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Higher Education Report: [MALAYSIA]
UNESCO National Commission in alliance with [higher education institution(s) or other organisations]

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Abstract

For over 10 years, the higher education ecosystem in Malaysia has seen a significant increase in students enrolment and a yearly output of around 280,000 graduates from 2010 to 2019. In addition to that, Malaysian graduates have an employability rate of over 80% on average. However, the COVID-19 pandemic wave has brought forward a decline in students intakes, particularly in the Private Higher Education Institutions (PHEIs), which are heavily reliant on international students. COVID-19 also poses a few other challenges to the higher education ecosystem such as lack of access to proper infrastructure and a widening digital divide. Other challenges like the sustainability of PHEIs and lack of coordination among TVET education providers, on the other hand, have persisted long before the pandemic. To cope with these obstacles, the Ministry of Higher Education (MOHE) has designed several strategic interventions such as developing the Higher Education Digitalisation Plan (HEDP); setting up the National TVET Council (MTVET); and initiating a special task force to facilitate the PHEIs.

Content

Acronyms

No.	Acronyms	Explanation
1.	COVID-19	Coronavirus Disease 2019
2.	DOSM	Department of Statistics Malaysia
3.	DPCCE	Department of Polytechnic and Community College Education
4.	DSD	Department of Skills Development
5.	GE	Graduate Employability
6.	HEIs	Higher Education Institutions
7.	IBC	International Branch Campus
8.	LMS	Learning Management System
9.	MCO	Movement Control Order
10.	MEB(HE)	Malaysia Education Blueprint (Higher Education)
11.	MOHE	Ministry of Higher Education
12.	MQA	Malaysian Qualifications Agency
13.	MTVET	*Majlis TVET Negara* (National TVET Council)
14.	OCW	Open Courseware
15.	OER	Open Educational Resources
16.	PEMUDAH IPTS	*Pasukan Petugas Kebangsaan Pemudahcara Institusi Pengajian Tinggi Swasta Sebagai Industri* (Special Task Force to Facilitate Private Higher Education Institution as an Industry)
17.	PHEIs	Private Higher Education Institutions
18.	SVP 2030	Shared Prosperity Vision 2030
19.	T&L	Teaching and Learning
20.	TVET	Technical and Vocational Education and Training
21.	YoY	yeay-on-year

Presentation

[Introduce this report in the context of the World Higher Education conference 2022; indicate how the report was prepared; describe its structure; consider any other contextual information that could be relevant to understand this report].

This report is divided into three sections. The first section presents the current landscape of the higher education ecosystem supported with multiple data from 2010 to 2021. The prevailing issues and challenges faced by HEIs are available in the second section while suggestions to the problems are provided in the third section. Various data sources are used to estimate the statistics in this report and are mainly obtained from the Labour Force Survey by Department of Statistics, Malaysia (DOSM) and the Higher Education Statistics published by the Ministry of Higher Education (MOHE). Another source of information is obtained through the yearly Graduate Tracer Study conducted by MOHE.

1. Current situation of higher education

1.1 Higher Education Landscape in Malaysia

Currently, Malaysia has 20 public universities, 36 polytechnics and 105 community colleges. Apart from the public Higher Education Institutions (HEIs), there are also 434 private HEIs (PHEIs) in Malaysia, divided into four different groups: 54 universities, 39 university colleges, 331 colleges and 10 international branch campuses (IBC). Some noteworthy IBCs are Nottingham University Malaysia, the University of Southampton Malaysia and Monash University Malaysia. This brings a total of 595 HEIs that are under the direct purview of MOHE as illustrated in **Figure 1**.

