



AIT Alumni Association (Thailand)

Our ref : AITAA-10-009

March 11, 2010

Professor Said Irandoust
President
Asian Institute of Technology
Klong Luang, Pathumthani

RE: Exploration of a new Financing/Funding Model for AIT

Dear Sir,

We would first like to thank you for inviting us to attend the Open Discussion Debate on the “Exploration of a new Financing/Funding Model for AIT” held at AIT on 27 February 2010. To make the best for AIT on this occasion in relation with the above subject, I find it opportune to put a list, from Thai Chapter Alumni, of standing points for convenience of reading as follows:-

I. Restoring our common Faith and Trust among AIT community in any new ventures.

1.1 The Open Discussion went well towards the search for the prosperity and sustainability of AIT. A report of the event was found to be presented in some detail in your Weekly Letter on 1 March 2010, which is highly commendable in terms of community communication and also posted open to public in AIT Website.

1.2 A lot of important issues and content were left out from the report. As a consequence, readers might receive only partial or one-sided information leading to wrong perception and improper judgment. During this period of the exploration and exchange of views, it is vital that accurate and all-sided information is communicated and shared.

1.3 We have therefore made an effort to put the missing key issues and content back into the web message. They are indicated by bold letters in the Attachment 1. We hope the effort would help the community of AIT have a more accurate and complete understanding of the issues and concerns expressed by the alumni during the open discussion.

1.4 We wish to reiterate that when part of fact from open discussion is extracted and presented it could be regarded as a lie, and this would definitely destroy faith and trust, which we need to build and restore in any new venture of this kind.

II. PPP Critical considerations Concept and Implementation proper in High Education.

Regarding the general Public-Private-Partnerships (PPP) in Higher Education (HE) and the particular partnership model being proposed by Laureate Education Inc (Laureate-PPP, see also Attachment 2), we wish to point out that they are fundamentally different.

2.1 HE institutions normally involve the private sector as service providers in their non-core activities, for example, facilities and security management.

2.2 For core activities, namely education and research, the private sector becomes their clients or partners receiving training and research services. However, in the Laureate-PPP model, Laureate Education Inc has offered itself as an investor on a profit-sharing basis and as a service provider who will manage AIT's core activities: education and research.

2.3 We strongly believe that, while AIT should collaborate more closely and extensively with the private sector, it should manage its core activities by itself.

2.4 Deficiencies in resources and expertise could be complemented by the private sector but AIT must take the leading management role and retain its non-profit principle. Following are some opinions which we have received from the Thai alumni regarding the generic PPP and the Laureate-PPP. We wish to share them with you and other AIT alumni.

III. PPP: should it be implemented for AIT

3.1 At the outset, the legal feasibility of the Laureate-PPP model should be investigated thoroughly. The main concern is that the model entails two paradoxes, i.e.,

- It requires AIT to conduct education on *profit-sharing basis* in order to obtain some shared profits to conduct education on *non-profit basis*. (and yet upholding value creation)
- It demands AIT to specialize in *undergraduate education*, i.e., having the majority of its students in undergraduate programs, in order to be able to specialize in *graduate education*.

3.2 Thai alumni would not welcome any PPP if it would result in AIT losing its integrity and autonomy in sustaining its long standing position as an institute established to help develop Asia on a not-for-profit and non-political basis.

3.3 AIT should not allow for profit-based private involvement in its core activities, i.e., the offering and management of its academic programs, such as the Information Technology system which has been implemented.

3.4 To maintain its not-for-profit nature, all benefits AIT could get from offering its educational programs must be kept inside AIT for better academic development. No profit from this activity should be shared with the outsiders.

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3.5 PPP for non-core activities, e.g., facilities management, accommodation services, is welcome

3.6 PPP for some special programs might be possible.

3.7 Laureate’s proposal plans to increase the number of students to 20,000 – 30,000 but it contains no detail in how to recruit such a large number of students as well as how to recruit faculty to teach that size of students.

3.8 Laureate’s business model aims at large-scale undergraduate programs covering non-technical areas, i.e., hospitality and hotel management, nursing and law. It does not support AIT’s strong position in Engineering and Technology.

3.9 The President’s statement at the open discussion that “PPP fails because of corruption” is always valid and is a statement reminded us of AIT integrity in any undertaking.

IV. Frailty on the undergraduate programs

In addition, we have also received comments on the offering of undergraduate programs at the main campus:

4.1 AIT has no existing facilities and teaching staff to run undergraduate programs. AIT will need enormous investment to start up the undergraduate programs.

4.2 Many universities in Thailand are offering undergraduate education. AIT will have to compete with them and there is a question that AIT should continue to get support from Thai government while those local universities do not get the same support.

4.3 It is advisable that AIT joins hands with other universities in Thailand and the region to get good students into AIT’s graduate program.

4.4 The current charter stipulates that AIT shall specialize in Graduate Education. A university having more undergraduate students than graduate students can no longer be called “specializing in graduate education”. Therefore the charter is violated. It is recommended that AIT ask for Thai government’s opinion directly.

V. AIT focus and leadership propriety

Instead of the Laureate-PPP model, the undergraduate programs and unselective partnerships and endeavors, we would like to recommend that AIT executives focus their effort and exercise their leadership in the following list of activities: ([Attachment 3](#))

5.1 Accelerate the adoption of the new charter so that AIT will become an international organization and gain proper recognition and privileges.

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5.2 Under the framework of the new charter, concentrate on and work with the countries that are resourceful and technologically advanced in order to strengthen and steer AIT into the prosperous future direction.

5.3 Collaborate more closely with ASEAN which is formulating a five-year plan on education for ASEAN countries and plus three countries (China, Japan and Korea). Australia, India and New Zealand, the so-called plus six countries, are also interested in cooperating with ASEAN in the field of education.

5.4 Network with world-class universities and involve their faculty in AIT's education and research by means of co-supervision of students, joint research and faculty secondment. Use ICT to materialize the involvements cost-effectively.

5.5 Substantially increase the revenue from sponsored research projects by establishing appropriate incentive and other mechanisms and encouraging the faculty to go out and work with both the private and public sectors. There are plenty of cross-border issues, e.g., the current water problems in Mekong River, that need an international, neutral institute like AIT to study.

VI. Closure

We hope you would appreciate our standing points being put in good earnest with the purpose of AIT prosperity and sustainability.

And; we would like to stress that we appreciate your attempt to start many new initiatives. Our opinions expressed and suggestions made on them are sincere. They stemmed from our genuine concerns. Please be assured that, like the alumni of other countries, the Thai alumni will remain a strong supporter of their alma mater, AIT.

Yours sincerely,

Chukiatt Photayanuvat
President, AITAA (Thailand)

cc. H.E. Dr. Tej Bunnag, Chairman of the AIT Board of Trustees
Mr. Chaovalit Ekabut, President of AITAA Mother Chapter
President of National Chapters

Enclosures : (1) Attachment 1 : Missing Details of AIT's Website Messages on "Open Discussion and Exchange of Views on Exploration of a new Financing Funding Model for AIT" on February 27, 2010.
(2) Attachment 2 : Laureate's PPP Model
(3) Attachment 3 : Proposed New Structure of AIT

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