

②

TITLE:  
HIGHER EDUCATION IN MALAYSIA:  
POTENTIAL OPPORTUNITIES FOR GRADUATES

BY:  
DO HOCK HING  
(EGA99003)

Perpustakaan Universiti Malaya



A510918377

SUBMITTED TO THE FACULTY OF ECONOMICS AND ADMINISTRATION,  
UNIVERSITY OF MALAYA IN PARTIAL FULFILLMENT OF THE  
REQUIREMENT FOR THE DEGREE OF MASTER OF ECONOMICS

APRIL 2001

## Acknowledgement

It is my pleasure to have this opportunity to express my sincere appreciation and gratitude to my supervisor, Associate Professor Dr. Siti Rohani Bt Yahya for her support, generous advice and stimulating discussion throughout this dissertation.

I would like to extend my thanks to my colleagues namely Mdm. Teh Ying Ting, Miss Assunta Carolina, Miss Saraspathy, Mdm Muna Sakura, for their constant help, comments and suggestions. Not forgetting to express my gratitude to all my dearest coursemates especially Ngoo Yee Ting, David Lo and Alex Lee for their encouragement.

Finally, a very special thanks and love to all my family members for bearing the brunt of my study. All I can say is 'sorry and thank you'.

## TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE</u>
Acknowledgement	i
Table of contents	ii
List of tables	v
List of figures	vi
Abstract	vii
Abstrak	viii
Chapters	
Chapter 1 Higher education in Malaysia	
1.0 Introduction	1
1.1 Education in Malaysia	1
1.2 Study Objectives	12
1.3 Research Methodology	13
1.4 The Significance of the Study	13
1.5 Organization of the Study	13
1.6 Limitation of the Study	14
Chapter 2	
2.1 Literature Review	15
2.2 Background of Higher Education System and Education Policy	20
2.3 Definition of Education Policy and the Importance of Education	25

2.4	Definition of Education Planning	26
2.5	A Comparative study of Higher Education Policy in Singapore	27
2.5.1	Access and Enrollment	28
2.5.2	Research and University-Industry Links	29
2.5.3	Resource Allocation	30
2.5.4	Student Loans	31
2.5.5	Lessons and Emerging Issues	31
Chapter 3 The Demand and Supply of Graduates		
3.1	Graduates Supply	33
3.2	Over Supply of Graduates	36
3.3	The Demand for Higher Education	37
3.4	Examining the Benefits of Higher Education	41
3.5	Student Enrollment and Output	43
3.6	The Nature of the Demand for Labor	49
3.7	Demand for Graduates	49
3.8	Lessons form Labor Forecasting in Korea	55
3.9	Labor Market	58
3.10	Producing Graduates Over and Above	
	‘Traditional’ Demand	64
3.10	Higher Education and Economic Development	65

Chapter 4 Higher Education Reforms	
4.0 Introduction	67
4.1 Creating Structures to Implement Policy Reforms	67
4.2. Enhance Quality	68
4.3 Offer Relevant Course	70
4.4 Increase Private Costs	71
4.5 Produce Graduates with Multiple Skills	71
4.6 Promote IT Industry	71
4.7 Tax Exemption	72
4.8 Increase Capacity	72
4.9 Greater Role for Private Sector	73
4.10 Emphasize On General Skill and Flexibility	73
4.11 Recommendations for Strengthening the Relation between Higher Education and Employment in Future	74
Chapter 5 Recommendation and Policy Implication	76
Bibliography	82

<b>List of Table</b>	<b>Page</b>
1. Table 3.1. SPM Examination 1995: Analysis of the Grade.	40
2. Table 3.2. Enrolment in Government and Government-Assisted Education Institution by Level of Education in Malaysia.	40
3. Table 3.3. Intake of the Public Malaysia Universities 1996-1998.	40
4. Table 3.4. Student Enrolment in Local Public Institutions 1990-2000.	44
5. Table 3.5. Enrolment and Output for First Degree Courses From Local Public Educational Institution, 1990-2000.	44
6. Table 3.6. Enrolment in Private institution of Higher Learning, 1999.	45
7. Table 3.7. Educational Attainment of the Labor Force, 1990-2000 ('000 persons).	48
8. Table 3.8. Profile of Labor Force, 1990-2010 ('000 persons).	48
9. Table 3.9. Gross Domestic Product by Industry of origin, 1995-2000.	59
10. Table 3.10. Malaysia: Vacancies Reported to the Manpower Department by Sector, 1994-1998.	60
11. Table 3.11. Malaysia Employment by Sector, 1995-2000.	61
12. Table 3.12. Employment of IT Workers, 2000-2010 (person).	62

## List of figures

## Page

1. Figure 1: Estimation of the demand for higher education.

38

## Abstract

Education is the pivotal in the creation of knowledge manpower to support the new industries, economic activities, and to develop an information rich society. The government has moved to boost the development of knowledge-economy. In order to ride the crest of the I.T. wave, the Ministry of Education has responded by implementing wide-ranging reforms in the education system.

The rapid expansion of higher education has been fuelled by strong social demand for higher education. Malaysia higher education has been the main avenue for social mobility and social justice, and social restructuring in line with New Economic Policy. The higher education system in Malaysia is very much a state-controlled system. All the public institutions of higher learning are funded and regulated by the state. Higher education produce graduates with various skills and different professions. The rapid expansion of higher education has results the demand and supply of labor mismatch.

The supply of graduates will increase as more and more people demand for higher education. Education systems produce many graduates in the field of Arts than the market demands, whereas there is a serious lack of high-level scientists, managers, engineers, technicians and highly-specialized workers.

Graduates with the information, communication and technology knowledge and a high level of thinking skills have better employment opportunities. Measures have to be taken to enhance the potential opportunities for graduates.



## Abstrak

Pendidikan merupakan tunjang dalam usaha melahirkan tenaga yang terdidik untuk memberi sokongan kepada industri baru, aktiviti ekonomi and membentuk masyarakat yang berinformasi tinggi. Kerajaan telah berusaha menggalakkan perkembangan k-ekonomi (knowledge-economy). Selaras dengan perkembangan arus teknologi maklumat, Kementerian Pendidikan telah melaksanakan pelbagai pembaruan dalam sistem pendidikan.

Permintaan tinggi oleh masyarakat terhadap pendidikan tinggi telah menggalakkan perkembangan pendidikan tinggi. Pendidikan tinggi di Malaysia merupakan landas mobiliti sosial, keadilan sosial, dan penyusunan semula masyarakat selaras dengan Dasar Ekonomi Baru. Sistem pendidikan tinggi di Malaysia dikawal oleh kerajaan. Ketidakseimbangan permintaan dan penawaran tenaga buruh adalah hasil daripada perkembangan pesat pendidikan tinggi.

Penawaran buruh yang berpendidikan tinggi meningkat apabila permintaan terhadap pendidikan tinggi meningkat. Sistem pendidikan negara kita melahirkan graduan lebih daripada permintaan, manakala terdapat kekurangan tenaga buruh yang serious dalam bidang sains, pengurusan, kejuruteraan, tenikal dan pekerja yang berpakaran tinggi.

Graduan yang berkemahiran tinggi dalam teknologi, maklumat, dan komunikasi berpeluang tinggi untuk mendapat pekerjaan. Langkah-langkah yang positif perlu di ambil untuk memperkukuhkan potensi graduan supaya peluang untuk diambil bekerja lebih tinggi.