International Education as Tourism Product: The Malaysia Experience

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ABSTRACT

Background: The effect of globalization is noticed on the volume of movement of people, ideas, skills and professionalism across international boundaries in today’s knowledge economy. For every international trip, a new knowledge is shared, gained or transferred. However, international students that seek to explore this intellectual property are not usually considered as tourist because of varying length of their study. But evidence abounds to show the interrelationship between tourism and international education which made the two inseparable but rather complimentary. Objective: The socio-economic benefits of this sector to the budgetary health of the host country made Malaysia to open up higher education services to foreign students in the mid-90s. In the 9th Malaysian plan [1] 100,000 international students was targeted to enroll in Malaysia higher education institutions by the 2010. A significant milestone was achieved but not fully realized. The 10th Malaysia plan [2] have set yet another target of 200, 000 inbound international students for 2020. To determine the economic impacts of educational liberalization to Malaysia. Results: This paper conceptually examined the impact of international students on the economy of Malaysia and the potentiality of the sector if fully integrated into the country’s tourism concerns. Conclusion: The need for synergy between Malaysia ministry of tourism and ministry of higher education is being can versed for optimum economic benefits. This paper echoes the position of international students as EDUTOURIST.

INTRODUCTION

Tourism is defined as visit, relocation, exploration, adventurer and or movement of person/people from place of domicile to place of interest in an interval of not less than a day and not more than a year [3]. This include pleasure visit popularly called social tourism, health visit called medical tourism, education visit called edutourism and host of other types of tourism activities. The focus of this paper is on international education as a driving force for socio-economic transformation. The concept of international education has changed from social responsibility to business/investment portfolio management [7]. Each country and institution adapts internationalization for economic gains needed to finance other developmental projects in the country. Hence, institutions are run as quasi-business ventures spinning monetary returns on investment to the country. However, the cross boarder activities of international education made it inseparable from conventional tourism activities [8].
International Education and Tourism:

It has been argued extensively whether international education should be considered as part of tourism activities or not. The popular opinion favors the alignment of foreign studies with tourism for two reasons: one, the fact that international education is a cross boarder affairs involving change of location or residence, and two, the duration of stay which is often limited [8]. Although, world tourism organization [9] put the duration of not less a day and not more than a year as time frame in tourism, scholars insisted that student’s visa are renewed yearly which made them an annual visitor to the destination [8].

The social and economic gains attached to international education made it a lucrative venture for developed countries especially the English speaking Nations. These benefits and other development efforts encouraged the hitherto source countries to develop their education to the standard of becoming host destination [10]. Before the introduction of liberalization policy in education in the 90s, Malaysia used to ‘push’ away many students to study overseas due to limited access to higher education in the home country [11]. During this period, huge amount of country’s resources used to be expended on outbound students at the expense of other development sectors of the economy. With the implementation of education policy, Malaysia is not only trying to retain her own students to study locally but also trying hard to ‘pull’ international students from various countries especially those from Asia, Middle East and Africa to study in Malaysia [11]. Malaysia government has decided to make the country the educational hub in the Asian region through implementation of deliberate policies [1]. These efforts have manifested in the increasing number of universities recruiting international students each year in Malaysia and attendance capital inflow from inbound international students [12].

As at 2010, Malaysia was ranked 11th most preferred study destination in the world by United Nation Education Scientific and Cultural Organization (UNESCO) in terms of the number of international students studying in the country [13]. The education policies favors both undergraduate and post graduate international students and the immigration laws were adjusted in line with the educational targets. Aside saving lot of foreign currency hitherto spent on outbound students, the country is milking from the proceeds of inbound international students [15]. In conventional tourism, the focus is on transportation expenses (air, land, water and cable), accommodation expenses (Hotel, homestay, hostel, residence and lodge), feeding expenses (Cuisine, food, drinks, snacks, chops etc), shopping expenses (souvenirs, family needs, household materials and commercial items) and visit to site of interest (heritage site, natural vegetation and falls, gigantic edifice, museum and monuments, institutions etc). Interestingly, all these features are part of the characteristics of international students as most destination countries made deliberate efforts to create side attractions that will be consume with education programs [8].

