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Introduction: The Contemporary Environment

The way Malaysian universities articulate their mission within contemporary globalization, and the challenge of globalization to Malaysian values is critical to understanding contemporary reform discourse in the Malaysian context. The Malaysian government's APEX strategy is a critical response to the dilemmas and issues facing Malaysian higher education. Discussing this response in the context of the issue of values and competitive pressures of globalization shall be the focus of this paper. To understand the positioning opportunities and limits and threats of USM's higher educational strategy under APEX, we need to investigate and theorize the complex national and global situation it faces. Without such a theorization, grasping USM's global posture is difficult. While this discussion shall draw upon the discourse articulated in USM, the issues and concerns are of relevance to the broader scope of Malaysian higher education.

Universities exist in a globalized world that is increasingly interconnected and dependent. It is the nature of these interdependencies and connections that is however of critical importance. Malaysian higher education institutions now have to deal with a globalized world in which, knowledge has become the driver of economic growth, ICT is now a defining form of social interaction, and the interaction between market, civil society, the state, and education is rapidly transforming. Universities exist therefore in a globalized world that is increasingly interconnected. This interconnectivity is the hallmark of globalization. One thing seems clear; business as usual can no longer be maintained.

Globalization in its most visible manifestations occurs at the level of the economy. The rapid and ongoing expansion of international trade, the increasing significance of Foreign Direct Investment (FDI) which is coupled with the breakdown on national barriers to trade, increased capital flows, and the
increasing porousness of nation states and their societies to flows of information and knowledge that is increasingly impervious to centralized state control. Declining transaction costs especially in knowledge centered activities, the growth and increasing speed and availability of communication technologies, and the ubiquitous growth of knowledge-centered employment and the increasing needs of the economy to maintain competitive advantage within contemporary globalization all impact on the shifting nature of the environment within which higher education operates. The key concern here is to understand the tensions and relationship between the forces of globalization described above and the specific needs and characteristics of the Malaysian policy in regards to the objectives of higher education.

Globalization for many critics has become the ‘master concept of our time’ Weiss, 2000: p.1). In other words, it has become an overarching concept which is used to explain all of the vicissitudes of modern societies. According to the dominant paradigm, globalization is leading to integration of the world economy, and the decline in the power and authority of the state. Understood in this way, a university as state-sponsored institutions are doomed to growing irrelevance and impotence as non-public; private institutions and other more flexible knowledge producers and providers provide a better, more relevant, and marketable product. Advocates of expanding the role and function of universities within contemporary globalization point to the growing integration of universities within global economic markets, and the overwhelming push for universities to compete within the global market, thus the need for universities to engage in business, privatize, and open up to corporate and market forces. The binary logic at work here views universities that stay largely within the orbit of centralized state support and control as increasingly unable to compete and maintain relevance within contemporary globalization. Thus, both private providers and other more flexible services will eclipse the modern university or conversely modern hitherto state funded institutions must increasingly corporatize, privatize, and free themselves from the constraints of centralized government if they are to compete and prosper within contemporary global capitalism.

This kind of narrative views the idea of the public university, funded solely through government and serving the interests of the national community as anachronistic. Is this way of viewing the direction and choices that higher
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education faces accurate? Is it coherent with reality? Is it desirable? Understanding the role higher education plays in integrating Malaysia in the world requires us to grasp the limits and characteristics of globalization, network society, the role of the state, and the role that higher education must play in serving the public good. In other words, if we are to understand the role and place of the APEX university in international context, we must also understand it in national context. Furthermore, we ought to view these national considerations not as deviations from an ideal but rather as necessary and crucial drivers of higher education. Grasping USM's APEX agenda entails understanding context and not accepting uncritically the discourse of neo-liberalism and how this discourse distorts our grasp of the way USM is leading Malaysia's engagement with globalization. The core argument of this chapter is the following: to understand Malaysia APEX initiative in international context requires us to understand the interesting and dynamic interaction between the nation state and globalization in the current era. This interaction can be characterized not as one where the states interest is diminished or negated through globalization and thus, the nature of higher education as public institutions is also diminished. Rather, the analysis in this chapter is that the Malaysian state has adapted to globalization and that globalization has also enabled the Malaysian state to rearticulate the position of higher education to engage the real and difficult needs of Malaysia and position Malaysian higher education through APEX as a global player and advocate for the values and issues of the global south.

Network Society and the State

Malaysian higher education also exists and functions within global network society. Network society is an institutional reality for USM. It is a critical characteristic of globalization and a critical framework for USM's engagement with global research and innovation. Network sociology for example, reveals to us the difficult and fluid terrain USM now operates within. What this means is that USM and all Malaysian higher educational institutions are open to the pressures and influences of global values and influences which may place great pressure on indigenous values and cultural norms. The critical question is what role does USM have in such networks? What is its place in them and how can it leverage best advantage from them? How does USM articulate its moral leadership in global network society? How does the Malaysian state maintain its interest in and
firm commitment to its moral agenda in conditions of network globalization? How is Malaysia's national interest advanced within network society through higher educational engagement?

Network society provides the Malaysian state with challenges in regards to engaging with the way knowledge flows, and information are now no longer controllable by the state. What then of the impact of network society on USM? If network society provides USM the challenge of mobility and interconnectivity, it also gives USM the chance to leverage its institutional culture and objectives to gain competitive advantage. The way USM draws upon its national culture as a resource, but not as a limitation, can help leverage advantage through networked sociality, differentiated networks, and engagement. This interdependency and interconnectivity also produces a tension, between the desire to compete and prosper in the current world order and the desire to maintain national integrity and more relevantly in the current discussion is the integrity of values. The processes of network society and interconnectivity across national and institutional boundaries constitute a significant opportunity for USM's APEX agenda. The key issue in any analysis of the way higher educational institutions, such as USM engages network society is the way it also articulates a moral vision for the public higher education sector which provides a sense of leadership and moral grounding to public institutions of the Malaysian state and leverages from this to build brand position on the global level.

