SUMMARY REPORT

The Role of Transnational, Private, and For-Profit Provision in Meeting Global Demand for Tertiary Education: Mapping, Regulation and Impact

CASE STUDY

MALAYSIA

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Case Study: Malaysia

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Section 1. Country overview

1. Geography

1.1. Malaysia is located in tropical Southeast Asia, and is one of the smaller countries in the Asia-Pacific region. The country consists of the Malay Peninsula together with Sabah and Sarawak, and has a total landmass of 329,847 sq. km. Two thirds of Malaysia's population of 25.05 million lives in urban areas and nearly 80% on the Malay Peninsula. The average annual population growth rate between 1996 and 2001 was 2.6 % and 33% of the population is below the age of 15 (GETIS, 2000, Department of Statistics (DoS) 2003, DoS 2001).

1.2. Malaysia's population includes Malays, Chinese, Indians, and also other indigenous groups. The majority of the population (65%) is Malay or from one of the other indigenous groups (Bumiputeras – translates as "sons of the soil"). The other main population groups are Chinese (26%) and Indian (8%), a legacy of immigration in colonial times to provide labour for the tin mining and rubber industries. Non-Malaysian citizens account for around 6% of the population (GETIS, 2000, Department of Statistics (DoS) 2003, DoS 2001).

1.3. Malays are also the dominant ethnic group socially and politically, and their language, Bahasa Melayu, is the national language. Islam is the official religion (60% of the population), but other religions are freely practised. English is the second language and is widely spoken because of its business application and due to Malaysia's historic links with Britain (Malaya was a British protectorate in the late 19th and the early 20th Century).

1.4. In 1957 Peninsula Malays gained independence from the UK after more than 150 years of British colonial rule. In 1963 the Peninsula states were joined by Singapore, Sabah and Sarawak, and formed Malaysia. Singapore seceded from Malaysia in 1965 to become an independent city-state. Malaysia is a member of the Commonwealth.

2. Political Structure

2.1. Malaysia is a federation of 13 states and 3 Federal Territories: Kuala Lumpur, Putrajaya and Labuan. Each state has a Mentri Besar (Chief Minister), a state assembly, and its own constitution. Sabah and Sarawak enjoy greater measures of political autonomy than the states of Peninsula Malaysia. The nation is governed from the new administrative capital in Putrajaya.

2.2. Malaysia is a Constitutional Monarchy with a political system based on UK parliamentary democracy. The King (Seri Paduka Yang di Pertuan Agong) appoints a Council (Cabinet) of Ministers from members of the Federal Parliament. There is a House of Representatives (Dewan Rakyat), whose members are elected by universal suffrage every five years, and a Senate (Dewan Negara) with two elected members from each state and 43 who are nominated by the King. The Prime Minister, who must be a member of the Dewan Rakyat, is the head of government.

2.3. Malaysia has been politically stable since independence, largely due to Barisan National (National Front), a multiracial coalition comprising Malay, Chinese and Indian parties being in power since 1971 (the National Alliance preceding it from 1957). After 1963, the National Alliance was enlarged by parties in Sabah and Sarawak, which were largely ethnically based.

2.4. In the period 1969-1971, the New Economic Policy (NEP) was designed to promote greater national unity through the creation of a more equitable society, and eradicating the social divisions and stratification inherited from the colonial period. The NEP set targets, giving preferential treatment to the majority Malay population as part of the social contract drawn up after racial riots in 1969. The aim was to widen access to underrepresented groups as inequity in social status in income was seen as closely linked to inequity in educational opportunities. The
Universiti Teknologi MARA was established in 1967 as a college specifically for Bumiputera students and is now the largest university in Malaysia. Since the NEP, the balance of educational opportunities in the public sector has shifted significantly in favour of the Bumipetaras. However, opposition to the ruling party has been growing as industrial and business developments have continued to exacerbate inequalities. As a consequence there have been efforts by the government in recent years to develop national cohesion amongst the ethnic groups (GETIS, 2000).

2.5. Since entering office in 1981, the current Prime Minister of Malaysia, Dato' Seri Dr Mahathir Mohamad, has sought to transform Malaysia into the economic, political and educational hub of Southeast Asia. The Malaysian government has also promoted the country’s Asian identity in an attempt to counterbalance Malaysia’s traditional alignment with the West.

2.6. The Malaysian government’s Vision 2020, set out in 1991, has sought to transform Malaysia into a fully developed and industrialised society by 2020. The 9 key objectives of Vision 2020 seek a balance between economic entrepreneurship, scientific development, and historic cultural and religious values. This policy direction marked a move to unite the diverse peoples of Malaysia with a sense of a shared future (GETIS, 2000).

3. Economics

3.1. After independence, the Malaysian economy developed rapidly from a nation heavily dependent on the production and export of primary commodities, primarily rubber and tin, to one of the world’s fastest growing and most globalised economies, mainly producing manufactured products such as electrical and electronic goods. Prior to the economic crisis of 1997-98, Malaysia had an average annual growth rate of 7.5 % to 9.0% of GDP. Malaysia's rapid industrialisation is attributed to the transformation to a liberal market-oriented economy in the 1960s and the inward flow of foreign direct investment (GETIS, 2000).

3.2. Between 1998 and 1999, the Malaysian economy was in recession. In 1998, for the first time in a decade, the economy experienced negative growth of minus 2.0%, inflation was 7.0% and unemployment was close to 6.0% for the whole of 1999 (GETIS, 2000). However, from 2000, the economy began to recover and today the annual growth rate is 8.5% (Ministry of Education, 2003).

3.3. Since 1966, Malaysia has used a number of 5 yearly plans to guide the drive for national development, the most recent being the 8th Malaysia Plan covering the period 2001-2005 (the first was 1966-1970). The Economic Planning Unit of the Prime Minister’s Office produces these “Malaysia Plans”. An ‘Outline Perspective Plan’ is produced, looking 10 years ahead, and this is then broken down into more concrete five-year plans as the basis for the government's policy aims and objectives.

3.4. The Plans have usually promoted economic diversification through industrialisation and foreign investment. The 7th Malaysia Plan (1996-2000) promoted growth in capital intensive, high technology industries requiring an educated, highly skilled workforce and foreign investment. These objectives required a large amount of public and private sector spending on the technological infrastructure, energy, education and healthcare. The long-term objective was to transform the country so that productivity and quality, rather than investment, became the main drivers of the economy (GETIS, 2000). The 8th Plan, which will bring in further reforms, has been built on widespread consultation with representatives from all walks of life, who contributed to the report of the National Economic Consultative Council, published in 2000. The Report was used to inform the 10-year ‘Outline Perspective Plan’ and Wawasan 2020 (Vision 2020) (Ministry of Education, 2003).

3.5. Since the inauguration of Wawasan 2020, a blueprint for development, the economy has changed rapidly. Through the Multimedia Super Corridor (MSC), the government is seeking to
make Malaysia the centre of excellence for multimedia industries of the future (see http://www.msc.com.my/ for more information). The MSC has produced initiatives in telemedicine, on-line information services, electronic commerce, and digital broadcasting. By 2002, 23 higher education institutions had been conferred MSC status, distinguishing them as proficient in key aspects of ICT such as infrastructure and content development, research and training (GETIS 2000, Ministry of Education 2003).

3.6. Although economic developments in the early 90’s marked a move away from state intervention in the economy, the move into recession in 1997 necessitated an increase in government intervention as the government sought to retain control over key sectors and reduce currency outflow (which reached RM2m for the 50,000 students studying abroad before the economic crisis). This has resulted in a mixed-economy approach to development, whereby the government retains a financial investment in privatised industries (GETIS, 2000).

3.7. Malaysia's main global trading partners are the USA, Canada, UK, Germany, France, the Netherlands, Japan, China, Hong Kong, Australia, Thailand, Singapore and the ASEAN countries. Malaysia is a member of the Association of South East Asia Nations (ASEAN), established in 1967 and comprising Malaysia, Singapore, the Philippines, Indonesia, Thailand, Brunei, Vietnam, Burma, Laos and Cambodia. This association focuses on common political, economic and trading policies and has a market of 500 million people. In 1992, ASEAN leaders set the goal of an ASEAN Free Trade Area (AFTA) by the year 2000 (GETIS, 2000).
Section 2. Education System

1. Context

1.1. Since independence, education has traditionally had a high political priority in Malaysia. The Malaysian government has been highly interventionist as it has sought to utilise education as a means of achieving economic and social development under the direction of the National Council on Higher Education (Lee, 2002a). Education regularly receives over 24% of the annual budget and all Malaysian Prime Ministers have served a term as Minister of Education (GETIS, 2000). The current literacy rate in Malaysia stands at 97% (Studymalaysia.com, 2002).

1.2. The majority of Malaysia's educational system at the time of independence was inherited from British rule, which was based on ethnic lines. However, the Education Act of 1961 marked the beginning of a process of “Malaysianisation” of the education system, which gathered pace in the 1970’s. This focussed on building national identity and creating a skilled population to help promote economic development. The 1961 Act made Bahasa Melayu a compulsory subject at all levels with a pass necessary for the award of a school certificate. A K12 system has been planned but not yet launched. From year 2003, the Government implemented the teaching of Mathematics and Science in English, beginning in Std 1, Form 1, and Matriculation.

1.3. A review of higher education in 1971 found that the HE system was elitist and recommended that a larger proportion of Bumiputera students should be admitted to higher education through the provision of scholarships, special tuition, and the use of ethnically based criteria for entry. Today, 80% of government scholarships (which are reserved for public service Boards) and bursaries are reserved for Bumiputeras (Neville 1998, quoting Selvaratnam 1988). The recommendation also stimulated the growth of private education in Malaysia, increased the Government's sponsorship of students both in-country and abroad, and created a gap between the number of Chinese and Indian students seeking admission to public higher education and the places available to them in Malaysian institutions (GETIS, 2000).

1.4. Since the establishment of private schools in the 1950s, private providers have gradually increased their role in the Malaysian education system. The 1969 Essential (Higher Education Institution) Regulation barred private sector institutions from conferring degrees, and foreign universities from setting up branch campuses. However, in the early 1970s, private institutions began to offer pre-university courses, and in the early 1980s private providers became involved with innovative twinning and franchise arrangements in collaboration with foreign universities at bachelor degree level and other qualifications leading to the award of Certificate, Diploma and Professional qualifications.

1.5. A mixed approach to development is increasingly being extended into the educational field in an attempt to develop and meet the challenges of the 21st Century through education and training. New legislation in 1996, covering both the public and private education systems, marked the beginning of a major democratisation and liberalisation in the education system. This has resulted in growth in the number, type, size and scope of private educational institutions at all levels, as the government seeks to develop a more dynamic and flexible education and training infrastructure.

1.6. In 1992, there were 156 private colleges in Malaysia, but by 2001 there were 706 private HEIs including private universities, university colleges, and foreign university branch campuses. The total number of students enrolled in the tertiary sector in Malaysia rose from around 300,000 in 1995 to around 550,000 in 2000 (Lee 2002b).

1.7. As of December 2002, private higher educational establishments enrolled more than 294,600 students, including 22,827 international students, compared with just 15,000 in total in 1985. The majority of private students (over 250,000) were enrolled in private colleges, while the private university sector enrolled 41,811 students (studymalaysia.com, Maklumat Pendidikan Swasta 2002, Jabatan Pendidikan Swasta, Ministry of Education Malaysia (2002)).
1.8. Private higher education institutions have developed a range of modes of ownership, some of which are profit-oriented and others are non-profit. Profit-making institutions are established by individuals, private companies, consortia of companies, publicly listed companies, and government corporations. Foundations, philanthropic organisations, and community financing groups have set up non-profit enterprises. In addition, there are also partnerships between these bodies to achieve economies of scale, and the government is promoting mergers (Lee, 2002a).

1.9. In addition, private HEIs also differ in their focus. Some offer the full spectrum of courses and modes of delivery (from pre-university to postgraduate), while others specialise in narrower areas (e.g., in medicine, IT). The majority offer programmes that require limited capital outlays, such as business, IT, accountancy and law.

1.10. The Malaysian government and certain large companies are seeking to reduce the amount of overseas study to save costs. Educating students overseas is expensive and the recent economic crisis highlighted the economic burden and resulted in an emphasis on 'home-grown' programmes and transnational programmes conducted locally (Suleiman, 2002).

**Ministry of Education philosophy**

The Ministry of Education defines the national education philosophy, which has been described as follows (GETIS, 2000):

"Education in Malaysia is an ongoing effort towards further developing the potential of individuals in a holistic and integrated manner, so as to produce individuals who are intellectually, spiritually, emotionally and physically balanced and harmonious, based on a firm belief in and devotion to God. Such an effort is designed to produce Malaysian citizens who are knowledgeable and competent, who possess high moral standards, and who are responsible and capable of achieving a high level of personal well-being, as well as being able to contribute to the betterment of the family, the society, and the nation at large."
1.11. Qualifications available in Malaysia are (adapted from UNESCO, 2001):

<table>
<thead>
<tr>
<th>Type</th>
<th>Requirement</th>
<th>From</th>
<th>Study time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ujian Penilaian Sekolah Rendah (UPSR)</td>
<td>Primary</td>
<td>Primary School</td>
<td>6 years</td>
</tr>
<tr>
<td>Penilaian Menengah Rendah (PMR)</td>
<td>Secondary</td>
<td>Lower Secondary School</td>
<td>3 years</td>
</tr>
<tr>
<td>Sijil Pelajaran Malaysia (SPM)</td>
<td>Secondary</td>
<td>Technical/Upper Secondary School</td>
<td>2 years</td>
</tr>
<tr>
<td>Sijil Tinggi Agama Malaysia (STAM)</td>
<td>Post secondary</td>
<td>Religious education</td>
<td>Secondary Religious School</td>
</tr>
<tr>
<td>Sijil Tinggi Pelajaran Malaysia (STPM)</td>
<td>Post-secondary</td>
<td>Pre-university inst.</td>
<td>1-1.5 years</td>
</tr>
<tr>
<td>Vocational/Occupational/Skills Certificate</td>
<td>School-post secondary</td>
<td>Private colleges, professional bodies</td>
<td>3 mths to 1-2 years</td>
</tr>
<tr>
<td>Diploma</td>
<td>Higher</td>
<td>SPM/SPMV</td>
<td>Private colleges/TNE Univ.</td>
</tr>
<tr>
<td>Teaching Diploma</td>
<td>Higher</td>
<td>SPM</td>
<td>Teacher Training College</td>
</tr>
<tr>
<td>Bachelor's Degree + Hons</td>
<td>Higher</td>
<td>'A’ Level Matriculation/Diploma, IB, SAM/WATEE/HSC, Foundation Programme</td>
<td>University College/Univ.</td>
</tr>
<tr>
<td>Postgraduate Diploma &amp; Graduate Diploma (forthcoming)</td>
<td>Higher</td>
<td>Bachelor's Degree/equivalent</td>
<td>University</td>
</tr>
<tr>
<td>Master's Degree</td>
<td>Higher</td>
<td>Bachelor's Degree/equivalent</td>
<td>University</td>
</tr>
<tr>
<td>Doctor's Degree</td>
<td>Higher</td>
<td>Higher level Master's degree</td>
<td>University</td>
</tr>
<tr>
<td>Higher Doctor's Degree (earned higher doctorate)</td>
<td>Higher</td>
<td>Outstanding contribution to knowledge</td>
<td>University</td>
</tr>
</tbody>
</table>

**NB:** There is a new qualifications framework under construction (the MQF). This should be approved in early 2004 and will involve, inter alia, a merger between the academic and vocational streams.

