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**FOREIGN BRANCH CAMPUSES IN MALAYSIA :
STATE ACTION AND CONSUMER CHOICES REVISITED**

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Abstract

This research evaluates the effect and reasons of popularity of an Australian and British Branch University in Malaysia. The intention of the case study-based research was to produce an analytical overview of the countries widespread University twinning programs at local higher education institutes. The socio-economic underpinnings of the Asian Financial Crisis upon the Education sector are analyzed in this context as well. The 1997-98 economic downturn called for alternative means to address the rising problem of unmet demand for skilled labor tha high growth economies such as Malaysia vitally needed. The twinning program was a strategic state action to curb the outflow of valuable foreign currency and human capital while simultaneously creating an revenue stream from incoming international students from other affected Asian countries. Despite the success of the brain drain and brain gain reversing idea, increasing costs and lower cost education destinations such as China, Indonesia or India may limit Malaysia's potential in the future. This paper argues that state actors need to remain pro-active in maintaining the country's growing reputation for quality 'foreign' education in Asia. The thesis aims to highlight the current consumer choices for foreign branch universities in the midst of the multitude of local private higher education institutes, the impact of the rising influx and origins of international students due to fiscal and non-fiscal motivations and also focus more importantly on the sustainability as a value-for-money education hotspot.

Keyword: Twinning Programs, Kuala Lumpur, Education Hotspot, Higher Education, Satellite Campus, Branch University, Corporate Sponsorship, State-led Support, Education Quality and Standards Surveillance, Employment, Graduates, Monash University, Nottingham University Malaysia

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1. Introduction

Many industry-university collaborative ventures were established after the regional currency depreciations in 1997 due to the lower rate of purchasing power of the local currency. In particular many middle class families, who had sent their children abroad during the 1980's high growth years had to readjust to a higher local financial burdens and rising tuition fees for international students abroad. Changes in the Malaysian landscape of higher education however, were not solely due to government intervention but include factors such as the increasingly market driven nature of university supply and demand, course structure and the local demand for higher value foreign degrees (Lee1999: 134). Affirmative action towards Bumiputra Malays implied, and continues to imply, that Chinese and Indian Malaysians are limited in pursuing higher education in the racially restricted public institutes, in turn calling for alternate suppliers of education.

Since the late 1960's Malaysia has been a major exporter of its graduate students to institutes of higher education in the United Kingdom, the United States and geographically closer Australia (Dooley 2000:4). Nottingham University (UK) being one of the more popular education hotspots for Malaysian law and engineering students (more than 1000 graduates)¹ was also successful in establishing similar popularity for its foreign branch campus in Malaysia in 1998.

Given the changes in global market forces, the interconnectedness of regional economies and Malaysia's Vision 2020 drive towards attaining Knowledge-economy status, the diversification and expansion of multiple channels of higher education deliverance have been very rapid. This development is partly attributed to the generous national budget spending by the state on the educational sector as a whole. Amongst the various local colleges, polytechnical centers and ex-polytechnical centers of tertiary study² that offer foreign degrees³, a handful of overseas branch campuses claim to offer an exact replica of course content in Malaysia.

The thesis will attempt to analyze the effectiveness and reasons behind the success – whether financial, cultural or academic - of two most popular foreign universities in the surrounding areas of Kuala Lumpur. The main crux of the activity however is to evaluate and review the internationalization as well as the increasing commodification of education and educational degrees and to observe the socio-cultural factors determining enrollment⁴. Depending on time constraint of this research, the latter analysis is concentrated to a summary of the various field observation and results of the sampling size only. The collection of primary data consists of an opinion survey related to the perception of local students (Malaysian and international)⁵ toward public universities and polytechnical centers of 'instruction' Vis a vis their own foreign branch campuses.

¹ Nottingham University Malaysia Campus Brochure

² Semi-university status

³ Twinning programs with overseas partners

⁴ (Family background, prestige associated with 'locally-bred' foreign degree holders, state objectives in encouraging foreign 'intervention' in building a higher-skilled workforce and the rate of brain drain reversal and its impacts).

⁵ Bumiputra: of Malay origin but not necessarily only Malaysian-born (i.e. Chinese and Indian Malay)

1.1.The Impact of the Asian Financial Crisis on Education Consumption in Malaysia

The changes in personal purchasing power before, during and after the Asian Financial Crisis are important in explaining the present context of a highly diversified Malaysian education environment. The demand for PHEI's was heightened by the full fee requirement set by UK universities on incoming international students in the late 1980s. The low value of the Malaysian Ringgit (40% depreciation), the higher cost of living and tuition abroad explain the emergency fiscal policy move to restrict the outflow of valuable currency and the associated brain gain spillover from neighboring countries.

East Asian countries placed emphasis on educational reform in nation building and economic growth through legislative and cultural means during their respective reform years and emulated German and Swiss-based concepts of postgraduate studies and research (Lee M. 2003:23). That said, within Asia, only Malaysia and Singapore can be considered the forerunners of the specific University twinning (2+1 or 3+0 degrees) implementation⁶.

In that context, the main points of this paper are to highlight the political and economic developments spurred the growth of private higher education in Malaysia. Issues to be addressed include who are the main consumers of foreign branch campuses? Secondly, who are the major players in the arena and how did they get involved in international industry/state/education partnership for the delivery of training? Thirdly, what are the implications on the supply of and demand for higher education in Malaysia on quality? And as a last point of investigation, how do private institutions contribute towards the diversity of curriculum as opposed to the state's perception on which type of graduates are relevant for national development? Only two out of the major five foreign branch campuses are taken as case studies. Analysis will, however, also compare examples of other private higher education institutes (PHEI) wherever relevant to the context of this paper.

2. BACKGROUND OF HIGHER EDUCATION DIVERSIFICATION

2.1. Supply of and Demand for Graduates in Malaysia

During the Seventh (and Eight) Malaysia Plan most of the new jobs were in the manufacturing and service sectors. The former was to create potential for 564,700 new jobs (Prime Minister Abdullah Badawi, National Budget 2005 speech transcript). The further shift of the economy into becoming a Knowledge based economy (KBE)

⁶ Popularly the structure of such twinning programs implies that 2 years are spent studying duplicated American university courses in Malaysia and the last year is finished abroad (2+1). During the Asian Financial Crisis, restricted disposable incomes of (X) increased the demand for (3+0) programs wherein the entire duration of the foreign course was completed locally, irrespective of duration but a foreign degree from the overseas partner university was awarded nevertheless. By 2000 statistical evidence (Howard J. Dooley in *The Advising Quarterly*) had normalised to favour (2+1) degree structures again. The latter are considered as Exchange programs at both Monash and Nottingham Malaysia Campuses.

implied that manufacturing and service specific sectors would create and require more than one million new jobs (Tan, 2002: 84). However, potential demand for skilled labor and supply of value-added workers was grossly underestimated as the employment rate rose at 3.4% per annum while the 'skilled' labor force would only keep pace at 2.9% per annum (Tan, 2002: 85). Furthermore the number of Knowledge workers needed to operate and maintain Malaysia's Multimedia Super Corridor (MSC) and its companies, is estimated to range between 30,000 - 50,000 for 2007 (Ministry of Higher Education, 2005) while the supply is only estimated at 36,000 graduates countrywide (Badawi, 2005). This sets another reasonable call for expenditure on higher education increasing over the years.

2.2. Internationalization of Universities and Overseas Expansion

The legislative reforms of 1996 and more importantly the Seventh Economic Plan are part and parcel of Malaysian government's nature of affirmative action and the keen goal of the 'father of the Nation' Dr. Mahatir Mohammed for Malaysia to become a developed K-economy through the objectives of Vision 2020. Affirmative action of the 1980's was marked by the proliferation of twinning degrees and the wave of privatization and internationalization in the lucrative PHEI sector.

As Teo (2005:3) notes, the recession driven mantra to 'make more out of less' called for even more foreign education suppliers to address the shortage of university places and qualified graduates. Not surprisingly between 1986-2005 the figure of private institutes rose from 50 to 539 – a notable ten-fold increase. Coincidentally, institutes of PHEI's in the Anglo-Saxon region including Australia, UK, USA were at the same time looking for expansion of their campuses into other regions, particulate Malaysia given it's well publicized state incentives for foreign institutes and rising middle class that valued foreign education. As the Vice-Chancellor of Monash University noted on the expansion of its second offshore campus⁷;

*"Monash's creation of the branch campus in Malaysia reflects Monash's need to become a global player and to assume a pro-active role in bringing higher education to the doorstep of the Asian region...it is necessary to move because countries in the Pacific region are increasingly in the process of building up their higher education systems at home"*⁸.

