Chapter 7 Role of Japan's ODA in Human Resource Development of Malaysia

This Chapter focuses on the contribution of Japan's ODA to the human resource development sector of Malaysia.

7.1. Human Resource Development Policy

The human resource development policy of Malaysia was defined in each 5-year plan and the first and second Outline Perspective Plans. The following characteristics can be observed in the policy after the 4thMP.

The first characteristic is mental education. The Seventh Malaysia Plan stated that "the education and training programmes are expected to produce not only manpower who are knowledgeable, highly-skilled and computer literate, but also imbued with discipline, high moral values and good work ethics."¹ And the Fifth Malaysia Plan defined that "the overall objectives of education and training is to promote national unity,"² through molding disciplined, diligent, and motivated individuals. The policy of human resource development reflects mental education.

In this sense, the Look East Policy Programme is the one of the most characteristic of human development programmes. The Look East Policy, as announced by Mahathir, aims at learning the

¹ See p.339, the Seventh Malaysia Plan
² See p.483, the Fifth Malaysia Plan
work ethics and correct attitude to work, including a sense of belonging which commonly exists among eastern countries, like Japan and Korea. The Look East Policy Programme aims at achieving this objective. Under this programme, Malaysia has sent over 4,800 students and trainees to Japan since 1982 to learn not only Japanese language or advanced technology, but also the work ethics of the Japanese. Although a major portion of the cost for this programme was borne by the Malaysian Government, Japan has assisted in the programme through ODA. For example, 1) sending fifty one Japanese teachers, up to July 1996, 2) giving grant aid to construct buildings for preparation of such courses in Malaysia, 3) subsidizing training in Japanese factories, and 4) extending Yen Loan to send additional students to Japanese universities. The Look East Policy Programme and Japan's cooperation are explained in the latter part of this chapter.

A second characteristic of human resource development policy puts emphasis on training in science and technology. Malaysian education system was influenced by the British system before its independence. Education in those days had little to do with pragmatic knowledge. Education since the 4th MP, however, has approached pragmatics knowledge. It puts emphasis on mathematics and science in primary education, and technology and management in higher education.

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The Look East Policy Programme also places emphasis on pragmatic knowledge. Malaysia sends more than one hundred students every year for undergraduate courses in Japanese universities under the programme. The ratio between social science and engineering/natural science has been 1:3 since its beginning. And it sends students to Japanese technical colleges (Kosen). In addition, it dispatches one hundred engineers or technicians from various government sectors every year under the programme.

A third characteristic is the Bumiputera Policy. Education and training have a role to correct inequality of social and economic position among races. The Bumiputeras still do not share a proper proportion of professional occupation. In order to balance this proportion, the Government provides education and training opportunities for Bumiputeras. The Look East Policy Programme also places emphasis on Bumiputeras. The Government of Malaysia selects only Malays or Bumiputeras for admission into the academic programmes. There are a few exceptional cases in technical education and in-plant training.

A last characteristic is privatization. The Government of Malaysia used to achieve industrialization and economic growth by introducing foreign investment. Now, the Government of Malaysia is trying to propel privatization of education by introducing foreign capital and system as well. Twinning programmes with foreign universities are being promoted in Government as well as private facilities. At the moment, universities in the US or Commonwealth countries provide degrees under these twinning programmes. Japan
has not as yet contributed to this field. However, Japan will contribute to privatization of vocational schools through ODA to Japan Malaysia Technology Institute (JMTI), which will be established in Penang in next few years in collaboration with Japanese private companies and the Malaysian Government. The feasibility study is conducted under Japan's ODA, and some cooperation will be given by Japan's ODA to this private vocational school.

The following describes Japan's most significant contribution in human resource development, Look East Policy Programme and then explains Japan's other contributions in, technical assistance.

7.2. Look East Policy Programme

7.2.1. History

The Look East Policy was disclosed in December 1981 by Prime Minister Mahathir, just 5 months after his inauguration. This policy was announced officially by him in the fifth MAJECA-JAMECA Annual Conference in Kuala Lumpur in February 1982. Addressing the delegates from Japan, he said, "We have come to realize that the basis of your rapid development is your sense of commitment and your continued willingness to work. Thus, when we ask Malaysians to look East, it is not so much of your living standards that we are talking about... What we are interested in is your work ethics... It is not just skills we are after, but more importantly, the correct attitude to work, including the sense of belonging, which breeds loyalty."
Since then, the 'Look East Policy' has served as an important vehicle for Malaysians to acquire new values in tandem with the long and short-term industrialization plans of the country. It was a framework for learning from the successful Japanese and South Korean models and adapting them to Malaysian needs. The major objective is to inculcate in Malaysians, those values, work ethics and management practices which stress hard work, loyalty to the enterprise, dedication and the need to be self-reliant through the individual's own hard work, determination and initiative.

