

Chapter 4

Development of Higher Education in Malaysia: Issues and Challenges

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Abstract This chapter explores six decades of development of the higher education sector in Malaysia. The exploration begins by describing the context of higher education through a historical lens from the early establishments of universities in the First Malaysia Plan to the present. Furthermore, the changing roles and functions of universities across the decades were also examined to provide a more comprehensive understanding of the context. The chapter, then, focuses on the development of universities and higher education institutions in the public sector as well as the private sector, elaborating on the challenges and issues specific to each of these sectors. The last section of the chapter discusses selected issues of higher education in Malaysia, notably the changing state–university relationship, internationalisation of higher education services and the need for an inclusive higher education sector.

4.1 Introduction

The increasing role of higher education (HE) in development has been documented in literature where training in higher education institutions (HEIs) is expected to increase the skills and knowledge base of the population as relevant to the needs of the modern society. Literature is replete with studies that document the role of HE in overall advancement of countries, alongside its assumed ‘third role’ in providing broader social development through knowledge transfers to society (Brock 2012; Symaco 2013; Smith 2014). In Malaysia, similar development strategies document the functions of HE for advancement. From the First Malaysia Plan (1966–1970)

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which defines the role of education broadly for national development, where it advocates for an education system that is geared towards meeting the development needs of the country – the plan also emphasised the requisite to ensure that the education system corresponds to and coordinates with the manpower needs of Malaysia. More recent policy initiatives such as the Malaysia Education Blueprint, Higher Education (MEHEB) (2015–2035) similarly underscore the task of the HE sector in development. The Blueprint, launched in 2015 focuses on the central role of the HE sector that will help propel Malaysia as a developed nation, along with the ideal of establishing it as an international education hub. But despite possibly missing the *Vision 2020* of the country becoming a fully developed nation by year 2020, the increasing internationalisation of services in the broader higher education landscape has positioned government policy initiatives to assure a competitive Malaysian higher education system. This chapter will discuss the development of the HE sector of Malaysia along with relevant issues facing the sector.

4.2 National Higher Education Context

Tracing the development of higher education in Malaysia from earlier Malaysia Plans gives a clear distinction of the role of this sector in government policies for development. Various initiatives were highlighted in the First Malaysia Plan with regards to HE development. In 1962, a Higher Education Planning Committee was formed to forecast the manpower needs of the country for the next 20 years and to plan ‘educational facilities need to meet this demand’ (Malaysia 1966, p. 164). The focus of the country then in producing the needed manpower for economic development has also resulted in the establishment of a Manpower Planning Section at the Economic Planning Unit (EPU). It was also during this period (i.e. 1965) when a manpower survey was made to complement the objectives of the Higher Education Planning Committee. Rapid development was also organised at the University of Malaya (UM) between the years 1960 and 1965 through the establishment of various faculties and extensions to already existing ones. Provision of better teaching and research facilities were also enlisted to the university in line with the nation’s objective to produce relevant and improved human resource for economic development. Enhancement and extensions of teacher training programmes were also given priority in the First Malaysia Plan to better respond to the new comprehensive education system in place.

The purpose of universities in Malaysia has since evolved over the last six decades. In the days of the University of Malaya being the sole university in the country in the 1950s and 1960s, it was an institution tasked to produce civil servants and trained professionals to manage and administer the newly independent nation. However, with the emergence of the New Economic Policy (NEP) in 1971 alongside the introduction of Universities and University Colleges Act (UUCA) in 1971 and the establishment of several other public universities in the early 1970s, the purpose of universities has shifted to include the role of nation-building on top of

producing civil servants and trained professionals. The nation-building role has been exemplified by addressing the ethnic imbalance that claimed to be the reason leading to the riot of 1969 and the subsequent NEP. This purpose remained with the universities throughout the 1970s and 1980s.