Monash Undergraduate Prospectus (2005:4)

As witnessed by the expansion of PHEI's from the 1980 to mid 1990's, the policy and market adjustment in the knowledge incubator sector struck a chord as Malaysia, alongside K-economy pioneer Singapore, became a prime destination for Asian students from China, Indonesia, wider Southeast and South Asia swell as a set of the North African countries including Nigeria and Sudan (Lee, 1999:121). Tan considers the Asian financial Crisis of 1997-98 a blessing in disguise as it elevated Malaysia's status as a private education provider within the Asian region. Not only did it boast the highest density of foreign university collaborations with local universities but its twinning concept of 2+1 (two years study in Malaysia one year aboard) was

⁷ Seven Monash campuses in Australia, plus a South African and Malaysian branch campus

⁸ Monash University Malaysia was established in Sunway City, Petaling Jaya, KL in 1998

reformulated to become a new and government approved 3+0 (entire duration of *foreign* degree completed *locally*). This decision reduced the financial burden of student and their financing parents⁹ and created increased demand in private Malaysian education and public support in the affirmative action-driven concept (Dooley, 2000:12).

2.3. Malaysia's Education Hub: the Role of State Affirmative Action

The state amended its legislation and created space, both physical and legal, to further create incentive packages and tax exemptions for highly ranked British and Australian universities to open in Malaysia. Johari (1996) describes in detail the five legislative bills¹⁰ passed by the Malaysian government in 1996 that marked the beginning of the post-recession transition of higher education supply locally. These revised Acts more specifically also spelled out the regulatory supervision which was to ensure quality and standard of small, medium and large private educational institutes and foreign twinning degrees to be issued locally. One of the most active amongst these latter agents has been the National Accreditation Board (Ayob and Yaakub, 2003:12), which continuously checks for the compliance twinning degrees, the fulfillment of state-set requirements (Malay/Cultural studies as a core requirement at Bachelor level at private and non-private PHEI's) and staff and curricula quality testing (Teo, 2005:3). The details of which however fall beyond the limits of this paper.

2.4. Incentives for Education Suppliers and Consumers

Monash University Malaysia and Nottingham University Malaysia were taken as case studies for this fifty-day field research. Both foreign branch universities are proof of Malaysia's capability to not only encourage its numerous PHEI's to 'twin' with overseas learning institutes (mostly UK and Australian based universities/ colleges) or call for mergers of smaller colleges but also to attract entire satellite branch campuses to the country. The latter remains a clear indication that the state emphasises quality rather than quantity in the midst of more than 500 higher education colleges, teaching institutes and universities – both public and private.

Another incentive that drives foreign universities to consider Malaysia as a location for a regional branch campus is the fact that the government has created tax incentives encouraging PHEI's mergers and thereby stress the importance of value-added education suppliers and competitive pressures to innovate and excel in terms of Education supply. In addition, the government facilitates the immigration requirements for international students as once a student has been accepted¹, the institutions are held responsible to shorten immigration matters that may take several months (Teo 2005:4).

⁹ Parents or family sponsors almost all of the sixty respondents from both field sites.

¹⁰ The Private Higher Education's Act of 1996, the National Accreditation Act 1996, the National Council for Higher Education Act 1996 and the new Education Act of 1996, helped to widen the diversity of Education suppliers within Malaysia.

3. DIVERSITY IN PRIVATE HIGHER EDUCATION

3.1. Stakeholders of Foreign Branch Universities

When the Malaysian economy regained its momentum in the 1990's and restructured its economic objectives, particularly stressing Malaysia future role as the regional Multimedia Super Corridor (MSC), corporate involvement as evidenced by the buying of stakes and shares of smaller PHEI's increased. As a consequence, the full takeover of some co-sponsored learning centers (e.g. Sunway Corp, Hong Leong Financial Group, Berjaya Ltd.) equally increased the interest and trust in the privatized education. The new development of branch campuses in the strategically located township carries multiple benefits for the co-sponsors such as increased real estate value and infrastructure demand. In fact Monash University is located at the center of Sunway town. Understandably so, many of the commercial, housing and entertainment projects belong to the SungeiWan Group and Sunway Lagoon Resort establishments and large percentage of students live in the nearby-outsourced private residential establishments.

3.2. Commofidication? (Is it commoditization?) of Popular Degrees

Similar to development elsewhere economic growth creates new industries, most notable in the manufacturing and service industry that needs a continuous supply of skilled graduates in the field of engineering, accounting, business and science and technology. Not surprisingly these are also the most frequently offered courses by private suppliers including Monash and Nottingham. As Ong and Nordin (2002:11) further point out, the industrial awareness of this natural progression of needed human and social capital implies that programs that cater the specified degrees will 'sell' well irrespective of actual course content.

The full fee paying (user-pays principle) consumer (student, parent) ensures a continuous cash flow that in turn facilitates the enhancement of campus infrastructure (R&D Labs, Computer facilities, Hostels, Entertainment and Recreational facilities)¹¹ and allows for wider expansion of its own 'trademarked' branch campuses in other regions. Ideally then, currency outflow (foreign degree demand) was considerably reduced during the crucial post-Crisis years (Yee et al. 2004:27). Simultaneously, whether by intent or default, crisis struck neighboring Countries supplied Malaysia with a welcome and increasing supply of full fee paying students, most notably from Indonesia, Hong Kong and China. A table highlighting the difference in depreciation of the Indonesian Malaysian currencies during Crisis and a subsequent graph showing the increase in international students to Malaysia is shown below.

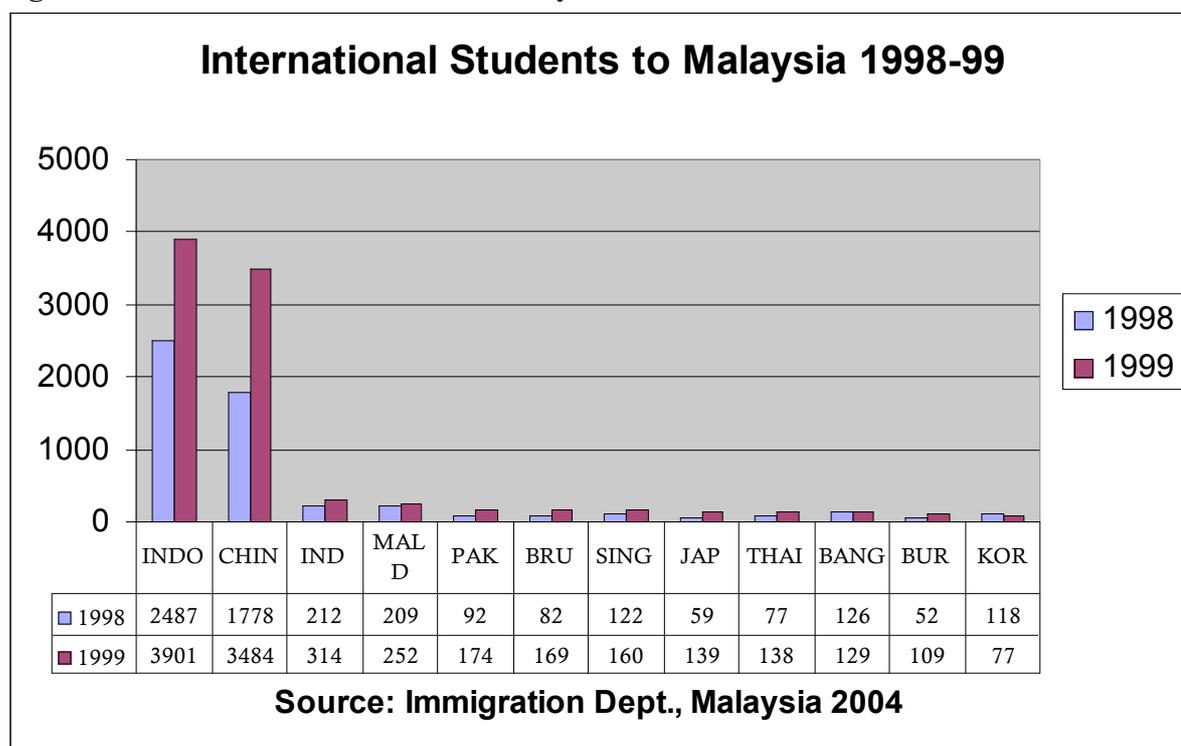
¹¹ Bandar Sunway district, Southeast Kuala Lumpur

Table 1. Example of Indonesian and Malaysian Currency Devaluation (1997-1998)

	USD/ Indonesian Rupiah	USD/ Malaysian Ringgit
May 1997	2,434	891
July 1998	14,383	1,366
Depreciation May 1997 -July 1998	83.08 %	40.16 %

Source: Pacific Analysis Computing & Information Facility in Commerce Exchange Rate Service (<http://pacificcommerce.ubc.ca/xr>)

Figure 1. International Students to Malaysia in the Post-Crisis Years



(The above table is from Tan, A.M., (2002). *Malaysian Higher Education*, ASEAN Academic Press, London) Note: China data incl. of Taiwan and Hong Kong.

