HUMAN RESOURCE DEVELOPMENT IN BIMP-EAGA REGION: STRENGTHS OF MALAYSIA-EAGA INSTITUTIONS OF HIGHER LEARNING

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ABSTRACT

Investment in human capital is vital for economic development of a nation. It also contributes towards human resource development. Human resource development is one of the key areas targeted under BIMP-EAGA areas of co-operation. This paper will focus on the strengths that Malaysian institutions of higher learning have towards human resource development in this sub-regional economic growth area and the ASEAN region as a whole. Some of the strengths of Malaysian institutions of higher learning in EAGA region include supportive Malaysian government policies in making Malaysia as a regional educational hub; increasing importance of skill based production in Southeast Asian countries; courses offered which are of relevance to the labour market needs; rapid developments in Malaysia-EAGA; a global network of strategic collaboration; diversity of culture and safe studying environment and qualified expertise available in Malaysia-EAGA institutions of higher learning. These factors can contribute towards enhancing the potential of Malaysia generally and Malaysia-EAGA specifically in human resource development in EAGA region.

Keywords: BIMP-EAGA, sub-regional economy, labour market, and strategic collaboration

INTRODUCTION

Brunei- Indonesia- Malaysia Philippines East ASEAN Growth Area or BIMP-EAGA was launched in 1994 by the governments of these four countries. The objective was to hasten, through regional cooperation, the development of the economy of Brunei and sub-regions of the three other countries¹. BIMP-EAGA consists of Brunei Darussalam, East and West Kalimantan, Central Kalimantan, South Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, Southeast Sulawesi, Maluku and Irian Jaya (in Indonesia); Sabah, Sarawak and Federal Territory of Labuan (in Malaysia) and the Island of Mindanao and Palawan Province (in the Philippines).

Table 1 shows the economic indicators of BIMP-EAGA. The total population in BIMP-EAGA is 50.2 million with more than half of the population (approximately 26.6 million) residing in Indonesia-EAGA. The highest incidence of poverty is in Philippines-EAGA with both Mindanao and Palawan registering incidence of poverty of 47.8 percent and 69.3 percent respectively. The highest per capita GDP is in Brunei Darussalam and the lowest is in Indonesia-EAGA (Sulawesi) and Philippines-EAGA (Palawan) recording \$422 and \$417 respectively. The highest unemployment is in Philippines-EAGA where Mindanao recorded an unemployment rate of 7.6 percent and Palawan recorded an unemployment rate of 19.6 percent. From this data, it is obvious that Philippine-EAGA is lagging in all aspects of development compared to other EAGAs.

	Population		Incidence	Gross Domestic Product (1999)		Unemployment
			of			1999
Indicators	Total	Growth	Poverty	Per capita	Growth	
		rate		\$	rate	
	(million)	(%)	(1999)	(nominal)	(%)	(%)
BIMP-EAGA	50.2					
Brunei DS	0.336	2.2	-	17400	2.5	4.6
Indonesia	210.5	1.5	20.43	705	2.8	6.4
Kalimantan	11.6	2.0	19.5	1059	3.1	-
Sulawesi	15.0	1.7	20.8	422	3.4	-
Malaysia	23.3	2.6	8.1	3854	7.2	3.1
Sabah	2.6	4.0	25.0	-	-	-
Sarawak	2.1	2.1	6.6	-	-	-
Philippines	76.5	2.4	34.2	958.8	3.7	10.1
Mindanao	18.1	2.4	47.8	698.4	5.0	7.6
Palawan	0.8	3.6	69.3	417.1	5.0	19.6

Table 1: Economic Indicators of BIMP-EAGA²

- = not available

Source: Asian Development Bank

In respect to areas of cooperation, there are eleven BIMP-EAGA Working Groups that have been formed as can be seen in Table 2.