Education and training programmes were needed to achieve the objectives of the policy. The Government of Malaysia launched the so called "Look East Policy Programmes" in the middle of 1982. The Look East Policy Programmes consisted of the following four sub-programmes:-

- Technical and Industrial Training Programme,
- Executive Development Programme.
- Academic Education Programme; and
- Technical Education Programme;

7.2.2. Technical and Industrial Training Programme

At the initial stage, the programme started with Technical and Industrial Training, so called "In-Plant Training". This programme is for the public sector engineers and technicians. Trainees are sent to a Japanese host organization for three to six months. Trainees receive intensive Japanese language courses at
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ITM. An officer\(^4\) of the Public Services Department (PSD) who was interviewed disclosed, that almost all the first batch of trainees were technicians from Proton or Perwaja as these companies had special connection to the Japanese companies, Mitsubishi Auto and Nippon Steel respectively. The JICA report\(^5\) described that at the initial stage, the Malaysian Government requested Japanese private companies to accept the above trainees in Japan and to train them through working, eating or sleeping together with Japanese technicians. The Japan-Malaysia Economic Association (JAMECA) coordinated Japanese firms for the acceptance. In Japan the Association for Overseas Technical Scholarship, AOTS, an extra-departmental body of MITI, became the window to accept all 136 trainees of the first batch under its programme. Although AOTS seldom provides training programmes in its facility, it introduced private firms which could provide such training for overseas trainees. The Japanese Government subsidized the private firms up to 75% of the cost for training through AOTS. Since the 2nd batch, the Japanese Government changed system to cooperate with both JICA and AOTS. Each agency has accepted half of the trainees in principal since then.

7.2.3. Executive Development Programme

Prime Minister Mahathir was interested in the behavior of executives from Japanese firms, who cooperate with labor workers

\(^4\) Interview with Mohd. Ismail Yahaya, Principal Assistant Director, Look East Policy Section, Public Service Department, on 19 July 1996.

and work hard, with loyalty to the firm. He thought this was one of the secrets of Japan's success, and he requested to train Malaysian executive officers in Japanese firms, especially in trading houses. The first Executive Development Programme was provided for 11 Malaysian executives in various Japanese trading houses. Since the 2nd batch, the field of training has diversified, based on the needs of the Malaysian side.

The training period is between one to three months. Training is held in English, so no Japanese language course is required.

7.2.4. Academic Education Programme and Technical Education

The Academic Education Programme is designated for sending students for four years to pursue degrees in Japanese universities. Students receive a two year preparation course before going to Japan. The Technical Education Programme sent students to the Japanese technical college (Kosen) for three years to get a diploma. Both programmes also needed assistance from Japan. They needed preparation courses for 2 years, including mastering the Japanese language and science. The then Japanese Ministry of Education (Monbusho) and the Japanese Foundation have sent Japanese teachers to prepare courses for such academic education programmes in KL, since 1982.

Several officers interviewed, who were in charge of this programme, at the Embassy of Japan in Kuala Lumpur and Public Services Department of the Prime Minister's office, were unable to
confirm the history of negotiations for setting up this programme between the two governments. There are no documents relating to the history of negotiation. However, in "My personal history" carried on Nikkei Newspaper on November 20, 1995, Mahathir described "Both Japanese Prime Ministers, Fukuda and Nakasone, understood this policy (Look East Policy) and gave various assistance to the policy". We imagine that Mahathir himself was eager to seek Japan's assistance to this programme. He might have requested Japan's assistance from his counterpart.

In addition, Embassy staff from the Ministry of Education answered the question that he guessed the Japanese side was also keen to acquiesce to the Malaysian request, because it was good timing for Japan's expanding programme for foreign students. This was called the "Plan to accept foreign students of 100,000". This plan was formed in August 1983 under the strong leadership of Prime Minister Nakasone. He was keen on Japan's responsibility in international community. He was the founder of the Friendship Programme in the 21st Century (now called "Youth Invitation Programme"). It is not difficult to assume that Nakasone and Ministry of Education, Japan (Monbusho) welcomed Malaysia's request because it was significant to Japan to have the cooperation of an ASEAN country. In addition, Malaysia bore all cost of living allowances, travel, tuition for Malaysian students. All Japan had to do was to send several teachers and allocate Malaysian students to national universities controlled by Monbusho.

Preparation courses opened in 1982 for the Academic
Education Programme and, 39 students went to Japanese universities after two years of preparation, in 1984.

However, for the Technical Education Programme, no preparatory course was available in Malaysia up to 1989. They were sent to Japan directly and they received a one-year Japanese language course in Japan before enrolling into colleges. In 1990 and 1991, participants received several months of preparation of Japanese language at ITM (Institute of Technology MARA) before going to Japan. Since 1992, they have received two-year preparation courses in ITM before going to Japan.
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Table 7.1  Number of participants who visited Japan under the Look East Policy Programme

