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THE QUEST FOR REGIONAL HUB OF EDUCATION: CHANGING GOVERNANCE AND REGULATORY REFORMS IN SINGAPORE AND MALAYSIA

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Abstract

With strong intention to enhance the global competitiveness of their higher education systems, both the governments of Singapore and Malaysia have made attempts to develop their societies into regional hubs of education. In order to attract more students from overseas to study in their countries, both the governments have invited foreign universities to set up their campuses to offer academic programmes or to establish private institutions creating more opportunities of higher learning. In the last decade, reforms have been introduced to the higher education sectors in Singapore and Malaysia, particularly when corporatisation and incorporation strategies are adopted to transform national / public universities. This report discusses what major strategies that the governments of Singapore and Malaysia have adopted to reform their university governance and, second, how their aspiration to become regional hub of education is realised.

Introduction

The rise of the knowledge economy has generated new global infrastructures that information technology has played an increasingly important role; furthermore, the popularity and prominence of information technology has changed the nature of knowledge and is currently restructuring higher education, research and learning. To make their university systems more globally competitive, the Singapore and Malaysia governments have introduced corporatisation and incorporation strategies to reform their national (public) universities. This report critically examines the policy background for the quest for regional hubs of education in Singapore and Malaysia, with reference to the major strategies that these Asian governments have adopted to

transform their university governance and promote transnational higher education to realise their ambitions.

Policy Background for University Governance Reforms

Recent Higher Education Reforms in Singapore

Seeing the quality of its population as fundamental to further success of the city-state, the Singapore government has been aware of the importance of quality higher education. Since the late 1980s, the government has started various comprehensive reviews of its higher education system, and it has adopted different reform strategies to strengthen and make higher education competitive in the regional and global contexts. The Singapore government believes that universities have a strategic role in the dissemination, creation and application of knowledge. With the aim of making the two formally national universities – the National University of Singapore (NUS) and the Nanyang Technological University (NTU) – world-class higher education institutions and expand tertiary education opportunities for its citizens, Singapore has two policies for the future development of higher education. One is to expand postgraduate education and research at the universities; another is to review undergraduate curricula to place more emphasis on cultivating students with creativity and thinking skills. The ultimate goal of reforming university education is to transform Singapore into a hub of education, learning and information in the Asia-Pacific region (*The Straits Times*, 25 January 1997). Apart from the restructuring of curricula, Singapore has placed more emphasis on quality assurance and enhancement.

There have been three major stages of higher education reforms in recent years. The first stage was started by setting up an International Academic Advisory Panel, comprising prominent scholars from international higher education institutions and community leaders from big corporations, to help the universities develop into world-class institutions in terms of teaching and research (MOE, Singapore, 2001). Taking the panel's recommendations seriously, the government started to review its university admissions system by adopting a more flexible admissions policy (MOE, Singapore, 1999). Moving beyond recruiting students almost based solely upon their academic scores, the public universities announced in 1999 that they would henceforth pay attention to students' non-academic performance and recognise their achievements in co-curricular activities and school-based project work.

To prepare and equip students for globalisation challenges, the Singapore government has reviewed the curriculum design of university education and now places its emphasis on a broad-based cross-disciplinary university education. More innovative ways of teaching and assessment have been introduced with a focus on creative and critical thinking. Meanwhile, the role of universities in knowledge creation has been strengthened through postgraduate and research education in the universities. Universities constitute a significant resource of new ideas and inventions with the potential for commercial applications, by enhancing their research capabilities and by engaging in more multi-disciplinary research initiatives (Lee and Gopinathan, 2001).

The second stage of higher education reforms saw the establishment of Singapore's third university, in August 2000. The privately owned Singapore Management University (SMU) was formed in collaboration with the Wharton School of Business at the University of Pennsylvania. The foundation of the SMU was a landmark in Singapore's higher education history. By introducing different governance and funding style, the government intends to make its higher education sector more vibrant and dynamic. It also intends to inject a certain degree of internal competition to the university sector despite the fact that these three universities have been tasked to develop their own unique characteristics and niches (Lee and Gopinathan, 2001).

The third stage of higher education reforms is closely related to university governance and funding review in 2000. The purpose of such a review was to ensure that systems and structures in relation to talent management, organisational processes and resource allocation within the universities were properly linked up to their mission and objectives of development in the long run. Overseas study trips to Hong Kong, Canada, the United Kingdom and the United States were conducted in September 1999 to identify good practices in overseas universities (MOE, Singapore, 2000a).

The review committee released its recommendations on public university governance and funding in July 2000. In exchange for greater autonomy, the NUS and the NTU were urged to be more responsive in making timely decisions and adjustments in order to achieve excellence. At the same time, the universities had to put in place systems and structures of talent management, organisational processes and resource allocation to achieve the highest value for money and rates of return from public investment in university education. In short, given further operational autonomy, the universities had to adhere to the principle of greater accountability to ensure an efficient and effective way of spending public funds. Three broad areas were covered in the review: governance principles and structures, funding policies

and mechanisms, and staff management and remuneration. To foster an entrepreneurial climate and to leave more room for the institutions to manage their funds, the universities were urged to recruit and reward their staff according to their performance in terms of productivity and quality (MOE, Singapore, 2000b). In 2003, the Trade and Industry Ministry announced that it would consider allowing a fourth university to be set up as a branch campus of a foreign university. As discussed earlier, the Singapore government has engaged in a partnership with overseas universities to establish more undergraduate education programmes to cater for higher educational needs of local Singapore people and other nationals coming from the region (Lee and Gopinathan, 2004).

Incorporation of Public Universities

After the university governance and funding review, the NUS and NTU were given some operational autonomy, especially in terms of staff remuneration and a block budget for recurrent expenditure. The internal governance structures of the universities were also strengthened, with university councils encouraged to play a role in giving inputs for strategic planning, in ensuring that the university is progressing according to its strategic plans and stipulated objectives, and in overseeing the internal quality assurance systems. However, as statutory boards, NUS and NTU still have to refer to the Government for approval each time they want to make an important decision, for example, when they change their core admission requirements or invest in capital projects. Having reflected upon the changing university governance models and evaluated the recent experiences of SMU, as coupled with the recommendations based on university governance and funding review, the Singapore government decided to reform the governance style of the existing public universities.

In January 2005, the Ministry of Education in Singapore issued a press release to accept the recommendations based on the university governance and funding review to make NUS and NTU more autonomous by being corporatised as not-for-profit companies, similar to how SMU is currently run. According to the MOE of Singapore (2005a), 'as autonomous universities, NUS, NTU and SMU will be given greater flexibility to decide on matters such as their internal governance, budget utilisation, tuition fees and admission requirements/ these flexibilities given to our universities will enable them to differentiate themselves and pursue their own strategies to bring about the most optimal outcomes for their stakeholders' (p.1). By incorporating these state universities, the Singapore government hopes that

universities on the island state can become more entrepreneurial. Governance changes when public universities are ‘incorporatised’; in particular, they become:

- free from the operational regulations and constraints imposed on statutory boards;
- more administratively and financially autonomous;
- more accountable to different stakeholders in local community;
- more responsible for the key decisions affecting university directions and strategic developments;
- more rigorous in terms of internal quality assurance systems;
- more flexible in student admissions and tuition fees policies;
- more power to be decentralised to deans, department heads and faculty members;
- more performance-driven assessments be developed which will inform government’s funding decisions;
- more resourceful since the government will continue investing in public universities (MOE, Singapore, 2005b).