2. Levels in the Education System

(Adapted from Studymalaysia.com)

**Primary/Basic education**

2.1. The Primary level lasts for six years (Ages 7-12) leading to the Ujian Penilaian Sekolah Rendah (UPSR), or primary school assessment examination. Primary education in Malaysia is ‘free to all’ via the public schools system, and is also offered by private schools. The enrolment rate is 97%. There are national schools, religious schools, and separate Chinese and Tamil schools (i.e. ‘national type schools’) where Bahasa Melayu is taught as a second language after Mandarin and Tamil. A national committee is now reviewing the school system because the separation at school level is potentially exacerbating later disunity in society.
Secondary education

2.2. Secondary education is also free and covers seven years. It is divided into three stages: lower (age 12-15); upper (age 15-17); and pre-university or post-secondary level (age 17-18). Lower secondary school covers three years leading to the Penilaian Menengah Rendah or lower secondary school assessment examination (which concentrates on Maths, Science and English). Changes to the secondary curriculum have been brought in as a direct result of globalisation trends.

2.3. Upper secondary school covers two years and there is selective entry. Most pupils go to academic schools specialising in either Arts or Science, while the others apply to religious, vocational or technical schools in the public or private sector. Only pupils with academic backgrounds in Mathematics and Science are admitted to technical schools. Studies lead to the Sijil Pelajaran Malaysia (SPM) or the Malaysian Certificate of Education Examination. Only 7.9% of students at the upper secondary level are enrolled in private schools (World Bank, 2003).

Post-secondary education

2.4. Post-secondary level generally covers the ages 18-19 and prepares students for entry into local public universities, private colleges and universities, foreign universities and other institutions of higher education, or for entering the employment market. Post-secondary studies either take the form of pre-university courses (largely public sector), or technical/vocational courses leading to Certificates and Diplomas (largely private sector).

Pre-university courses

2.5. Students who perform well in the SPM take publicly funded pre-university courses either in school 6th forms for 2 more years, or by taking Matriculation courses (1-2 years) run by the Matriculation Department of the Ministry of Education in Matriculation Centres and Universities. At the end of school 6th forms, the students take the Sijil Tinggi Pelajaran Malaysia (STPM) or Malaysian Higher School Certificate. The STPM is accredited by the University of Cambridge Local Examination Syndicate of England (UCLES) and is equivalent to a General Certificate of Secondary Education (GCSE) "A" Levels certificate. The STPM is not only the entry qualification for Malaysian universities but is recognised by most universities and professional examination bodies worldwide.

2.6. Students who do not qualify for the 6th form or Matriculation, or who choose not to follow these routes, can opt to enter private colleges or private universities for pre-university programmes and then advance into the bachelor degree programme or other professional or semi-professional courses of their choice. There are a variety of access routes for students in the private sector which include:

- STPM courses;
- Courses leading to Internal Qualifications at Certificate and Diploma level (mainly vocational), which are recognised and accredited by local universities and overseas universities from Australia, Canada, New Zealand, UK and USA for entry into degree programmes.
- Courses leading to overseas External Academic Qualifications from the UK, Australia, New Zealand, Canada, USA and France (e.g., GCE A Level from the UK, SAM/WATEE/HSC from Australia, CPU from Canada, and other equivalent secondary education qualifications awarded by the Examination Boards of various countries). These students are allowed to do a pre-university or Foundation programme at the private institution to qualify for the degree programme they wish to study.
- Matriculation programmes;
- University Foundation Courses;
- Credit Transfer Agreements with overseas universities (see Section 5).
2.7. Many students follow the professional pathways in the private colleges as they represent a shorter and more cost-effective method of obtaining a degree.

**Technical and vocational courses**

2.8. The other formal post-secondary pathway for Malaysian students is via 2-3 year technical and vocational courses leading to Certificates and Diplomas in private colleges or public sector institutions. These institutions include; polytechnics, a government sponsored college, community colleges and teacher training colleges.

2.9. Some public universities (e.g., KUITTHO, UTM, UiTM, UPM) also offer formal non-university level post-secondary education leading to Diplomas and Certificates for working adults. These one to two year courses enable students to increase or update their skills. The minimum entrance requirements are the SPM, and work experience.

**Higher education**

2.10. The terms 'higher education' and 'tertiary education' are used in Malaysia to cover education post SPM (post-secondary). Higher education is defined in the 1996 legislation on higher education, and covers courses that lead to Degrees, Higher Degrees, and Postgraduate Diplomas. Higher education institutions are expected to provide facilities and manpower for research and development, and consultancy services. HE provision takes places in universities and other institutions of higher learning in a wide range of subject areas and modes of delivery, including examination only, distance education, conventional, and mixed mode delivery.

2.11. Prior to 1996, the medium of instruction in Malaysian universities tended to be Bahasa Melayu. Now, universities can choose the language of instruction, Bahasa Melayu or English, and English is increasingly being used in many courses. English is the main medium of instruction in colleges especially in science and technology subjects (studymalaysia.com). In 2005, Mathematics and Science will be taught in English at all universities.

2.12. Following the post-secondary level, the majority of traditional Malaysian undergraduate (Bachelor degree) and postgraduate (Master degree and PhD) courses take place in public universities and university colleges, private universities, overseas branch campuses, and the International Islamic University Malaysia (IUM).

2.13. However, there is also a range of non-traditional pathways towards the degree qualification in private colleges, a result of the liberal entry criteria used by HEIs for degree courses, which include the following:

**Malaysian Public University Degree Franchised Programmes**

2.14. Some of Malaysia's local public universities (e.g., Universiti Putra Malaysia (UPM), Universiti Kebangsaan Malaysia (UKM), Universiti Teknologi Malaysia (UTM), Universiti Utara Malaysia (UUM) and Universiti Sains Malaysia (USM)) 'franchise' their programmes to local private colleges. Under this arrangement, students can pursue three quarters of, or even the entire degree programme, in certain private colleges and be awarded with degree qualifications without studying as an 'internal student' in established local public universities. The public university provides the entire course curriculum.

2.15. The Local Public University Degree Franchise Programme enables students who are unable to get into public universities as 'internal students' to study public university degrees. Total tuition fees in the private colleges range from RM18,000 - RM35,000 to complete the entire degree awarded by the public local university, depending on the field of study (studymalaysia.com, 2002).
External Programmes for Degree Qualification

2.16. Malaysian students can also register as an ‘external’ student, with a local (or foreign - see Section 5) university, and study through the local private colleges. This mode most closely resembles distance learning and is popular among students fresh from their SPM or STPM qualifications, as it enables them to study full-time (studymalaysia.com, 2002).

2.17. The syllabi, entry requirements, and examinations are all determined and conducted by the university, while the private colleges offers tutorials and administrative support to students, preparing students for the final examinations. Examinations are held at a designated or approved centre, usually a private college, and only authorised examination bodies are allowed to supervise the examinations. The degree is the same as that received by internal students of the university.

2.18. The University of Malaya (Malaysia) offers a 3-year Bachelor of Jurisprudence course designed to meet the needs of external students. Upon graduation, students have to take the Certificate of Legal Practice (CLP) examination. The course is designed to cater to the need for more graduates in the legal profession. It costs around RM 12,000 in tutorial support fees in some private colleges. Application, Registration and Examination fees come to around RM 3,500 (Studymalaysia.com).

External Professional and Semi-Professional Examinations

2.19. Malaysian private colleges also prepare students for external examinations set by local (and foreign – see Section 5) examination bodies/boards who provide the syllabi and qualifications. Relationships between the colleges and the bodies/boards vary from formal accreditation of the college, to a more basic relationship, where the students register with the body/board directly. There are two types of examination bodies or boards:

a) ‘Qualifying’ Examination Bodies

These are the examination bodies of professional associations, both local and international, who offer courses and qualifications relating to a particular profession, such as accountancy, law, medicine and engineering. The associations only give membership to qualified persons (i.e., those who have passed its professional examination and/or fulfilled other requirements such as age and relevant working experience). These professional associations/boards include the Malaysian Association of Certified Public Accountants (MACPA), the Institut Bank-Bank Malaysia (IBBM) for Banking & Finance courses, and the Malaysian Insurance Institute (MII) for insurance examinations at the Certificate and Diploma level.

b) ‘Academic’ Examination Bodies

These are institutions, or organisations of international standing, although not offering membership or representing particular professions (e.g., Institut Bank-Bank Malaysia)
Lifelong higher education

2.20. Some universities also offer off-campus programmes for older students, and these can be full or part-time. For example, the University of Science, Malaysia, allows working adults to follow undergraduate courses on a part-time basis. There are three programmes: the Bachelor of Science, the Bachelor of Social Science, and the Bachelor of Arts. Off-campus students must study for a minimum of 120 credit hours before they are awarded a degree. In many professional areas (e.g., Medicine), targeted continuing professional development (CPD) requires off-campus students to undertake a minimum of 20 credits each year.

2.21. In addition, there is a wide range of transnational education pathways towards a degree qualification in the private HE sector (see Section 5).

Post-secondary Institutions

2.22. The changes in the Higher Education legislation in 1996 affected the range and amount of provision in both the public and private sectors, and between 1996 and 2001, there was a 95.2% increase in the number of higher education providers in Malaysia (Suleiman, 2002). However, in recent years, a number of private colleges have been closed due to concerns about the quality of the provision. 108 colleges were closed due to various offences including running courses that had not been approved, operating colleges without approval from MOE, etc. At the end of 2002, there were 605 tertiary institutions in Malaysia, including 35 universities and university colleges.

2.23. The rapid growth in the range and number of higher education institutions has resulted in the following types of providers becoming established in Malaysia:

- 11 Public Universities
- 6 Public University Colleges
- 11 Private Universities (including 3 Branch Campuses)
- 1 Private University College
- 4 Overseas branch campuses
- 1 Virtual University/E-University (UNITAR)
- 1 Open University (UNITEM)
- 518 Private Colleges (518)
- IT Academies

2.24. In addition, the government has also sought to increase the range of institutions offering non-HE post-secondary education, including:

- 12 Community Colleges
- 13 Polytechnics
- 27 Teacher Training Colleges
Non-university level institutions

Private colleges

2.25. Private colleges without University or University College status offer a wide range of (mainly technical and vocational) degree level and non-degree level courses for both Malaysian and overseas students including:
- Full-time, part-time or distance based pre-university courses leading to Internal Certificates and Diplomas;
- Courses leading to External academic and professional and semi-professional qualifications at Certificate and Diploma level;
- Bachelor’s and Master’s degrees under inter-institutional franchise arrangements with either overseas or local universities (colleges are not allowed to confer their own degrees).

2.26. A range of organisations established private colleges after 1996. Larger colleges with greater financial resources were set up offering degree programmes, and were often innovative in curriculum design and institutional management.

2.27. However, the majority of colleges are small and medium-sized, and are mostly for-profit, although some are not for-profit such as those backed by political parties (such as the Malaysian Chinese Association’s Tunku Abdul Rahman College and the Malaysian Indian Congress’s Asian Institute of Science & Technology), religious organisations, or philanthropic foundations. The World Bank reports that after the economic crisis in 1997, many IT companies established private colleges to meet their growing demand for a computer literate workforce, which they could no longer afford to send overseas (World Bank, 2003). These include colleges set up by companies or consortia of companies (mainly technology based) (e.g., Sunway College, Kolej Aman, KBU). Their activities range from simple training courses to complex relationships between the organisation and supplier universities.

2.28. Until quotas in public HEIs were removed in early 2003, private colleges absorbed many of the qualified non-Bumiputera students unable to gain places in the public institutions due to ethnic quotas.

Polytechnics

2.29. There are currently 13 polytechnics in Malaysia and in 2001, the Polytechnic sector had a combined student population of 49,612 (MOE (2001), Malaysian Educational Statistics 2001.). The majority of students take two-year certificate and diploma courses (80 per cent in engineering subjects) which are popular with students and young adults wishing to pursue technical courses and programmes. The polytechnics are publicly funded and are under the control of the Polytechnic Management Department (Bahagian Pentadbiran Politeknik) of the Technical and Vocational Education Division of the Ministry of Education. The government plans to expand this form of provision through opening additional polytechnics (2 are currently planned).

Teacher training colleges (Maktab Perguruan)

2.30. The 27 Teacher Training Colleges in Malaysia offer teacher-training programmes at Diploma level for non-graduate trainee teachers for the primary and secondary schools. The courses comprise pre-service and in-service training programmes for candidates who have been accepted for teaching positions by the Ministry of Education. The teacher training programmes are for 3 years’ duration, which lead to the award of Diploma Perguruan Malaysia.