<table>
<thead>
<tr>
<th></th>
<th>Academic Education</th>
<th>Technical Education</th>
<th>Japanese Language Education</th>
<th>Tech/Industrial Training Education</th>
<th>Executive Development Education</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>-</td>
<td>-</td>
<td>136</td>
<td>11</td>
<td>147</td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>-</td>
<td>24</td>
<td>418</td>
<td>9</td>
<td>451</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>39</td>
<td>28</td>
<td>247</td>
<td>10</td>
<td>324</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>45</td>
<td>30</td>
<td>236</td>
<td>16</td>
<td>327</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>64</td>
<td>29</td>
<td>229</td>
<td>17</td>
<td>339</td>
<td></td>
</tr>
<tr>
<td>1987</td>
<td>79</td>
<td>30</td>
<td>218</td>
<td>14</td>
<td>341</td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>81</td>
<td>30</td>
<td>201</td>
<td>9</td>
<td>321</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>84</td>
<td>29</td>
<td>185</td>
<td>7</td>
<td>305</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>81</td>
<td>50</td>
<td>153</td>
<td>5</td>
<td>301</td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>88</td>
<td>65</td>
<td>118</td>
<td>8</td>
<td>291</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>104</td>
<td>78</td>
<td>146</td>
<td>-</td>
<td>342</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>114</td>
<td>0(1)</td>
<td>117</td>
<td>10</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>135</td>
<td>92</td>
<td>107</td>
<td>30</td>
<td>384</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>123(58)</td>
<td>89</td>
<td>79</td>
<td>28</td>
<td>336</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>128(76)</td>
<td>88</td>
<td>80</td>
<td>35</td>
<td>345</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,165(134)</td>
<td>662</td>
<td>98</td>
<td>2,670</td>
<td>209</td>
<td>4,810</td>
</tr>
</tbody>
</table>

Note: (1) shows number of students under Yayasan Pelajaran Mara financed by Yen Loan.

(1) Before 1992, students were sent to Japan for preparation courses. However since 1992, preparation courses have been held in Malaysia for two years. So in 1993, no students went to Japan.

Source: Embassy of Japan.
7.3. Academic Education Programme

7.3.1. Japan's contribution to the programme

This programme is designed for Malaysian students to pursue degree courses in Japanese universities. SPM holders are selected to undergo a two-year preparatory course at Universiti Malaya, where they are taught the Japanese language and other subjects. The medium of instruction during the first year is in Bahasa Malaysia but switches to Japanese in the second year for the students to prepare for the life in Japan. The students sit for an examination set by the Ministry of Education, Japan (Monbusho), at the end of the course before being placed in Japanese universities. Each year Monbusho provides scholarships to 10 outstanding students after they complete the two-year preparatory course, based on the recommendations of their teachers.

The Public Services Department, which is the implementing agency of the programme, makes efforts to ensure that the proportion of students selected between technical or engineering and social science is approximately 75:25, in-line with current government emphasis on science and technology.

Japan's ODA has assisted the programme in the following ways;

- The Government of Japan sent twelve Japanese language teachers from the Japan Foundation, and sixteen science teachers from Monbusho. ODA is allocated to the cost of sending these teachers and their salary.
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- The center for preparatory courses at UM amounting to RM 13 million was constructed with Japan’s grant aid, 390 million Yen in 1983 and 383 million Yen in 1988.
- Scholarships from the Japanese government was given to ten top students every year under ODA.

Table 7-2  Scheme of Look East Policy Programme

<table>
<thead>
<tr>
<th>Sub program</th>
<th>Preparation</th>
<th>Travel</th>
<th>Living</th>
<th>Tuition</th>
<th>Japanese Language Teacher</th>
<th>Japanese Science Teacher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Education</td>
<td>2 years at UM</td>
<td>M(1)</td>
<td>M(1)</td>
<td>M(1)</td>
<td>JF</td>
<td>JG</td>
</tr>
<tr>
<td>Technical Education</td>
<td>2 years at UTM</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>JF</td>
<td>JG</td>
</tr>
<tr>
<td>Japanese Language Education</td>
<td>5 months at ITM</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>JICA</td>
<td></td>
</tr>
<tr>
<td>Tech/Ind. Training</td>
<td>6 months at ITM</td>
<td>M</td>
<td>M/JICA/</td>
<td>JICA/</td>
<td>JICA</td>
<td></td>
</tr>
<tr>
<td>Executive Development</td>
<td>None</td>
<td>M</td>
<td>M</td>
<td>JICA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Top 10 students are under scholarship of the Japanese Government
(2) 4,900 yen per day is born by Malaysian Government. Other cost are born by JICA/AOTS.
(3) Higher Education Loan Programme under Yen Loan
Cost sharing  M: Government of Malaysia
              JF: Japan Foundation
              JG: Japanese Government (Monbusho)
Source: Based on various interviews.
7.3.2. Evaluation of the Programme

According to Public Service Department (PSD), they have not conducted any evaluation of this programme. However, the Centre for Japan Studies of the Institute of Strategic and International Studies (ISIS), conducted a questionnaire survey⁶ in 1992. They sent out questionnaires to 443 graduates of this programme and received 107 respondents.

The survey showed the following findings;

● The majority (87 per cent) of the respondents found that the education which they received in Japan has been useful to their jobs and career advancement in Malaysia and that they are able to use the knowledge gained in Japan in their present jobs.

● Almost all the respondents agreed that their experience in Japan also made them more conscious of 'hard work and productivity,' 'efficiency' and 'quality'. As many as 88 per cent of the respondents currently work in Japanese-related companies.

