

Chapter 6: Conclusion

Private education has undergone a major transformation, emerging from a sector comprising of mostly tuition centers in 1960s to become tertiary institutions offering a whole range of professional, technical and managerial courses. The most significant change occurred in the 1990s with the commercialisation of higher education. Several reformative legislation were made to bring this about:

- **The Education Act, 1996** ensures that the relevance and quality of education is maintained.
- **The Private Higher Education Act, 1996** makes provision for the establishment of private universities, university colleges, branch campuses of foreign universities as well as the upgrading of existing colleges to universities.
- **National Council on Higher Education Act, 1996** enables the setting up of a national body to determine policy and co-ordinate the development of tertiary education in the country.
- **National Accreditation Board Act, 1996** provides the board to ensure the high standard of academic and quality of the higher education institutions, both public or private.
- **Universities and University Colleges (Amendment) Act, 1996** provides public universities with more administrative and financial autonomy to chart programmes, especially after they are corporatised.

Private higher institutions in Malaysia can be categorised into several groups:

- Individual-owned institution such as metropolitan college and Limkokwing Institute.
- Private colleges with International connection such as International Medical University and Sedaya College.
- Large corporation closely link with government such as UNITEN and Multimedia University.
- Institutions established by large corporation that are public listed such as Sunway College and Kolej Damansara Utama.
- Branch Campus such as Monash University and Curtin University of Technology.

From the estimation calculated, in 1998, there will be 51,904 students demanding for higher education. This estimation, which is likely to be on the high side, indicates that about 57 percent of the total demand for higher education in the country could not be met by public universities. There is ample supply of private higher education to meet this unmet demand. It is estimated that there are 120,000 places offered by the private sector in 1999.

The Higher Education Planning Committee has determined that an optimum socio-economic development requires that the enrolment in higher education by disciplines should in the following ratio: 4: 3: 3 in arts, science and technology, respectively. The actual figure for this ratio in public higher education institutions in 1995 is 5.5: 2.8: 1.7. This indicates that it will be difficult for Malaysia to achieve the appropriate disciplinary composition of higher education as set out by the government. Private higher education may exacerbate this situation as the courses offered in the private higher education market-driven.

The most significant of the economic implication of the private higher education is the inflow and outflow of the foreign exchange. Not only can private higher education reduce foreign exchange outflows they may encourage foreign exchange inflows when foreign students study in Malaysia. In a twinning degree, the savings can amount to RM 5,000 to RM 15,000 per student based on tuition fees alone.

Government has liberalised its policy by allowing more colleges to conduct the twinning program, "3+0" program and branch campus in Malaysia. Such initiatives is hoping that it will enhance the educational industry to become an export industry and thus moving towards the goal of Malaysia to internalize its educational sector to become the education centre. Study opportunities in Malaysia are many and the cost of study for an equivalent quality bachelor degree programme in Malaysia is well below the tuition fees charged by universities in other study destinations and this has become the most attractive reason for Malaysia to become the education centre.

The private institutions in facing the dilemma of having to improve the quality of the quantity to survive need to act wisely. It is not wrong if a private institution wishes to maximise profit but the quality must be ensured there. What use of having a private institution that maximise its profit for just once and can not last long to enjoy the benefits?

The emergence of private institutions did not help much in reducing the burden of the government in the government allocation or budget because the private institutions have been run privately most of the time. Private education institutions are financed entirely by private sector and receive no subsidy from the government or the state. Private education institution operate like other commercial organisation in Malaysia and are entitled to the same obligations such as raising capital through the KLSE and paying all due taxes and levies.

The role of the private education sector as a peripheral did not work out as what the government assumed. The private institutions are more prompt to offer some of the courses that are less costly, profitable and short. To supplement the government in providing science and technical courses take a lot of time and afford and most importantly, it cost a lot. Science laboratories and computer labs are high in cost, so were the teachers that need to be imported from overseas. All of these induce a huge amount to the private sector's budget.

The government's effort of promoting Malaysia as a centre of education excellence itself has help to promote the private education in Malaysia. The overseas exhibition and road show done by the government which invites the private institutions to take part has been one of the supportive way the government show to help in helping the private institutions.

What the government can be done is to upgrade the process of approving the courses to be offer. Often heard that the approval is too slow that by the time any answer is given, the semester is already over and the planning cannot further on. Last but not least, government should emphasise more guidance and regulatory control on the private institutions so that they may not go astray from the government's education objective and making education an easy way to make money.