Once public universities in Singapore are incorporatised, the larger university community may cultivate a greater sense of ownership. In particular, the Ministry of Education of Singapore believes that with the introduction of the incorporation strategies, all the formally national universities in Singapore will engender a mind-set change and so instill greater sense of pride in playing a more active role not only charting the future but also shaping the unique culture and identify of their universities (Interview with Division Head of Higher Education, MOE in Singapore, April 2007). As the Ministry of Education of Singapore (2005a) suggested, ‘the contributions and support of this larger community, building on the strong government support, will go a long way towards helping our universities achieve peaks of excellence’ (p.1). Perry Lim, director of higher education of Ministry of Education of Singapore, said in May 2008 that it would take a few years to realise the goal of incorporating national universities. When asked about the major rationale behind the reform, Lim made it very clear that the incorporation of national

universities in Singapore is not financially driven, because all the incorporated universities are still heavily funded by the government. The major rationale behind the incorporation is management-driven, with a strong intention to make the former national universities complete and with a quest for excellence. Specifically, after national universities are incorporated, they can respond to the changing global marketplace in a more proactive manner. Instead of being a statutory body, all incorporated universities would be run as business corporations. As such, university administration has been given more flexibility in running their businesses, and more autonomy and discretion is granted to the management in staffing and finance matters. Unlike the old days, in which the Ministry of Education of Singapore controlled every detail of university governance, incorporated universities nowadays have to negotiate with the ministry about 'key performance indicators' and they are held accountable for their performance (interview with Perry Lim, May 2008 in Singapore). Incorporated universities are clearly given more autonomy, but they are now under greater pressures to prove their performance and are now held accountable to what they have done and how they have made use of the public fund in fulfilling their performance targets

One major consequence after the national universities were incorporated in Singapore was keener competition among local universities. In the old days, NUS and NTU had shared different visions and missions and the academic programmes offered were different, given that NUS had long been *the* University of Singapore, with its comprehensive academic programmes and longer history, whereas NTU was founded later and had a strong technology and engineering orientation. But in recent years, the Ministry of Education of Singapore has played up the notion of competition; thereafter, the NUS, the NTU and the newly developed Singapore Management University have been driven not only to differentiate their academic programmes but also to compete in student recruitment. Before the incorporation took place, universities were regarded as extended arm of the government. Realising the importance of making universities more responsive and proactive in addressing rapid social, economic and political changes, universities have been urged to draw a balance between the role differentiation and that of competition. Although each institution is given a role in the university system, the incorporation initiative also encourages institutions to brand themselves differently (Chan, 2007), which is precisely against such a changing environment in which universities in Singapore feel the intensified competition.

Keener competition is felt not only by front line academics but also by middle managers. Michal Fung, director of office of strategic planning of SMU, frankly shared in May 2008 the intensified pressures imposed from the Ministry of Education of Singapore to make the university one of the best in the region in the business and management fields. Not only does SMU have to compete with other business and management schools within Singapore, but it also has to compete with overseas institutions. Being a newly established university (founded in 2004), SMU faces the challenge in an ongoing review of its missions and vision, working extremely hard to position and differentiate its academic programmes in Singapore. The story of SMU clearly rationalises the recent incorporation reform strategies within the context of university role differentiation and the associated stratified missions. Similarly, the May 2008 interviews with deans from the faculty of science and faculty of arts and social sciences of the NUS suggest that as the oldest university, NUS now faces competition from the sister universities in terms of staff and student recruitment. Although the NUS is the leading university in Singapore, the faculty members have to work very hard to develop academic programmes to match the changing needs in the increasingly competitive higher education market. It is also a way to prevent higher education institutions from becoming static in their developments. Having a contractual relationship with the Ministry of Education of Singapore, the universities have taken achieving key performance indicators more seriously in Singapore (Chan, 2007).

Recent Higher Education Reforms in Malaysia

When analysing the corporatisation of public universities in Malaysia, we should examine how Malaysian higher education has gone through the processes of privatisation and marketisation. Unlike Singapore, the Malaysian project of corporatising the university is more related to the insufficient state funding in meeting the pressing demands for higher education. Despite the fact that public universities have grown in number since 1962, there have never been adequate places for Malaysia's high school graduates who have strong higher education needs. Higher education as a main venue for social mobility and social justice, coupled with the universalisation of secondary education, creates the background to expand higher education (Tan, 2002). To meet students' pressing needs for higher education, private universities and even overseas universities have been allowed to offer academic programmes in Malaysia. In response to the rise of private higher education, the Malaysia government introduced a few new higher education bills, such as the Education Act 1996, the Private Higher Education Act, the National Council of Higher Education Act 1996, the National Accreditation Board Act 1996 and the Universities and University Colleges (Amendment) Act 1996. The Private Education Act 1996 was amended in 2003 in response to new challenges in the provision of

private higher education; it provided the legal framework to govern those private colleges upgrading into private universities and the operation of branch campuses of foreign universities in Malaysia (Morshidi, 2008a).

Realising the importance of higher education in the socioeconomic developments of Malaysia, the Ministry of Education set up a new Ministry of Higher Education in March 2004 to oversee the development of, and monitor the academic standards of, private and public universities. With a strong conviction to develop the country into a regional hub of education, the Malaysian government published an important policy paper *Vision 2020*, outlining the further higher education development plans. According to *Vision 2020*, the government is committed to achieve student enrolments up to 200,000 for each corporatised public university. Furthermore, the government is keen to meet the policy target of having 40 percent of youth aged 19-24 admitted into tertiary education. By 2020, the government hopes that 60 percent of high school students will be admitted to public universities, with the rest going to private colleges and universities. The publication of the *National Higher Education Strategic Plan 2020* and the *National Higher Education Action Plan, 2007-2010* are the most recent responses to the changing socio-economic and socio-political circumstances in Malaysia. Given that the global higher education environment has significantly changed, the *National Strategic Higher Education Plan 2020* outlines seven major reform objectives: widening access and enhancing quality; improving the quality of teaching and learning; enhancing research and innovation; strengthening institutions of higher education; intensifying internationalisation; enculturation of lifelong learning; and reinforcing the Ministry of Higher Education's delivery system.

In response to the changing global higher education landscape, higher education in Malaysia (as in other neighbouring countries) has to address the challenges generated from growing demands and pressures for reforming universities in line with the ideas and practices of corporatisation and incorporation (Morshidi, 2008b). As I indicated earlier (Mok, 2007), technocrats in the Ministry of Higher Education believe that the higher education governance model of old would never prepare public universities for facing new challenges. Thus, the corporatisation and incorporation of state-controlled universities is meant to make them more proactive to changes. As Morshidi (2008b) rightly argued, the adoption of these strategies would improve university governance in coping with rapid social and economic changes. Central objectives as set out by the Ministry of Higher Education include empowering public universities to be more accountable for some areas of their operations and

making them more entrepreneurial to transform the university system in the globalising world (Neville, 1998). When commenting on the review of the Universities and University College Act, 1975, the current minister for higher education once again highlighted the issue of university autonomy and the demand for freer campus life. It is against this wider policy context that the public universities have been going through corporatisation in Malaysia.

Corporatisation of Public Universities in Malaysia

Starting in January 1998, University of Malay, the oldest university in Malaysia, was corporatised along with eight other public universities in the country. Before the corporatisation took place, a state-oriented model ran all public universities; as such, the Ministry of Education governed universities in a centralised manner. Academics might therefore complain about the lack of autonomy in centralised governance finance, given that public universities are entirely taken care by the state. According to the original policy objectives, corporatised public universities would become more self-financing, especially when they become allowed to borrow money, enter into business ventures, and establish companies and consultancy firms, as well as acquire and hold investment shares. Under the revised Universities and University College Act (amendments), corporatised universities are expected to raise funds through all sorts of channels (cited in Lee, 1999b). More akin to running a business and not just staying in the ivory tower (as in the past), public universities, after incorporation in Malaysia, are supposedly diversifying their financial resources by charging students tuition fees, increasing the number of students, branching out to work closely with the business and industrial sectors, and offering professional courses, consultancy and community services.

Under the favourable frameworks set out by the Private Education Act and the Universities and University College Act amendments, public universities began to franchise their programmes to local private colleges. From 1996 to 1999, University Putra Malaysia expanded its franchising programmes from 1 to 33 in local private colleges, whereas the franchising programmes increased from 11 in 1996 to 32 in 1999 at University Teknologi Malaysia (Tan, 2002). According to the most recent report published by the Commonwealth of Learning and UNESCO (Middlehurst & Woodfield, 2004), University Utara Malaysia, University Kebangsaan Malaysia, University Teknologi, University Utara Malaysia and University Sains Malaysia are all involved in franchising their programmes to local private colleges. Under this arrangement, 'students can pursue three quarters of, or even the entire degree programme, in certain private colleges and be awarded with degree qualifications without staying as an 'internal students' in established local public universities' (p.8). In addition, the Local Public University Degree Franchise Programme allows students

who are unable to get into public universities as internal students to get public university degrees; that is, the programme offers them another route where they register as external students with a local university and study through the local private colleges. These student recruitment strategies clearly indicate that public universities in Malaysia are becoming more entrepreneurial.