● More than one third of the respondents described their overall experience as 'very rewarding', while about one third felt it was 'satisfactory'; however, another one third

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felt that more could have been accomplished. Practically all (96 per cent) said they would go to Japan for education or training again if they were given the opportunity.

• About half the respondents do not belong to any Japanese-related association, club or society in Malaysia, and few of them participate in Japanese-related activities now. It would seem that most students lose contact with Japan and Japanese-related activities after returning to Malaysia. Some former students said that their current heavy workload (with Japanese companies) does not allow them time to participate in social events.

The graduates formed an alumni association, so called ALEPS (Alumni Look East Policy Society). Their membership list covers only 205 graduates out of 561 who graduated under the academic education programme, and 58 out of 315 under the technical education programme. According to the membership list\(^7\), 86% of the graduates work for Japanese companies in Malaysia and half of them belong to electronics maker such as Matsushita, Sony or Sharp as shown in table 7-3. Only eight graduates (4%) worked for the Government sector.

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\(^7\) See MEIBO (Member list) Alumni Look East Policy Society (ALEPS) 1995 227
Table 7-3 Present Employment of the Graduates of Look East Policy Programme

<table>
<thead>
<tr>
<th>Employer</th>
<th>Number</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japanese Company</td>
<td>177</td>
<td>86.3%</td>
</tr>
<tr>
<td>Electronics</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td>Machinery</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Malaysian Company</td>
<td>23</td>
<td>11.2%</td>
</tr>
<tr>
<td>Government</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Electronics</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Machinery</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Other companies</td>
<td>5</td>
<td>2.4%</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: counted by the writer based on MEIBO (Name list) of Alumni Look East Policy Society, 1995

There is no restriction on the employee and job after graduation under this programme. The fact that 86% of the graduates worked for Japanese companies showed the successful results of this programme. The graduates utilized their knowledge of the Japanese language and experience in Japan for their present jobs. This is very different from the programmes in Indonesia.

For instance, Indonesia also gives government scholarships to many students who stay in Japan under Yen Loan. But most of them are government staff and they have to work for the government at least ten years after graduation. In case they quit their government job, they have to refund part of the cost extended for their scholarship. In the Indonesian scheme, the graduates cannot
use or are limited in using the Japanese language and knowledge of engineering and science in Japanese.

7.3.3. Case Study

Some interviews with a few Japanese university graduates of the above courses were made in order to study in detail their roles in Japanese companies. The interviews were made for supplement of evaluation of effects. Following respondents were selected on random basis:

- Ms. Rohani Hamzah graduated in biography from the Hiroshima University in 1988. She worked for a Japanese parts maker in Penang after graduation. There were five Japanese staff who could not speak English. Her job was to assist all Japanese staff by translating their Japanese to Bahasa or English, to local staff numbered around 300. But actually, she was expected to do every job to bridge the language gap between the Japanese and local staff. The local staff could not understand the work ethics of the Japanese. Sometimes she had to explain the reasons behind the instructions or ideas given by the Japanese staff in respect to their culture and way of thinking.

Now she works for a representative office of a Japanese giant machine maker. She is an officer conducting marketing or research by herself, but she is expected to be

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8 See P.158, OECF Annual Report 1996
9 Interview was made on July 7, 1996
the middleman between the Japanese and locals here again as she is the only local staff with knowledge of the language. She observed that knowledge of the language was not sufficient to become a mediator for the Japanese and Malaysians. Only the experience of living in Japan, and working with Japanese can help understand their way of thinking or their work ethics.

• Mr. Khairudin\textsuperscript{10} graduated in the machinery department in 1990. After graduation he joined his present company, a Japanese electronics maker. He works as a coordinator, introducing new machines to his factory from Japan. He negotiates with Japanese suppliers of such machines, arranges import procedures and installs the machine in his factory. He appreciated the programme because his knowledge of machinery in Japanese helped him tremendously in negotiating with Japanese suppliers. His understanding of the Japanese way of thinking smoothens his communication with his Japanese bosses in the present company, or Japanese counterparts, the suppliers. As there are 5 other graduates of the programme working in his company, he is no longer requested to be a translator or middleman.

• Ms Zaharaah\textsuperscript{11} graduated from the faculty of commerce in

\textsuperscript{10} Interview was made on July 8, 1996
\textsuperscript{11} Interview was made on July 9, 1996
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1988, and joined a Japanese subsidiary in Kedah State. Since then, she has changed her job 3 times, but all of 4 companies are of Japanese origin. The present company, producing motors for camera, has three Japanese staff, all of whom cannot speak fluent English, and sixty local staff. She is handling everything besides technical matters of the factory, which is handled by another graduate of the programme. Officially, she is the assistant to the Japanese general manager, but actually she is expected to do everything under the supervision of her General Manager. Her job consists of negotiating with Japanese customers, communicating with the head office in Japan, and accounting. She noted that as a result of the training programme, she had no problem communicating with the Japanese. It was due to her understanding of not only their language, but their ethics and culture as well.

