

Distance education public policy and practice in the higher education: The Case of Malaysia.(Part II)

3. Funding of D.E.

3.1. National and Institutional levels.

We start this section with another quote from a speech delivered in 1998 by Dr. Johari Mat, Head of the Malaysian delegation to the UNESCO World Conference on Higher Education.

"Our basic premise is that higher education is a strategic social investment and therefore adequate public funds must be committed for this purpose. However in the wake of rapid increase in the demand for higher education and the critical need to achieve quantum leaps in regard to quality (of teaching, learning and research) and output, we have to be pragmatic and to admit that the country can no longer support a higher education system which is wholly dependent on public funds. We have therefore taken affirmative measures to encourage and nourish the growth of private investment in higher education. The private sector providers of higher education have since made a commendable presence in terms of numbers, and today the business of education has become a very competitive one. However issues relating to quality, relevance and cost are and will continue to be a principal source of tension among parents, students, public authorities and the private sector providers. We are mindful that there are substantial differences in terms of the quality of learning and teaching among the private sector providers. We believe that private sector providers of higher education like their public sector counterparts must persuade themselves that they will make the quality of education a priority second to none".

Until the 1980s, the Malaysian government was the main provider of higher education. The government provided complete funding to all public institutions of higher learning through budget allocations as well as lump-sum funding for development and capital expenditures. As consumer advocate, the government kept tuition fees low by heavily subsidizing all public institutions. Furthermore, the government offered scholarships and loans to low-income students.

Student enrollments at the tertiary level have risen dramatically in the past decade. In 2000, the participation rate of students in higher education stands at 19.6 percent or an estimated total enrollment of 450,000. About 30 percent of the development budget of the Ministry of Education is spent on higher education. The ministry faced with tight budgetary constraints in meeting the ever-increasing demand for higher education. The state has to relinquish its role as the main provider of higher education by encouraging public institutions to seek revenue elsewhere and by pressing the private sector to set up independent higher education institutions.

In 1998, five public universities were given greater institutional autonomy to generate revenue through research contracts, consulting, business ventures with industry, and other forms of investment. The increase in institutional autonomy encompasses financial management, competitive remuneration of academic staff, and adopting strategies to increase efficiency and improve quality. To cover some of their operating costs, some of these universities have increased tuition fees at the graduate level. On this issue, let us close with one more quote from Dr. Johari Mat's speech.

"Financing of higher education as we know is intricately linked with the political, social and cultural values and context of a society. It would be recalled at the outset, our basic premise is that higher education is for the state to provide. Nonetheless we are pursuing this idea of cost-sharing, albeit very cautiously. We will not consider implementing full cost-recovery yet. But we find it inevitably impossible not to increase fees incrementally. The public at large - parents, students, community, industry and the private sector must realize and accept the fact that education, quality education, in this technological age has its price".

Given that, by and large, the Malaysian Ministry of Education does not now differentiate that much between public and private sector institutions, nor between distance-delivered and campus-based versions of the same program, there is little more to say concerning the institution-level financial provisions that are specific to distance education. Some more can be said at the program level.

3.2. Individual program or project level.

The question of program funding has already been partly addressed in the earlier sections, when attempting to explain the differences (or lack of differences) between the public and private HE sectors as regards regulation of DE. In those earlier paragraphs, the USM was used as an example. This section will take the same example into somewhat more detail.

USM is a dual-/mixed-mode institution. It is a public funded institution, and one of the objectives of the distance-learning programme is to give a second chance to access higher education to the public as a social service of the government. Therefore, the fee paid by the students is extremely low (per credit) as compared to other institution offering similar programmes. As mentioned before, due to the move by the Ministry of Education to corporatize all the public universities, the newer (since 1995) public universities involved in distance education operate on a business based on cost recovery and self sufficiency. USM meanwhile is still an alternative mode for adult learners and highly subsidized by the government (up to about 80%).

What is the process of cost recovery, and how does the relative tuition cost of private tertiary education compare to the public sector? According to 1999 figures, a three-year undergraduate program at one of the public universities cost about \$US370.00 per year in tuition fees (which is 13% of the actual cost) whereas it cost nearly \$US8,000.00 to complete a 4-year IT degree at the UNITAR, from \$US2,000.00 to \$US3,500.00 per year for an engineering degree at Multimedia University and \$US3000,00 at the UNITEN (based on Ayob and Yaakub, 1999).

Given the general economic situation, despite the assertion quoted earlier that "good education has its price", it is nevertheless important to ensure that the final cost does not spiral up so as to be out of reach for most of the target population. The costs have to be contained and, according to current government "corporatization" policy, it is up to the individual institutions to find ways to do this. Once more, the official policy on this point is best expressed by some of the remarks made by Dr. Johari Mat:

"Recognizing that insufficient financial resources will continue to be a major constraint and rather than debate this issue, we are challenging institutions to take a hard look within and to institute measures to eliminate management weaknesses and inefficiencies in the utilization of human and material resources. Towards this end, we have instituted the necessary changes in the institutional structures and governance of higher education. We believe that the newer universities are in a better position than their older counterparts to initiate new norms, practices and routines in respect of their overall management. We also believe that whether they are newly formed or established ones, it is the critical role of the institutions' leadership to make a paradigm shift in the management of higher education. The profound advancements in information technology should be capitalized to bring about improvements in the management of the institutions' resources".

So, quite clearly, it is up to the Higher Education institutions, both public and private, to "get their act together" and work out the means by which to offer high quality education at an affordable price. It is worth recalling, in this context, that in Malaysia, any funds that need to be channeled to the public universities must go through the federal government for approval before given to the university treasury. In the case of private universities, funds are managed directly by their individual treasury bodies. Given that most of the major DE providers in HE, such as the OU Malaysia, operate on the private institution model and, given the non-discriminating regulatory aspects that do not seem to unduly complicate the launching of a distance-delivered version of an existing programme, the above situation may well be seen as an interesting opportunity for significant growth in the use of cost-effective distance learning systems.

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BIODATA

* Mokhtar Hj Nawawi is a Lecturer in the Faculty of Educational Studies at Universiti Putra Malaysia. He is currently in the PhD program of the Department of Instructional Design, Development and Evaluation, at Syracuse University School of Education. He has completed all course work and is now back at Universiti Putra Malaysia, working on his dissertation. Tel: 603-89468197. Fax: 603-89467905. Email: mnawawi@putra.upm.edu.my

** Dr. Azizan Asmuni is the Deputy Director with the Institute for Distance Education and Learning (IDEAL) and a senior lecturer with Department of Professional Development and Continuing Education, Faculty of Educational Studies, Universiti Putra Malaysia (UPM), Malaysia. His particular field of interest is adult and distance education, multiculturalism and Japanese HRD. Current research undertakings are, contemporary nature of adults learning in Malaysia, e-learning in Malaysian of higher learning, distance education and designing and delivering online lifelong learning among the working adults in organizations. Telephone: 603-89468838. Fax:603-89435382. Email: azizan@ideal.upm.edu.my

*** Alexander Romiszowski is a Research Professor in the Department of Instructional Design, Development and Evaluation at Syracuse University School of Education, USA, where he teaches instructional design and distance education courses at the Masters and Doctoral levels (Tel: 1-315-443-3703. Fax: 1-315-443-1218. Email: ajromisz@syr.edu). He is also Executive Director of TTS - Technology-based Training Systems, a consulting group that operates globally from offices in Syracuse, USA and Rio de Janeiro, Brazil (Tel: 55-21-2556-8281. Fax: 5521-2556-5666. Email: tts-global@tts-global.com).