Inbound and Outbound International Students:

Inbound international students are students from other countries studying in Malaysia while outbound students are Malaysians studying in other countries of the world. No nation is an Island but rather interdependent in different aspect of human endeavors including search for knowledge. Industry report from Malaysia Ministry of Higher Education [16] showed that the total volume of inbound international students and outbound international students can be compared. While the country made effort to attract about 81,000 international students to Malaysia in 2010 out of the set target of 100,000, the country equally sent about 79,000 students to some destination countries within and outside Asia. This implies that the developments of education facilities notwithstanding, more Malaysians are still demanding foreign studies.

Table 1: Top 10 inbound and outbound countries for Malaysia.

<table>
<thead>
<tr>
<th>S/NO</th>
<th>Source countries</th>
<th>Destination countries</th>
<th>No of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Iran</td>
<td>Australia</td>
<td>11,823</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>United Kingdom</td>
<td>10,214</td>
</tr>
<tr>
<td>3</td>
<td>Indonesia</td>
<td>Egypt</td>
<td>9,889</td>
</tr>
<tr>
<td>4</td>
<td>Yemen</td>
<td>USA</td>
<td>5,866</td>
</tr>
<tr>
<td>5</td>
<td>Nigeria</td>
<td>Indonesia</td>
<td>5,817</td>
</tr>
<tr>
<td>6</td>
<td>Libya</td>
<td>Taiwan</td>
<td>3,930</td>
</tr>
<tr>
<td>7</td>
<td>Sudan</td>
<td>China</td>
<td>2,837</td>
</tr>
<tr>
<td>8</td>
<td>Saudi Arabia</td>
<td>Russia</td>
<td>2,252</td>
</tr>
<tr>
<td>9</td>
<td>Bangladesh</td>
<td>New Zealand</td>
<td>2,041</td>
</tr>
<tr>
<td>10</td>
<td>Botswana</td>
<td>India</td>
<td>1,911</td>
</tr>
</tbody>
</table>

Source: Ministry of higher education, Malaysia [16].

Economic Target of Malaysia:

The 10th Malaysia plan [2] set a new target of 200,000 inbound international students to Malaysia by the year 2020. The higher education ministry expects to earn RM6 billion a year from foreign students. Minister of Education Datuk Seri Khaled Nordin said this projection was based on an average earning of RM30,000 per student [15]. The expenses was conservatively projected to cover tuition, accomodation, feeding and other school spendings. However, a number of students are in Malaysia with their family particularly those from Arab nations and Africa, implying that their expenses on family front and other commitments could increase the estimated amount per student [43].
"Now that Malaysia has become a popular destination for the pursuit of higher education among foreign students, more and more established reputable universities from around the world are setting up their branch campuses here, working jointly with Malaysian universities and colleges," he said. Khaled said that Malaysia is an attractive destination for overseas students as a stable, safe and relatively cheap place to study [15].

"Malaysia is acknowledged as a key destination for foreign universities, with 25 applications received to set up campuses in the country, this has proven that the interest in the country's tertiary education sector has shifted to higher gear," the minister said at the inauguration ceremony of India's Vinayaka Missions International University College. The minister said the Government's focus on the education sector had made Malaysia a centre of educational excellence in the region and capable of driving the other sectors of the economy [15].

The internationalization policy for higher education in Malaysia was formulated with six critical aspects in mind (that is, student mobility, staff mobility, academic programs, research and development, social integration and community development) with the aim to enroll 200,000 international students by the year 2020," [15]. Malaysia currently hosts more than 93,000 international students from more than 100 countries, with 150,000 targeted by 2015 and 200,000 by 2020.

Compare this with the situation in 1995, when 20 per cent of Malaysian students studied abroad – costing the country an estimated RM2.4 billion a year. With a sense of the scale of the Government's success in higher education since the opening up of higher education sector, this huge resources is saved and good return is coming from the industry [11]. Since the late 1980s to mid-1990s the government of Malaysia aggressively pursued various education programs aimed at liberalizing the sector in the country [17]. Such measures included: opening up private colleges and universities, use of recruitment agents, easy visa application process, and permitting branch campuses of foreign universities to operate in the country [16]. These efforts are felt in the increasing number of both government and private established institutions with multiplier effects on student’s enrolment, staff recruitment, infrastructural development and other socio-economic benefits accruing to the country [32].

