

# CHAPTER I

## INTRODUCTION

### A. Background

Malaysia is a country which consists of various ethnic groups or multiethnic populations. From the various ethnic groups there are three ethnicities which have the biggest population in Malaysia; there are Melayu, Chinese, and Indian. Melayu is the biggest ethnic population, because this ethnic is the original ethnic which is the oldest inhabitant in Malaysia state territory compared to the other two ethnic groups. Malay ethnic and indigenous tribes of Malaysia are known as Bumiputera which refers to the indigenous population who has lived in this land since a long time ago. While the other two ethnic groups are the immigrants who come from China and India.

Indian population is the descendant of Indian immigrant who come to Tanah Melayu (Malaysia) in the 11th century and during the British occupation. Meanwhile The Chinese population is the descendant of Chinese immigrants who came to Tanah Melayu (Malaysia) in the 15th and early 20th centuries as traders.<sup>1</sup> Chinese and Indian come to Malaysia generally for trade or work in British colonial's company and plantation, then the descendants of Chinese and Indian immigrants become the Malaysian citizens today. According to the population census in 2012, Melayu is the first placed population with the percentage of 50.4%, while Chinese the second place population with the percentage 23.7% and

---

<sup>1</sup> J. Cambria (2010, April). *Overseas Chinese in Malaysia Chinatownology*, Retrieved September 02, 2017, from [http://www.chinatownology.com/overseas\\_chinese\\_malaysia.html](http://www.chinatownology.com/overseas_chinese_malaysia.html)

followed by Indians in third place with 7.1% from 29.17 million Malaysian total population.<sup>2</sup>

The education system before independence in Malaysia was based on Islamic religious studies, which is Al-Quran. Society used surau and mosque as a place to do learning and teaching activities by studying the verses of the Qur'an. At that time the education which was considered as most important was Islamic education, and then the education was developed by building pondok or madrasah. According to Wilkinson, the students in madrasah learned and memorized the Arabic vocabulary as a guide to read Do'a and Arabic texts.<sup>3</sup>

During the British colonial period, they implemented the British education system, where the British schools used English as an official language to deliver subjects. It was a challenge and a barrier for Melayu people at that time because the majority of Melayu community was not proficient in using the English language properly. Moreover, British rules restricted Melayu students to study at British schools, because British worried that the Melayu people would learn well and it would threaten British position.<sup>4</sup> During British colonialism, the British also established Malay vernacular schools, Chinese vernacular schools, and vernacular schools.<sup>5</sup> The existence of vernacular schools has resulted visible gap of Malay, Chinese

---

<sup>2</sup> Central Intelligence Agency, (30, November 2010), *The World Factbook Malaysia*, Retrieved on September 21, 2017  
<https://www.cia.gov/library/publications/the-world-factbook/geos/my.html>

<sup>3</sup> Mok Soon Sang, 2000. *Pendidikan di Malaysia*, Kuala Lumpur, 7st Edition . Penerbit Fajar Bakti Sdn. Bhd.p. 2

<sup>4</sup> Sufean Hussin, 2002. *Dasar Pembangunan Pendidikan Malaysia: Teori dan Analisis*, Kuala Lumpur, Dewan Bahasa dan Pustaka. p. 129

<sup>5</sup> Shahril Charil Marzuki - Habib Mat Som, 1999. *Isu Pendidikan di Malaysia: Sorotan dan Cabaran*, Kuala Lumpur: Penerbit Fajar Bakti Sdn. Bhd. p. 3-7

and Indian communities which is caused by school system; and made their relationship to be more distant.

Malaysia consist of various ethnic who live in one country and it's raise the inter-ethnic problems, this is because each the individual does not have a sense of tolerance for each others, and education seen able to increase a sense of tolerance among the community. In the field of education both in locally and internationally level there are problems which arise in Malaysia there are about the school system from various streams, which raises new problems about the gap relationship between students in socialization, the international problem which arises is, the degradation of educational quality in Malaysia which causes in 2007 and 2008 malaysia slumped and out of top 200 best universities in the world, at that time malaysia ranked 264th, while in the previous year, in 2006 Malaysia was ranked 185 and in 2005 it was ranked 169 among others, these problems occur and have an impact on the national economy.

