

Singapore transforming into a 'global schoolhouse'

The nation is wooing the world's best business schools while developing its own institutions to spur growth.

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The Asahi Shimbun

SINGAPORE—Poor in natural resources, this plucky island nation is harnessing the one thing it has in abundance—its brain power. The aim is to transform Singapore into a "global schoolhouse" to stoke the engine of economic growth.

Generous government incentives and a populace eager to earn MBAs have turned the country into a magnet that is attracting some of the world's best business schools. The government is also pouring millions of dollars into building institutions to sharpen Singapore's edge in international business.

Signifying the drive to nurture homegrown talent is Singapore Management University (SMU), a state-of-the-art 4.5-hectare campus of glass-paneled buildings, which opened in 2001 at a cost of Singapore \$450 million (34 billion yen). Some 4,700 undergraduate and graduate students now crowd its glass-walled buildings.

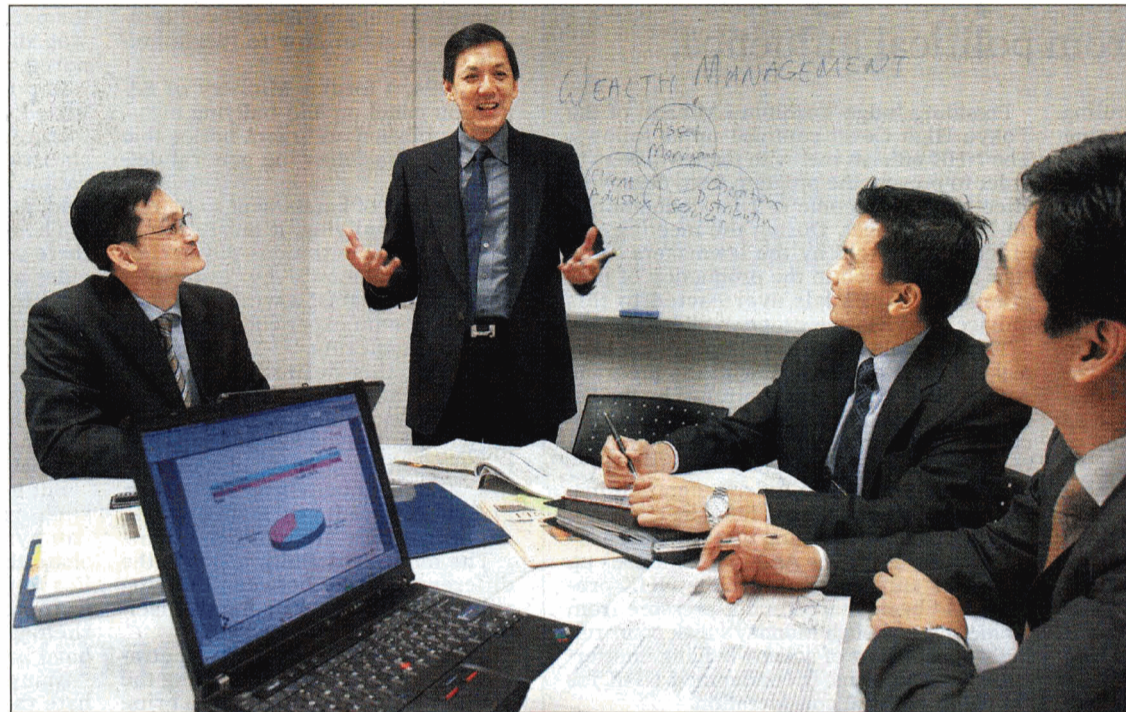
The university is Singapore's third after the National University of Singapore (NUS) and Nanyang Technological University (NTU). While SMU is a private institution, the government was deeply involved in its establishment and now subsidizes half of its running costs.

What puts SMU heads above the rest is its unique Master of Science in Wealth Management program.

Dr. Francis Koh, 54, director of the course, explains the rationale behind the innovative program: "As Asia grows, there will be more money to be managed. But there are too few talented people (who can manage assets). So we hope to provide that know-how for this growth industry."

The Master of Science in Wealth Management course differs from a typical MBA program as top financial institutions—such as Citibank, Goldman Sachs, Merrill Lynch & Co. and Germany's Deutsche Bank—offer students valuable on-the-job training.