In the arena of higher education, the state continues to play a vital role. Yet the substantive forces of neo-liberal globalization and the individualistic values that inform it consistently undermine the commanding aspect of state direction even in the realm of higher education. To grasp the nature and possibilities of higher educational institutions within an international environment, we must first begin with an analysis of the nature, limits, and characteristics of the nation state in current conditions of globalization. Contemporary, theories of globalization posit the decline in the authority, reach, and power of the state amid the growing interconnectivity and traffic of global flows of information and power. In other words, contemporary theories of globalization cite a shift in the classic focus of capital accumulation away from the state and toward transnational capital, and its 'liquid' flows and characteristics. This shift which according to many theorists presages the declining power of the state is the mark of contemporary
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globalization. In short, the forces of globalization according to this way of thinking lead to a decline in the power, as well as status and reach of the state. This decline in state authority and by inference legitimacy is being replaced by at least two critical forces; firstly, integration of the world into a global economy and the reduction of local and indigenous values to these forces and, secondly the reduction of authority and legitimacy of the nation state. Public educational institutions are products of the state and are according to this line of argumentation susceptible to these changes and forces.

To understand higher educational institutions and how they relate to the global environment, one must first understand the debate over the state and globalization. Several important factors influence our discussion of the nature of the state and globalization. Firstly, the extent to which globalization is dissipating state authority and power. Secondly, the extent to which this entails a need to reassess the mission and obligations of universities. Finally and specifically, the extent to which the APEX initiative as enacted by USM is understood: as an example of convergent globalization and the diminution of state power and engagement or as an engaged and new way of the Malaysian state rearticulating the public interest in higher education? These are significant issues since the way we judge the success or failure of universities largely depends upon the discursive framework we use to measure and assess their success or failure. We need to consider that the benchmarks of success for universities are largely determined by how we conceive their mission. How we conceive their mission is thus derived from how we understand universities in the contemporary time. Are the interests of the national polity now subordinated to the pressures of globalization? Has the authority and the role of the nation state dissipated to such an extent that universities must take their key referent point from neo-liberal globalization?

The integration of the world into a global trading system and its definition as ‘globalization’ is by and large a discourse that as Linda Weiss points out “did not come into its own until taken up by the large American business schools in the 1980s, which sought to deliver the message that any obstacles to the business activities of multinational corporations would undermine economic wellbeing”. Such a discourse has influenced our understanding of universities and their role in several ways. Firstly, this discourse has accentuated the notion that the success and mission of universities must be measured by their competitive position in
regards to other universities. The ideology of competition is now a critical framework within which public policy and perceptions of success or otherwise of universities is framed. This ideology is deeply correlated with the discourse of globalization and is something we shall address later in the paper. The critical point to note in Weiss' comment above is, that under current neo-liberal orthodoxy economic development and wellbeing is severely challenged if the forces of neo-liberal power (global multinationals and business interests) are inhibited in any way. Suffice for us to note the reduction of value to economics and business within neo-liberal globalization discourse and the way values are being reduced to the interests of business and homo economicus.

The notion that globalization is leading to a decline in state power and authority has produced mixed responses from critics; on the one hand, for those who associate state power with tyranny, the diminution of state power means greater freedom. This diminution of the state and expansion of freedom is the classical binary of neo-liberal thought. Globalization according to this view not only leads to more freedom but is also a radical challenge to the Westphalian nature of contemporary nation states. According to this view, globalization inexorably leads to a lessening of state power and the growth of liberty as well the growth of economic prosperity. In this view, institutions which can disentangle themselves from state and bureaucratic constraints free up their governance from centralized control, and open up to international flows are more likely to be successful than those institutions stuck in traditional state centric habits and practices. Such assumptions suggest that the success or failure of a university in international and global context can be measured by the extent to which it is open to global flows, and it is competitive on a global scale.

Such is the ideology of neo-liberal globalization. The essential elements of it involve a radical reordering of power authority and values. Thus, globalization as process is distinguishable from the local, the territorial, and the national. Viewed from this kind of perspective, if higher educational institutions are to engage globalization, they must necessarily engage outside their local terrain, they must disentangle themselves from localized territorial sovereignty, they must accept cultural cosmopolitanism and finally, they must engage a broader interest than simply the national. On the surface, such demands appear to constitute the predictable and necessary components of an institutions grappling with
globalization. However, considered from within the contemporary categories of neo-liberal globalization, the current reforms undertaken by USM cannot be seen as engaging neo-liberal globalization on its terms. This would be an erroneous view in regards to the APEX reform initiative. The reason this is an erroneous view is because it has an extremely overblown and one-dimensional concept of the extent of globalization and an under informed and simplistic view of the way states engage globalization. Understanding this is a foundation for grasping the particularities and novelty of USM's approach.