In the 1990s, due to the economic situation and forces of globalisation in higher education around the world, universities began to shift once again to incorporate the economic impetus. As a way to reduce reliance on the State, five public universities were corporatised in the mid-1990s. Yet the more significant development in this period is the introduction of the Private Higher Education Institutions Act (PHEIA) in 1996, which paved the way in recognising private universities and colleges as part of the Malaysian higher education system. The development of private institutions as well as the corporatisation of public universities underlined the shift in the purpose of universities towards having an 'economic' role with a modern administrative and governance structure. The National Council on Higher Education was also established in 1996 to, among others, 'plan, formulate and determine national policies and strategies for the development of higher education' (Malaysia 1996, p. 9). For the first time, both the private and public higher education sectors were brought to the same forum or platform to deliberate on policies and strategies. Driven further by economic impetus, technical university colleges were upgraded to university status to meet the nation's aspiration for more graduates in the technical and engineering field.

The significance of higher education has also instituted structural reforms through the introduction of the Ministry of Higher Education (MOHE) in 2004. Successively, the National Accreditation Board was also established to ensure quality monitoring of courses offered in various HEIs throughout the country (later to be replaced by the Malaysian Qualifications Agency in 2007). However in 2013, a move was made to merge the Ministry of Education (MOE) and the MOHE, but only to re-establish the MOHE again in 2015. The *Pelan Strategik Pengajian Tinggi Negara* (PSPTN), or otherwise known as the National Higher Education Strategic Plan, launched in 2007 also emphasises the focus given to the HE sector by the government in line with its goal to achieve a developed nation status by year 2020. Similar to succeeding Malaysia Plans, this Plan has accentuated the function of HE in advancement, though the shifting focus of the sector from essential human resource capital formation for basic economic development, to a more nuanced stance on internationalisation and the ambition to make Malaysia a regional/international education hub in recent proposals is revealed:

[T]he ministry has introduced various policies to strengthen the national higher education to ensure the existence of a conducive ecosystem, which leads to knowledge excellence. This is in tandem with the government's effort to make Malaysia the regional hub for higher education, as well as the main choice for international students and intellects by 2020. (MOHE 2011, p. 6)

4.3 Public Higher Education

Public higher education in Malaysia has since expanded since the establishment of its first public university in 1962, and the enactment of the UUCA. Currently, there are 20 public HEIs throughout the country, five of which are considered research universities (RUs), namely, the University of Malaya, *Universiti Kebangsaan Malaysia* (UKM), *Universiti Sains Malaysia*, *Universiti Putra Malaysia* and the *Universiti Teknologi Malaysia*. The MOHE further categorises public HEIs in the country as focussed universities and comprehensive universities. The former are HEIs concentrating on specific fields of study as relating to its establishment (e.g. the Sultan Idris University of Education for teacher education) while the latter offers a variety of courses and programmes to its students (MOE n.d.). The National Higher Education Strategic Plan has also emphasised the need for public universities to focus on research and development (R&D) for ‘outcome-based innovation and commercialisation’; the Plan highlights that public HEIs must have a strong ‘R&D roadmap and take on more rigorous efforts in ensuring the existence and management of a research-innovation-commercialisation chain value’ (MOHE 2011, p. 7). This focus on research and innovation has resulted in a dramatic increase in research articles produced by the HE sector overall (between 2007 and 2012), and the highest increase apparently in the world (i.e. threefold), of which 70% of such output is attributed to the five RUs. The intensified role of public HEIs in industry has also amounted to an increase in generated revenues (RM1.25 billion) during the same period for consultancy and research services (MOE 2015). The Ministry has also created the High Impact Research (HIR) Programme at the University of Malaya in hopes of developing the university as one of the best research universities globally. For 2011–2013, the Ministry has allotted 7.9 percent of the research and development budget of RM3,072 million for the HIR.

One of the critical agendas set out in the National Higher Education Strategic Plan is the incorporation of the MyBrain15 programme which was established to ‘serve as a platform for the development of a critical mass of highly educated graduates eminent at international levels through their creation and innovation of products and services’ (MOHE 2011, p. 85) This programme lies in accord with the aspiration to enhance the R&D capability of the country, where it expects to produce a sufficient number of PhD graduates that will help propel this goal. It aims to have 60,000 Malaysians to have a PhD qualification (or its equivalent) by year 2023 and, inherently through this, upgrade the quality of teaching and research in public HEIs (MOHE 2011). Between years 2007 and 2010, close to 10,000 academic staff from public HEIs were sponsored to pursue postgraduate programmes under the MyBrain15 scheme (MOHE 2011). Additionally, the initiative to increase the number of lecturers in public universities with PhD qualifications has also resulted in the support by the government of close to 10,000 postgraduate students under SLAB/SLAI scholarship programme (MOHE 2011). On a broader scale, the Accelerated Programme for Excellence (APEX) also aims to empower higher learning within public HEIs and, in 2008, tasked the Universiti Sains Malaysia (USM) to implement

