

# Globalisation and the Incorporation of Sustainable Development in Malaysian Higher Education

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## Introduction

There exists a general consensus on the legitimacy of globalisation as a powerful influence in promoting and strengthening the provision of higher education in many countries, notably in its role to sustain knowledge creation and its contribution to a country's economic growth. In the context of globalisation and the knowledge economy, there has been a considerable transformation in the attitudes of international organisations towards the importance of higher education in developing countries (Naidoo, 2007). There has been an impressive expansion of cross-border higher education initiatives due to the growing imperative of higher education institutions to internationalise teaching, research and community service in order to enhance their academic excellence and the relevance of their contribution to societies. The growth of market-driven activities has to some extent influenced the following domains: increased demand for higher education, funding provisions for research and development activities, access and equity, academic freedom and innovative methods of teaching and learning. Arguably, these activities and transformations create new challenges and intensify existing ones in terms of issues concerning the scope, complexity and volume of higher education.

This article discusses how the collective forces of globalisation, in particular, and other related market forces might affect the provision of higher education in a rapidly developing country like Malaysia which has set out to identify itself as a hub of education excellence in the South East Asian region. It also raises issues for further debate and adds on to the discourse of strengthening the provision of quality higher education in developing countries while encouraging international collaboration that may lead to improved capacity building.

## Key Drivers of Sustainable Growth

In identifying key elements of sustainable growth, the World Economic Forum's report (2006) outlined its global competitiveness index. With their productivity-oriented view of competitiveness, they define national competitiveness as the "set of factors, policies and institutions that determine the level of productivity of a country" (World Economic Forum Report, 2006: 3). Since 2001, the Forum has been using the Growth Competitiveness Index (Growth CI) to assess the competitiveness of nations. Using a re-worked index called the new Global Competitiveness Index (GCI), they hope it extends and deepens the concepts and ideas underpinning the earlier Growth Competitiveness Index. While being simple in structure, the GCI provides a holistic view of the

following nine factors or pillars that are critical to driving a country's productivity and competitiveness: *institutions, infrastructure, macroeconomy, health and primary education, higher education and training, market efficiency, technological readiness, business sophistication and innovation*. This concept of competitiveness developed by the Forum explicitly incorporates notions of "public sector, accountability, efficiency, transparency and more generally, the various ways in which the government interacts with economic agents in the domestic economy, particularly the business sector" (World Economic Forum Report, 2006: 6).

The GCI index for 2006-2007 listed the following countries as the top ten performers: Switzerland, Finland, Sweden, Denmark, Singapore, United States, Japan, Germany, Netherlands and the United Kingdom. With the exception of good Asian performers such as Singapore (5<sup>th</sup>), Japan (8<sup>th</sup>), Hong Kong SAR (11<sup>th</sup>) and Taiwan (13<sup>th</sup>), Malaysia is ranked 26<sup>th</sup> overall in global rankings (out of 125 countries), just behind the Republic of Korea. Other Asian countries included Thailand (35<sup>th</sup>), India (43<sup>rd</sup>), Indonesia (50<sup>th</sup>), China (54<sup>th</sup>) and Philippines (71<sup>st</sup>). It is worthwhile noting that the Forum Report singles out Malaysia as a 'strong performer having one of the most efficient economies in the region; flexible labour markets, relatively undistorted goods market, and public institutions in which many areas (e.g. the rule of law, the legal system) are already operating at the level of the top performing EU members which joined in 2004" (World Economic Forum Report, 2006: 32). It is predicted that with her existing well-developed infrastructure and relatively sound regulatory environment, Malaysia should contribute to higher levels of growth and continued rapid development.

## Globalisation and Capacity Building

The impact of globalisation on higher education has been widely discussed, with some experts arguing that globalisation, the Internet and the scientific community will level the playing field in terms of knowledge interdependence (Altbach, 2007). Others see globalisation as a market force that is chiefly responsible for commodifying higher education in developing countries where the increasing need and demand for higher education pose attractive market ventures to private higher education institutions. With the prevalence of such factors, there has been considerable transformation in the attitudes of international organisations towards the importance of higher education in developing countries. Naidoo (2007) likens this scenario of knowledge economy within the context of globalisation as having a considerable transformation in the attitudes of international

organisations towards the importance of higher education developing countries.

