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**MINISTER OF HIGHER EDUCATION MALAYSIA**

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**SUNWAY RESORT HOTEL & SPA**

**“Higher Education in the New Economy:  
Roadmap of Prospects and Challenges”**

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**SALUTATIONS**

1. It gives me great pleasure to be here this morning, and to have been invited to talk in this prominent Malaysian Education Summit. We are now in an era where higher education plays a pivotal role to the nations' progress and development, particularly in relation to the path that the country is heading towards, and with respect to our vision for the next decade. Thus, it is timely that I am provided with this opportunity to delineate the prospects that are forthcoming in the higher education sector, in the context of the new economy; prospects that are not without challenges, but those that I hope we can work together to manage, and overcome.
2. The global higher education scenario is developing at a very fast pace. For a nation that inspires to be a high income economy by 2020, we simply cannot afford to be left behind. The potentials offered by higher education cover a wide spectrum. It is therefore, for these reasons that education has been earmarked as one of the twelve areas that are to contribute to the nation's economy, as an engine of growth, in the government economic transformation programme, ETP.
3. In the current global economy, education has evolved into a commodity, and an export produce - and thus, is 'caught up' in the game of the best provider wins. We wish to be

the best in the provision of higher education. This intention and aspiration, in fact, has been resonating loud and clear within the ministry and the academic circle since way back in 2007, when the then Prime Minister launched the National Higher Education Strategic Plan. The main objectives were simple and straightforward then, and they still are – to create a critical mass of quality human capital for the nation’s growth towards achieving Vision 2020, and to make Malaysia a regional, and thenceforth, an international hub of higher education excellence. The big challenge, ladies and gentlemen, is in the implementation.

Ladies and gentlemen,

4. To put my talk within a clearer perspective, an operational definition of the new economy, as seen from the Ministry’s perspective is much wanting. So, what is this new economy, generally? If we were to run a search through the internet now, myriad definitions would be found, but please allow me to offer a simpler one. Basically, it is a new environment, within which the economy is based on knowledge and ideas. Put in this context, and in light of the nation’s aspiration to be a high-income economy, it is without a doubt that the progress of the nation is very dependent on the universities and higher education institutions. Why? Because that is where most of our talents come from. The very same talents with the knowledge and ideas which are needed to mobilize the nation. So, the tools are ‘knowledge’ and ‘ideas’.
5. Higher standards of living, as we envisioned in 2020, and job creation, which is a necessity for the sake of achieving our vision, will be spurred by innovative ideas and technology, deeply embedded in services and manufactured products. As the thrusts of this new economy are the creation and transfer of knowledge, higher education (as in the service and the product) has an integral function in today’s new economy.
6. Strategically, it means that it is absolutely necessary for us to identify and respond to a new set of educational requirements. Not only that, we need to be identifying our opportunities, reviewing and redefining our products. It means that the usual agenda now becomes business unusual, literally. Reacting is not going to get us anywhere. We need to be proactive. Not serving, but creating. Not walking, but running. We do not just want to be a relevant world player. We want to be a significant world player. In that

context, Ladies and Gentlemen, the tasks set for the nation's higher education is no mean feat.

Ladies and gentlemen,

7. To a certain extent, we at the Ministry are fortunate that we already have a transformation blueprint- which is the National Higher Education Strategic Plan (or the PSPTN); which I mentioned earlier, was launched in 2007. Even better, this four-phase strategic plan, has already commenced execution, beginning at the tail end of 2007. The first phase, the phase during which the foundation for other phases is laid out, came to completion in December 2010. We are happy to state that as far as laying the basis for further strengthening work is concerned, we have done well. What this means, in real terms, is that, we know where we are in aspects that matter, and even better, there are very positive indications in that we know clearly how to mobilize and make the other three phases of the strategic plan, a success. Our strength, as seen in the implementation of phase 1, is in the collegiality and the togetherness of the higher education community in the execution of the strategic plan, based on a common, water-tight understanding that we have no choice but to move on towards the same accepted destination, which forms a very solid foundation for further phases of the Strategic Plan.
8. The question now that you might ask is – what are the aspects that matter? While we have lined up 23 critical agenda projects for the Strategic Plan, which runs up to 2020 and beyond, we have also prioritized and matched those with that of the immediate interest of the nation. We all know that the nation's aspiration is this – to be a high income economy by 2020. The roles of the higher education sector in making sure this happens are clearly defined, and it is these that I shall now move on to.
9. [First – is in the matter of internationalization](#). Malaysia's visibility as a provider of quality higher education needs to be enhanced. This requires consistent efforts, based on comparisons and benchmarking with countries that are world renowned as existing top exporters of higher education. The output or returns from internationalisation activities are not limited to income generation; they will also result in the form of intangibles, such as knowledge sharing and increased specialisation; both of which will have direct and indirect contribution to the country's gross national income (GNI).

