

Sub-Session 2

***New Public Management:
Public Private Partnerships
and Creating Opportunities for All***

Education Development

**Bangkok
Dalian**

BANGKOK

Public & Private Participation in Education

Dr. Wanlop Suwandee, Deputy Governor of Bangkok

Mr. Governors, Mayors

Deputy Mayors and Distinguished Participants

Good Morning.

This morning I feel privileged and honored to present during the 6th Asian-Pacific City Summit. I am Wanlop Suwandee, Deputy Governor of Bangkok.

I have been assigned to present this morning the issue concerned New Public Management : Public and Private Partnerships and Creating Opportunities for All. The benefit of the summit here as well as the comparative discussion after this presentation, allow me to present Thailand's perspectives.

First of all, before going further, allow me to make some remarks. In Thailand's perspectives, when we mention "Private", we do mean it includes enterprises, religious institutions, families, private educational institutions, private organizations as well as individuals. I would like to have all this distinguished participants and honored guests here to set some assumptions. I have set these assumptions as parameter of my presentation.

So far now, we have been accepting that the education has largely been mandate of the state. There is growing awareness of the benefits of and increasing appointments for the private participation in education. The second assumption I would like to mention is that as the matter of fact, private party participation can benefit the education through the provision of the financial resources and transfer of technologies.

The third assumption as our parameter, I would like to mention that regarding the private sector participation, the key attributes that can be brought to education include innovation and flexibility, technical and managerial expertise as well as market knowledge.

Moreover, for the fourth assumption, the private sector participation should be fully encourage in areas such as the use of information and communication technologies, curriculum development as well as research and development.

In Thailand, as I mentioned to you earlier that I would like to present Thailand's perspectives, when we mention about the private partnership, we have 2 main pillars that I would like to mention as being principles.

The very first pillar is our constitution, The Constitution of the Kingdom of Thailand which was provoked in 1997.

The second pillar or principles is National Education Act, provoked in 1999 and has revised edition in year 2000.

Please allow me to elaborate these 2 pillars in further details.

Actually, when we talk about the constitution, the present one, I would like to say that the very first constitution mentioned and put the highlights on the political reform and the education reform. This morning, allow me to draw your attention to the constitution regarding the education reform. We have many sections on our present constitution. In particular, the Section #81, deals with the education reform. It says that "The State shall provide and promote the private sector to provide education to achieve knowledge alongside morality..." Under the Section #43, mentions and stipulates that "the provision of education by the State shall regard the participation of the private sector..."

Actually, the first time with our constitutional history of our Kingdom, the constitution has put highly the education in the highlight.

Section #43 also mentions that the provision of education by professional organization and the private sector under the supervision of the State shall be protected by law. It could not be in quote intermediately awkward position by the State anymore.

Section #76 stipulates that the State shall promote and encourage public participation. Public in this sense means the private participation, meaning public at large, which means the private participation in our context. By doing so, the State should provide a laying-down policy. The State should make a decision of political issue. The State should prepare economic, social and political development plans and also the State should institute exercise of the State power at all levels to ensure that we have the full participation from both public at large and the private enterprises.

The second pillar as I mentioned earlier, deals with the National Act of Education. This National Act of Education has been provoked after the acme of our constitution. This is our first time in Thai history to have Education Acts. Formerly, we did not have Education Acts but the National Act of Education which was countersigned by the Prime Minister after the approval of His Majesty the King.

However, The Education Act has not enjoyed the same status as being a law. Right now, we have the Education Act enjoys full status as a law.

The very first is the Section #43, which mentions that the administrative and management of education by the private sector shall enjoy independence and with the State being responsible for overseeing, monitoring and assessing educational quality and standards. Private educational institutions shall follow the same rules as those for state educational institutions.

You may wonder how come the section #43 for the last sentence mentions as such. Before the National Act of Education has been provoked, the private educational institutions were treated differently from the state educational institution which made a double standard. Fortunately, after the acme of the Education Act, both the public and private educational institutions enjoy the same standards, no more double standards.

This National Act of Education also stipulates Section #45, mentioning that the private educational institutions shall be authorized to provide education at all levels and of all types as stipulated by the law. Clear-cut policies and measures shall be defined by the State regarding the participation of the private sectors in the provision of education.

Even though the private sectors do not enjoy the full autonomy but by the Section #45, we would like to say that we do have almost full autonomy. In Thailand, the education as a main part or function of the State authorities, then the State does not totally relinquish the responsibilities to the private sector. Even though, the State invites the private to join in providing the education but in certain time, the State also has some concerns regarding the private participation as mentioned on the last sentence of the Section #45.

Further, I would like to mention that the Section #45, second clause, In formulating policies and implementing plans of education provided by the State, educational service areas or local administration, organization, due consideration shall be given to effects of provision of private education. The above mentioned bodies shall accordingly take into account views of the private sectors and the public.

