

## GLOBAL HIGHER EDUCATION MARKET: MOVING THE EDUCATION

YBhg Prof Tan Sri Anuwar Ali  
*President/Vice Chancellor*  
Open University Malaysia

### Abstract

*Higher education plays a pivotal role in the socio-economic development of today's society. Recognising that, many countries, developed and developing, have undertaken various steps to strengthen their higher education systems. Malaysia has also made some bold initiatives in transforming its higher education to help the country produce a workforce to effectively compete globally. The latest of such effort is the launching of its National Higher Education Action Plan, 2007-2010. Prior to that, in 1996, the Government has liberalised higher education by allowing more active involvement of the private sector. This has led to a proliferation of local private higher education institutions as well as the entry of foreign universities into the country, culminating in a substantial increase in enrolment in these institutions.*

*Open and distance learning is seen as one viable alternative to help increase access and flexibility in democratising education to our people. While these measures have been successful in enhancing the effectiveness of our higher education system, there are still some major issues and challenges that we have to overcome. These include the use of English as a medium of instruction, digital divide, inadequacy of our curricula, student mobility, ineffective inter-institutional collaborations and relatively weak leadership and governance. By overcoming these challenges, higher education is expected to enhance its contribution towards the country's global competitiveness and simultaneously achieving the government's objective of making Malaysia as a regional centre of academic excellence.*

### Introduction

1. Higher education plays a pivotal role in today's society. It is the primary engine in transforming and catapulting the economy of a country and thus critical in determining the socio-economic well being of the country's citizens. At the same time, we all recognise higher education represents the intellectual conscience of a society. In view of this, many countries, developed and developing alike, have formulated strategic policies and action plans to raise the level of effectiveness of their higher education system to ensure that they produce a workforce well-prepared to compete in today's world. Noted among this is the effort by the European Union in funding a series of studies (from 1999 to 2007) on the trends in higher education in Europe and how its universities were coping with them. Elsewhere in the US, China, India and others, similar efforts are being undertaken to continually review the success and setbacks of their respective higher education systems.

2. In the Malaysian context, the Government has launched its National Higher Education Action Plan 2007-2010 in August this year which articulates the Ministry of Higher Education's (MOHE) vision and mission to transform the country's higher education from

now to 2020 and beyond. The above effort by MOHE is highly commendable and very timely. It is generally agreed that Malaysia has lost its competitive advantage in terms of rising labour costs in the last decade; thus losing potential investments to other countries, particularly China and India whose economic growth since the mid 1990s has been propelled by industrial expansion particularly in the more labour-intensive industries. In this regard, Malaysia has decided that, strategically, it should no longer seek to continue wooing foreign investors based not only on cost advantages but should seek to attract them by offering a highly competent and skilled manpower.

3. In the light of this changing landscape in the higher education sector, this paper will initially examine the global trends and opportunities facing higher education. This will be followed by assessing Malaysia's response to the issues and challenges. Given the push for the democratisation of higher education, this paper will then examine the role of ODL as an important catalyst for enhancing greater access to higher education and knowledge dissemination amongst the working population. This will be followed by an assessment of current challenges which Malaysia faces. Some views on the potential for further enhancement of the higher education system will also be forwarded.

## **II. Current Trends in the Global Higher Education Scenario**

4. A study on the trends and changes in higher education conducted across the globe has led to an exciting revelation, that is, the forces affecting higher education around the world are strikingly similar (Newman and Couturier, 2002). In this regard, four significant trends have emerged: expanding enrolments and the rapid growth in the adult learners; the growth of new competitors in the form of virtual education and consortia; the global activity of many institutions; and the tendency for policy makers to use the market forces as the engine for change in higher education.

5. The new realities facing many countries today mean that new ways of managing higher education need to be introduced. Reliance on the market forces or the laissez faire approach is one of the ways to go forward and this seems to be an acceptable approach in many countries. But to rely solely on the private enterprise system to provide higher education is untenable and would receive strong objections. Thus, system-wide coordination is clearly needed but not the extent that would stifle any form of creativity or innovation. In short, diversity is needed, as are autonomy and competition between similar institutions in the system.