HIGHER EDUCATION INSTITUTIONS UNDER MoHE

MINISTRY OF HIGHER EDUCATION

20 Public Universities
Students Enrolment **590,254**

434 Private Institutions
Students Enrolment **517,580**
- 54 Universities
- 10 International Branch Campuses
- 39 University Colleges
- 331 Colleges

36 Polytechnics
Students Enrolment **84,556**

105 Community Colleges
Students Enrolment **14,741**
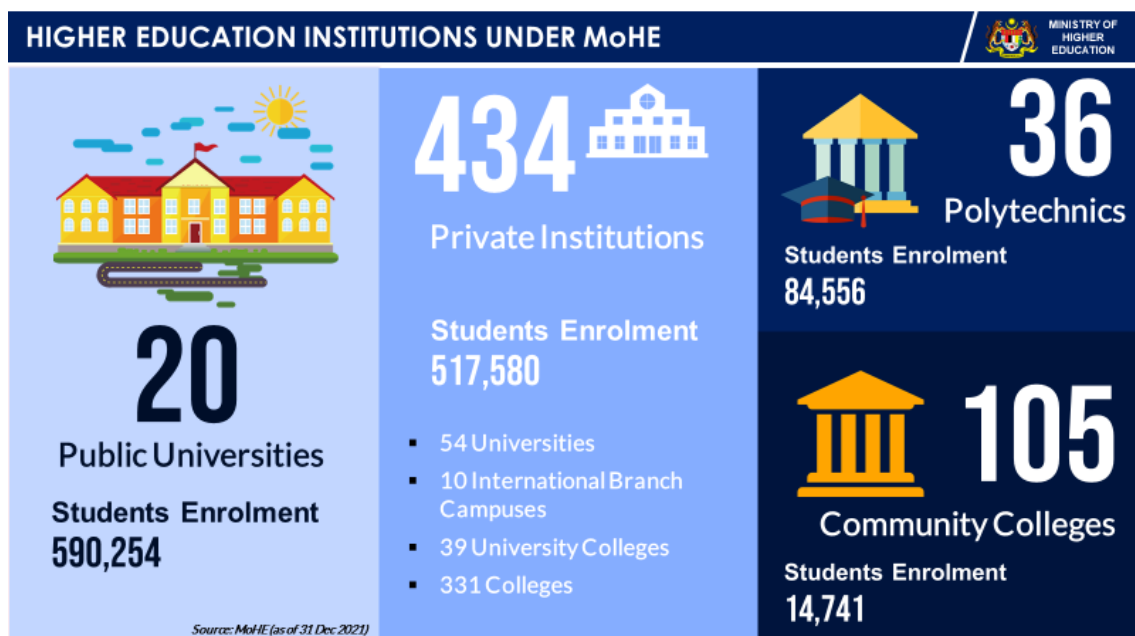
Source: MoHE (as of 31 Dec 2021)

Figure 1: Higher Education Landscape under MOHE

1.2 Historical Intake and Enrolment Rates

Malaysia has reached a **gross higher education enrolment rate** of 48 per cent in 2012. This represents a 70 per cent increase in enrolment (2004 to 2014) to reach 1.2 million students in both public and private higher education institutions[1]. The **enrolment rate** [2]in HEIs before the COVID-19 pandemic hit shows a 16 per cent increase over the last decade (2010-2019) with 1.3 million students in the system. From 2010 to 2016, there's an overall increasing trend of enrolment into tertiary education in Malaysia, from there it plateaus until 2020.

When the COVID-19 pandemic hit worldwide, it also affected the number of enrolments. In 2019, there are 1,323,449 students enrolled in HEIs across Malaysia. However, by 2021, the number has declined to 1,207,131, a 1.4 per cent drop from the previous year. Out of that number, 590, 254 students were enrolled in public universities; 517,580 in private HEIs; 84,566 in polytechnics and 14, 741 in community colleges in 2021. **Table 1** below shows the number of Enrolment in HEIs