After Malaysia got its independence. Government has made significant improvements on education quality. To improve the quality of education in Malaysia, the government reviewed some of National Education system policies and simplified the curriculum to ensure the effectiveness in its implementation, in order to face the globalization that will affect to the economic, political and social sectors.

United Nations Educational Scientific and Cultural Organization (UNESCO) mentios that education has valuable in the social life to help the acceleration economic industrialization by providing workers with professional, technical, and managerial skills. There are a transformation from the society to become knowledgable society. Education not only provides an educated workforce but also knowledgeable workforce which is very important to keep the rapid economic growth and helping to build character and moral of the individual. Education teaches ethic, moral, living

habits, create an inclusive attitude, and opens up the possibility of changes in attitudes which is necessary for the socialization of individuals in the modern life, more emphasize education teaches the pluralism and cultural diversity.<sup>6</sup>

The globalization is an economic, political, and social power, which pushing education in the 21st century toward greater international engagement. Globalization capital is invested in knowledge industries around the world, including education. This investment shows the birth of the knowledgeable society, raising the service sector and the community's dependency on knowledge-based industries, and highly educated workers to support economic growth. Globalization driver education institution to enhance the competitiveness towards world-class education by internationalization. internationalization is one of the ways which country does to responds the globalization and enhances the competitiveness but still respects the individuality or identity of the country.

Internationalization is generally regarded as a strategy to enhance the institutional competitiveness, reform the education system, and change organizational culture. Most universities in Saouteast Asia enthusiastically adopt an international standard for recruitment and evaluation of faculty, academic programs, and standard degree. Internationalization is creating through signing agreements which are mutually beneficial with foreign institutions, like exchange programs for student and staff, joint titles, or double degree and twinning programs for international student.

There are many countries in the world that implement internationalization on their education system including

---

<sup>6</sup> Tilak, J. B. G, 2008. *Tentions Between Education as a Public Good and as a Private Commodity Issue*, Journal of Asia Public Policy, Volume 1. p. 453-454

Malaysia. Internationalization of education in line with the formulation of National Key Economy Area (NKEA) policy which has twelve main point areas as a driver of economic activity, one of the twelve point is education which is contained in the long-term strategy of Malaysian Ministry of Education. It is seen that are many international students in Malaysia according to Higher Education Minister Datuk Seri Idris Jusoh he said that "out of the total of 151,979 international students in Malaysia, 80.3 % are enrolled in HEIs"<sup>7</sup> and institutions of higher education are included in 351-400th World University Rankings 2018.<sup>8</sup> From the above explanation, the author considers that is to necessary to conduct a research on what strategy Malaysia implement internationalize it's education through diplomacy.

## **B. Research Question**

How did Malaysia internationalize its education system?

## **C. Theoretical Framework: National Interest**

To answer the research questions above, the writer will use the concepts of Cultural Diplomacy and Competitive Strategy.

### **1. Cultural Diplomacy**

Diplomacy is one important instrument in the implementation of national interests of a country. Diplomacy is like a major tool in the achievement of national interests

---

<sup>7</sup> Straits Time . *International student enrolment up by 12 percent last year: Higher Education Ministry*, Retrieved on September 13, 2017 from

<https://www.nst.com.my/news/2016/03/136247/international-student-enrolment-12-percent-last-year-higher-education-ministry>

<sup>8</sup> Times Higher Education. *Study in Malaysia*, Retrieved on September 13, 2017 from

<https://www.timeshighereducation.com/student/where-to-study/study-in-malaysia>

related to other countries or international organizations. Through the diplomacy, a country can build self-image. The relations between countries, diplomacy is initiated when the country build bilateral relations with other countries until they develop the further relations.

