

**A CRITICAL EVALUATION OF THE PROPOSAL FOR
THE PRIVATIZATION OF HIGHER EDUCATION
INSTITUTIONS IN MALAYSIA**

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SEPTEMBER 1995

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ACKNOWLEDGMENTS

I wish to express my sincere appreciation to those who gave generously of their time and support in order that this dissertation could be completed.

My thanks and gratitude are due to Dr. Jackson, who closely supervised the preparation of this dissertation, for his patience, time, criticism and useful suggestions during the course of this research. My gratitude also goes to Prof. Culyer, Prof. Williams, Sir Alan T. Peacock, Prof. Dixon, Prof. Mayston, Prof. Godfrey, Prof. Hutton, Dr. Lambert, Dr. Gerrard, Dr. Bhargava, Dr. Jones, Dr. de Trenqualye and Mr. Suckling for their excellent lectures and guidance throughout my study at the University of York.

Words alone cannot express my gratitude and indebtedness to my beloved wife and daughter who are always my main support. I thank you for your patience and understanding throughout the duration of my study.

To Mr. Baruddin Muhamad, I say thank you for the marvelous help that I have received, for your guidance, friendship and moral support. Finally my thanks go to Mr. Budiman Sobri and all other staffs at the School of Economics, Universiti Utara Malaysia, for your excellent support in Malaysia.

A CRITICAL EVALUATION OF THE PROPOSAL FOR THE PRIVATIZATION OF HIGHER EDUCATION INSTITUTIONS IN MALAYSIA

INTRODUCTION

Although privatization is no longer a novelty in developed countries, it is still in its early stages in developing countries such as Malaysia. The era of privatization in government bodies and public services in Malaysia has been witnessed throughout the nation during the *Fifth Malaysia Plan*¹ (5 MP), 1986-1990. The *Guidelines in Privatization*, published by the Economic Planning Unit of the Prime Minister's Department in 1985, outlines a number of major objectives. First, it aims to relieve the financial and administrative burden on the government in undertaking and maintaining a vast and constantly expanding network of services and investment in the infrastructure. Second, it is expected to promote competition, improve efficiency and increase the productivity of services. Third, privatization, by stimulating private entrepreneurship and investment, is expected to increase the rate of growth of the economy. Fourth, it is expected to assist in reducing the size and presence of the public sector with its tendency towards monopolies and bureaucratic control over the economy. Lastly, privatization is expected to contribute towards meeting the objectives of the New Economic Policy²

¹ Fifth Malaysia Plan (1986-1990), is the last phase of the New Economic Policy (NEP), 1970-1990, also referred to as the First Outline Perspective Plan (OPP1).

² New Economic Policy (NEP) 1970-1990, is the first development plan whose main objectives are the eradication of poverty and economic imbalances among the multi-racial population of Malaysia.

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