Table 1: The Number of Enrolment in HEIs from 2010 to 2021

TYPE OF INSTITUTION	PUBLIC UNIVERSITY	PRIVATE HEIs	POLYTECHNIC	COMMUNITY COLLEGE	TOTAL
2010	462,780	541,629	87,642	18,200	**1,110,251**
2011	508,256	428,973	89,292	6,319	**1,032,840**
2012	521,793	454,616	92,148	22,380	**1,090,937**
2013	560,359	484,963	89,503	21,468	**1,156,293**
2014	563,186	493,725	92,181	17,985	**1,167,077**
2015	540,638	580,928	96,069	18,529	**1,236,164**
2016	532,049	695,026	99,551	20,232	**1,346,858**
2017	538,555	666,617	99,606	20,921	**1,325,699**
2018	552,702	668,689	96,370	26,069	**1,343,830**
2019	567,625	633,344	96,362	26,118	**1,323,449**
2020	584,576	537,434	85,936	16,152	**1,224,098**
2021	590,254	517,580	84,556	14,741	**1,207,131**

This downwards trend correlates with the yearly student intake. On average, Malaysia witness over 400,000 new students enrolling into HEIs every year. However, according to a study by the Malaysian Institute of Economic Research (MIER) in 2021[3], annual student intakes have seen a substantial total decrease over five years from 2016 to 2020. This is mainly contributed by the downward intake trend of Private HEIs (PHEIs); with almost a cumulative decrease of 39.6% from 2016 (251,487 students) to 2020 (165,158 students).

For polytechnics and community colleges, where teaching and learning (T&L) requires face-to-face interactions and hands-on practical, the Department of Polytechnic and Community College Education (DPCCE) have agreed that student intake for the 2020 academic year at polytechnics is set at 75%, and 50% for community colleges, in line with the Standard Operating Procedures (SOPs) set by the Government at the time. Thus, this is reflected in the decline in year-on-year (YoY) intake for polytechnics and community colleges in 2020 as seen in **Figure 2**.

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[1] Malaysia Education Blueprint 2015-2025 (Higher Education) (Ministry of Education, 2015)
[2] Data only accounts for HEIs under MOHE.
[3] A Study On The Impact Of Covid-19 On Graduate Employability (MIER, 2021)
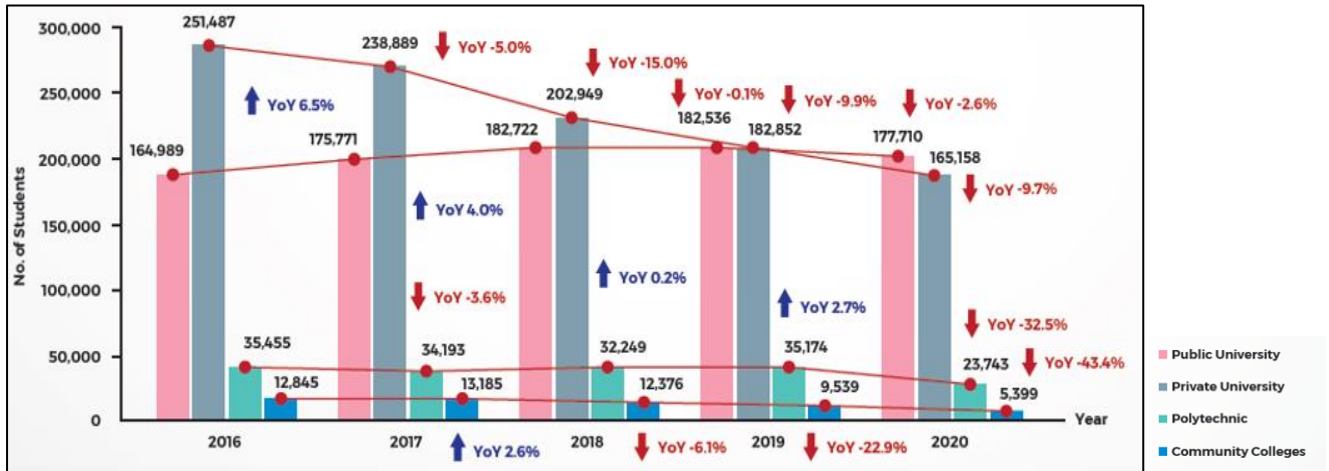
Figure 2: Key Higher Education Intake Indicators (2016-2020)