6. Educationists worldwide generally agree that the balance between the public and private sector's role in higher education is currently changing. Since the public higher education institutions are unable to meet sharp increases in demand for places in universities, private institutions have grown relatively quickly. Unfortunately, experts also acknowledge that the growth of private sector participation in this sector has tended to be quite uneven. This arises because of the lack of managerial experience amongst the private sector educationists and also the focus on early returns to investments. Thus, a coherent and rational approach toward the management of the entire higher education sector is therefore needed. Policy-makers must decide on the extent to which they will guide the development of the country's higher education sector, and the extent to which they think market forces will lead to the establishment and operation of a viable system. Overall, most educationists believe that government guidance and appropriate policy initiatives are needed to solve this problem.

7. The use of ICT is expanding rapidly, and can play a vital role in democratising education, especially in developing countries. It provides a cost effective means of delivery and enables e-learning which can create an education experience that is more responsive to learner needs and aspirations. Open and distance learning (ODL) institutions, to a large extent, have capitalised the potentials of ICT in their delivery system. In fact, the use of ICT in ODL is now at its fifth generation stage where it not only enables access to interactive web-based multimedia learning materials and computer-mediated communication, but has advanced into automated response systems.

### III. How Does Malaysia Live up to the Above Challenges?

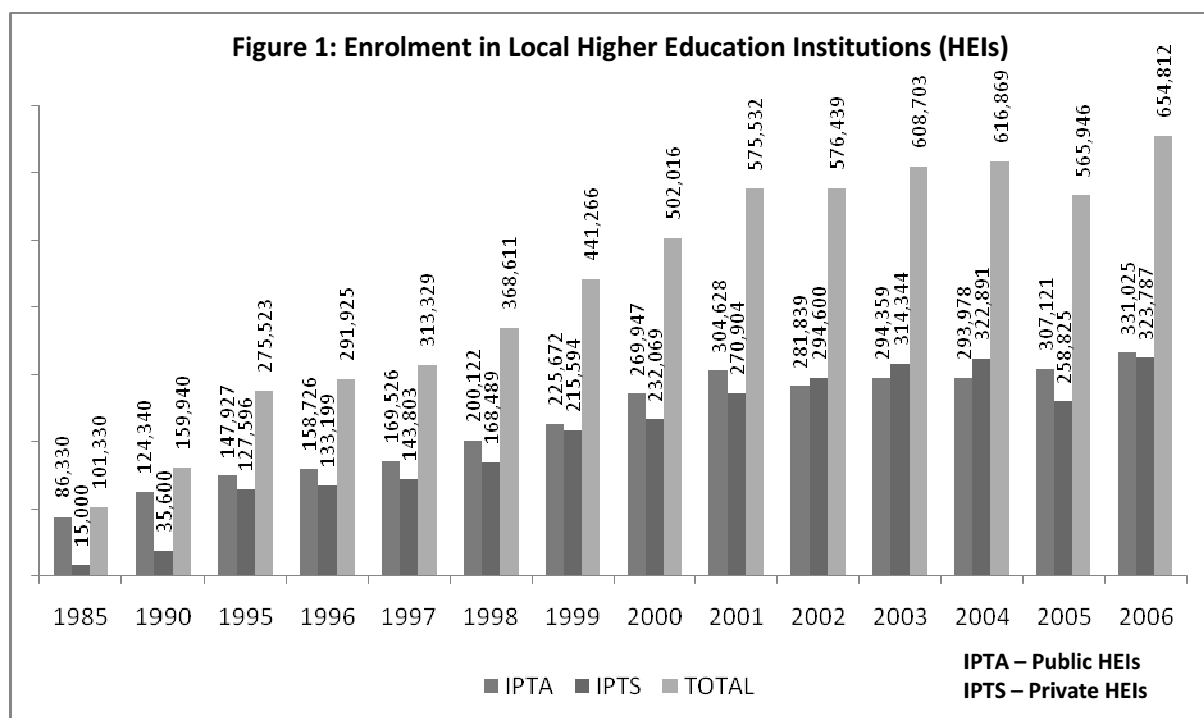
8. With globalization, developing countries like Malaysia are forced to open up their domestic markets and these encompass all the services sectors, which also include higher education. In this regard, the higher education sector is also forced to respond accordingly so that the nation can “catch up” with the developed countries in producing the appropriate manpower. Indirectly it is also a call for the local universities to “buck up” and enhance the quality of their education to be at par with the top universities of the world.