3.3. PHEI Quality and Quantity Discourse

Given that Malaysia is relatively politically and geographically stable, its tourism slogan of “Malaysia — Truly Asia” also resonates well in its new niche of what Musa (...) defines as ‘education tourism’. However, there are notable other positive spill-over effects of liberalising the education environment and the profile of the players within.

Yee and Fook (2004:23) explain how the mid-1990 saw a proliferation and diversification of PHEI's wherein many ex-polytechnical colleges in the UK were designated new 'university' status and found more acceptances among Malaysian institutes seeking foreign partnerships that were popularly received by Asian consumers. The higher tuition fees (vis a vis public universities) and triple increases in tuition cost and average miscellaneous fees at foreign branch campuses (see Data Results and Discussion) highlight the fact that clientele continues to place high value on recognized transnational Universities and are willing to pay for perceived quality it seems (see Discussion Results highlighting some other findings on this factor).

Despite the comparatively high rankings of the seventeen public Malaysian universitiesⁱⁱ, in particular the University of Malaya, within Asia, the state, industry and consumers still believe in the higher quality assurance of Private education institutions (Teo 2005:98). The latter are believed to cater to more than 52% of the international students doing their higher education in Malaysia.

Following in line with Singapore, Japan and Korea, Malaysians have intensified their emphasis and budget spending on high-quality education as a means of progress in lines with the country's Vision 2020. The demand for value-for-money education coupled with the Ministry of Higher Education's drive to make Malaysia a 'centre of educational competence' has provided ample ground for international students from the region and abroad to consume the financially more attractive foreign education packages (2005).

Complementing the seventeen well ranked public universities in Malaysia, are hundreds of private colleges and 16 private universities, which have graduated thousands of Malaysians, and 51,000 international students from 130 countries (Badawi 2004). The latter contribute valuable foreign income and more importantly human capital to economic growth zones like Penang or Malaysia's local IT region in Cyberjaya. Not surprisingly, as field information confirmed, the respective universities are often in close proximity to commercial and business centres (e.g. Monash in Sunway City) or knowledge and administrative capitals (i.e. Nottingham being situated between Cyberjaya and Putrajaya – the multimedia and political capitals respectively).

4. METHODOLOGY

The field data was gathered by a structured survey with and Participant (Student) Observation from the Sunway-Monash University and the new University of Nottingham campus outside of Kuala Lumpur. Gathering statistical data and field notes (summarization of observation survey) from staff of the International Student Office College Monash was a valuable source of primary data. Although primarily the aim was to include staff opinions on the transnationalism of foreign universities, the logistical difficulty in obtaining appointments reduced the study to a consumer choice analysis of a random set of student only. The findings will also look at the quantitative side – namely of rising tuition costs, changes in administrative costs due to operational expansion from secondary material and trends in student origins. That said, the thesis largely remains qualitative rather than quantitative in its analysis by focusing on the socio-economic and perceptual factors that influence the popularity

for local-bred foreign degrees over public degrees. University statistics are merely used to supplement the above-mentioned discussion.

Ideally then the quantitative data collection only serves as a means to highlight (1) the long-term sustainability of the twinning program in terms of whether higher tuition costs would continue to correlate with high enrollment rates or if consumers may prefer non-rent (profit) seeking private institutes and (2) evaluate the risk of a wider geographical expansion and co modification of foreign university branches to other regions and (3) discuss the possible changes in terms of standard maintenance and consumer trust and demand of such institutes within Malaysia. All these are paraphrased in various means in the survey (Appendix) and are divided into five sub-sections.

4.1. Source Selection

The major data source(s) were primary documentation on legislation (National Accreditation Board and Department of Private Higher Education reports), papers on regional comparison (Australian higher education expansion) and articles. The use of journal articles, speeches and reports and electronic blogs on higher education in Malaysia were also utilized extensively, as the topic of research is relatively new¹². As an additional tool, both University homepages, course brochures and newspaper inserts (Monash University, see Appendix) were extremely helpful in identifying the major departments of the respective schools and the type of publicity used to attract prospective students.

4.2. Site Selection

While Singapore has successfully managed to create a world class educational, labor and infrastructure environment that is conducive to foreign and local R&D investors and offers joint university degrees with some Ivy league Universities such as the National University of Singapore– Harvard or NUS-MIT collaboration, other Asian countries are following a context-suitable adaptation of its model. Today Malaysia, given its comparably larger size and population, has the highest number of foreign-local private university/college networking schemes and was therefore identified as an ideal field location for the context of this thesis. Although only few boast of linkages with some of the world's top research institutes, the objectives¹³ of the state-encouraged system are worthy of analysis and study.

Given that all private colleges, ex-polytechnical, private coaching centers and even short-diploma centers are included in the government's definition of private higher education institutions, it is not unreasonable to state that there were 534 private colleges (Tan, 23) in Malaysia in the year 2000 alone. Almost two-thirds of these centers offer twinning programs with US, Australian and British institutes of equal or even inferior status. As Musa points out: "*The 'twinning concept' appears almost as a means of survival for most of these small-scale PHIE*" (Lee M. 2003:78). Given the sheer quantity of twinning programs in the country and the time-restraint of the

¹² Jalan Conley No.2, 50200 Kuala Lumpur

¹³ Analysis will include: Balance of Payments objectives due to out flowing foreign tuition fees, foreign knowledge and practices of management and R&D, preparing young Malaysian Students for study overseas etc.

research, it was considered a more feasible and useful exercise to concentrate on the few foreign-branch campuses, with Monash being the oldest and the new Nottingham campus (opened in Sept. 2005 by Prime Minister Dr. Abdullah Badawi) the newest foreign university campus in the country.

4.3. Ethics and Ground Considerations

Given the content of this research, most interviewees had no hesitation to participate in the survey. As can be seen in the survey (Appendix 1), age, gender or racial origin was not addressed. Field observations however highlighted a higher degree of non-Muslim Malaysian (Bumiputra) students, mostly of Indian Malaysian and Chinese Malaysian and international origin. A letter of permission stating my origin as a University of Lund (Sweden) Masters student and local affiliation to University Kebangsaan Malaysia (National University) was obtained and used to introduce myself to staff and student from both universities. Upon request this letter of research permission (Appendix 4) was also faxed to Monash University when requesting an interview.

The period of Ramadan was taken into consideration as most of the surveys were scheduled in the in the mornings and early afternoons to avoid delaying the breaking of the fast. This applied to international students (some American and Nigerian respondents) as well. The first week of November coincided with the end of Ramadan (Hari Raya) and beginning of the Indian Deepavali festival. Given the public holidays and possibility of extended leave taken by staff/students (advise by locals), this period was not used for conducting field research.

4.4. Survey Choice

Five sections of the survey covered multiple-choice options related to factors affecting the particular choice of university. The last section contains four opinion and open-ended questions. Some of these opinion questions were also addressed in the oral interaction with the few of the respondents and addressed reasons of why the foreign overseas campus was preferred to (i) public institutions (ii) smaller local PHIE or (iii) why the actual home university in Australia and Britain would (not) have been chosen in the case that study abroad (for full degree) was financially and practically feasible.