1.3 Graduation Rates

According to the Department of Statistics Malaysia (DOSM), the number of graduates[4] in Malaysia in 2020 is 5.36 million persons. The number has increased by 4.4 per cent from 5.13 million persons in 2019 as shown in **Figure 3**.
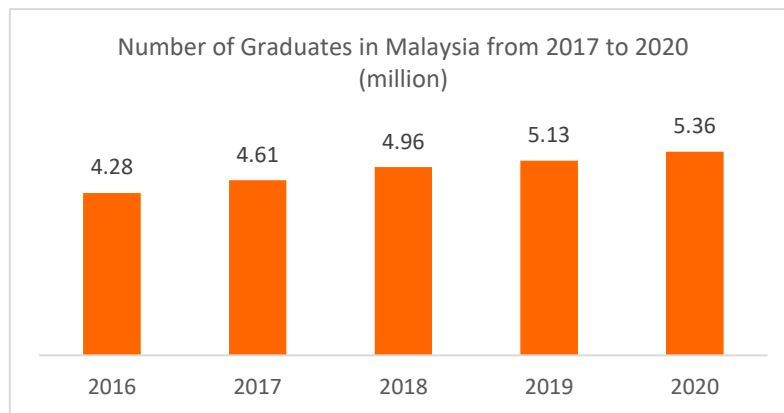

Figure 3: Number of Graduates in Malaysia from 2017 to 2020

The average output of graduates produced by Malaysian HEIs is around 300,000 yearly. In 2021, there are 320,174 students who have completed their studies. This shows an increase by 26 per cent compared to 254,688 graduates in 2020 (see **Table 2**).

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[4] Refers to individual aged 15 years and over with the highest certificate obtained from universities, colleges, polytechnics, recognised bodies or equivalent, where duration of study is at least two years. Graduates are classified into two categories namely diploma graduates and degree graduates.

Table 2: Number of yearly output from 2010 to 2021

TYPE OF INSTITUTION	PUBLIC UNIVERSITY	PRIVATE HEIs	POLYTECHNICS	COMMUNITY COLLEGES	TOTAL
2010	108,331	80,605	32,503	7,460	228,899
2011	104,291	54,397	33,310	6,624	198,622
2012	113,239	107,288	27,286	23,470	271,283
2013	126,027	94,528	25,853	27,485	273,893
2014	135,166	106,203	23,181	6,483	271,033
2015	122,454	134,374	25,388	7,578	289,794
2016	138,626	199,246	24,522	9,541	371,935
2017	119,558	149,857	26,960	10,433	306,808
2018	119,345	149,270	20,076	11,150	299,841
2019	128,418	142,945	29,527	6,928	307,818
2020	114,709	104,018	28,924	7,037	254,688
2021	157,866	132,238	28,117	1,953	320,174

For over 5 years (2015-2019), the employability rate for Malaysian graduates [5] has been steadily increasing from 76.1 per cent in 2015 to 86.2 per cent in 2019. However, due to the COVID-19 pandemic, the Graduate Employability (GE) rate has dropped to 84.4 per cent in 2020. MIER's study confirms that the pandemic has indeed impacted graduate employability. For instance, 60 per cent of total graduates were employed in 2020, down by 17.4 per cent from 2019, compared to previous years, which indicate YoY increase in employment from 2016 to 2019. On another perspective, 15.6 per cent of total graduates in 2020 remain unemployed, an increase of 1.8 per cent from 2019. Compared to the general GE that accounts for all types of HEIs, the GE rate among TVET graduates is normally higher with a range between 87 to 93 per cent. **Figure 4** depicts the GE trend for Malaysian graduates from the year 2015 to 2021.

