the Middle East.

USJ promotes a message of openness, and acceptance of cultures, religions, and communities, in our small country with its long history as a melting pot of peoples. This diversity is the wealth of Lebanon. I also want, on your behalf, to thank your parents, families and friends who made your achievement possible. Let us applaud them!

You are graduating in very uncertain yet interesting times and entering a world that is undergoing major transformations and facing multiple challenges, and a region with a fractured landscape with many structural ‘fault lines’. The geostrategic and economic map of the Middle East is being vigorously redrawn.

The first major transformation concerns climate change. We are living in a time when human activity is leading to 3-4 °Cs higher global temperatures. This can lead to a global ‘ecocide’, water conflicts, and potential for permanent economic damage, if not collapse.

Our region with its high population growth rate is highly vulnerable to the risks of climate change due to water scarcity, growing desertification, concentration of economic activities in coastal areas, and a reliance on climate- sensitive agriculture.

The second major transformation is resulting from Artificial Intelligence (AI), robotics, machine learning, the use of ‘Big Data’, and the application of Blockchain

to the legal field, to banking and finance and to activities that require ‘trust’ and certification.

We will increasingly live in digital markets. We are entering an era where paper money will disappear to be replaced by digital currencies. AI, Blockchain and FinTech will radically change, revolutionise, the banking and financial sector. Do we need commercial banks and credit cards to conduct transactions if we have digital currencies to make payments?

AI will become ubiquitous and part of human existence. AI systems will manage the digital world and our physical space, including drones, robots, autonomous cars, production systems including agriculture, and the Internet of Things.

The third major transformation will be the transformation of humans. Biotech and bioinformatics, genetic engineering, robotics and nanotechnology are revolutionizing the relationship between humans and technology. New technologies will be integrated into our bodies, promising a tremendous increase in human capacity and productivity. We will become androids, a mixture of robot and humans. What will it mean to be human?

Similarly, innovation in medical technologies is allowing us to live longer and healthier lives. Accordingly, education, learning, and the role of schools and universities will have to be recast and transformed. What can I learn at university that can last me for a working life of 60 or 70 years? Knowledge acquisition and learning will have to be life-long. You will need to invest in yourselves throughout your lives to avoid the risk of obsolescence!

The fourth major transformation is the shift in the centre of economic and financial geography towards Asia and the emerging markets. A new multi-polar world is emerging. By 2050, China and India will be the world’s largest economies and six of the seven largest economies in the world are projected to be emerging economies.

China’s New Silk Road will integrate the economies of Asia and extend into Central Asia and the Middle East to Europe. The shift in economic power will translate into a transfer of political and geo-political power to Asia and emerging countries.

As graduates in law, political science, economics and insurance you will need to ask: How will we govern and transform our societies, economies and countries to respond to these challenges? What is the role of the nation-State? What are the

laws and ethics applying to and rights of humanoid robots, part human and part machine? What will humans do if they can be displaced by intelligent, learning machines? Will a robotized, intelligent machine world lead to human unemployment and growing inequality or more prosperity and leisure?

We are meeting today in a time marked by a fractured regional landscape. Many of the countries in the region are undergoing turmoil, transition and transformation. The Arab firestorm -and not 'Arab Spring- has uncovered many fault lines. A failure of institutions and governance, an absence of democracy and suppression of individual freedoms and civil rights, the suppression of 'voice' and a yawning gap in the rights and role of women who face widespread discrimination on a daily basis. Our state has failed to protect the fundamental and even basic rights of women, as they face discrimination in all activities and their personal status. In similar developing countries, the discourse is about closing the gender pay gap, yet we have not yet even scratched the surface of fair gender policy.

We need a new vision for our region to counter extremism and the reactionary forces in politics and society. A new vision includes a fundamental rethink of the role of governments in our economies that are burdened by inefficient bureaucracies and state-owned enterprises, by antiquated laws and regulations that act as barriers to innovation and competition.

We need to move towards secularism, the separation of religion from State. Equal rights means an affirmation of civil and human rights independently of the accidents of birth, of gender, race, sexuality, disability, religion, sect or community.

We need to address the underlying sources of extremism through combating youth unemployment and poverty, ensuring inclusive economic development and eradicating widespread corruption, bribery and capture of the State by special interests.

Our own Lebanon is facing the same fault lines. Dysfunctional politics, widespread corruption, bribery and nepotism are destroying confidence in the state and its institutions. Lebanon's ranks at 136 out of 177 countries on corruption. Fiscal and financial reform and sectoral reforms including public utilities (electricity, water), transport, and social security reform are now a high priority. But they can only happen with political and institutional reform, including a reduction in the size of public sector.

I have highlighted the fault lines and need for deep reforms because you must become agents of change and champions of reform. The human capital you have invested in through the USJ, your ambition, entrepreneurial and creative skills will determine the future of our cultural, political, legal economic and social institutions.

The Lebanon you will bequeath to your children will be determined by the courage you will demonstrate to build a democratic, modern, technologically advanced and economically competitive country. Do not hesitate to become engaged. To quote Marcus Cicero: “Freedom is participation in power”.

You are entering a world where education and knowledge human capital are the main drivers of growth and innovation. Knowledge is the foundation of economic growth and prosperity and the leveler of inequality within and between countries. Lebanon’s future lies in being a knowledge based economy and society.

How do we move forward? What is the strategy to pursue? We should make massive investments in infrastructure and logistics, new technologies, and digital information structures in order to actively participate in the four major transformations that will be unfolding over the coming decades:

- Clean energy & clean technologies
- Life sciences
- AI, Blockchain, FinTech, robotics and nanotechnologies

You have to be the source of our digital institutions, laws and regulations that will enable Lebanon to develop a silicon valley. Climate economics, insurance and risk management will be major fields in the coming decades. The MENA countries will require more than \$200 billion in renewable energy investments. Lebanon can become the hub for clean energy and clean tech finance.

Lebanon needs to pursue a strategy of regional and international integration. We are not yet members of the WTO –along with Afghanistan, Bhutan, Ethiopia, Liberia, Comoros, Sudan, Equatorial Guinea and Yemen- even though a working party was established in April 1999! We need to sign free trade and investment agreements to integrate into the New Silk Road and the growing supply chains emerging from China and the ASEAN countries.

The new Lebanon should maximize the use of Lebanese human capital in order to promote technological innovations and knowledge-intensive sectors. This requires

a dynamic partnership between centers of learning, universities & tech institutes, government, the private sector, civil society and the general public.

Allow me to praise the USJ which has pioneered excellence, innovation and technology through Berytech, Lebanon's prime incubator, accelerator and investor in start-ups and creative, growth companies across health tech, Agrytech, digital and new technologies. Berytech should encompass all of Lebanon. You should be the designers, architects and developers of "LibanTech".

I wish you success and fulfillment of your aspirations. But remember to be generous in life to give of yourself and of what you have. *"What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others."* (Pericles)

To all and especially to your parents and families, I extend my compliments and sincere congratulations.

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