5. Limitations of the Study

Quantitative aspects dealing with the precise sponsorship and stakeholder groups of various departments (if any) were not addressed in detail as these matters fell outside the time and content-scope of this paper and are at most times not revealed – highlighting - perhaps -the nature of higher education enterprises as the new form of business entities. At the International Student Office at Monash University, newspaper and publicity material addressed to international students abroad was requested but in vain. One officer that much of this type of material was not dealt with from the International Student Office (October 18, 2005 Sunway Monash Campus). Gathering direct newspaper and media marketing on courses (MBA and Engineering) at Monash University were however readily available as regular Dailies also carry

these. Given the poor response of university to give in-depth interviews, this study does not contain the staff and institute's opinions on foreign branch campuses in Asia. A respondent group of 50 students at each site (random faculty and study semester) was aimed for but logistical delays only allowed for sixty completed surveys from both sites combined. Therefore, the results and conclusions made represent findings from this limited sampling group *only* while generalizations on country trends are derived from secondary data material such as posted on the website of the Ministry of Education, the Department of Private Higher Education (recently established in 2003), the respective University homepages, Malaysia Statistics and recommended published material by the facilitating staff Prof. Wan Ziwawi and Mr. Athi Sivan (Host institution National University of Malaysia).

The interviews and data collection on the Malaysian campuses of Nottingham and Monash University were conducted within a time frame of less than fifty days between October and November 2005. All 30 surveys were completed at Monash University while 4/30 surveys intended for the University of Nottingham Malaysia were returned via email. A former friend and recent graduate of University of Nottingham - Malaysia was beneficial in forwarding the survey via e-mail to junior colleagues in the MBA program of the university. Although a larger response than four was expected via the email reply option, I was only made aware later that this research work fell within a time wherein many local MBA students are likewise working on their final year dissertations and papers.

6. RESULTS – FOREIGN STUDY IN MALAYSIA

6.1. Strategic Location of Foreign Branch Universities

Until the academic year of September 2005, University of Nottingham was situated within the Kuala Lumpur's Golden Triangle (commercial city center) on Jalan Conley. The new purpose-built campus of UN opened on a 101-acre hillside estate through financial support of Boustead Holdings Limited (Berhad) and YTL Corporation Berhad. The new Nottingham campus of Malaysia is geographically located in Semenyih region (30km from Kuala Lumpur) and strategically situated between Cyberjaya (IT Capital) and Putrajaya (new administrative capital). Both universities provide a large library; computer facilities (24 hours at UN) and free shuttle service of University pass holders from the nearest Metro station. Survey Results indicated an overall satisfaction with On-Campus Facilities connected to Academic matters.

6.2. Local and International Enrollment Trends

Data from the statistics (secondary material) on Monash Malaysia claims a three-fold increase in total students from 400- 1200 between 1998 to 2000 (University Brochure 2004/5). Field and desk research on both universities found common changes as for the intake of total number of student recruitments and intakes after 1998, an increase in renovation and facilities expansion. The fact that English is the medium of instruction at Monash and Nottingham (as compared to well known universities in Japan and Korea) is another draw for many international students; especially from Hong Kong, Indonesia, Singapore, Vietnam and African countries.

6.2.1. Expenditure and Consumer Burden

Foundation courses (pre-university preparation) in Arts, Engineering and Mathematics are available at RM 5500-6500 at Nottingham (2-3 semesters). As the table below indicates, average tuition rates for Malaysian citizens (permanent residency) for Undergraduates ranges between 22,000 – 24,000 with a RM 3,000 surplus for international students. Bachelor of Arts degrees fall into the lower tuition range while Bachelor of Engineering Degrees amount to 28,000. The same international student surplus rate applies. At Postgraduate level tuition rates are standard and offered at international rates at both Monash and Nottingham. Costing RM 31,000 – 33,000 Management, IT and Pharmacy (1 year UK stay at an additional 12,000 pounds) related courses. The widely popular MBA programs are prohibitively more expensive than other Postgraduate courses ranging between RM 41,000 - 47,000 at Monash and Nottingham. However while Monash Malaysia students are expected to pay international student fees in the last year of their 2+1 degree (Exchange year) the added attraction at Nottingham Malaysia is the local fee privilege for the second year exchange at the UK campus. Not surprisingly, enrolment rates at Nottingham Malaysia are expected to increase, given the larger and new purpose-built campus in Semenyih. Perhaps this explains why fewer Nottingham students made a remark on cost of education in the open-ended response section of the survey (sample in Appendix). That said, a comparison between average tuition fees between the United Kingdom (Nottingham UK) and Malaysian foreign branch university degrees (Nottingham Malaysia) shows an approximate 50% higher differential (Table 2), proving the Malaysian campus almost twice as cheap. These values however do not extend to an explanation whether academic facilities or educational and social experiences are the same as at the actual home campus in Europe. The latter point can be investigated as part of a more extensive cross-national comparison but does not fall directly fall into the scope of this work.

7. NATIONAL EMPLOYMENT NEEDS

7.1. Popularizing Sector-specific Degrees and Courses

Results (of what) indicate that courses are predominantly offered in the fields of Business Management, economic, science and engineering respectively. While private Malaysian institutes like College Olympia or Stamford are known to offer the standardized and commercially viable courses other vocational colleges and, more predominantly ex-polytechnical centers also offer architecture, hospitality/ hotel management, tourism studies and nursing in addition to the high demand driven MBA courses. The length of which can be surprisingly short (nine to twelve months completion).

The decreased enrollment figures at Monash Malaysia for the Faculty of Medicine between 2000-2004 resulted in a termination of the program. Interestingly the reputation for Medicine at the University of Malaya (public) still ranks high amongst local and overseas international students from the neighboring Southeast Asian countries such as Indonesia and Vietnam (Teo, 2005:4). Casual interviews and correspondence with few students highlighted that the latter would readily consider high ranking public universities in Malaysia, whereas students from Singapore and

most notably Hong Kong, were primarily in Malaysia due to the existence of foreign universities and the lower overall tuition cost vis a vis full-time study in Australia or UK. Note however that these reflections are based on interviews held on Monash and Nottingham campuses only and may therefore not reflect opinions or perceptions held by international students in other higher education institutes throughout Kuala Lumpur. Shown below is a summary illustrating some of the general developments within Monash University Malaysia. Due to the profound similarities in courses offered (except Law) at Nottingham, a summary thereof is not outlined below.

Table 2: Comparison of Home Base and Overseas Campus Cost and Faculties: Monash University

Monash University	Home Base Australia	Malaysia Campus
Average Tuition (UG)	20,000 – 25,000 (AUD) 55,783 – 69,728 (RM)	22,000 - 28,000 (RM)
(PG)	26,000 – 42,000 (AUD) 57,000 – 120,00 (RM)	31,000 - 33,000 (RM)
-MBA	50,000 (AUD) 140,000 (RM)	44,000 (RM)
Yearly Intakes	2 (Jan & Sept)	3 (Jan/April/Sept)
Major Departments	Arts & Science Business Engineering IT Media & Health Studies	Foundation Studies Business Engineering Computer Science and IT Pharmacy Law
Total Student Enrolment (2004)	12,468	2,219
Total International Student Enrollment	900 (30 countries)	390 (4 major countries)

Note: Home Base refers to Monash University in Melbourne, Australia; data is based on the figures set for the 2004/05 academic years and from Information gathered at the Branch Campuses in Kuala Lumpur, Malaysia. Correspondent Australian degree costs are rounded up to approximate rates and for the full degree period.

As can be seen from the table above the international student enrolment at the Malaysia campus is not as diversified as perhaps the Australian home bases as the largest sector of international students come from Hong Kong, China, Singapore and Indonesia (amongst other) with the number rising slowly but steadily. Furthermore Monash holds three annual intakes, referring perhaps to the length of certain courses or the increased enrollment target – both of which may affect the quality of the academic experience and insights gained. A similar comparison of average rates¹⁴ in the UK corresponds to 5,000 to 8,000 pounds for undergraduate degrees and 8,500 – 12,000 pounds for postgraduate programs. The correspondent savings for students studying at the British foreign campus in Malaysia are 50% on average. Miscellaneous costs such as obligatory university fees, accommodation and cost of living figures are not cited in a separate table but are needless to say cheaper in Asia although figures may vary between foreign campuses based within Kuala Lumpur and those based in the other regional states.