#### *Public and private initiatives*

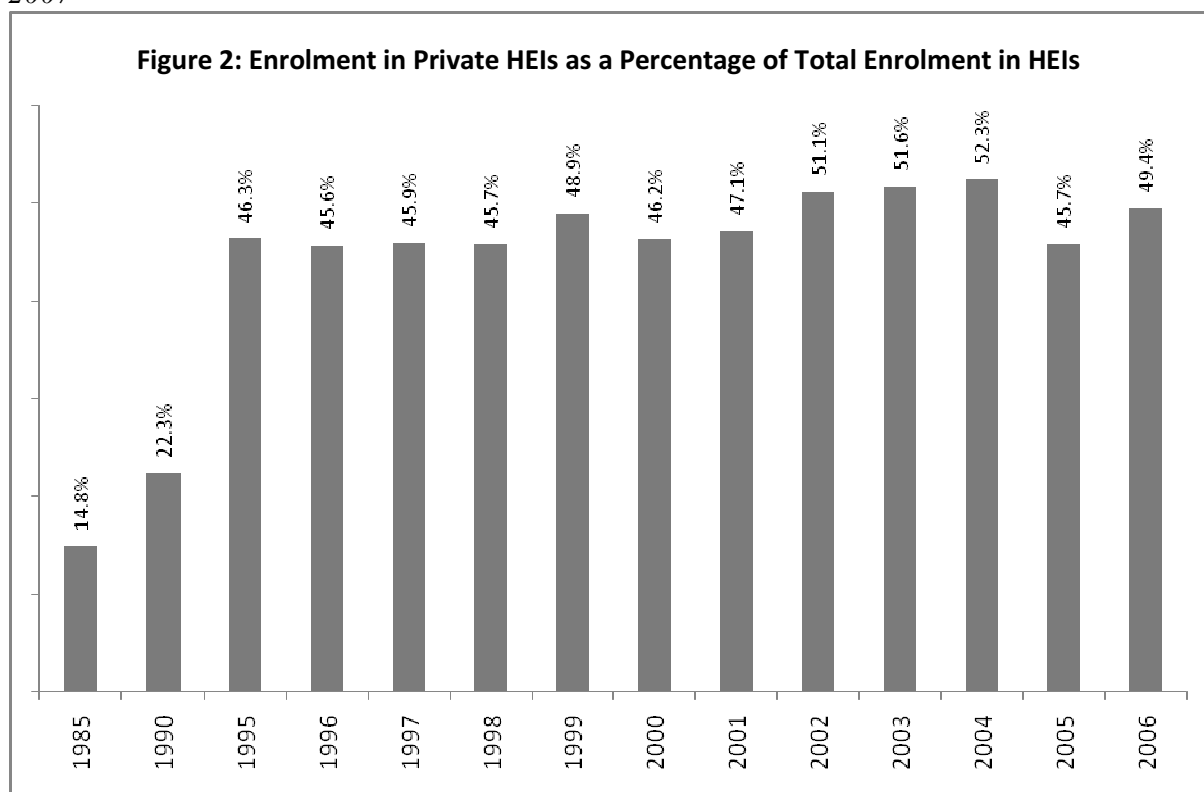
9. In fact, the government has gone one step further in seeking to liberalise education. In 1996, it enacted the Private Higher Learning Institutions Act, allowing the private sector to establish universities without public funding. Henceforth, with the consent of the country’s Parliament, our national higher educational scenario was vigorously changed. The public universities, hitherto, had not had any serious competition, begins to feel the strain of having to deal with a new breed of higher education providers who have the decision-making flexibility and speed on their side.