In addition to the change in relation to student recruitment and university financing, the adoption of corporatisation strategies in reforming public universities was at one point addressed the over-bureaucratisation of higher education governance. The Malaysia government believed that more autonomy and flexibility to public university administration and finance would enhance the global competitiveness of its higher education; thus in the late 1990s, it introduced new governance reforms to public universities along the line of corporatisation. Taking the University Sains Malaysia as an example, the new governance structure of this corporatised university is composed of the Board of Directors (comprising eight members), the chairperson, vice chancellor, a representative from the local community, two representatives from the government and three other people from the private sector. The Board of Directors is the university's highest authority in deciding on major strategic and development directions for the university. The Senate comprises the vice chancellor (as the chair) with deputy vice chancellors, deans and directors of centres and professors (as appointed by the vice chancellor); as such, it has significantly reduced the representation of academics. With the strong decision-making power rested upon the Board of Directors and the vice chancellor, the university is now run as a big business company. Because the vice chancellor has the discretion to co-opt certain academics to become members of the Senate – that is, from time to time, depending on needs and issues – the new governance model really favours the senior administration of the university, especially in terms of the impact of governance change from a corporate dimension.

More recently, the Ministry of Higher Education allowed vice chancellors of public universities to have more discretion to decide upon their operation matters. The Ministry of Higher Education used to control over appointment and leave approval matters. With the intention to de-bureaucratisation of university governance, vice chancellors now can exercise their discretion in leave approval and staff appointment. During field interviews with university senior management in Malaysia, all senior administrators confirmed that they now enjoy more decision-making power. However, the granting of more autonomy / discretion in university management has never been a 'free gift'. According to Morshidi and Abdul (2008),

‘in the area of autonomy, all public universities will be given autonomy to decide on certain matters (obviously not about financial matters). The universities, however, have also been reminded that the (greater) freedom that they are going to experience (as a result of these plans [mentioned in *National Strategic Higher Education Plan 2020*]) comes with added responsibility and accountability’ (p.8).

In upholding the notion of accountability, the Ministry of Higher Education has set up an audit unit to conduct independent assessment of university performance. As in Singapore and other Asian societies, the quest for excellence is sweeping through the higher education sector in Malaysia. The Triple A’s – namely, autonomy, audit process and apex universities (university ranking in Malaysia) – are shaping higher education management and governance in Malaysia (Morshidi and Abdul, 2008).

The Quest for Regional Hub of Education

Singapore’s Major Strategies

Adopting New Policies in Promoting the Global Schoolhouse Initiative

To develop Singapore as a regional hub of higher education in East Asia, the Ministry of Education has attempted to expand more local university places for Singaporeans (after graduation from high schools) from 21 percent in 2003 to 30 percent by 2015. Believing the higher education system should become more flexible and diversified for changing education needs in the globalisation era, the Ministry of Education has reformed not only the university governance model discussed earlier but also allowed the rise of private education institutions in the city-state. Most recently, the Ministry of Education is prepared to provide a wider choice of university education beyond the state-funded sector through reputable private universities (Shanmugaratnam, 2005). According to Tharman Shanmugaratnam, minister for education in Singapore, the future landscape of higher education in Singapore will become far more diversified. According to Garrett (2005), Singapore is one of the largest markets for transnational higher education in the world. It is a particularly important education market for Australian and U.K. universities. There are two major types of transnational education in Singapore: first, ‘external’ distance education programmes; second, foreign university branch campuses (Ziguras, 2003).

Believing higher education has a vital role in promoting human capital of the city-state, the Committee on the Expansion of the University Sector was established in 2007 to develop plans and strategies on how the university sector should be

expanded. With a strong commitment to provide a strong knowledge foundation and necessary skills to better prepare the young generations for the global world, the Ministry of Education continues to increase its budget in support of higher education even in the context of present global economic crisis in 2009 (MOE, 2009). According to the most recent state budget, the Singapore government decides to spend over 50 percent of the 8,701 millions educational funding in 2009 in subsidising and expanding the higher education sector. Recognising the importance of nurturing high quality graduates, the Committee of the Expansion of the University Sector advises the government to provide additional public-subsidised university places which are broadly aligned with Singapore's longer-term manpower needs; and allow for a diversity of university-level paths to meet the needs of the market and the aspirations of parents and students. The following discusses the major strategies that the Singapore government has adopted in asserting its position as a regional hub of education.

Strong Government Steering in the Global Schoolhouse Initiative

With growing affluence and increasing popularity of transnational education, students all over the world can easily choose the destinations for their university education, especially when the transnational higher education market is expanding in the Asia and Pacific region (Mok and Xu, 2008). Earning an admirable reputation for providing high quality education services in the Asia Pacific area since the 1990s, Singapore launched a multi-government agency initiative named *Singapore Education* to pull various major government units together to promote the city-state into a world-class education destination (Singapore Economic Development Board, 2009). Taking a leading role in this initiative, the Economic Development Board (EDB), the lead government agency whose vision is to make Singapore a compelling global hub for business, investment, and talent, formulates a *Global Schoolhouse Initiative* to attract reputable world-class higher education institutions to set up their Asian branch campuses in Singapore. In the last few years, the EDB has acted as a key player in turning Singapore's higher education sector into a vibrant industry containing tertiary, pre-tertiary, and joint-venture training institutions. The initiative of the Global Schoolhouse is supported by other government agencies, including the Singapore Tourism Board, SPRING Singapore, International Enterprise Singapore and the Ministry of Education (SIM Global Education, 2009).

The International Enterprise Singapore (IE), another government agency involved in promoting transnational education in Singapore, being held responsible for developing the city-state's external economic wing, provides assistance to Singapore-based higher education institutions to develop their business and set up branch campuses overseas. Closely collaborating with the EDB, the Education Services Division (ESD) under the Singapore Tourism Board (STB) also tries hard to promote and marketise Singapore's higher education overseas. An education market development department was established in the STB to create multiple channels to brand the education services and reach out to targeted international markets; whereas the education strategic marketing department under the same organisation develops programmes to address long-term sustainability and growth in the educational industry. In addition, a student services department of STB provides services and information to international students to enable overseas students to know more about Singapore in general and its education opportunities in particular.

In view of the growing number of private education institutions and foreign university campuses in Singapore, the Ministry of Education has a special unit, Private Schools Section, formulates and administers policies and regulations on private education, charging with responsibilities in registering schools, reviewing regulation of the private education sector and administering the education act and the education (schools) regulation. In short, the Singapore government has put various government units together to promote the Global Schoolhouse Initiative, trying hard to transform education into a new industry and a new pillar of economy in the city-state. One point which deserves attention here is that the Singapore government has not endorsed the growth of private education but also offered a wide range of education programmes to cater for the needs of both local and overseas students. My recent visit to the Association of Private Schools and Colleges in Singapore (APSC) clearly confirms the government's strong encouragement for expanding more private schools / colleges, providing that these private institutions can assure high quality programmes. The secretary of the APSC told me during a field interview that the government has provided some funding in support of the association to assure the overall academic standard and governance of its member institutions in order to attract more overseas students to study in the city-state (Interview conducted in Singapore, April 2009).

Setting Up Branch Campus by Leading Overseas Institutions

Positioning Singapore as the regional hub of education, the Singapore government published the Global Schoolhouse Plan in 2002, taking a proactive approach to invite educational institutions with good reputation around the world to set up branch campuses in the city-state. By 2009, there are altogether 16 foreign

HEIs and 44 pre-tertiary school offering international curricula in Singapore (EDB, 2009). *INSEAD* (France) is the first international business school being invited to establish its branch campus in Singapore in 2000. It has gone through a rapid progress of escalating its physical capability, curriculums, and level of degree programs as offered in its home branch. Admitting its first batch of PhD students in 2008, *INSEAD* completed the range of programs offered in Asia.