Graduate Employability (GE) Rate from 2015 to 2021

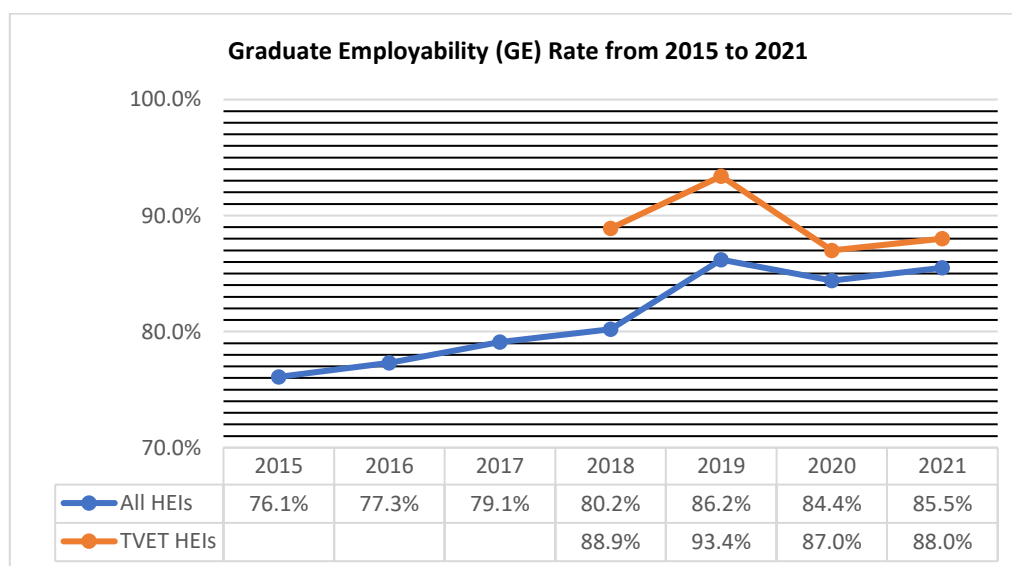|	2015	2016	2017	2018	2019	2020	2021
All HEIs	76.1%	77.3%	79.1%	80.2%	86.2%	84.4%	85.5%
TVET HEIs				88.9%	93.4%	87.0%	88.0%

Figure 4: Graduate Employability (GE) Rate from 2015 to 2021

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[5] Graduate Employability (GE) rate is obtained from the Graduate Tracer Study which typically involves Malaysians within 6 months of completing their studies.

1.4 Legal and institutional framework of higher education

Based on the Ministers of The Federal Government (No. 3) Order 2021, there are 10 acts under the jurisdiction of the Minister of Higher Education. For example, **The Universities and University Colleges Act 1971 (Act 30)** provides for the establishment and regulation of public universities. The Universities and University Colleges Act (Amendment) 1996 provides for greater autonomy to public universities in management and finances and in determining programmes for educational excellence. **The Private Higher Education Institutions Act 1996 (Act 555)** provisions for the establishment of private universities and university colleges, branch campuses of foreign universities as well as the upgrading of existing private colleges to university colleges and universities.

There are also other acts regarding the establishment and operations of agencies under MOHE such as the **National Higher Education Fund Board 1997 (Act 566)**, **Malaysian Qualifications Agency Act 2007 (Act 679)** and **Tunku Abdul Rahman Foundation Fund Act 1966 (Act 389)**.

In addition to the legal framework, MOHE has established institutional frameworks in the form of policies and blueprints for higher education aligned to national aspirations. At the national level, the main reference documents are the **Shared Prosperity Vision 2030 (SPV 2030)** and the **Twelfth Malaysia Plan 2021-2025**.