¹⁴ 1 Pound = 1.768 USD, 1 RM = 0.265 USD, 1 AUD = 0.738 USD (Exchange rates dated 04/11/2005)

7.2. Internationalization of Students and Universities

When compared to the Australian campuses (six locations) the ratio of local to international student is however more impressive in Malaysia (5:1 ratio) vis a vis Monash Australia (13:1) and goes in concert with claims of ‘an influx of international students’ noted in many of the existent published literature and state policy to create foreign income via so called ‘Education Tourism’ in Malaysia. The generous acceptance of international students at foreign fee rates (undergraduate level) stands in sharp contrast to public institutes which maintain a race based affirmative action policy of a 55:45 Bumiputra – Non-Bumiputra (Ong and Nordin 2003:56) student intake. The latter may be seen as a major reason why a large section of ‘Malaysian citizens’ but not Malays per se are forced to utilize alternative means such as foreign universities in Malaysia although the possible higher academic reputation of public universities degrees (i.e. University of Malaya graduates still well employable) are known.

On the reverse, however, there are fewer postgraduate enrollments at the Malaysian campus than at the home base, implying that foreign branch campuses (both Monash and Nottingham) in Malaysia are still premature in their potential to expand department of R&D or higher knowledge. As Dr. Raja Rasiah of the Asia-Europe Institute stated:

“Institutes that merely teach courses [and specifically in certain popular area studies] cannot be considered universities in the true sense...as the latter consists of a strong and diversified research base and capacity (Conversation September 2005).”

Accordingly then, Monash and Nottingham Malaysia can only claim an overseas, contract-based research base but no strong student-built research capital. Survey results also highlighted that many students (both campuses) were not certain or would not consider doing a PhD. One of the most interesting findings however showed that there is an overall preference to do a Masters degree abroad and that too not necessarily at the actual home bases of Nottingham (UK) or Monash (Australia).

Therefore then, Government claims of reduced brain drain due to foreign university presences in Malaysia may be true in the statistical sense only since the type of students held within the country are only at undergraduate level. It must be noted however that the random (faculty, age, gender) sampling of 60 respondents may be insufficient to draw such macro-level generalizations.

8. SURVEY RESULTS

8.1. Summary of Survey Results

Both foreign branch universities boast high research endowments and a skilled and highly renowned staff profile of visiting scholars from the home university in Australia and UK as well as contract-lecturers from industry, state and other affiliated (including retired) university partners. General findings include:

1. The student survey results showed a clear preference for foreign universities, largely as a perceived higher reputation of facilities and future employability of degree but not necessarily due to staff reputation or employability as Monash/Nottingham Malaysia alumni.
2. Parents are the main financiers of current students. Only one tuition scholarship recipient happened to be part of the sampling group (Monash)
3. The new purpose-built campus of Nottingham University is scenically located in the Semenyih hillside and provides easy access (shuttle to and within campus site) to university provided facilities (mini-mall, restaurants, shopping center, 24 hour Broadband computer lab and library). Housing for students is in close proximity and on par-with American university campuses. Housing services are contracted-out to private suppliers while Monash students are largely commuters or live in close proximity to the Sunway Township.
4. Monash University (established in Malaysia in 1998) resides within the Sunway resort and commercial region and is easily accessible. However campus environment and infrastructure is only comparable public universities
5. The larger part of respondents prefers a 2+1 model to a 3+0 full degree program at home (Malaysia). Factors cited included 'travel' experience and living independently but not necessarily exchange for academic experience abroad. Whether the enthusiasm for travel implies an interest in experiencing British and Australian means of teaching and cultural interaction remains somewhat inconclusive.
6. An exchange in a university in the UK was the most preferred option (42/60 respondents) while Australia and USA followed in consumer choice respectively.
7. Independent university research and word-of-mouth reputation guided most students to Monash and Nottingham University. Guidance Personnel (Education Fair representatives and Career Advisors) or parental guidance for the two universities was not a large determining factor.

The most interesting finding, however, was that most respondents stated that they would not have chosen the Nottingham or Monash if they did not have to study in Malaysia. Several respondents argued that they would have chosen institutes such as the London School of Economic, other UK universities and even American MBA programs from the Ivy League if finances and grades allowed. Only two Law students' respondents specifically added (other respondents random and faculty unknown) that Nottingham would have remained their first choice even a study abroad option existed. Therefore, a preference for the branch campuses of Monash and Nottingham in Malaysia does not imply that the exact same university would have been chosen if student was to study abroad.

The above findings may indicate an action of having chosen the foreign branch university of Nottingham and Monash due to mere availability of a handful of foreign satellite campuses in Malaysia or limited choice rather than specifically targeting the trademarked university during the application research. As noted earlier, these findings are made based upon results obtained from the sample of sixty respondents. A larger sampling size is required to make more reliable conclusions. As a general note however the findings of this thesis indicate that the entrance of other foreign universities in Malaysia may have the same potential to attract local and international students provided that the respective university is well-known (reasonably high

university ranking – not to be confused with research reputation), popular abroad and if similar tuition costs to other foreign branch campuses in the country are set. Alternatively survey results highlighted that cost of tuition vis a vis studying abroad was not a ‘very important’ factor in choosing Monash or Nottingham Malaysia, perhaps indicating the well-positioned social status of the enrolled and prospective students. As a further observation, English proficiency of most respondents was clear and confident perhaps as result of enrollment in private English-curriculum high schools were many of the middle class non-Bumiputra (see Background discussion on affirmative action toward Bumiputra Malays in Education and public-sector Employment).

Nonetheless, the fact that the former Education Minister and current Prime Minister of the country is an alumni and so-called ‘product’ of University of Nottingham (1958) in England and other Malaysian scholars (estimated 1500 Malaysian graduates from University of Nottingham – UK) is a further attraction for the publicity and success of the campus in Malaysia.

8.2. International Perspectives and Changes in PHEI

Increased budget spending in Education investment and expansion, particularly higher education and Research have been announced this year (September 2005 National Budget News). While the money is to be channelled into activities ranging from infrastructure to operations, the allocations underline Malaysia’s seriousness in ensuring that its education system is being upgraded and catching up on the highly successful university-industry-state collaborative model in neighbouring Singapore. As part of efforts to enhance the country as the country of educational excellence, the government has, since the mid 1990’s invited more foreign universities into the country to add to the already four active campuses of foreign universities in Kuala Lumpur and Sarawak. Amongst this encouragement, there was a parallel rise in the university-industry networks, ideally so the new campus of NU is situated between Cyberjaya and Putrajaya to mutually serve human capital exchange, visiting CEO guest and seminar lecturers from the nearby international firms and patent and R&D sponsorship. In this respect the findings of this theses are in concert with some academic notes on the subject higher education and university transnationalism:

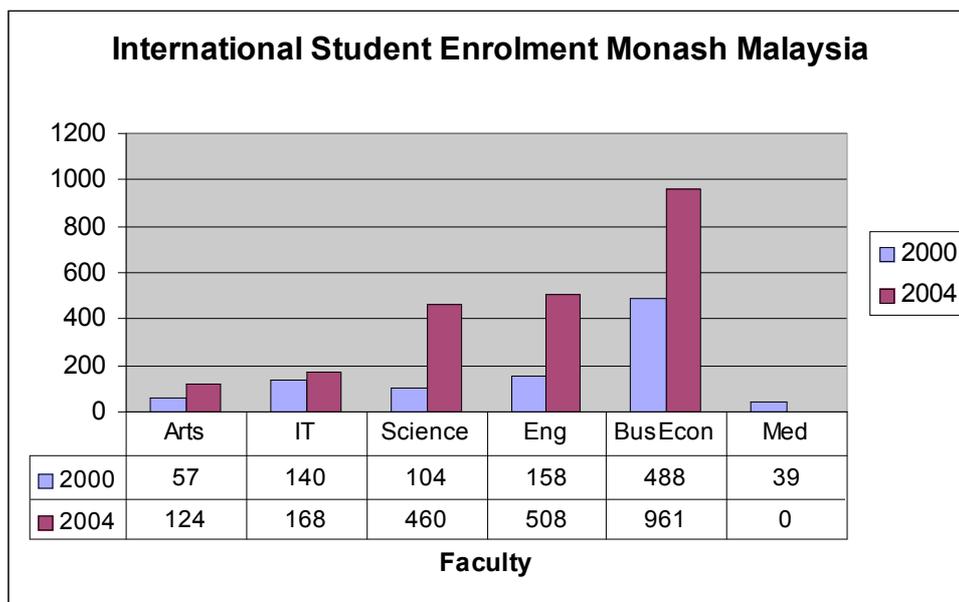
- i. The common themes in higher education policy include budget cuts, privatisation, commofidication, ministerialisation, managerialism, increased accountability and competition and quality improvements (Yee and Fook 2004:12)
- ii. Increased demand for Higher Education (private) in Malaysia was marked by an increase in Student Recruitment coupled with Re-construction and Expansion of University buildings and facilities, increased real estate necessities from the industrial sector and state tax and legal amendments in support of incoming foreign branch universities. (Lee 1999:121)

