Chapter 4

Reasons and the Implications of the Growth of Private Higher Education

4.1 General Overview

There has been rapid expansion of the private higher education sector in Malaysia for the past thirty years. This is obvious in terms of an increase in the number of private institutions of higher learning. One of the reasons for the growth in private higher institutions is because of the increase in the demand for education. It has been noted that the number of private institutions of higher learning has doubled within a four-year period from 156 in 1992 to 354 institutions in 1996. The latest figure shows that there are 415 private institutions of higher learning throughout the country (Sunday STAR, 1997)\(^{31}\).

In order to encourage the growth of private higher education, five legislations has been passed in the Parliament of Malaysia. These five legislations have contributed towards the restructuring of private higher education. Thus, in this chapter the researcher will analyse the reasons for the rapid growth in private higher education. The implications of this growth will also be analysed in this chapter.

4.2 Reasons for the Growth of Private Institutions of Higher Learning

The number of students enrolled in private higher learning institutions has increased tremendously. In 1985, 15,000 students had enrolled in these institutions. However, this number increased to 35,600 in 1990 and in 1995 the numbers further increased to 127,594\textsuperscript{32}. The increase in the number of students is shown in the table below:

\underline{Table 4.1: Number of students enrolled in the private higher institutions in Malaysia between for the year 1985, 1990 and 1995.}

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of students enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>15,000</td>
</tr>
<tr>
<td>1990</td>
<td>35,600</td>
</tr>
<tr>
<td>1995</td>
<td>127,594</td>
</tr>
</tbody>
</table>

There are various reasons that have contributed to the increase in the growth of private higher education. They are:

\textsuperscript{32} Molly N. N. Lee, "Private Higher Education in Malaysia", (1999), Sinaran Bros. Sdn. Bhd. (Pg 95-98)
(a) Increase in income

The growth of private higher education is not just because of the economic expansion. One factor that has managed to increase the number of private higher institutions in the country is the increase in personal income. Due to the rise in household income, more parents are able to send their children to private higher learning institutions. The rise in household income is due to dual income generated by parents. This makes it possible for most parents to afford the cost of private higher education for their children.

(b) Rapid industrialisation

The rapid expansion in industrialisation has caused the demand for private higher education to increase. Over the last decade the government had attempted to navigate industries in the nation away from a labour intensive-manufacturing sector into a capital-intensive manufacturing sector. The government has also stressed on the utilisation of information technology and also research and development. This makes industrialisation to focus on skill oriented labour forces. Thus, the demand for skilled workers has increased. This has caused an increase in the demand for private higher education. Private higher education had stepped in at this juncture, when it began to cater to the needs of industrialisation. This was done because private higher education recognised the correct
needs of industrialisation and began to offer skills-orientated courses such as information
technology, graphic design, business and others.

The public universities have not been able to cater to this demand because they
were academic orientated. to switch gears at the eleventh hour would have required
intense restructuring and rescheduling. At the same time, students are willing to enroll in
private higher learning institutions in order to further their studies. This had increased the
number of private higher learning institutions in Malaysia.

(c) The development of the economy

Malaysia has continued to maintain a global focus in terms of tapping external
knowledge as the country attempts to reach "developed country" status by the year 2020.
Thus, the government has encouraged local students to accept the concept of American or
Australian programmes that are offered by the private colleges

(d) Support by the government

The Malaysian government has also encouraged the expansion of private higher
institutions. Students who have enrolled in a programme that has the LAN accreditation
are eligible to apply for loans from the National Higher Education Fund Corporation

34 Ahmad Mahdzan Ayob(PHD) & Noran Fauziah(PHD), "Business of Higher Education in Malaysia:
Development and Prospects in the New Millennium".
This provides the opportunity for the middles-class students to further their studies in private colleges, as they are able to get financial aid. As a result, this has encouraged the growth of private higher education.