BIMP-EAGA Working Groups	Lead Country
Fast Track Areas	
1. Expansion of Air Linkages	Brunei Darussalam
2. Expansion of SEA Linkages, Transportation and Shipping Services	Indonesia
3. Joint Tourism Development (JTD)	Malaysia
4. Expansion of Fisheries Cooperation (FC)	Philippines
5. Construction and Construction Materials (C/CM)	Philippines
6. Telecommunications and ICT (Telecom/ICT)	Brunei Darussalam
Support Sectors	
7. Forestry and Environment (F/E)	Indonesia
8. Energy	Malaysia
9. Human Resources Development and People Mobility (HRD/PM)	Malaysia
10. Capital Formation and Financial Services (KF/FS)	Malaysia
11. Agro-Industry (AI)	Philippines

Source : Mindanao Economic Development Council

During the 11th Senior Officials Meeting on 10-11 September 2003 at Davao City, Philippines, the member countries agreed to the clustering of the existing Working Groups(WG), as well as the identification of the Lead Country per cluster. The four (4) clusters are as follows³:

- 1. Cluster on Transport and Infrastructure Development consisting of the WG on Air Linkages, Sea Linkages, Telecommunications/ICT, and Construction and Construction Materials with Brunei Darussalam as Lead Country.
- 2. Cluster on Natural Resources composed of the WGs on Agro-Industry, Fisheries Cooperation, Forestry and Environment, and Energy with Indonesia as Lead Country.
- 3. Cluster on Joint Tourism Development with Malaysia as Lead Country.
- 4. Cluster on SME Development/Capital Formation and Financial Services, and CIQS (Customs, Immigration, Quarantine, and Security) initiatives with the Philippines as Lead Country.
- 5. WG on Human Resources Development and People Mobility shall be a crosscutting Working Group.

Cluster	Working Group Coverage	Lead Country
Transport and Infrastructure Development	Air Linkages, Sea Linkages, Construction and Construction Materials, Telecommunications/Information Communications Technology, and Human Resource Development (HRD)	Brunei Darussalam
Natural Resource Development	Agro-Industry, Fisheries Cooperation, Forestry and Environment, Energy and HRD	Indonesia
Joint Tourism Development	Joint Tourism Development and HRD	Malaysia
SME Development/ Capital Formation and Financial Services	Capital Formation and HRD SME Development/ Capital Formation and Financial Services	Philippines

Table 3: Working Group Clusters

Source: Mindanao Economic Development Council

Table 3 shows the working group clusters in BIMP-EAGA. Even though Human Resources Development is a cross-cutting Working Group, Malaysia has a major role to play as there are many strengths that Malaysia have. With the internationalization of higher education in Malaysia, the number of international students in Malaysia as at December 2004 was 40,686. This number includes 25,939 international students in private higher education institutions, and 6,315 students in public higher education institutions and the rest are in the schools level. The Ministry of Higher Education of Malaysia has set up a target to get 100,000 foreign students to be registered in Malaysia by year 2010⁴. With this in mind, this paper

investigates the strengths and opportunities of Malaysia-EAGA institutions of higher learning in attracting students from Indonesia-EAGA, Philippines-EAGA and Brunei Darussalam to make Malaysia-EAGA as their choice destination to further their studies.

INVESTMENT IN HUMAN CAPITAL, HUMAN RESOURCE DEVELOPMENT AND CROSS-BORDER TERTIARY EDUCATION

Investment in human capital and human resource development

The basic assumptions of human capital theory are that education increases an individual's economic productivity (EPAC, 1996). Educational attainment of the labour force determines the quality of the labour force. Highly qualified labour force will enable a nation to increase its productivity and this will in turn contribute to the economic growth of a nation. There is a positive correlation between educational attainment and economic growth (Barro and Sala-i-Martin, 1995; Todaro and Smith, 1997). Ahmad Sobri Jaafar and Abdul Rahim Anuar (2000) stressed the importance of education and human capital development as major pre-requisite for a k-economy. According to them, in order to succeed in the k-economy, human capital investment through formal and informal education, training, lifelong learning and skill enhancement should be given priority.

