Riding the OBOR wave: Building world-class private universities in South East Asia

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ABSTRACT

This article explores the key issues and challenges of building world-class private universities in South East Asia. China’s One Belt, One Road initiative is an important milestone for South East Asia as it seeks closer economic and political ties with the region. While the education sector will benefit from this initiative due to increases in student and faculty exchanges, the private university segment will face stiffer competition as Chinese universities establish branch campuses in Malaysia and Laos. Private universities in South East Asia need to restrategise their operations to tap on the opportunities offered by their Chinese counterparts. They will be able to leverage gains if they cooperate with Chinese universities. The article has both theoretical and practical significance for private university leaders to follow.

Keywords: OBOR, world-class universities, university leadership, China, Malaysia

Introduction

The Chinese government introduced Project 21-1 in 1993 to elevate the educational and scientific levels of 100 universities to global standards. These universities were provided with extra financial support with the investment of approximately USD2.2 billion between 1996 and 2000 to enhance their competitiveness in the world. The Chinese government started another project in 1998 to accelerate the building of a few famous universities to be world-class universities. “Project 98-5” was introduced by President Jiang Zemin on May 4, 1998. A total of 34 universities were selected for Project 98-5 and they were given greater autonomy, including new levels of academic freedom and quality control processes.

The challenges facing Chinese higher education include increased income disparity and economic opportunities between rural and urban areas. Unemployment rates among university graduates remain high in the midst of rising demand for enrolment. Many Chinese universities still lack the ingredients of what constitute world class universities. There is a lack of Nobel laureates, journal citations, and top international awards for faculty. China has lacked behind Europe, Australia and the United States in the internationalisation of its universities. Concerns also arise on how to improve the quality of Chinese universities. Engrained in many Chinese is the strong influence of Confucianism which emphasises social harmony and conflict-avoidance instead of the Socratic form of instructions adopted by most Western universities.

In 2013, President Xi Jinping introduced the Silk Road Economic Belt and 21st Century Maritime Silk Road policy initiatives to improve and stimulate growth and
development along its geographic periphery and beyond. The initiative, more commonly known as “One Belt, One Road” aims to strengthen China’s political influence with its neighbours. OBOR is also an important security initiative for China to integrate its Western region with the rest of the country. China’s Silk Road initiative has been questioned by different countries in the light of growing disputes relating to the sovereignty of islands in the South China Sea and the use of its investment funding to dictate foreign policies of other countries.

For the purpose of this paper, we will focus on the countries along the China-Indochina Peninsula Economic Corridor, specifically Malaysia, and on the “non-government communication” component of OBOR. Reform of the higher education sector include both institutional reform and workforce reform. The institutional reform involves reforming the education quality, appraisals and evaluation systems while workforce reform involves renewing philosophies of educating a qualified and innovative workforce.

We will look at how the globalisation and localisation of Chinese universities give impetus to new business models for Malaysian universities. The collaboration between Chinese and Malaysian universities will contribute to innovative activities in the academic sector. At the same time, the OBOR initiative will enhance China’s cultural soft power in Malaysia and the rest of South East Asia. Such collaborations have direct benefits for China as more Chinese businesses establish footholds in Asia.

Chinese universities are largely influenced by Confucian epistemology (Li & Hayhoe, 2012). Common features include ethics-centred exploration of knowledge, directive role of government, societal mission of higher education, and a hierarchical system. Countries in the region could benefit from the Confucian model of higher education provided by Chinese universities. The Confucian model comprises four main interdependent elements: a) National policy shaping the education landscape; b) Universal tertiary participation; c) national examination and d) investments in scientific research. The Confucian approach to education affirms that moral training is part of education and it must be reflected in behaviour. A teacher must be a role model for his students. Confucius taught that education should be open to all and there should be no class distinctions. With these two important teachings, Chinese universities are in a position to groom students with high moral standards and to remove the mentality that Western culture is superior to Eastern culture. China is well poised to end the dominance of Western countries and it could play an important role in assisting ASEAN countries to overcome the mental block of Western supremacy.

Student mobility is a means of enhancing competition among universities. Strong student mobility and strong preferences for research are necessary conditions to achieve world-class status. In China’s 13th Five-Year Plan Roadmap to 2020, the country set out policies for improving the higher education sector. University innovation, academic cooperation and autonomy for universities are among the issues given priority. Innovative teaching methods are to be raised to ensure some
universities meet world standards. Cooperation between institutions and enterprises will be encouraged and skilled workers’ salaries to be raised. Universities and research institutes will be given increased autonomy with leaders having more freedom to make strategic decisions, including financial and personnel administration. The global implications of this reform is that more Chinese universities will rival American universities as research institutions and also make China an education hub for students from Asia. It is also becoming an important destination for foreign students. According to data from UNESCO, in 2015, there were 123,127 foreign students studying in China.