Despite the rhetorical power of the nations to networks discourse, and the actual pressures that attenuate this rhetoric, there is still a strong place for the nation state in conditions of globalization. In other words, the development of network society may not necessarily be at the expense of state power and sovereignty as suggested by many globalization theorists. While globalization and network society place pressure on the discursive way that values are framed, rearticulating values in such an environment does not of necessity entail jettisoning local and indigenous normative commitments. Nor does it necessarily entail a diminution of the states commitment to moral discourse and education. Network society presents challenges to the state but also opportunities. This is a critical point in consideration of the subject of values and the way public institutions can address and engage the issue of values in contemporary Malaysia. In fact, globalization and its pressures have provided the state through its public policy formulation the opportunity to think creatively in how to engage and to deal with globalization. In higher education, this has manifested in the APEX initiative at USM which it ought to be remembered is a state based initiative. Thus, the analysis presented in this chapter draws from the work of authors such as Linda Weiss who argue that domestic institutions (in our case we cite the example of USM under APEX) are important contributors in how the state mediates globalization.

Globalization produces within states the desire and pressure to reinforce social protection and the sustainability of social values. It also puts pressure on the need to innovate. Domestic institutions such as USM also generate different ways to deal with the needs of 'social protection' and the necessity to spur innovation (Schwartz, 2004). APEX is thus, in many respects, an example of the Malaysian state engaging with the possibilities and opportunities of 'governed interdependence'. This move towards governed interdependence and away from
strict state control occurs when the state sets up broad parameters and developmental goals, and in this way maintains its power in a more sustainable fashion. APEX is a good example of this trend in developmental economies. The need to maintain 'social protection' within a national polity that is engaging globalization, and the development of higher education necessitates engaging with the issue of values, and how this relates to higher educational development and the needs of a stable and prosperous state. It is to this that we now turn.

**Values and Neo-Liberalism**

How does Malaysia sustain its culture and sustain its future? What role does higher education play in this issue? Currently, the state's substantive role in forming moral values is undermined by the all-pervasive forces of global communication, travel and the hegemonic power of possessive individualism, and consumer culture. This places great pressures on the issue of moral and ethical values, and tremendous strain on the communitarian ethics that underpin Malaysia's cultural heritage. This critical issue for those concerned about the substantive place of ethics and values in society needs solid engagement. The desire to develop economically is itself founded upon an ethical desire to advance social and individual wellbeing. This desire is shared by Malaysia and by all the nations of the global south. The critical point is that Malaysia has specific national objectives which are born out of its economic, social, and political status which are critical to its development, but at the same time the desire to develop and yet maintain a sense of national dignity and continuation of locally derived moral values and social justice is something shared by Malaysia and the global south. However, the state is not powerless in this equation. The role of higher education must be cognizant of broader social responsibilities than those linked by the geographic boundaries of the nation state, yet it must be still relevant and address the needs of the nation state.

In the Malaysian environment, economic development carries with it implicit cultural and social values. Malaysian higher education has been informed by the commitment of the state to inclusion and the educational development of its people. The problems and nature of horizontal inequality in Malaysian society and the critical role that higher education can play in alleviating it, is one critical example of the pivotal role higher education has played in promoting the values
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of inclusion and social justice. Globalization has challenged the central normative role the state and its public institutions play in how values are realized by citizens. What does this mean? Why is it relevant to our discussion? In essence, the Malaysian polity has relied on both the formal and substantive role the state has played in nation building and developing Malaysian values and community norms. This role is still formally very important. Public educational institutions play a key role in articulating this. However, the pressures of globalization, the expansion of ICT and intercommunication as part of globalization means that the substantive direction of community values can no longer be assured by the state. In other words, there is an asymmetric crisis between the states desire to uphold its values through higher education and the forces of globalization, competition, and cultural change. What is the nature of these pressures on the Malaysian states ability to set a moral agenda for its public higher educational institutions?

What then of values? How can an engaged and enabled state formulate a public policy position on higher education that is both engaged with modernization and globalization, yet also seeking to maintain its own values and sense of social justice? The salient issue underlying these changes lie in the issue of values and the relationship between cultural values and the changing nature and needs of society under contemporary globalization. The USM APEX University exists within a dynamic and vibrant national culture which needs to be understood properly before we can definitively grasp the way USM is positioned globally. The reason for this is several folds. Firstly, to understand the reform project of USM requires us to grasp its grounding in national cultural, social, political, and economic issues and problems. Much of current globalization theory appears to place all of this as somehow an impediment or deficit to be overcome through proper engagement with globalization. This kind of view distorts our understanding and ability to appreciate the complexity and nuances that characterize the APEX reforms. They also help to characterize, as problems issues which may in fact be critical to understanding the nature of APEX.

The core issue discussed in this paper is the way that USM through its articulation of its university in a garden strategy and its transformational agenda seeks to engage higher education with the growing needs of the knowledge economy, while at the same time aggressively engaging the problems of values, ethics, and purpose to which knowledge is put and growth is aimed at. One focus
of this paper will be on how the current neo-liberal ascendancy creates a climate of fear and marginalization which expresses itself in forms of cultural anxiety, doubt, and a desire to satisfy externally driven aims and agendas which are not necessarily in keeping with indigenous needs or values. Furthermore, this cultural dissonance expresses itself in the aims of higher education and research which become disconnected from the values and moral frameworks of citizens and rather are driven by agendas and ideologies which are sometimes even in contradiction to these aforementioned normative desires.

Historically, universities in Malaysia have served national goals of educational inclusion and development. However, Malaysian universities are now faced by a set of 'asymmetric crisis' which challenge the very foundations of Malaysia’s commitment to cultural dignity and social justice. Asymmetric crises which characterize the contemporary globalized environment include: with respect to values, social equity versus selfishness; in regards to resources waste versus conservation; and finally with regards to technological development, responsive, and socially responsible development versus grandiose and extravagant development (Stiglitz, 2003, 2005). All of these 'crises' are addressed in the context of constraints on decision-making. These constraints which characterize the nature and limitations on our ability to reason include systems complexity, information uncertainty; the need for trade-offs between diverse objectives and dealing with conflicting and contending interest groups. Malaysians now live in a globalized environment where risk becomes something that hangs above the culture and informs a sense of anxiety and doubt. Malaysian growth and development has been based on the pillars of the New Economic Plan (NEP). This plan provides the basis of significant and persistent economic growth and development for Malaysia. The critical point in relation to the NEP was its state-centered drive to ensure economic growth as well as social stability and inclusion in Malaysia.