In a subsequent, related and comparative study four education capitals of the world, namely of the US, UK, Australia and Canada, Slaughter (1998 in Tan 2002:88-89) identified the trend toward course supply and demand or vice versa of the technical

sciences, R&D and intellectual capital. She further notes that “higher education is a means of wealth creation and higher education institutions are encouraged to make use of their intellectual property to create revenue” (Slaughter 1998:92). While the transparency at Monash University was low on its stand on intellectual property and industry sponsorship, University of Nottingham’s geographical positioning between Cyberjaya and Putrajaya partly highlights state tax exemptions on the one hand and industry financing for R&D projects on the other (OECD 2004).

By large however PHEI’s offer various choices of programmes: but mostly in the technical sciences and at the level of pre-diploma certificates to post-graduate qualifications like PhD or the popular MBA, again with different choices of specialisation, as well as degrees in engineering, IT, media communications and medicine respectively but despite the large pool of public and private institutions there is still a predominance to offer courses that ‘sell’ well. This trend as highlighted in the graph below is also reflective in the branch campuses of UM and UN in Malaysia.

Figure 2. International Student Enrolment in Monash Malaysia 2000 and 2004



Source: Monash University Enrolment 2004 Report

8.3. Courses, Degrees and Employability

Course Brochures from both UN and MU show that popular variations of MBA and Executive MBA programs as well as Engineering courses follow a similar course structure as in the UK or Australia¹⁵. Depending on the elective components, lecturers are local or retired lecturers and industry practitioners do either flown into Malaysia or facilitation from the University of Malaya or University Kebangsaan Malaysia and

¹⁵ Although core requirements may differ to reflect the Dept. of Higher Education’s legislation to incorporate Malay/Islamic Culture Studies in the first or second year of study. (Bandai 2005) The state has also amended its legislation and created space, both physical and legal, to further create incentive packages and tax exemptions for highly ranked British and Australian universities to open in Malaysia.

other institutes of R&D (e.g. Penang Skills Development Centre). The positive spill over effect for MU and NU students to quality teaching, international management practices and cultural integration with International students and locally based non-Bumiputra and Bumiputra students, is definitely of personal and social value.

Given the role and pressures imposed at the aftermath of the Asian Financial Crisis in 1997, one cannot deny the positive externalities created by the 3+0 (entire duration of foreign degree completed *in* Malaysia) model within the local context and financial restrictions of students and Malaysian Asian parents. While the 2+1 curricula degree in itself extended the possibility of opting for foreign degree accessibility within Malaysia and thus reduced accommodation, tuition and cost of living charges to a minimum of the concluding one year abroad, the model also suited the Asian lifestyle that culturally accepted late-nest leavers and gave the latter an ample space of two years time to fully mature and get accustomed to university life, lifestyle and mode of learning.

Courses at the Malaysian satellite campuses of Nottingham University and Monash University are taught entirely in English and intended to address full-fee paying students – whether Malaysian resident or as an international student to Malaysia (the largest sector of ‘international student’ populace at Malaysian universities is composed of Chinese and Indonesian students followed by other Southeast Asian and South Asian student nationals – see Table). Theoretically then the English-based language instruction of the chosen local-foreign Universities precludes that only students well versed in the language (or who have high TOEFL competence) are enrollable. Thus while the state’s encouragement and welcome attitude toward the private and particularly the foreign university diversification and involvement within Malaysia may have opened more avenues for financially restricted Malaysians and Asians¹⁶, the language barrier and full-fee requirement may have inherently laid barriers of accessibility to those who are not in financial or education position to ‘buy or pay’ for either requirement. Thus the model is highly reflective of yet another class-divided institutional facility that is common throughout the highly privatized take-over nature of globalization.

8.4. Determining Factors for choosing Foreign Universities in Malaysia

So far, it appears there has been little effort to actively recruit international students at postgraduate levels, although word of mouth has led many to Malaysia. (NST 2004:2). Their top reasons for choosing Malaysia still remain; the lower cost of living and the quality of education, which was felt to be comparable to what they would get at popular destinations like the UK and the US. One Nigerian student said his careers advisor at his home university convinced him that Malaysia provided good education at good prices. (Monash University-Malaysia, Campus Interview on 18th October 2005).

Contrary to state objectives and research gathered, the 1997 Crisis, which very correctly may have increased the total student intake and number of PHEI’s within Malaysia does not explain why international student enrolment originating from badly affected Thailand or Vietnam did not increase to the comparably high rates of

¹⁶ international student populace from China, Indonesia, Southeast Asia and India respectively

Indonesian student inflow (refer to Figure 1). In effect, international students from China (excluding Hong Kong in this analysis) and Taiwan represent the second largest group of international students to Malaysia – this being despite the fact that China was more insulated from the economic shock and currency crisis. I make these analysis based on figures found from both total international student to Malaysia statistics (1997-2004) as well as Monash and Nottingham Malaysia enrolment statistics 2000-2004. The popularity of English taught courses and lower cost foreign education may have been factors of attractiveness amongst aspiring Science and managements students from the Chinese Republic while higher cost, the lack of Tourism-based courses and general cultural differences in popularity of particular degrees may explain the Thai data reflection. These are interesting and valuable points that certainly require further macro and micro-level investigations as the undermine Malaysia's claim that cost and quality of PHEI's is on competitive and attractive terms.

9. LESSONS

Most survey respondents very spontaneously accepted the survey but seemed hesitant to engage in further conversation or feedback once completed. Furthermore only three students verified the meaning of a few questions posed in Section IV of the survey while others did not verify or ask any particular questions. The opinion section (other survey sections consisted of multiple choice or preference choices) was answered in detail by some while other only applied short and somewhat inconclusive feedback. While obtaining brochures and statistics form the International Affairs and Financial Services offices of both campuses was straight-forward and user-friendly (statistics) it was difficult to get an appointment with the Heads/ Deans of Monash and Nottingham Malaysia in due time and as per prior research intent. Given Prof. Wan Ziwawi's advise, it was decided that waiting for an electronic response for mutually convenient appointments was a futile attempt in Malaysia.

9.1. Future Research Scope

As per the recommendation given by the UKM staff, the survey could, and indeed did, produce some very interesting findings based on predominantly consumer input and feedback. It also remains inconclusive whether interviews with the institute's operational leadership team would have produced transparent and non-biased sessions. Secondary and background data on the history, trend and role of the state and Department of Private Higher Education however were very useful in gaining an understanding of the context of the situation in the country and on recent findings and trends. The frequent newspaper inserts from various PHEI suppliers (Appendix) further stand testament to the increased commofidication of Education, the one-sided supply of certain economically needed degrees and specialisations (Business, IT, Engineering) and the intense competition between smaller - non-foreign branch university - institutes in the wider Kuala Lumpur region.

The structure of the survey was amended four times from an open-ended survey to a multiple choice structure to a mixed survey structure consisting of multiple choice sections on page one and open ended response options (voluntary) on the reverse page.

10. DISCUSSION

While the former hypothesis suggested that foreign universities were more popular in Malaysia, end results highlighted that only degrees from foreign universities and teaching models were popular but not the foreign institute per se (based on non-degree factors such as campus facilities, teaching staff, accommodation and overall environment or university ethics and research potential). Further and more extensive ground data would be of great interest to policy makers and those who incorrectly believe that current Malaysian and multinational employers in Kuala Lumpur discriminate between public and private or local and foreign university degree holders. While degrees completed overseas (all years of study) still hold good prospects, the same conclusion cannot be drawn between employability of graduates from University of Malaya and foreign branch campus graduates in Malaysia. In essence the employability of newcomer thus depends largely on experience, ideally gained from local work experience or immersion in overseas culture and independent study and living abroad. Thus the private sector and industry as a whole can play a greater role in creating work internships or overseas incentives for young recruits and graduates, as is already the case in successful knowledge incubator countries such as Singapore, Japan, Korea, the USA or even increasingly in smaller knowledge nodes such as Bangalore and Cyberjaya (Multimedia Super Corridor).

