The Impact of Globalization on Higher Education in Malaysia

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Abstract

In this study, we examine the impact of globalization on private higher education in Malaysia. The impact of globalization and the development of knowledge-based economy have caused much dramatic change to the character and functions of higher education in Malaysia. The major trend is the reforming and restructuring of private higher education in Malaysia to make it more competitive globally. Malaysia and many of the Asia Pacific countries are promoting higher education to the world. However, criticism from world educational councils have highlighted that the impact of globalization on higher education in Asia Pacific countries to follow the ideologies and global practices without developing their own unique systems and disregarding their rich tradition and cultures. Adopting an analytical view on the impact of globalization on higher education, we aim to arrive at “What stance should the Ministry of Higher Education (MOHE) aim for” and what then is the direction for our higher education institutions to embrace the impact of globalization to their advantage.

Keywords: Higher education, the impact of globalization, Minister of Higher Education’s role. Major trends and policies.

1. Brief history of higher education in Malaysia

This research has developed a typology of the history of higher education in Malaysia building on the first three phases or three waves described by Molly Lee, the prominent author and researcher in her monograph titled Restructuring Higher Education in Malaysia (Lee, 2004b). The typology categorizes the four distinct periods in Malaysian higher education as follows: the first phase we have named “Education for Elites”; the second as “Education for Affirmative Action”, the third as “Education As and For Business” and the final phase as “Education for global competition” (see Table 1). It is evident from this table that prior to 1970, with only one university to service the tertiary education needs of Malaysia that a national-based higher education system was not a priority (Lee, 2004b; Sirat, 2008).
Table 1: Typology of Phases in Malaysian Higher Education

<table>
<thead>
<tr>
<th>Typology</th>
<th>Education For Elite</th>
<th>Education For Affirmative Action</th>
<th>Education As And For Business</th>
<th>Education For Global Competition</th>
</tr>
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<tbody>
<tr>
<td>Description</td>
<td>Only one university - University of Malaya</td>
<td>Establishment of other state-controlled universities</td>
<td>Establishment of other state-controlled universities</td>
<td>Establishment of Ministry of Higher Education (MOHE)</td>
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<td></td>
<td>Emphasis on primary and secondary education</td>
<td>Ethnic quota admission policy</td>
<td>Evidence of market – Introduction of overseas private post-secondary education including universities and corporatisation of public higher learning institutions</td>
<td>Evidence of Internationalization Establishment of Research University Establishment of APEX University</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Establish quality mechanisms [further enhanced in the fourth phase with the establishment of the Malaysian Qualifications Agency (MQA)]</td>
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2. Introduction

In today’s Globalization Era, knowledge is increasingly a commodity that moves between countries. The growth of the knowledge-based economy has led not only to competition among employers worldwide for the best brains but also among the institutions that train the best brains. Globalization is seen here as the root cause of changes taking place in higher education and can simply be defined as “…..the flow of technology, economy,
knowledge, people, values, ideas …… across borders (Knight 1999 p.14). The traditional form of cross-border flows in higher education has been for students to migrate from one country to another to advance their studies. Several economic and social factors encourage international student mobility and competition between countries for foreign students (Clark and Sedgwick 2005, OECD 2004a).

One of the dramatic changes in the private higher education in Malaysia in recent years (since mid 1990’s) has been to adopt the higher education of foreign developed nations. By this adaptation, many foreign campuses have been set up to cater for a vast majority of local students and some international students. Malaysia is then viewed as an “educational hub” by foreign partners who are keen to work closely with private education institutions for a win-win solution. There are vast numbers of definitions of the term “globalizing higher education”. Further, this term is often used interchangeably with terms such as “cross-border” higher education, “borderless” higher education, or “multinational” higher education. For example, according to UNESCO, the term “transnational education” is generally defined as education “in which the learners are located in a country different from the one where the awarding institution is based” (UNESCO/Council of Europe 2000). Similarly, Jane Knight has argued that, transnational and borderless as well as cross-border education are terms that are being used to describe real or virtual movement of students, teachers, knowledge and educational programs from one country to another (Knight 2002). Based on this definition, this article is particularly concerned with private higher education institutions in Malaysia providing joint degrees or foreign degrees to local and international students.

Private sector provision of education has a long history in Malaysia. In 1993, when the new policy was being developed, alongside the new private tertiary education colleges there were around 53 Chinese independent secondary schools, 118 private secondary schools and 20 international schools (catering primarily to the children of expatriate workers) (Kandasamy and Santhiram 2000, p. 394, Malaysian Ministry of Education 1993).