the APEX programme. The APEX initiative aims to drive USM as an internationally renowned university that ‘adopts the concept of sustainability’, a concept which then would be diffused and adopted by other HEIs. In 2010, an alliance was formed between 14 public HEIs in relation to the said programme (MOHE 2011, p. 91).

Despite the significant budget cut in public HEIs resources in 2015, the HE sector continues to be one of the main priorities of the government, as evidenced from the budget allocated to the sector. A recorded 13 percent increase per annum in total HE expenditure was seen between years 2004 and 2014 (from RM 4.3 to 15.1 billion). Nonetheless, financial sustainability is one of the main thrusts in the MEBHE which affect public HEIs through the push for less government resources dependency. To diversify resource allocation, some proposals brought forth in the blueprint include, among others: (a) improving the National Higher Education Fund Corporation (PTPTN) by connecting access to student loans with the performance standards of respective HEIs and (b) improving the funding formulae for public HEIs by focusing government investment in priority areas, and introducing performance-linked and per-student funding. Additionally, ‘institutionalised performance contracts’ which will create a 3 + 2 year funding commitment will also be adopted (MOE 2015, p. E-14; 5–9).

Increasing autonomy among public HEIs was also pushed through the establishment in 2012 of the University Good Governance Index (UGGI) and the Code of University Good Governance (CUGG). Both the UGGI and CUGG aim to assess the readiness of public universities for autonomy. As of 2014, 12 public HEIs have been granted more autonomy over governance, procurement processes and course offerings, among others (MOE 2015). This was also reflected in the earlier National Higher Education Strategic Plan where greater governance was pushed for public HEIs towards a more ‘autonomous system of governance that includes the governance of finance and wealth generation, human resources and academic administration’ (MOHE 2011, p. 19). Additionally, in view of promoting greater autonomy, the Higher Education Leadership Academy (AKEPT) was established in 2008 to develop and enrich leadership in public HEIs through the Academy’s continuous professional development programme.

4.4 Private Higher Education

The introduction of PHEIA in 1996 marked the beginning of private higher education in Malaysia and transformed the country’s higher education into a dual system in terms of the types of institutions and ways in which they are governed and funded. Although private HEIs have existed in the country prior to PHEIA, these institutions were not recognised but provided an avenue for Malaysian students to study for a year or two in the country before completing the remaining years in foreign partner universities and receiving a foreign certificate (Tan 2002). This practice was

innovatively and uniquely Malaysian that led to the current arrangements of twinning, franchise and double/joint degree programmes.

The establishment of MOHE in 2004 has been a crucial impact in the development of private HE in Malaysia. One of these impacts was making the 'dual' system a permanent feature, especially with the amendments to PHEIA in 2009, whereby the amendments further regulate the private higher education sector and did not introduce any measures to facilitate greater interaction between public and private institutions (Wan et al. 2015). Importantly, the different systems continue to be governed under different legislations, notably the PHEIA for private institutions and UUCA for public universities, and the lack of a consolidated legislation reaffirmed the division between these two sectors (Zainal et al. 2013). However, the establishment of MOHE and the formulation of the goal of turning Malaysia into an international hub of higher education excellence strengthened the importance of private HEIs, resulting in the growth of the Malaysian HE system. This has been followed by various policies and initiatives including establishing the Malaysian Qualification Agency to ensure quality and the rebranding of Education Malaysia Global Services (EMGS). The EMGS serves as the centralised one-stop centre for visa applications to study in Malaysia, where 65 percent of the international students were enrolled in private institutions in 2013.