2.31. The government plans that the national pedagogical university UPSI, established in 1997, is expected to provide all degree level pre-service teacher education with other universities focussing on postgraduate and specialist qualifications in education (such as music, sports, special and pre-school education courses). However, this has not happened so far and there is also a proposal to upgrade all current Teacher Training Colleges to “Institutes” that will be able to offer degree programmes. All universities are now involved in upgrading of teachers’ qualifications from diploma to degree, as part of recent government policy.
Community Colleges

2.32. Community colleges, established in Malaysia in 2001, also offer vocationally based full-time and short courses at certificate and diploma levels in a range of fields for the benefit of the national economy. Generally, the entry requirement for the full-time course is SPM, while the short courses accept Malaysians who can read and write in Bahasa Malaysia. There are plans to build a community college in each of the 193 parliamentary constituencies in Malaysia (Lee, 2002a). The government community colleges often function as a preparatory stage for university study, and these institutions often have links with universities.

Other providers

2.33. Government sponsored colleges (e.g., Kolej Tunku Abdul Rahman) also provide 2-3 year Certificate and Diploma level education for upper secondary school leavers. The entry requirement for these courses is SPM qualification or its equivalent, and a full-time Certificate programme takes 2 years while a Diploma takes 3 years.

2.34. Matriculation Colleges provide Matriculation programmes that are local public university-preparatory classes conducted throughout the country. Upon successful completion of these programmes, students proceed to degree level studies. The Matriculation courses conducted by the universities, except by University of Malaya, and are under the jurisdiction of the Matriculation Division of the Ministry of Education.

2.35. The main government agency for civil service training in public sector management skills is the Malaysian National Institute of Public Administration (INTAN). INTAN runs a wide range of courses in public administration and management, primarily serving the home and foreign civil service.

University level institutions

Public universities

2.36. There are currently 11 public universities and 6 university colleges in Malaysia, including one international university (the International Islamic University Malaysia). These institutions provide both undergraduate and postgraduate studies. Most public institutions either have, or originally had specialist functions. The oldest university, University Malaya (UM), began operating in October 1949 in Singapore. In 1956 a branch campus was set up in Kuala Lumpur and the university became fully independent in 1962.

2.37. All public universities and university colleges are fully funded by the Government. All the local public universities, except International Islamic University Malaysia (IIUM), offer Bachelor degree courses for Malaysians while their post-graduate courses are open to foreign students as well. University colleges were designed to help to widen access through being situated outside the Klang Valley in Selangor where the traditional concentration of HEIs is located.

2.38. Universities are higher educational institutions, which can confer their own degrees. University colleges are new universities, which offer degrees in a limited number of fields of study.

Private universities

2.39. Private universities and university colleges were established as a result of the 1996 Private Higher Education Institution (PHEI) Act. Currently, there are 13 private universities and 1 University College in Malaysia.

2.40. Under the Act a PHEI is defined as an institution registered under the Act, but not funded or maintained by government. Private providers are independent legal entities offering their own degrees and other qualifications, although they often link with public and foreign universities to offer franchise courses, where public or foreign institutions are quality partners. The relatively cheap course fees combined with internationally recognised qualifications make these
The areas of study that they offer range from business and IT to engineering and medicine.

2.41. Key differences between public and private universities include the fact that the latter use English as the medium of instruction and also that they accept foreign students at undergraduate levels. However, it is expected that language differences will gradually be minimised as English increasingly becomes the medium of instruction in public universities.

2.42. Private universities in Malaysia include the following types:

- Government Corporation Universities (3) set up by former nationalised (state-owned) industries as ‘corporatized’ institutions, which have close links to the government (e.g., Universiti Teknologi Petronas for Petronas, the national oil company, and Universiti Tenaga Nasional for Tenaga, the national electricity corporation).
- ‘Corporate universities’ established by large corporations that provide learning/training opportunities to their staff, instead of sending them overseas, such as those run by Intel and Cisco.
- Universities established by political parties of the Barisan National Government (e.g., UTAR for the Malaysia Chinese Association (MCA), Asian Institute of Medicine, Science & Technology for MIC) in an attempt to ensure university places for their supporters.
- Transnational branch campuses of foreign universities (Sunway Monash campus Malaysia, Curtin University of Technology, Miri Sarawak, University of Nottingham in Malaysia, and FTMS-De Montfort University campus, Malaysia).

2.43. The number of universities has grown quickly and they have had difficulty in recruiting and retaining well-qualified staff, because of skill shortages and increased competition due to the proliferation of private sector providers. Most universities therefore have large, sponsored staff development programmes.

3. Access to Higher Education

Entry Requirements

(Adapted from studymalaysia.com)

Entry Requirements for a Bachelor Degree

3.1. There is currently no common entrance examination to enter Malaysian universities, whether public or private. Students can either take the (largely public sector) Malaysian Qualification Programme route into degree level studies via pre-university or Foundation Studies, or take technical/vocational courses in private degree colleges which provide a range of pathways to higher level studies (both local and transnational). However, in August 2003, the MOE introduced minimum entry criteria for all universities to prevent the enrolment of under-qualified candidates into private universities both locally and abroad. The entry criteria are higher for the study of Medicine. Students who require visas to study abroad also have to register and obtain a letter of verification from the Higher Education Department.

Malaysian Qualification Programme

3.2. After 5th form, the access routes to public higher education are via the Matriculation Certificate, (STPM) and the religious higher certificate, all of which are accepted as valid entry criteria to the public universities (depending on results).

3.3. School-based post-secondary education in 6th form is the traditional means of preparation for university entrance. Students study for two years in the 6th form before sitting for the Malaysian Higher School Certificate or Siji Tinggi Pelajaran Malaysia (STPM) organised by the
Majlis Peperiksaan Malaysia (Malaysian Examination Council). Depending on their qualifications, students can then opt to or be accepted directly into the Year One of the degree programme.

3.4. Matriculation programmes are preparatory classes for local public universities conducted at various Matriculation Colleges throughout the country, leading to the Matriculation Certificate. Originally, these matriculation colleges were meant exclusively for Bumiputera students but now 10 per cent of the places are allocated to non-Bumiputera students.

Access via private colleges

3.5. Many students go on to private colleges or go overseas after 5th form or SPM. The number of students attending private sector colleges is high, approximately 50,000 a year (GETIS, 2000). Malaysian private colleges, especially those teaching in English, specialise in offering Advanced level courses aimed at providing students with qualifications that are acceptable through credit transfer, or twinning arrangements for entry to higher levels of study at overseas universities in the UK, Australia, Canada and New Zealand. These include external academic qualifications at post-secondary level such as GCE 'A' levels (UK), South Australian Matriculation, Western Australian Matriculation and the Canadian Matriculation Programme (Ontario).

3.6. Private colleges and the University Technology MARA also offer their own internally developed and externally moderated pre-university Certificate and Diploma courses (mainly technical and vocational) that are accepted as entry qualifications for basic degree programmes, many in collaboration with UK and other overseas suppliers (See Section 5). Students study full-time, part-time at the premises of the private college, or via distance learning. Most of the internal diploma programmes offered are recognised and accredited by the local universities as well as foreign universities from Australia, Canada, New Zealand, UK and USA. The medium of instruction is English, which is attractive to students who plan to further their education in overseas universities.

3.7. However, the Ministry of Education recently announced minimum requirements for entering degree programmes, as an attempt to stem the flow of students into some professional programmes in the private colleges (which offer a shorter route to a degree by by-passing the pre-university stage that students follow in the public sector). Currently, some courses lead to a degree only 4 years after the SPM ('O' Level equivalent) and the Ministry is concerned with the quality of education in these courses. The new ruling specifies that a STPM or equivalent (A levels or a foundation programme) will be required for entry into degree-level courses, whether public or private (Kaur 2003).

3.8. There is also a range of access routes in the private colleges into franchised overseas degree courses via transnational pathways. These are described in detail in Section 5.

Summary of entry requirements by level

<table>
<thead>
<tr>
<th>Level</th>
<th>Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-university</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sijil Pelajaran Malaysia Vokasional (SPMV)</td>
</tr>
<tr>
<td>Polytechnics,</td>
<td></td>
</tr>
<tr>
<td>Teacher Training</td>
<td>Sijil Pelajaran Malaysia (SPM)</td>
</tr>
<tr>
<td>Colleges, Colleges</td>
<td>Sijil Tinggi Malaysia</td>
</tr>
<tr>
<td></td>
<td>STAM &amp; Matriculation (mainly science)</td>
</tr>
<tr>
<td><strong>University</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sijil Tinggi Pelajaran Malaysia (STPM) (Credits in at least 5 subjects:</td>
</tr>
<tr>
<td></td>
<td>Bahasa Melayu, Mathematics and two other subjects)</td>
</tr>
</tbody>
</table>

NB: The entry requirements for Medicine are higher.
Entry requirements for a postgraduate degree

3.9. The entry requirement for most local institutions to pursue post-graduate studies is generally any recognised basic degree and/or relevant work experience (which may be required for certain fields). Some universities also accept equivalent professional qualifications. For foreign universities, the entry requirements depend on the requirements of the host university.

Overseas/Foreign students

3.10. Overseas students in Malaysia are defined as students who are non-resident and non-citizens. To be eligible to study in Malaysia they must hold a student visa and, depending on the country of origin, a student pass. They are not allowed to work while studying, and a medical check-up is required.

3.11. Malaysian private institutions will also consider foreign students who have the required post-secondary qualifications. Malaysian public universities do not enrol overseas students in some courses at undergraduate level and may only enrol up to 5% foreign students in other courses due to limited places (although different rules apply at the International Islamic University). However, at the postgraduate level, more overseas students are accepted.

3.12. Until recently, students had to be proficient in the national language, Bahasa Melayu, however this is no longer required. Since English is the language of instruction at private colleges and universities, students are expected to have adequate knowledge and comprehension of this language and public universities are now encouraged to use the English language.

3.13. The government has ambitious targets for attracting international students to Malaysia, sees the country as becoming a regional hub for higher education, and is exploring ways to promote Malaysia HE in a similar way to the British Council in its promotion of British education. Its neighbour Singapore, however, also nurses similar ambitions.

Current demand for Tertiary Education

3.14. There is strong demand for higher education in Malaysia, and there are insufficient places in universities to meet demand. The 17 public sector universities/university colleges are able to admit around 100,000 students annually. In December 2002, the then 518 private colleges, 14 private universities/University Colleges, and 4 foreign university branch campuses had a student population of about 294,600.

3.15. In addition, the World Bank reports a projected increase of 16% in the 15-19 age group in the Malaysian population, and 32% in the 20-29 group, making expansion in the secondary and tertiary sectors a priority (World Bank 2003).

4. Finance for Tertiary Education

4.1. Malaysia spends 22.7% of total capital expenditure on education at all levels and 38.3% at tertiary level. Malaysia also spends ¼ of its public expenditure on education, the second highest amongst World Economic Indicators (WEI) countries (World Bank, 2003). In the 6th, 7th and 8th Plans tertiary education was allocated US$815.7m, US$1.4bn and around US$2.4bn respectively (including operating and development expenditure) (Lee 2001, 2002b) and it is estimated that each tertiary student place costs around 20 times more than each primary and secondary place.

4.2. Public universities are self-administered and government financed (the governments provides over 90% of their funding). There is a wide range of tuition fees, depending on subject, with home students paying tuition fees between 1100 and 4400 Malaysian Ringgit (Ministry of Education, Malaysia, 2001). All changes to tuition fees have to be approved by the National Council on Higher Education. Public institutions are heavily subsidised by government meaning
that tuition fees are US$200-300 per annum compared with US$2,000 (for Distance Learning) to US$25,800 for medical programmes in the private sector (Lee 2002b).

4.3. Courses in private universities are more expensive and most of the students in this sector come from affluent families except in TAR College, which is a non-profit institution organised by the Chinese community. For example, in 2001, fees for an undergraduate business studies degree were US$5,000 in the public sector and US$21,000 in the private sector. Transnational courses are expensive as all foreign universities charge royalties on their programmes (Lee, 2001).

4.4. There are a range of mechanisms for students to pay for their higher education. These include:

- Scholarship Awards – non-repayable (‘gift aid’) mainly from government bodies and private colleges/universities.
- Education Funds - scholarships or loans provided by the Government/foundations/private educational institutions/financial institutions to reduce the burden of financing a student’s education expenses, locally or overseas.
- Unit Trusts & Insurance Schemes – investment schemes undertaken by parents.
- Bank Loans - Most loans have low-interest rates and are sponsored by government bodies.

4.5. In 1998, the government allocated 100m Ringgit to provide loans for students to study in approved higher education institutions (both public and private) via the National Higher Education Fund (Kanji and Tambi, 1998). Private institutions must be accredited by LAN to be eligible. In 1999 there were 64,125 applications of which 80% were approved (World Bank, 2003). In 2000, around 29,000 students in private education benefited from the fund (EPU, 2001).

5. Government education policy

5.1. The National Higher Education Council, chaired by the Minister of Education, is responsible for developing education policy in Malaysia. It consults relevant professional associations (such as the Education Planning Council and National Economic Action Council) in the policy making process.

5.2. Since the mid-1990’s Malaysia has focused on the ‘K’ or knowledge-based economy as the key to economic, political and social competitiveness. This has highlighted the central importance of education and training to national development and the national budget allocation for education and training has increased yearly since 1996, and in 2002 represented 26% of the total budget (Suleiman, 2002).

5.3. In September 2002, RM30m was allocated to finance education programmes and to develop the infrastructure for ensuring quality. The government’s commitment to increasing investment in education is outlined in the Third Outline Perspective Plan (OPP) 2001-2010, presented in April 2001 (Austrade, 2002).

5.4. There are four main areas of current higher education policy, which are detailed in the Malaysia Plans:

1. Increasing access to higher education and maintaining standards.
2. Developing the links between higher education and national economic development.
3. Improving the quality of indigenous higher education provision.
4. Linking higher education with national culture and identity.