The critical problem that Malaysian society faces since independence has been the problem of generating economic growth and development as well as engaging and sustaining social inclusion in this development. The critical issue in respect of Malaysian growth and development has been the ongoing problem of horizontal inequality. Since the implementation of the NEP, Malaysian higher educational institutions have been determined to ensure that the problems and
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difficulties that attend to horizontal inequality in Malaysian society are ameliorated. The basis for this kind of policy is rooted in the desire to overcome inequality and to stabilize the society. Econometric evidence strongly suggests that where there is strong and persistent horizontal inequality then social conflict shall follow. Numerous studies have shown that where there are significant disparities between wealth of groups in a country then conflict can result. This is compounded when perceptions of such inequalities are high. Societies which are characterized by strong horizontal or categorical inequalities are inherently unstable.

What then is the relevance of this to our analysis? The core problem that Malaysian public policy faces in regards to higher education is how to square the needs of maintaining social stability and balance in Malaysian society within a currently globalized global economy that is increasingly driven by the needs to compete and to integrate into global economic forces. In other words, Malaysia faces a potential tension between the demands of neo-liberal economics and the need for social stability. This tension if not handled deftly and intelligently may lead to social instability. Sustainable institutional reform in Malaysia needs to be cognizant of this issue. Despite critics pointing to the ‘dismal’ performance of Malaysian higher education which they argue is due to the social and economic policies of the NEP, the role that higher education has played in ensuring social stability and advancement for hitherto excluded and marginalized Malaysians is of real significance in any debate over the nature and characteristics of Malaysian educational institutions. The analysis necessary to engage the success, problems, and characteristics of contemporary Malaysian higher education is complex. K.S. Jomo points out that the, “Malaysian government has achieved rather rapid progress in increasing Bumiputera representation in eight prized professions (doctors, lawyers, engineers, veterinary surgeons, dentists, accountants, surveyors, and architects) from barely five per cent in 1970 to 25 per cent in 1988” (Jomo, 1990-1991: 475). Indeed as Jomo argues, “At the tertiary level, ethnic quotas have probably been decisive at least as far as access to Malaysian universities is concerned” (Jomo, 1990: 475). The historical record is clear.

The key issue here is the relationship between education, social inclusion, social stability, and values. Malaysian higher education has sought to ameliorate and address the difficult problems of ethnic marginalization in educational outcomes
and access. The identification of race with economic function and its eradication was a key platform of the NEP. Its need to be understood that the social and economic reforms to addressing horizontal inequality in Malaysia are not simply necessary for economic reasons: they underpin the very way that inter-communal respect and recognition manifests in Malaysia. They are also imperative to sustain buy in by all sectors of the society into the very concept of Malaysia. The role that higher education plays in addressing this issue is critical to Malaysian development and sustainable political and social stability. Its success relies on inculcating values of inter subjective respect, empathy, and acknowledgement of real social injustice. These values are necessary preconditions to addressing social injustice in Malaysia and addressing social injustice is critical to solid and sustainable development.

How does this relate higher education to globalization? The core relation is between globalized understandings of what economic performance is all about: for example neo-liberal notions of global competitiveness, how this drives a values agenda in higher education that is competitive, profit- oriented, and individualistic? This agenda also drives the values of possessive individualism which are at odds with the cultural values of Malaysian society, and also at odds with social stability. Malaysia along with the global south shares these values dilemmas. In this sense, the Malaysian states effort at attempting to rearticulate its values within a global discourse that resonates with its own condition within globalization, also resonates with the broader global south. The APEX values agenda is thus of global import because it positions Malaysian higher education within the needs and aspirations of the global south and provide leadership to it. The role of higher education in Malaysia has been precisely to address this issue. The aim of USM as an APEX university is to continue to address the problems of justice but in a new and changing global environment.

**Middle Income: The Economic Conundrum and Its Implications**

One area of public policy where these issues manifest lies in the problem of development and rising above the middle income trap. Given the social problems and limitations to what Malaysian public policy can achieve the issue of moving beyond the middle income trap is one that vexes analysts and policy makers alike.
It appears that this discourse of moving out of the middle income trap is the trump card of neo-liberalism. The global south is told, “if you want to advance economically, accept the Washington Consensus”. In the realm of higher education the dominant discourse revolves around attempting to drive higher educational institutions to compete and to grow so that they can contribute to Malaysia growing out of the so-called middle income trap. Critics of Malaysia’s current dilemma argue that the current policies aimed at alleviating horizontal inequality lead to inefficiency and dissipate Malaysia’s competitive advantage. For if the neo-liberals are correct than the way to develop Malaysia economically must be to accept the economic prescriptions and the implicit values shift that these economic prescriptions necessitate. In other words, if we accept the neo-liberal analysis of economic and higher educational development, then addressing the middle income trap entails accepting the convergence of national economies and their ideological institutions such as higher education to the neo-liberal agenda. It also involves accepting the ascendency of possessive individualism, profit orientation for universities, and a ruthless meritocratic culture in higher education. This prescription is incorrect. Objectively, there is a need for Malaysia to continue to develop economically and a critical need for it to move up the value chain. However, to understand the role that higher education can play in this dilemma, we must dig deeper into the nature of the problem before us rather than accept a simple binary between the NEP and state-oriented solutions to growth and neo-liberal globalization, and the focus on competition and individualism. Such a reductive binary hides the complexities of the APEX initiative and fails to grasp the complexities and particularities of Malaysia’s situation. It also fails to grasp the nature limitations and characteristics of Malaysian higher educational institutions and their relationship to globalization.