The policy of internationalization in higher education in Malaysia has evolved due to necessity in keeping with the demands of changing market economies. To transform from a production based economy to a knowledge based economy requires a highly skilled and knowledgeable workforce. Malaysia appeared successful in exploring her service sector particularly the tourism industry including edutourism [17].

**Key Drivers of Malaysia as Destination Choice:**

In a competitive market, satisfaction with services may make the difference [18; 19]. Satisfaction could be the singular influencer of a student’s desire to attend or defect various higher educational institutions or country as destination [19]. Therefore, there is the need for service providers to strive to satisfy their customers in order to gain the economic benefits that comes with satisfaction such as loyalty, continuous patronage, positive word of mouth, increased sales and profitability [20; 21; 22].

From the student’s vintage position, the perception of educational services is inseparable from the people who deliver those services because they must interact with the service providers. Educational services are intangible, heterogeneous, variable, perishable and inseparable [23]. Just like other service businesses, many higher education institutions now view students as customers of the institution because of fee-paying-system and this new consideration make their demand for educational services elastic [24]. The global competition and heterogeneous service provided by institution make it inevitable to adapt business methods into measuring students’ satisfaction in higher education [25]. However, international students have high expectations of foreign tertiary institutions, due to the considerable emotional and financial investments that are involved in international education [26].

Satisfaction is not an end but a means to an end in international education. The main determinants of satisfaction and by extension country/institution choice influencer are: Quality of education, local and international recognition of the qualification, affordability, safety and security, scholarship and funding, family/friend living or studying in the country, proximity to home country, ability to work part-time, opportunity to migrate, chance of obtaining permanent residence [27]. To educate the next generation of students there is a need to provide them with right skills, knowledge and attitudes to work effectively in an increasingly interdependent world [4]. An invaluable resource for domestic students is the international student population which brings diverse cultures and perspectives to the campuses where free integration, combination and adulteration occur [28]. Malaysia becomes preferred destination choice because of favorable and availability of drivers of satisfaction that encourage the spread of positive word of mouth as a viral marketing tool for the country [43].

**Malaysia Experience:**

Malaysia venture into international education as a cash cow business with two major objectives: to develop education sector that will support knowledge driven economy and to generate needed revenue for the transformation of other sectors. The socio-economic benefits of international education have been enjoyed by
major players like USA, UK, Australia and others which prompted Malaysia to liberalize her education in 1990s [16]. A significant milestone has been achieved in terms of human capital development and financial gains to the country. The educational revolution in Malaysia gave birth to establishment of foreign campuses, private universities and colleges and increased in number of public institutions [12]. Malaysia can boast of about 5 foreign campuses (3 from Australia, 1 United Kingdom and 1 Canada), 21 public universities, 23 private universities, over 500 private colleges and 21 polytechnics [29; 16; 12]. Also, plans are under way to provide affordable educational ecosystem to attract students and world class leading faculties in niche areas to set up branches in Malaysia [2].

The 10th Malaysian Plan [2] stated that “the government would improve the quality of public higher learning institutions through performance based funding by expanding the rating system for Malaysian higher education institution (SETARA) to cover private universities and college universities, and at faculty level”. Based on this plan, the strategy is to increase international student’s enrolment by monitoring international students’ perceptions of the quality of academic and service provided by Malaysian HEIs [30]. The Malaysia higher education industry has grown tremendously over the years and the contribution to the export earnings from full-fee paying international students is significant in the overall economic performance of the country [17]. For instance, international student’s tuition fees contributed to one of the major income for higher educational institutions. Realizing the importance of international students to the national income, the government put in place a strategic plan by setting up body known as Strategic Plan of Malaysian Higher Education with the intention to achieve the goals, vision and mission for Malaysia to become a hub of educational excellence of higher education by the year 2020 [41]. The 10th Malaysian plan targeted service sector including educational services to grow at 7.2% annually until 2015, raising contribution to GDP from 58% in 2010 to 61% by 2015 [2].

