

**KEYNOTE ADDRESS  
BY  
HIS ROYAL HIGHNESS  
RAJA NAZRIN SHAH  
REGENT OF THE STATE OF PERAK  
AT THE  
INAUGURAL CONFERENCE ON  
'UNIVER-CITIES' - STRATEGIC IMPLICATIONS FOR ASIA**

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Distinguished Guests, Ladies and Gentlemen

1. It is a great pleasure to be invited to Nanyang Technological University (NTU) and to address you at this inaugural conference. NTU has been, and is, an integral part of the Singapore story, and its global reputation for creativity, innovation and excellence is well deserved. If there was ever any doubt that NTU is a leading edge institution, this august gathering of architects, planners and academics should dispel the notion. The reason we are gathered here is to have a conversation on the topic of 'univer-cities', something that is clearly not idle wordplay but a frontier-moving subject.

2. Basically, we are invited to consider how two organisational entities, cities and universities, can combine to produce a result that is larger than the sum of the parts. And we are invited to consider real life examples of the mutually beneficial interactions between them. I believe that the future of our educational institutions is one of the central challenges that we all must grapple with, those in the East and West alike. We have a lot riding on our universities and they deserve the sharpest and most experienced minds to think, plan and manage them. In this regard, I must say that the thought leadership behind this conference is exceptional. But then with Anthony Teo helming the conference, one could hardly have expected or settled for anything less.

3. Before I share some thoughts on this subject and the strategic implications for Asia, let me first say that as a student of political economy and development, I will primarily share my thoughts and ideas from this angle. I hope this approach will open up another line of productive discourse to complement the ones already being taken. I will begin by briefly highlighting the role of cities in economic growth today and then universities. I hope to show that the economic view of cities and universities is not only consistent with, but highly complementary to, the ideas that will be exchanged in this room. I will then conclude by focusing on the strategic implications for developing states in Asia.

#### **Cities as economic drivers**

4. In the field of economics, the idea of placemaking has attained – or, more accurately, re-attained – currency. Paul Krugman is credited with his pioneering work in new economic geography, something for which he was awarded the 2008 Nobel Prize in Economics. In new economic geography, cities and regions with the most production are also the most profitable because of the increasing returns and positive external economies that exist. They therefore tend to attract more investment, the best talents and grow even richer as a result.

5. To underscore its practical importance, the 2009 World Bank Development Report entitled 'Reshaping Economic Geography' provided evidence from around the world that cities are critical determinants of economic success. Policymakers were urged to think and act in '3-D' – the 3 'Ds' being density, distance and division. To put it succinctly, the authors found that countries that had been successful, and those that would be in future, were the ones that increased urban densities, shortened distances and removed divisions thereby fostering specialisation and integration.

6. That the recipe for economic success can be reduced to three relatively simple generic variables is, of course, debatable. That they are important, however, even extremely important, is less in doubt. Much of how economic development manifests itself is exactly in these three ways, from high-rise buildings to high-speed trains and highly seamless electronic commerce. Greater proximity reduces transaction costs, promotes network interactions and produces other positive growth-inducing externalities. Policymakers are therefore urged to renew their interest in urbanisation and capitalise on these agglomeration economies.

7. Density characterises the most significant cities in the global urban hierarchy. At the top, a handful of world-class cities such as New York, London and Tokyo act as primary agglomerations where a wide range of knowledge-intensive industries come together to produce complex systems of competitive advantage, often linked through financial and business services. Below them, a tier of internationally significant capitals, such as Singapore, Chicago, Frankfurt, Seoul and, increasingly these days, Shanghai, occupy strong positions. Under these are a flight of aspiring cities, and here I would place Kuala Lumpur, Dubai and others that aim to leverage on their strengths.

8. As a brief aside, let me say that Malaysia takes the 3-D concept seriously. The Greater Kuala Lumpur/Klang Valley is one of twelve National Key Economic Areas in the country's Economic Transformation Programme. Greater KL/Klang Valley accounts for 20 per cent of the country's population and over 30 per cent of national gross domestic product. Efforts are currently underway to improve connectivity, notably through the construction of a Mass Rail Transit, while urban redevelopment and provision of quality affordable housing are helping to improve the quality of urban space and liveability.