Third clause mentions that private institutions providing education at the degree level shall be allowed to function with autonomy develop their own system of administration and management, flexibility and academic freedom and shall be under supervision of their own council in accord with the Act on Private Higher Education Institution.

Full autonomy yet, the private institutions will have their own councils to supervise their administration, in charge of the public, in charge of the state rather.

Section #46, I would like to mention that the State shall provide the support in term of glance tax base or exemption and other benefits to the private educational institution as appropriate. Moreover, the Section #46 mentions that the State shall also provide the academic support to the private educational institutions to reach the standards required and to obtain self-reliance so that the private sector can grow under the supervision of the State.

However, with these 2 main pillars, Distinguished Participants, may wonder or mindfully expect and anticipate that the situation in Thailand right now regarding the private participation will be without any problem. I have to mention that unfortunately, we do still have some concerned issues, not a problem, but these issues should be addressed. These issues might be similar as ones in your countries. Let's see the issues regarding the private participation.

Issues are :

Traditional mind-set of government controlling the provision of all education is still prevalent
Even though, right now the private sector enjoys the full market share, enjoys the full autonomy given by the State, but in certain segment, evens the minor or tiny segment, there is still mind-set of controlling education not to provide the full autonomy to the private sector yet.

No clear priorities and strategies on private partnership in education
So far now, even though we have a clear policy and clear strategies but in certain extend, we do need clear priorities and clear strategies in private partnership in education.

Tax incentive is discussed, but no conclusion has been reached yet
We do expect in the very near future the government should be able to conclude about this issue. It is on the progress. It is not the zero expectation. We can do have some expectations to have the tax rebate or tax exemption on the private participation. Tax incentive for investment in human resource development for the private sector has not been established yet. Again, I would like to mention that in the very near future, may be this coming calendar year, we should be able to conclude tax incentive for the investment. For example, Toyota Motor Company can have tax rebate when the company develop their own personnel. When the company sets up the curriculum at their own factory or has some joining hands with an educational institute to develop their personnel. They can have some tax rebate. It should be actualized in the near future.

The private sector so far plays no role in formulating state policies and regulations.
It is getting better but not totally. We cannot totally provide a role in formulating state policies and regulations. But with many thanks to the State authorities, right now the private sector enjoys a lot more freedom than we used to have in the past.

Another issue, I would like to address is that the private educational institution plays no role in defining ratios of new student enrollment among the public and private education. In certain extend and in certain circumstances, both the state and private educational institutions compete each other for market share, but some extend only, not to the overall picture. Thanks God!

Another issue is that the credit transfer system among the public and private educational institutions has not been established or institutionalized yet. It is under the process of negotiation. I mention this because the credit transfer system between the private universities and the public universities. Should it be actualized, it will invite more private participation in education provision in Thailand.

All in all, I would like to say that the partnership in the comprehensive view is still in certain extend only, in the experimental state. Anyhow, before I conclude my presentation regarding the private participation in education, I would like to say that it is the time to set the target regarding the private and public management and participation.

The very first target, allow me to present that I do believe both public and private should establish the benchmarks.

We do need to set up time frame. We cannot have the deadline for full public and private participation to go on forever. The deadline needs to be set so that the investors from abroad and the investors from Thailand should be able to have a clear time frame so that they could invest with their own resources into the public and private participation in education

Allow me to present my viewpoint that we do need to grow up the public awareness of the public and private participation. The public should concern not only the economic issues, not only the social issues, but the public at large should make themselves avail to the educational participation in Thailand as well.

The last one, I would like to present, it is just about the right time to call for the governmental accountability in every move of the government. The government should set their eyes, should set their lights and directions in a way of public and private participation in education. Allow me to mention again. When we talk about "Private", it does not mean only private schools, private universities, but also it could mean private enterprises and non-governmental organizations (NGO) as well. This includes the umbrellas of private sectors in Thailand. This is the end of my presentation regarding public and private participation.

Without my presentation on power point, allow me to say that under the directorship of our present governor, Mr. Apirak Gosayoshin, we do believe and are pushing real hard, the Bangkok Metropolitan

Administration (BMA) to have full participation of both private sector and BMA in the area of education, in the area of social welfare, in the area of community development as such. It means that presently BMA are striving and inviting, and so far I would like to say, we have been very successful in having the private corporations joining hands with our administration, our governor, our deputy governors to provide assistance, to play active roles in administration of BMA

We have several private companies to provide, for example, to teach classes in BMA's schools, to provide technical assistance, not only the monetary assistance but also in kind as well.

We would like to say that we will strive and will continue striving harder to solidify the private participation in administration of BMA.