10. Initially due profit imperatives and imperfect market information, the private higher education providers were over-zealous and in some cases failed to provide the much expected quality education. However, the situation had improved tremendously since then as these institutions seem capable in providing high quality education to match that of the public universities. The growth of the private education providers has led to a phenomenal increase in enrolment in higher education. **Figure 1** indicates the enrolments in the public and private higher education institutions from 1985 to 2006 and **Figure 2** indicates the percentage of enrolment in the private institutions compared to the total enrolment in Malaysian universities.

11. How do we perform in terms of higher education when compared with other countries, particularly our neighbours and the more advanced economies? **Table 1** shows the tertiary gross enrolment ratios (TGER) of selected countries including Malaysia. TGER is defined as the sum of all tertiary level students enrolled at the start of the academic year, expressed as a percentage of the mid-year population in the 5 year age group after the official secondary school leaving age (that is, the cohort of 18-23 years in Malaysia). The table shows that in 2005, Malaysia’s TGER was 28.2 percent and was ranked third behind Thailand and Philippines in ASEAN and 57 out of 151 countries in the world.



Source: Higher Education Statistics, 2006, Ministry of Higher Education, Malaysia, March 2007



Source: Higher Education Statistics, 2006, Ministry of Higher Education, Malaysia, March 2007

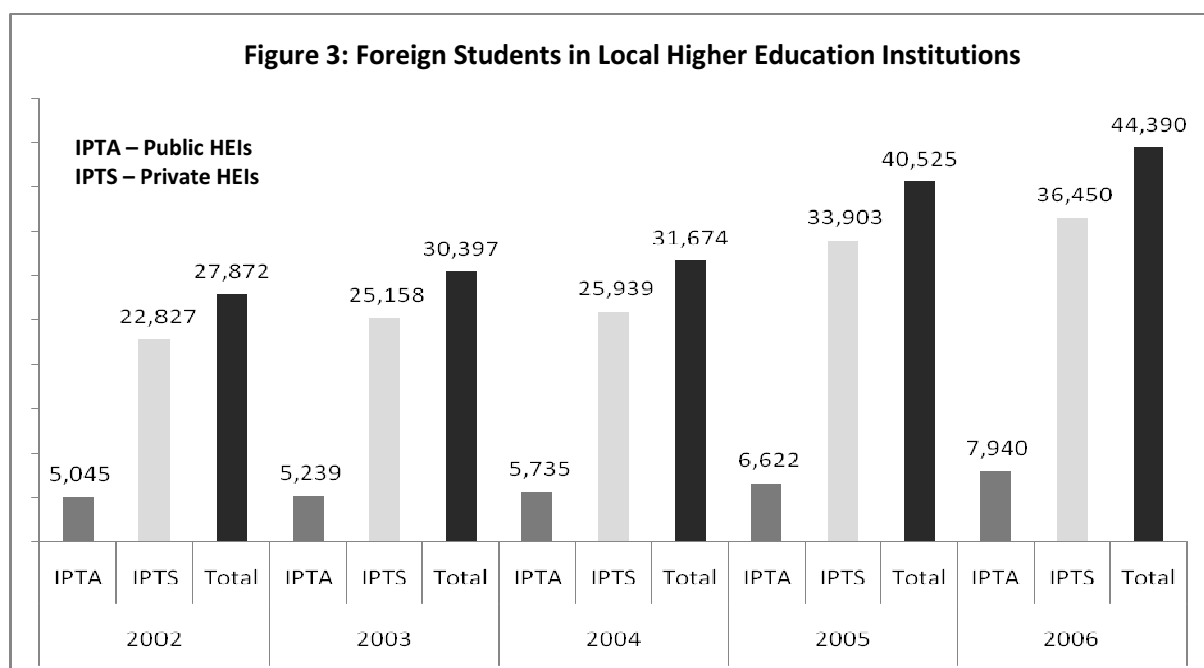
**Table 1: Tertiary Gross Enrolment Ratios (TGERs) of Selected Countries in 2005**

