

Address at 11th Presidential Forum of APRU

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Mr. Chairman,
Mr. Yang Wei,
Mr. Yang Zhenning and Dr. Du Weiming,
Distinguished guests,
Ladies and gentlemen,
Good morning!

In this wonderful season of spring, we are holding here the 11th presidential forum of Asia Pacific Rim University Association (APRU). Through over a decade's development, APRU has grown into a mature organization with rich and solid program and dynamic growth momentum. Every chairman has had his new initiative for the development of the organization and accomplished the great mission of promoting cooperation in education, research and innovation between leading universities in the Asia Pacific Region. Hereby I, on behalf of the Ministry of Education, would like to congratulate the host and sponsor of this conference – APRU and the secretariat – for successfully putting together this significant event. I would also like to thank the organizer, Zhejiang University, for inviting me to speak here.

The 21st century is characterized by globalization. What is the key feature of that process? I'd like to quote Thomas Friedman here , controversial as it might be. He says that the world has become “flat.” **I take that to**

mean that thanks to rapid technological progress in ICT and transportation, the movement of factors of production is made increasingly free and rapid across international borders that the key driver of economic progress has shifted increasingly beyond the traditional roles of location-specific endowments to the role of knowledge. Indeed, many leading scholars have recognized knowledge as another critical factor (in addition to land, labour, and capital) in a competitive economy. Thus it is not difficult to understand that “Education is at the heart of human progress. Economic and social prosperity in the 21st century depend on the ability of nations to educate all members of their societies to be prepared to thrive in rapidly changing world.”

It follows therefore that the challenge that all countries now face in order to thrive in an increasingly globalized world is to promote all three elements of the so-called “knowledge triangle,” that is, education, research, and innovation.

As an organization, you have already grown mature, ready to cope with this challenge, not only individually, but also get yourself organized in a multilateral form so that you have synergy and become more competitive.

The theme of the forum, **Higher Education and the Emerging Economy—the Development of the Asia Pacific Region and International Cooperation with China**, is extremely interesting, relevant and yet challenging. Interesting because it is held in the area with the most dynamic economic growth and indigenous-grow market economy with Chinese characteristics. Relevant because it is held in Zhejiang University, one of the four oldest universities in China, a university that is celebrating her 110th anniversary and a forerunner in education and research innovation. Challenging because it is held at a time when higher education is becoming increasingly important in economy, science and technology, and social development. Leading research-oriented universities like you need to better allocate their

educational resources and research capacity to develop into important bases for the cultivation of innovative talents and the incubator for research and innovation against the background of globalization.

If we look at the spectrum of new emerging economies, it is not difficult to find that higher education and the new emerging economy are mutually dependent, reciprocal and interactive. The best example can be found in Brazil, Russia, India, China and Mexico, and South Africa, the BRICKS, as you all know. All of them have a sizable and strong education system, especially higher education system. In these countries, higher education is becoming the driving engine of national and regional economy, producing talents of all kinds for national and regional economic development. Meanwhile, higher institutions have played a key role in transferring scientific and technological research achievements and in promoting national and regional economic development. Unfortunately, it is also not difficult to find another example, the Sub-Sahara area with slow economic growth. One of the reasons for that might be the fact that it has been ill-advised to only give priority to basic education. The result is a weak higher education system, even the primary education system, and slow economic growth. The above illustration points to one fact, that is, economic development should always be the focal point and development an everlasting theme, higher education is not only the foundation for economic development, but also has a guiding, preemptive and ever-increasingly important role to play in social-economic development.

Here I'd like to share with you New Emerging Economy and Higher Education: China Case, and the issue of regionalization.