Another leading foreign university in Singapore is the SP Jain Centre of Management Dubai whose Institute of Management & Research (SPJIMR) is ranked among the Top Ten Business Schools in Asia and India. Expanding its influence in business management education, SPJ opened its first Asian branch campus in Singapore in 2006, offering a truly Global MBA program conducted jointly from both the campuses. Students choosing Finance or IT streams do their core curriculum in Dubai and then transfer to Singapore campus for their specialised curriculum, while those under the Marketing, Global Logistics, and Human Resources Management streams will do the reverse. In addition to study in Dubai and Singapore, students enrolling in either stream will be given the option to study core curriculum in Toronto. Renowned faculty comprising of researchers and educators from global leading business schools fly regulatory to these three cities for collaborative teaching and research activities. This one-year three cities program exposes students to varied business cultures, multinational companies, cross-national networking, and international market challenges. Using Singapore as a springboard, SPJ provides Indian students with direct contacts with Asia knowledge legacy and business market.

Other high-quality foreign higher education branches include the University of Chicago Booth School Of Business, the DigPen Institute of Technology, ESSEC Business School, Tisch School of the Arts Asia, and University of Nevada Las Vegas (UNLV) Singapore. Although they do not have the Singapore university status, they are considered independent degree awarding institutions and allowed to award degrees in their own names. By setting up their branch campuses, they have made significant contributions to the capacity and diversity of Singapore's higher education services, whilst they view Singapore as a springboard to stretch into the Asian market. For example, the *INSEAD* engages in exchange of students between French and Singapore, offering students cross-cultural learning experience.

Joint Programmes with Leading Overseas Partners

Collaboration with leading international higher education institutions to offer dual or joint degree programmes is another effective move to strengthen Singapore's capacity to become a regional talent hub. Local Singapore universities are actively collaborating with peer universities across the world in a diversified spectrum of academic programmes, bringing together affluent resources in such fields. Students are granted with the freedom to study at both campuses and receive supervision and teaching of faculties from both universities. A representative example is the Singapore-MIT Alliance (SMA), an innovative engineering education and research enterprise jointly founded by the National University of Singapore, the Nanyang Technological University, and the Massachusetts Institute of Technology (MIT) in 1998. This alliance brings together expertise and outstanding resources to develop five graduate degree programmes and create a distant learning environment at the forefront of current technology.

To promote Singapore as a Global Schoolhouse, the SIM Global Education (SIM GE), part of the Singapore Institute of Management (SIM) Group, was formed in 2005 dedicating to extend university partnership internationally. Up to now, it is affiliated with 12 internationally renowned HEIs from the USA, the UK, Australia, and Switzerland in offering 50 fulltime and part-time academic programs at various levels. These programmes target local and regional school-leavers as well as working professionals to deliver well-rounded education driven by industry-relevant learning. Student enrollment has exceeded 18,000 with a growing portion of international students from more than 40 countries. SIM Global Education also actively seeks partnership with various industries to promote student engagement in internships and real-world experience. According to Hsieh Fu Hua, Chief Executive Officer of Singapore Exchange and Chairman of SIM, 'tertiary institutions must be able to produce students who not only excel in the core competencies of their field, but are also able to see beyond the narrow focus of the local market' (SIM Global Education, 2009, p.3). With such a conviction, SIM Global Education not only partners with overseas universities to offer their degree programmes in the city-state but also opens another new campus to introduce residential facilities for students at Ulu Pandan. With 247 dormitory rooms which can house up to 428 students, the new 4.5 hectare SIM Global Education campus is about the size of six football fields. The new campus complements the current SIM premises at Clementi Road and Namly Avenue, the multi-campus have allowed overseas students to enjoy better learning environment and social life in Singapore (SIM Global Education, 2009).

Singapore's polytechnics, which are HEIs offering applied and practical programs for non-university students, also reach out to foreign specialised institutions (FSIs) for collaboration in their niche areas. Working very hard in the last few years, the polytechnic sector has been able to set up six degree programs at the name of the

FSIs, providing polytechnic graduates with opportunities to upgrade to an undergraduate degree. These programs are Early Childhood Education, Retail Management, Naval Architecture, Food Technology, Creative Producing, and Optometry. To support transnational education, Singapore offers a comprehensive package of financial-aid to international students through several public channels (Chen, Ng, Cheung, Choi, Tang, Yuen, & Yuen, 2008). International students are allowed to obtain scholarships provided by the *Singapore Scholarship* and apply for Tuition Fee Grant conditional on the agreement of working for a Singapore-registered company for at least three years upon graduation. Besides, there are numerous bursaries provided by individual HEIs and student loans at favorable interest rates. Moreover, recent immigration policies that aim to attract talented and skilled individuals to live and work in Singapore facilitate the development of its transnational education industry.

Further Expansion of Local Higher Education Sector

Realising depending upon the external higher education institutions alone would not make the city-state a strong regional hub of education, the Ministry of Education plans to extend the university landscape by establishing the forth public-funded university in 2011 to provide an integrated, interdisciplinary approach to learning, offering real world experience to allow students to apply classroom learning in a practical context, and encouraging an entrepreneurial spirit in its students. In addition, a small Liberal Arts College will be founded in affiliation with one of the existing public universities. The new Liberal Arts College will offer a broad-based, multi-disciplinary education, with a small intake of the brightest local and foreign students (MOE, 2008). Other parts of this expansion plan include encouraging the two large universities, NUS and NTU, to focus on postgraduate education and research, while SMU and the new university to assure their undergraduate programs and enlarge admission spaces. In addition, they will create publicly-funded part-time degree programs offered through UniSIM and the new autonomous universities to promote life-long learning for adults who missed the opportunity to study at universities.

In parallel to Singapore's public HEIs, the private sector has grown rapidly under the government's initiation to make higher education another industry for the country. By 2009, there are more than 300 private commercial, IT, fine arts and language schools in Singapore, which have been able to recruiting students and faculties across the world (MOE, 2009). Partnering with prominent foreign

universities, these private education institutions offer various courses ranging from the certificate, diploma, and bachelor to the postgraduate level, creating a diversity of pathways for local and overseas students to articulate their studies up to different academic levels. The SIM University (UniSIM) is the first local private university targeting professional and adult learners aged 21 and above who have missed the opportunity to pursue higher education. Over a short span over its establishment in 2005, UniSIM's capacity of higher education delivery has grown remarkably, offering 40 academic programmes in Arts and Social Sciences, Science and Technology, Business, and Human Development and Social Sciences to more than 8,000 students. Flexible learning environment and experienced academic faculty are unique features of UniSIM to attract adult learners. In addition, its multiplicity of partnership with reputable HEIs in academic collaborations and with presentable corporations in co-op and internship programs also makes it the preferred choice for continued education. With the government's support for continuing education and training initiated in July 2008, students enrolling in adult learning programs could receive up to 40 percent subsidy, making UniSIM's degree programs more affordable to adult Singaporeans and permanent residents. Having discussed the major strategies employed by Singapore, the following highlights the major strategies adopted by Malaysia.

Malaysia's Major Strategies

Adopting New Policies and Expanding Private Universities

Realising the importance to diversify the Malaysian economy in response to the challenges of the knowledge-based economy, the Ministry of Higher Education in Malaysia appointed a Committee to Study, Review and Make Recommendations Concerning the Development and Direction of Higher Education in Malaysia. *Halatuju Report*, a report addressing this particular matter was submitted to the Cabinet in 2005, with 138 recommendations (MOHE, 2007). Central to this report is about the need for local higher education institutions to engaging in self-promoting activities in the outside world. In addition, the report also recommends the government to invest more in international student and staff exchange programmes which would promote more collaborations between local and transnational education institutions. Based on the input from the Cabinet, another report named the *Transformation of Higher Education Document* (THED) was issued to combine the relevant elements in the 9 MP and recommendations from the *Halatuju Report*. Subsequently, the latest publication for this long-term plan called the *National Higher Education Strategic Plan* was put together in 2007. Transformation of the higher education sector is carried out with two equally important but potentially conflicting objectives: to increase access to education for the socioeconomically disadvantaged and to develop the excellent in a competitive environment. To avoid compromising on

either objective, the Malaysia government adopted a leveling-up approach to provide appropriate higher education opportunities to every Malaysian, regardless of their academic abilities. The targeted period for transformation is divided into four phases: laying down the foundation (2007-2010), strengthening and enhancement (2011-2015), excellence (2016-2020), and glory and sustainability (beyond 2020).