The essential argument of neo-liberal critics of Malaysian social policies as they relate to higher education is that, they act to impede excellence reward rent seeking and generally drive down standard and curtail creativity. However, while some of the problems that neo-liberal critics point to are, in fact correct their solutions are simplistic and misleading. In other words, while we can clearly see some of the unintended negative consequences of Malaysia policies of social amelioration, we cannot escape the fact that these policies while not perfect have allowed Malaysia to develop and avoid significant social disturbances. The essential problem that Malaysian society and higher education faces is how to
advance up the value chain while at the same time not accelerating forces of social division and conflict. Amy Chua’s insight into the serious tensions that can occur when free market forces are allowed to run unhindered in ethnically divided societies with social inequality captures a fundamental point in contemporary Malaysia. A critical point to note is that, the global south in many examples is characterized by ethnically diverse societies where the issues of social cohesion and mutual understanding are critical for development.

Accentuating a situation where market dominant minorities can advance themselves often at the expense of non-market dominant majorities is a recipe for social disaster. Compounding the individualistic ideology of neo-liberalism and its possessive individualism undercuts an ethics of care, compassion, and other regarding ethics. In other words, the extension of neo-liberal competitive values through higher education undercut and undermine other regarding ethics, and dissipate the capacities of Malaysians to view issues beyond the lens of individual rights and entitlements. In societies characterized by horizontal inequality, not only does the market ideology advantage certain groups over others, it also helps create a certain moral blindness among people towards each other’s plight. Thus, the forces of globalization and neo-liberal reform if followed uncritically are not only incorrect in their diagnosis of what is needed in Malaysian higher education, they also contribute to significant social tension and conflict. The APEX agenda of USM is designed to avoid this result. It is no use comparing Malaysian higher educational development to some neo-liberal idea and finding it wanting. The reality Malaysia faces is that, it is a pluralistically divided society with a history of racial tension and ethnically based inequalities. It has a communitarian cultural tradition quite at odds with the possessive individualistic values found in neo-liberal ideology. Not to take this into account in discussions over higher education is to fail to take seriously the real dilemmas and constraints that Malaysia faces. Failing to take this into account and contextualizing APEX within this deeper understanding leads to a paucity of analysis of globalization and the APEX agenda.

In short, the problem of Malaysia’s position in the middle economy is recognized in USM’s APEX strategic direction. However, to understand the APEX agenda in regard to moving up the value chain, we need to grasp what it is that is being valued. We must grasp the effort at developing educational outcomes to support
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national development; such as through USM’s flagship strategy; as strongly tied to an understanding that the quality and nature of the flagships must be measured by their contribution to sustainable national growth and inclusive development. Essentially, the argument of this paper is that if neo-liberal prescriptions of economic growth and institutional change based on individualistic and competitive orientations prevail in societies, such as Malaysia where the downward stickiness of horizontal inequality and communal consciousness is prevalent, then the result is social conflict and an unsustainable economy and social structure. What’s more economic and educational policies which accentuate individualism at the expense of social solidarity and social balance will have the unintended consequence of both exacerbating social divisions’ envies and conflict and lead to the creation of a class of privileged Malaysians who have no sense of social solidarity. The key issue is, if Malaysian higher educational institutions are to help engage the problem of the middle income trap, how do they achieve this without accepting the neo-liberal discourse of competition and individualism? How does Malaysian higher education engage globalization without succumbing to the convergent forces of neo-liberal globalization? The key appears to be rearticulating the agenda of higher education in keeping with the capacity to maintain social justice and stability and articulating an agenda that engages higher education with the dominant risk of our age: sustainability. Thus, the USM strategy!

Malaysia and a Sustainable Environment

Sustainability provides an ideological discourse that allows Malaysian higher education to engage the problems of global higher educational competitiveness, yet frame this approach within a moral discourse that is cognizant of the specific needs and problems of Malaysia’s social development. Sustainability provides a discourse that challenges neo-liberal concepts of higher educational reform and helps reframe the discussion about what can and should be done in Malaysian higher educational institutions. In other words, the problem of sustainability is closely linked to the role the state plays in addressing social solidarity and ameliorating gratuitous social divisions and inequalities. At the same time, the doctrine of sustainability provides Malaysian higher education and USM with a ideological discourse that connects to global concerns in risk society and provides a conduit for USM to engage the problems of development, social justice, and
sustainable growth in ways that more closely articulate the needs both of Malaysia's development and the needs of other developing nations in the global south. The critical point here is that the doctrine of sustainability reframes both Malaysia's efforts to engage and move beyond middle income difficulties nationally and also reframes Malaysian higher education to the real needs of the global south. In so doing, the renewed direction that USM is charting provides not only a path for engaging globalization in more relevant ways, as well as reworking the discursive rhetoric of ideological legitimacy of state institutions. It also articulates a moral language that is not reducible to neo-liberalism.