Many economists agree that educational attainment of the labour force is important as it will contribute to the economic growth of a nation. The knowledge of the learned labour force will increase the proficiency of the labour force and enable them to perform work better. Denison (1985) found that education per worker (growth in labour productivity) is one of the major source of economic growth. Denison estimated that 14 percent of United States economic growth is due to the increased education of the labour force beside other factors such as capital(19 percent), technological change (28 percent) and economies of scale (9 percent). Barro and Sala-i-Martin (1995) even agrees that human capital can actually substitute the use of technology. They said:

"The presence of human capital may relax the constraint of diminishing returns to a broad concept of capital and can lead thereby to long-term per capita growth in the absence of exogenous technological progress. Hence, the production of human capital may be an alternative to improvements in technology as a mechanism to generate long-term growth".

The whole economy can benefit from investment in human capital. This is evident in the case of Singapore and Malaysia in Southeast Asian region. The Human Development Report (1996) stated that:

"The human capital models show how education allows the whole education process to benefit from "positive externalities". Educated people use capital more efficiently, so it becomes more productive. They are also more likely to innovate - to devise new and better forms of production. Moreover, they spread the benefits to their co-workers, who learn from them and also become more productive. Thus, the rising level of education causes a rise in the efficiency of all factors of production". Thus, it can be concluded that educational attainment is one of the major driving force behind economic development and economic growth of a nation.

Institutions of higher learning in BIMP-EAGA

The Malaysia-EAGA comprise of Sabah and Sarawak. To analyse the contribution of these institutions of higher learning towards human resource development in EAGA, it is imperative to identify major institutions available in Malaysia-EAGA. These major institutions of higher learning are presented in Table 4 below.

EAGA subregion	Higher education institutions	
Brunei-EAGA	University Brunei Darussalam	
Indonesia-EAGA	Hasanuddin University, Ujung Pandang Sam Ratulangi University, Manado Mulawarman University, Samarinda Tadulako University, Palu Halu-Uleo University, Palu Halu-Uleo University, Kendari Pattimura University, Ambon Cenderawasih University, Jayapura Palangkaraya University, Jayapura Palangkaraya University, Palangkaraya Lambung Mangkurat University, Banjarmasin Tanjangpura University, Pontianak Institute of Teacher Training, Ujung Pandang Institute of Teacher Training, Gorontalo Islamic Institute of Higher Learning, Ujung Pandang	
Malaysia-EAGA	Universiti Malaysia Sarawak Universiti Teknologi MARA, Sarawak Curtin University of Technology, Sarawak Swinburne University of Technology, Sarawak Universiti Malaysia Sabah Universiti Teknologi MARA, Sabah	
Philippines-EAGA	University of the Philippines, Mindanao Mindanao State University(MSU) Western Mindanao State University Central Mindanao University University of Southeastern Philippines University of Southern Mindanao Palawan State University Notre Dame University in Cotabato City Notre Dame of Marbel University in Marbel, South Cotabato Xavier University in Cagayan de Oro City Misamis University in Ozamis City Ateneo de Davao University, Davao City University of Mindanao, Davao City University of the Immaculate Conception, Davao City	

Table 4: Higher education and research institutions within BIMP-EAGA

Cross-border tertiary education activities in BIMP-EAGA

Cross-border tertiary education refers to situations where the students, teachers, programmes, institutions, providers or course material cross national borders. It can take several forms in BIMP-EAGA such as students (and teachers) traveling to study (teach) in foreign countries, educational institutions partnering with foreign institutions to offer joint educational programmes or degrees, educational institutions operating abroad, and educational courses being supplied across borders through e-learning or distance learning⁵. Table 5 below shows different types of cross-border education activities.

Туре	Main forms	Examples	Size
1. People			
Students/ trainees	Student mobility	 Full study abroad for a foreign degree or qualification Part of academic partnership for home degree or joint degree Exchange program 	Probably the largest share of cross-border education
Professors/ trainers	Academic/ trainer mobility	 For professional development As part of an academic partnership Employment in a foreign university To teach in a branch institution abroad 	An old tradition in the education sector, which should grow given the emphasis on mobility of professional and internationalisation of education more generally.
2. Programmes			
Educational programmes	Academic partner- ships E-learning	 Joint course or programme with a foreign institution E-learning programmes Selling/franchising a course to a foreign institution 	Academic partnerships represent the largest share of these activities E-learning and franchising are small but rapidly growing activities.
3. Institutions			
Universities Training centres Companies	Foreign campuses Foreign invest- ments	 Opening of a foreign campus Buying (part of) a foreign educational institution. Creation of an educational provider abroad. 	A trend increasing very quickly from a modest starting point

