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**BENEFITS AND LIMITATIONS OF
SCHOLARSHIPS AND EDUCATION
LOANS FOR MALAYSIAN LEARNERS
WITH POLICY RECOMMENDATIONS TO
IMPROVE OUTCOMES**



Title

Benefits and Limitations of Scholarships and Education Loans for Malaysian Learners with Policy Recommendations to Improve Outcomes

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Objectives

In the following chapters and sub-sections, we aim with equal importance:

- 1) To discuss the different education loans and how it compares to a scholarship in Malaysia.
- 2) To present some data with regards to the types of financial aid employed by undergraduates or learners of higher education in Malaysia.
- 3) To discuss employment-related statistics and its impact on education loan outcomes.
- 4) To recommend changes in policies to improve outcomes for borrowers and lenders for the betterment of Malaysia.
- 5) To assist students in making a decision in financing their education, including through working and studying part-time.
- 6) To discuss the future of the local vs global job industry and its impact on education loan eligibility.
- 7) To educate youths of rewarding non-degree career tracks.

We hope this report will help young people make more informed decisions about their career futures. It is by no means comprehensive but would serve as a starting reference for them to research further to help them determine their own career path. ASTI hopes to organise more events and write more papers to push this important conversation among the young. We hope more young people will contribute to this effort to achieve our objective as stated above.

Chapter 1: Introduction

A foundation built upon quality education increases a nation's competence in governance leading to socioeconomic advancement of the entire population, by way of reducing Unemployment Rates while increasing Gross Domestic Product (GDP) Per Capita which in turn re-elevates the Literacy Rate within the country (Rahman, M. Shafiqur, 2011). The fruit of solid education undeniably improves one's ability to secure fruitful employment with a more meaningful income range, potentially deterring individuals from participation in criminal activities (Crime Statistics Publication, 2021). In 'An empirical study of socioeconomic determinants of crime in Malaysia' published in 2021, their research revealed that an increase in unemployment negatively affects crime while an active labour force secured through tertiary education positively affects crime in the long-term (Harun et al., 2021). *Figure 1* illustrates the influence of unemployment and lack of education on crime rates within a country in terms of motivational factors, whereas a reduction of crime is experienced when criminal opportunity is reduced through meaningful employment (Harun et al., 2020).