5.5. In the near future, the current focus on increasing access alone will be replaced with a renewed emphasis on quality assurance and standards alongside access (EPU, 2001). Proposals for the new Malaysian Qualifications’ Framework (MQF) - a draft of which is available on the Ministry of Education’s web site - fall within this remit.
Linkages with the economy

5.6. Higher education in Malaysia has expanded significantly since the liberalisation of the sector in 1996. However, given this increase, the amount of government spending on higher education has decreased in real terms, as the government seeks to improve productivity and to enhance the educational role of the private sector. Public universities are expected to generate the majority of their operating costs through revenue-generating activities (e.g., raising tuition fees, short courses for the private sector, consultancy for industry), while the government provides development funds for new programmes and expensive capital projects, and continues to maintain control over standards. A target ratio of 70:30 funding from government and other sources is likely to be set for 2010 (The Star, “Lower Funding For Varsities”, 3 April 2003).

### Total Annual Government Expenditure on Education (In Ringgit)

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>35,933,300</td>
</tr>
<tr>
<td>1997</td>
<td>35,415,300</td>
</tr>
<tr>
<td>1998</td>
<td>77,841,200</td>
</tr>
<tr>
<td>1999</td>
<td>87,883,400</td>
</tr>
<tr>
<td>2000</td>
<td>75,935,200</td>
</tr>
<tr>
<td>2001</td>
<td>68,599,200</td>
</tr>
</tbody>
</table>

(Malaysian Education Statistics, 1996-2002)

5.7. The Malaysian government views the role of post-secondary education as being to provide a competent workforce equipped with the skills, knowledge, attitudes and behaviour to meet the demands of the high-technology era. Courses in Applied Science and Technology, Information Technology, Electronics, Engineering, Biotechnology, Manufacturing and Communication are being expanded. Traditionally, students have been less attracted to such courses and have been drawn to courses in business, accounting and commerce, due to the lower costs, shorter training and greater financial rewards.

5.8. In 1997, there was a move to, in effect, ‘corporatize’ the four oldest public universities. This meant that these universities were reorganised based on corporate principles that were intended to improve efficiency, reduce the financial burden on the state, and ensure the relevance of courses to national labour requirements. This has resulted in increasing the capacity of science, engineering and technical courses in universities, so as to increase the output of science and technology graduates; there are severe skill shortages in the high technology industries and this sector is seen as the key to Malaysia’s national competitiveness. The Malaysian government also encouraged privatised bodies such as Petronas, Tenaga, and Telekom to sponsor the development of specialist universities in science, engineering and other technological areas relevant to their sector.

5.9. The government planned to increase the number of science and technical graduates by the year 2000 to the level of Arts graduates who had historically constituted over 60% of all students in the post-colonial HE sector. The intention is to have a ratio of 60:40 (Science and Technology: Arts) by 2005. In 1995, for example, there were about 8,300 research scientists in Malaysia. This produced a ratio of about 400 research scientists per million of population compared with 1,000 in Singapore and 1,200 in Australia (GETIS, 2000).

5.10. The Government also plans to utilise international expertise in education, research and development where local provision is weak, in areas such as the service sector, science and technology, and quality assurance. The EPU commissions relevant studies. Malaysia has strong educational relationships with a range of countries and the expectation is that international collaboration with Malaysian institutions from the private and public sectors can help to meet education and training priorities. This includes quality assurance; for example a Malaysian delegation visited Australia last year to learn more about this field.
Increasing and expanding access

5.11. Since the introduction of universal secondary education in 1991, there has been an increasing demand for higher education. The public sector was unable to meet this demand and the government sought to increase the involvement of the private sector in higher education. In 1992, there was an estimated shortfall of 150,000 places and in 1997, only around a third of applicants gained access to higher education (Kanji and Tambi, 1998, Marimuthu et al. 1998).

5.12. The 7th and 8th Malaysia Plans sought to dramatically increase access to higher and tertiary education in Malaysia through:
   - Increasing access to existing public institutions;
   - Expanding access through diversification of the sources of supply by establishing a range of private institutions;
   - Developing new delivery methods such as open and distance learning, and lifelong learning.

5.13. As a result of government policy, the total enrolment of Malaysian students in Malaysia at the HE level almost doubled from 133,199 in 1996 to 254,024 in 2002, and the enrolment rate for the 19-24 cohort has risen from 2.9% to over 8% since 1989. This was facilitated by the liberalisation in higher education that increased the number of institutions in Malaysia, most of which were privately owned, and in 2002, 43.8% of students were enrolled in private institutions. The number of private sector higher education institutions increased from 354 in 1996 to a height of 708 in 2001, although this dropped to 534 in 2002 as institutions began to close following quality control measures. Enrolment in the private sector declined slightly between 2001 and 2002. This may have been a result of the improved regional economy, enabling more students to study abroad, since enrolments increased in public universities (Suleiman, 2002).

5.14. The current tertiary education participation rate in Malaysia is around 24% (UNESCO, 2002). The 8th Malaysian Development Plan 2000-2010 has a target to expand participation in tertiary education from the present 8% of the 18-24 age group to 40% by the year 2020, with targets for each type of provider, and with the private providers expected to educate 25% of students in the sector (Suleiman, 2002). The 8th Malaysia plan projects that enrolment in public institutions at tertiary level will increase from 321,729 in 2000 to 526,679 in 2005, and at degree level from 201,271 to 289,806 (EPU, 2001).

5.15. Today, Malaysian public universities enrol about 97,558 students each year, a large increase from 1980 when total enrolment in the public universities was only 33,969 (Lee 2002b). The Seventh Malaysia Plan stated that all public sector universities should have a minimum total enrolment of 20,000 by the end of the plan period. Consequently, all universities started to offer open and distance learning options (GETIS, 2000). In 2002, the then 518 private colleges, 14 private universities and university colleges, and 4 foreign university branch campuses had a total student population of 294,600 (MoE, 2002). It should be noted that most enrolments in the public sector are at degree level, and in the private sector, they are at diploma and certificate level.

5.16. The government is aiming for a university in each state and the Cabinet recently approved the setting up of 4 technology-based institutions of higher learning under the 8th Malaysia Plan (costing RM600m-1bn per institution) (Austrade, 2002).

National identity

5.17. From 1971 until 2002, a strict quota of around 45% was in place at all public universities for the admission of non-Bumiputera students in order to address historic imbalances and inequalities (GETIS, 2000). This was part of the government’s nation-building agenda. Thus, the Chinese and Indian populations make up the majority of enrolments in private institutions, while
there is a majority of Bumiputera students in the public institutions. In some faculties there may be more Bumiputera students than in others.

5.18. The quota system resulted in a situation whereby most Bumiputera students were from rural backgrounds and educated in the public sector who were more comfortable conversing in Malay, while non-Bumiputera students studied private or transnational courses in urban areas, and were more comfortable with the English language (Lee 2001). However, changes have now been introduced so that all students have access, and since January 2003, all enrolment has been solely based on merit.

5.19. The Malaysian government also specifies aspects of compulsory curriculum content. If a private institution wishes to conduct a course in English, they must also teach Malaysian Studies (Islamic and Asian civilisations), Islamic Studies (for Muslims), or moral education (for non-Muslims). All students, both domestic and foreign, are required to take these courses and Malaysian students must pass them to graduate. Foreign students only have to take the courses; they do not need to pass the exam.

5.20. Malaysia's aim to attract a substantial number of foreign students has led to increased flexibility in the use of the English language for instruction at the tertiary level, especially where an overseas institution delivers the course. The overseas demand for courses in Bahasa Melayu is not high and employers in the private sector and overseas are increasingly seeking English proficiency.

5.21. In addition, the Malaysian Government has recently sought to improve the standard of English language teaching in primary and secondary schools, and has established a series of national pilots testing different approaches to English language teaching throughout the country. The Prime Minister, Mahathir, is concerned at the relatively poor standard of English among undergraduates, and has reversed many of the policies regarding tuition in Bahasa Malaysia. Since 2003, English has been used to teach Mathematics and Science in Primary 1, Secondary 1 and in Lower Sixth Form levels. Furthermore, a policy of teaching technical subjects in English will be implemented fully in all polytechnics and universities by 2008.

Quality

5.22. The government views higher education as a profitable export industry and wishes to establish Malaysia as the regional centre for excellence in higher education in the ASEAN region. The government also wishes to reduce the loss of foreign exchange by encouraging more education in Malaysia and less study overseas, and to increase research and development capacity. Universiti Malaya, Universiti Sains Malaysia, and Universiti Kebangsaan Malaysia have been designated as research universities, and more resources have been channelled to improving research and development capacity.

5.23. These objectives have resulted in a renewed emphasis on quality assurance, including the development of the MQF. Total Quality Management practices such as benchmarking and Quality Audit are now prevalent and there has been a shift from the idea of collegial self-governance to one based on the principles of corporate managerialism directed at market objectives (Lee 2002a)
Section 3. Legal Frameworks for Tertiary Education

1. Key Organisations

1.1. All institutions of higher education are under the supervision of the Minister of Education. The Higher Education Department of the Ministry of Education co-ordinates and monitors the activities of institutions of public higher learning. Polytechnics are regulated by the Technical and Vocational Education Department of the Ministry.

1.2. Under the University and University Colleges Act 1996, the highest university authorities for the public sector are the University Board of Directors and the Senate.

1.3. The Department of Private Education (Jabatan Pendidikan Swasta (JPS)) in the Ministry of Education regulates private providers regarding their establishment, registration, premises, fees and student and staff affairs. The PHEI Act in 1996 gives power to the JPS to regulate the operators of private education, to ensure they provide quality education. Any PHEI that fails to comply with the rules and regulations set by the JPS faces legal action.

1.4. The National Accreditation Board (Lembaga Akreditasi Negara, LAN) was established to provide quality standards and guidelines for the courses offered in private sector institutions. LAN ensures that courses offered by private higher education institutions are of high quality with educational standards comparable to those in the public sector. It conducts evaluation to determine compliance with Minimum Standards, accreditation, and monitors the implementation of compulsory subjects. It also advises the Registrar General of Private Education on the establishment, registration and approval of courses from private higher institutions.

1.5. There are also associations of private HEIs in Malaysia (Lee, 2001):

- The **National Association of Private and Independent Educational Institutions** (NAPIEI) - established in 1997. The oldest and largest association that liaises with Government and Statutory bodies on issues of relevance to PHEIs.
- The **Malaysia Association of Private Colleges** (MAPCO) - also established in 1997. A prestigious grouping of PHEIs with a minimum paid up capital of RM 500,000 which offer post-secondary and/or tertiary level courses independently and in collaboration with local and foreign universities. It has a code of ethics to enhance the quality and delivery of courses and programmes conducted by its members. It also liaises with government regarding legislation, policies and procedures.
- A group of colleges owned and operated by Bumiputeras.

2. Main laws/decrees governing higher education

2.1. Prior to 1996, all educational activities in Malaysia were governed by the 1961 Education Act. Between 1995 and 1997, this Act was amended, and a range of other Acts were enacted. The current legislation relating to tertiary education in Malaysia is as follows:

- **National Accreditation Board (Lembaga Akreditasi Negara) Act: 1996.** This established a National Accreditation Board (LAN) that was set up in 1997 and which functions as a quality assurance and accreditation agency for private education.
- **National Council on Higher Education Act: 1996.** This act established a higher education policy-making council for public and private higher education.
- **Private Higher Education Institutions (PHEI) Act: 1996.** This act enables the private sector to establish a variety of institutions (degree granting and non-degree), and foreign universities to open branch campuses in Malaysia. It also allows the Minister of Education to grant permission to private colleges to conduct courses in English.
- **University and University Colleges Act: 1971 (Amended 1996).** This act governs public institutions and was amended to modernise the management of public universities, to try to increase access, and meet the needs of industry.
- **National Higher Education Funding Board Act 1997.** This act established a higher education funding council.

2.2. It should be noted that the current Acts related to higher education are under review, so this information may shortly become out of date. For example, the government is planning to exempt foreign students from taking Bahasa Malaysia and Moral Education as compulsory subjects in order to attract more foreign students. It is also looking into removing certain academic requirements and will check the Private Higher Education Institutions Act 1996 for possible amendments to allow exemptions.

2.3. In addition, the Malaysian Government offers various tax incentives to private HEIs to promote the development of training in specific sectors. The key legislative instruments relating to these incentives are (Lee, 2001):

- Promotion of Investment Act: 1986
- Customs Act: 1967
- Sales Tax Act: 1972

3. **Regulation/Licensing of Tertiary Providers**

**Licensing/recognition for providers**

3.1. Universities in Malaysia can only be established in accordance with an Incorporation Order signed by the King and only on the invitation of the Minister of Education. The 1996 Private Higher Education Act requires all educational institutions to be licensed. The licensing process has two stages. In the first stage the Ministry of Education gives approval to the establishment of a Private Higher Education Institution. In the second stage, the institution applies for registration/a license to offer courses from the Department of Private Education (JPS) following assessment by LAN. After receiving this license an institution can offer courses and then apply for accreditation for its courses of study from LAN (see next section). It can cost a minimum of RM 200,000 in capital to establish a private HEI in Malaysia (Lee, 2001).

3.2. Section 38 of the Private Higher Education Act 1996 essentially details the licensing process for the establishment of private higher education institutions. It states that prior approval is required from the Minister of Education before an institution can conduct any course of study or training programme, or conduct a course jointly in collaboration with any public or private university, university college, higher educational institution or professional body, in or outside Malaysia.

3.3. Section 39 of the Act provides that such approval must be based on the recommendation of the National Accreditation Board, which is based on the suitability of facilities and the quality assurance processes in place. Each application is closely scrutinised and evaluated according to standard procedures. This includes establishing whether the institution is suitable for teaching and learning in terms of financial standing, facilities, numbers of academic staff and their qualifications, and the level of course fees. The purpose is to ensure the provision of quality education and effective management of the PHEI.

4. **Accreditation in Tertiary Education**

4.1. There is currently no formal qualification framework covering all qualifications and institution types, although progress has been made in this area and a consultative Draft Framework has
been sent out for public consultation. Currently, there are separate agencies accrediting courses for public and private providers.

