

Chapter 1: Introduction

Human resource development is an integral component of Malaysia's nation building effort. The achievement of socio-economic objectives such as economic growth and equity depends on the availability of educated, skilled and trainable labor force. Higher education provides opportunities for academic pursuit and the advancement of knowledge. It aims to produce professionals to meet national manpower needs and requirements besides providing facilities for research and consultancy services. Institutes of higher education include universities, colleges and polytechnics. In addition, there also exist an increasing number of private institutions that offer tertiary and professional courses leading to foreign professional qualifications, and other diplomas and degrees.

In this regard, one emphasis of the Seventh Malaysia Plan is to increase the capacity for higher education and to develop it into an export industry, making Malaysia an international higher education center. The liberalization of the country's education policy for the private sectors reflects the importance placed by the government on the need to train and modernize the national workforce and supplement the public education sector.

Still, private education plays only a peripheral role in Malaysia. The private institutions operate around the periphery of the state system of higher education. It is hoped that the private institutions will supplement the needs of manpower of the country especially in the science and technical field.

It is estimated 600 private colleges with most of them situated in Kuala Lumpur, Penang and Johor Bahru. Some of the private colleges even have their branch in other states in the country. Most of the private higher education providers are located in Klang Valley. They currently account for supporting 52 per cent of the total private higher education in Malaysia.

1.1 Objectives

1. To examine growth trends and patterns of private higher education in Malaysia.
2. To analyze the factors for the emergence of the private higher education.
3. To look at the various government policies in higher education.
4. To examine the demand for private higher education in Malaysia.
5. To evaluate the overall impact of privatization in education. This will include the effects on the employment and manpower, inflow and outflow of foreign exchange and Malaysia as an education centre in the region.

1.2 Sources of Data

Books, annual reports, censuses, surveys, journals, conference paper, bulletin, newspaper, Malaysia Plan documents and interviews with operators of private sector higher education institutions.

1.3 Methodology

This study is based on various research methods such as analysis of data, interviews and library research. Secondary data will be collected from books, annual reports, censuses, journals, conference paper, bulletins, newspaper, Malaysia Plan documents.