The SPV 2030, aspires to make Malaysia a nation that achieves sustainable growth along with fair and equitable distribution, across income groups, ethnicities, regions and supply chains. One of the SPV 2030 enablers, **Enabler 5: Education & TVET**, aims to increase the number of skilled workers that meet the needs of the industry. This enabler will also create a highly educated workforce and help build a community that inculcates lifelong learning. **The Twelfth Malaysia Plan** aims to address current issues and at the same time to restart and rejuvenate Malaysia's socio-economic development for long-term sustainability and prosperity. It is intended to enable the people, as **Keluarga Malaysia**, to move forward by restructuring the economy as the foundation for improving the wellbeing of the citizens. This Plan with the objective of '**A Prosperous, Inclusive, Sustainable Malaysia'**, encompasses the first half of the SPV 2030 and is anchored on three key themes, namely resetting the economy, strengthening security, wellbeing, and inclusivity as well as advancing sustainability. A main emphasis is put on improving TVET Ecosystem to produce future-ready talent under **Policy Enabler 1: Developing Future-Ready Talent**. The intent is to produce a strong TVET ecosystem that will allow the country to effectively address persistent issues such as dependency on foreign workers, low CE and low student outcomes.

At the ministerial level, MOHE is driven by a strategic document called the **Malaysia Education Blueprint 2015-2025 (Higher Education)** or MEB (HE) with students and talents at the heart of the transformation. It addresses all HEIs - Public Universities, Community Colleges, Polytechnics, and Private HEIs. The MEB (HE) is built on five system aspirations: access, quality, equity, unity, and efficiency. To achieve its aspirations, the MEB (HE) outlines 10 shifts that will spur continued excellence in the higher education system. All 10 Shifts address key performance issues in the system, particularly concerning quality and efficiency, as well as global trends that are disrupting the higher education landscape. The first four Shifts focus on outcomes for the key stakeholders in the higher education system, including students in academic and TVET pathways, the academic community, as well as all Malaysians participating in lifelong learning. The other six Shifts focus on enablers for the higher education ecosystem, covering critical components such as funding, governance, innovation internationalization, online learning and delivery.

MEB (HE) is also used as the main reference for the establishment of other strategic and operational policies in regards to the higher education ecosystem such as the Entrepreneurship Action Plan Higher Education Institutions 2021-2025 (EAP-HEIs), the Graduate Employability Strategic Plan 2021-2025 and the National Education Code 2020.

Figure 5: The 10 Shifts in Malaysia Education Blueprint 2015-2025 (Higher Education

2. Current challenges in higher education

2.1. Challenge 1: Access to Quality Education and the Digital Divide.

A key issue in education is the low learning outcomes of students. The quality of education in Malaysia needs to be improved to enhance the development of the country's human capital. The outdated infrastructures and facilities in some HEIs hinder students to experiencing a conducive T&L environment. In addition, the digital divide, especially in remote areas, has affected student learning outcomes. Due to the COVID-19 pandemic, students in HEIs have to undergo online T&L. This caused problems for students with limited internet access, especially those who live in remote areas or from low-income families. Teachers and instructors in rural areas also face the challenge of ensuring that online T&L sessions run smoothly. This has further hampered efforts in providing quality education especially in rural Sabah and Sarawak. The lack of physical and digital infrastructure as well as comprehensive online learning facilities impedes the overall progression of education.

2.2. Challenge 2: Sustainability of Private HEIs

About 43 per cent of the total students pursuing higher education in Malaysia are in PHEIs, with a total of about RM40 billion contribution to Malaysia's economy for 2018 to 2020 in terms of tuition fees. According to a research, 55 per cent of PHEIs were already trading at a loss, and 44 per cent technically insolvent, before the COVID-19 pandemic. In 2018, "64 per cent were in dire debt distress and current and fixed assets were less than balance sheet debt" (Asia Sentinel, 2020)[6].

Moreover, with the onset of the COVID-19 pandemic, the PHEIs in Malaysia received a significant blow when the Movement Control Order (MCO) precluded students from setting foot on campus. Strict travel regulations also prevented thousands of international students from travelling to their Malaysian PHEIs. This led to deferred enrolments and left the PHEIs to face cash flow shortages even worse than the previous years.