In trying to define 'globalisation', most stakeholders in higher education contexts view this concept as being mainly economic in nature but this phenomenon has profound social and cultural aspects. In attempting to understand how globalisation impacts teaching and learning contexts in higher education, one must first consider the realities of the environment in which higher education is operating as higher education environments these days are varied, face numerous challenges and are often in a state of flux. In this regard, Morshidi (2006: 6) sees globalisation as either a 'process' (a heightened tendency towards interactions and interdependencies of socio-economic spaces) or a 'fact of the contemporary world' (the compression of the world and the intensification of consciousness of the world as a whole). Generally, he loosely interprets it as a socio-economic and technological process, which tends to blur or diminish geopolitical borders and national systems. In highlighting the patterns and trends of transnational education in Malaysia, he considers the impacts of globalisation as contributing significantly to the competitive edge that currently exists among such education providers. Held et al. (cited in Marginson, 2006: 6) view globalisation as the 'widening, deepening and speeding up of world wide interconnectedness' which determines the process of growing interdependence and convergence on a worldwide and continental scale, driven by more extensive and intensive flows of people, ideas, information, technologies and money. Marginson (2006) lists the distinctive elements in globalisation as follows:

1. the open information environment with instant messaging and data transfer created by communications technologies so that higher education and knowledge are becoming thoroughly networked on a world scale; and
2. Anglo-American institutions will be affected by more plural environments because of growth of research in Asian countries like China, Korea and Singapore with the power of the Internet, air travel and knowledge.

In adopting a slightly similar stance, Altbach (2007: 6) defines globalisation as the "broad economic, technological and scientific trends that directly affect higher education and are largely inevitable in the contemporary world." In his view, these trends include information technology in its various manifestations, the use of a common language for scientific communication, the imperatives of society's mass demand for higher education (massification) and for highly educated personnel and the 'private good' trend in thinking about the financing of higher education.

In connection with this and within the context of higher education, the terms 'internationalisation and globalisation' are two key elements that feed into debates

and discourses and it is often observed that market and global forces are popular and frequently employed concepts in varying contexts and for diverse purposes. Increasingly, the view that seems prevalent these days is that the rise of the market and globalisation are interwoven factors that make any possibility of classifying marketisation and delocalisation aspects difficult.

**There is a need for an improved understanding of the new global situation, and priorities must be accordingly re-assessed if we hope to develop human capital as the backbone of sustainable economic development.**

#### **Development of Higher Education in Malaysia**

Essentially, the origin and development of higher education in Malaysia can be perceived in terms of "three distinctive waves of expansion" (Lee, 2004: 41). According to Lee (2004), the first wave saw the setting up of a first independent university in Malaysia at the time of British rule. Subsequently, the second wave, which took place in the 70's and 80's, soon after the New Economic Policy was drawn up, resulted in the establishment of many more public universities to redress imbalances in terms of educational opportunities amongst the different ethnic communities. Finally, the third wave, in the 90's, witnessed the accelerated growth of private universities and colleges to meet the increasing demand for university education arising from the commercialisation and commodification of higher education. The expansion of higher education resulted from two factors: the democratisation of higher education and the emergence of a Neo-Fordist economy that called for "drastic cutbacks in university funding" (Lee, 2004: 4) and which then encouraged the acceleration of privatised higher education and the corporatisation of public universities.

At the time of Malaya's independence in 1957, there was no university in the country. However, there was a university in Singapore established in 1949 called the University of

Malaya, a result of a merger of two well-known institutions of Singapore. King Edward College of Medicine in Singapore, recognised as a full-fledged medical college since 1915, was the only academic institution that offered courses leading to a degree. The second institution (the Raffles College), established in Singapore in 1959 offered courses in English, history, geography and some other subjects leading to a diploma. In 1959, a campus of the University of Malaya was opened in Malaya's capital, Kuala Lumpur, and this heralded the first wave of higher education.

University of Malaya was the only university that produced trained manpower for the needs of the country when Malaysia was formed in 1963 (Abdul Rahman and Mahani, 2007: 26). It had four faculties: arts, science, engineering and agriculture and in terms of its structure and curriculum content it was fashioned after the British educational system. The racial riots of 1969 and the drawing up of the New Economic Policy resulted in the setting up of four new universities: Universiti Sains Malaysia (1969), Universiti Kebangsaan Malaysia (1970), Universiti Pertanian Malaysia (1971) (now renamed Universiti Putra Malaysia), and Universiti Teknologi Malaysia (1975) (Lee, 2004). This marked the second wave of higher education expansion.

These additional universities were established to correct the widening socio-economic disparities that existed between the Bumiputera (indigene population) and the non-Bumiputera (non-indigene) communities and the lack of national unity amongst the races. The latter was perceived as a direct result of implementing a university education that is modelled after Britain. Hence, these new universities adopted a much more "national" outlook as their main objectives, as outlined in the 2<sup>nd</sup> Malaysia Plan (1971-1975), with the intention to "encourage national integration and unity" (Abdul Rahman and Mahani, 2007: 27). More importantly, in terms of administration, the university no longer adopted an autonomous system as it came under direct "state-control". With this development, universities had to adhere to guidelines set up by the Ministry of Education with regard to "financing, staff recruitment and promotion, curricula, medium of instruction, and student enrolment" (Lee, 2004: 42).