Sir Ernest Satow has defined diplomacy is an application of intelligence and tactics to run an official relationship between a sovereign government, which is sometimes extended to establish the relations with its colonies.<sup>9</sup> Although diplomacy is related to the peaceful activities, diplomacy can also happen in conditions of war or armed conflict, because the main task of diplomacy is not just a conflict management, but also as the management of change and maintenance by persuasion.<sup>10</sup>

Thus, it can be concluded that diplomacy is a combination of science and art of negotiation or a method for conveying messages through negotiations to achieve the goals and interests of the state which is concerning in politic, economic, trade, social, cultural, defense, military and other interests in the framework of International Relations. The core of diplomacy is the willingness to give and receive in order to achieve mutual understanding between two countries (bilateral) or three countries (trilateral), or some countries (multilateral). Diplomacy is usually done by formal between state governments, but can also be informal through inter-community agencies from different countries. Ideally, diplomacy should provide the results of better understanding or agreement on a negotiated issue.<sup>11</sup>

---

<sup>9</sup> Sir Ernest Satow, 1992. *A Guide to Diplomacy Practice*, Longman Green & Co, NY, p. 5

<sup>10</sup> Adam Watson, 1984. *The Dialogues Between States*, Methuem, London, p.1

<sup>11</sup> *ibid*

Diplomacy is evolution from a series of modifications since the first found in the classical era and know as first track diplomacy, the need for interaction beyond the borders of the country, now is not really need those who hold the highest office from a country such as president, king, emperor, minister, etc. In the end, the branch of science from diplomacy is now divided into sections which substance is adapted with the perspective and also the purpose of the diplomacy context, in a particular field and one of its diplomacy is multi-track diplomacy. Diplomacy divided into two that are soft and hard diplomacy.<sup>12</sup>

Tulus Warsito and Wahyuni Kartikasari in their book "Cultural Diplomacy" interpret Culture Diplomacy as an effort of a country to fight for its national interest through cultural dimension, both in micro scope like education, science, sport, and art, or in macro scope according to the main characteristic, such as propaganda and others, which in the conventional sense may be regarded as non-political, economic, or military.<sup>13</sup> Diplomacy is divided into two, there are: a) Soft diplomacy is the diplomacy in form of peaceful settlement in the field of culture, language, friendship and economy. b) Hard diplomacy is diplomacy in the form of war like military and political aggression.

The term of culture in the study of social science is identified with the values of tradition, customs and characters of the community which bequeathed to the civilization from the historical period. Selo Soemardjan and Soelaeman Soemardi define culture as all the work of human creation, taste, and initiative. The human creation produces the material technology or culture which humans need to control the

---

<sup>12</sup> Milton C. Cummings, 2003. *Cultural diplomacy and the united states government: a survey for arts and culture*, p. 1

<sup>13</sup> Tulus Warsito dan Wahyuni Kartikasari.2007, *Diplomasi Kebudayaan Konsep dan Relevansi Bagi Negara Berkembang*, Studi Kasus Indonesia, Ombak, Yogyakarta., p. 4

surroundings, then the power and results can be made for the life of the community.<sup>14</sup>

The cultural elements was experienced the assimilation in line with the development of International Relations studies, which knows as Cultural diplomacy, This merging of the word generally describes the art of interaction within the scope of diplomacy but by utilizing the instruments in the aesthetics of culture.

Culture can be used as a tool to strengthen the international relations among countries. That is why long time ago a culture was introduced by diplomats to the international community with the eimed to influence or improve their attitudes and views on thecountry.<sup>15</sup> According to S.L, Roy there is a more standard term than cultural diplomacy i.e. diplomacy by cultural performance. Many people however have emphasized the simple term of cultural diplomacy as understanding for diplomacy by using cultural activities such as sending arts missions to other countries to generate and obtain the impression or good image for its country. Diplomacy on behalf of culture is not always necessarily with the elements of ancient or traditional culture, because as macro depiction the cultural diplomacy is an country effort to fight for its national interests through cultural elements including the utilization of the fields of ideology, technology, politics, economic, military, education, social culture and others in the international community.<sup>16</sup> Cultural diplomacy certainly can not be separated from the whole effort of government that run the diplomacy, which essentially aims to strengthen the national

---

<sup>14</sup> Soerjono Soekanto, 2003. *Pengantar Sosiologi*, Grafindo Persada, Jakarta, p.172

<sup>15</sup> Andri Hadi, 2009. *Politik Luar: Prospek dan Tantangan dalam Era Globalisasi*. Dirjen IDP Departement Luar Negeri RI