From 2015 to 2019, 89 PHEIs had ceased their operation. 16 more closed down over the course of the pandemic (2020-2021), primarily due to financial issues. From more than 600 PHEIs in 2013, only 434 are left by the end of 2021. This sustainability issue of PHEIs are currently under close monitoring by MOHE with the planning and implementation of several intervention strategies and initiatives.

2.3. Challenge 3: Lack of Coordination among TVET Education Providers

To date, there are 1,295 in Malaysia. The number includes 640 public TVET institutions offered by 11 ministries including MOHE which offers the most TVET programmes to the highest number of students. Other ministries include the Ministry of Education, Ministry of Human Resources, Ministry of Youth and Sports, Ministry of Rural Development, Ministry of Agriculture and Food Industries, Ministry of Works, Ministry of Tourism, Arts & Culture, Ministry of Home Affairs, Ministry of Defence and Ministry of Women, Family and Community Development. In addition to that, there are 633 private TVET institutions and 22 state-owned TVET institutions, offering multiple programmes across levels 1 to 6 of the Malaysian Qualifications Framework (MQF).

In terms of accreditation, there are two entities governing TVET in Malaysia. The Malaysian Qualifications Agency (MQA) in charge of accreditation of qualifications for academic (higher education) and vocational education sectors offered by MoHE's universities, polytechnics, and community colleges, whereas the Department for Skill Development (DSD) accredited skills training programmes offered by skills training institutions.

With the various TVET institutions governed by different ministries, state governments and private institutions, more efforts need to be directed to align the diverse systems that will streamline students' pathways to higher education and future careers in TVET.

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[6] The Collapse of Malaysian Private Universities. (Asia Sentinel, 2020)

3. Towards 2030 and beyond: recommendations for the future

3.1. Recommendation 1: Embracing Technology in Education

The Ministry of Higher Education (MOHE) Malaysia has embarked on the **Malaysia Higher Education Digitalisation Plan (HEDP)**. This plan is in line with Shift 9: Globalised Online Learning of the Malaysia Education Blueprint (2015-2025) Higher Education (MEB HE) which focuses on making online learning an integral component of higher education and life-long learning; as well as establishing the required digital infrastructure to strengthen the capabilities of the academic community to deliver online learning at scale.

The main objective of HEDP is to strengthen the digital ecosystem of HEIs in a comprehensive and integrated manner. HEDP also aims to expand access to digital higher education for all groups and enrich immersive learning experiences through innovation and the use of new technologies. Besides that, HEDP intends to cultivate higher education digitalisation initiatives on an ongoing basis. There are six focus areas under HEDP, namely: Governance; Academic Excellence; Digital Competency; Infrastructure and Infostructure; Research and Innovation; and Culture.

Among the initiatives in HEDP includes fully utilizing Learning Management System (LMS) as well as Open Educational Resources (OER) and also Open Courseware (OCW) to support online learning. MOHE are allowing HEIs to use both synchronous learning and asynchronous learning approaches to make sure T&L are conducted without any interruption. Those institutions which implemented synchronous learning via 'live sessions' with their students online had recorded the sessions and made them available to students who were not able to join the session. While the online T&L session is in asynchronous mode, with recorded sessions viewed by students in their own time, followed by shorter engagement sessions like a chatroom and online meetings where the recorded material is discussed. In other words, online learning has promoted student-centred learning and personalised learning experience which shows that online learning can happen anywhere, anytime and everywhere.

3.2. Recommendation 2: Empowering Private HEIs as an Industry

MOHE has established the **Special Task Force to Facilitate Private Higher Education Institution as an Industry (PEMUDAH IPTS)** in recognition of the strategic economic growth industry. The task force, comprised of both the Government and PHEIs representatives, serves as a platform to identify issues and challenges by the institutions and seek the best solution to ensure that they prosper and remain competitive on the global stage. Currently there are 37 initiatives that has been outlined for implementation in phases.