The dual system of public and private higher education in Malaysia has both the competing and complementary elements between these two sectors (Wan 2007; Wan et al. 2015). On the one hand, private institutions complement the public universities in providing access opportunities for more Malaysian students to pursue HE. Private institutions also complement public universities by focusing on programmes that have stronger market demand, such as business and administration, medicine, tourism and hospitality, information communications and technology (ICT), education and engineering. In turn, by taking care of the high demand in these programmes, public HEIs can distribute its allocation into important programmes with lesser demand such as science and mathematics, sports, environmental protection, history and philosophy, social sciences, agriculture, fishery, forestry and veterinary sciences.

However, on the other hand, private HEIs have also found themselves to be competing with the pool of talents in terms of students and academics. Increasingly, private institutions have become a more popular choice as compared to public universities due to the fact that the medium of instruction in the former is in English and with less rigorous and stringent admission criteria and competition for places in the latter (Aida Suraya et al. 2015). Furthermore, due to the profit-driven nature of private institutions that are less likely to invest in the training of academics, there has been a culture of 'staff pinching' of academics from public universities, and this has created some forms of competition between private institutions and public universities (Muhamad et al. 2006; Wan et al. 2015).

Although emergence of private HEIs has increased access to higher education, this increase has not been accompanied by the widening of equity in two ways. First, the fees of programmes in private institutions are significantly higher to the students than in public universities, as the latter are heavily subsidised by the State.

Table 4.1 Cost of undergraduate programmes for Malaysians (in RM for the entire programme)

Programme	Public university	Non-profit private university	For-profit private university	International branch campus
Management/Business Administration (3-year programme)	4000	38,000	65,000–81,000	100,000
Communications (3-year programme)	4000	38,000	60,000–72,000	102,000
Electrical/Electronic Engineering (4-year programme)	6300	45,000	80,000	170,000
Computer Science (3-year programme)	4700	38,000	60,000–67,000	108,000
Biotechnology (3-year programme)	4700	42,000	71,000–88,000	125,000

Source: Wan et al. (2015)

For instance, a three-year course in public universities typically ranged between RM4,000 and RM4,700,¹ and a four-year engineering course is about RM 6300. Conversely, the cost of a similar programme in non-profit private universities is about tenfold, in for-profit private universities about 20-fold, and in international branch campuses about 25-fold (see Table 4.1).

Second, although Malaysian students in private institutions are entitled to the national student loan fund (also known as PTPTN), the significantly higher costs of study in private institutions have contributed to a larger loan and debt which students incurred. For instance in 2010, while only 30% of the loan recipients were from students enrolled in private HEIs, the loan given amounted to 45% of the total given for that year (Russayani 2013). Interestingly, the cumulative amount of loans extended to students has increased at an average of 27% for private institutions as compared to only 6% for students in public universities. Hence, although PTPTN may have contributed to widening inequity in higher education, it has also been the major contributor that sustained the development of private higher education institutions. This, therefore, makes the sustainability of PTPTN closely related to the sustainability and growth of private HEIs in Malaysia.

The private HE landscape of the country also showcases a significant number of twinning and joint programmes through the various HEIs, along with the presence of offshore campuses. Such routes continue to be an alternative to students wanting to gain foreign qualifications in a more economical value. The emphasis to promote Malaysia as an international education hub has also resulted to increasing this scheme and attracting other foreign universities to set up branch campuses in the country. There are nine branch campuses located in Malaysia as of 2016, while the development of the EduCity in Iskandar in the southern part of the country anticipates mapping Malaysia as a major player in education delivery and provision. The EduCity houses the Newcastle University Medicine Malaysia, University of Southampton Malaysia, University of Reading Malaysia, among others. In addition

to Western universities, Xiamen University (China) has also set up a foreign branch campus in the country. This is also the first overseas campus to be permitted by the Chinese government to be established by a Chinese university.

4.5 Selected Issues and Challenges in the HE Sector

The increasing influence and function for development of the HE sector in Malaysia is evinced through the growth of student enrolment in the sector. From a mere 323 students enrolled in 1959 at the inception of the autonomous campus of University of Malaya in Kuala Lumpur (Selvaratnam 1985), the latest figure (for 2013) showed that more than 500,000 students are enrolled in public universities, 50,000 in polytechnics and community colleges and 480,000 in private HEIs (MOE, 2014). The gross enrolment ratio for higher education had increased from 4% in 1980 to 7% in 1990, 25% in 2000 and 37% in 2010 (UIS, 2014). And since the inception of the MOHE in 2004, higher education enrolment has seen over a 70 percent increase over the last decade.