Sustainability is often thought of in simple ecological or environmental terms. In other words, it is seen or reduced to simply being an issue of ecological protection. However, the problems of ecological sustainability are themselves strongly linked to cultural issues, issues of social justice and equality, and social and cultural norms and values. In other words, the problem of sustainability in the local context is tied to Malaysia, balancing itself in the global context. Compounding this, it has to be recognized that any effort at sustainability needs to be cognizant of the relationship between horizontal inequality and commitments to sustainable practices. Why is this so? Firstly, sustainability as a driving concern relies on cultural solidarities and commitments that must of necessity trump individualistic ideas of personal advancement, and also must trump social division which can drive citizens to define all issues communally. In other words, two basic dispositions present themselves as critical threats to sustainability. Neo-liberal individualism and its consumer-oriented cultural habitus, and secondly communalism and sentiments which drive people to see all commitments and issues as zero sum and ethnically reductive. Both kinds of cultural frameworks act as serious inhibitors to social stability and sustainable social economic and growth, and development. Thus, neo-liberalism in higher education not only negatively affects the organizational logics of universities, but it generates values which are deleterious to Malaysian social solidarity and social stability. Here is the rub: neo-liberalism also accentuates communal divisions and tensions.

Grasping this simple point is critical in understanding the role that higher education can play in Malaysian development. How then to analyze this in a deeper fashion? The first point to grasp is that, simply mimicking neo-liberal
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agenda for Malaysian higher education is politically, culturally, and socially untenable. So, viewing Malaysian higher education and its goals and success or otherwise from strict neo-liberal terms is highly misleading. To grasp Malaysian reform, we must situate Malaysian higher education within the frameworks and positions of Malaysian national capitalism and the specific strengths and weakness it faces. We must also view Malaysian higher education within the changing discursive world within which it and the Malaysian state exists. In short, the way we frame the debate about USM’s engagement with the global scene depends on the depth complexity and intellectual credibility of our analysis.

The problems of reforming higher education in such a difficult global and national environment boil down to balancing the need for engaging with the changes underway globally, but also recognizing the need to balance this with commitments to values and moral criteria that are not driven by mere reaction, or subservience to, neo-liberal, and Eurocentric power. The recognition that higher educational reform in Malaysia must be holistic and that it must combine effort to change mindsets with a protection of culture and normative values are policy prescriptions that animate Malaysian public policy and are critical to USM’s APEX agenda. The dynamics and forces of globalization have lead to a radical rethink in respect to the role of the university in contemporary society. However, these forces of change if not integrated within the cultural values of Malaysians and consistent with Malaysia’s objective national goals and sense of social justice can manifest as forms of ‘captive’ mentality, where policy is driven by external agendas and express a form of imperialist power over Malaysians.

Contemporary globalization as expressed in higher education is informed by a neo-liberal discourse that reifies its subjective interests as objective in an effort to hide its particular lineage and foundation. In other words, the way neo-liberalism manifests in higher educational discourse is as an objectivist form of managerialism and individualism that subsumes its cultural particularity under the guise of universal progress and modernization. We face a situation where universality is expressed through the dominant or hegemonic categories of neo-liberal capitalism that claims universality, but is instead particularistic and often exclusionary. The extent to which this form of universalism is in fact hegemonic and mitigating against difference and diversity is a critical intellectual problem for modernity. The extent to which contemporary neo-liberal globalization fails
to respect the totality of world civilizations and values systems is of critical importance for our understanding of contemporary globalization. Neo-liberalism is homogenizing. Neo-liberal engagement with diversity marginalizes and demonizes actual diversity that does not fit its hegemonic agenda. Examples of how this can work within a higher educational institution include processes of isomorphism and cultural borrowing and dismissal of local cultures, or alternative forms of public interaction as somehow 'inefficient', 'unprofessional', or just plain 'backward'. This produces forms of cultural anxiety and unease within institutions and a desire to compete and to achieve against goals and values which are often quite detrimental to the educational goals of the host society. From the vantage point of understanding USM's place within the world neo-liberalism distorts and over-determines the criteria by which such judgments can be made.

**Fear and Anxiety the Hand Maidens of Neo-Liberalism**

Before we conclude the argument in this paper, we ought to take note of one of the most invasive and to pervasive aspects of contemporary globalization that act to inhibit and to distort the aims of APEX and its reform agenda. The politics and culture of fear! Neo-liberal globalization and modernization espouses an idea of the sacrosanct consumer. The possessive individual is the normative role model of neo-liberal globalization. Individualistic and consumerist this model of human possibility is reinforced by the universalizing pretence discussed above. Neo-liberalism espouses, individualism, and such a way of framing the possibilities of social interaction foreclose on other cultural understandings of human life, which are more communitarian and, for example, recognize the centrality of religious values to all aspects of social life. Cultures and movements which evidence such understandings are often seen as ‘backward’, ‘illiberal’ or ‘dangerous’, and a threat to the ideas of individual freedom and individualized ethics that neo-liberalism holds to be sacrosanct. In higher educational institutions, this ‘individualism’ and consumer orientation can manifest in a range of ways from how we deal with intellectual property through to attitudes towards creativity and innovation in the classroom. When modernizing higher education is correlated with neo-liberal ideals, then the push for a breakdown of social solidarity and espousal of possessive individualism can become all-pervasive.
Neo-liberalism through its globalizing practices maintains its universal hegemony and adherence to the individualistic consumption ethic through a politics of fear. This facet of what USM has to contend with is often underrated. Yet, any understanding and analysis of USM's place in the world must contend with it. The politics of fear manifests in several diverse yet interconnected ways. The politics of fear manifests in the discourse of global relevance and competition. The sense that universities must compete against each other and compete against so called 'world's best practice' and 'global benchmarks' produces a sense of genuine disquiet and underneath this a deep seated fear of failure against such a discourse. This sense of fear is by no means accidental. Based upon a growing sense of anxiety, fear is one of the dominant, yet largely understated aspects of contemporary neo-liberal globalization. The sense that universities are falling behind, the sense that the judgments about what a university should do and achieve, and the extent to which it has done so are no longer in the hands of local authorities is prevalent. Neo-liberalism and Eurocentric ideology as well as the underlying secularism that informs these ideologies presents a vision of success and authority in higher educational discourse that places great strain on local cultural understandings of what is good or below par in higher education.