Malaysia aspires to become a hub of higher education in the Asia region. As such, the extension and transformation of higher education in Malaysia involves cross-border cooperation in response to the growing influence of globalisation, with an accelerated flow of goods, people, data, and information across national borders. In August 2007, the Malaysia government initiated the National Higher Education Strategic Plan, primarily aiming at making Malaysia a global education hub. According to the plan, the Malaysia government is trying to attract 100,000 students from overseas by 2010. In this connection, the government has attempted to expand more local university places for Malaysians in the 17- to 23-year-old cohort, from 30 percent in 2005 to 40 percent by 2010 (Morshidi, 2005). Anticipating the expansion of higher education, coupled with the plan to internationalise its higher education system, the Malaysia government is striving to liberalise the educational sector and so provide a legal framework conducive for the establishment of twinning arrangements between public and private institutions and between foreign and local institutions to develop joint academic programmes.

In addition, the government has encouraged the development of private universities, branch campuses of foreign universities, and other forms of private higher education institutions in Malaysia. Contrary to the management-driven transnational higher education of Singapore, the new delivery modes and new types of programmes in Malaysia higher education, mainly including distance learning arrangements and international branch campuses, are more market-driven with a limited governmental resources in higher education (Wilson & Vlasceanu, 2005). Since the mid-1990s, various forms of transnational higher education have emerged in Malaysia, especially in the Klang Valley, of which Kuala Lumpur is a major component. According to Campbell and van der Wende (2001), transnational higher education initiatives are actively promoted in Malaysia to enhance domestic capabilities in higher education without the concomitant infrastructure costs.

Distance Education Programmes through Twinning Arrangements

Before the early 1970s, the 1969 Essential (Higher Education Institution) Regulation had effectively barred private sector institutions from conferring degrees, and foreign universities from setting up branch campuses in Malaysia. Realising the danger of the continuous currency outflow associated with Malaysians in pursuit of higher education overseas, the Malaysia government has allowed its private institutions to flourish since the early 1970s, with innovative twinning arrangements with foreign universities for regular undergraduate degrees and programmes of certificate, diploma, and professional qualifications (Middlehurst & Woodfield, 2004). The higher education reform in Malaysia since 1996 has provided the regulatory framework necessary for the liberalisation and privatisation of higher education. Before 1996, private higher education institutions in Malaysia had no degree-awarding power. Even right after the Private Higher Education Act of 1996, the complete undergraduate degree programme was offered only with degree-awarding partner foreign institutions, with students being required to transfer between Malaysia and another country or region to complete their studies (Quality Assurance Agency for Higher Education, 1999). It is only since 1998 that the Ministry of Education in Malaysia introduced the 3 + 0 arrangement for private institutions to deliver degree-level programmes through partnership with foreign institutions.

Although the existence of distance education programmes in Malaysia has significantly reduced currency and student outflows and increased the places available for Malaysians in Malaysian higher education institutions, the Malaysia government has initiated appropriate regulations for quality assurance (Middlehurst & Woodfield, 2004). The National Accreditation Board and the Quality Assurance Division of the Ministry of Education used to carry out stringent checks and audits of the twinning programmes offered by transnational providers in collaboration with local partners. All transnational private providers were required to meet the requirements stipulating that home nationals hold 30 percent of the equity (Suleiman, 2002). Official statistics show that the private sector has played an increasingly important role in enhancing access to higher education in Malaysia. In 2004, 32 percent of students were enrolled in private higher education institutions in Malaysia. Furthermore, 27,731 international students were studying in Malaysian private higher education institutions in 2004, 40,884 students were sent to study abroad, accounting for 2 percent of the total enrollment.

According to official statistics in Malaysia, there has been a rapid increase in the range and number of higher education institutions since the Private Higher Education Institutions Act of 1996, particularly for those institutions collaborating with reputable universities from countries such as the United Kingdom, the USA, France, New Zealand, Germany, and Australia (Observatory on Borderless Higher Education, 2002). In 1998, there were 68 twinning programme arrangements with

Australian higher education institutions. The linkage between foreign universities and Malaysian higher education institutions involves 3 + 0 arrangement (with the programme designed by the foreign institution and with it delivered by the Malaysian partner) and articulation arrangements on the basis of 1 + 2 (1 year in Malaysia and 2 years overseas) or 2 + 1 arrangement (2 years in Malaysia and 1 year overseas). All these programmes offer students abundant study options to meet their financial budget and academic needs. According to Sadiman (2004), as part of the transnational higher education structure, many colleges in Malaysia are offering 1 + 2, 2 + 1, or 3 + 0 twinning programmes with foreign universities.

During my recent visit to the Malaysian Qualifications Agency in April 2009, there are 19 universities from the UK running 110 twinning programmes based upon accredited programmes listed in Malaysian Qualifications Register (MQR); while there are 18 universities from Australia offering 71 programmes of this kind in the country. Other countries like New Zealand, USA, Mesir and Jordan also offer twinning programmes in Malaysia (Interview conducted in Malaysia, April 2009).

Developing Foreign University Branch Campuses

Like Singapore, foreign providers in Malaysia can apply to be licensed as a private higher education institution and so open a branch campus. Nonetheless, branch campuses of foreign universities can only be established by an invitation from the Malaysian Ministry of Education. Invited foreign universities need to establish themselves as Malaysian companies, with majority Malaysian ownership, to operate their campuses. For instance, the University of Nottingham – Malaysia has run its programmes in its Malaysia campus since 2000. This branch campus – one of the first of a British university launched outside the UK – offers undergraduate and postgraduate programmes in business, engineering, and computer science and information technology. A new campus at Semenyih, Negeri Sembilan (bordering Kuala Lumpur), was set up for the 2005-2006 academic year. From the late 1990s, until the early 21st century, there were six international branches, or franchising arrangements, with Australian universities, one of the most prominent providers in Malaysia (Observatory on Borderless Higher Education, 2002). In 2000, there were 5 international branch campuses in Malaysia, including two British universities (University of Nottingham, Semenyih campus; De Monfort University, Kuala Lumpur campus) and three Australian universities (Monash University, Petaling Jaya campus; Curtin University, Miri, Sarawak campus; Swinburne University of Technology, Kuching, Sarawak campus).

The growing number of branch campuses of overseas universities in Malaysia is closely related to the proactive government policy adopted by the Malaysia government. As outlined here, the Malaysia government has actively encouraged foreign universities to establish campuses in the country through their successful alliance and franchising arrangements with local private education providers. According to the Observatory on Borderless Higher Education (2002), Monash University – Malaysia cooperates with the SungeiWay Group – a pioneer of twinning arrangements in the field of education in the late 1980s – and it provides funding for Monash’s Malaysian campus. Similarly, the Sarawak campus of Swinburne University of technology was established through a dynamic partnership between the Saeawak state government, through two of its foundations (Yayasan Sarawak and Sarawak Higher Education Foundation), and Swinburne University of Technology in Australia. Curtin University of Technology, Sarawak campus, was the first foreign university campus established in East Malaysia in 1999. Thereafter, De Montfort University, Kuala Lumpur campus, was established in 1986, whereas the University of Nottingham, Malaysia campus, was founded as an incorporated company in partnership with Boustead Holdings Berhad and YTL Corporation Berhad, along with the University of Nottingham in the UK.