Proliferation of HEIs is also documented – from the only autonomous campus in Malaya in 1959, the second public university was built in Penang in 1969, and three others between 1970 and 1975. There are now existing 20 public HEIs, where two of the public universities are also Islamic universities. In addition, there are 30 polytechnics and 80 community colleges which are public and under the purview of MOHE. In terms of private HEIs, there are 53 universities, 9 branch campuses of foreign universities, 26 university colleges and more than 350 colleges (MOE 2014).

In line with such expansion, the government has shifted the focus on the HE sector from a mere technical human resource development to a proposed major player in the region in terms of research and innovation outputs and internationalisation feature offerings. Evidently, the government envisions its HEIs to be major players in the broader international community. The sections below cover some of the issues relevant to the Malaysian HE sector such as the changing state–university relationship, the increasing internationalisation of HE services and the promotion of a more inclusive HE sector.

4.5.1 *Changing State–University Relationship*

The state–university relationship in Malaysia has been an interesting aspect of the HE system. Prior to the formation of Malaysia, University of Malaya was the sole university in the country when the autonomous campuses in Kuala Lumpur and Singapore became independent universities in Malaya and Singapore. As a new country, the focus of the State in terms of education was mainly on primary education and to some extent secondary education. University of Malaya, despite

enjoying full financial support from the State, was a fully autonomous institution without much State interference (Selvaratnam 1985; Morshidi and Wan *in press*).

The State only began to take an interest in higher education with the establishment of the Higher Education Planning Committee in 1967. As mentioned earlier, this committee was tasked to review the existing higher education arrangements in the country and to make recommendations for the future development of the country (see Malaysia 1967). Henceforth, the committee made five major recommendations, which include the need for more universities and to expand facilities, specifically in critical areas such as technology and agriculture, as well as more courses to be offered using Malay as the medium of instruction; this became the impetus for the establishment of four other public universities between the period of 1969 and 1975.

The riot of 1969 not only changed the course of Malaysian history, but importantly, also triggered a drastic change in the state–university relationship in Malaysia. The NEP was introduced, as a response to the monumental racial riot, which sought to eradicate poverty and restructure society by redressing the economic imbalances among the ethnic groups (Milne and Mauzy 1978). Thus, a 55:45 quota of *bumiputera* (translated as ‘sons of the soil’, referring to the Malay race and other indigenous group in Sabah and Sarawak) and non-*bumiputera* was implemented in every programme offered by public universities, and in order for this policy to be carried out, admission of students became centralised in the Ministry of Education. This marked a direct intervention of the State into the affairs of universities.

The University Colleges Act (UUCA) in 1971, an aftermath of the racial riot, has since changed the landscape of higher education in Malaysia and its state–university relationship. This legislation was intended to govern the higher education sector during an era with some political instability and, hence, was highly restrictive on the universities, leading to the erosion of academic freedom and refrainment from campus politics and student activism (Morshidi and Sarjit 2010). The legislation also effectively put public universities as part of the civil service and academics became civil servants having to adhere to bureaucratic rules and regulations (Morshidi 2010).

The state–university relationship took another turn in the mid-1990s. Beginning in the late-1980s, the Malaysian economy was relatively weak, and the increased demand for HE led to additional financial burden on the country. The increased demand was due to the weak economy and unfavourable exchange rate that hindered many Malaysian students from furthering their studies abroad. This period also coincided with the emergence of neoliberal ideology leading to privatisation of public utilities and national industries, as well as drastic reforms in the HE systems of the UK and Australia, where universities adopted corporate managerialism and became more entrepreneurial by charging tuition fees. Thus, two significant events took place in Malaysian HE sector, where public HEIs were corporatised (mainly in terms of governance) (see Lee 2004) and private HEIs were recognised through the introduction of the PHEIA in 1996. The state–university relationship was diverted into public and private sectors, whereby with the public HEIs the State remained a ‘tight controller’, and with the private HEIs the State became a ‘regulator’.