New Emerging Economy and Higher Education: China Case,

The rapid growth of China has increasingly become a focus of attention. China now is the world's largest manufacturing centre. China now also boasts the largest enrollment in higher education, according to one source of statistics, taking up 23% of the world's total by using only 3% of the

world's financial resources on higher education. China accomplished all these in a time span of a bit over two decades. Why and how? One may wonder. Answers may vary. Policies need to address the challenges in a society. When China stepped into the 1990s, new challenges were emerging. I hereby list a few as follows:

1. Higher education progress has difficulty in providing quality and quantity talents to meet the demand of rapid economic growth;
2. Population growth and demographic change add new pressure on higher educational development;
3. With the fast economic growth, strong need for the competence and capability of hi-tech, R&D is growing;
4. With social transformation, the demand for higher education is growing as academic degrees and credentials are becoming more important for career development and more people view education as investment; economic progress also makes people affordable for quality higher education.

To address these challenges, we are in constant thought and debate, not just how to cope with this situation, but how to be proactive to meet the challenges of this new century, and how to restructure our educational system up to the requirement of a knowledge-based society so as to build research and innovative universities? What strategic policy measures has Chinese government taken? Here let me highlight some important ones.

1. To cope with the fast growing demand for tertiary education, the strategy of dual track system is employed. One track is mainly dealing with the mass demand of tertiary education. System reform has been carried out to decentralize the majority of public universities, meanwhile promote private tertiary education institutions. About 80% of public universities are decentralized to provincial. Law on promoting private education was adopted to guarantee private education institutions have

the equal status and enjoy same policies. Meanwhile, cost-sharing system, student loan and scholarship mechanism etc. are also developed. With these reforms, the number of students studying in universities has increased from 6 million in 1998, lower than India, to 13 million in 2003, close to that of then US, and 23 million in 2006, the largest student body in the world. The enrolment rate has increased from 9% to 23%.

2. Another track is to concentrate limited central government resources to develop research and innovative universities by system restructuring, merging, collaborating and joint-building universities. By 2002, 637 universities were merged to create 270 comprehensive or multi-disciplinary and research oriented universities. It was a huge restructure, painful yet swift, so as to prepare them compete on the equal footing globally. Resources have been largely allocated through such programs as Project of building 100 top universities for the 21st century and Programme May 1998 for building a number of world class universities. Those universities will be ready to take the lead in building innovative society.

3. In order to strengthen the research capacity of universities, one way is to build science parks and incubators so as to encourage the transfer of research results commercially. So far, more than 80 science parks were built in our universities. Of course, due to historical reasons, many research institutes have their strengths. However, research for universities have several unique advantages. One is inter-disciplinary research approach supported by basic science studies, which is very often interest driven, instead of project driven. Secondly, universities' nature of flow of students is something like a running river of talents, while research institutes are more like a reservoir for the talents, on top of that the grouping of faculty and staff for research and start-up ventures. Thirdly, the academic freedom and the campus culture are more favourable for research and innovation.

How can universities play such a role? How can a triangle be established and do function? China's practice suggests:

1. Forming consensus among all stakeholders involved is the pre-condition so as to have the willingness to commit, where government steer the catalyst;
2. Universities need to serve as the driving engine and the core force through preferably share-holding system.

I could explain these in the following examples.

Zhongguanchun in Beijing, known as the silicon valley in China is the place to look at for an illustration of the cluster effect of the synergy between the government, the universities and research institutes and the private sector. There, Peking University and Tsinghua University are the driver and incubator for innovation and entrepreneurship, and Beijing City plays a catalytic and supporting actor for international and regional exposure and cooperation. The Zhongguanchun Technology Park is home to thousands of companies. All the stakeholders at Zhongguanchun have come together to help and educate their students to identify and develop their high potential for every stage of the spiral chain of the innovation process. And together they have managed the structural transformation of the region with a common commitment to regional innovation. The result is that the region restructured from steel and chemical industries to the new Zhongguanchun whose economic development is based on IT, BT and NT. While in East part of Beijing, culture innovative industry is developing.

Similar cases can also be found in Shanghai. The Yangpu cluster area of universities. There, Fudan University and Tongji University serve as the driving engine of the so-called “三区联动”, which means government, universities and industry as well as civil society, business. This turns out to be successful. Such a case could be found at Zhejiang University.

Great changes, nevertheless, more challenges and issues occur. **What are the latest issues and challenges?** Apart from the common ones of the

globalizations and the knowledge society, particularly how to get China prepared for the 21st Century as an innovative society. There are also issues which are common for all developing countries, like India, Brazil and many others. But some of them are particular to China.