In 1995, the 20 per cent of Malaysian students who were studying abroad cost the country around US$800 million in currency outflow, constituting nearly 12 percent of Malaysia’s current account deficit (Silverman 1996, p. 26). While part of the solution was to increase the capacity of public universities (Neville 1998), the government saw the local private sector as the key means of reducing this currency outflow and in the long term of transforming Malaysia into a net exporter of tertiary education (Ismail 1997). With the passage of the Private Higher Educational Institutions Act 1996, the government formally began to encourage the private sector to play a complementary role in the provision of tertiary education. As a result of these measures, by the end of 1999 the proportion of young Malaysians between 17 and 23 years of age in tertiary education had increased dramatically to 22 percent, with 167,507 enrolled in public universities and an estimated 203,391 in private institutions according to government figures (Johari 2000, p. 8). By 2000, there were 11 public tertiary educational institutions, seven new local private universities, three foreign university branch campuses and more than 400 private colleges approved by the Malaysian Government (Challenger Concept 2000, pp. 203–4,
New private universities and branch campuses of foreign universities may only be established following an invitation from the Minister of Education. The Private Higher Educational Act 1996 was amended in 2003 in response to new challenges in the provision of private higher education. Specifically, the amended act provides for the establishment and upgrade of private universities, university colleges and branch campuses of foreign universities in Malaysia. Indeed, several private higher educational institutions were subsequently upgraded to university colleges.

The number of international students in Malaysia has been increasing between 1996 and 2003 with the liberalization of education. Overall, the market in Malaysia experienced a 36.8 percent year-on-year growth between 1997 and 2000. It is reported that although the number of international students in Malaysia has fallen in 2001 from the previous year, the number continues to increase within leading educational institutions both in the private and public sectors (PWC Consulting 2003, p. 14).

The presence of a large number of foreign programs in Malaysia has brought the expected trade benefits, and Malaysia is already making progress in its quest to become a net exporter of tertiary education by 2020 (Malaysia 1991). There has been a rapid growth in the number of international students studying in Malaysia, jumping from 5635 in 1997 to 22,849 in 1999 (Education Quarterly 2001, p. 14, Lee 1999).

3. Challenges for Higher Education

Education, and more particularly higher education, is seen as a major foundation in implementing the complex process of globalization. With the advent of globalization, advanced information technology and increased transnational travel, higher education services have already been expanding beyond territorial boundaries either electronically or through physically-based campuses. Exporting higher education services emerged in the late 1980s and early 1990s and is now becoming global, market-oriented and private industry prevailing not only among those developed countries but also in the Asia Pacific region. For instances, Australia and Singapore have already established their international networks by setting up international academic offices and collaborating with partner institutions to attract overseas students to study in their own countries. Australia is now the third largest provider of education to overseas students in the world after USA and United Kingdom (Dunn and Wallace, 2004; Marginson, 2002).

Higher education, as a consequence, has moved from a peripheral to a central position in the responses of governments to globalization; it is a key factor in the developing countries, evidenced by the World Bank’s ‘Task Force Report on Higher Education in Developing Countries’ (2000); it is undoubtedly viewed as crucial to the developed countries, as illustrated in a number of chapters in this book (Lillie, Sporn, Marginson et al.). Peter Scott (writing in The Globalization of Higher Education) pointed out that ‘all universities are subject to the same processes of globalization – partly as objects, victims even, of these processes, but partly as subjects or key agents of globalization’ (Scott 1998b: 122). They are positioned within national systems ‘locked into national contexts’
and the majority are still state institutions. Yet globalization ‘is inescapably bound up with the emergence of a knowledge society that trades in symbolic goods, worldwide brands, images as commodities and scientific know-how’ (Scott 1998b: 127).

In fact, policies on marketization and internationalization of higher education have been moving towards the rising Asian populated countries such as India, China, Indonesia and Malaysia. Asia will dominate the global demand for international higher education for the next two decades. In forecasting global demand for international higher education, Bohm, Davis and Pearce (2002) found that the global demand for higher education is poised to grow enormously. The demand is forecasted to increase from 1.8 million in 2000 to 7.2 million international students in 2025. Asia will represent some 70 percent of total global demand and an increase of 27 percent from the year 2000. The significant demand for higher education in Asian countries is provided for by the Organization for Economic Co-operation and Development (OECD). Table 2 shows the share of tertiary foreign students in OECD countries.