**Agencies involved**

**Private providers**

4.2. When a private institution is granted a license/registration the JPS then refers it to the National Accreditation Board (Lembaga Akreditasi Negara (LAN)) for assessment of its courses.

4.3. LAN is concerned with monitoring and maintaining the standard and quality of private higher education institutions (standards are national). It is not currently responsible for institutional assessment, which is under the control of the JPS. Its role covers:

- Formulating policies on standards and criteria for quality assurance, and accreditation for courses of study at the certificate, diploma and degree level.
- Recommending courses of study for approval to the Ministry of Education.
- Setting Mandatory Minimum Standards, a minimum level of achievement for PHEI courses.
- Conferring Accreditation status.
- Setting procedures for evaluation and monitoring. The monitoring process is continuous and spot checks occur throughout the validity period (5 years).

4.4. The 1996 LAN Act covers the accreditation of individual courses at private universities, and LAN guidelines state that registered private higher education institutions are subject to 3 levels of assessment before they can conduct a course (Suleiman, 2002):

1. Approval of courses of study (mandatory under PHEI Act – see previous section).
2. Mandatory Minimum Standards Assessment (mandatory under PHEI Act, Section 44 – but this is being reviewed). The LAN Act has recently been amended and now all courses must be accredited, and there is no longer any Mandatory Minimum Standards Assessment.
3. Certificate of Accreditation (has recently become compulsory).

4.5. Every course of study has to achieve the Minimum Standard level before the PHEI can award its students academic qualifications for the course. Approval of courses of study is granted for 5 years, and assessment for Minimum Standards is carried out once within the five years. (This stipulation has recently been dropped, and there is no longer any assessment of Minimum Standards).

4.6. LAN provides general guidelines via methods such as its web site, seminars, road shows, clinics, and consultations (Suleiman, 2002).

4.7. All courses offered by the private institutions are evaluated against their own set criteria and standards. The qualifications are subject to a levelling evaluation process (via peer review) against public qualifications set by examinations boards, and best practice to ensure consistency in the level of the qualification (Suleiman, 2002).

4.8. The Malaysian public is informed of accredited courses through the media, but evaluation reports are only available to the providers and other relevant authorities (Suleiman, 2002).

4.9. There are relatively high fees for approval of courses, which have forced some less well-endowed private providers to close down. In 2002, the fees were RM10,000 for certificates and diplomas, and RM15,000 for degree courses (Lee 2002a).
Public providers

4.10. Public universities are generally self-accrediting but require the Ministry’s approval to conduct new courses. All qualifications are subject to recognition by the Public Service Department (PSD), if graduates are to be employed in the public sector. (Suleiman, 2002).

4.11. In December 2001 a Quality Assurance Division (QAD) was set up in the Ministry, with a remit similar to that of LAN. The QAD aims to provide continuous quality assurance via Quality Audit across all public universities by faculty and discipline to improve programmes and promote public confidence. From December 2001 to March 2002, procedures, standards, and criteria were drafted and from May 2002, work began with discipline panels to test the procedures. Trial audits started in January 2003 and 10 have taken place to date – in IT, Medicine, Science, Dentistry, and Engineering.

4.12. There are nine generic standards covering learning outcomes, the program design covering specific discipline content and variety of teaching, the link between assessment and outcomes, entry requirements, academic faculty, educational resources and student support, programme evaluation, leadership and governance, and continuous quality improvement. There will be a 5-year cycle in the future.

Accreditation and review mechanisms

Adapted from studymalaysia.com

Private providers

4.13. LAN’s quality assessment process comprises the following stages:

Stage 1: Preparation and Submission of Documents to LAN/JPS
PHEIs submit their application for approval to conduct courses of study together with the LAN-TC-01 document. LAN TC-01 covers information on curriculum, teachers, facilities and the management system of the course.

Stage 2: Assessment by the Panel of Assessors
The LAN-TC-01 documents containing detailed course information are forwarded to a Panel of Assessors, appointed by LAN and including experts in various fields and representatives from local universities, who prepare an assessment report.

Stage 3: Pre-Approval Visit
A team of assessors co-ordinated by LAN conducts a 1-4 day pre-approval visit to the PHEI to assess the course curriculum, the management system, the facilities and related equipment, and the institutional environment. After the visit, a report of the visit is discussed at a Core Business Meeting (CBM). The institution is given scores on a range of criteria that are then weighted to produce a final score, and a score of 50% which achieves approval (Suleiman, 2002).

Stage 4: LAN Board’s Approval
The CBM then decides on the application for the approval to conduct courses of study and a paper is submitted for the approval of the Board’s decision. A Board Meeting then decides whether the application is:

i) Approved; or
ii) Rejected with grounds for rejection; or
iii) Conditionally approved.

Stage 5: Minister’s Final Approval to Conduct the Course
The decision is then forwarded to the JPS for the Minister of Education’s decision. The PHEI is then informed in writing of the approval or rejection. If the latter, the board will inform the
Ministry of Education, which can withdraw approval of conduct, or even revoke the institution’s license. However, if the course of study is given conditional approval, then the PHEI will be informed of the status and given feedback reports to assist with improvements, which they must carry out within six months (Suleiman, 2002). Institutions can then award degrees and students can apply for loans for first degrees for the National Higher Education Fund (NHEF).

Stage 6: Assessment for Minimum Standards (This stage has recently been dropped)
After the course has begun a mandatory assessment of Minimum Standards is carried out once within the next five years. These must be met for colleges to be allowed to confer qualifications under Section 44 under the PHEI Act. Evaluation is conducted by a team of assessors, initially on information submitted by the institution and then a 2-day site visit. A recommendation to revoke the Approval to conduct the course can be forwarded to the Ministry if justifiable.

Stage 7: Accreditation of Course
Accreditation is a higher level of quality assurance certification by LAN that requires a score of 70% in the assessment. The term Accreditation as defined under the LAN Act 1996 (Act 555) means a formal recognition of the fact that the certificates, diplomas and degrees awarded by PHEIs are in accordance with the standard set by LAN. This higher level of quality assurance certification is optional but, for full recognition of the degree course for working in the public sector, LAN and the Public Service Department (JPA) require accreditation status. Accreditation is a more detailed evaluation of the courses and includes interviews with staff, management and students by a panel of peer assessors, observations of lectures, assessment of facilities, and verification of documents. When a course of study at a PHEI has been granted a Certificate of Accreditation, the PHEI can announce this to the public. Only courses of study that have obtained the certificate of accreditation have the right to use the statement “recognised by LAN” in their marketing.

Compliance Assessment
A course of study that has achieved Minimum Standards or a Certificate of Accreditation also has to undergo a process of continuous evaluation (compliance assessment) to ensure that standards and quality are being maintained or improved.

The assessment begins with an examination of the annual report that records and documents the progress and development of the course of study. Should LAN have any doubts about the annual report, records and documents received, or receive negative reports from any quarters about a course of study that has achieved the accreditation or minimum standards, it can at any time send its officers to examine the operation and implementation of the course of study. If sufficient quality is not maintained, courses of study can be recommended for withdrawal to the Minister.

Section 42 of the LAN Act 1996 states that ”the Lembaga (LAN) shall have the power to reassess, from time to time, certificates, diplomas and degrees in respect of which Certificates of Accreditation have been granted”.

Section 43 of the same Act states that the Board can at any time revoke the Certificate of Accreditation granted if, in its opinion, the PHEIs has not maintained the standard and quality of the course of study or has breached any of the condition of the Certificate of Accreditation upon reassessment of the certificates, diplomas and degrees awarded by the PHEIs.

Professional courses
4.14. Accreditation is important for professional courses since it is required for membership of professional organisations and the ability to practice. All professional courses must obtain approval to enable them to recruit students in Malaysia. Generally, the approval process involves the professional bodies where a joint technical committee has been established. This committee then looks at criteria, standards, and accreditation matters jointly with the professional bodies. As a matter of principle, the professional bodies in the country of origin
must accredit a foreign qualification before it can be recommended for approval in Malaysia. For some professional qualifications, the qualification must also be recognised by the local counterpart before approval is given to a private institution to conduct the course.

4.15. Technical Committees with representatives from accreditation authorities (including LAN) manage accreditation exercises. Using these committees reduces the number of visits required, and they apply the same criteria and standards, follow the same procedures and use the same pool of assessors to ensure consistency. These committees cover all institutions whether public or private. Course providers submit one application per programme and there is one process of evaluation and a site visit (Suleiman, 2002). Technical committees make recommendations for decisions by the professional bodies, and for the endorsement for programmes of private institutions. NAB makes the final decision. They also provide guidelines for institutions.

4.16. Current technical committees have been established in the fields of engineering, medicine, pharmacy, and quantity surveying and more are planned for 2003.

Accreditation policy

4.17. There is a generally high level of recognition of the value and cost of quality in Malaysia in relation to its international competitiveness. There is a comprehensive quality assurance programme that includes ISO registrations for both government ministries and some trial schools, and the government encourages adherence to externally monitored quality systems.

4.18. The education system has also had a great deal of experience with QA through foreign involvement and studying overseas (GETIS, 2000). A number of Malaysian HEI’s have embedded Total Quality Management practices into their institutions, in attempts to increase their market share and meet the quality expectations of foreign partners and the public (Kanji et al., 1999). Overseas evaluators are used in Malaysian evaluations, with some courses requiring this. ‘Equivalence’ of quality and standards is a matter of report (MoE, 2003).

4.19. Since rapid changes have been taking place in the education sector there is a perception that formal quality assurance is a lesser priority than expanding access and meeting demand for courses. Indeed, the Ministry of Education allowed one of the new private universities to franchise out courses to colleges even before the students had graduated (GETIS, 2000). However, the Ministry is now clearly linking access priorities with quality assurance and standards.

4.20. The development of the MQF will bring changes to the way quality assurance is implemented in Malaysia. The MQF is designed to be a unified system of qualifications offered on a national basis by all educational and training institutions including colleges, universities, vocational institutions, professional organisations and other higher educational institutions in both the public and private sector as well as in workplace training and life long learning. Several proposals are being considered, one of which is to separate the standard-setting function from the certification (i.e., ‘accreditation’) process. There is also the possibility of merging the QAD with LAN to create a single quality assurance body for Malaysian higher education by 2005 (Suleiman, 2002; Ministry of Education 2003). At present, the general expectation is still towards an academic-type qualification with formal examination as the main means of access; however, the MQF will bring prior learning into play as well. (See http://www.kpm.netmyne.com/qad/nqf.html for more detailed information).

4.21. The Institute for Strategic and International Studies (ISIS), a government policy research institute reporting directly to the Prime Minister's Office, undertook a study of quality assurance in private higher education. ISIS undertook a consultation called 'The Brains Trust' in 2002. The report recommended strategic actions that would have wide ranging impact. Most of the recommendations have, or are being, addressed (e.g., teaching of Mathematics and Science in English).
Recognition of overseas qualifications

4.22. Studies pursued in foreign countries are recognised by the Public Services Department, Ministry of Education.
Section 4. Distance Learning

1. Terminology/Typology

1.1. Distance learning provision is well established in all public universities and companies specialising in e-learning are rapidly establishing themselves in Malaysia. The growth in distance learning provision in Malaysia began in the early 1970s (via the off-campus programme in the University of Science Malaysia). In 1995, the UKM Masters in Family Medicine received a COL and ICDE award for best practice in distance learning.

1.2. Distance learning courses are targeted at a range of different student needs, including targeting students who failed to gain places on full-time courses, 'second chance' students in employment, upgrading for specialists, and studying for pleasure (British Council, 2001, Ministry of Education, 2003). On-campus students are also able to make use of e-learning opportunities.

1.3. Students register directly with the foreign or local university and a local private college provides tuition classes at local Distance Learning Centres and administrative support. There is usually a formal arrangement between the private colleges and the local/overseas universities concerned.

1.4. Students pursue the degree programme using printed materials for self-study, supplied by the university, together with access to other learning media such as the Internet, e-mail support, video-conferencing, TV, radio, and video. Most institutions adapt already accredited campus-based courses for text-based delivery. Bachelor's courses predominate, although there are some MAs and MBAs. Occasionally, the students have face-to-face meetings with tutors in a classroom setting and attend courses/seminars conducted by the tutors. Course work and assignments contribute a percentage to the overall results (British Council, 2001, Studymalaysia.com 2003).

1.5. E-learning is also provided by foreign based institutions who offer on-line courses direct, or via a local agent who provides support services (e.g., advertising, recruitment, distribution of material, and fee collection). Such courses are not registered with the Ministry of Education (Suleiman, 2002).

2. Local provision

Open University of Malaysia (Universiti Terbuka Malaysia - UNITEM)

2.1. In 1998, eleven public universities created a private company, Meteor Distance Learning (MDL) Sdn. Bhd. In 1999, Meteor was asked to form UNITEM by the Ministry of Education, which was then established in 2000. UNITEM enrolled its first students in August 2001 and it is expected that UNITEM will ultimately take over all distance learning programmes from the public universities, and will deliver open and e-learning opportunities throughout Southeast Asia (GETIS, 2000).

2.2. UNITEM offers courses by distance learning via a mixed mode delivery formula of 30% digital, 30% print, and 40% face-to-face/video-conferencing. The face-to-face component is offered in partnership with universities nationwide. Initial courses were from UM and UTM. UNITEM adapts existing courses and also sets up additional courses using e-learning specialists, who also offer expertise on course design commercially to other institutions.

2.3. UNITEM targets students who failed to gain places on full-time courses, and access students in employment. The subjects offered reflect government priorities and include Bachelors in Technology, Engineering, Management, and the Creative Arts.

2.4. UNITEM has collaborated in terms of management (for benchmarking) with the UK Open University and formerly with Scottish Knowledge with the intention of adapting distance learning
materials from the UK. UNITEM has also collaborated in the same manner with Shukotai Tammatirat Open University in Thailand.

2.5. In addition, UNITEM has an e-learning arrangement with Heriot-Watt University in the UK related to its SCHOLAR programme in Mathematics and Information Technology Courses. This scheme utilises distance learning materials written by Heriot-Watt staff that are designed to complement face-to-face tutorial support in partner institutions. The first Malaysian students enrolled on this Mathematics and Information Technology Course in 2002.

