

Dear Members of the AIT Community,

- **Lunch Meeting hosted by Board Chairman:** On Friday, 11 March I participated in the lunch meeting hosted by HE Dr. Tej Bunnag, Chairman of the AIT Board of Trustees, for discussions on the "*Future of AIT*" which was attended by Mr. Jean-Pierre Verbiest, Country Director, Asian Development Bank and Chairman, Executive Committee, AIT; Dr. Subin Pinkayan, Honorary Advisor, GMS Power Public Company Limited, AIT Alumnus and Chairman of SERD Board at AIT; Professor Prida Wibulswas, Chairman Assessment Committee, Thailand Research Support Fund and Member of the AIT Executive Committee, AIT; Dr. Tongchat Hongladaromp, Chairman of the University Council King Mongkut's University of Technology who is also an AIT alumnus as well as AIT Trustee, member of the SET Board at AIT, and Chairman of AIT's Institute-level Advisory Board; Mr. Somprasong Boonyachai Chairman of the Group Executive Committee, Shin Corporation Plc. and Former President AITAA; Mr. Chaovalit Ekabut, President SCG Paper Plc and President AITAA; Mrs. Nisakorn Kositratna, Deputy Permanent Secretary, Ministry of Natural Resources and Environment and former President of the AITAA Thai Chapter; and Mr. Chawalit Chantararat, Secretary-General AITAA-Thai Chapter, who represented the AITAA Thai Chapter President, who was unfortunately not able to join the meeting.

HE Mr. Anand Panyarachun, Former Prime Minister of Thailand and former Chairman of AIT Board of Trustees, was invited and participated as an honorary guest.

The discussions primarily focused on the ongoing study by the independent consultants and exploration of a new financing / funding model for AIT, undergraduate programs, and ways in which the Institute's positioning, profiling and financial base could be further strengthened.

Regarding the undergraduate programs, I emphasized that AIT is targeting mainly foreign students, which would also help contribute towards the internationalization of higher education in Thailand, and expressed my wish that such a move that will help in increased international student mobility to Thailand, would also be supported by visionary politicians in our host country as well as the Commission on Higher Education of Thailand. In addition to students enrolled at the main campus, AIT is also targeting its undergraduate programs in partnership with institutions in countries such as Sri Lanka, Vietnam etc. under a two-stage or 2+2 and also unified bachelors-masters (fast track) program, aimed also at the capacity building of the partner institutions. We have also received strong interest from some of our partner countries to also establish full-fledged universities offering both undergraduate and graduate programs. The assurance of quality offerings and AIT's expertise are essential components of any undergraduate offering and will never be compromised. There is a huge undergraduate market which AIT can and should tap into, which like most well established universities, will also help subsidize our graduate offerings, and help provide the economies of scale needed to financially sustain the Institute into the long-term future.

There were also suggestions put forward that AIT should try and attract top overseas faculty and secure secondments of faculty to conduct research and teach as well. The earlier concept of secondments paid for by the supporting governments has diminished drastically, and although we have been actively approaching various governments, the feedback has been that they would not be going to such a form of support in any big way. Countries like India, Taiwan and Japan still continue to provide faculty secondment, but the numbers have significantly decreased, especially in the case of Japan and Taiwan

with only a few secondments. I mentioned that top faculty and researchers move in an international market and thus command high salaries and demand enormously expensive research facilities. Although we have extremely good connections to top faculty and institutions, we need to supplement this with a good and conducive environment with advanced facilities, and currently we cannot afford internationally competitive salaries and such research facilities. We have over the past few years, been trying to actively promote and engage distinguished personalities and senior faculty from top overseas institutions and universities at AIT over different lengths of time, with very limited success.

My conclusion on this was that no institution could survive in this current era of intense regional and global competition and changing landscape of higher learning with AIT's model of purely offering postgraduate programs only. During the discussions, the Korea Advanced Institute of Science and Technology (KAIST) was cited or referred to as an institution, which AIT should strive to emulate. Here, I would like to mention the following regarding KAIST showing that their condition in many regards is totally different from ours.

KAIST was established in 1971 as Korea's first research-oriented graduate school in science and engineering. KAIST is a government lead initiative, which has an annual budget to the tune of 397 million US dollars, out of which 124 million US dollars comes as government subsidy; 128 million US dollars from research grants; and 145 US million dollars through donations and other income. Over the past 38 years KAIST has produced 8,999 bachelors (almost 36%), 8,636 masters and 7,067 doctoral graduates. They have 701 faculty with another 100 international faculty, with currently 8,217 students enrolled out of which 3,586 (almost 44%) are pursuing their undergraduate studies, with 77 of them being international students.

