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The impact of international branch campuses on the quality of the labour supply of higher educated individuals in Malaysia

International branch campus universities are a rising educational phenomenon, in particular in Malaysia where ten foreign universities have opened a branch campus since the late 1990s. Despite the growing significance of transnational education, limited research has been conducted on the relationship between international branch campus education and the development of the local labour markets for the higher educated. This thesis addresses this gap in the literature and examines to what extent international branch campuses in Malaysia have contributed to strengthening the quality of the labour supply of higher educated individuals participating in the Malaysian labour market. It does so by investigating the acquired employability skills and attributes of graduates from international branch campuses as compared to graduates from domestic local Malaysian universities and by examining international branch campus students' self-reported career plans and alternative higher education options. Drawing on semi-structured interviews with recruitment managers of domestic and multinational companies in Malaysia and the results of an employability survey distributed to students across Malaysian universities, this thesis presents two main findings. First, international branch campuses as compared to Malaysian public and private universities deliver graduates who are better equipped with the skills and attributes that employers find most important for graduates' employability, in particular English proficiency and human capital related soft skills. Second, the establishment of international branch campuses has increased higher education enrollment and has not likely to have significantly increased brain drain through foreign employment of Malaysian graduates. This thesis concludes that international branch campuses have contributed to improving the quality of the labour supply of higher educated Malaysians by enlarging the pool of highly employable graduates. The findings of this study have implications for Malaysia's policies promoting international branch campus education to improve the quality of the Malaysian workforce and generally contribute to the literature on cross-border higher education.

Keywords: Employability, labour supply, international branch campus education, higher education, brain drain, Malaysia