

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

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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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