10. We will see to it that internationalisation programmes are focused on positioning the nation as a global player, where the country's involvement is not limited to student and staff exchange programmes but also utilising Malaysia's expertise towards increased collaborative and collegial undertakings. In addition, we aim to enrol 150,000 international students in Malaysia by 2015, and 200,000 by 2020; with the current figures standing at about 86,000 students. While the enthusiasm of getting more international students' enrolled in the country's higher education institutions is high amongst the institutions, with a financial in-flow figure of about RM30,000 per student spending per year, the task of ensuring that the students are of high, acceptable quality is indeed a challenging one.
  
11. We will continuously monitor the quality of students that we accept into the country, as well as putting in place various mechanisms to ensure that they are of the quality that matches our programme of studies requirement. One of these is through enrolling students whose studies are sponsored by international agencies or other governments, as these are indicators of quality students. We also wish to increase the number of international faculty in the country, who will help in particularly two aspects: first, the actual learning and teaching processes, through the contribution and sharing of pedagogical and andragogical expertise, and the sharing of tacit knowledge, in terms of subject matter and work culture; and secondly, through the sharing of their research expertise. To do this successfully however, we need to look into attractive and competitive remuneration packages, as we find that other countries too have joined in the international students bandwagon in an effort to position themselves as a higher education global player, thus creating a rife competition. International flexibility will be enhanced in currently existing and new initiatives such as institutional consortia, international internship programs, and study-abroad programs.
  
12. Of course, as much as we wish to attract as many as we can of international students, very explicit focus is placed on post-graduate students. This is very much in line with our efforts to increase access to higher education, but with a more strategic focus on post-graduate students in especially the country's five research universities. An increase in the number of post-graduate students (both international and local alike), in particular, research post-graduate students, will significantly contribute to the enhancement of the quality of the nation's human capital, towards the strengthening of the country's

knowledge society. The increased access will contribute towards an increase in research and research-based activities, development and innovation activities, all of which have both direct or indirect link to the country's economic growth.

13. To increase the number of students at this level, it thus goes without saying that higher education institutions will need to pay closer attention to the type of graduate programs that are offered. In line with the 12 areas identified as the National Key Economic Areas, higher education institutions should be looking to strengthen studies in these, as the trickle-down effect on the country's development, in respect to knowledge, and research output and outcome, will be inevitable. In that respect, the R&D and Post Graduate Roadmaps of each higher education institution will run in tandem with the mobilization of this agenda.
14. From another perspective, program flexibility has been identified to have contributed greatly to the growth in graduate education worldwide, and as such we would be foolish to be turning our backs on it. The Internet has provided the prevalence of graduate program flexibility. In a 1997 article in *The Economist*, it was mentioned that the internet offers novel ways of reaching out to more students at lower cost and creates new connections between academics working in adjacent disciplines and unadjacent places. More than a decade down the road, this cannot be truer than ever. These connections and relationships are likely to include new cultures and generations of students, which act further to enhance our understanding of value systems, towards a greater appreciation of our own. The flexibility will also allow for the forging of new educational alliances resulting in multidimensional program curriculum and delivery modes, where content will be subject to perpetual redesign resulting from persistent and continuous contact with much wider knowledge communities.
15. We also have very clear plans on the direction that our Research and Development should take in this new economy. They say knowing where the problem is already halfway towards solving it, and such therefore is the case with R&D. While we have been actively indulging in many research activities, many of which are of very impressive quality, we now need to move a few steps up the chain, to aggressively mobilize our innovation and commercialization activities. We are facilitating this through our grant and funding mechanisms, which now address the research-innovation-commercialization value chain. We have identified priority research areas, or known as

High-impact research platforms, which will benefit the nation and put the nation at the forefront of R&D activities. These areas are global warming, infectious diseases, tropical medicine, water and energy security, food security, Information and Communication technology, and Advanced and Value-added Manufacturing.

16. Universities are encouraged to promote, and contribute to, not only national development, but also regional and international development, based on clustering of knowledge activities. Extending the university's wing beyond our national boundaries, through collaboration, consultation and through the sharing of resources, will only benefit the country in the long run, enabled through the fostering of knowledge networks.