(e) Corporate involvement

The corporate involvement in the development of private higher learning institutions has become an inclination. Most major private higher learning institutions has been set up by large corporations such as Sungei Way Corporation which has set up Sunway College, MBF holdings which has set up Taylor's College and PERNAS which is involved in the Hotel Management School. The setting up of these colleges aims at training future potential staff for these companies.

On the whole, the reasons for the growth of private higher learning institutions have benefited the nation. This is because it has not only catered to the increasing demand in tertiary education but it has also churned out skilled graduates. These graduates have managed to obtain high paid employment. As a result, there has been an improvement in their lifestyle as opposed to their parents. This improvement inevitably closes the poverty line.
4.3 Implications of Private Higher Education

(a) Decrease in the number of students studying abroad.

The increase in the number of private higher institutions of higher learning in the country has managed to curb the number of Malaysian students studying abroad. Currently students who want to obtain a foreign degree need not go abroad to further their studies. They are able to obtain a foreign degree internally in Malaysia through twinning programmes such as the 2+1 or 3+0 programmes. The 2+1 programme allows the student to study in the country for two years and to go overseas to complete the final year. On the other hand, the 3+0 programmes enable students to complete the three years in the country. Besides, students are also able to do courses in branch campuses that have been set up in Malaysia. Among the branch campuses that has been set up in Malaysia are the University of Nottingham in Malaysia, Curtin University of Technology Sawarakan Campus Malaysia and Monash University Malaysia.

The economic crisis in Malaysia has brought a boom to the private higher education industry. The depreciation of the Malaysian ringgit from RM 2.50 per dollar to RM 3.80 per dollar made it difficult for many middle class parents to send their children to study overseas. During the currency crisis, approximately 2000 students had return from overseas to continue their studies in local universities and also in private higher learning institutions. Since then, the number of Malaysian students going abroad to study has decreased. Thus, these days, with the increase in the number of private colleges most
parents prefer to send their children to study in these institutions, as it is more economical.

(b) A wide range of choices

The growth of private higher learning institutions has given students a wide range of choices in terms of programmes and courses. Many private higher institutions of learning offer a variety of courses such as Business Studies, Information Technology, Art & Design, Hotel Management, Multimedia and Graphic Design. These courses make it easier for students to choose their preferred course as they are provided with many options. Besides a variety of courses, these private higher learning institutions also offer different levels of study. The levels of study range from foundation programmes up to postgraduate studies. The certificate courses are mainly for students who have just completed their Sijil Pelajaran Malaysia (SPM). In order to enable these students to do their degree, they will have to complete their A-levels or a foundation programme.

In addition to that, most of the private higher learning institutions in Malaysia provide not only full time courses but also part time courses. These part time courses are catered mainly for the working adults whereby they do not have to leave their jobs in order to further their studies. Besides that, students who have completed their SPM and are not able to further their studies due to financial constrains can also enroll themselves for these part time courses. This would enable them to seek income in order to cover the expenses of their course.
(c) Variety in mode of delivery

In the early years of education, the mode of delivery was classroom-oriented lectures. It was a teacher-centered method of delivery. Students are required to listen and take notes. However, this mode of delivery has changed over the years with the advancement of technology and the growth of private higher education. Today, student-centered delivery modes and discussion have been recommended. Student teacher interaction has also become important.

Moreover, in recent years, one of the most popular modes of delivery is the distance-learning programme. The distance-learning programme is a programme where a local organisation will provide learning facilities using local lecturers. Students are provided with the study materials by post or by e-mail and the classes are conducted on a weekly basis. However, at the end of the semester, students are required to attend lectures in the institutions of higher learning concerned. This is a very beneficial method especially for working adults, as they do not have to give up their jobs in order to study. They would be able to retain their incomes and at the same time pursue their studies in order to create better life for themselves.
(d) Increase in the number of foreign students

One other important implication in the private higher education sector is the increase in the number of foreign students studying in Malaysia. Most private higher institutions of learning welcome the enrolment of foreign students in order to increase their profits. This is because foreign students pay higher fees as compared to the local students. In addition to that, these students are also required to make full payments for their course and are not entitled for any installment schemes. These foreign students come from various countries such as Thailand, China, Indonesia, Korea, Pakistan, India and Bangladesh. Students from these countries find it much cheaper to obtain a western degree in Malaysia compared to the degrees obtain in western countries. In 1996, the number of foreign students studying in private higher institutions of learning in Malaysia reached 5635 students. This number increased to 11 733 in 1998.