The **first is the gap**, the gap between east coast area and west interior area, the gap between urban and rural area. And also along with the fast economic growth, the issue of the environmental concern, the issue of the balance of the domestic economy and our external economy, cooperation in terms of trade and investment, and also the balance between the social sectors and economic sectors. Hence, the major policy and strategy President Hu Jintao and Premier Wen Jiabao brought up is to build a harmonious society, to develop by a scientific approach. There are **five balances**, the balance between economic and social sectors, the balance between east and west, the balance between urban and rural areas, the balance between growth and environmental protection, the balance between domestic economy and international economy. Given the concern on the equity, particularly in our education sector, we stress the **access to education**, for instance, the priority of the education investment, has been given to the rural and west areas in 9-year compulsory education. Now we want to totally universalize that.

The **second** one is how to deal with the **knowledge society**. That's especially for the higher education, basic education and vocational education reform, in terms of **curriculum and the content**. How to bring up the innovative talents? We are greatly benefited from Yale's opening up to our leading universities. And there is still a long way to go, because of the huge task for the training of the faculty members to enhance their capability. Another one is to build China into an innovative nation by the year 2025. That's a very ambitious program, and universities shall take the role to try to **be a driving force for national and regional economic growth and restructure**, particularly in the high-tech sectors.

The **third** is the **internationalization** drive for the education sector. Those are major issues now we are facing, especially in education sector, and what I want to share with you regarding the policies and strategies.

Consistent with the above, let me outline the main agenda under discussion of higher education in China in the years to come.

1. The first trend is about **equity, access, quality in line with building a harmonious society**.

Education equality is fundamental for social equality. Accordingly, China will **channel more resources to remote and rural areas**. Our aim is to narrow our gap between urban and rural, and between coastal and interior parts of China in education. We have taken and will continue to **improve policy measures to help financially needy students**. In compulsory education, tuition and miscellaneous fees are now waived and financial assistance is available.

China's higher education will **maintain this trend of expansion**. By 2020, we will reach an enrollment rate in higher education of 40% so that more young people will have access to higher education. In China, we say: one flower does not make a spring; it is spring only when all the flowers are blooming. The central government has also put on the high agenda the employment of university graduates. As I mentioned, preferential policies such as "project 211" and "project 985" have been adopted to **promote the quality of our key research universities**. We will do more in the years to come. The central government will spend 500 million RMB (roughly 50 million euros) annually in the next 5 years to promote quality of higher education in China.

2. Secondly, related to the quality of higher education is the issue of innovation.

After 3 decades of fast economic development, how can we sustain growth? We believe that the key is through innovations to improve the

quality of our economic growth. Indeed, it is now our **national strategy to build an innovative nation**. With this strategic orientation, our **universities will have a key role to play** from basic theoretical research to applied sciences to research and development with our enterprises, in addition to the training of human resources. To bring real changes towards innovation, we will intensify our efforts to reform both undergraduate and graduate programs, and put more emphasis on interdisciplinary research. We will continue to encourage commercialization of university research results and technology transfers.

3. The third trend is about diversification and life-long learning.

As China continues to transform itself from a planned economy to a socialist market system, the issue on diversity in higher education has become ever more salient, and has taken a number of forms. One has to do with the differences in demand and supply of general higher education vis-à-vis vocational training and at different stages of one's life.

4. Finally, the trend is more internationalization.

A more open China means further internationalization of our higher education.

As Chinese economy continues to grow, more Chinese now can afford studies overseas. Currently 97% of our **students studying overseas** are self financed. For government-supported students, our government has adopted a new policy of **“3-tops”** to promote studies overseas with an eye for quality. “3 tops” means our top students going to top universities with top professors. When they return, they are expected to lead not only in universities, but also in other areas of our country.

Internationalization of our higher education is not a one-way street. More and **more foreign students are coming to study in China**. Three years ago the growth ratio of students studying in China surpassed that of

students going abroad. China is gradually becoming the education destination in the Asia-Pacific region.