2.6. The SCHOLAR materials are currently being used within Malaysia as part of the country's science strategy to update teachers. The remaining courses (14 in April 2003) are being designed and delivered in conjunction with the local public universities.

Universiti Tunku Abdul Razak (UNITAR)

2.7. UNITAR was Malaysia’s first Virtual University or E-University. It received its charter as part of the Government's Multimedia Super Corridor (MSC) initiative in December 1997. In January 2000 the Ministry of Education approved its registration.

2.8. UNITAR offers vocationally focused courses in Business & Management, IT, Science, and Combined Arts leading to Bachelors degrees, MBA, research Masters and PhDs. It also targets students who failed to gain places on full-time courses, and provides access to students in employment.

2.9. It offers courses in English by distance learning using a mixed mode delivery. Originally, delivery was 60% CD-ROM, 30% Online, and 10% face-to-face, although it is now moving more on-line as connectivity improves. However, it has modified its original plans to rely solely on online learning and has introduced a network of support centres for its distance students. These have also been established overseas where it has students in countries such as Cambodia. Like UNTIEM, UNITAR offers expertise in course design commercially, since there is much local expertise in this area (British Council, 2001).

Malaysian Vocational Training Board

2.10. The Malaysian Vocational Training Board (MLVIC) recognises certain skills-based and vocational courses that are key to the economy, such as: Travel & Tourism, Manufacturing, Freight forwarding, Transport, Education, Airlines, and Food & Beverages. These will be incorporated into the MQF so that there is a pathway to degrees from such certificates and diplomas.

2.11. Employers in certain sectors are required to pay a 1% levy on employee salary to a training fund, which they can make claims to for training costs (up to 80% of course fees or £660) (British Council, 2001). Under this scheme students cannot take full MA courses but can build up modules from MA courses. Employers will consider distance learning on this basis, but will not pay for learning/training in other subjects.

2.12. INTAN (civil service training) is in the process of building up a programme of courses delivered at a distance, initially through its network of five campuses. It is also developing a Master's programme in co-operation with UK universities in information management, and has developed an English Language Proficiency Assessment (ELPA) system for officers from the Malaysian civil service. INTAN has also established a Technology Management training centre (IMATEC) (GETIS, 2000).
3. Regional provision

3.1. Some private colleges and some public universities have programmes with the Cambodian National University and the Multimedia University. Several private colleges already operate regionally.

4. International provision

4.1. Due to the well developed indigenous provision, there has not been much need for foreign provision, except where foreign courses have international recognition and reputation that is attractive to Malaysian students and popular with employers. Some students want foreign degrees and the government is keen both to increase choice and to make foreign degrees available locally. Foreign distance based courses started to appear in 1998 and have tended to focus on professional qualifications, external degrees, and vocationally based courses such as MBAs. Professional courses such as Accountancy and Law continue to be offered via distance learning.

Professional qualifications

4.2. There are over 70,000 Malaysian students taking UK professional courses at a distance, mostly in accountancy, finance, commerce, and marketing. There is also Australian provision in these areas (but not US).

4.3. The international reputation of these professional courses also attracts Chinese and Indonesian students who view the courses as a route to working in the USA.

External Degrees

4.4. In 1998 there were 3,742 students registered for University of London External degrees. However, in 1998 the Malaysian Bar withdrew recognition of the External London LLB because it did not incorporate the Certificate of Legal Practice (CLP) in Malaysia into the course, although this has now been reinstated. Graduates who completed the External London LLB with at least a Second Lower class degree are recognised for the purposes of registering for the CLP examination, which must be passed before they can be called to the Bar in Malaysia (Ministry of Education, 2003).

Vocational degrees

4.5. Overseas MBAs and vocational courses by distance methods are popular with Malaysian students. In 2001 there were (British Council, 2001):

- 19 UK institutions offering 38 vocationally based courses at Masters level (19 MBA or Business, 9 in IT)
- 13 Australian institutions offering 23 courses at Masters level (14 MBA or DBA)
- 3 US and 1 Dutch institution offering MBAs

4.6. Overseas vocational degree courses are delivered by text-based course material supplied by the overseas institution, supported by local tutors from partner colleges, both public and private, and there may be periodic visits from overseas staff. This mode of delivery complies with the accreditation system and expectations of Malaysian students who place a high value on face-to-face contact. Electronic delivery is usually via on-line support material or email contact. However, there are concerns about the ability of the local technological infrastructure to support these courses.

5. Status and Accreditation

5.1. Under the 1996 PHEI Act, distance learning courses are approved and accredited by LAN according to the same standards as other campus-based courses (see Section 3). There are
also guidelines and regulations covering the conduct of distance learning programmes. This creates obstacles for certain modes of delivery, especially e-learning. All qualifications offered externally must have corresponding internal courses in Malaysia, and for distance learning conducted in Malaysia, there is a provision in the Subsidiary Legislation, that students studying through distance learning require at least 20 hours face-to-face with their tutors. Also, if overseas-based distance learning institutions are not licensed by the JPS, then they must have a local private partner, even if they are totally on-line (British Council, 2001).

5.2. It is expected that new distance learning criteria from the LAN will also require that there is a local learning centre, that all students must have a local tutor, and there must be examination procedures to deal with issues such as impersonation (British Council, 2001).

6. Government policy

6.1. Distance learning has been actively promoted by the Malaysian government in recent years and currently, most public universities have DL programmes. In the private sector, the MMU, UNITAR AND UNITEM have distance based courses.

6.2. The government has encouraged indigenous providers to meet as much of its training needs as possible. Overseas providers are only encouraged to offer courses where local provision is weak or underdeveloped, e.g., business and IT at present, and potentially Health Studies, Applied Psychology, and Environmental Studies (British Council, 2001).
Section 5. Other transnational provision

1. Terminology/Typology

1.1. McBurnie and Ziguras (2001) describe Southeast Asia as ‘a laboratory in the development and regulation of transnational provision’ (p.88). Transnational provision in Malaysia has grown rapidly since the liberalisation of higher education in 1996, and there are a variety of types of transnational provision in Malaysia.

1.2. There is a variety of terminology used to describe transnational provision in Malaysia, some of which is dependent on the type of provider with whom the institution is working. These include twinning, franchising, and credit transfer programmes. There is also a variety of modes of study: part-time, full-time, intensive, on-campus, off-campus, formal, informal, etc. In addition, Malaysia has 5 colleges/universities with branches overseas (e.g., INTI College has a presence in China, Vietnam, Thailand, and Indonesia) in addition to the distance learning activities of UNITAR.

1.3. The main types are described below (adapted from studymalaysia.com):

*Split-site arrangements for Bachelor Degree Programmes*

1.4. Some Malaysian private colleges have inter-institutional collaborative arrangements with foreign universities from countries including the UK, the USA, Australia, New Zealand and Canada. These arrangements allow colleges to offer Bachelor's degree programmes leading to overseas qualifications. There are three main types of split-site degree arrangement:

   a) Twinning Degree Programme
   b) Credit Transfer Programme
   c) Advanced Standing Entry Programme

1.5. These methods save students substantial education costs, while still offering the overseas university experience. Studymalaysia suggest that a Malaysia based ‘2+1’ programme would cost RM 60,000 compared with RM 100,000 plus living expenses for a 3 year course overseas.

   a) Twinning Degree Programmes

1.6. The twinning or split-degree concept was introduced in Malaysia in 1980. It involves a formal agreement between a local private college and one, or a consortium of foreign universities, to run a split-site degree programme. This allows the student to partially complete the programme at the local institution with the final year(s) at the twinning university which then awards the degree. Some key features of this type of programme are:

   - Students register with both the local private college and the foreign university (dual registration), and upon successful completion of the local segment they are guaranteed admission to the next stage at the twinning university.
   - Twinning can be on a 1+2 arrangement (1 year in the local private college and 2 years in the overseas twinning university) or 2+2 (2 years local and 2 years overseas) or 2+1 (2 years local and 1 year overseas).
   - The curriculum taught locally is identical to that in the twinning university, although in some cases, some local content of the subject is introduced to meet national requirements (e.g., Islamic or Moral Studies).

   b) Credit Transfer Programme

1.7. A credit transfer scheme is a study arrangement designed to link a local private college with a range of foreign universities. Under this arrangement, a student of a local private college, having met a required level of credit hours of subjects studied locally, can transfer these
subjects/credit hours earned (subject to acceptance by the host university) to one of the overseas linked universities to complete the degree programme. Traditionally, this arrangement was primarily geared towards education in the US under the American Degree Programme Scheme (ADP), however, the scheme now includes universities in the UK, Australia and Canada.

1.8. In general, a student is required to read a minimum of 120 credit hours to graduate with a degree. The local private college draws up a mutual written understanding for a credit transfer scheme, although no overseas university is obliged to take in a student under the credit transfer scheme unless the university is fully satisfied with the student’s entry qualifications. The MQF is redefining the credit to base it on total student effort in achieving a set of learning outcomes.

1.9. This arrangement is more flexible than the twinning concept as it allows students to choose from a group of universities and programmes. However, students are not guaranteed a place at the overseas university and each overseas university sets its own requirements and formulates its own courses. Furthermore, what is acceptable by one university may not necessarily be acceptable to another.

c) Advanced Standing Entry Programme

1.10. Advanced Standing status refers to recognition by a foreign university (or consortia of overseas universities) of a particular course (normally Diploma Programmes) pursued in a local private college for full or part exemption of the foreign degree programme. On completion of the remainder of the course overseas, the student receives a qualification awarded by the overseas university. The duration of the course in the local private college must not exceed 3 years.

Full franchises (3+0 arrangements)

1.11. This arrangement describes a foreign university degree programme completed wholly (currently 3 years) by private colleges in Malaysia. The foreign partner university then awards the degree qualification. This transferred arrangement is more popularly known as the “3+0 degree programme”. In Malaysia, 36 private colleges have been approved by the Ministry of Education to conduct the 3+0 programme (MOE, 2002).

1.12. Franchising is a very competitive market and there are a number of international formal partnerships usually with private colleges. In June 2003, there were partnerships with 39 International institutions from 7 different countries (the UK (19), Australia (14), the US (1), New Zealand (2), Ireland (1), France (1), and Switzerland (1)), offering 136 Bachelors courses of study. Subjects largely focus on Business, Computing, Electronics and Finance (MOE, 2002; JPS, 2003).

1.13. By pursuing the 3+0 foreign degree programmes, students do not have to go to host universities abroad and can thus expect to save substantially in fees and living expenses. The cost of studying abroad for the entire degree, depending on the course and country of comparison is estimated by Studymalaysia to range from RM 90,000 to RM 150,000 (US$23,000 to US$39,000). The total tuition fees for 3 years in Malaysia range from approximately RM 30,000 to RM 60,000, again, also depending on the course, private college, and partner-foreign university involved. This study option is expected to attract students to Malaysia from the Afro-Asia-Pacific region, from countries including China, Indonesia, Thailand, the Maldives, India, Saudi Arabia and Yemen.

External Programmes for Degree Qualification

1.14. Malaysian students can also register as ‘external’ students with a foreign (or local, see Section 2) university, and study through the local private colleges. This form of study is similar to a split-site arrangement but without the same level of teaching or any formal linkage between the local PHEIs and the overseas universities. This mode most closely resembles distance learning.
1.15. The syllabi, entry requirements and examinations are all determined and conducted by the university, while the private colleges offers tutorials and administrative support to students and prepares students for the final examinations. Examinations are held at a designated or approved centre, usually a private college, and only authorised examination bodies are allowed to supervise the examinations. The degree is the same as that received by internal students of the university.

1.16. External programmes offer prestigious degrees at cost-effective rates, around RM 3,000 to RM 6,000 per year in tuition fees to local colleges. This mode is popular among students fresh from their SPM or STPM qualifications, as it enables them to study full time (studymalaysia.com, 2002).

1.17. The University of London (UK) offers external programmes in Economics, Management, Law, Finance, Banking and Information Systems. The UK University is responsible for admission policies, curriculum development, assessment procedures, marketing, examination timetable, etc. Application, Registration, and Examination fees come to around UK £2,000 (studymalaysia.com, 2002).

1.18. Campbell University (USA) offers courses in Chemistry and Biology, Computer Science, Information Systems, and Microelectronics.

**Foreign universities with branch campuses**

1.19. A branch campus is an ‘off-shore’ base of a foreign university. It offers the same courses and qualifications as at the home campus while saving in tuition fees and living costs (see web sites for price comparisons). The overseas universities enter into partnerships with local companies who provide capital and physical infrastructure, while the universities provide the educational component (e.g., curriculum, teaching, assessment, academic quality assurance). Universities also receive royalty income or service fees.

1.20. Foreign universities are allowed to set up a branch campus in Malaysia only by invitation from the Government as a result of the 1996 education reforms. Monash University Australia was the first foreign university to set up its branch campus in Malaysia in February 1998. Its establishment was a joint venture between Monash University in Australia and the Sunway Group (a Malaysian conglomerate with manufacturing, leisure and educational interests). The latter funded the campus, which was leased by the university.

1.21. Since 1996 four foreign universities have established campuses in Malaysia:

- Monash University Sunway Campus (Aus) – Est. 1998
- Curtin University of Technology Sarawak (Aus) – Est. 1999
- University of Nottingham Malaysia (UK) – Est. 1999
- FTMS-DeMontfort University Campus Malaysia (UK) – Est. 1999

1.22. In addition, the Swinburne University of Technology Sarawak (Aus) has established franchising operations, and has ambitions to become a fully-fledged branch campus.

1.23. The Royal Melbourne Institute of Technology (RMIT) opened the Adorna Institute of Technology in 1996 in partnership with Adorna property developers, offering bridging courses and advanced diplomas in technology fields. However, it closed at the end of 1999 due to the economic crisis in Southeast Asia, with RMIT owed AU$2.3m in service fees (McBurnie, 2002).