Chinese universities have opened branch campuses in Italy (by Ningbo University), Laos (by Soochow University), and Malaysia. The recent opening of Xiamen University in Malaysia with a target student population of 10,000 in its first year of operation was an encouraging development for both China and Malaysia. Internationalisation of Chinese universities serves three policy goals: a) as an international relations tool; b) as a global competitive building tool; and c) as a knowledge improvement tool.

The motivations and decisions to establish an international branch campus are many. These include financial considerations, host country incentives, potential market demand and loss of institutional legitimacy. Universities could adopt one of the following strategies for its branch campus. These are:

1) Adapting structures and processes to suit institutional context of host country
2) Using the same structures and processes as the home campus
3) Establishing a joint venture with a local partner

South East Asia remains a favourite region for foreign universities to establish branch campuses. Stanford and Technical University of Munich are collaborating with Singapore universities. The University of Chicago and Insead have also established branch campuses in the city state.

In Vietnam, foreign universities such as RMIT from Australia, British University Vietnam (affiliated to Taylor’s University Malaysia), and Fullbright University from the United States offer opportunities to students to experience a different learning experience without the need to leave the country. In Thailand, Webster University, Stamford International University (owned by Laureate Education of United States) and Accademia Italiana (fashion institute from Italy) provide opportunities for local students to pursue foreign degrees locally. Indonesia has not been successful in attracting foreign universities to set up branch campuses despite the passing of the Higher Education Bill in 2012 due to a provision that foreign institutions should operate on a non-profit basis and collaborate with an Indonesian university.
Over in Malaysia, Monash University have tie-up with the Sunway Group while the University of Nottingham have formed a joint venture with the Boustead Group. Australian universities Swinburne and Curtin have set up joint ventures with the Sarawak government for their branch campuses.

China’s education reforms have transformed the higher education system in China from one that emphasises elitism to one that promotes mass education. However, this process also results in higher unemployment among university graduates (Bradenburg & Zhu, 2007; Bickenburg & Liu, 2011). Many Chinese students prefer an overseas degree, especially from an English speaking country, as they believe there may be better employment opportunities for them.

The Chinese model of a world-class university is different from the Western model. Niland (2000) noted that a world-class university needs to satisfy nine benchmarks: quality of faculty; research; talented undergraduate body; large number of disciplines; resourcing; technically smart; good management; alliances and network; and international presence. World-class universities are research-oriented and based on the American model in particular (Altbach & Balan, 2007). However, Samil noted that they could include non-research universities which are characterised by a concentration of top talent (both faculty and students), abundant resources for learning and research, and good governance encouraging strategic vision, flexibility and innovation (Salmi, 2009). World class universities are also globally competitive, possess high value for humanity and has its primary goal in teaching and research (Shin & Kehm, 2013).

Chinese universities are becoming more globally engaged partnering with universities from the United States, Europe, Australia and Asia. The OBOR initiative offers new opportunities for higher education cooperation with overseas institutions with increased mobility seen for both its students and faculty. Internationalisation has also raised new concerns about the infiltration of Western values such as academic freedom and the dilution of Chinese ideologies such as subservience to authority (Postliglione, 2015; Sharma, 2013). Thus, there is a paradox in China’s desire to be a leader in global higher education and its internal policies to restrict academic freedom and internet freedom. The internationalisation of Chinese universities is seen as mainly achieving a political and economic objective, rather than an educational goal. Education is a mechanism that enhances the soft power of a nation. It is a universal value that brings about well-being and prosperity of a country.

China’s attempt to develop world-class universities lead it to introduce the Academic Ranking of World Universities (ARWU), an annual publication of Shanghai Jiao Tong University. ARWU is regarded as a credible university ranking publication, alongside QS World Rankings and Times Higher Education World University Rankings. The impact of ARWU is that it inspires Chinese universities to be more competitive and drive towards excellence. Globalisation subjects universities to the
pressure of an unequal knowledge system dominated by the wealthy universities (Altbach & Balan, 2007).

Malaysia hopes to be a net exporter of higher education by 2020 (Knight, 2011). This will reduce the outflow of funds overseas for education purpose. Its universities are actively transforming themselves to tap on the opportunities offered by globalisation. In the Malaysia Education Blueprint 2015 – 2025 for Higher Education, the government listed 10 transformational initiatives (“shifts”) to spur continued excellence in the higher education system. These shifts aim to improve the quality and efficiency of the education system, as well as issues related to globalisation. The first four shifts relate to outcomes while the remaining six shifts are enablers for the system.