Although international branch campuses are not a new phenomenon in Malaysia, the new franchising model (adopted since the late 1990s) is primarily concerned with the inadequate local provision of university places and the establishment of Malaysia as a regional hub of education. Malaysia’s increasing cooperation with foreign universities has coincided with the increased regulation regarding transnational provision, with the goal of maximising Malaysia’s interests (Ismail, 1997; M.N.N. Lee, 1999a; McBurnie & Ziguras, 2001). After establishing the partnership with local corporations, overseas university campuses in Malaysia have done well. For instance, the Monash University partnered with the Sunway Group to build the first foreign branch campus in Malaysia in 1998. With its five faculties including Medicine and Health Sciences, Engineering, Information Technology, Business, and Arts and Sciences, Monash University – Malaysia now offer various undergraduate and graduate programs to almost 4,000 students. Its purpose-built campus was opened in 2007, which provides a high-tech home for the Monash University in Malaysia. Following the footsteps of the Monash University, the University of Nottingham, in collaboration with the Boustead Holding Berhad, jointly launched and expanded the Nottingham campus in Malaysia. Believing that developing an Asian branch campus is an important part of the university’s goal to become a truly global university, the University of Nottingham finds the benefits through the development of an international hub for excellent education in Malaysia. Through the expansion in the past few years, the Nottingham Malaysia campus now offers foundation, undergraduate and postgraduate programs in Applied Psychology,

Biotechnology, Business and Management, Computer Science and Information Technology, Education, Engineering, Law and Pharmacy. Considering the academic quality of the Nottingham Malaysia campus as identical to the UK campus, it has successfully recruited more than 2700 international students from more than 50 countries. According to the Malaysian Qualifications Agency, as on 21 April 2009, there are altogether four branch campuses (having 1 set up by the UK university and 3 by Australia), running 84 programmes in the country (Interview conducted in Malaysia, April 2009).

Different Regulatory Regimes in Transnational Education: A Comparison

A Governed Self Regulatory Framework in Singapore

One of the major issues when analysing “transnational higher education” in Singapore is whether the government will reduce its capacity in governing the university sector. In the case of transnational education, the government would have to relinquish some of its ability to pick and choose new universities if it was to commit under GATS to place no restrictions on market entry. When deciding which universities will be selected and invited to set up their branch campuses in Singapore, the government needs to work out a clearer and transparent framework. Similar to New Zealand and Singapore, a national treatment commitment for private higher education would require the Singapore Government to treat foreign universities ‘no less favourably’ than it treats the local universities in the city state (Ziguras 2003). When examining the regulations governing all these transnational education in Singapore, ‘cross-border delivery through distance education and online courses that do not have a local presence in Singapore do not require approval. Foreign programs offered by a local partner institution must obtain permission from the Ministry of Education. The awarding university and the local partner must provide detailed information pertaining to the university’s capacity to deliver the course in Singapore to an equivalent standard to the degree that is offered in the home country’ (Ziguras 2003, p.100). As regards the responsibility of the Ministry of Education in Singapore in relation to these overseas university programmes, the ministry is adamant that ultimate responsibility rests with the foreign university. The official regulation specifies that:

‘It is important to note that the programme originates from the [foreign degree-awarding] educational institution concerned which is

responsible for its every aspect, including matters relating to curriculum, course structure, admission criteria, academic rigours, programme quality, teaching standard and assessments / examinations' (Ministry of Education, Singapore 2001, cited in Ziguras 2003, pp.100-101).

In order to make clear the division of labour and responsibilities between the local partners and overseas degree awarding institutions, the ministry only allows the local agents / partners in offering administrative support instead of engaging in any teaching and learning activities. The ministry makes its position very clear that:

'The local parties, whether they are professional bodies or business organisations, provide the overseas educational institutions infrastructure support such as in the provision of requisite physical facilities and other logistics, promotion/publicity connected with student recruitment drives, liaison between the programme provider and their students here, etc.' (Ministry of Education, Singapore 2001, cited in Ziguras 2003, p.101).

Despite the regulations outlined above, it is still difficult to know whether in reality local partners are entirely forbidden to engage any teaching and learning activities. As Ziguras suggested, local tutors employed by the overseas institutions have been engaging in teaching tutorials and even lectures in some occasions. Such observations seem to challenge the regulations specified by the Singapore Government. Since there are no publicly available guidelines for external programmes, it is very difficult for us to see how strict the government could be when terms with regulating these external programmes, especially when the ministry assesses each application on a case-by-case basis (Ziguras 2003). A close scrutiny of the regulations regarding transnational higher education in Singapore, we discover that there is no central authority in Singapore that assesses or grants recognition for degrees obtained from overseas universities and the Ministry of Education does not have a list of accredited overseas universities. This decentralised approach is based on a rationale that the employers should be the one deciding whether a degree-holder has the qualities desired for the job and the qualification most relevant to his needs. Therefore, professional degrees such as those in engineering, medicine, law, and accountancy are relied on the inspection and accreditation by the respective local professional bodies. In the case of overseas universities offering courses in Singapore through local agents, the institutions concerned and their agents are responsible for all aspects of the programmes (MOE 2006).

But before we draw a conclusion about the form of the state of the Singapore case, we should contextually analyse the proactive role that the Singapore government has performed in the higher education formation. When seeing how selective the Singapore government has been in terms of invitation of overseas partners in setting up their branch campuses and the directive and strategic roles that the government has played in orchestrating the project of making the city-state a major exporter of higher education in the region, it is clear the Singapore does intervene in the markets by deciding who are the partners and what programmes could be launched to fulfill the nation-building agenda to make the city-state a regional hub of education. In short, the Singapore case clearly shows how the government can make use of the pro-competition instruments to accelerate the markets and successfully apply the state-corporatist regulatory framework to direct the developments of the higher education market.

In view of the expansion of private education in the city-state, the Ministry of Education has recently changed its regulatory policy in governing these programmes. The Ministry of Education of Singapore is currently planning to enact a Private Education Bill in 2009 to set out a legal framework to regulating and governing the growing number of private higher education and transnational higher education in the city-state. A Pro-tem Council for Private Education was formed to oversee the transition to this new regulatory regime and to promote greater public awareness. According to the Ministry of Education of Singapore, a new entity, Council for Private Education, will be established to implement the laws / regulations regarding private education once the bill is enacted. The new bill will impose a renewable mandatory registration framework to assure the academic standards of private education programmes. This renewable framework will replace the once-off registration under the current framework, requiring the private HEIs to agree on academic governance by academic and examinations boards, control of false and misleading advertisements, disclosure of key information, and provision of annual update of information. In addition, a voluntary quality assurance framework named EduTrust will be added as the baseline measurement by introducing a quality differentiation mechanism. The criteria of this certification scheme include corporate governance and administration, student protection, student welfare and support services, academic processes and assessment of students, quality assurance, and audit requirements.

A Centralised Regulatory Framework in Malaysia

Unlike Singapore which adopts a more liberal approach (especially when a more centralised regulatory system is in a formation stage) in regulating private education / transnational education, Malaysia takes on a more centralised approach in assuring academic qualifications offered by both the private and public sectors. In November 2007, the National Accreditation Board (NAB) established in 1996 responsible for the private sector and Quality Assurance Division (QAD) established in 2001 responsible for the public sector were merged to form the Malaysian Qualification Agency (MQA) (Marimuthu, 2008). This new entity was launched by the Minister of Higher Education and assigned the main role of implementing the Malaysian Qualification Framework (MQF), alongside the establishment of the Malaysian Qualification Agency Act 2007. Moreover, it is responsible for developing qualification instruments as national reference for the conferment of awards, quality assuring higher education institutions and programmes, and accrediting courses meeting the qualification standards and criteria. In addition, the MQF also facilitates the recognition and articulation of various qualifications by maintaining the Malaysian Qualification Register (MQR), a mechanism that registers all accredited qualifications and programs nationwide. Through the process of enhancing the quality and standard set in the provisional accreditation evaluation and the process of recognising qualified certificates, diplomas and degrees awarded by HEIs, the MQA develops a code with transparent and fair criteria that provide a guideline of general requirements in higher education services delivery in the following areas:

1. Vision, mission and learning outcome
2. Curriculum design and delivery
3. Student selection and support services
4. Assessment of students
5. Academic staff
6. Educational resources
7. Program monitoring and review
8. Leadership, governance and administration, and
9. Continuous quality improvement

For higher education institutions with well-developed internal qualification assurance mechanism, the MQA acts as a facilitator to integrate them into the national standard, depending upon their success in institutional audit. In addition, the MQA continuously monitors these processes in order to achieve consistency in quality in the long run. Eventually, it evaluates student learning outcomes in terms of both academic and practical competence and links them to the national credit system. Since the MQA

came into practice, quality classification of higher education services has been organised upon the Malaysian Qualifications Framework (MQF):

