

MY SAY: The Nokia way out of depression

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MY SAY

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Higher education is today at the crossroads, made worse by the economic downturn because of education's close links with the marketplace — providing professionally trained graduates for the workforce.

Even companies with the best-educated people have not been spared. First, the vast sums of money lost by companies led by CEOs who graduated with MBAs came as a shock to many. Second, the brazenness of these CEOs in according themselves huge rewards and bonuses although their companies are ailing, shows they are applying their own set of rules.

"All across the country, there are people who work hard and meet their responsibilities every day, without the benefit of government bailouts or multimillion-dollar bonuses," to quote US President Barack Obama when he insisted that everyone should "play by the same rules".

In the final analysis, the hardest hit will be the man in the street in terms of employment, or rather, the lack of it. For example, a recent estimate put the number of Americans out of jobs at 650,000 for a record third straight month, from last December to February. Reportedly, US unemployment climbed to a quarter-century peak of 8.1 % and is surging towards double digits.

In Malaysia, some 26,000 jobs have been lost since the global financial crisis blew up last September and nearly twice as many more workers could lose their jobs this year as struggling manufacturers cut output, a senior government official at the Human Resources Ministry was reported to have said.

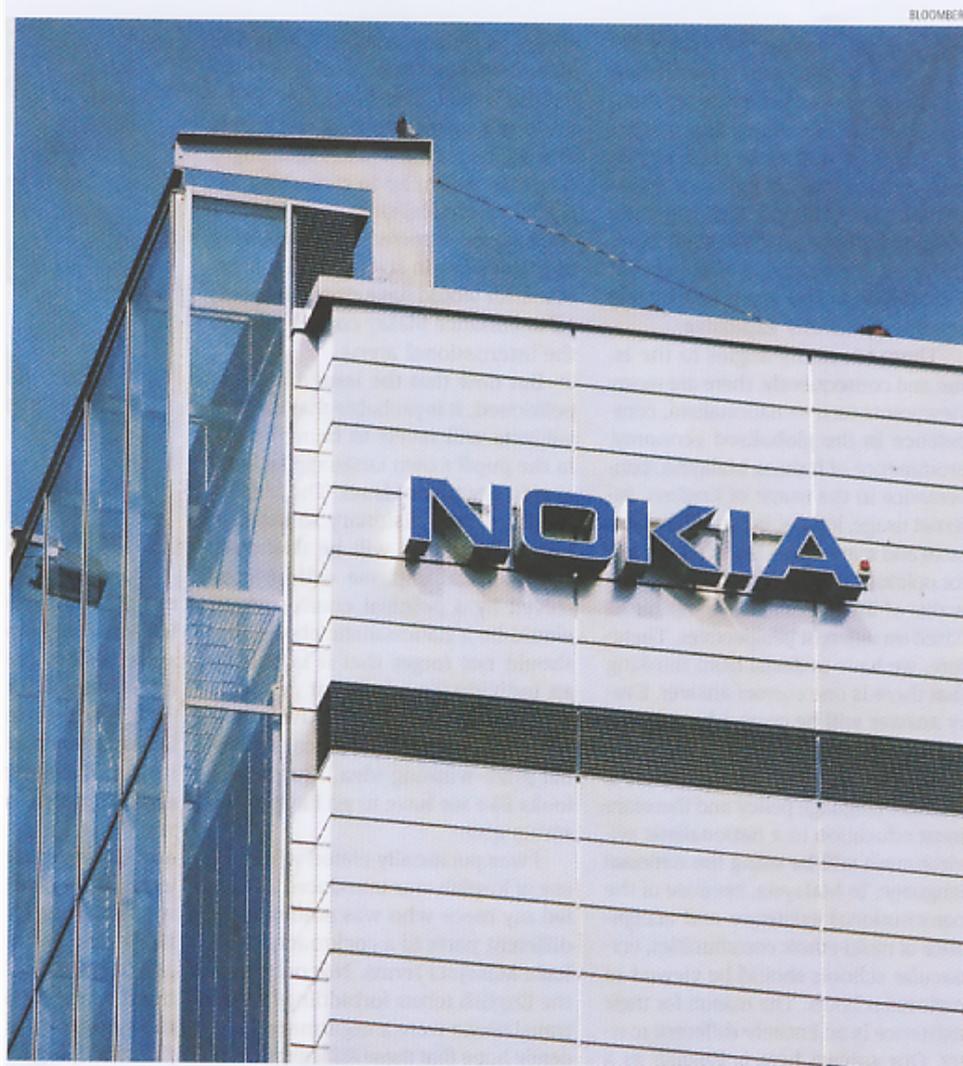
Indeed, Deputy Prime Minister Datuk Seri Najib Razak recently said that Malaysia's unemployment rate would rise to 4.5% this year from 3.7% last year. Based on the latest third-quarter labour figures this may amount to about 500,000 unemployed in 2009 alone.

As a consequence, it places educational institutions in a dilemma, threatening their very existence as a supplier of human capital for the marketplace. Now, the education industry has begun to show signs of collapsing as there will be many graduates loitering around without any work. Some even feel that the dismal job situation seems to be killing any hope for an economic recovery later this year.

But all is not lost because this is the time education can reap the best talent from the larger pool available to enrich the universities through its R&D activities. In this context, the subsidised fees offered under the government's stimulus package must be seen as a bonus whereby those who wish to pursue postgraduate studies would be given a relief of between RM 10,000 and RM20,000 each.

According to the Minister of Higher Education Datuk Seri Mohd Khaled Nordin, applications for Doctors of Philosophy programmes, would be given a RM20, 000 fee exemption. And this is open to graduates who have not secured permanent jobs or workers who have been laid off.

About 10,000 graduates interested to pursue their master's, as well as 500 potential PhD candidates are expected to benefit from this scheme. The move is in line with the ministry's target of producing 60,000 Malaysians with a doctorate by 2023 under the MyBrain Programme. If properly mobilised, the economic downturn can be made a positive impetus. One example to learn from is Finland's Nokia.



The Nokia head office... In the early 1990s when there was an economic depression in Finland, the company created at least 6,000 jobs in Salo, the home of its mobile phone

Nokia's success has been a very important lesson because in the early 1990s when there was an economic depression in Finland, the company created at least 6,000 jobs in Salo, the home of its mobile phone. The company trained many highly specialised people who then went on to set up their own firms. And the rest is history. Nokia remains a world icon, perhaps thanks in part to the depression.

Against this background, what the Deputy Prime Minister wrote in *The Wall Street Journal* (March 18 issue), about putting knowledge first in forging a new economic model to transform Malaysia's economy, will be music to the ears of our researchers at research centres and universities.

The goal to harness the talent, energy and drive of all of our people cannot come at a more timely moment, in line with the Ministry of Higher Education's strategic plan. And as in the Nokia tagline, it is all about connecting people, and also that of ideas and wisdom. Good luck, Malaysia!

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