Country	TGERs (%)
<b>Selected Developed Countries</b>	
Germany	50.0 <sup>1</sup>
Japan	54.0 <sup>1</sup>
United Kingdom	60.1 <sup>1</sup>
United States	82.4 <sup>1</sup>
<b>Newly Industrialised Countries (NICs)</b>	
Hong Kong	32.1 <sup>1</sup>
Singapore	19.0 <sup>2</sup>
Republic of Korea	89.9
Taiwan	n.a.
<b>ASEAN 6</b>	
Brunei	14.8
Indonesia	16.7 <sup>1</sup>
<b>Malaysia*</b>	<b>28.2</b>
Philippines	28.8 <sup>1</sup>
Thailand	43.0
Vietnam	10.2 <sup>1</sup>
China	19.11 <sup>1</sup>

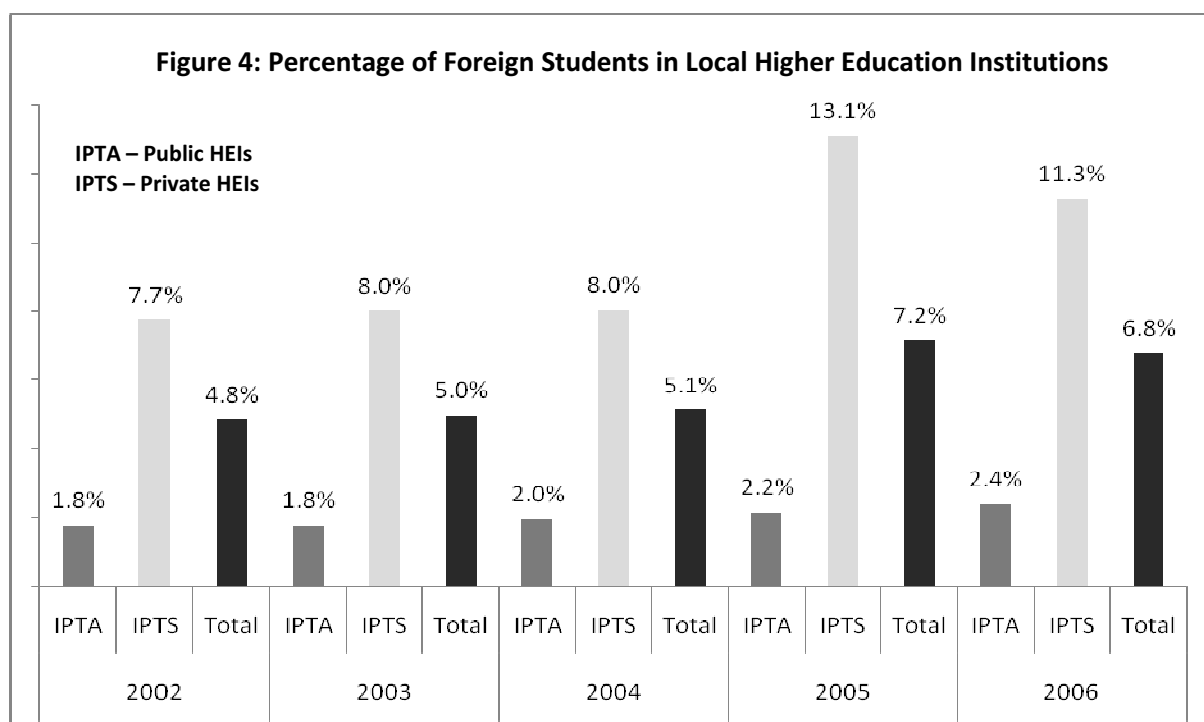
<sup>1</sup>Data refers to 2004    <sup>2</sup>Data refers to 2002

Source: Economic Planning Unit, World Development Indicators 2006, Human Development Report 2006, World Bank Database.