9. Of course greater urbanisation can also have drawbacks. Economists believe that past a certain size, the costs of urbanisation will outstrip the benefits. Overcrowding, gridlocked traffic, crime, poverty, homelessness and environmental pollution are seen as symptoms that cities have exceeded their carrying capacities. In the past, policymakers imposed planning restrictions and imposed high taxes to control urban sprawl. They pursued regional diversification by relocating national or state capitals, often at very high cost. They also offered generous incentives for companies to locate in areas where there were little or no economic activities. Naturally, takeup rates were less than encouraging.

10. Today, the costs of urbanisation can be substantially mitigated even if not completely offset and the virtues of city size and increasing density are once again being extolled. Technological advances in transportation, for example, allow intra-city and inter-city mobility at a speed, comfort and convenience that would have been difficult to imagine in the past. Buildings can be built higher, more safely and cheaply with new construction methods and materials. Falling telecommunication costs and increasing broadband speeds are accelerating the growth of the digital economy and making the tyranny of distance much less of a factor. Renewable energy and energy efficient systems are reducing the carbon footprints of cities, while water harvesting and vertical farming in cities are conserving this vital resource.

11. Importantly, lessons have been learned about how to plan for better cities. Critical to this is the engagement of stakeholders through initiatives like Local Agenda 21 which seeks to ensure that cities are not just more prosperous but environmentally protected and resident communities are socially better off. In short, we are much less susceptible today than in the past to the negative consequences of density and distance, provided, of course, that adequate forethought is given and far-sighted action taken.

### **Universities as change agents**

12. Let me now turn to universities. Economists have recognised the role of education and universities in raising national productivity and welfare since the late 1950s. Their contributions to improving human capital, advancing knowledge frontiers and catalysing technological change are well appreciated. Cases commonly cited include Silicon Valley in California, the Research Triangle of Raleigh-Durham-Chapel Hill in North Carolina, the Silicon Fen in Cambridge, U.K. and Bangalore in India, to name a few.

13. Universities, however, have evolved over time and, even today, are not all cast from the same mould. It is important to appreciate their differences, which are often the result of competing philosophies and policy priorities. They have undergone marked revolutions since they began as cloistered or reclusive communities of religious scholars. In 19th Century Germany, for example, universities were enlisted to support state-making and nation-building through rational, secular and scientific scholarship. An elite professoriate was established and teaching and research linked for the first time. Towards the late 19<sup>th</sup> Century, the American civic university appeared, shifting teaching beyond the professor to the development of disciplines and, with them, entire departments.

14. After World War II, younger demographics led to increasing demand for university entrance and a greater social mix of students precipitated "democratic mass universities". Then, driven by weakening state funding and increasing competitive threats from globalization, universities were forced to seek alternative funding sources, to innovate in their managerial structures, to engage with business and government and to become entrepreneurial and import private sector models into the academy. The "virtual" or "e-" universities continue this trend of evolution and change.

15. Various authors have suggested a number of archetypal forms, from the entrepreneurial university, through to the virtual university, the engaged university, the ethical university, and the useful university. Rather than being just one or another, it is likely that the universities of the future will have to be several or even a composite of all of these attributes.

16. Of course many have lamented the fact that as the mission of universities shifts away from service to the production of scientific knowledge, they do not address broader societal challenges. There have been calls for scholarship

that also pursues knowledge that contributes towards solving pressing social-economic problems at the national and local level. Others have complained that the de-emphasis on the humanities, with the closing of whole departments, lessens appreciation of human and civilizational influences. Virtually all complain that competition for finance, staff and students are forcing reductions in standards of student quality, scholarship and teaching.

17. These different competing claims on universities are no doubt going to be around for some time. I believe that we are going to continue to need a range of institutions to meet these claims, from elite to mass participatory and from specialised to more generalist. Given the increasing importance of universities in producing and disseminating knowledge content of all kinds, I remain optimistic that policymakers and university managers will make responsive decisions, according to global and local imperatives and conditions.

### **Univer-cities as institutions**

18. If cities and universities are both drivers of economic growth then their close interactions should make them more than doubly potent. In this regard, there are at least three kinds of benefits that universities' broader campus development activities can offer to the development and competitiveness of cities. First, they can help create new knowledge-intensive spaces, either new knowledge districts or within existing ones. Second, they can contribute to improving the quality of urban governance. Third, universities can directly contribute to place branding while also becoming involved in strategic urban projects that can assist in repositioning the city's profile to external investors and knowledge workers.