Table 2- Share of Tertiary Students Abroad Within the OECD Countries

<table>
<thead>
<tr>
<th>Countries</th>
<th>Share of tertiary students abroad within the OECD countries</th>
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<tr>
<td>1. China</td>
<td>7%</td>
</tr>
<tr>
<td>2. Korea</td>
<td>5%</td>
</tr>
<tr>
<td>3. Japan</td>
<td>4%</td>
</tr>
<tr>
<td>4. India</td>
<td>3%</td>
</tr>
<tr>
<td>5. Malaysia</td>
<td>3%</td>
</tr>
<tr>
<td>6. Hong Kong</td>
<td>2%</td>
</tr>
<tr>
<td>7. Indonesia</td>
<td>2%</td>
</tr>
<tr>
<td>8. USA</td>
<td>2%</td>
</tr>
<tr>
<td>9. Morocco</td>
<td>3%</td>
</tr>
<tr>
<td>10. Italy</td>
<td>3%</td>
</tr>
<tr>
<td>11. Germany</td>
<td>4%</td>
</tr>
<tr>
<td>12. France</td>
<td>3%</td>
</tr>
<tr>
<td>13. Turkey</td>
<td>3%</td>
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</table>

Source: From OECD Education Data Base, 2007

On the one hand, globalization is seen to create pressure on the education system to produce de-contextualized and human capital-oriented knowledge. The highly globalized sectors of the economies require that students in school learn certain basics but they also have to become creative, innovative and flexible and to find new solutions to new problems (Adler, 1992). On the other hand, in strongly multi-cultural countries, ethnic groups place a demand on nation states for local and contextualized knowledge, and so
on. Furthermore, education is under the pressure to adapt to a “world model” (Meyer et al., 1997) but also to respond to national and local forces.

In the mid-1990s, four educational acts were implemented: the Education Act of 1995, the 1995 Amendments to the University and University Colleges Act of 1971 (1995 Amendments to the UUCA 1971), the Private Higher Education Institutions Act of 1996 (PHEIA 1996), and the National Council on Higher Education Act of 1996 (NCHEA 1996).2 With the implementation of the Private Higher Education Institutions Act of 1996, the private sector increased its involvement in providing tertiary education (Malaysia 2001). The Act allowed private institutions of higher education and foreign universities to establish franchises and degree courses. In particular, private-sector universities were encouraged to offer science and technology courses in order to increase enrollment at higher-educational institutions and to produce a greater number of highly skilled graduates (Malaysia 1998: 122)

To meet the demands of changing market economies Malaysia is evolving from a production-based economy to an innovative, knowledge-based one that requires the development of a highly skilled and knowledgeable workforce. To ensure the growth of this critical workforce, there needs to be increased accessibility and flexibility to higher education. To date, Malaysia has close to 20 public-funded universities, 37 private universities and university colleges and approximately 300 private colleges (Ministry of Higher Education, 2008). Besides these, Verbik & Lasanowski (2007) highlight that the increase of foreign students in Malaysian institutions of higher learning and other international comparatives has made Malaysia one of the ‘emerging contenders’ as an international market for foreign students. While such expansion is taking place, Malaysia is challenged to address some crucial issues related to higher education. Firstly, there is a quest for Malaysia to become a regional hub for educational excellence providing world-class university education. In order to fulfill this noble aspiration, higher education institutions have come under greater public scrutiny since no Malaysian institute of higher education secured a position in the Top 100 in the recent Times Higher Education (THES) World University Rankings 2007 (The Star, 13 November 2007). There is also growing concern for the number of unemployed graduates from the higher education system since 2000. The Labour Force Survey revealed that the number of unemployed graduates has increased from 42,500 in 2000 to 74,182 in 2004 (World Bank Report, 2007). It is against this backdrop of challenges and growing market demands that the Malaysian Ministry of Higher Education (MOHE) has put in place strategic goals for the transformation of higher education in Malaysia.

According to the Malaysian Association of Private Colleges and Universities (Mapcu), there were some 450,000 students at private institutions of higher learning as at December last year. This accounted for slightly more than 50% of the total enrolment in both public and private universities and colleges. There are no two ways about it: the private sector’s involvement in education over the last few decades has contributed significantly to the nation’s progress. “Private education has been absolutely central to the development, stability, and harmony of Malaysia for the past 25 years,” says Mark Disney, chief operating officer, Asia, of London Chamber of Commerce and Industry (LCCI), which provides vocational and business qualifications. “It is the engine room for
developing outward-looking graduates and it is the reason why Malaysia can legitimately call itself a regional educational hub.”