12. In line with the objective of making Malaysia as the regional centre of excellence in higher education, efforts have been made to woo a large number of foreign students to come and study in Malaysia. As a result there had been a steady increase in the number of foreign students studying in the country (**see Figures 3 and 4**). In this regard, the private higher education institutions have been very aggressive in attracting foreign students into the country. At the same time, quite a larger number of our students enrol in higher education institutions overseas. This is shown in Table 2. The main destinations in the last 6 years had been Australia, UK & USA in that order, indicating a greater preference for English-speaking countries. Traditionally and in view of accessibility as well as perception regarding educational standards, parents and even government agencies have preferences for these countries.



Source: Higher Education Statistics, 2006, Ministry of Higher Education, Malaysia, March 2007



Source: Higher Education Statistics, 2006, Ministry of Higher Education, Malaysia, March 2007

**Table 2: Destination Countries of Malaysian Students Studying Abroad**

No.	Countries	2001	2002	2003	2004	2005	2006
1	United States	28,700	7,395	7,611	5,519	6,411	6,142
2	Saudi Arabia	n.a.	127	125	125	132	138
3	Australia	15,121	15,700	15,448	15,434	15,909	14,918
4	Canada	1,130	231	231	196	230	238
5	Indonesia	1,616	1,337	1,225	1,607	2,444	3,630
6	Jordan	1,512	361	361	310	444	490
7	Egypt	7,068	4,664	4,330	5,768	6,256	5,780
8	New Zealand	1,214	995	918	1,011	1,338	1,297
9	UK & Ireland	47,365	11,970	11,860	11,041	15,189	12,569
10	Other Countries	n.a.	n.a.	n.a.	2,268	8,256	8,722
	<b>Total</b>	<b>103,726</b>	<b>42,780</b>	<b>42,109</b>	<b>43,279</b>	<b>56,609</b>	<b>53,924</b>

*Source: Higher Education Statistics, 2006, Ministry of Higher Education, Malaysia, March 2007*

#### **IV. ODL as a New and Viable Alternative to Move Education**

13. One of the major challenges facing developing economies today is to provide education to as many people as possible, in short to democratise education. In addition, with the increasing number of working adults seeking to enhance their educational level, the higher education system has to provide not only greater access but also more flexibility to meet the needs of these busy learners. In fact, the concept of lifelong learning has become an acceptable policy initiative in many developing countries. In this context, open and distance learning (ODL) has been cited as a new and viable alternative to overcome this challenge. As a result, there has been a proliferation of ODL institutions in many countries. Not only that, these institutions have grown in leaps and bounds and some have become very large or mega universities (universities with over 100,000 learners).

14. A similar trend is developing in Malaysia with the inception of Open University Malaysia (OUM), the first ODL institution in the country. Starting with a humble beginning of 753 learners who enrolled in 4 programmes in 2001, OUM now has more than 63,000 learners enrolled in more than 50 programmes at over 60 learning centres across the country. Based on the positive performance of OUM, the Government had recognised the increasing demand for ODL institutions in the country and approved two other institutions; namely Wawasan Open University (WOU) and University Tun Abdul Razak (UNITAR) to engage in open and distance learning.