(e) Quality of education

The rapid expansion in private higher learning institutions raises the question of quality education. The basic objective of education is to help an individual develop his full potential. Thus, the quality of education will take into consideration the nature of the intellectual development that takes place in a student's mind, their ability to be self-critical and their capacity to think and rationalise for themselves so that they can be independent in decision making. There are more than 600 private institutions of higher learning offering various types of programmes. Thus, the quality of private higher
education varies from one institution to another. Due to the demand in education, the emergence of small colleges has become rapid. Most of these small colleges have minimum facilities and face a shortage of qualified academic staff. There are some colleges that operate with first-degree holders as academicians or part time academic staff. This affects the quality of education that is provided by the private higher learning institutions. For example in Romania, following the initial evaluations conducted by its new accreditation system in 1997, only 36 of the country's 250 private institutions were awarded accreditation for at least one-degree programme. The students of the other schools found themselves holding degrees of questionable value and enrollments in private higher education significantly decreased.

In view of this, the Malaysian government has taken measures to ensure the quality of education in private higher learning institutions. In 1997, the Malaysian government established the National Accreditation Board to accredit programmes and courses in private institutions of higher learning in Malaysia. Before a college is able to run a course, it has to meet "minimum standards" set by the National Accreditation Board. This accreditation enables a student to apply for loans from the National Higher Education Fund Corporation. Besides, this accreditation also enables a graduate from private colleges to seek employment in the government sector. Thus, the growth of private higher education in the nation has brought about concern towards quality education. This concern has set the standards for private higher education in the nation, which puts it on a parallel status with public educational institutions.
(f) Availability of funding

Private higher education has enabled students to get more funding of resources. For example, previously loans such as PTPTN were only provided for students studying in public institutions. However, there has been a change. Nowadays, PTPTN loans are also provided to students who are studying in private institutions of higher learning. Besides that, the number of banks offering education loans has also increased due to the demand in tertiary education.

(g) A change in students attitude

Previously, a student who does not do well in his SPM or STPM examination has got limited option where tertiary education is concerned. This is because their access into public universities is denied. This caused social problems to alight due to frustration and depression. Amongst these social problem are drug abuse, petty theft, shop lifting, illegal business etc. Private higher education has changed this scenario. Its growth had provided numerous options to young adults to pursue their studies. This enables them to turn their attention and focus into more profitable causes. This created a positive change of attitude, which enable young adults to channel their energies into future investments, i.e. education. In relation to this, social problems have been reduced drastically.

In short, the implications of private higher education have brought about an improvement in the nation standard of living. The growth of private higher education has
increased the number of knowledge based workers in the country. Besides that, it is also a source of increasing the inflow of money in the country. This is evident in the number of foreign students studying in the country. In addition, the increase in the availability of funding has enabled more students to further their tertiary education in the private higher learning institutions. Thus, upon completion of their studies they have been able to get better employment. This has increased their purchasing power and has improved their lifestyle. As a result there has been a decrease in the poverty line.

4.4 Conclusion

In conclusion, the growth of private higher education has managed to reduce the poverty rate. It has also managed to restructure the society. This is evident in the employment sector. Students are able to pursue a career of their interest without following their parents' footsteps. This has created social mobility in the country.

The development of private higher education has given a positive indication to the nation. This is because it has catered to the rising demand in tertiary education. It has played an important role in improving the lifestyle of the nation and has contributed in restructuring the society. Thus, the growth of private higher education has managed to reduce the poverty rate in the country.