4. The Impact of Globalization on Higher Education in Malaysia

‘We are living in a period of crisis’, declares Michael Apple (2001), referring to the era of globalization. According to him, ‘the crisis has affected all of our economic, political, and cultural institutions’ (Apple 2001: 409). In the context of globalization, higher education systems have become sites for competition and contestations of various kinds in various societies. The competition and contestation for access and equality has become inevitable as there are higher levels of demand for fewer places in higher education and employment and, therefore, calls for the attention of policy makers and sociologists to examine the impacts of globalization on strategies adopted to include the hitherto historically excluded social, ethnic and racial groups, on the one hand, and to achieve the requirements of the emerging labor market, industry and the global system of higher education on the other. In this context, the study of Malaysia provides an opportunity to learn and understand the experiences of countries that have adopted neo-liberal economic reforms to address and balance the challenges posed by globalization. The forces of globalization drive the state to initiate policy reforms to achieve excellence, relevance and marketability of the higher education system and the local ethnic polarizations work in diagonally opposite directions by demanding equity in opportunities, access and treatment.

The term “globalization” has become short hand for the condition of our time (Wagner 2004) suggesting that some world-wide processes have begun to shape each and every walk of our lives. If globalization is such an encompassing change in our condition, then there is a good reason to assume that educational systems are also affected by it (Daun 2003). Many nations are now witnessing a transformation in the ways in which education systems are organized, controlled and managed. ‘The period after nineties saw fundamental changes in the structure and nature of educational institutions, in the organization of the curriculum, in the nature of teachers’ work and professionalism, and in the aims and purposes of assessment’ (Philips and Furlong 2001: p. 3). It is also a period which has been characterized by profound and often confrontational debates over the nature and purposes of higher education in society, particularly those between education, the economy and the society (ibid, p. 3). Specifically, institutions of higher education now face new pressures and demands for accountability, access, quality, and the introduction of new technologies and curricula (Altbach and Davis 1998).

In simple terms, Rees and Stroud (2001) describe the evolving scenario in higher education: ‘the social transformation has entailed a fundamental restructuring of the organization of higher education itself. First and foremost, the financial implications of higher education expansion has been managed by successive governments though substantial reduction in the public funding of each student, necessitating higher education institutions to reshape their internal organization and practices. To be a university student or indeed, member of the staff today implies a different working environment from previously. The impacts of the substitution of student grants by loans and the more recent introduction of fees for undergraduates are further transforming the student experience of
higher education. Equally, higher education institutions are currently much more dependent for their revenue on their entrepreneurial capacity to recruit students and to raise money from research grants and contracts and from endowments. In other words, from the economic point of view, the constriction of monies available for post-secondary education gave rise to the privatization of higher education (Slaughter 1998; Carnoy 2000).

Further, Malaysian students have traditionally sought higher education in relatively large numbers in Britain, Canada, Australia, New Zealand, the Middle East and in neighboring countries like Singapore, India and Indonesia. In the economic recession of the eighties and nineties, middle class families faced with a cash crisis halted their willingness to send their children overseas. To accommodate the concerns of the middle class families, the state had to respond through privatization in much more aggressive way. The privatization agenda of the Malaysian higher education system also intended to attract foreign investment as well as students into Malaysia. According to Bank Negara Malaysia’s Annual Report (2006), the number of foreign students in private higher educational institutions increased from 33,903 at the end of 2005 to 38,900 at the end of 2006 (p. 20).

5. Information Technology and Globalization

The information age carries the potential of introducing significantly change in higher education, although it is unlikely that the basic functions of traditional academic institutions will be transformed. The elements of the revolution in information technology (IT) with the power to transform higher education include the communication, storage, and retrieval of knowledge (Castells, 2000). Libraries once the repositories of books and journals, are now equally involved in providing access to databases, websites, and a range of IT-based products (Hawkins and Battin, 1998). Scholars are increasingly dependent on the Internet both to undertake research and analysis and to disseminate their own work. Academic institutions are beginning to use IT to deliver degree programs and other curricula to students outside the campus. Distance education is rapidly growing both within countries and internationally. IT is beginning to shape teaching and learning and is affecting the management of academic institutions. IT and globalization go hand in hand. Indeed, the Internet serves as the primary vehicle for the globalization of knowledge and communications. As with the other aspects of globalization, significant inequalities exist. Inevitably, the information and knowledge base available through the Internet reflects the realities of the knowledge system worldwide. The databases and retrieval mechanisms probably make it easier to access well-archived and electronically sophisticated scientific systems of the advanced industrialized countries than the less networked academic communities of the developing countries.