17. Linked to R&D endeavours is the need for the forging of very intimate relationship between industry and academic. Collaborative efforts and smart partnerships between the two are pivotal to the success of national development. The dependency of the two entities on each other to move forward cannot be denied, and it is this dependency that will drive our efforts. As innovation hubs, universities' work with industry will help in many ways, one of which is in finding ways on how to contribute to the issue of sustainable environment. While we value industries' involvement and assistance extended to academia in programme curriculum, and the likes, the time has come that the collaboration covers a broader scope, in the form of community and the environment.

18. To do all these, we need to overcome particular challenges of resources, where study funds to build the capacity and capabilities of a critical mass of researchers so needed for R&D and commercialisation activities are enhanced. We also need to do some convincing work with local industries, especially those in the SMEs, whose interest lies largely in the production of low technology processes and products, and are more keen to purchase technologies rather than to invest in R&D. As long as we have this mindset, and perceived lack of purpose, we will not be able to go very far with our good intentions.

19. In alignment with the focus delineated in RMK10, of producing highly skilled workers who will contribute to the nation's growth, the ministry is making very aggressive efforts to

increase the number of this group of human capital. The country's 3.3 million jobs which will be created by 2020 is made up of 60% highly skilled workers, out of which 679,977 will have at least a diploma. Equally important are skilled workers with certificates, some of whom will continue to undertake diploma programmes. The approach that we have decided to take is to mainstream technical and vocational education. Plans are very much under way to increase the number of diploma programmes in the nation's public universities, especially the group of Malaysian Technical Universities, which are Universiti Teknikal Melaka, Universiti Malaysia Perlis, Universiti Tun Hussein Onn, and Universiti Malaysia Pahang. The nation's polytechnics too play a pivotal role in this grand plan, while the modular programmes in the nation's community colleges will be further enhanced, both from quantity and quality perspectives. Generally, plans include increasing access, programme continuous improvement efforts, intra and inter-institution collaboration, the offering of new courses and the likes. Programme of study aligned to the other 11 New Key Economic Areas will be of focus, as these will directly impact the nation's economic performance.

20. Entrepreneurship is another focus of the ministry in this era of the new economy. We are also in the midst of mainstreaming entrepreneurship education. The main objective of this initiative is to enhance the entrepreneurship capacity and ability in all our students. It is certainly not our intention to solely create entrepreneurs amongst our graduates, though that is certainly part of the objectives. What we wish to see in our graduates are the characteristics of an entrepreneur to be deeply ingrained in each and everyone of them – that they are willing to take risks, are resilient, are resourceful, are innovative, are go-getters- basically the very elements that will take them to succeed in whatever they decide to embark on. The basis of this decision is simple: the existence of an entrepreneurial culture, and students' active involvement in it, will result in a society that values innovation, that will persevere towards achieving social and economic success. Entrepreneurship will be the key enabler for the country to achieve high income nation status by 2020, as the players in the entrepreneurial culture will be the main catalyst to the economic transformation.

21. In practical terms, we will ensure that all our higher education students are exposed to entrepreneurial elements in their programmes of study, and that there is an increased percentage of graduates becoming entrepreneurs after six months of graduating (from the current 1.6% to 5%). In tandem with the plan, academics will also be given training in

entrepreneurship education, and to help ensure that delivery systems in institutions are enterprising in nature. Each public university now has set up centre of entrepreneurship, and some financial allocation has been provided for to see to the start-up operations of the centre. Institutions are required to forge closer ties with industry to assist in this agenda.

Ladies and gentlemen,

22. The country's higher education industry is now aggressively positioning itself as a globally recognized and referred entity, thus putting Malaysia on the world map for this growing commodity. We will not be satisfied with just being a player and provider; for we want to establish ourselves as a strong reference center for higher education excellence. While looking to succeed and be recognised out there, we also want to work towards taking down the walls that separate the university from the community, for social maturity and progress will happen if university faculty and students engage themselves with local communities to help them align themselves with the structures and processes of their local ecosystems. Lifelong learning is pivotal to everyone in a progressing economy, for their contribution will come in more ways than one.

23. And make no mistake, ladies and gentlemen. The higher education sector is propelled by both the public higher education institutions, as well as the private ones. The time has come for synergistic strategies and execution between these two, as at the end of the day, the outcome of efforts to the nation is one and the same. Provisions for the development by the private sector are clearly made in the Economic Transformation Programme (ETP), and through *Private Public Partnerships*.

24. My ministry will ensure continuous and consistent efforts to ensure that we are on the right track, to take the country to the heights of success. Having said that, the ministry alone cannot work wonders, without the help of other ministries and industries. We humbly seek our friends' cooperation, as in the spirit of 1Malaysia, our togetherness will take us to the peak.

Thank you.