15. Admittedly, single-mode ODL institutions in Malaysia are relatively new and they have different objectives compared to those of the traditional universities in that they provide education to working adults in their quest towards the democratisation of higher education. While this is indeed a very positive goal, for these ODL institutions to be more effective they need further encouragement and awareness amongst the population. Because of the lack of opportunities, societies in developing economies such as Malaysia do not put a high premium on knowledge acquisition and upward occupational mobility. The returns for such an investment by an individual is certainly not made clear to the community, thus stifling life long learning. In this regard, it is very encouraging to note that the government has been

propagating lifelong learning which is a critical ingredient in the nation's pursuit to enhance its manpower capability.

## **V. Issues and Challenges facing Malaysian Higher Education System**

16. Recently, our Prime Minister launched the National Higher Education Action Plan 2007-2010, which represents a critical road map to guide and steer our public higher education institutions to play their roles effectively to help the nation achieve its developmental objectives. It is indeed a noble initiative on the part of the MOHE and I strongly believe that if the action plans are closely adhered to, these efforts will bear fruit. Notwithstanding the above, I believe that there still exist some fundamental issues and challenges that our higher education system has to face in its quest to position Malaysia as a leading education hub of the region.

17. The first among these challenges is the use of English in the delivery of our higher education programmes. Admittedly, there have been great debates on the pros and cons of using English as the medium of instruction in our university courses. In the interest of space, I will not delve further regarding this matter. However, I am of the opinion that English is an international language and global competition requires that our graduates to be well-versed in the language. On that basis, our local higher education institutions must assist our graduates in this endeavour. I believe that we should go all out to encourage our learners to be proficient in English, both at the communication level as well as to articulate their ideas and views. Articulating what the students have learnt in their university programmes is thus an important asset after their graduation.

18. The next issue is that of digital divide. While the use of ICT in the country has been growing at a rapid pace, there are still considerable segments of the society who have a very limited or no access to ICT. In this regard, the Government should intensify its efforts to provide greater access to ICT to its people, particularly in the remote areas. Nonetheless, higher education institutions in this country should further promote the use of ICT in their delivery modes. ODL institutions like OUM have done our part and our experience indicates that we have been successful in encouraging and training our learners in using ICT in their learning process.

19. Given the current expectation of the education stakeholders including the students, political leaders, educationists and the community at large; the issue of leadership and governance in our universities has become more significant during the last five years or so. It is very heartening to note that governance is the first of the five institutional pillars in MOHE's higher education transformation framework. Personally, I believe and agree that leadership and governance are the primary drivers of any change or transformation of our higher education system. While the strategic action plan had clearly detailed out the initiatives and the corresponding key performance indicators (KPIs) for this institutional pillar, it is important to note that responsibility must be accompanied with an adequate amount of autonomy and greater degree of accountability. While MOHE can act as an effective facilitator and coordinator of our higher education system, it should not be over-zealous and worse, over-protective of the system. Given the appropriate amount of authority and accountability, I believe university leaders should be able to produce the desired results with a minimum intervention from any quarter.



20. One of the winning strategies in overcoming competition is teamwork both at the intra-organisational level as well as inter-organisational level. Internally, teamwork will generate *esprit de corps* and strengthen the organisation's competitive advantage. On the national and international fronts, higher education institutions should form strategic alliances and collaborations to ensure that we produce the best there is. At the national level, our local universities should encourage collaborations in research and development and staff and student exchange. Going a step further, universities should intensify its industry-academia collaborations particularly in research and internships. While this issue is not really new, I believe that a large number of private corporations are only giving lip service to it. At the international level, we have to tap the expertise of others who are already ahead of us particularly in research and development and technology applications. Needless to say, if we continue to be complacent in our seemingly comfortable cocoons, we and more importantly our generation will pay a heavy price for it.

21. Another aspect that has been of concern among industry practitioners is the skill gaps that exist among our graduates. It is generally agreed that the curricula in the universities have not caught up with the needs of industry. In this regard, universities should take heed of this concern and be fully committed in revamping some of their curricula. In line with this, MOHE has decided to replace the National Accreditation Board (LAN) with the Malaysian Qualifications Agency (MQA) which will be implementing the Malaysian Qualifications Framework (MQF). MQF will pay closer attention to the skill sets to be imparted to the graduates most needed to be effective at the workplace. It will also focus on a more holistic approach in curriculum development to ensure that our higher education system produces the human capital that will match the needs of a globalised world.