**Potential benefits to Malaysian universities**

Malaysian universities can benefit from the internationalisation of Chinese universities. The competition for admission into Chinese universities is so high that many families decide to send their children overseas for education. Culturally, Malaysia with its diverse ethnicity, is more attractive to Chinese students. The proximity of Malaysia compared to the United States or Australia is another advantage. In addition, there are at least 70 Malaysian universities and universities colleges recognised by China’s Ministry of Education. The affordability of a Malaysian education as compared to a United States or Australian education is another incentive for Chinese parents.

Many Chinese universities are willing to collaborate with Malaysian universities in academic mobility through student and faculty exchange, cooperative program offerings and research projects. The Chinese Ministry of Education recognises the need to reform curricula, teaching methods and assessment tools by incorporating international approaches to teaching.

The Malaysia government could consider supporting a small number of private universities that have the potential to become world-class universities. Smaller institutions could be encouraged to merge and transform into larger universities with more abundant resources. While there may be challenges in assimilating the cultures of different institutions in a merger exercise, there are also much opportunities in creating a new culture of excellence in a newly merged institution. For example, in China, the merger of Beijing Medical University with Beijing University in 2000 and the merger of four universities to create Zhejiang University in 1998, have created strong institutions with teaching and research capabilities.

Malaysia universities could ride the OBOR wave and develop a few world class private universities through closer collaboration with their Chinese counterparts. Collaboration in “talent”, faculty and staff mobility will encourage more knowledge exchanges between the institutions. There could also be more recognition of course credits taken by students in partner institutions. International collaboration of research
projects is not without challenges. Researchers have to overcome the cultural differences and bureaucracies of the participants in the projects. However, international collaboration of research projects propels the researchers into a much larger global community. To achieve world class status, universities have to successfully encourage their academic staff to maximise their research capabilities. Globalisation brings the academic community closer through collaboration of research activities. At the same time, it also encourages institutions to be more competitive and develop the aspirations to become world class universities.

Visionary leadership is critical in creating world class universities. The environment has to foster creativity, innovation and academic freedom. University leaders need to have a strong strategic vision and practice a philosophy of excellence. Effective leadership is important in setting strategic goals and policies in higher education institutions (Bennette et al., 2003; Jonese et al. 2014). In today’s competitive environment, university leaders must also possess good commercial sense to address the demands of various stakeholders and be financially prudent in the management of their institutions. They have to reassess the 4Ps of higher education: policies, programmes, pedagogy and partnerships. With globalisation and increased student and staff mobility, education policies need to be reviewed for universities to overcome the various challenges they face.

Globalisation has also created awareness for Malaysian and Chinese universities to benchmark their best practices with each other partners. These include areas of teaching pedagogy, course curriculum, quality assurance, quality of faculty, facilities and academic support. While they collaborate on one hand, they also compete on the other. Chinese universities are competing with Malaysian universities to attract international students. Governments have realised that globalisation of education creates national wealth and attract foreign exchange.

The trend of tertiary-level international students worldwide is expected to continue to increase over the next few years as student mobility remains strong. Data from the UNESCO Institute for Statistics showed the number of international students increased from 2.8 million in 2005 to 4.1 million in 2013. As at end 2014, Malaysia hosted around 135,000 international students studying in higher education institutions as well as international high schools. The most popular countries of origin were Bangladesh, China, Indonesia, Nigeria, India, Pakistan and Yemen. With the establishment of EduCity Iskandar and Kuala Lumpur Education City, together with the various education hubs in Nilai and Cyberjaya, Malaysia is well poised to be a strong competitor to Singapore and Taiwan. International universities such as Monash University, Curtin University, Swinburne University, University of Nottingham, Herriot-Watt University, University of Reading, Newcastle University, Manipal International University, Raffles University and Xiamen University, have opened branch campuses in the country.
The Malaysian government hopes to place at least one Malaysian university in the world’s top 50 by 2020. University of Malaya is ranked 133 by ranking agency QS in its 2016 World University Ranking. China produced the most number of rising stars among universities in Asia with three universities in the top 50. Tsinghua University, Peking University and Fudan University were ranked 24, 39 and 43 respectively by QS in 2016.