3.3. Recommendation 3: Single Governing Body for TVET

The National TVET Council was set up in December 2020 to improve coordination of the country's TVET ecosystem, in an effort to ensure its route as a national agenda. The council also serves as the linking bridge to improve synergy between the Government and industry key players in terms of TVET collaborations. There are six key initiatives that have been tabled to set the direction for TVET's empowerment agenda, namely formulating sustainable financing models; developing policies to encourage industry participation through Government-Industry TVET Coordination Body (GITC); creating the National TVET Branding Plan; establishing the TVET Collaboration Hub; establishing TVET programme policies; and developing TVET Big Data. The council also aims to elevate the image of TVET as the main choice for further study and career development.

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Annexes

Annex 1: Students Intake, Enrolment and Output Data for Higher Education Institutions from 2010 to 2021

TYPE OF INSTITUTION		PUBLIC UNIVERSITY	PRIVATE HEIs	POLYTECHNICS	COMMUNITY COLLEGES	TOTAL
2010	**INTAKE**	167,159	160,484	41,332	10,689	**379,664**
	ENROLMENT	462,780	541,629	87,642	18,200	**1,110,251**
	OUTPUT	108,331	80,605	32,503	7,460	**228,899**
2011	**INTAKE**	188,766	125,845	39,578	0	**354,189**
	ENROLMENT	508,256	428,973	89,292	6,319	**1,032,840**
	OUTPUT	104,291	54,397	33,310	6,624	**198,622**
2012	**INTAKE**	180,558	157,899	38,172	24,236	**400,865**
	ENROLMENT	521,793	454,616	92,148	22,380	**1,090,937**
	OUTPUT	113,239	107,288	27,286	23,470	**271,283**
2013	**INTAKE**	178,418	134,420	31,319	29,052	**373,209**
	ENROLMENT	560,359	484,963	89,503	21,468	**1,156,293**
	OUTPUT	126,027	94,528	25,853	27,485	**273,893**
2014	**INTAKE**	185,067	181,410	34,298	12,103	**412,878**
	ENROLMENT	563,186	493,725	92,181	17,985	**1,167,077**
	OUTPUT	135,166	106,203	23,181	6,483	**271,033**
2015	**INTAKE**	168,127	292,217	37,971	12,839	**511,154**
	ENROLMENT	540,638	580,928	96,069	18,529	**1,236,164**
	OUTPUT	122,454	134,374	25,388	7,578	**289,794**
2016	**INTAKE**	164,989	251,487	35,455	12,845	**464,776**
	ENROLMENT	532,049	695,026	99,551	20,232	**1,346,858**
	OUTPUT	138,626	199,246	24,522	9,541	**371,935**
2017	**INTAKE**	175,771	238,889	34,193	13,185	**462,038**
	ENROLMENT	538,555	666,617	99,606	20,921	**1,325,699**
	OUTPUT	119,558	149,857	26,960	10,433	**306,808**
2018	**INTAKE**	182,722	202,949	34,249	12,376	**432,296**
	ENROLMENT	552,702	668,689	96,370	26,069	**1,343,830**
	OUTPUT	119,345	149,270	20,076	11,150	**299,841**
2019	**INTAKE**	182,536	182,852	35,174	9,539	**410,101**
	ENROLMENT	567,625	633,344	96,362	26,118	**1,323,449**
	OUTPUT	128,418	142,945	29,527	6,928	**307,818**
2020	**INTAKE**	177,710	165,158	23,743	5,399	**372,010**
	ENROLMENT	584,576	537,434	85,936	16,152	**1,224,098**
	OUTPUT	114,709	104,018	28,924	7,037	**254,688**
2021	**INTAKE**	181,901	164,760	29,318	1,833*	**377,812**
	ENROLMENT	590,254	517,580	84,556	14,741*	**1,206,756**
	OUTPUT	157,866	132,238	28,117	1,953*	**320,174**