‘...an instrument that develops and classifies qualifications based on a set of criteria that is agreed nationally and benchmarked with international practices, and which classifies the academic levels, learning outcomes and credit system based on student academic loan. These criteria are accepted and used for all qualifications awarded by higher education providers. Hence, MQF integrates with and links all national qualifications.’ (Malaysian Qualification Agency, 2008, p.1)

Under the MQF, post secondary national qualifications are awarded to the skills, vocational and technical, and academic and professional sectors. There are eight levels of qualifications which are Certificate Level 1-3, Diploma, Advance Diploma, Bachelors, Masters, and Doctoral. Each level is granted with generic features that indicate levels of capability in terms of the depth, complexity and comprehension of knowledge, the application of knowledge and skills, the degree of autonomy and creativity in decision-making, the communication skills, and the breadth and sophistication of practices. Programme learning outcomes are recognised with statement of qualification level, field of study, and programme, covering all components such as courses, units or module that lead the qualification of nomenclatures. To benchmark against international standards, they adopt definitions of credit and academic load that are used in many foreign qualification frameworks. MQF seeks to set up a unified system of post secondary qualifications offered on a national basis. This credit system enables and encourages individuals to progress in higher education without taking into account the time and place in the context of lifelong learning. Comparing the regulatory regime of Malaysia with the one in Singapore, we may see the former one is more centralised in nature because all universities (public and private) have to get the endorsement from the MQA. Judging from the regulatory regime of transnational education in Malaysia, it confirms what McBurnie and Ziguras (2001) and Lee (2004) have argued that the transnational higher education market is developed against a highly state interventionist context.

A Market-Facilitating Regulatory Framework in Hong Kong

Different to Malaysia and Singapore, transnational education in Hong Kong is mainly provided in form of external, joint or distance programmes. Up to now, there

is no branch campus of foreign university in Hong Kong. Probably, this is because the Hong Kong government, unlike the Singaporean and Malaysian governments, has not actively invited foreign universities to set up their branch campus in the territory. Instead, the government has set out a code of practice for non-local courses, which is considered as moderately liberal. Foreign universities can easily enter Hong Kong's market. Currently, all courses conducted in Hong Kong leading to the award of non-local higher academic qualifications (i.e. sub-degree, degree, postgraduate or other post-secondary qualifications) or professional qualifications must be properly registered or be exempted from registration. Any overseas institution is required to obtain accreditation or other formal permission from the Education and Manpower Bureau (EMB) prior to its operation. This category is diverse, ranging from compulsory registration to formal assessment of academic criteria. The EMB will normally seek the independent expert advice of the Hong Kong Council for Academic Accreditation (HKCAA) as to whether a course can meet the criteria for registration/exemption from registration. However, the relevant requirements are considered to be straightforward and non-burdensome. It is noted that the Hong Kong government does not tend to directly curb and regulate the quality, content, level and cost of courses offered by foreign educational institutions. Instead, the government heavily relies on the market mechanism, in which the government's main role is to provide sufficient information for consumers to choose (Yang 2006, 41-42).

Based on the above principles, the government regulations mainly focus on working as quality assurance in order to protect the consumers. According to section 10 of the Non-local Higher and Professional Education (Regulation) Ordinance Cap 493, the Registrar of Non-local Higher and Professional Education Courses will approve the registration of a course if it meets the criteria listed. The major criteria include:

- (a) In the case of a course leading to the award of non-local higher academic qualification by a non-local institution,
 - the institution must be a recognised non-local institution;
 - effective measures must be in place to ensure that the standard of the course offered are maintained at a level comparable to a course leading to the same qualification conducted in its home country; and
 - this comparability in standard must be recognised by the institution, the academic community and the relevant accreditation authority (if any) of the home country.

- (b) As for a course leading to the award of non-local professional qualification by a non-local professional body,
- the professional body must itself recognise the course for the purpose of awarding the qualification or for the purpose of preparing students for the sitting of the relevant professional examinations; and
 - the professional body must also be generally recognised in its home country as an authoritative and representative professional body in the relevant profession.
- (c) Satisfactory arrangements for payment and refund of the fee charged for the course. All the fees as well as the arrangements for payment and refund of fees and charges approved by the Registrar should be stated clearly in the contract with students (quoted in EMB 2006).

As McBurnie and Ziguras have rightly observed (2001), the Hong Kong government has adopted a far more liberal approach in dealing with transnational education. Unlike Singapore and Malaysia, the Hong Kong government just performs the role of a ‘market facilitator’ instead of a ‘market generator’. The rationale behind this civil society regulatory regime is closely related to the tradition of the ‘free market economy’ that the Hong Kong government has long committed to. The regulations set out above are ‘to protect Hong Kong consumers by guarding against the marketing of substandard non-local courses conducted in Hong Kong’ (Hong Kong Education Department 1999). As the then Secretary-General of the Hong Kong University Grants Committee, Nigel French, suggested, a key function of the regulations above is to provide the Hong Kong consumers detailed information from providers regarding their offerings. Once this information is made publicly available, the government will leave individual consumers to decide providing that their choices are informed ones (French 1999).

Implications for Hong Kong

Comparing with Singapore and Malaysia, Hong Kong adopts more liberal strategies to industrialise the higher education sector. Under the government’s goal of making Hong Kong a knowledge-based world city, the higher education sector has expanded by increasing admission of both local and international students, but CPR at

public universities in Hong Kong is only 18 percent, comparing with currently 25 percent in Singapore [30 percent by 2015] (Chen, Ng, Cheung, Choi, Tang, Yuen, & Yuen, 2008). The government provides financial aids to award international students with talent and expertise, at the same time relaxing immigration policies to facilitate their stay in Hong Kong. To attract talents and to diversify its manpower composition, Hong Kong sticks to a 10 percent international student rate (ISR) and actively promotes business-related programs which are most popular among Asian students. During 2006 and 2007, it is observed that international students are mostly come from Asian and ISR is much higher in graduate level, around 40 percent to 50 percent. Reduction in educational budget from 1999 to 2004 forced public universities to offer joint-programs with non-local HEIs for cost-sharing and to create more self-financing courses at the same time. In recent years, local higher education institutions in Hong Kong have to reach out to private entrepreneurs for financial support and donation. Collaborations between universities in Hong Kong and those in mainland China have been significantly boosted after signing the memorandum on mutual recognition of academic degrees in 2004. Programmes offered by Chinese universities are imported in Hong Kong universities without registration restrictions. Well-known for its quality higher education services, together with its close tie with mainland China, Hong Kong has also attracted many internationally reputable HEIs to seek for collaboration in the form of joint programs, distant learning, and twinning programs.

Analysing the previous practices adopted by the HKSAR Government in promoting the higher education market, it has not taken a proactive role to develop the city-state into a regional education hub, at least not as ambitious as that in Singapore and Malaysia. Hong Kong has a comparably small private higher education sector with insufficient attention drawn to systematically standardise qualifications of privately supplied education services. Furthermore, no initiative is made to invite foreign HEIs to establish branch campus in Hong Kong yet, but inversely some foreign HEIs forwardly approach Hong Kong for setting up Asian branches. For example, the University of Warwick in the UK considers Hong Kong for locating its first Asian campus for its convenient access for students from South East Asia, especially from the Mainland China. But the plan has not realised in the past few years.

Most recently, the Chief Executive of the HKSAR announces the intention of the government to develop six potential local industries which would benefit Hong Kong's long term development (Task Force on Economic Challenges Hong Kong, 2009). Educational service is one of them. The major strategies mentioned in his preliminary report are focusing on increasing admissions of non-local students by providing incentives, such as financial aids and facilitating working opportunity upon graduation. This report also highlights the strengths of Hong Kong being developed

into a regional hub of education. Firstly, Hong Kong has well-developed education sector in which research funding and infrastructures has attained international standards; secondly, Hong Kong as a typical Asian region, has its unique multi-cultural and Biliterate and trilingual environment, which certainly provides a conducive learning environment for international students who are interested in Asian and Chinese knowledge; thirdly, Hong Kong earns a good reputation in assessment and quality assurance in services; Last but the foremost, existing public universities in Hong Kong are well positioned in top world-class university ranking and are famous for their quality and management style.

