THE DEMAND FOR EDUCATION:
A STUDY OF THE DETERMINANTS OF EDUCATIONAL CHOICE AMONG MALAYSIAN SECONDARY SCHOOL STUDENTS

TESIS

By
THONG LAI HENG

University of Malaya
1998
ECC 599 RESEARCH PAPER

THE DEMAND FOR EDUCATION:
A STUDY OF THE DETERMINANTS OF EDUCATIONAL
CHOICE AMONG MALAYSIAN SECONDARY
SCHOOL STUDENTS

By

THONG LAI HENG
B.Sc Hons. (Mathematics)
U.S.M.
Penang
1991

Supervised by
Prof. Dr. Lee Kiong Hock

Submitted to the Faculty of
Economics and Administration
University of Malaya,
in partial fulfillment of the requirements
for the degree of
Master of Economics.
1998
ACKNOWLEDGEMENTS

I am very grateful to my supervisor, Professor Dr. Lee Kiong Hock for his encouragement, guidance, advice and invaluable assistance in the writing of this paper. My appreciation goes to all my lecturers, among them; Professor Dr. Mohamed Ariff, Professor Dr. Jomo Sundaram, Professor Dr. Lee Hock Lock, Dr. Mahani Bte Zainal Abidin, Dr. Jahara Bte Yahaya, Dr. Rugayah Bte Mohamed, En. Mustafa Hassan and Mr. Goh Kim Leng, for their guidance for the duration of my MEC course.

My appreciation also goes to Mr. Goh Kim Leng who has assisted me in the application of the SPSS PC+ statistical program which has proved to be a major tool of my research, and whose kind and friendly advice has been most helpful.

My appreciation also goes to my husband and friends who have helped me in the questionnaire survey or in some ways or other. A special thank you to the respondents (the students), without whom my survey would not have been possible.
THE DEMAND FOR EDUCATION:

CONTENTS

CHAPTER 1: EDUCATION IN MALAYSIA

1.1 Introduction
1.2 Education in Malaysia
1.3 Rationale for Study

CHAPTER 2: REVIEW OF LITERATURE

2.1 Introduction
2.2 Survey of International Literature
   2.2.1 Psychological or individual factors
   2.2.2 Social or familial factors
   2.2.3 Structural or institutional factors
   2.2.4 Economic or financial factors
2.3 Review of Malaysian Literature
   2.3.1 Psychological or individual factors
   2.3.2 Social or familial factors
   2.3.3 Structural or institutional factors
   2.3.4 Economic or financial factors
2.4 Statement of Issues
   2.4.1 Summary
   2.4.2 Statement of Principal Objectives
CHAPTER 3 : METHODOLOGY

3.1 Scope of Study

3.2 Sampling

3.3 The Survey and Limitations of the Study
   3.3.1 The Survey
   3.3.2 Limitations of Study

3.4 Methodology for the Analysis of Data
   3.4.1 The Data
   3.4.2 Data Analysis

CHAPTER 4 : SAMPLE CHARACTERISTICS

4.1 Introduction

4.2 Personal Background
   4.2.1 Age
   4.2.2 Sex and Ethnicity

4.3 Family Background
   4.3.1 Socioeconomic Background of Guardians
   4.3.2 Family Size (siblings)

4.4 Education of Respondents
   4.4.1 Location of School
   4.4.2 Type of Primary School Attended
   4.4.3 Stream or Area of Specialization
   4.4.4 Prior Academic Performance

4.5 Summary
CHAPTER 5: CORRELATES OF EDUCATIONAL CHOICE

5.1 Introduction

5.2 Student's Aspiration or Desired Profession

5.3 Correlates of Educational Choice
   5.3.1 Student's Educational Decision or Choice
   5.3.2 Student's Choice of the Science or Arts Fields

5.4 Factors that Influence the Decision to Continue Education

5.5 Summary of Findings

CHAPTER 6: DETERMINANTS OF EDUCATIONAL DECISION AND CHOICE

6.1 Introduction

6.2 The Explanatory Variables / Independant Variables
   6.2.1 Psychological or individual
   6.2.2 Social or familial
   6.2.3 Structural or institutional
   6.2.4 Economic or financial

6.3 The Logistic Analysis (I): Determinants of the Decision to Continue Further Education
   6.3.1 The results of the logistic regression
      6.3.1.1 Overall sample
      6.3.1.2 By gender
      6.3.1.3 By ethnic group

6.4 The Logistic Analysis (II): Determinants of the Decision to Choose the Science over the Arts Fields.
   6.4.1 The results of the logistic regression
      6.4.1.1 Overall sample
      6.4.1.2 By gender
      6.4.1.3 By ethnic group
6.5 Discussion of the Significant Variables

6.5.1 Sex
6.5.2 Fedu
6.5.3 Sib
6.5.4 Grade
6.5.5 Stream
6.5.6 Other Variables

6.6 Summary of Findings

CHAPTER 7: CONCLUSION AND POLICY IMPLICATIONS

7.1 Introduction

7.2 Summary of Findings

7.3 Conclusion and Policy Implications

REFERENCES

APPENDIX
LIST OF FIGURES

2.1 Determinants of the Demand for Education.

2.2 Factors in Educational Decision Making (Wang B.L., 1977).

2.3 Determinants of the Demand for Education: Summaries of Case Studies.

3.1 Determinants of Educational Choice.

4.1 Family Size

5.1 The Distribution of Students’ Educational Decisions in the Sample.
LIST OF TABLES

1.1 The Ethnic Mix in Local Universities (1985)
1.2 The Number of Malaysian Students in Degree Courses Overseas
1.3 Malaysian Development Plan Targets and Actual Expenditure Percentage Share
1.4 Percentage Distribution of Enrolment and Output in Local Public Institutions by Diploma and Degree Levels

