CHAPTER 7

Principle of Equity in Financing Education in Malaysia: Theory and Practice

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The development of educational system of a country is a continuous process. Therefore, many governments around the globe are concerned about the quality and standard of education. Some educational systems are nationalistic and some are more geared toward economic progress. Malaysia falls under the latter. Within the context of Malaysia, according to the New Economic Model (NEM) of Malaysia, the nation should invest in more human capital; thus the educational system must also prepare global workers of the future. Based on these national aspirations, in terms of educational management, Malaysia has been a role model for some Asian and Middle East countries. This is because Malaysia has since prospered from an agricultural-based country to a major diversified manufacturing-based economy. In terms of its offshore education, international students from East Asia and the Middle East throng Malaysia in tens of thousands to get their higher education here. It is estimated that more than 50,000 students from 150 countries are here for their undergraduate and postgraduate studies (MOE 2001).

Many Malaysian researchers give little attention in discussing the importance of quality education in terms of financial management which is one of the main factors leading to success in the educational system in Malaysia at present. Muhammad Faizal A. Ghani, and Shahril @ Charil Marzuki (2008) commented on these phenomena when they announced that schools were more focused on the “product” rather than on “processes”. When research works look into product rather than process equitable, efficient, and effective school-based financial management will be sidelined. Maszuria Adam, Azuraida Shahadan, Muhammad Faizal A.