**Resources for building world class status**

The management styles of university leaders have been widely researched. Leadership styles influence employees’ well-being (Nyberg et al., 2011; Tafvelin et al., 2011) and job satisfaction, organisational commitment and turnover intention (Aydin et al., 2013). University leaders, therefore, have to explore the effects of their leadership styles and the organisational outcomes. World class universities are cradles for nurturing creativity and innovation. University leaders need to recognise the professional development needs of professors through research projects and not overburden them with administrative or teaching tasks. They have to understand that the purpose of educational development is to help create learning environments that enhance educational quality.

For private universities to achieve world class status, they must have abundant financial resources to fund their operational expenditures as well as research projects. The institutions have to be successful in their fund-raising exercises which could come from endowments and government research funding. Faculty members of private universities often have to compete for government research funding to supplement the resources provided by the universities. Private universities have more difficulties attracting professors with PhDs as they may lack the resources to support professors’ research activities and the environment to champion academic freedom.

Technology is a game changer. The use of technology in e-learning addresses some concerns related to budget cuts in universities. E-learning is shifting the paradigm of higher education and the way we understand the system. The technological resources must be aligned with the university goals if universities wish to maximise the potential of technology. The higher education environment is characterised by growing Volatility, Uncertainty, Complexity and Ambiguity (VUCA). Universities are facing challenges on how to deal with changes and disruptions. New technologies can disrupt the manner of traditional course delivery and make teaching more challenging to instructors who have to learn to deliver content online. A gradual adoption of blended program offerings may reduce the disruptions of delivery modes and lessen the negative learning outcomes which may result from a rapid implementation of fully online delivery of programs. Blended learning allows students to reduce trips to campus while still have access to face-to-face instructions. Institutions can also use classroom space more effectively and to reduce costs.
University lecturers need to be equipped with the 4Cs of 21st century learning skills. At the same time, they have to be able to impart the 4Cs to their students. The essential elements are **Critical Thinking**, **Creativity**, **Collaboration**, and **Communication**. They have to be lifelong learners themselves and be provided with opportunities and support from universities to upgrade their professional development. Enhancing lecturers’ critical thinking include developing their systemic thinking skills to gain a better understanding of challenging situations and developing effective interventions for transforming them through collaboration and open communication with colleagues. Systematic thinking involves combining **analytical thinking** with **synthetical thinking**. Analytical thinking involves thinking about the parts or elements of a situation while synthetical thinking refers to thinking about how these parts or elements work together. Lecturers are role models to students and they have to exemplify the collaborative learning styles to their students who in turn are able to demonstrate their ability to collaborate and make their own contributions.

Systemic thinking has a powerful influence on organisational improvement. It offers strategies that can help in restructuring the way we think about organisational change. Systemic thinking focuses on the interconnectedness of all things and sees change as a natural process. Fullan (1993) noted that the problem in public education is not resistance to change, but the presence of too much innovations and the fragmented nature of these innovations. System thinking in education encourages a coordinated change effort in the entire education system: curriculum development, instructions, assessment and professional development.

In systemic curriculum evaluation plan, universities should aim to design high quality curriculum which respond to the needs of students and which reflect the best educational practices. Very often, there are gaps between the written curriculum and what is actually taught by teachers in the classrooms. The implementation monitoring process should give attention to learners’ outcomes to determine the curriculum effectiveness. Students need to develop mindsets that promote logical reasoning and problem solving instead of pure memorisation of text materials. In the context of internationalisation, universities have to develop curriculum with intercultural perspectives to prepare students in an increasingly interdependent world (Francis, 1993; Chichton & Scarino, 2007).

In Malaysia, 20 public universities have launched more than 60 Massive Open Online Courses (MOCCs) for free and are open to students and members of the public. Liyanagunawardena et al. (2013) defined MOCCs as online courses which have a wide appeal to people interested in learning about specific subjects. These courses are guided by facilitators who are experts in the various subjects offered. McAuley et al. (2010) and Waard et al. (2011) defined these courses as both open and online and may be free.

The MOCC courses cover a wide range of topics and are free on OpenLearning.com. They are delivered in Malay language, English or Arabic, depending on the subject.
To coordinate the implementation of online learning for public universities, the Malaysian government set up the Malaysian e-Learning Council for Public Universities (MEIPTA). With MOCCs, Malaysia hopes to increase the quality and accessibility of higher education to the larger population. The real value of universities will be realised when they are able to build creative solutions. Leveraging on big data networks through multi-communication channels, universities are in a position to facilitate a deeper understanding of human needs and promote social capital.