Consider, for example, why the obvious influence of Islam and its positive contribution to the university mission of sustainability is such an area of contention? Consider the extent to which the contribution of higher education to issues of social justice is considered in how they are ranked or evaluated in the current neo-liberal discourse. In short order, USM faces an immense challenge in articulating its mission as a site of alternative globalization, and social responsibility and hope. This is because it faces a homogenizing globalization ideology that does not truly recognize not accept diversity, does not accept social norms and values at the expense of individual choice and profit, and seeks to marginalize through a politics of fear forms of culture that are inimical to its ascendancy.

With respect to the broad discussion of contemporary globalization, the politics of fear is an important and sometimes underestimated aspect of how contemporary neo-liberal hegemony expresses itself and maintains itself. Judith Shklar (1998) points out that, the “fear reduces us to mere reactive units of sensation and that this does impose a public ethos on us.” Two points need
elaboration here. First, the way neo-liberalism 'otherizes' and demonizes contending cultures that are not amenable to it as 'cruel' or 'barbaric'. Second, the way this process of framing the other 'illiberal' cultures forges a kind of public rationality and ethos. In essence, those cultures and social groups not amenable to liberal individualism and consumption are cast out and demonized; they become groups and cultures to be 'feared'.

In other words, a politics of fear which infuses neo-liberal certainty forges a kind of public ethos which marginalizes opposition. Cultures that are not amenable to the demands of neo-liberalism are thus, seen as backward or undeveloped. In this respect, the politics of fear has a role in helping neo-liberalism maintain its public ascendency in a global situation where its own legitimacy is increasingly threatened. Collective insecurity, doubt, and moral vacuity which manifests due to the vacuity of contemporary liberal lives, presents consumption and excess as ways to address the nagging sense of loss of values and community that characterize neo-liberal society.

Fear is the great hidden motivator to maintain neo-liberal society and patterns of individualism and consumption. In higher education, fear is a useful motivator to keep our goals 'relevant' to neo-liberal aims. At the cultural and social level, fear of hopelessness is sated by consumer goods and constant stimulation and at the broader political level; fear of the other is used as motivation to maintain current inequality and dispossession. In higher education, fear manifests in the power of rankings systems and the way that Eurocentric rationality presents itself as objective and unassailable. Universities find themselves unable to seriously challenge the way rankings manifests as objective judgment. Thus, the role USM and APEX plays in contemporary globalization is buffeted by the disciplinary and hegemonic power that neo-liberalism on a global scale plays in enforcing its ideological supremacy through the generation of global anxiety and fear.

**Competitive and Ranked**

Given the nexus between addressing horizontal inequality and the maintenance of stable social political and social relations in Malaysia (the foundation of economic growth) is of crucial importance, and given the need to engage globalization the argument of this chapter has been that USM's APEX strategy is
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a result of the states engagement with addressing the need to escape the middle income trap in the context of maintaining values integrity. APEX is not an example of withering states surrender to neo-liberal globalization and the convergence of higher education to the norms and aims of the Washington consensus. Instead, APEX is the result of a strong and active states desire to support a direction and leadership for higher education. This strong desire to lead in a different direction not beholden to the neo-liberal agenda is based on a serious and intelligent assessment of the reality facing Malaysian national development and its engagement with the global economy. Such an understanding of Malaysia’s predicament entails a rethinking about how to engage globalization in conditions of asymmetric inequality and serious challenges to values. Sustainability and commitment to the bottom billions as key ideological platforms for global interaction between USM and the broader global community provides an important discursive framework for addressing the real needs of the global south, and positioning USM to network with those global institutions and interests that are relevant to the needs of Malaysia.

One of the critical problems that Malaysian state-based institutions face is the problem of legitimacy. Within contemporary neo-liberal globalization, the desirability of the Malaysian state basing its policies on the old discourse of the ethnically-based nation state is under pressure. Not only does network society and the need to compete in a global environment preclude a language based on purely local signifiers such as race or ethnicity, but the pressures of globalization now mean that forms of legitimacy in increasingly globally integrated societies, must also be globally legitimate. What does this mean? Essentially, the pressures of globalization and the need to define national agendas in increasingly global categories entail the need to redefine national objectives in terms that are more fluid. Articulating the mission of higher education in a language that is globally integrative is a core aspect of the way higher educational institutions must legitimize themselves within current globalization. Currently, the language of neo-liberal convergence is the dominant globally integrative discourse available to higher educational institutions through which they seek to garner legitimacy and position in the higher educational framework. However, in the Malaysian case and to a greater and lesser extent in all national cases such a discourse is deeply disempowering. Firstly, this discourse if accepted uncritically for Malaysian higher education will inexorably lead to the accentuation of
individualism and a competitive ideology which is deeply problematic and socially dangerous.