A new trend in Chinese universities is to establish links with foreign counterparts to **exchange students** so that students can spend a semester overseas and their credits are mutually recognized. By doing so, students get to experience a new culture and build life-long connections. Similar arrangements are also being made for joint research by Chinese and foreign faculties.

The form of **joint research** is very flexible and is expanding very fast. The important reason is not just that Chinese professors and students are hardworking, but also that to achieve the same result, the cost to do research in China is roughly 1/10 of that in developed countries.

Chinese government strongly supports **international cooperation** in higher education. We have been exploring different ways and have yielded fruitful results. The new tendency is **more doctor programmes** are established. Let me name a few – the MOE-Exford Scholarships, MOE-Cambridge Scholarships, the Chinese-French Joint Doctor College, the Chinese-Russian Graduate School between Peking University and Moscow University, the Stanford Branch at Peking University, the Sino-Austrian scholarship for excellence, and the Tsinghua-Aachen Joint double degree program.

Regionalization

Globalization is a double-edged sword. I think among many options and strategies, an important one is regionalization and how fast, how solid and how well a region is organized to be in a better position to get the opportunity of this globalization. Otherwise, we have seen that some countries or some organizations have been globalized, or even

marginalized. Without regionalization or sub-regionalization, the competitiveness of a university is limited. Another one, I believe, is the multi-lateral organizations. Something we can do through the bilateral cooperation. But some other things, if you would agree with me, we've got to take the advantage of the multi-lateral organizations. Taking trade and agriculture for instances, it is not that easy to go through bilateral relations or negotiations. It is the Doha round that will play an important role.

And here, you are the leading universities getting together from the Pacific Rim. University in this century plays a very important role in terms of not only educating people, creating knowledge, but also promoting economic growth and prosperity of the society. That is why we have seen that the European countries have been very fast in response. We are all well aware of the EU in its action on higher education, the Bologna Process, and along with it, the program of Erasmus Mundus, so as to create mobility among the 25 members of the EU. The modern university started in Europe. But their tertiary education systems are so different from one another. They have an ambitious goal to unify them through the Lisbon Agenda and the Bologna Process.

I am so happy to see that it is you leading universities with research intensiveness that get together to discuss with common interest, for common future of this region. How well we can get regionized? And how well we can take the advantage of this multi-lateral organization? The beauty is that it is a NGO. The beauty is that you are all academic people. We might be different in terms of the culture, in terms of contexts and in terms of phase of development. For instance, USA, New Zealand, Australia, Japan, those are the developed countries. China is a developing country. We only have \$1,000 GDP per capita. China and Russia, are transitional economies. Even though we have so much difference, as the academic people of the universities, we share the same goal and value

system—searching for the truth and educating our people ready to make a difference for better future. So I think that it is very good timing for us to get together. I also believe that the universities here share the same lake, a lake that is a little bit large, the Pacific. We even share a same dream.

As Confucius said that it is the diversity that makes things productive, it is monotony that makes things unsustainable. So for that, I firmly believe that, and I hope that you will share with me, it is important that you universities get together and have more exchange, closer collaboration for better future of all the universities, and also for the business, economy, the society and better life.

True that we might be different in terms of the culture, in terms of contexts and in terms of phase of development, but I believe it is this diversity that has made APRU dynamic and rigorous. It is also true that Pacific is vast, but just as the poet Neruda once wrote, “The Andes is high, the Pacific is deep, and we are looking at the other bank of the Pacific.” As the academic people of the universities, we share the same goal and value system—searching for the truth and educating our people ready to make a difference for better future. If we regard major moving and mobility of the goods, of the knowledge, capital and technology in the 20th century as between the Atlantic, it is our dream and common goal to believe that, in this 21st century, the Pacific will go parallel with the Atlantic, or maybe even more dynamic. You leading universities are taking up this glorious and historical mission and I believe that with our joint efforts, with your experience, expertise, wisdom and enthusiasm, we together can achieve this goal. With the world increasingly becoming a global village, the Pacific Ocean will ultimately become the West Lake.

Thank you!