7.3.4. Contribution of the Programme

According to a questionnaire survey by ISIS, the majority of the respondents evaluated the programme as being very useful to them as it has helped them to understand Japanese work ethics better. An interview survey by the writer produced the same results. Taking into account the above three cases interviewed, graduates are firstly expected to become a middleman to bridge the language barrier between Japanese staff and Malaysians. In this sense, they are not only translators but coordinators as well or a gateway to Japan for local staff, as shown in the name of their programme “Ambang Asuhan (Gateway to Japan)”.

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And for Japanese investors, the existence of these graduates eases circumstances, while providing Malaysia with a stable political situation and a more developed infrastructure. Japanese companies can now easily get Japanese-speaking local staff who also understand Japanese work ethics. Assuming that they would have had to send their employee to Japanese universities for four years on their own expense in order to get such qualified staff in other countries, they can save a lot of money and time in Malaysia.

Mr. Yoshio Suzuki\textsuperscript{12}, Secretary General of Japan Chamber of Trade and Industry, Malaysia (JACTIM), informed the writer that Japanese companies which are so keen to recruit graduates of the programme that they actually send recruiters to Japan a year before their graduation. He also admitted that their existence is one of the factors that spur Japanese investments in Malaysia, because some Japanese companies, especially small-medium sized companies, feel more comfortable employing Japanese-speaking staff.

At the moment, 8 years have passed since the first set of graduates returned to Malaysia. Most are still assistants to the Japanese managers or mid-level employees class. However, there is a great possibility that some of them would penetrate the Japanese management in the future. In March 1996, Deputy Prime Minister Anwar mentioned that this programme will continue at least the

\textsuperscript{12} Interview was made on July 20, 1996
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until the year 2000\textsuperscript{13}. Then they would not only contribute to technology transfer but also to management transfer or position transfer in Japanese companies, which, at present have notorious reputations for slow transfers. When that time comes, the contribution of this programme can be judged better.

At least, Prime Minister Mahathir appreciated this programme very much. He announced to the press, “The Look East Policy has helped the country to develop at a tremendously faster pace than before it was adapted in 1982.”\textsuperscript{14}

Another significant contribution of the Programme is the recognition of Japanese universities by the Malaysian government. Prior to this, Japanese university degrees were not officially recognized. The moment this programme was under way, PSD recognized some Japanese universities. As of 1995, selected courses at 95 national universities and three private universities have been recognized by the Malaysian government.

However, not all private universities in Japan have been recognized by the Malaysian Government. Since 1993, it started an additional scholarship programme to send students to Japanese universities under Yen Loan. This was called the Higher Education Loan Programme (HELP). The implementing agency of this programme is YPM (Mara Education Foundation). Neither PSD or

\textsuperscript{13} See \textit{New Straits Times}, 18 March 1996
\textsuperscript{14} See \textit{Business Times}, 18 May 1996
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Monbusho is involved directly in HELP, so YPM cannot get direct assistance from Monbusho for the allocation of students to Japan's national universities. After negotiations between the Government of Malaysia and Monbusho, the latter finally agreed to allocate the 10 most outstanding students to national universities. But the remaining students have to sit for an entrance examination, as do the private students. Some of them had to go to private universities which are as yet not recognized by Malaysia. Recently, officials from PSD visited some of these where students are under HELP study. According to a PDS official\(^{15}\), recognition is being processed and all private universities, where Government- sponsored- students are studying, will be recognized soon.

The recognition of more Japanese university degrees means that more Malaysians will consider Japan when selecting a foreign country for further education.

7.4. Technical & Industrial Training Programme

7.4.1. Japan's Contribution in the Programme

Known as the In-plant Training Programme, this is a programme for public sector engineers, technical instructors, technicians and technical personnel. Participants are attached to host organizations (both private and public sector organizations) in

\(^{15}\) Interview was made to Mohd. Ismail Yahaya, Principal Assistant Director, Look East Policy Section, Public Service Department, on 19 July 1996.
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Japan for a period of three to six months during which they receive training relevant to their areas of expertise. In addition to technical skills, trainees are expected to acquire Japanese work ethics, discipline, attitudes, etc. Prior to leaving for Japan, participants have to go through a six-months intensive Japanese language course at Institute Teknologi Mara. Japanese language instructors sent by JICA, under ODA, conducted the course together with local language teachers. Over the years, more than 50 language teachers have been dispatched from Japan. As shown in Table 7-1, over 2,600 Malaysians in 15 batches have been trained in Japan since 1982.

JICA and AOTS are the two agencies charged with the coordination and implementation of this programme. Of the over 2,600 trained, about half received training through JICA and the rest through AOTS. These two agencies provided a short pre-course orientation in Japan before trainees were sent to their respective host organizations. Over the years, more than 100 Japanese companies in diverse industries have acted as hosts and provided training to these trainees at their premises. These included large multinationals, such as Matsushita, Hitachi, Sony, Sharp, Mitsui, Sumitomo, Mitsubishi and Ajinomoto.

Although the Malaysian side bore the travel cost, and living allowance of trainees approximating 4,900 Yen (RM108) per day. The Japanese side bore the training fees and additional costs of living with its ODA.