10.1. Knowledge-Economy: Visions, Implementation and Realisation

The Malaysian government has allocated almost a quarter of its operating expenditure for 2005 to the amount of RM 21.5 billion (US 5.7billion) to expansion and restructuring in education. The sum represents the largest amount given to any sector in the economy and can be considered a beneficial long-term investment with larger return dividends to be expected. RM16.3 billion goes to the Ministry of Education and RM5.2 billion to the Ministry of Higher Learning (Badawi 2005).

While most of the international students who study in Malaysia enter at the undergraduate level, it is anticipated that many will continue with their postgraduate studies and eventually possibly add to the needed human capital needs of the new k-economy of Malaysia. Future, more in-depth research on these developments and impacts on this scenario is still due. Furthermore the large number of international student influx (Figure 1) reflects confidence in Malaysia as a destination where one can acquire high-quality academic qualifications and was a general observation from the survey findings.

As the observations from discussion with professors from UKM and Monash University state, Malaysia is slowly growing its reputation for postgraduate studies, especially for management studies like the MBA. As Ms. Nadarajah, Careers Advisor stated, “*Students are spoilt for choice in terms of whether they want a Malaysian or a foreign degrees from a public or private institution (October 16 2005)*”. It is

important to note however that mere quantity of overseas degree liaisons in Malaysia, as elsewhere, do not conclusively imply a rise in quality of human capital that goes through these PHEI's. (To the right a picture of Nottingham China Branch Campus, a 20 million Pound Investment at Ningbo, South-eastern China with the famous Trent tower).



Given the above finding then, the paradigm shift toward encouraging a more market driven model of higher education deliverance and the increasing co modification of courses and degrees in privately operated branch universities is a common phenomena throughout the world. Within the Asian context the privatization of universities has succinctly also implied for a rationalization of so-called 'teach what sells' and commodifiable courses from the university supply dimension. While private universities may argue that the compromise on course diversity merely reflects consumer/ student demand of certain courses such degrees aimed to secure MBA's or Engineering and Science based degrees correlate to a drastic fall in Arts and Social Science Degree demand from both the student/ parent populace and the Malaysian state. The role of State legislation in terms of creating monetary and non-monetary (infrastructure, land) incentives to specific course suppliers highlights in an interesting manner the oversupply of Nurses in/ from the Phillipines, the increasing oversupply of Engineers in India (although the latter two still bears a capacity to absorb these Science and Engineering graduates or export them overseas) and the glut of Economics degree holders in Malaysia.

10.2. Future Prospects

While the supply-ridden Malaysian university environment created a favorable environment for expansion-oriented Australian and British universities to capture in Asia, the model – whether based on 2+1 (demand for this curricula model increased to pre-Crisis year levels) or 3+0 degree structures – is easy to replicate (Molly) and hence the sustainability of monopolizing such a state-university agreement for Malaysia is relatively low unless more favorable incentives (higher land tax concessions, higher tuition fee permits, infrastructural support) by the state and industry are provided.

According to the Department of Private Higher Education (2003) and Prime Minister Badawi (2005 National Budget Speech) in the year 2000, 25 % of Students (17-24 years) were enrolled in public and private institutes. In 2003 the figure rose to 29% while by 2010 the demand for higher education is estimated to reach 40%, which will call for 600,000 more places in addition to the existent one million places. It is thus inevitable that both public and private institutes of higher learning will continue to expand either in size or increase tuition fee implying that other offshore education regions may become more competitive vis a vis Malaysia's growing 'edu-tourism'. While competitive pressures may raise the quality of consumers (Student competitiveness) and suppliers (PHIE pressures to merge and expand), the external pressures also bear the risk of increased co modification of courses and monotonous course offerings as evidenced by data from Nottingham, Monash and smaller PHEI's. A potential area of further research is a comparison of cost and teaching quality

between Nottingham China and Nottingham Malaysia and an analysis into a change in regional relocation of current international students in the case of lighter financial burden when studying at the Chinese branch campus. The latter point would also highlight the sustainability of Malaysia as a 'Regional Center for Educational Excellence' in the wake of cheaper Asian host countries such as India or China. The large flow of Malaysian medical students to India is already a case in point for the latter.

10.2.1 Demand-Driven Supply

The demand for more highly skilled science and engineering trained graduate is still high especially when compared to neighboring Singapore which has successfully transformed itself into a Knowledge based economy by encouraging more industry-state financed centers of Research and Development support that bear academic linkages and collaboration with Ivy-league Universities such as Stanford, MIT, Harvard or prestigious Asian institutes such as the Indian Institute of Technology, Waseba University Japan amongst and expanding number of others (e.g. USD 300 million investment in first Novartis Institute of Tropical Disease). In Malaysia on the other hand, the hundreds of polytechnical, ex-polytechnical and collegiate based skills training institutes are predominantly still focused on providing vocational training and foreign branch campuses are in a similar fashion still relying on the 'teaching' rather than 'educating' formula of higher education.

To come closer to the Singaporean model of transforming its buildings of higher education into well recognized and accredited R&D institutes with an international faculty, staff and highly skilled international graduate body, the Malaysian state has already adopted higher 2006 budget spending and allocation in the sectors of Human Resource Development, University Expansion and a higher percentage of financial support to families who have one or more children studying abroad. The implementation and effect of this new legislation can only be evaluated in another five years time when the first batches of 2005 Graduates will enter into employment. (Prof. Wan Ziwawi, UKM discussion, Sept 30th 2005)

10.3. Access and Affordability to Foreign Private Universities

A revitalization of pre-tertiary school instruction that incorporates a higher emphasis of attaining English Proficiency before reaching the University level is on the Ministry of Education's long-term Agenda. The result of the latter, which may only be seen in the long-term, could ensure a more class and caste ignorant admission option for the current 'lower' middle class and the higher 'lower class' in terms of their English proficiency. Currently English is not the language of instruction at public schools but is often the language of instruction at private schools that either fall under the 'international schools/ baccalaureate' category or are ethnically financed 'private' schools – the cost of private schools is considerable higher and often caters to Malaysia's Non-Bumiputra Chinese and Indians who cannot qualify for the race based Bumiputra quota allocation in schools and universities.

In Singapore and for that matter even India, students are often English proficient by the time they reach University and thereby facilitate the faster integration into a K-

economy based sectors of the economy. Given Malaysia's tremendous growth balanced with Human and Social Development for its people the best practice examples of Singapore's institutional structure and India's academic advancements in terms of upgrading its relatively small yet highly skilled human resource capital should also be feasible within the Malaysian Vision 2020 context. The 'import' of valuable high-skilled workers (Figure 2) from India, China, Singapore and Anglo-Saxon countries to facilitate the faster transition into a K-economy by 2020 is highly evident in the landscape and street life of Penang or more recently created Cyberjaya – both of which are so-called Malaysian man-made regions of 'concentrated' skill and wealth within Northern Malaysia.

The growing popularity of the twinning programs on the one hand highlights Malaysia's need for more private and public institutes to cater to a government that seeks to increase its skilled manpower and thereby be recognized as a knowledge-intensive economy on par with its southern neighbor Singapore. On the other hand, by so doing, ironically highlights its national failure in creating reputable and well recognized 'Malaysian made' degrees that are recognized abroad. The difficulties of achieving the latter are to be addressed on a long-term basis (Seventh Economic Plan) and calls for a reform at primary and secondary schooling level and a method of increased 'learning by discovery' and independent study, but these themes are beyond the scope and focus of this thesis. The success in neighboring Singapore (National University of Singapore, NUS) and India (Indian Institute of Technology, IIT) and the demand of foreign institutes seeking university collaborations with NUS and IIT are aspects to be compared to, analyzed and evaluated (potential emulation) for the current and ongoing Malaysian twinning experience and represent potential future research possibilities.