The advent of the third wave saw a rapid increase in the number of universities and colleges as a result of the government's initiative to de-regulate higher education in order to meet the rising demands of higher education. According to Lee (2004: 42), this wave witnessed the establishment of "four new public universities, five university colleges, nine private universities and five branch campuses of foreign universities." Over time, the number of higher educational institutions grew phenomenally with an attendant increase in student enrolment and programmes offered. In 1996, enrolment in higher education institutions was 17,589 and, in 1997 it jumped to 28,344 students (MoHE, 2006). In 2000, there were 11 public universities, six private universities and 283 private colleges. As of 2007, there are

20 public universities, 28 private universities and university colleges and 486 private colleges. These are multi-faculty institutions which offer a wide range of courses. In terms of programmes, private higher education institutions offer a number of transnational educational programmes such as twinning programmes, credit transfer programmes, external degree programmes and distance learning programmes to cater to the growing demand for higher education.

Increasingly, globalisation is seen as a trend that identifies the increasing supra-national context in which higher education institutions often operate. In Malaysia, pressures from globalisation have made it an imperative upon the government to ensure that public higher education institutions become more competitive and at par with their global counterparts. In 1995, the Universities and University Colleges Act of 1971 was amended to pave the way for the corporatisation of public universities and by 1998, five of the older public universities were corporatised and as such, these institutions were expected to generate more and more of their operating expenses through other non-governmental sources. Corporatised universities are allowed to borrow money, enter into business ventures, set up companies and acquire and hold investment shares. In the Malaysian model of corporatising public universities, the government continues to own most of the universities' existing assets, and to provide development funds for new programmes and expensive capital projects (Lee, 1998). In essence, such moves aimed to provide greater access and liberalisation to public universities to manage their own finances (through a variety of revenue-generating activities such as raising tuition fees, increasing student enrolments, conducting consultancies for industry and government and running short-term courses to meet the needs of the private sector) and allow for greater dynamism at institutional level to respond to the changes taking place in the landscape of higher education. It has been noted that some of the effects of corporatisation include greater willingness to follow corporate practices of quality assurance, capital budgeting, governance and other corporate activities.

In the Malaysian context, some of the following factors have put additional pressures on public universities: the reduction in public funding for higher education, the increasing push for industry-university collaboration, the transition to a high-tech economy, value-added and innovation are assumed imperatives and the advent of private higher education institutions. As such many public universities feel the strain of having to re-engineer and re-invent themselves to cope with social and economic change. However, most public universities view this aspect favourably as they value the role they play in effectively nurturing and promoting innovation in research and teaching. Having said this, one must also consider the flip side of corporatisation and commodification and their implications for higher education which Naidoo (2007) aptly refers to as the perils and "pitfalls" assailing developing economies.

## Key Challenges for Higher Education in Malaysia

In the last few decades, higher education in Malaysia has undergone major transformations and much of these changes do to some extent question the ability of higher education providers in sustaining quality in the development of their academic programmes. As a developing country still trying to establish its reputation as a viable educational hub for tertiary students in the Asia Pacific region, Malaysia needs to face up to numerous challenges plaguing her higher education system. While there are many other relevant aspects, the following issues are seen to be pressing concerns faced by the higher education sector in Malaysia:

- Supporting primary and secondary education
- Employability of local graduates
- Emphasising research and development activities
- Enhancing the student experience and sustaining international education
- Developing human capital

These challenges need to be addressed and wherever possible, a re-assessment of study programmes would also be helpful if attempts to establish direct and productive linkages between the university and external institutions can bear fruit in order to provide a basis for specialised training programmes. However, these attempts need well-organised planning and implementation. The most fundamental issue here is to be able to work towards constructive participation from a diverse array of organisations and people from several industries and disciplines. It is not enough to establish capacity; capacity must also be used productively. In order to create development, higher education and research must be useful for society and lead to good employment opportunities for the graduates. The important integration of education, research and real life applications is essential for knowledge sharing and can enhance problem-based learning. In the realm of higher education in the Malaysian context, investments in higher education and research serve a long-term development goal. Capacity building at universities through partnerships must be part of the development strategies of universities if researchers and educators are to be fully engaged. Support from ministries, other agencies and private stakeholders will be necessary. There is a need for an improved understanding of the new global situation, and priorities must be accordingly re-assessed if we hope to develop human capital as the backbone of sustainable economic development.

## Conclusion

This article has attempted to demonstrate the impact of global forces and related market forces on the provision of higher education in a rapidly developing country such as Malaysia. With globalisation and subsequently, internationalisation, student enrolment had steadily increased in Malaysian institutions of higher learning as observed in their steady influx from neighbouring countries. This increase is also due to the

massification and democratisation of higher education. Universities traditionally have had a two-fold approach to internationalisation: foreign student recruitment and study-abroad programmes and both these approaches have yielded success in many higher education contexts worldwide. It is expected that within the next ten years, university rankings worldwide will undoubtedly shift to include more universities from other countries such as Singapore, China, South Korea, India and Malaysia as these countries are working to “transform their knowledge economy and to develop national strategies to position their higher education institutions in a competitive world” (Spanier, 2007: 6). In order to cater to the growing need for higher education and rising student intake, private higher education institutions have been invited to set up branch campuses and to offer a number of transnational educational programmes. Viewed from an economic perspective, such cross-border delivery of education is lucrative as it brings in foreign exchange to the host country.

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