The Internet simplifies the obtaining of information for scholars and scientists at universities and other institutions that lack good libraries. This change has had a democratizing effect on scientific communication and access to information. At the same time, however, many people in developing countries have only limited access to the
Internet (Teferra, forthcoming). Africa, for example, has only recently achieved full connectivity to the Internet. The Internet and the databases on it are dominated by the major universities in the North. The Internet functions largely in English, and much of the material carried on it is in English. These realities also affect access and usage of information.

Multinational knowledge corporations have become key players, the owners of many of the databases, journals, and other sources of information. Academic institutions and countries unable to pay for access to these information sources find it difficult to participate fully in the networks. Tightening copyright and other ownership restrictions through international treaties and regulations will further consolidate ownership and limit access (Correa, 2000).

Distance education comprises another element of higher education profoundly affected by IT. Distance education is not, however, a new phenomenon. The University of South Africa, for example, has been offering academic degrees through correspondence for many decades. The Open University in the United Kingdom has effectively used a combination of distance methods to deliver its highly regarded programs. IT has greatly expanded the reach and methodological sophistication of distance education, in the process contributing to the growth of distance education institutions. Of the 10 largest distance education institutions in the world, 7 are located in developing countries, and all use IT for at least part of their programs. Universities and other providers in the industrialized nations are beginning to employ IT to offer academic programs worldwide, a significant portion of which are aimed at developing countries. Entire degree programs in fields such as business administration can be found on the Internet, and most providers see the international market as critical for the success of their programs. These providers include corporations such as some of the major multinational publishers for-profit educational providers like Sylvan Learning Systems, and others. Some universities now offer degree and certificate programs through the Internet to international audiences. Firms such as Microsoft, Motorola, and others are offering competency certificates and other training programs in fields relating to their areas of expertise.

As with the other aspects of globalization discussed in this analysis the leading providers of IT consist of multinational corporations, academic institutions, and other organizations in the industrialized nations. The Internet today combines a public service e-mail and the range of websites to which access is free with a commercial enterprise. Many databases, electronic journals, e-books, and related knowledge products are owned by profit-making companies who market them, often at prices that preclude access by those in developing countries. Nevertheless, at the same time, developing countries have been able to take advantage of IT. For example, the largest universities using distance education are mostly located in developing countries. The African Virtual University is an innovative effort by a number of African nations to harness the Internet and other distance techniques to meet their needs. E-mail is widely used to improve communication among scientists and scholars and to create networks in the developing world. While the information revolution with neither transform higher education generally, nor will it provide a
panacea for developing countries, it is of great importance and one of the central elements of globalization in higher education.

6. Conclusion

Globalization in higher education and science is inevitable. Historically, academe has always been international in scope, and it has always been characterized by inequalities. Modern technology, the Internet, the increasing ease of communication, and the flow of students and highly educated personnel across borders enhances globalization. No academic system can exist by itself in the world of the 21st century. The challenge is to recognize the complexities and nuances of the modern context and then seek to create a global academic environment that recognizes the need to ensure that academic relationships are as equal as possible. Recognizing inequality is the first step. The second is to create a world that ameliorates these inequalities. These tasks, in the context of marketization and the pressures of mass higher education, are not easy ones. Yet, it is important to ensure that globalization does not turn into the neocolonialism of the 21st century.

It is believed that higher education institutions could be motivated by both the finance-driven ethos and the communal aspirations of civic engagement through reengineering their curricula. Academic values and civic missions in higher education institutions are also at the heart of the aspects such as human rights, multilateralism and global citizenship (Scott, 2003). Increasingly, universities around the world are expectedly to play a key role in advancing the cause of humanity and citizenship because international education should be a trading game for students’ self enrichment (Marginson, 2004). At the system level, it relies heavily on the MOHE’s effort to realize the positive impact of globalization. At the institutional level, if learning is linked to social change, pedagogy can help reinvent the higher education institutions as a community as relevant and positive influences in a sustainable future. Therefore, university faculties engaged in globalization can assist by designing courses that promote responsible global citizenship (Haigh, 2002).

References


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