19. While I have no doubt that the potential is there, we need to understand their dynamics in detail in order to ensure that this potential can be unlocked. We already know that the intrinsic relationship between the university campus and the city demands not just dialogue but active participation among a large group of stakeholders ranging from policymakers and planners to corporations and businesses, civic groups and service organisations and, of course, the public. How effectively stakeholders are able to dialogue, participate and jointly manage outcomes are important considerations. Holding townhall meetings alone are not sufficient to ensure that there is meaningful participation. Even if productive ideas and viewpoints are aired, it does not always follow that these are always shared or have stakeholder buy-in.

20. The reality is that the interests of universities are also not always aligned with that of local and national authorities and may, at points, even diverge. Given the competing claims on cities and universities, a central question then will be how to ensure that stakeholders' inputs are received, internalised and accommodated. This places a great deal of dependence on systems of governance, namely, whether they are representative, fair and efficient and perceived to be so. Trust is one of the most powerful motivations for collective action, while distrust can be one of its most powerful deal breakers. Unless processes are well established, transparent and robust, particularly in being able to handle a diversity of views, productive interactions between city and university may end up being more apparent than real.

21. Formal laws, rules and procedures can only go so far. They can often help to prevent conflict but they are not much good at creating the conditions for voluntary cooperation and collaboration. In this regard, I would emphasise the importance of facilitative social rules and norms making, organisational arrangements, hierarchies, information dissemination, credible commitment, and transaction and monitoring costs. Given the wide variety of actors involved, these are critical in making univer-cities a success.

### **Strategic implications for developing Asia**

Distinguished guests, ladies and gentlemen:

22. I would now like to close by contemplating some of the strategic issues associated with univer-cities for developing Asia. Let me preface this with the general observation that throughout Asia, governments are typically the largest financiers of universities. Private institutions do exist but generally only a few have managed to reach critical mass and weight. As organisations that are funded through the public purse, the needs of national education, unsurprisingly, tend to be of paramount importance. Policies are largely made and implemented in top-down fashion and there are often strict lines of reporting and accountability back to bureaucrats.

23. The ability of these institutions to adopt the kinds of open system values and interactivity is, as a result, greatly restricted. Most lack the autonomy to redefine roles and respond to local needs because their mandates and modus operandi remain largely traditional in nature. Appointments and promotion are usually handled internally but, in many cases, may not be commensurate with competence and tangible results. Performance, especially in the form of course content and quality research publications, is frequently not up to par. Attempts to institute reforms can be blocked by regressive organisational cultures.

24. For brevity, I have grouped the strategic implications under three categories. The first category is institutional in nature. The ability to create univer-cities will require a desire for global best practices and then implanting a leadership team that can change fundamental values, norms and attitudes in this direction. But there must also be policy space. A

degree of boldness and vision on the part of government will be needed to provide managers the autonomy to initiate, plan and direct their teaching courses and research agenda. These, I think, are the basic first steps on the road to linking universities with cities.

25. The second category of implications is interactivity. If universities are to be at the forefront of innovation, ideas about education must change. In order to be world class, universities must be truly collaborative and cease to be closed systems. The idea that knowledge is to be found within the walls of the lecture theatre or purely in books is outdated and more experiential learning and service orientation must be embarked on. Some Asian universities have managed to make this transition but quite a number still remain bound to outmoded notions of education. Faculty attachments and student internships abroad, for example, are important practical ways to help acquire knowledge as well as influence beliefs and behaviour. It is only with more open learning and research that univer-cities can be realities.

26. The third category is urban governance. In many Asian capitals, rates of urbanisation are running ahead of the capacity of its governors to manage them. As a result, planning tends to be reactive, rather than proactive, and interactions with universities are not accorded the priority they deserve. As indicated earlier, universities can be a part of the solution towards constructing better systems of city administration, planning and development. Faculty and graduate students, for example, can be co-opted via industrial training schemes to help out overstretched engineering, power, transportation, water and sanitation departments. In this way, the mutually beneficial linkages between universities and the urban populace can be strengthened.

### **Concluding remarks**

Distinguished guests, ladies and gentlemen:

27. I hope that you find these thoughts helpful. I am certain that with the outstanding speakers here, there will be a very deep and meaningful conversation as to how universities can contribute to urban development and vice versa. I look forward to hearing your deliberations and sharing them with my fellow Malaysians.