Table 5: Types of cross-border education activities

Source: Stephan Vincent-Lancrin(2004)

STRENGTHS OF MALAYSIA-EAGA INSTITUTIONS OF HIGHER LEARNING

Institutions of higher learning in M-EAGA have several strengths that are not available for institutions of higher learning from other EAGAs. Some of the strengths are as follows:

Supportive Malaysian government policies

Malaysia aims to become a regional educational hub. With this in mind, Malaysia has opened its gates to foreign students that wants to make Malaysia as their tertiary education destination. From the late 1990s the Malaysian government has encouraged foreign universities to establish branch campuses on its soil⁶. There are currently two branch campuses of foreign universities in Malaysia-EAGA, namely Curtin University of Technology, Sarawak Campus and Swinburne University of Technology, Sarawak Campus tertiary education. In its quest to become regional educational hub, Malaysia developed a website STUDYMALAYSIA.COM in five other languages namely Arabic, Chinese, Indonesian, Vietnamese and Korean.

Malaysia Edu-Tourism (METOUR)⁷

Malaysia Edu-Tourism (METOUR) is a promotional arrangement which combines the concerted effort of the Ministry of Higher Education, Malaysia and the Malaysia Airlines System (MAS) with the intention to internationalise the education system in Malaysia via touring activities by international parents and students to the higher educational institutions and places of attractions in Malaysia.

The Malaysia Edu-Tourism programme which consists of two parts, namely the Edu-Tour Programme and the Edu-Summer Programme, was first launched in the Malaysia Education Promotion Centre in Ho Chi Minh City, Vietnam last year. This led onto the launching of the first leg of the Edu-Summer programme recently in Vietnam. This first Edu-Summer programme, one of the educational activities under Malaysia Edu-Tourism (METOUR) project will be for the period from June 2006 to August 2006. Similar programmes can also be introduced in Brunei Darussalam, Indonesia-EAGA and the Philippines-EAGA to attract potential students into institutions of higher learning in Malaysia-EAGA.

Importance of skill based production and courses offered which are of relevance to the labour market

Increasing importance of skill based production in Southeast Asian countries may require more graduates with skill to fulfill labour and manpower requirement in these countries. Courses offered in Malaysia-EAGA especially undergraduate courses which are largely skill based may attract students from other EAGAs.

Curtin Sarawak and Swinburne Sarawak for example offers a variety of engineering courses at undergraduate level. Curtin Sarawak offers a variety of science, technology and engineering courses which include Chemical Engineering, Civil and Construction Engineering, Computer System Engineering, Electrical Engineering, Electronic and Communication Engineering and Mechanical Engineering. Curtin Sarawak also offers Science courses at undergraduate level namely Applied Geology, Computer Science, Geophysics and Life Sciences. Engineering courses offered by Swinburne Sarawak are Bachelor of Engineering (Civil Engineering), Bachelor of Engineering (Electrical & Electronic Civil Engineering), Bachelor of Engineering (Electronics and Computer System), Bachelor of Engineering (Mechanical Engineering), Bachelor of Engineering (Robotics and Mechatronics) and Bachelor of Engineering (Telecommunications & Internet Technologies). These courses are offered in English and will be able to attract a large pool of foreigners from Indonesia-EAGA, Philippines-EAGA and also Brunei Darussalam.