Malaysian universities could partner with top Chinese universities to develop MOCC courses in multiple languages to overcome cultural barriers in various ASEAN countries. MOOC movement needs to be aware of the value of cultural and linguistic diversity and not focusing on excessive profits if they wish to widen their access to a larger learner base. The increase academic link between China and Malaysia in the form of joint programs will become part of a broader pattern of collaboration in the OBOR initiative.

With increased Chinese investments into Malaysia, there is a possibility that other Chinese universities may follow Xiamen University’s decision to open a branch campus in Malaysia. The massive residential and commercial development projects by Chinese conglomerates will attract more Chinese nationals into the country. The RM100 billion Forest City Project by Country Garden in Johor and the RM160 – RM200 billion Bandar Malaysia Project by China Railway Group in Kuala Lumpur are just examples of China’s investments in property projects in the country. Any future move by Chinese universities to establish branch campuses in Malaysia is likely to be a foreign-policy move rather than based on pure economic reasons as most Chinese universities received their funding from the state government. Due to the relative similarities of Chinese and Malaysian cultures as compared to Western culture, Chinese students may find Malaysia a more hospitable destination for pursuing their higher education. Western academics often stereotype Asian students as lacking critical thinking and obeying authority (Kumaravadivelu, 2003; Ha, 2006). As such, many Chinese students may choose to study in Malaysia.

Conclusion:

The OBOR initiative brings many opportunities for Chinese universities to expand overseas. Universities in Malaysia and the rest of South East Asia could tap into the myriad of opportunities by collaborating with their Chinese counterparts. It is important to consider the geopolitical implications of OBOR apart from the higher education implication. China is using OBR as a foreign policy tool to strengthen its influence and cooperation with the international community. International faculty has to be realistic in their expectations about new education settings and challenges that are frustrating due to different cultural forms. On the other hand, international collaboration brings about knowledge transfers, intellectual friendships and management improvements. The pursuit for excellence requires universities to adopt
multidimensional approaches to teaching and research which include localisation of foreign programs to suit the needs of the local education system.

Globalisation also aggravate the brain drain situation of a country when students decide to stay in the host countries instead of going home and contributing the knowledge gained to their own countries. The influx of Asian students into the United States, United Kingdom and Australia also raises xenophobic feelings towards foreigners. Malaysia may benefit from this prejudice against students from Muslim countries as the Western world grapples with fear of terrorist threats. At the same time, Malaysia continues to be an attractive destination for students from Asia due to the affordability and quality of its education system. With the increase in trade and investments between Malaysia and China, both countries have formed a special relationship in the areas of educational and cultural exchanges. The interaction of Malaysian students with Chinese students opens up opportunities in research collaboration as well as future business and cultural relationships when the Chinese students return home to their country.

Malaysia continues to attract foreign direct investments in education with the establishments of foreign branch campuses. While many Malaysian private universities aspire to achieve world class status, they may be far from their goals without some participation or collaboration from other high ranking universities or the government. While China offers many examples of developing world class universities, its universities are mainly publicly funded and receive special support from the central government as evidenced in the Project 985 and Project 211 universities.

China is using OBOR as a soft diplomatic tool to strengthen its influence with countries along the Belt and Road region. Economic development is also achieved by boosting exports, enhancing access to natural resources and supporting local industries. This strategy complements the formal political and trade relationships between China and other countries. Malaysia is an important node for China along the OBOR route. While most discussions of collaborative projects are infrastructure related such as ports and railroads, collaboration in higher education in the form of investments to date have been limited to the establishment of Xiamen University branch campus. Malaysia universities should consider forming formal strategic partnerships with Chinese universities to nurture research and innovation. Both parties could benefit from the sharing of advanced technology, knowledge and experience.

For Malaysian private universities to become world-class universities, they have to implement a number of strategies including investing in quality teaching and research faculty, offering quality and industry relevant programs, recruiting qualified students, promoting academic freedom, improving corporate governance and attracting inspiring university leaders. Perhaps the best model for Malaysia private universities is a private-public partnership with government budget funding for research and consultancy. Policy makers have to decide to what extent they will invest in a small
number of private universities to make them world class. It is important for Malaysia to develop a few world class private universities which are at the forefront of science and technology research. The outreach of a world class university to international faculty and students will position Malaysia as an education hub. Smaller private universities could also explore the possibility of merger with other institutions to become more formidable as seen in the formation of Zhejiang University. Mergers of universities will enhance the breadth and depth of academic disciplines, develop critical mass of researchers, and improve efficiencies in non-academic areas.

Alongside growing competition in the higher education sector, there is also a growing tendency of cooperation between universities. There is much to gain for Malaysian private universities which choose to ride the OBOR wave.

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