Professor Nam Pyo Suh, President of KAIST in his 2010 New Year message, notes that KAIST has been fortunate to receive tremendous support from the Korean government in launching several ambitious projects, and also thanks the thousands of financial contributors to KAIST, who have enabled them to undertake critical projects, both physical and academic. Most of the new programs in education, research, and infrastructure construction described above have received strong budgetary support from the government and according to the KAIST President the top leaders of the Korean government have given them opportunities to explore bold new concepts in science and technology through the General Appropriation of the Budget and the special Supplementary Funding.

It is interesting to note that KAIST has also initiated new graduate-level educational programs in a number of fields - ocean systems, nano-science and technology, knowledge and service engineering, intellectual property, science and technology journalism, and Ph.D. education for medical doctors (MDs); new masters of science (MS) programs - MS in Intellectual Property and MS in Science Journalism.

In addition, KAIST has provided start-up funds to new faculty members for equipment and other scholarly activities (rather than using the funds to support graduate students, since many of their incoming students are provided with fellowships). They are constructing several new buildings for multidisciplinary research; a Medical Center; a Sports Complex; an International Center; an apartment complex for international faculty;

and dormitories for students. They have also renovated many buildings (e.g., the student dining facilities). In addition to the seven new buildings under construction now, they will also be building several new buildings.

Therefore, the funding structure and economies of scale of KAIST's operations cannot be compared with that of AIT's. However, one of the main objectives in pursuing a new financing / funding model, is also like KAIST, to enable us to allocate adequate resources to upgrade our existing facilities, build new ones, expand our regional presences through the establishment of new branches and centers, and also invest in new knowledge areas.

One of the suggestions for fundraising put forward was for AIT to try and actively secure contributions from alumni in the form of donations. This is a very good ambition but will take considerable time to materialize and will likely not result in a very large or significant amount of funds, as evidenced from our own efforts and past experiences. There is however good potential and we are trying to set up a foundation in partnership with alumni and plan to launch an endowment campaign.

There were also suggestions put forward for AIT to try and attract larger funds for research, especially in areas such as climate change and water, and discussions on AIT's research productivity and research income. I explained that AIT's per capita research productivity is very good but the surplus generated from research work is never significant since most of funds are spent directly for the research or project work. In other words, research work normally covers its own costs only and it is a very competitive process to bid for research projects, with so many competitors in the arena. Here again, the issue of access to top faculty also requires that we have in place the necessary research infrastructure. Moreover, research can only be profitable from a financial perspective, if its outcomes can be commercialized, which normally takes considerable time and efforts and requires a certain structure in place. AIT is making inroads in this area, also through the setting up of an "AIT Innovation Center" which will still take quite some time to bear fruit.

Question regarding Laureate Education Inc was also raised citing that the Thai Government may not approve collaboration with a private sector partner. My explanation was that we should not assume at this stage that the government would oppose a possible partnership with a private sector partner when the different modalities are still under exploration. What we are trying to do with Laureate is an exploration and process of learning from their experiences and successful partnerships with top institutions such as the University of Liverpool and IFC of the World Bank, which is also an intergovernmental body.

In his remarks to the gathering, H.E. Mr. Anand provided a historical briefing about AIT, the rationale and reason behind the creation of the Institute, the changing pattern of political support to AIT, and also the changing scenario of higher education and research, in the context of "emerging Asia". Given the realities and challenges faced by higher education in the region and globally, he noted that active engagement and partnership with the private sector in higher education and research is an inevitable phenomenon and trend that is being witnessed in many countries already. He further added that whether one likes it or not we are going to eventually see more and more involvement of the private sector in higher education. He encouraged AIT to have a long-term, 20 to 30 year perspective, but at the same time also break it down and view it from a 5 to 10 year scope, in terms of the resource requirements, strategies, and actions that need to be

taken, in successfully meeting the long-term goal. H.E. Mr. Anand has also kindly offered to work closely with H.E. Dr. Tej in this undertaking for AIT in an advisory capacity.

In light of the above, it is my ardent wish that our stakeholders and friends understand the working reality and challenges of AIT, and in this line remain open to new ideas and possibilities. It is important that we look at different modalities of partnership, with the public and private sectors. Public-Private Partnerships (PPP) is one such modality and unless we have examined and exhausted all possibilities, it is important that we not give up, and lose what could be a golden opportunity for AIT.