7.4.2. Evaluation
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The Government of Japan and the Government of Malaysia met for regular consultations on this programme. The two Governments agreed to jointly evaluate the training programme in 1987 and carried out a questionnaire survey on ex-trainees under this programme in 1988\textsuperscript{16}. Out of 1,266 ex-trainees under the Industrial & Technical Training Programme, up to 6 batches, 130 respondents (10\%) were gained. The respondents were asked to give opinions on the influence of Japanese work ethics based on a scale where 5 = extremely influenced; 4 = very influenced; 3 = average influenced; 2 = little influenced; 1 = not at all influenced.

As shown in Table 7-4, only few respondents denied being influenced by Japanese work ethics in various aspects, but overall, there was a 100\% affirmative response on this aspect.

\textsuperscript{16} See JICA, \textit{The Report of the Joint Evaluation Survey of Industrial and Technical Training/ Executive Development Programme on Japan under the Look East Policy of Malaysia,} 1988,
Chapter 7  ROLE IN HUMAN RESOURCE DEV.

Table 7.4  Influence of the Japanese work ethics

<table>
<thead>
<tr>
<th></th>
<th>Influenced (%)</th>
<th>Not influenced (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(scale 3, 4, 5)</td>
<td>(scale 1, 2)</td>
</tr>
<tr>
<td>Self-responsibility</td>
<td>99</td>
<td>1</td>
</tr>
<tr>
<td>Teamwork</td>
<td>90</td>
<td>10</td>
</tr>
<tr>
<td>Sense of quality</td>
<td>98</td>
<td>2</td>
</tr>
<tr>
<td>Efficiency in work</td>
<td>98</td>
<td>2</td>
</tr>
<tr>
<td>Discipline</td>
<td>98</td>
<td>2</td>
</tr>
<tr>
<td>New idea for management</td>
<td>87</td>
<td>13</td>
</tr>
<tr>
<td>Loyalty to organization</td>
<td>96</td>
<td>4</td>
</tr>
<tr>
<td>Punctuality for work</td>
<td>98</td>
<td>2</td>
</tr>
<tr>
<td>Overall evaluation</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>


On the aspects of self-responsibility, efficiency in work, discipline and punctuality for work, 98 - 90% respondents were affirmative.

Effectiveness of the training was based on a scale of 5 = extremely effective; 4 = very much effective; 3 = to some extent effective; 2 = less effective; 1 = not at all effective.

As shown in Table 7-5, the training objective in respect of technical improvement was achieved. 98% of the respondents found the training effective. 94% of the respondents acknowledged improvement on the technical know-how, and 53% or 67 respondents answered on the scale of 4 and 5.
Table 7-5 Effectiveness of Training

<table>
<thead>
<tr>
<th></th>
<th>Effective (%)</th>
<th>Not effective (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical know-how</td>
<td>94</td>
<td>6</td>
</tr>
<tr>
<td>Adoption of new technology</td>
<td>69</td>
<td>31</td>
</tr>
<tr>
<td>Knowledge on technology</td>
<td>91</td>
<td>9</td>
</tr>
<tr>
<td>Coach colleagues</td>
<td>74</td>
<td>26</td>
</tr>
<tr>
<td>Overall evaluation of effectiveness</td>
<td>98</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: same as for table 7-4

The increase of the technical and managerial knowledge on technology or management was also acknowledged by 91% and 50% or 65 respondents, affirming, on the scale of 4 and 5.

Simultaneously, the questionnaire was sent to Malaysian organizations which sent trainees under this programme. There were 23 respondents. All organizations (100%), recognized that this programme was beneficial to the trainees, the colleagues and the organization.

7.5. Contribution of Executive Development Programme

7.5.1. Japan's Contribution

This is a relatively small programme tailored for public sector managers. Only 209 participants have gone to Japan on this programme since 1982. Participants were attached to either public or private organizations for one to three months only. Their training was tailored to their individual needs, based on their fields of
expertise. No language preparation was required as English was used in the training.

As far as this training programme was concerned, the Malaysian side bore all travel costs, and living allowances, while the Japanese side bore the training fees under ODA.

7.5.2. Evaluation

Similar to the training and industrial programmes, this programme was evaluated by a joint survey between Malaysia (PSD) and Japan (JICA) in 1988. Out of 63 executives under this programme, as of 1988, 10 (16%) respondents were gained.

All ten respondents found Japanese work ethics beneficial (scale 4--9 respondents, scale 3-- 1 respondents). The influence of Japanese work ethics was remarkable.

Although the executives confirmed the effectiveness of this programme in general, as shown in Table 7-6, but it had a relatively low evaluation because they put more emphasis on the managerial improvement rather than on the technical improvement.
Table 7.6 Effectiveness of Training

<table>
<thead>
<tr>
<th></th>
<th>Effective (%)</th>
<th>Not effective (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(scale 3, 4, 5)</td>
<td>(scale 1, 2)</td>
</tr>
<tr>
<td>Technical know-how</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Adoption of new technology</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Knowledge on technology</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Coach colleagues</td>
<td>70</td>
<td>30</td>
</tr>
<tr>
<td>Overall evaluation of effectiveness</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Same as for table 7.4