Courses offered by local institutions of higher learning in Malaysia-EAGA are also of relevance to the labour market needs. This factor is important as it can reduce the problem of structural unemployment. University Malaysia Sarawak in Malaysia-EAGA for example offers Master of Advanced Information Technology, Master of Science in Human Resource Development, Corporate Master in Business Administration, Master of Sustainable Land Use And Natural Resource Management- Malaysia (SLUSE-M) and Master in Public Health by coursework. Whereas University Malaysia Sabah, another university in Malaysia-EAGA offers Master of Education (Education Management), Master of Psychology (Counseling), Master of Human Capital Management, Master of Human Resource Management, Master of Science in Tropical Agroforestry, Master of Science in Taxanomy and Biodiversity and Master of Science in Environmental Management. Curtin University of Technology Sarawak offers Master in Business Administration (coursework) programme and Swinburne Sarawak offers Master degree in Accounting and Master of Multimedia, both by coursework. As the demand for highly skilled human capital and knowledge worker is sky-rocketing, catalysing government and private-sector investment in training and educational infrastructure⁸ in Malaysia is vital to meet the demand for human resources in BIMP-EAGA region.

Rapid developments in Malaysia-EAGA

Malaysia-EAGA is more developed compared to other EAGAs. Thus, this itself can become a major attraction for students from other EAGAs to come and study in Malaysia. With a relatively more developed economy compared to Philippines-EAGA and Indonesia-EAGA, Malaysia-EAGA will be able to deliver better tertiary education compared to Brunei Darussalam.

A global network of strategic collaboration

Some of the world's most established universities and colleges have twinning, credit transfer and branch campus arrangements that have transformed Malaysia into a dynamic and exciting regional gateway for education.⁹ In Malaysia-EAGA, two Australian universities namely Curtin University of Technology and Swinburne University of Technology have set up their branch campuses, allowing potential students from other EAGAs to obtain foreign qualification at their doorstep. There are also several private institutions of higher learning in Sabah and Sarawak that offers 2+1 Business and Computing degree programs.

Diversity of culture and safe studying environment

Diversity of culture in Malaysia-EAGA will enrich the students knowledge and experience. This is definitely an added value for students that pursue their studies in Malaysia-EAGA. Safe and secure studying environment in Malaysia-EAGA can also attract potential students to pursue their tertiary education in Malaysia-EAGA.

Expertise that is available in Malaysia-EAGA institutions of higher learning

There are various expertise that are available in institutions of higher learning in Malaysia-EAGA as the country is investing a huge portion of its money in building capacity in these institutions. Capacity building may take several form such as training of human resources, building the research capabilities and provision of better infrastructure.

CONCLUSION

Strengths which Malaysia-EAGA have will be able to increase Malaysia-EAGA's potential as an important provider of educational services in BIMP-EAGA region. Supportive Malaysian government policies in making Malaysia as a regional educational hub contributed to this success. Strategic collaboration with global academic community in forms of twinning programmes, credit transfer and branch campus arrangements will be able to transform Malaysia into a dynamic and exciting regional gateway for education. This, coupled by political stability and diversity of culture in Malaysia will be another attraction for potential students from other EAGAs to further their studies in Malaysia. These factors will be able to contribute towards enhancing the potential of Malaysia generally and Malaysia-EAGA specifically in human resource development in this region.

ENDNOTES

⁴ Further explanation on this can be found in Ahmad Nazri Sulaiman, "Current Update of Higher Education in Malaysia." Paper presented in Regional Seminar on Higher Education in Southeast Asian Countries: A Current Update, 29 September 2005.

⁵ Stephan Vincent-Lancrin, Building Capacity through Cross-border Tertiary Education, paper prepared for the UNESCO/OECD Australia Forum on Trade in Educational Services, 11-12 October 2004, Sydney, Australia.

⁶ Ibid.

⁷ Further information on this can be obtained from StudyMalaysia.com at http://www.studymalaysia.com/main/index.php.

⁸ Lim Kok Wing. "Malaysia Transforming into a Regional Hub for Education." http:// www.transworldeducation.com/articles/malaysia2.htm accessed on 12th April 2006.

⁹ Ibid.

¹ Asian Development Bank. "Subregional Cooperation Strategy and Program Status Report: Southeast Asia." http://www.adb.org/Documents/CSPs/SERD/reg_in225_02.pdf accessed on 12th of April 2006.

² All figures are for 2000, unless otherwise stated.

³ Mindanao Economic Development Council. "Structure of BIMP-EAGA", http:// www.medco.gov.ph/medcoweb/bimpstruct.asp accessed on 12th of April 2006.

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