However, economic and social benefits of internationalization equally come with some challenges for both the students and the institutions [31]. The institutions most have to cope with challenges like cultural diversity brought to the campus, different styles of learning by the students, insatiable students demand within the competitive environment, learning environment and climate [32]. Naidoo, [33] is of the view that options open to the students on institutions selection continuously put universities to think ahead on innovation, uniqueness and quality in order to meet up with the global student’s mobility. The greatest task before Malaysia government is not only to sustain but to expand the growth to fulfill her ambition to become the educational hub of the region in the year 2020 by blocking all known loopholes that trigger student’s attrition especially stigmatization and stereotype. And to achieve this, the institutions and indeed the country most design a strategy to constantly adapt to the students’ ever increasing needs and demands [34]. Since students have been regarded as customers [24] their satisfaction should primarily be the focus of educational service providers as mandated by the competitive market environment similar to what is obtainable in other tourism sectors [35].

Since international education is considered as part of tourism activities, Malaysia government plans to seek talent corporations to attract, motivate and retain talent in her institutions as part of strategy to cope with global competition [2]. In realizing this, the pivotal aim of the 10th Malaysian Plan is in “re-energizing the private sector by putting in place a conducive environment, including facilitating an economy that will have a more level playing field and which rely on greater use of intellectual capital, skills, innovation and technology provided by education”.

**Malaysia Educational Products:**

International education was increasingly seen as service industry that operate within competitive markets with close rivals offering homogenous services to her customers, thus institutions required appropriate strategies to be successful in attracting and retaining domestic and international students [36; 37]. The world global economy witnessed rapid expansion in service industry in twentieth century transforming service into most important sector of the modern economy including education services within the OECD nations [6]. To keep the pace with this new innovation, courses and programs had to be financially viable and advertising, recruitment and public relations activities of study destination increased [36]. Malaysia took after OECD countries that were successful in implementing strategic international education policies.

There are three aspects of international education which can be acquired in isolation [6].

**Onshore program or Cross-border supply:** Traditionally, international education, like tourism, draws customers to the service provider, rather than delivering the service to the customer. This involved the students moving from their home country to study at destination host country. In this mode, students move to the location of institutions [38]. This the main focus of Malaysian government and her institutions for the socio-economic benefits to the country.

**Offshore program or transnational education:** In this mode, institution move to the source of market in form of twinning, partnership, split, joint, or satellite campuses arrangement. These usually involve the formation of alliance with an overseas organization that serve as a distribution channel for primary service provider which enables international students to undertake study in their own country [39]. The government of Malaysia
facilitated this type of international education for economic reasons because it is cheaper to earn a degree from US, UK or Australian Universities in Malaysia than in these countries while Malaysia will enjoy the benefits that comes with internationalization.

Online program or electronic education: As part of globalization, internet has the capacity to integrate the existing and emerging technologies and has since captured the imagination of public and educators alike. Education at the door-step with e-learning adoption among several international education service providers [6]. The concern of Malaysia government in this mode is minimal because it will not bring direct economic benefits to the country.

Types of International Education Chart.

The government of Malaysia is fully involved in the development of education, particularly international higher education by implementing carefully thought out plans to position the Country as a regional hub within the South East Asia [41]. The target is to compete favorably in the market with countries like Singapore, Thailand, China and Hong Kong within the region and then penetrate the market share of the OECD countries by attracting international students within and outside the region. The Ministry of Education in conjunction with other relevant government bodies has raised the standard of Malaysia Universities to World class in terms of output quality and productivities of the students in all the three main categories of universities: research, focused and comprehensive [40].

As part of the strategy to attract international students, the government of Malaysia has being encouraging the growth of private higher education [11]. This growth has challenged public and private institutions in to competitive rivalry developing innovations and strategic marketing plans to recruit students in to their institutions [41]. However, government needs to consolidate these noble feet by putting in place adequate arrangement to accommodate the ever increasing international student influx while balancing the space for local students [40].

8.0 Consumption Pattern:

International students are not evenly distributed in the universities [41]. The private Universities and Colleges are expensive compared to public institutions since there primary objective is to generate revenue while providing educational services which made them highly aggressive in their marketing drives; this explains why the students’ population in private institutions appeared to outnumber that of public [16]. The reason could be trace to the fact that private are usually seen as an alternative to public institution which is limited in number compared to potential student’s population, thus private become automatic option for students who cannot get offer in public [11]. Also, each private institution maintained a sophisticated marketing unit within and outside the institution for the sole purpose of hunting potential students.