Lastly, I would like to say "Thank you very much for your kind attention". In English, we say Good Bye, but allow me to say in Thai with the politeness "Sawasdee Krub", and Have a nice trip home.

DALIAN

Economic Cooperation and Development

Mr. Xing Liangzhong, Vice Mayor of Dalian City

Distinguished Mr. Chairman:

Distinguished guests, Ladies and Gentlemen:

Good afternoon!

Today, I'm very pleased to come to the beautiful Bangkok to attend the 6th Asian-Pacific City Summit. And I feel fortunate to know you all, to discuss with you on the topics of economic cooperation and development among our Asian-Pacific region. Herewith, on behalf of the government of Dalian municipality, I would like to appreciate the Bangkok government and Bangkok people for their great effort to the smooth opening of this summit. And I would like to express our congratulation to successful opening of this 6th Asian-Pacific City Summit.

Accompanying with a rapid growth of economy, there are more people pouring into cities. The cities are facing severe challenge. Base on this situation, the 1st Asia-Pacific City Summit emerged as the time demand in 1994. The Summit has provided an opportunity to the governor of main cities in the region, of which the leaders can share urban administrative experiences each other. The Summit has been persisting in the purpose of enhancing the regional cooperation, and provided the attending cities a stage to show themselves. It has deepened the relationship and prompted the cooperation among these cities.

Now, please allow me to introduce you all the basic condition and its development planning of our city, Dalian.

Dalian City is an important city in the respect of harbor, industry, trade and tourism in China. It is the international shipping center, logistic center, international trade center and financial center of Northeast of China. In the recent decade, the economy of Dalian City has been developed rapidly and continuously with GDP growth of 13.3% and revenue growth of 13.6% annually. Last year, the total GDP of Dalian reached to 163.2 billion CNY, which increased 15.2% than the former year. Also the growth rate of revenue and fixed assets investment last were 16.6% and 37.9% respectively. Dalian city is the largest economic body of in Chinese Northeast area. This year, the Chinese National Statistic Bureau on the comprehensive economic strength has evaluated Dalian City as number 7 city. It also has been awarded as one of the most 10 vigorous economic city nationally.

Located at the intersection area of Northeast Asia, Bohai Economic Circle and Yellow Sea Economic Circle, Dalian is an important connecting point of Asia-Europe continent bridge. It possesses a unique advantage of regional and trading port. There is about 1906KM coast line around Dalian City. The Dalian Port is a renowned harbor in the world, of which possesses a strategy position in China. It can contact with the harbors in more than 160 countries and regions worldwide. Also it undertakes 70% of marine transportation of goods flowing into or flowing out of the Northeast area of China. The Yantai-Dalian Train Steam Ferry is under construction now, which will shorten the distance between the Northeast area and East Coastal area of China. The frontier railway in the Northeast will go into construction. This railway will pass more than frontier port distributing in Russia and North Korea. And it's called another "Golden Passageway" out to sea in the Northeast area.

With strong scientific research capability, Dalian City has a nearly perfect industrial foundation and strong ability contracting to accept the transference of world manufacturing industry. Some industries such as petrochemical industry, shipbuilding, locomotive industry, giant machinery, bearing and refrigeration equipment etc. rank first national-wide.

In 2003, Chinese government implemented the strategy of vigorously developing industry in the Northeast. China's economy has been moving forward from the South to the North step by step. The Northeast economy with high potentiality has been developing rapidly, and it could be another Chinese economy increasing area following the ones in the Pearl River Delta and Yangtze River Delta. Accompanying with the globalization and regional integration of economy, the Northeast Asia Economic Circle is deliberating on arousing. Having an extraordinary advantage over port and a strong industrial foundation, Dalian will step into a new era of development.

In the strategy of vigorously developing the Northeast Industrial Base, Chinese government has put forward clearly that to establish Dalian as an international shipping center. The implement of this strategy will surely strengthen the radiation function and affection role of Dalian in the Northeast economic area, so that to expand collective industries around the harbor and draw much more interflow of capital, information and materials, and further to prompt the formation of market system and opening to the world condition in the area. Based on these considerations, we have worked out a development strategy which we called it as "one center, four large base" in short words.

1. Establish an important international shipping center in Northeast Asia.

Within 10 years, with 5 billion USD's investment, we will strive to strengthen the infrastructure construction of port, to perfect and improve the multi-function service system and legal environment of the City. We will strive to build the Dalian Harbor as a Container Transportation Hub and an important international shipping center in the Northeast Asia. By the end of 2010, the handling capacity of Dalian harbor will achieve at 250 million tons and 10 million of TEU, and at 2020, we expect the handling capacity will reach to 300 million tons and 150 million of TEU.