22. In response to Malaysia's aspiration to become a regional education hub, student mobility within the Asean Region as well as the rest of the world must be given priority. In fact, Malaysia is becoming one of the emerging contenders as a destination country for international students worldwide (Lasanowski, 2007). This is indeed very encouraging after so many years of being a source nation. However, to become a serious destination country for higher education, Malaysia needs to enhance her quality of education further as well as ensure that her tertiary programmes are compatible with international standards. In this regard, Malaysia should introduce a credit transfer and accumulation system (CTAS) similar to that implemented in the European Union (EU). The European Credit Transfer and Accumulation System (ECTS), which was introduced in 1989, is a credit system based on the student workload required to achieve the objectives of a study programme, specified in terms of the learning outcomes and competences to be acquired in the programme. It is used for credit transfer and accumulation which facilitates student mobility between institutions, regions and nations in the EU. With the use of CTAS, it will be easy to evaluate and compare study programmes in different institutions. CTAS should be developed in such a way that it could be used for all types of programmes, whatever their mode of delivery, and for lifelong learning purposes. Since MQA is entrusted with quality assurance of higher education in this country, the agency can therefore provided broad and appropriate principles and guidelines on the matter.

## **VI. Concluding Remarks**

23. Despite the challenges mentioned above, Malaysia has relatively done well in enhancing its higher education system to what it is now. We have been able to generate

highly skilled workforce to propel the country to a high level of economic development such that we are now on the verge of achieving the status of a developed nation. The Government has been bold enough to allow greater liberalisation in our higher education system to allow more active participation from the private sector. This has created a more creative and competitive higher education environment which is expected to herald Malaysian's objective of becoming a regional centre of educational excellence. The developing world, in particular, had recognised our feat in education that they now want to learn from us.

24. Nevertheless policy makers and educationists should never be complacent with what we already have and should work harder to go beyond what we think we are capable of. While we applaud the recent efforts by MOHE to launch the strategic action plan for higher education in this country, we hope it will be steadfastly followed and implemented effectively. For any plan to be successful, there must be full accountability for its implementation.

## References

- European Commission (2007): *ECTS - European Credit Transfer and Accumulation System*. Retrieved on 18 September 2007 from [http://ec.europa.eu/education/programmes/socrates/ects/index\\_en.html#1](http://ec.europa.eu/education/programmes/socrates/ects/index_en.html#1).
- Koïchiro Matsuura (2007): *Pathways Towards a Shared Future: Changing Roles of Higher Education in a Globalized World*. Address on the occasion of the UNU/UNESCO International Conference, United Nations University, Tokyo, Japan, 29 August 2007
- Lasanowski, V (2007), *International Student mobility: Patterns and Trends. The Observatory on Borderless Higher Education*. Retrieved on 30 September 2007 from <http://www.futuresproject.org/publications/observatory.pdf>.
- Ministry of Higher Education, Malaysia (2007): *Higher Education Statistics*, 2006. March.
- Newman, F. and L. Couturier (2002). *Trading Public Good in the Higher Education Market*. The Observatory on Borderless Higher Education. Retrieved on 14 September 2007 from <http://www.futuresproject.org/publications/observatory.pdf>.
- UNESCO (2006): *Global Monitoring Report 2006*. Retrieved on 15 September 2007 from [http://portal0.unesco.org/education/en/ev.php-URL\\_ID=43283&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal0.unesco.org/education/en/ev.php-URL_ID=43283&URL_DO=DO_TOPIC&URL_SECTION=201.html)
- World Bank (2000): *Higher Education in Developing Countries – Peril and Promises*. Published for The Task Force on Higher Education and Society by the World Bank. Washington.