<sup>16</sup> Soerjono Soekanto, 2003. *Pengantar Sosiologi*, Grafindo Persada, Jakarta, p.172

and international positions the countries. Art and culture are one of the soft power. Diplomacy is a tools that can support inter-state public relations, and has a universal language that can be understood by all human beings without regard to differences. Triyono believes that cultural diplomacy, art and culture make a positive contribution in creating world peace, and reflected in the slogan "a million friends and zero enemy " through inter-community relations that we know as "people to people contact" and can be further interwoven. Therefore, cultural exhibition is considered more of an exhibition by using military force.

Diplomacy also aims to foster positive public opinion towards other countries through interaction with interest groups. Therefore, the actors are required to communicate between cultures that are related to changes attitudes of society and mutual understanding to look at foreign policy issues.<sup>17</sup>

In each implementation of cultural diplomacy there is an actor required. The actors of Cultural diplomacy are usually conducted by government or non-government, individual or collective, or every country itself. As consequence, there is a sertaince of the pattern in the form of relationship between government and government, government with private, private with private, private with person, and government with person. While the purpose of cultural diplomacy itself is to influence public opinion in support of a certain foreign policy. The definition of Cultural Diplomacy proposed by Milton Cummings, Jr. is the exchange of ideas, information, art, and other aspects of culture among nation and society, to encourage the mutual understanding.<sup>18</sup>

---

<sup>17</sup> Sukawarsini Djelantik, 2008. *Diplomasi antara Teori dan Praktek*, Graha Ilmu, Yogyakarta. p. 213

<sup>18</sup> John Lenczovvski. *Full Spectrum Diplomacy and Grand Strategy* [Reforming TheStructure and Culture of US Foreign Policy], United Kingdom: Lexington Books, 2011. p. 159

Cultural diplomacy is an effort to achieve the nation's interest in understanding, informing, and influencing (building the image) of other nations through culture. Cultural diplomacy has also become an effective way to achieve the interests of the nation, then the other country can understand, be informed and be influenced for the interests of various things of our country. The cultural diplomacy can enhance the appreciation and understanding for positive image and building the mutual understanding for the country.

Cultural diplomacy is not just an art performance, but more than that, because cultural diplomacy is a soft power. It is a political implementation by utilizing cultural things, without the use of violence. Language and art are two elements of culture that are crucial in cultural diplomacy.

## **2. Competitive Advantage Strategy**

According to Pearce and Robinson Strategy is a large-scale, future-oriented plan to interact with the environment to achieve the company goals.<sup>19</sup> According to Husein Umar, strategy is defined as a process of determining the plans of top leaders that focus on the long-term goals of the organization along with the preparation of a way or how to achieve that goal.<sup>20</sup> According to Stoner Freeman and Gilbert who define a strategy into two perspectives, that are, first Perspective, a strategy can be defined as a program to determine and achieve organizational goals and implement its mission. The second perspective, strategy is defined as the pattern of responses or the organization's response to its environment over time.<sup>21</sup>

---

<sup>19</sup> Pearce dan Robinson, 1997. *Manajemen Strategik, Formulasi, Implementasi dan Pengendalian*, Jakarta: Binarupa Aksara. p. 20

<sup>20</sup> Husein Umar. 2003, *Strategik Manajemen In Action*, Jakarta: PT. Gramedia Pustakama. p. 31

<sup>21</sup> Ibid

Husein Umar states that strategy is a unity of levels based on the scope of a generic strategy that will be translated into a grand strategy then which will be translated into a functional strategy.<sup>22</sup> Strategy consists of 3 levels of strategy that are, first corporate strategy that describes the direction of the company in overall, about the attitude of company's toward the direction of growth and management of various businesses to achieve the balance of products and services. Second business competitive strategy describes the market segment which is served by its division, developed at the division level, and emphasizes on improving the competitive position of a company's product or service in a particular industry. Third functional strategies emphasize maximizing companies productivity resources and business strategies around them.<sup>23</sup>

The understanding of Competitive Advantage, according to Robert Grant Competitive Advantage is when two companies compete each other (on the same market and customers), one company has a competitive advantage over another. It happens when one company gains the potential higher profit than any other company.