2.1 Ethnic and Sex Differences in Expected Benefits of Form Six
2.2 Effect of Ability on Strength of Desire to Continue into Form Six
2.3 Effect of Expectation of University Admission on Strength and Desire to Continue into Form Six, holding Ability Constant
2.4 Educational Aspirations of Male Secondary School Students by Ethnicity and Social Class in percentages
2.5 Effect of Expected Pay after Form Six on Choices between Further Schooling and Working
2.6 Effect of Income on Strength of Desire to Continue into Form Six, Ability held Constant

3.1 Enrolment of Students in Upper-Secondary Schools in Negeri Sembilan according to Gender and Stream (1994)
3.2 Enrolment of Students in Form Four according to Stream in Negeri Sembilan (1994)
3.3 Enrolment of Form Four Students in Negeri Sembilan according to Gender, Ethnic Groups and Stream (1994)
3.4 Enrolment of Students in Upper-Secondary School in Malaysia (1994) according to Gender and Stream

4.1 Distribution of Gender by Ethnic Group (in Form Four)
4.2 Distribution of Gender by Ethnic Group (in Form Four: Minus the Vocational and Technical Students)
4.3 Father's Education by Gender
4.4 Mother's Education by Gender
4.5 Father's Education by Ethnic Groups
4.6 Mother's Education by Ethnic Groups
4.7 Distribution of Parental Occupations Among the Ethnic Groups
4.8 Family Income by Gender
4.9 Family Income by Ethnic Groups
4.10 Distribution of Students by Urban-Rural Location (excluding Vocational & Technical Students)
4.11 Distribution of Students in the Primary Schools by Gender
4.12 Distribution of Students by Academic Combinations according to Gender
4.13 Distribution of Students by Academic Combinations according to Ethnic Groups
4.14 Distribution of Students by UPSR results according to Gender
Distribution of Students by PMR results according to Gender
Distribution of Students by Form Four Grades according to Gender
Distribution of Students by UPSR results according to Ethnic Groups
Distribution of Students by PMR results according to Ethnic Groups
Distribution of Students by Form Four Grades according to Ethnic Groups
Percentage passes and failures in the Bahasa Melayu paper in the Form Four Grades by Ethnic Groups

5.1 Breakdown of Occupations Aspired by Students according to Gender and Ethnic Groups
5.2 The Distribution of Students’ Educational Decisions by Gender
5.3 Distribution of Students’ Educational Choices by Gender
5.4 Distribution of Students’ Educational Choices by Ethnic Groups
5.5 Distribution of Students’ Reasons to Continue further studies by Gender
5.6 Distribution of Students’ Reasons to Continue further studies by Ethnic Groups
5.7 Distribution of Students’ Reasons for not Continuing studies by Gender
5.8 Distribution of Students’ Reasons for not Continuing studies by Ethnic Groups
5.9 Occupation in the Science and Arts Fields by Students’ Decision
5.10 Distribution of Aspirations by Students’ Decisions
5.11 Distribution of Parental Occupations by Students’ Decisions
5.12 Distribution of Father’s Education by Students’ Decisions
5.13 Distribution of Mother’s Education by Students’ Decisions
5.14 Parents’ Encouragement by Gender
5.15 Parents’ Encouragement by Ethnic Groups
5.16 Parents’ Encouragement by Income Groups
5.17 Parents’ Expectations by Gender
5.18 Greatest Influence in Student’s Life by Gender
5.19 Greatest Influence in Student’s Life by Ethnic Groups
5.20 Distribution of Students’ Family Size by Students’ Decisions
5.21 PMR results by Students’ Decisions
5.22 Form Four Grades by Students’ Decisions
5.23 Distribution of Students’ Educational Decisions by Family Income Groups
5.24 Distribution of Reasons for Selecting the Decision to Continue by Income Groups
5.25 Distribution of Students’ Perceived Earnings (after SPM) by Students’ Decisions
5.26 Distribution of Students’ Perceived Earnings (after Further Education: Students who decide to Continue Studies)

6.1 Correlation Table
6.2 Explaining the Decision to Continue
6.3 Explaining the Decision to Continue (among Urban Students)
6.4 Explaining the Decision to Continue (among Rural Students)
6.5 Explaining the Decision to Continue (among Male Students)
6.6 Explaining the Decision to Continue (among Female Students)
6.7 Explaining the Decision to Continue (among Malay Students)
6.8 Explaining the Decision to Continue (among Chinese Students)
6.9 Explaining the Decision to Continue (among Indian Students)
6.10 Explaining the Choice of Science and Technical or Arts Fields
6.11 Explaining the Choice of Science and Technical or Arts Fields (among Urban Students)
6.12 Explaining the Choice of Science and Technical or Arts Fields (among Rural Students)
6.13 Explaining the Choice of Science and Technical or Arts Fields (among Male Students)
6.14 Explaining the Choice of Science and Technical or Arts Fields (among Female Students)
6.15 Explaining the Choice of Science and Technical or Arts Fields (among Ethnic Groups)