In the aspiration to transform itself from being a tight controller to a facilitator, the State has gradually granted public universities some degree of autonomy, which, in theory, translates to institutional, finance, human resources and academic autonomy. While the State, through MOHE, sought to recognise and grant universities with some degree of autonomy, the public universities, as federal statutory bodies (FSB), can only operate within the wider regulatory framework of the civil service, especially in terms of financial and human resource procedures. The lack of structural reform in the wider regulatory framework involving public HEIs suggests some degree of limitations to the implementation of the autonomous status granted (Fauziah and Ng 2015; Wan and Abdul 2015).

4.5.2 Internationalisation of HE Services

Internationalisation of the HE sector in Malaysia can be categorised to cover two broad aspects: (a) the government's push for a more dynamic HE sector through, among others, increased international students and programme offering and (b) the greater focus on research, development and innovation practices as relevant to calls of the knowledge-based society.

The government's Economic Transformational Programme (ETP) lists the education sector as being one of the 12 National Key Economic Areas (NKEAs), where, alongside this, the expansion of the HE sector is also demonstrated. Establishing the Malaysian higher education brand has been a priority in national development plans in order for it to maintain its position as one of the top educational choices for international students globally. Improving student experience alongside branding the HE sector as economical and of good quality have been pushed in the HE blueprint. Attracting new markets (e.g. Australia, Europe and USA) is also envisioned to promote a wider student base, since the current market focuses on the Association of Southeast Asian Nations (ASEAN) and South-South cooperation.

The establishment of the ASEAN Economic Community (AEC) in 2015 has also elicited response from the government to ensure that their graduates are able to perform and integrate in this regional bloc initiative where the free flow of services, capital and skilled labour, among others, are intended. The HE sector's strong programme offerings characterised by twinning and joint programmes and some off-shore campuses also makes Malaysia an ideal destination, where an increase in international students intake in the country is recorded from 45,000 in 2007 to nearly 100,000 in 2014. The government also targets a 200,000 enrolment by year 2020 and 250,000 by 2025. Malaysian HEIs have also seen an increase in international academic staff from 2300 in 2007 to 9000 in 2014, most of which are employed in private institutions. (MOE 2015). Moreover, the government has introduced six critical objectives in HE internationalisation: student mobility, staff mobility, academic programmes, research and development, governance and autonomy, and social integration and community engagement (MOE 2015, p. 8–2). The country is also host to nine international branch campuses, while the development

of the EduCity in Iskandar can further promote an increase in international students, staffs and offshore campuses nationally.

The functions of research, innovation and development on the one hand have played a more prominent factor in HE development in Malaysia. The role of human capital and innovations are highlighted in the move towards a knowledge-based economy, where 'the increasing formation and production of both theoretical and practical knowledge through creative research, technological diffusion and innovation' are required (Symaco 2012, p. 40). Add to this the fixation of the country on the performance of its universities in the popular (but often contentious) world university rankings, where research output through publications is a key component in performance. One of the schemes promoted by the Ministry to better promote Malaysia as a top educational choice is the setting up of international research laboratories that will enable its HEIs to be global players in knowledge generation. Rapid improvements in research and innovation describe the HE sector, where the significant increase in publications between 2007 and 2012 is considered the highest in the world, with the vital role played by the research universities of the country. Additionally, a fourfold increase in citations is also demonstrated (between 2005 and 2012), while the number of patents filed over the same period also increased by 11%, ranking the country 28th in terms of new patents filed during that period (MOE 2015). The push for globalised online learning is also envisioned to boost greater knowledge transfers (e.g. though blended learning and massive open online courses [MOOCS]) and at the same time improve the Malaysian HE brand. This move also aims to democratise knowledge transfers as opposed to traditional teaching delivery methods.

4.6 Inclusive HE Sector

The expansion of HE in Malaysia as documented in previous sections highlight at the same time the increasing demand for HE services in the country. With a significant rise in international student intake, the same can be said of local students, where HEIs serve about 1.2 million students nationally (MOE 2015). The provision of the Private Higher Education Institutions Act has also instigated better access and opportunities to HE services over the years. Apart from the improved increase in HE enrolment as previously discussed, a marked 2.4 times increase in postgraduate programmes is likewise indicated between years 2000 and 2010, and 10 times for years 1990 and 2010. Malaysia is ranked third in terms of master's and PhD enrolments (4%) just behind Singapore and Thailand in the ASEAN region (8%). The government also aims to improve greater access in HE by improving the 36% tertiary level enrolment (for 2014) to 53% by year 2025. Similarly, improvement to 8% enrolment in postgraduate studies (from 4%) is envisioned for 2025. But despite the improved access in HE services, the government aims, more importantly, to produce holistic global citizens through acquired skills, ethics and morale where they are able to be 'ready and willing to contribute to the harmony and betterment of the

family, society, nation, and global community' (MHEB p. E-12). Entrepreneurial skills are also pushed to create a mindset shift from 'job seekers' to 'job creators'.