10.4. Popularity of Foreign Degrees

Employability of Nottingham Degree holders is to be seen more clearly in another five years time when the first batch of the official University of Nottingham graduates will have completed their respective degrees. In general however and as noted by interview results and correspondence, the majority of Malaysian parents and student at UN Malaysia (18/30 favorable outlook, 7/30 unable to comment, 2/30 do not intend to be employed in Malaysia) have a positive attitude when it comes to the employability of Bred-bred foreign degree on the local job market. However as Prof. Wan Ziwawe from the University of Kebangsaan notes there lies in inherent difference in student formation over the three to four years when it comes to attaining different value sets, social capital and international outlook. Given the employers are becoming equally discriminate between graduates who own a foreign degree from a local ex-polytechnical university abroad or a four year Ivy league education and are well capable of recognizing the differences in social capital accumulation between a student who has studied at University of Nottingham in the UK vis a vis a 3+0 graduate of University of Nottingham Malaysia. As Prof. Ziwawi highlights (Class feedback 30th September 2005), it may not be too difficult to differentiate between the former two during a personal job interview.

11. CONCLUSION

While the twinning concept has had a myriad of positive effects on the education market in Malaysia and has aptly supplied a highly demand driven niche by opening local channels of private universities to non-Bumiputra swell as skilled international Graduates from the wider Asian regions who could not pursue a suitable degree and financially viable option in their home countries and thus as a side effect further supplied Malaysia with high-skill workers (fact: how many of these international students remain in Malaysia) and simultaneously stopped the valuable brain drain that had occurred prior to 1997 and prior to the expansion of private higher education institutes (PHEI) (it's a too long sentence). It remains to be seen, however, whether a fully Malaysian experienced foreign degree can be on par with a graduate who has been abroad and therefore been internationalized in some way or the other.

Social capital such as personal experiences abroad, cultural exchange, living independently, managing personal finances independently and language improvement are factors that employers, especially those who have experienced a higher education abroad (high state-supported student outflow during the Columbus Commonwealth Scholarships in 1960s and 1970s), consider of high importance when appointing new and especially fresh and 'inexperienced' graduates. While currently enrolled UoM or UoN students still feel that they are more employable than public-university graduates many of them believe equally, if not more, in personal contacts and trust mentoring clubs and associations when it comes to starting their career life. While there may be a certain degree of higher snob appeal associated with foreign University degree holders whether from the satellite campuses in Malaysia or directly from abroad, high quality education as from University of Malaya (one of Malaysia internally more recognized and quality accredited public-private institute) still plays favorable for the University of Malaya medicine and science graduates.

Thus historical prestige and socially perceived quality association of University of Malaya degree holders – albeit predominantly only on the fields of medicine, law and engineering – give testament to the increasing awareness and discriminate nature of the primary consumers of PHEI's (students, parents) and the secondary consumers of education (employers, private and public institutes). Of the interviewed subject, the majority considered the quality of instructors, both full time and part-time contracted overseas faulty, of high importance in education deliverance in terms of course instruction, workload and grading and style of instruction (humor, interactive and casual student-teacher interaction). One must be careful however to the reliability and accountability of these latter opinion statements, as student enrolled at foreign branch universities may only have a word-of-mouth or comparative opinion of other friends or siblings who have studied at public universities in Malaysia.ⁱⁱⁱ Although the analysis the latter is interesting it does not fall within the scope of this research and will thus be excluded from further analysis or premature interpretation based on the limited set of informants.

The currency downturn of 1997/8 called for the emergence and diversification in the Malaysian PHEI as a recognized privatized industry. The findings of this research highlight that this pattern is not unique to Malaysia but that they can be found at more advanced stages in Singapore and less advanced stages Vietnam, China or Indonesia where state incentives targeted at education-exporting countries such British and

Australia and USA. Although expansion of branch campuses in other Asian countries is still in its early stages, lower cost and comparable student facilities and university infrastructure may call for more innovative state policies and incentives if Malaysia wants to retain its position and attractiveness as a regional Education location. In Kuala Lumpur itself, the numerous PHEI's and in particular foreign branch campuses reflect a transnational model of higher education that cater courses that sell. Consumers are therefore spoilt for choice when it comes to choosing an institute to pursue a science, IT engineering or business based degree.

On the other hand the delivery of hospitality and general management courses and specialized institutes for fashion and interior design in Kuala Lumpur positively also reflect the low yet steadily rising student choices (with or without parent consent) for alternative degrees away from engineering, IT and business management. Given the employment market and the role of increased unique skill employees, students who can market themselves with creative (i.e. Design skills) and commercial degree (i.e. Management, Engineering knowledge) skills, may be the most marketable graduates within Malaysia and abroad.

Secondary material also highlights that the export commodification of higher education has brought along a myriad of positive spillover effects. The proliferation of English language tuition centers, a more international student environment and interaction, the exchange of talented lecturers and the interaction between academia and industry are developments that cannot be denied or belittled. Tan remarks that the Crisis of 1997/98 thus was a 'blessing in disguise' as it created ample space for universities such as Monash and Nottingham to enter and fill the missing entity between low supply yet high demands of graduates from the 1980's onward. The import of 'exported universities' thus also created the only feasible mechanism to somewhat reverse or limit the Malaysian Brain drain to the US and UK that had already accelerated since the 1960's when thousands of students were sent abroad on the Columbus/Commonwealth State Scholarship program. Monash University in particular, has been very successful in attracting retired Malaysian scholars and industrialists from Australia, back to its 'Malaysia' campus as both contract and part-time lecturers thus bringing back some lost Brain Drain or alternatively, as Infosys¹⁷ Head Narayana Murthy once stated: "*avoiding a Brain in the Drain*" from a glut of unemployed Malaysian youth who are unable to find enroll in suitable degrees and due to the lack of education suppliers and enrollment possibilities.

Although, for Monash University (AUS) the franchising experience has already been established in South Africa as well, it has without fail marked its space as one of the earlier entrants to the emerging PHEI industry in Malaysia. On the other hand, Monash University in Australia has grown to focus its facilities and maintenance through intense R&D activities while this has not been the case at two investigated foreign branch campuses in Malaysia. Both Monash and Nottingham in Asia continue to market their Bachelor degrees in Law (Nottingham) Engineering and IT (Monash) and particularly MBA programs, and have so far not expanded their efforts to popularize Postgraduate Research or PhD programs. While this may on the one hand represent the economic and cultural demand in Malaysia to directly enter the workforce upon completion of an Undergraduate degree or travel abroad for a further

¹⁷ First Indian IT company to be listed on Nasdaq and pioneer institute of the Outsourcing industry

Master degree. As an interesting and general finding from the two case study institutes, many of the current UN and MU student would not have chosen the respective NU in Great Britain or MU in Australia if other options – both monetary and non-monetary, had existed, somewhat highlighting the that particular supply can drive particular demand merely due to lack of alternate choices (number of foreign university branches and student intake capacity still low within Malaysia). This reflects a consumption choice irrespective of quality or reputation of the educational institute. Despite this finding however, statistics (Appendix) also show more international students enrollments for the current Malaysian private PhD programs, possibly due to cost and accessibility restraints to the main university home base in the more tradition Education hubs such as the UK, USA, Canada and Australia. The American student visa restrictions on international students since September 11, 2001 illustrate are an apt example of this. That said, Malaysia still lags behind in establishing an Education region that is also strong in the university-based postgraduate research sectors.¹⁸ Whether this implies that PhD as well as specific R&D institutes are more highly regarded in the traditional education regions of the North, remains beyond the scope of this research period and content but would highlight important aspects that need to be addressed by the nation that strives to race ahead of Singapore to be recognized a confident and capable K-economy by 2020.

Notes

ⁱ Chinese students from the People's Republic of China apply for a visa directly from Malaysian missions in Shanghai, Beijing or Guangzhou.

ⁱⁱ Rankings done by various sources, including Asia Inc and the UK's Times Higher Education Supplement. The latter ranked University of Malaya (UM) and University Sains Malaysia (USM) 89th and 111th respectively out of 200 top global educational institutions last year. Asia Inc ranked Universiti Putra Malaysia (UPM)'s MBA programme seventh in Southeast Asia. Ranked No 8 was Universiti Teknologi Malaysia (UTM)'s MBA and No 9, Universiti Malaya's (Asia Inc. June 2003)

¹⁸ Independently owned and run as well as state financed Research units and institutes exist but affiliation with current public and private universities is still low.

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