The present study provides an overview of transnational higher education development in Singapore and Malaysia. Being market accelerationist states, both governments of Singapore and Malaysia have adopted a more proactive approach in reducing inefficiency to create a conducive environment for the rise of the education market through positive state invitation such as by inviting leading overseas universities to set up branch campuses in their countries and developing regulatory systems appropriate for assuring academic standard of the growing number of transnational education programmes. At the moment, making Hong Kong a regional hub for higher education may face different kinds of challenges and technical constraints, but Hong Kong is in a very good position to expand its education market for the pressing education demands from China Mainland and overseas. Hong Kong, being a meeting point of the West and the East, has a unique role to play for being a springboard for students around the world to know China and South East Asia and acting also as a platform for students from Mainland China to understand the world through the lens of Hong Kong.

The Quest for Regional Hub of Education in Singapore: A Brief Assessment

(1) *Proactive Approach of the Government*

Drawing from the comparative studies related to policies and strategies adopted by Singapore and Malaysia in developing their countries into regional hub of education, the role of the government is extremely significant. Instead of adhering to the 'neo-liberal' principles which attach importance on the market, both governments of Singapore and Malaysia have adopted a 'market accelerationist state' approach through which these Asian governments could intervene the market to remove the obstacles for promoting the 'governed education market'. In Singapore and Malaysia,

the governments have selectively major / world leading universities (particularly in the case of Singapore) to set up their Asian branch campuses in their countries. Similar to the emphasis on manufacturing MNC in the 1970-1980s and service MNCs in the 1990s, the Singapore government has targeted at encouraging high achieving foreign and local students currently going to Western elite universities to study in the branch campuses of these leading universities in the city-state. In order to attract private elite institutions from overseas to develop their operations in Singapore, the government has offered favourable policy including land to help these institutions set up their branches in the city-state. As we have presented some evidence of success of the strategy above, INSEAD (Business), Chicago Graduate School of Business, Duke (Medicine), John Hopkins (Medicine), Cornell (Hospitality Management), Southeast Film and Television Institute, American Culinary Institute have their branch operations in Singapore, while MIT, Caltech, Wharton and others offer joint degrees with local universities in Singapore.

For those private non-elite institutions, the Singapore government only offers general support in the form of removing hurdles to their establishment through certification, facilitating acquisition of land, etc to boost the number of private institutions to offer educational programmes for local and foreign students. Drawing from the approach that the Singapore government has adopted in developing the country into a regional hub of education, the proactive role of the state has performed a very important function in driving the development of the international / regional education market. The government has set very clear policy directions, together with reform measures conducive for the growth of the education market in Singapore. One point which deserves particular attention here is that the Singapore's approach for establishing the regional hub of education is to diversify the educational services / degree programmes through inviting both elite and non elite overseas institutions to set up their branch campuses in the city-state. By having a number of top tier overseas academic institutions being set up their Asian campuses in Singapore, together with a number of less elitist institutions partnering with local institutions to offer educational programmes, the Singapore government is able to have a better claims over the regional education market not only in helping the country develop its reputation but also a critical mass of foreign students embarking their learning journeys in Singapore.

(2) *Strengths and Weaknesses of the Singapore Model*

Government estimates indicate that education services in Singapore would generate about 5 percent of GDP in the next decade, up from the current levels of between 3 to 4 percent. The number of international students in Singapore is also forecast to more than double from 70000 in 2005 to 150000 by 2015 (EDB, http://www.edb.gov.sg/edb/sg/en_uk/index/industry_sectors/education_services/rece

[t_statistics.html](#)). Singapore's strategy of attracting foreign students to the island is not primarily driven by revenue concerns, as is evidently the case in Australia and the UK, but rather to enhance the country's capabilities in knowledge industries. This is reflected in the negligible difference in tuition fees for foreign students and the generous scholarships available to the high achieving foreign students. It is hoped that the top students would stay on in Singapore after graduation, thus enhancing the island's human resources. In this regard, there are other non-economic benefits to having a large number of foreign students in Singapore are seen as a bonus by the policy makers. There are a few major variables which favour Singapore to become a regional hub of education, including:

- English language proficiency
- High reputation of its educational institutions
- Both schools and universities are well resourced
- High standard of living
- Moderate cost of living
- Low crime rate and near-absence of drug use
- Cultural familiarity of students from China and India
- Employment opportunities for graduates
- Immigration opportunities for graduates

Having presented the major factors promoting Singapore to establish itself into a regional hub of education, the Singapore model also has its own weaknesses, namely:

- A small place
- May have stretched itself too thinly across disciplines

- Shortage of local staff
- Foreigners move on after short stay
- Doubts about its commitment to academic freedom
- Local population may view foreign students as reducing opportunities for their own children
- The John Hopkins and Neurological Institute's sage indicate that foreign institutions find it difficult to negotiate through local universities (Ramesh, 2009)

Lessons for Hong Kong

Drawing from the comparative studies related to how the governments in Singapore and Malaysia have attempted to transform their countries into regional hub of education, we have a few lessons that Hong Kong could learn, including:

- The HKSAR Government should adopt a more proactive role in providing policy directions which would facilitate foreign / local higher education institutions to develop their institutions / educational programmes in Hong Kong;
- The HKSAR Government should review its existing policies / measures in governing higher education development for encouraging more private / public partnership and international players in developing educational institutions / regional campuses in Hong Kong;
- The HKSAR Government should work closely with the governments in the Pearl River Delta (especially with Shenzhen Government) in establishing joint-programmes and developing a mega university town by using the land (e.g. Lok Ma Chau Loop and nearby land designated by the Shenzhen Government) for allowing the emerging critical mass of non-local students to study in Hong Kong;
- The HKSAR Government should strategically identify leading institutions from abroad to engage them to set up programmes with local institutions in Hong Kong for developing joint-degree programmes. The

internationalisation of educational programmes would be appealing to students in the region;

- The HKSAR Government should set up a high-level committee to oversee planning matters and coordinate various government departments when transforming the city-state into a regional hub of education since the endeavour of which definitely requires expertise not only from the education and manpower sectors but also colleagues serving in the housing, transport, medical care and other related domains;
- The HKSAR Government should review its immigration and employment policies when developing the city-state into a regional hub of education. Both the Singapore and Malaysia experiences have suggested that a more flexible approach in employment and immigration has been adopted after these Asian states have engaged in the quest to become the regional hub of education;
- The HKSAR Government should also be aware of the social dimensions particularly the unintended social consequences when driving the agenda of regional hub of education. The experiences in Singapore and Malaysia have suggested social integration between foreign / non-local students and local citizens could be an issue, especially when people may find it difficult to adapt to different socio-cultural and socio-economic backgrounds. Some negative social consequences have been found in Singapore and Malaysia such as illegal immigration, illegal labour, sex and drug related problems resulting from the growing populations coming from overseas.

Conclusion

With the rise of China and Asia, a growing number of students from western economies are keen to know more about China and Asia, Hong Kong should grasp this opportunity to establish itself as regional hub of education not only for economic reasons but also for attracting talent all over the world to come to study and stay in Hong Kong. This comparative study suggests the role of the government is extremely important in the quest for the regional hub of education. Learning from Singapore and Malaysia, the HKSAR Government should take a proactive approach by establishing

a high level committee chaired by the Chief Executive to coordinate different government units for formulating strategic plans in developing Hong Kong as a leading Global Schoolhouse in Asia. More importantly, the HKSAR Government should exploit the mega city framework offered by CEPA to work closely with Shenzhen and Guangdong governments in revisiting policies related not only to education but also immigration and other related areas to create a policy environment which would facilitate students from the Mainland to come to Hong Kong for study purpose. Quality assurance is also essential for making transnational education or expansion of local degree programmes academically rigorous and internationally recognised. With growing interests from international students to understand about China and Asia, the Government of the HKSAR can encourage institutions to engage in deep collaboration with institutions from Taiwan and Mainland China to offer joint programmes for overseas students for Asian and China studies. Having a very strong links with the international academic community, together with the bilingual language environment in Hong Kong and close cultural bond with institutions in Taiwan and the Mainland, we should grasp this opportunity to transform the city-state into a leading hub of education in Asia.

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