7.6. Japan's Technical Assistance to Malaysia

7.6.1. Type of Technical Assistance

Japan contributed to human resource development in Malaysia mainly through its technical assistance. Assistance for the Look East Policy Programme is also implemented under technical assistance in the form of dispatch of Japanese language teachers and trainees under Technical and Industrial Training. Forms of technical assistance and its performance in Malaysia is shown in figures 7.1.
Figure 7-1 Technical Assistance to Malaysia (ODA basis)

Technical Assistance

- Training in Japan
  - (JICA 7,410, AOTS 5,111, APO 190, UNIDO 18)
  - Technical training
  - Youth Invitation Programme

- Dispatch of Expert
  - (JICA 1,350, APO 10, JODC 71)
  - Individual Expert
  - Project Expert

- Provision of Equipment
  - (JICA 48 projects)

- Project-type Technical Cooperation
  - (JICA 24 projects)

- Dispatch of Volunteers
  - (JICA 922)
  - JOCY
  - Senior Volunteers

- Development Study
  - (JICA 74 projects)

- Emergency Disaster Relief
  - (JICA 1 project)

( ) shows implementing agencies and accumulated number of persons or projects as of March 1994.

JICA: Japan International Cooperation Agency
AOTS: The Association for Overseas Technical Scholarship
APO: Asia Productivity Organization
UNIDO: UN Industrial Development Organization
JODC: Japan Overseas Development Cooperation
JOVC: Japan Overseas Cooperation Volunteers

Source: Based on 経済協力の現状と問題点, keizai kyōryoku no genjō to mondaiten, (Present Situation and Problems of Economic Cooperation 1995) and JICA, JICA Activities in Malaysia, 1995
“Training in Japan” is the main pillar of technical assistance to Malaysia. Japan accepted a total number of 12,729 trainees under JICA, AOTS, APO, UNIDO. This number is the 4th largest after Indonesia, Thailand and the Philippines. There are two courses pertaining to technical training. One is the group-training course comprising ready made courses in various fields, and the other is the individual training programme, prepared separately to meet the specific needs of individual participants. Lately, some of these courses have been held in third world countries. For instance, 14 group-training courses were held in Malaysia, where 198 Malaysian trainees and 458 neighboring countries’ trainees participated.

The “Youth Invitation Programme” was different from technical training. It aims at fostering friendship between ASEAN youth and Japanese youth. Participants, by traveling through several places in Japan and staying at ordinary houses with a host family, were expected to foster friendship with Japanese youth. It was launched by Prime Minister Nakasone during his trip to ASEAN in 1983. Form 1984 to 1994, Japan received 1,645 youths from Malaysia.

“Dispatch of Experts” is another pillar of Japan’s Technical Assistance. There are two types of experts, the individual experts and the project experts. Individual Experts are dispatched in response to individual requests from the developing countries.

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17 JICA KL Office, マレーシアにおけるJICAペース技術協力の概況, Mareishia niokeru JICA bēsu gijitu kyōryoku no genjō (JICA Technical Assistance to Malaysia), 1996
Individual Experts are assigned to government-related organizations, research centers, or educational institutions where they instruct their counterpart personnel. On the other hand, Project Experts are dispatched within the framework of Project-type Technical Cooperation. Japan has dispatched 1,350 experts under JICA, 10 under APO and 71 under JODC as of March 1994. The total is 3rd largest after China and Indonesia.

"The provision of equipment" is usually granted in conjunction with existing cooperation programmes in order to facilitate technology transfer from Japan. There are 48 projects in Malaysia which for JICA has provided equipment.

"Project-type Technical Cooperation" was implemented under JICA as the comprehensive approach to promote technology transfer. This programme provides integrated assistance, from planning and implementation to evaluation, through a combination of the three types of cooperation: a) training in Japan, b) dispatch of experts, c) provision of equipment. Project-type technical cooperation includes various activities such as development of appropriate technologies and dissemination of technologies. There are 24 projects under this aid programme in Malaysia.

Recently, "Dispatch of volunteers" has been confirmed by Japanese Government as "visible aid". Volunteers are classified into two types by their ages. JOCV (Japan Overseas Cooperation Volunteers) members are between 20 and 39, while senior volunteers are over 40 years old. Volunteers with specific
technology and skills are dispatched to developing countries to assist the socio economic development of the local communities. JICA has sent 922 volunteers to Malaysia, which was the second largest figure after the Philippines.

The "Development study" scheme assists in the formulation of a master plan or a feasibility plan. The study team comprises professional consultants under contract with JICA who are dispatched for the study. They study the proposed project or program not only from the technical and financial viewpoints, but also from economic and social factors, organization and management, environmental impact, and other aspects. This report is then presented to the recipient government. It is used by the recipient government as a reference when making policy decisions on the promotion of the project or programme and on subsequent loan applications.