1.24. The Malaysian government is actively encouraging the setting up of more branch campuses in Malaysia by foreign universities. In 2002, the four branch campuses enrolled 4,740 students out of a total of 41,811 students enrolled in the private university sector.
**External Professional Examinations**

1.25. Malaysian private colleges also prepare students for external examinations set by local and foreign examination bodies/boards who provide the syllabi and qualifications. There are over 150 formal links between UK universities and Malaysian private sector colleges for shared delivery of British qualifications at all levels. The Malaysian Examinations Syndicate (MES) of the Ministry of Education is directly contracted to administer some UK professional/vocational examinations.

1.26. There are two types of examination bodies or boards:

   a) ‘Qualifying’ Examination Bodies

1.27. These are the examination bodies of professional associations who offer courses and qualifications relating to a particular profession, such as accountancy, law, medicine and engineering. The associations only give membership to qualified persons i.e. those who have passed its professional examination and/or fulfilled other requirements such as age and relevant working experience. These professional associations/boards include the Malaysian Association of Certified Public Accountants (MACPA); Chartered Association of Certified Accountants (ACCA), UK; Engineering Council, UK; ICSA; CIMA; etc and others from Australia.

   b) ‘Academic’ Examination Bodies

1.28. These are institutions or organisations of international standing, although not offering membership or representing particular professions. Qualifications include certificate, diploma, post-secondary, pre-university, semi-professional or other equivalent levels and prepare students for employment or higher education. These types of qualification include semi-professional associations (e.g., Institut Bank-Bank Malaysia, LCCI Examination Board - UK, National Computing Centre - UK, Certificate in Marketing) academic post-secondary programmes (STPM, A Levels - UK) and English Programmes (University of Cambridge Local Examination Syndicate).

**Joint Programmes at Postgraduate level**

1.29. Many Malaysian PHEIs have inter-institutional arrangements with foreign universities, through a joint programme arrangement. Students register with both the local PHEI and the foreign university and both are responsible for the whole academic programme, and in some cases they jointly design the curriculum. However, the foreign university awards the degree. Joint programmes are quite common among MBA programmes; for example, the University of Sunderland in the UK has several MBA joint programmes with Binary College. Students are usually required to study at the foreign university to fulfil residential requirements. However, the residential requirements can be as short as two weeks.

**Overseas students in Malaysia**

1.30. In 1996, there were around 4000 foreign students studying in Malaysian HEIs, and by 1998 there were nearly 10,000 (McBurnie and Ziguras, 2001). By 2002, the number had risen to around 28,000, mostly studying business, information technology, or doing language courses and contributing around RM500 million per year to Malaysia’s GDP. The World Bank reports that a recent report by the National Economic Action Council in Malaysia indicated that the overseas student population in public universities grew 8.65% between 1997 and 2000, and in private HEIs it grew 60.1% year on year in the same period (World Bank, 2003).

1.31. The majority of students come from the People’s Republic of China and Indonesia (around 15,000 in 2002), although others come from the United Kingdom, the Middle East, the Maldives, Kenya, Uganda, South Africa, Singapore, and Hong Kong (studymalaysia.com, 2002). Most of these students are enrolled in transnational courses in the private sector and are at the
postgraduate level. In 2002, there were 22,827 overseas students in private HEIs and 5,195 in public institutions (JPS, 2002). College education and the first bachelor degree programmes are meant for Malaysians while the post-graduate studies are open to foreign students. Only around 100 PHEI’s are allowed by the Government to recruit foreign students.

1.32. The International Islamic University was founded under a co-sponsorship between the Malaysian Government, the Maldives, and the Organisation of Islamic Conference, Bangladesh, Pakistan, Turkey, Libya, and Saudi Arabia. The university receives government funding although it operates on a different basis from the other public universities and operates independently. It offers a full range of subjects, but developed within an Islamic perspective (GETIS, 2000).

**Malaysian students studying overseas**

1.33. There is a long history of Malaysian students studying overseas. In 1997, around 51,000 Malaysian students were enrolled in various institutions abroad, around 30% of whom were government-sponsored students which represented a high level of currency outflow, estimated by the World Bank at a net figure of RM2m (Rahimah et al. 1999). Among this group, 70% were studying for first degrees, of which 60% were in science, medicine, engineering and technical subjects (GETIS, 2000). The outflow was influenced by the Bumiputera policy whereby many well-qualified Chinese and Indian students were unable to find places due to quotas and could afford to study overseas. Data is not yet available on the effect the removal of the quotas has had on numbers. See section on entry criteria and verification for visa applications.

1.34. The major destinations for Malaysian students overseas in 1999 were the UK (23%), the USA (21%), Australia (23%), New Zealand (4%) and Canada (4%). Other destinations include Germany, Japan, Singapore, and the Scandinavian countries (GETIS, 2000). However, in recent years, Australia has become the most popular destination for Malaysian students. In Medicine, many students are opting for the cheaper courses in Indonesia and Russia. Some Russian schools are purportedly offering medical courses in English.

1.35. Universities overseas compete to attract Malaysian students because of the fees income that they generate. For example, Germany is offering free tuition to all Malaysian students for the foreseeable future. Many American universities have offered financial assistance to students from Malaysia in the form of scholarships, deferment of fees and discounts on courses. Germany and Sweden are allowing courses to be conducted in English at their major universities thus allowing students from Malaysia to enter straight into courses without any knowledge of the local language (GETIS, 2000).

1.36. However, the overseas market for Malaysian students is heavily dependent on the economic health of Southeast Asia. During the economic downturn in 1997 government or government supported scholarships for overseas study fell to less than 1,000 within one year. Overall, the percentage of students in overseas institutions dropped from 40% to 5% between 1985 and 1999, largely as a result of the growth of the private sector, which increased its share of students from 9% to 40% (GETIS 2000, Lee 2001).

1.37. In 2003, the World Bank reported that overseas education has resulted in an economic outflow of around $1 billion US annually (World Bank, 2003). To reduce this outflow, the government has been keen to stimulate the development of local education services, and this may reduce the number of students studying overseas and increase the popularity of twinning programmes and perhaps also distance learning. However, studying overseas has a long history and is unlikely to decline a great deal in the near future.

**IT Academies**

1.38. A number of IT academies have opened in Malaysia to help meet the demands of building a technological human resources infrastructure. Institutions have been established by big IT companies (e.g., Fujitsu) or foreign IT institutions (e.g., National Institute of IT (India)).
2. Status and Accreditation

Licensing and accreditation

2.1. In Malaysia, all transnational providers are subject to national laws and the national quality assurance framework. There are two main options for foreign providers wanting to offer courses in Malaysia. They can either:

1. Apply to be licensed as a private HEI (i.e. open a branch campus)
2. Deliver courses through a local partner licensed as a private HEI

2.2. All transnational private providers with a local presence must meet the government requirement that home nationals must hold 30% of the equity. They must also fulfil local registration requirements (Suleiman, 2002).

2.3. Courses from overseas providers leading to professional qualifications must meet requirements of professional licensing bodies, in the same way as local providers (see Section 3). They must also be accredited in the home country.

2.4. For franchised courses the PHEI act states that the curriculum should be exactly the same as the home-campus version (there could be a conflict with this and other requirements for minimum contact hours, for example when the course is not offered by distance mode in the home country). Both local private colleges and their partner universities must also submit annual reports on the progress of the 3+0 programmes. The reports provide details on the academic progress of students, staff development and student exchanges.

2.5. The UK Quality Assurance Agency (QAA) conducts regular audits of twinned degree programmes leading to UK qualifications, and in 1999, published its audit of engineering degree courses. LAN also considers the status of partner organisations in their home country with relevant quality agencies (e.g., QAA in UK), particularly regarding their overseas activities. (Check with LAN). Since Australia's quality agency came, it has suggested that it plans to visit and accredit franchised courses delivered by Australian providers overseas (Illing 2003).

2.6. The National Accreditation Board (LAN) is working with The Higher Education Department in the Ministry of Education on criteria for the assessment and quality assurances of qualifications. The intention is to make available different pathways towards qualifications in the MQF.

Recognition

2.7. Recognition currently is being undertaken by the Public Services Commission for the purpose of employment in the public sector. The professional bodies also recognise qualifications for the purpose of licensing.

2.8. The Public Service Department (PSD) has a list of recognised overseas providers. For example, only a small number of degrees obtained from universities in India and Russia are recognised. However, there is no such list for employment in the private sector. There is no strict regulation for entry to local public universities at the postgraduate level.

International agreements

2.9. Suleiman suggests a strengthening of any International arrangements for quality assurance, with clear guidance on principles and good practice, informed by international policies and best practice, and which addresses e-learning in particular. Countries have QA structures (and Qualifications Frameworks) at different levels of development; there is a need to harmonise and to develop a wider understanding of international comparability, equivalence, and mutual recognition (Suleiman, 2002). Most of the professional bodies are already involved in discussion.
of standards for global adoption (e.g., Washington Accord for engineers, IUA for Architects and the World Federation for Medical Education (WFME).

3. Government policy

3.1. The Malaysian government has historically welcomed international input and transnational provision in the national education system, since it brings with it international quality standards and expertise, and also promotes mobility of staff, students and professionals. However, there is some unofficial Malaysian concern that local private education with strong international links could create a two-tier system to the disadvantage of state education (GETIS, 2000).

3.2. The UK, the US, and more recently Australia, Japan, and Germany are actively involved in the transfer of skills and technology to Malaysian institutions, both public and private. However, the long-term aim of this involvement from the Malaysian government’s perspective has been to develop and expand Malaysia’s capacity to meet its educational and skills needs through its own institutions.

3.3. The 7th Malaysia Plan sought to reduce the number of students sent overseas for undergraduate study at the Government’s expense, so as to prevent capital from moving abroad, especially as the country sought to develop its indigenous provision, either through local private and public institutions or through partnerships. The latter reduces outflow of revenue, and builds the experience of local providers (GETIS, 2000). The World Bank reports that Malaysia is hoping to attract 50,000 overseas students by 2010 (generating RM3 billion annually) and establish itself as a regional education hub (World Bank 2003). According to a recent study commissioned by the National Economic Action Council, higher education costs in Malaysia are 30% lower than in Singapore, which could attract students from China, Indonesia and the Gulf States.

3.4. Since 1998, Malaysia has been seeking to become a major exporter of educational services in the ASEAN region and regularly organises education fairs to promote Malaysian Education abroad.

3.5. The Ministry of Education’s current policy on transnational tertiary education is focused on the following themes:

- Medium of instruction
- Procedure of approval of student visas
- Policy on 3+0 courses
- Encouraging top international universities to open branch campuses in Malaysia
- Exchange of teaching staff
- Exchange research and development

GATS

3.6. As yet, there has been little discussion regarding the implications of GATS for higher education in Malaysia. Malaysia is a member of the WTO, but as of 2001, it had not made an offer of educational services – although it is perceived to comply with the national treatment principle that there should be no substantial distinction in legislation between local and private providers.

3.7. The Ministry of International Trade and Industry handles all trade negotiations, in consultation with the Ministry of Education. There are workshops and discussions with relevant departments, and associations representing private institutions are consulted and participate in events.
4. Impact of TNE on national education system and culture

4.1. The 1996, the PHEI Act had three key concerns regarding transnational provision (see Refs. in McBurnie and Ziguras, 2001, p.94), which led to the increased regulation of the sector:

- That the use of English may exacerbate social divisions
- That the curriculum of foreign providers may not meet the needs of the national economy
- That the vocational focus of private education may affect the need for graduates with high moral and ethical values.

4.2. In a recent report, Suleiman states that the lack of specific accreditation for transnational providers has, to some extent, mitigated against the commercialisation of education in Malaysia, by subjecting overseas providers to the same quality controls as local institutions. However, he also notes some other key challenges to the national system created by the commercialisation in the HE sector (Suleiman, 2002):

- Potential weakening of the national education system
- Concerns about intellectual property
- Insensitivity to cultural issues
- Concerns about academic quality
- Concerns about recognition of qualifications
Section 6. Public perceptions

1. Higher education - general

1.1. All ethnic groups value education as the principal transmitter of cultural values, and as the primary channel for occupational and social mobility and prestige. The key to a better life in Malaysia is still viewed, by a substantial number of parents, to be a tertiary education (GETIS, 2000).

1.2. Malaysia has a major education business that is growing year on year as supply struggles to cope with demand. There are networks of commercial educational agents in most towns that actively promote colleges, and there is a regular publication, "Education Quarterly", which reviews different aspects of the local education scene (GETIS, 2000).

1.3. Employers actively encourage their employees to take up courses of further education to gain specific qualifications to enhance their skills and productivity. Normally, this is done through bonus schemes rather than direct sponsorship of extended training (GETIS, 2000).

1.4. Although Malaysia is aiming at a rapid development of its domestic capacity to award academic and professional qualifications, overseas study has been so prevalent that local qualifications can often be viewed as "second best" (GETIS, 2000).

1.5. The reputation of specific courses via word of mouth from peers, friends and relatives, is probably the most important factor in the decision making process of many prospective students when deciding on a higher education institution (GETIS, 2000).

1.6. The World Bank reports intense competition between private higher education institutions that has improved quality and choice. This, combined with the growth in English language instruction, has created a vibrant and growing private education sector that is attracting fee-paying foreign students, from China and Indonesia, for example (World Bank, 2003). However, there are concerns about the number and quality of academics in these institutions, many of whom also work in public universities full-time, and some of whom only have a first degree qualification (Lee, 2001).

2. Quality in higher education

2.1. The meaning of quality in higher education to the local population has historically been linked to the reputation of the course provider with respect to students’ academic achievements, and also to academic affiliation with world-renowned universities (GETIS, 2000).

2.2. Accredited courses provide added value to students and providers since (Suleiman, 2002):

- Qualifications are generally endorsed by the Public Services Department;
- They help to secure employment opportunities;
- They improve access to sponsorship;
- They improve credit transfer;
- They assist with acceptance to enter public institutions.