2. Establish 4 industrial base

Large Petrochemical industrial base

We will invest 50 billion CNY to establish a petrochemical industrial zone, in which the ethylene products are headed. We will set up "Shuangdao petrochemical industrial park" to develop the oil refiner production with the capacity of 10 million tons ethylene and PVC production with capacity of 1 million respectively. With 10 years' effort, Dalian will be developed into the largest petroleum-process base and intensively petrochemical process base in China.

Electronic information industry and software base

We will focus on the development of 7 series of products, that is digital audio-video, vehicle carrying electronic facilities, mobile telecom, photoelectron and new style of LCD, integrated circuit, computer and outer equipment and medical electron. Gradually, we will make Dalian as a famous international software city and an information service center in Northeast Asia.

Advanced equipment manufacturing base

Supported by the giant enterprises on locomotive, heavy industry, machine tool, refrigeration etc., Dalian will accelerate and enhance its ability to utilize new and high-tech to transform its track-traffic, numerical-control machine tool, heavy machinery and auto spare parts industries. We will strengthen the innovation ability of enterprises, so that to achieve Dalian into an advanced equipment manufacturing bases with strong international competitiveness.

Ships manufacturing base

Relying on the current 2 shipyards in Dalian, we will concentrate construction on the ships with high-tech capacity and high value-added, such as giant oil tanker, container ship of 5th generation, offshore drilling platform and EPSO etc. We will make Dalian as an advanced shipbuilding international base with capability of 6 millions tons by the end of 2010, and 10 million tons at 2020.

Since the central government implemented the strategy of vigorously developing northeast industrial base, the northeast area has become a point at issue. From Jan. to Oct. this year, the actual foreign investment pouring into Dalian and the imp-exp volume increased in a large scale. This indicates that to vigorously developing industrial base in Chinese Northeast area is not only the opportunity for Dalian and the Northeast, but also for every country and region in Northeast Asia. To realize the goal of developing the Northeast area, we have to open up to the world further, we need to strengthen our communication on economic and technology with each country, esp. the east Asia countries. The emergence of "Institute of Promotion Economic Communication in East Asia" offered us a very useful cooperation platform. Under this institute, we would like to cooperate with cities of East Asian in the following aspects.

1. Establish a strategic relationship with foreign enterprises.

The implement of vigorously developing the Northeast industrial base will enlarge the category of utilization of foreign investment, will prompt a more open market, and will improve the investing environment in Dalian. We expect that the foreign enterprises put their strategic eye on the

development in Dalian, focus their investment on Dalian, and transfer their production base, service base, R&D base and logistic base into Dalian. We surely will support and encourage the foreign investment into some key projects, such as harbor construction, infrastructure, public facilities.

2. Strengthen the joint development on equipment manufacturing

Functioning as an important equipment-manufacturing base in China, Dalian has solid base on the manufacture. There should be a wide range of area of investment and cooperation among us.

3. Accelerate the cooperation and development on electronic information and software

The annual growth of software in Dalian has reached more 50% and the export of software takes count for the 3rd place in China. We wish that the foreign IT industry grasp the opportunity to move their R&D and service center into Dalian.

4. Strengthen the cooperation on environmental protection and tourism

With a wonderful environment and pleasant climate, Dalian is an important tourism city in China. Recent years, Dalian has concentrated its attention to fight environment pollution, and preserve the ecosystem. Nowadays the covering area of urban green land has reached to 42%. In 1999, Dalian received the "Human Settlement Award" from the UN. In 2001, Dalian gained the price from the UN of "Top 500 Cities in Global Environment Protection"

Since this year, citizens from Dalian have been permitted to apply for the tourist visa traveling to Japan. That means that there are no barriers for citizens of Dalian touring to Japan and South Korea. Accompanying with the enhancement of people's living standard, people from Dalian will have much more opportunity to travel abroad. Therefore, we hope wholeheartedly that we can fully communicate and cooperate with all of East Asian countries in the attempt of realizing the win-win object.

Moreover, we would like to cooperate with every country, every city in East Asia on urban infrastructure, development of harbor-near industry and modern service industry, so that to achieve the co-development and the object of win-win.

Ladies and Gentlemen, our development can not be carried out without international exchange and cooperation of economic and technology. At the same time, our development will bring every enterprise worldwide opportunities. We truthfully expect that all of our friends take part in the construction and development of Dalian, so as to achieve the goal of mutual development and mutual prosperous. We will welcome every investor to invest in to Dalian with our more perfect infrastructure, more consummate service and more suitable environment. Dalian will be the rich soil of pioneering work and paradise of living for all of investors.

The 21st century is the era full of opportunities and challenges. The trend of globalization and interdependence of economy has linked the countries worldwide tightly on the development. We are confident and we are eager for the cooperation with Asia-Pacific cities to contribute to the beautiful future of the region.

Finally, I would like to wish a successful Summit, and wish everyone in seats healthy and satisfactory.

Thank you everyone.