For example, the idea of university competition as an illustration of global competition is deeply misleading. Firstly, while there is important and significant literature on the competition of firms at a global level, higher educational institutions are not strictly like firms in many respects. Higher educational institutions have national and public responsibilities. They do not simply compete despite these responsibilities. Rather their forms of competition are based upon realizing these responsibilities and objectives. Universities are not simply run by a bottom line, nor can their position or success be understood in reference to so-called global evaluative norms that are products of a neo-liberal cultural hegemony that is deleterious to national sovereignty and aspirations. In other words, universities are not defined as successful or not simply on profit and nothing else. While they often have business arms and interests, their overall status and rationale is not determined by the profit or non-profit of these ventures. The concept of higher educational competitiveness is elusive which is to say that it is not easily definable. The oversimplified notion of competition that characterizes neo-liberal views of how a university relates to the wider global environment is essentially based on an extremely reductive accounting like methodology which has no cognizance of the complexity and diverse roles and interests that higher educational institutions have.

Higher education in Malaysia has important contributions to macro-political and social stability. The interests of the state in ensuring social stability and equity are not interests that can be reduced to a simple accounting method. Yet, they are critical to the role and the function of a Malaysian university. With neo-liberal reform the core discursive argument centers on the desire to liberalize and 'deregulate'. However, the nature and responsibilities of the higher education sector entail a far more nuanced commitment to 'proper regulation' that is targeted at ensuring that universities can advance knowledge, but also achieve their social responsibilities. Proper regulation has to be based on ensuring the right incentives and support for universities to achieve their social goals and responsibilities. One way of articulating the problems discussed above, is to point out that in reforming Malaysian universities the ends of global integration and engagement have to be informed and constituted through means that are based
on embedding regulatory conditions, and institutional practices that are informed by Malaysia strategic needs and aims. Liberalization in itself is not an adequate aim for higher education, if this aim leads to social dislocation and cultural conflict. Judging APEX from the vantage of neo-liberal demands for market integration, deregulation and privatization, and then scoring APEX against these criteria on a global ranking is at best pointless. If competitiveness which is the core value of neo-liberal globalization discourse is defined simply as global position, is defined by for example rankings tables then many of the functions and commitments of universities are senseless. For example, commitments to social inclusion and outreach are usually not ranked, yet they are critical to a universities mission in serving the public good and in serving the social agenda of the state. However, if we simple adhere to an accounting like competition discourse these factors remain opaque to us.

How we assess competitiveness and thus how we assess the nature of higher education’s role in the world is currently assessed through rankings tables which posit universities on an international scale from high to low. These tables are misleading in terms of how they conflate so-called international status and the productivity and performance of universities. The relative rise up a rankings table may tell us something about the status of a particular university, in regards to other institutions on the table. However, it does not tell us anything necessarily useful about the productivity of a university or its performance to its national goals. Also a reduction on a rankings table does not necessarily mean a reduction of actual productivity. The idea that a universities growth on a ranking table necessarily entails a reduction of standards and productivity of other universities which is what the rhetoric of global rankings competition suggests is simply erroneous. Thus, the discourse of competition upon which rankings is based, is misleading because it suggests that a shift in relative status necessarily entails a reduction in actual productivity to mission. The ideology of competition which is the mainstay of neo-liberal globalization has three negative effects; first it can lead to wasteful investment and effort in an attempt to increase competitiveness, where it is not possible or deleterious to social goals. Second, it can lead to the implementation of bad public policy in regard to education driven by a false and misleading understanding of Malaysian higher education’s place in the world and its national priorities; finally, when used as the sole criterion of a universities mission and judgment of its success, the ideology of competition is conducive to
the inculcation of negative social values which as argued above can in fact hinder Malaysia's social stability and economic development.

**Conclusion**

How then does the previous discussion add to our understanding of USM's APEX agenda? One of the critical issues in understanding how USM project can be understood must be based on a thorough grasp of the specific national commitments to social solidarity and advancement that characterize Malaysian education. Attempting to understand the project of USM through the prism of neo-liberal interpretations of globalization completely distorts the aims, characteristics, and success or otherwise of the APEX initiative. The value framework of USM seriously challenges neo-liberalism. Eqbal Ahmad and others, such as Edward Said have wisely reminded us is that the way neo-liberal imperialism 'frames' cultural values that are not beholden to its hold is in an utterly reductive and caricatured way. Eqbal Ahmad reminds us of the way cultural imperialism 'draws boundaries to deny our common humanity'. The sense of moral ennui and anxiety that now characterizes contemporary neo-liberally-influenced societies has now extended itself into the very way knowledge is understood and the purposes of its creation. The fear and anxiety that characterizes our human condition under current globalization is a product of a normative culture that has lost its roots and moorings in substantive ethical traditions. Neo-liberal reform depends on this fear which it generates and profits from.

The aforementioned analysis points to several issues: including the importance of the state in seeking to protect Malaysian values, as well as the growing impotence of the state in its efforts to protect these values due to globalization and the development of the information society and trans-national communication flows. We need to retheorize how 'positive' values can indeed be upheld and inculcated in such a difficult terrain. APEX and USM's interpretation of APEX is a good example of a public policy posture that takes seriously the normative dimension to higher education. APEX has the opportunity to reenergize and ground higher education in a values discourse that can help Malaysians avoid the captivity to forms of global power and ideology that sustain themselves through fear and moral breakdown. Understood in this way, APEX as an engagement
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with globalization can help reposition Malaysian higher education in the international environment. The key is to break out of the hold that neo-liberal visions of globalization have on the imaginations of higher educational institutions. In doing this, USM has repositioned itself in a way that both addresses the objective needs of the Malaysian polity and integrated itself to the needs of the global south. Such action is a practical manifestation of Malaysian educational interaction with the world. It is also a model for the global south which is Malaysia’s positive contribution to proper internationalism and global duty.

References