Powerful program backers include the Government of Singapore Investment Corp. (GIC) and Temasek Holdings, the country's state-run holding company.



Professor Francis Koh, second from left, the director of a wealth management course at Singapore Management University, outlines the role of hedge funds to his students.

The cost of the program is Singapore \$48,000 (3.6 million yen), an amount Koh terms "appropriate" compared to business schools in the United States that typically charge well over 5 million yen tuition for an MBA.

The 55 students in the Master of Science in Wealth Management course hail from a dozen, mostly Asian, countries. Of that number, 10 were dispatched by central banks or other government-run financial organizations in China, South Korea, Thailand, Vietnam, Malaysia and Indonesia. Another 20 come from GIC, Temasek and private financial institutions and the remaining 20 or so are self-enrolled foreign nationals.

The students study in the classroom and take internships at companies for a total of 10 months. The system is perfect for financial institutions keen on hiring newly-minted MBAs.

Grant Cheng, 25, of the Philippines, is studying for his MBA thanks to a scholarship from Citibank in exchange for a two-year stint with the company after he graduates.

"I have no doubt the credentials and education I will earn from SMU will play a pivotal role in terms of opportunities opening up in the future," enthused Cheng.

The Singapore government announced a lofty goal in 1998 of turning this island into a "global schoolhouse" by offering a wide range of education in order to attract students from around the world. The ultimate aim is to become a center of business education and research in Asia.

The response to the initiative has been great as some of the world's top schools—such as the University of Chicago's School of Business, France's INSEAD, Massachusetts Institute of Technology and the Technical University of Munich—have set up branches in Singapore.

The country has not only met its ambitious goal ahead of schedule to bring in 10 top universities by 2008, it has also exceeded that number as 16 foreign universities now call the island home.

INSEAD, considered Europe's leading business school with its main campus in France, opened

its Asia branch near NUS in January 2000.

In its hunt for the ideal location, the school scoured 11 cities in Asia, including Tokyo and Hong Kong.

But Singapore won out. It was simply too hard to pass up its cosmopolitanism, easy access and the government's generous incentives such as land at bargain prices and Singapore \$10 million (750 million yen) in research subsidies.

The tropical setting has been a hit with INSEAD students as many are choosing to study in balmy Singapore during France's cold winter months.

Hideki Watanabe, 33, who is enrolled at INSEAD on assignment from his employer Sony Corp., commented: "I had always wondered why Singapore, a nation with few natural resources and a small population, can be so prosperous. Now that I'm here, I can feel a dynamism that is quite different from that in Japan."

Another benefit from all those students and teachers living and spending in Singapore is that they are helping to drive the economy.

In addition, with more universities taking up residence, companies are increasingly gravitating to the city-state to be closer to the economic research being conducted there.

One official of Singapore's Economic Development Board (EDB) remarked: "We have about 70,000 foreign students in our country. And the rate of their contribution to our gross domestic product is 3.6 percent. We want to increase the number of foreign students to 150,000 and push the rate to 5 percent by 2015."

To maintain the current robust economic growth, the EDB, which helps promote the global schoolhouse initiative, says the country needs 10,000 newly trained workers each year. Foreign students that choose to live and work after graduating would help meet this demand.

The drive for an MBA among Singaporeans is so strong that correspondence courses are proliferating. It is estimated that more than 100 companies are offering MBA correspondence courses of universities in the United States and Europe.

However, some in the correspondence industry are fretting that the quality of many of the courses may not be up to snuff.

"We maintain strict conditions in granting degrees. But the proliferation of correspondence courses could lower their value," warned one business school official that offers correspondence courses.

Financial institutions in Singapore have long enjoyed a competitive edge in the global market thanks to lower labor costs compared to their counterparts in New York and London. However, if Singapore's financial institutions start bringing in high-paid personnel from Europe and the United States to make up for the shortage of experts, this competitive lead will erode.

"The challenge (for Singapore) from here on is how the country secures a sufficient number of asset management experts while curbing human personnel costs," said Junichi Ujiie, the chairman of Nomura Holdings Inc., who visited Singapore last September by invitation of the Monetary Authority of Singapore.