JICA implemented this study for 74 projects in Malaysia, including 20 feasibility studies. Out of 20 feasibility studies, 16 projects have been implemented. Compared to studies in other countries, this ratio of realization is not too bad. However, only one project was financed by Yen Loan, despite a feasibility study being conducted with expectation of Yen Loan. The other 15 projects were implemented by Malaysia on its own budget. This ratio (1/20=5%) is quite low compared to Indonesia (45/60=75%), or the Philippines (19/30=61%). In order to improve this ratio, to achieve

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18 JICA Malaysia Office, *JICA Activity in Malaysia, 1995*
7.6.2. Amount

The amount of technical assistance provided to Malaysia amounted to US$ 76.8 million in 1993, which occupied 4.1% of Japan's total technical assistance to the world, and placed Malaysia as the 6th largest recipient of Japan's technical assistance after China, Indonesia, Thailand, Korea and the Philippines; as shown in table 7.7.

Table 7.7  Japan's technical assistance in 1993

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (US$ million)</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>245.1</td>
<td>13.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>157.9</td>
<td>8.4</td>
</tr>
<tr>
<td>Thailand</td>
<td>135.4</td>
<td>7.2</td>
</tr>
<tr>
<td>Korea</td>
<td>111.2</td>
<td>5.9</td>
</tr>
<tr>
<td>The Philippines</td>
<td>87.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Malaysia</td>
<td>76.8</td>
<td>4.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,871.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: ODA Handbook 1995
Despite its relatively small population, the reasons why Malaysia was placed the 6th largest recipient of Japan's technical assistance are:

- Malaysia is an ASEAN member country;
- Since 1982, Japan has given special assistance to the Look East Policy Programme by receiving a total number of 4,800 students and trainees, and dispatching Japanese language teachers; and
- Malaysia dispatches 150 participants every year to the Youth Invitation Programme. Japan also sends an aftercare mission on the programme every year.

7.6.3. Evaluation

JICA has conducted evaluation based on projects. It does not have any comprehensive evaluation for its technical assistance to Malaysia. However, evaluation on dispatch of experts relates to Japan's contribution to human resource development.

In March 1988, JICA conducted interview surveys on all of thirty one (31) individual experts. Their measure of technical assistance was training (35%), advising (18%), planning (12%) and education (11%). Questioned on the progress of technology transfer, a major portion (87%) of the experts replied that progress was extremely good or good, as shown in table 7-8. Despite this being a self-evaluation survey, their duties of technology transfer went smooth in general. However, language was still a big problem for these experts, as shown in table 7-9. More than half the experts felt
inconvenienced by the use of English in discussions and
documentation, but they compensated by their expertise in training
and advising.

Table 7-8  Evaluation of experts for progress of
technology Transfer

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely good</td>
<td>26.7</td>
</tr>
<tr>
<td>Good</td>
<td>60.0</td>
</tr>
<tr>
<td>Cannot evaluate good or bad</td>
<td>13.3</td>
</tr>
<tr>
<td>Not so good</td>
<td>0</td>
</tr>
<tr>
<td>Bad</td>
<td></td>
</tr>
</tbody>
</table>

Source: JICA documents

Table 7-9  Communication problem of experts (%)

<table>
<thead>
<tr>
<th></th>
<th>Fluent</th>
<th>Feel a bit</th>
<th>Feel a big</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>inconvenience</td>
<td>inconvenience</td>
</tr>
<tr>
<td>Documentation</td>
<td>41</td>
<td>34</td>
<td>25</td>
</tr>
<tr>
<td>Discussion</td>
<td>37</td>
<td>56</td>
<td>7</td>
</tr>
<tr>
<td>Training</td>
<td>70</td>
<td>27</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: JICA documents

7.7. Conclusion

Japan's ODA contributed to the human resource development of Malaysia through the Look East Policy Programme and technical assistance as follows.

Under the Look East Policy Programme, 1,165 Malaysian
students have gone to Japanese universities, and 662 have gone to Japanese technical colleges. Out of these, 876 students have graduated as of July 1996. Almost all the graduates (88% by ISIS survey and 86% by the writer's survey) work in Japanese firms in Malaysia. This number has huge impact on Japanese firms in Malaysia, taking into account the fact that the number of Japanese firms in Malaysia were 1,346, as of June 1996. They play a great role in Japanese firms as middlemen between Japanese and Malaysian staff. Their role is likened to a bridge between the two countries in the matters of cultures and work ethics. Their existence provides a comfortable environment for Japanese investors, and might contribute to spur Japan's investment. In future, when the graduates penetrate into management rungs of Japanese firms, their role and contribution will become greater in the country's development.

2,670 trainees went to Japan under the Technical and Industry Training and 209 executives went to Japan under the Executive Development. A major portion of them realized that the training in Japan was not only effective to the trainee himself but also to colleagues and organizations. And they understood too that Japanese work ethics have greatly influenced them in their jobs. As almost all of them work for the government sector, their experience was considered to have contributed to elevating that sector's effectiveness.

Under technical assistance on ODA basis, Japan accepted nearly 13,000 Malaysian trainees, which is the 4th largest after
Indonesia, Thailand and the Philippines. On the other hand, Japan dispatched more than 1,400 experts and 900 volunteers to Malaysia. The former is the 3rd largest after China and Indonesia, and the latter is 2nd largest after the Philippines. Malaysia has been a targeted country for Japan's technical assistance, and Japan has, to a certain extent, contributed to the human resource development of Malaysia through technical assistance based on various evaluations.