Generally, international students’ population in Malaysia skewed in favor of private from 2002 to 2010 as analyzed in the table below. Also the percentage growth rate has being modest except between 2007 and 2008 where 54% growth was recorded [15].

<table>
<thead>
<tr>
<th>Year</th>
<th>Private HEIs</th>
<th>Public HEIs</th>
<th>Total</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>22,927</td>
<td>5,045</td>
<td>27,872</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>25,158</td>
<td>5,239</td>
<td>30,397</td>
<td>9%</td>
</tr>
<tr>
<td>2004</td>
<td>25,939</td>
<td>5,735</td>
<td>31,674</td>
<td>4%</td>
</tr>
<tr>
<td>2005</td>
<td>33,903</td>
<td>6,622</td>
<td>40,525</td>
<td>28%</td>
</tr>
<tr>
<td>2006</td>
<td>36,449</td>
<td>7,941</td>
<td>44,390</td>
<td>10%</td>
</tr>
<tr>
<td>2007</td>
<td>33,131</td>
<td>12,419</td>
<td>45,550</td>
<td>3%</td>
</tr>
<tr>
<td>2008</td>
<td>49,916</td>
<td>20,343</td>
<td>70,259</td>
<td>54%</td>
</tr>
<tr>
<td>2009</td>
<td>56,525</td>
<td>24,225</td>
<td>80,750</td>
<td>15%</td>
</tr>
<tr>
<td>2010</td>
<td>55,725</td>
<td>25,222</td>
<td>80,945</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Ministry of Higher Education, Malaysia [16]
Malaysia had enjoyed a tremendous growth in international education market from 27.872 to over 80,000 within 8 years. However, to maintain this large influx of foreigners into a small country like Malaysia with more effort to increase the number calls for detail comparism of benefits and consequences.

**Economic Benefits to Malaysia:**

Malaysia has reap economic benefits from her internationalization policy considering the number of international students carrying students visa and Malaysia Ringgit (RM) generated from their respective education and non-education spending [42]. For instance tourism which is arguably encompassed an aspect of international education has put Malaysia in the world map in recent years [44]. The influx of people in to Malaysia for leisure and education between 2008 and 2009 was put at about 32.3 million visitors almost the size of the country’s population with a total receipt of RM53.37 billion (approximately $16.7 million) (MTM, 2010). This earned the country 9th position among the top ten most visited countries in the world according to World Tourism Organization Statistics [45]. With this feast it is safe to say that Malaysia stands a chance to gain more from international education trade [44]. The following summarized the advantages associated with international education in Malaysia:

- Obvious financial advantage for institutions and the economy generally;
- Well-developed sophisticated international support, with the study of the international student experience becoming an academic sub-discipline;
- Internationalization of the curricula;
- Cosmopolitan campus culture – transitional and transformative functions;
- Strengthening of political, economic, educational and cultural networks in the region and beyond;
- Encouragement and support for Malaysia domestic students to gain international experience;
- Promotion of academic staff mobility through building international teaching and research networks.

However the benefits of international education are not limited to the destination alone, some economic and social benefits are also transfer to the consuming students [42]. The term “human capital model” is used to describe the economic benefits a student gained from education [6]. It is argued that an individual status and wellbeing is a function of his/her level of education. Thus, the income forgone while studying and any money spent on education will be recouped from the additional money earned upon graduation and taking up lucrative employment, similarly economists suggested that the additional cost of a foreign degree is adequately compensated for by the enhanced employment opportunities it provides in terms of nature and earnings from the employment with foreign certificate [45].

10. Conclusion:

Malaysia has consolidated economic gains from international education despite late entry into the market and some obvious infrastructural challenges [42]. However, for economic prosperity and sustenance, efforts must be geared towards integrating all the focal ministries, departments and agencies of the government concerned with interest of inbound education tourist. To achieve this, economic cooperation and bilateral agreements should be strengthened between countries involved while reinvigorating synergy among the government establishments for efficient service delivery [43]. Particularly the Ministry of Higher Education and those of Tourism and foreign affairs most collaborate to promote Malaysia education internationally for all inclusive advantage.

**REFERENCES**