Government agencies and foundations have made access to higher education possible through scholarship and loan programmes. Some of these agencies include the Public Service Department (PSD), Khazanah Nasional, the *Majlis Amanah Rakyat* (MARA) and the Tunku Abdul Rahman Foundation. Nonetheless, the National Higher Education Fund Corporation (PTPTN) continues to be the principal source of financial assistance for students entering HEIs, where 70% of financing/loans in the HE sector are covered by PTPTN. Formed in 1997, the PTPTN has since approved a total of 2.1 million loan applications (for 2014) with provision of RM 49.4 billion (MOHE 2011; MOE n.d.). PTPTN has continued to improve access for students to various HEIs through its scheme, who are otherwise unable to pursue tertiary education.

In addition to financial assistance as improving access to higher education, the government has also stressed the need to recognise prior learning by giving credit to experiential learning in order to gain entry in HEI programmes. The MEBHB asserts the creation of a framework that will recognise such experience where a national credit system will 'enable accumulation of modular credits over time, and stipulating clear criteria for recognising prior experience' (p. E-13). In 2009, the Ministry of Human Resources likewise introduced the Recognition of Prior Learning (RPL) scheme where workers can get recognition of their skills/competency from the Malaysia Skills Certification (MSC), the Malaysia Diploma Skills (MDS) or Malaysia Advanced Diploma Skills (MSDS).

Most crucially, an inclusive higher education sector is not only providing opportunities to widen participation, the concept also entails having a system with diversification in terms of institutions to cater for a wide range of students. Although the first university established in Malaysia was modelled after a British university, the higher education sector in Malaysia now has a range of institutions ranging from public to private, universities to colleges, foreign branch campuses to local institutions, as well as Islamic institutions and other higher education institutions that are hybrid in nature (Lee et al. 2015). Yet, underlying the diversity of institutions, it remains fundamental for institutions to be conscious of their purpose and identity in collectively contributing to the development of an inclusive and vibrant higher education sector of Malaysia (Wan et al. 2015).

4.7 Closing Remarks

Higher education in Malaysia has developed by leaps and bounds over the last six decades. Over this period of time, many significant developments have shaped the HE sector. The changing state–university relationship, especially with public HEIs, is key in defining the public HE landscape and development of these institutions. The recognition of private HEIs in 1996 also created the existing dual system in HE that complements as well as competes. In addition, there are also significant

variations of institutions both within the public and private sectors of HE. The role and function of universities have also undergone significant development, from educating the elites and producing civil servants and professionals, to fostering nation-building and readdressing equity in societies. The economic impetus, particularly in the last three decades, has additionally affected Malaysian HEIs. This extends to include developing concerns for the employability of its graduates, as well as incorporating new public management and managerial culture in HEIs with concepts of efficiency, effectiveness, audit and accountability. The preoccupation with competition and global prestige, underlined by the aspiration of Malaysia becoming an international education hub, has further shaped the development of the HE sector of the country. This concern has seen Malaysian HEIs developing a strong focus on research and publication, as seen by the establishment of high-impact laboratories and world-record improvements in publication among Malaysian researchers, and the ‘rebranding’ of the Malaysian HE sector to further attract foreign students to its shores. Despite the rapid and exciting development of the tertiary sector in the country, there remains a consistent need to deliberate the idea and purpose of universities in the Malaysian context as this remains fundamental to the development of its HE sector for the future. Without such deliberation, Malaysian HEIs are at risk of losing their relevance and identity as key societal institutions to lead the country’s future in becoming a developed nation.

Note

1. 1 Malaysian ringgit (RM) = 0.23 US dollars (USD), as of June 2017

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