David Hunger and Thomas Wheelen argue that competitive advantage is a strategy collection to determine a company advantage from competition among other companies. According to them there are 3 components of competitive strategies are low cost, differentiation and the combination of these two strategies which is focus.<sup>24</sup>

Husein Umar defines that Competitive Strategy is a formulation to improve the competitiveness of the company in the eyes of customers or prospective customers. Competitive strategies provide an advantage to be differentiated from other

---

<sup>22</sup> Ibid

<sup>23</sup> David Hunger and Thomas Wheelen, 2003. *Manajemen Strategis*, Yogyakarta: Penerbit ANDI. p.24

<sup>24</sup> Ibid, p. 245

companies and create healthy competition with segmented customers. Suwarsono Muhammad explained that the company is trying to produce and selling goods and services with competitive strategy that makes the advantages of other companies.<sup>25</sup>

There are three cornerstones of strategy which help an organization gaining a competitive advantage, there are; cost advantage, differentiation, and focus. Porter call this strategies as generic strategies. Cost advantages emphasize to create the standard products with very low cost per unit. This product is created for the consumers who are very sensitive with the price changes. Differentiation is a strategy with the goal of creating products that provide a service which is very unique and dfferent addressed to consumers who are not too concerned with price changes. Focus means making products and providing services and addressed to small group of consumers.

The porter's Generic Competitive Strategies (ways of competing) are (1) Cost Leadership is a firm sets out to become the low cost producer in its industry. The sources of cost advantage are varied and depend on the structure of the industry. They may include the pursuit of economies of scale, proprietary technology, preferential access to raw materials and other factors. A low cost producer must find and exploit all sources of cost advantage. if a firm can achieve and sustain overall cost leadership, then it will be an above average performer in its industry, provided it can command prices at or near the industry average. (2) Differentiation In a differentiation strategy a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs. It is rewarded for its uniqueness with a premium

---

<sup>25</sup> Suwarsono Muhammad, 2004. *Manajemen Strategik* [Konsep dan Kasus], Yogyakarta: UPP AMP YKPN. p. 258

price. (3) Focus the generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focus strategy selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of others. The focus strategy has two variants that are (a) In cost focus a firm seeks a cost advantage in its target segment and (b) differentiation focus a firm seeks differentiation in its target segment.

The authors analyze that the company (corporation) termed as a state (bureaucracy), to enhance the competitiveness advantage in international, currently a country adopts a company strategy to enhance the competitiveness advantage with its competitors by using Generic Competitive Strategies which consist of cost leadership, differentiation and focus.

#### **D. Hypotheses**

Malaysian internationalize its educational system by;

1. Inviting foreign students from other countries to study in Malaysia through cultural exchange, student mobility, Malaysian government scholarship, cooperation with foreign agencies, institutions and universities.
2. Offer low financial budget for tuition and living cost, different educational programs like double degree one of the benefit for student who want to get two degrees in one university or foreign university in only 4 years study and fast track program for who are capable to accelerate from undergraduate degree to doctoral degree without master.

#### **E. Research Purpose**

1. To apply the concept of Cultural Diplomacy and Competitiveness Strategy in the context of international relation.
2. To know the transformation of education before and after implementation of international education system in Malaysia.

3. To know Malaysian strategy on how to internationalize on its education system.

## **F. Research Method**

This undergraduate thesis uses the qualitative method, the literature, research on journal, article and other data which are relevant with the research question. It includes qualitative strategy in which the writer explores in depths a event, activity, process. The cases are bounded by time which the writer collected all of information using a variety of data collection with sustained period of time from 2012 to 2017.

## **G. Structure of Writing**

**Chapter I** This chapter introduces the problems and explains briefly the history of the topic. there are; background, research questions, theoretical framework, hypotheses, purpose of writing, the methods of writing and the structure of writing.

**Chapter II** describes the history and policy of Malaysian education.

**Chapter III** describes the issues and problematic education in Malaysia

**Chapter IV** describe about Malaysian strategy on internationalize education.

**Chapter V** explains a conclusion that summarizes the result of the data.