2.3. However, Lee notes that a lack of resources prevents the Ministry from effectively monitoring and enforcing its rules and regulations related to private higher education, and that accreditation approval is often a slow process (Lee 1998, 2001). There are also concerns about the variability in quality in the private sector. Many private colleges have insufficient resources, facilities, teaching staff and student support systems to provide quality education.
2.4. In the public sector, a different ethos applies – where in the private sector quality is ‘policed’, in the public sector there is a principle that quality assurance is a self-directed evaluation aimed at quality enhancement and a professionally motivated activity. There are also quality units in all public universities.

3. Distance learning

3.1. The public perception of distance learning is often that it is ‘second chance, second best’ education for weaker students, whose completion and success rates are often low. The pedagogical quality of these courses is also questioned, since they involve limited face-to-face contact with teachers, and student support services (Marimuthu et al, 1998).

3.2. This perception is not helped by the fact that distance learning courses are not recognised by some professional bodies and some employers. Employers tend to be more sceptical of degrees obtained by the distance route, and offer graduates lower starting salaries (Lee, 2001).

3.3. However, such views are likely to change due to the expansion of distance learning and technological advances leading to more on-line provision (British Council, 2001). Distance learning can also be associated with self-improvement and CPD in preparation for future changes in skills needs.

3.4. Although the government is giving increased support to the further development of distance and open learning, most qualifications obtained through distance learning are at present of uncertain status and value (GETIS, 2000). Only well established qualifications such as the Henley MBA have any local standing in relation to recognition and employment (GETIS, 2000).

4. Transnational provision

4.1. Although there are a range of transnational providers in Malaysia offering foreign degrees and expertise, there is still a cultural preference by parents for education overseas, especially since/when the well-regarded local public institutions are unable to meet demand. Overseas universities have prestige and are thought to offer better quality education than local private universities, especially in technological and business-oriented subjects (GETIS, 2000).

4.2. Originally, little distinction was made between a foreign qualification obtained locally and ones obtained through overseas study. However, there is some evidence that this perception may be changing as more students take a local study option and quality differences emerge between overseas study in older well-established universities and overseas qualifications offered locally in co-operation with Malaysian partners. This has started to erode perceptions of quality and standards in overseas institutions and of the newer private institutions (GETIS, 2000).

4.3. At present, the reputation of the degrees offered in Malaysia depends on the standing of the local college and its twinning partner. However, the quality assurance of the locally delivered components are becoming a major concern, especially where systems of credit transfer for locally taught and examined modules are not transparent and where the Government is reluctant to recognise degrees from colleges that have historically been pre-university institutions, even when twinned with reputable overseas institutions (GETIS, 2000).

4.4. The economic crisis of 1997-1998 forced a reassessment of studying overseas, and the perceived high cost associated with education in other countries, meant that local universities, colleges and their twinning programmes were increasingly viewed as a viable alternative. Parents realised that they could save from £5000 - £6800 in educational costs by sending their children to local institutions (GETIS, 2000).
4.5. Transnational programmes are very popular among Malaysian and foreign students alike, especially for programmes on management, commerce, economics and accountancy. These courses contain content taught in English that is largely based on Western traditions in each subject. There are concerns that this may have an impact on the preservation and development of national identity. In addition, many TNE (and private) students are also non-Bumiputera, so such influences are not evenly spread throughout the population, which may damage social cohesion (Lee 2001). A public/private divide may be emerging in terms of student experience.

4.6. Lee suggests that Malaysia has had to compromise its nationalistic policies in the face of globalisation, and the realities of importing Western curricula as well as the need to offer courses that are attractive to overseas students who seek globally relevant qualifications and training. She says:

“Malaysia has found itself in a double bind by being a key player in the internationalisation of higher education. As a consumer of transnational education, Malaysia has attempted to indigenise the international curricula, but as a provider, it has to sacrifice some of its nationalistic sentiments by incorporating more universalistic elements in its educational programmes to suit the needs of the global economy, and at the same time be more sensitive to the cultural context of its foreign clients” (Lee 2001).
Section 7. Tertiary Sector data

A: Public Sector Universities/University Colleges

<table>
<thead>
<tr>
<th>Name</th>
<th>Acronym</th>
<th>Type</th>
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<td>University</td>
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<td>UMS</td>
<td>University</td>
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<td>University</td>
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B: Private Sector Universities/University Colleges

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<td>IMU</td>
<td>University</td>
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C: Overseas University Branch Campuses

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### D: Polytechnics

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### E: Community Colleges

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<tr>
<td>Institut Bahasa Melayu Malaysia</td>
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<tr>
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<td>MP Raja Melewar</td>
<td>N.Sembilan</td>
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<tr>
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<td>MP Batu Pahat</td>
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<tr>
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### G: Number of Overseas Institutions with 3+0 Franchise links by country

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<th>Country</th>
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<td>Ireland</td>
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<td>New Zealand</td>
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<td>Switzerland</td>
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<td>United Kingdom</td>
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<tr>
<td>USA</td>
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</table>

**Source:** Ministry of Education, as at 1st June 2003
H: Overseas Students in Malaysia (all tertiary)

<table>
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<th>Students</th>
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<td>1996</td>
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<td>1999</td>
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<td>2000</td>
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<tr>
<td>2002</td>
<td>26,466</td>
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<td>2003*</td>
<td>18,200</td>
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*As at 30th June

I: Overseas Institutions with 3+0 Franchise Links by Country

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</tr>
<tr>
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<td>Australia</td>
</tr>
<tr>
<td>Deakin University</td>
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<tr>
<td>Edith Cowan University</td>
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<tr>
<td>La Trobe University</td>
<td>Australia</td>
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<tr>
<td>Murdoch University</td>
<td>Australia</td>
</tr>
<tr>
<td>Royal Melbourne Institute Of Technology (RMIT)</td>
<td>Australia</td>
</tr>
<tr>
<td>University Of Canberra</td>
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<td>University Of South Australia</td>
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<tr>
<td>University Of Southern Queensland</td>
<td>Australia</td>
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<tr>
<td>University of Technology Sydney</td>
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<td>University Of Western Sydney MacArthur</td>
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</tr>
<tr>
<td>University Of Wollongong</td>
<td>Australia</td>
</tr>
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<td>Victoria University Of Technology</td>
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</tr>
<tr>
<td>University Toulouse Le Mirail</td>
<td>France</td>
</tr>
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<td>University College Dublin</td>
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</tr>
<tr>
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<td>New Zealand</td>
</tr>
<tr>
<td>Nelson Polytechnic</td>
<td>New Zealand</td>
</tr>
<tr>
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<td>Switzerland</td>
</tr>
<tr>
<td>Anglia Polytechnic University</td>
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</tr>
<tr>
<td>Coventry University</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>De Monfort University</td>
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<tr>
<td>Oxford Brookes University</td>
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<tr>
<td>Robert Gordon University</td>
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<tr>
<td>The Nottingham Trent University</td>
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<tr>
<td>University Of Hertfordshire</td>
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<td>United Kingdom</td>
</tr>
<tr>
<td>University Of East London</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>University Of Lincolnshire &amp; Humberside</td>
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<tr>
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</tr>
<tr>
<td>University Of Northumbria At Newcastle</td>
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<td>University Of Sheffield</td>
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</tr>
<tr>
<td>University Of Staffordshire</td>
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<tr>
<td>University Of Wales College Newport</td>
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<td>University Of Westminster</td>
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<tr>
<td>University of Wolverhampton</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>University of Abertay Dundee</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Lawrence Technological University</td>
<td>USA</td>
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Source: Ministry of Education, as at 1st June 2003

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<td></td>
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<td></td>
<td></td>
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<tr>
<td>Total Private Sector</td>
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<td>501</td>
<td>582</td>
<td>599</td>
<td>642</td>
<td>536</td>
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<td>497</td>
<td>577</td>
<td>591</td>
<td>632</td>
<td>518</td>
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<tr>
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<td>497</td>
<td>577</td>
<td>591</td>
<td>632</td>
<td>518</td>
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<td>Teachers Training Colleges</td>
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<td>27</td>
</tr>
<tr>
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<td>8</td>
<td>10</td>
<td>12</td>
<td>12</td>
<td>13</td>
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<tr>
<td><strong>C. Total (private and public)</strong></td>
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<td>404</td>
<td>552</td>
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<td>605</td>
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<tr>
<td>2. Non-university postsecondary</td>
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<td>538</td>
<td>620</td>
<td>631</td>
<td>672</td>
<td>570</td>
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### K: Total Student Enrolment at Higher Education Level in Malaysia (1995-2002)

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<th></th>
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</tr>
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<tbody>
<tr>
<td><strong>A. Private Institutions</strong></td>
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<td></td>
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<td>Total Private Sector</td>
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<td>143,803</td>
<td>168,489</td>
<td>215,594</td>
<td>232,069</td>
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<td>143,803</td>
<td>168,489</td>
<td>199,613</td>
<td>209,589</td>
<td>243,844</td>
<td>252,789</td>
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<tr>
<td>Total Public Sector</td>
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<td>353,733</td>
<td>317,081</td>
<td>361,505</td>
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<td>171,313</td>
<td>190,538</td>
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<td>251,608</td>
<td>276,970</td>
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<td>Universities</td>
<td>159,018</td>
<td>171,313</td>
<td>190,538</td>
<td>236,326</td>
<td>251,608</td>
<td>276,970</td>
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<td>2. Non-university postsecondary</td>
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<td>19,637</td>
<td>16,082</td>
<td>23,740</td>
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<tr>
<td>Polytechnics</td>
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<td>18,434</td>
<td>18,830</td>
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<td>31,844</td>
<td>43,248</td>
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</table>

**C. Total (private and public)**

<table>
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<th></th>
<th></th>
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<tbody>
<tr>
<td>1. Universities</td>
<td>159,018</td>
<td>171,313</td>
<td>190,538</td>
<td>236,326</td>
<td>267,589</td>
<td>299,450</td>
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<td>285,896</td>
<td>265,086</td>
<td>294,124</td>
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**Sources:** PROPHE web site, Studymalaysia web site (2002), MoE (2003)

**NB:** Where "-" is shown, data is not available
Section 8. Sources of Information

Section 9. Appendices

Appendix 1: Outstanding queries

Section 1: Country Overview
1. Are there any current economic policy issues that affect transnational, private and for-profit tertiary education in Malaysia?

Section 2: Education System
1. Information about the new qualifications framework (MQF).
2. Information on structure of education system, particularly:
   - Government spending
   - Fees paid by students?
   - How do local university fees compare with transnational and DL provision?
3. Information about current government policy on higher education especially the Malaysian government’s position on GATS with respect to higher education
4. More detailed information on access and enrolments to HE
   - Numbers of students with qualifications to access HE (e.g., SPM, SPTM, others...)
   - Numbers and % of students who enter each level of HE (e.g., universities, community colleges, private colleges, etc.)
   - % of students who enter HE by age.

Section 3: Legal Frameworks for Higher Education
1. Information about proposed changes to the HE legislation
2. Information about the Quality Assurance Division in the public sector and the proposed MQF
3. Information on current government policy and initiatives in quality assurance, and also details on any international co-operation in this area

Section 4: Distance Learning
1. Information about DL programmes (e.g., number, number of students, types of courses, etc.)
2. Details on current international links between Malaysian institutions and international providers for distance learning, especially re: professional qualifications
3. Information about any regional initiatives in distance learning

Section 5: Other Transnational provision
1. Information about the activities of Malaysian HE institutions overseas
2. Information about other non-UK transnational provision, especially at the corporate level (e.g., IT academies)
3. Are there any issues with recognition of courses with overseas providers, e.g., for entry for local universities, employment, etc.?
4. Updated figures on the number and origins of overseas students in Malaysia and the destinations and number of Malaysian students overseas
5. We need to try to discover the impact of transnational provision on the local HE sector, students, and the wider society and the national economy. Is it positive, negative or both? What are the key challenges and opportunities?
**Section 6: Public Perceptions**

1. How do Malaysian parents, students and employers view the changes in the HE system in recent years? What do they like/dislike about the restructuring and expansion of the system?
2. How does the Malaysian public view access issues (i.e. access routes – diploma, SPTM) and the number of places available in HE institutions?
3. Has public confidence in the quality assurance of private provision (both indigenous and transnational) improved (or not) in recent years?
4. Are Malaysian students increasingly happy to study in Malaysia rather than travel overseas?
5. Is Distance Learning still viewed as second best by students and employers?

**Section 7: Tertiary Sector data**

1. We need to clarify the exact numbers of higher education institutions by type (e.g., universities, community colleges, and private colleges); especially whether or not there are any new private institutions. Trend data and lists of institutions for the last 5 years would be ideal.
2. Detail about the total numbers of students enrolled in higher education by type of institution. This will give us an insight into demand and supply issues.
3. Information on transnational providers, especially regarding fees, modes of delivery, qualification levels and subjects.
Appendix 2: Contributors and Contacts

Case Study Contributors

We are very grateful for the patience, time, and enthusiasm of all of all of the country experts who contributed to the development of this case study. Our contributors are listed below (in alphabetical order):

Prof. Dr. Mahani Zainal Abidin
Head, Special Consultancy Team on Globalisation
National Economic Action Council (NEAC), Malaysia

Dato' Professor Dr Ibrahim Ahmad Bajunid
Dean Faculty of Science, Community & Social Science
Universiti Tun Adbul Razak

Profesor Datin Dr. Rahimah Haji Ahmad
Director, Principalship Institute
University of Malaya, City Campus

Professor Zita Mohd Fahmi
Senior Corporate Manager
National Accreditation Board (LAN)

Mr. John Fielden
Director
Commonwealth Higher Education Management Service (CHEMS) Consulting

Dr. Molly N.N. Lee
Associate Professor
School of Educational Studies, Universiti Sains Malaysia

Mdm. Zaharah Mohd Salleh
Head of Research Unit, Department of Private Education
Department of Private Education (JPS)

Dato' Professor Dr. Sharifah H. Shahabudin
Deputy Director
Quality Assurance Division (QAD), Department of Higher Education

Other Contacts

In addition, we would also like to acknowledge the following people, who were able to assist us with locating suitable information and important contacts.

Prof. Dr. Hassan Said
Director
Department of Higher Education

Dr Jasbir K S Singh
Consultant
ACU Women’s Programme