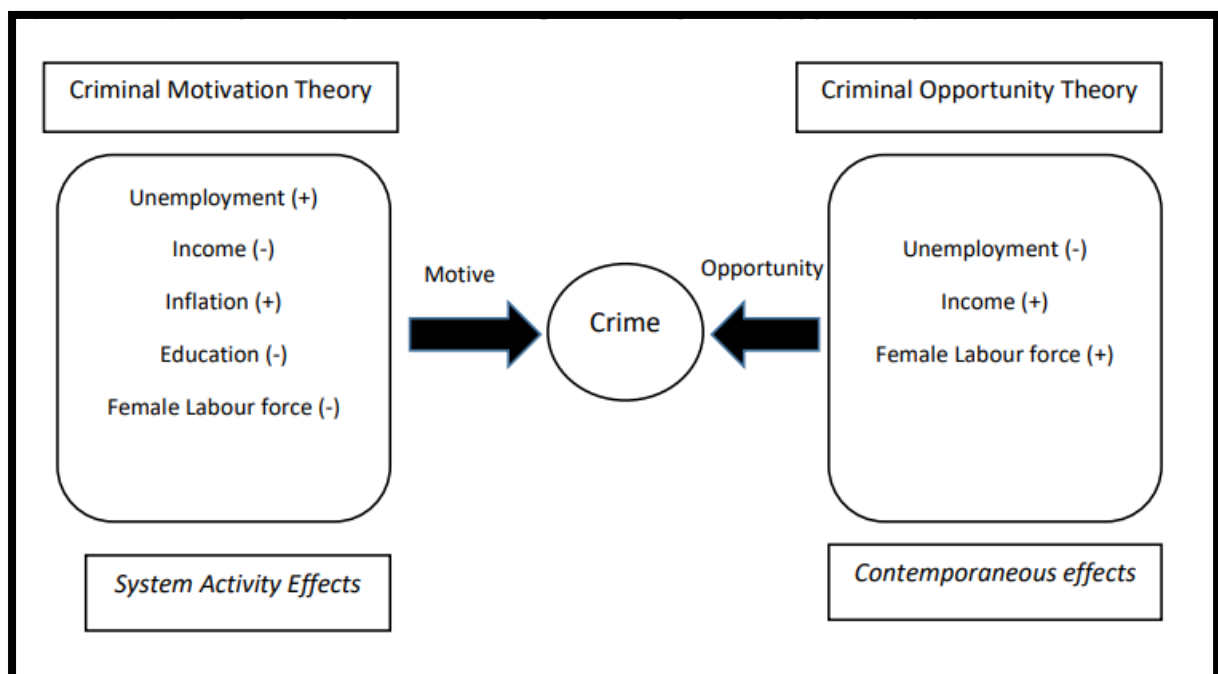


Figure 1: Conceptual Framework of the Effect of Unemployment and Crime (Socio-Economic Determinants of Crime in Malaysia: A Conceptual Framework, 2020)

The prevalence of crime within a nation correspondingly discourages foreign investors as it can be an indicator of economic and/or political instability. The GDP per capita has been proven to be a more accurate measure of a nation’s economic strength and is a popular proxy for legal income (Jalles and Andresen, 2015), which specifies the social status between Below 40% (B40%), Middle 40% (M40%) and Upper 20% (U20%). Deteriorating socioeconomic ratings, specifically the level of B40 poverty, oftentimes influence crime rates on a global scale and is no different in Malaysia (Rahman, M. Shafiqur, 2011).

Further studies clearly indicate that fewer drug-related crimes were committed by individuals who acquired tertiary education – the more well-educated a citizen, the more unlikely they are toward a drug-related offense, as presented in *Figure 2* with statistics provided by The National Anti-Drug Agency Malaysia (Crime Statistics Publication, 2021).

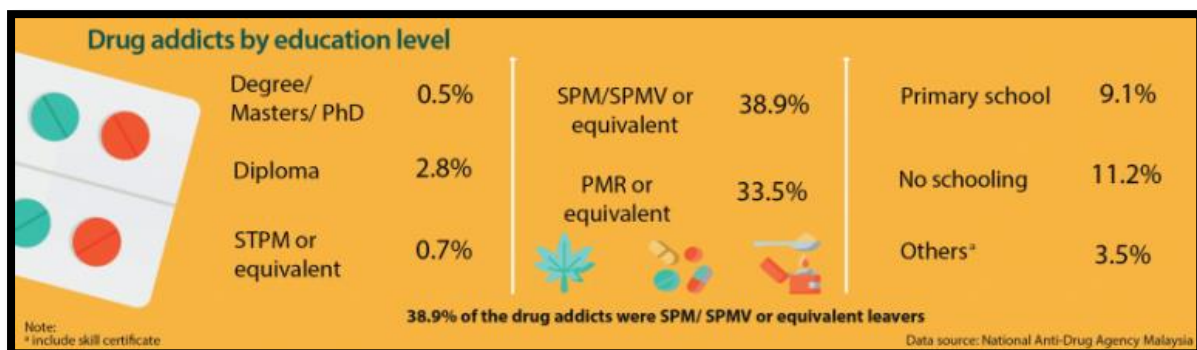


Figure 2: Drug Addicts by Education Level (National Anti-Drug Agency Malaysia)

Therefore, it is irrefutable to claim that an improved Literacy Rate gained through quality tertiary education remains the most powerful eradicator of poverty, unemployment and crime for any state (Harun et al., 2021). The key role of Higher Education Institutions (HEIs) is to equip individuals with socioeconomically sustainable knowledge which leads to a more meaningful working experiences with a higher income range and better overall quality of life. The increase in enrolment rates of learners into the growing number of HEIs across the nation as depicted in *Figure 3* can be further correlated to the increase in number of undergraduates employed even for the year 2020 in spite of the COVID-19 pandemic as in *Table 1*.

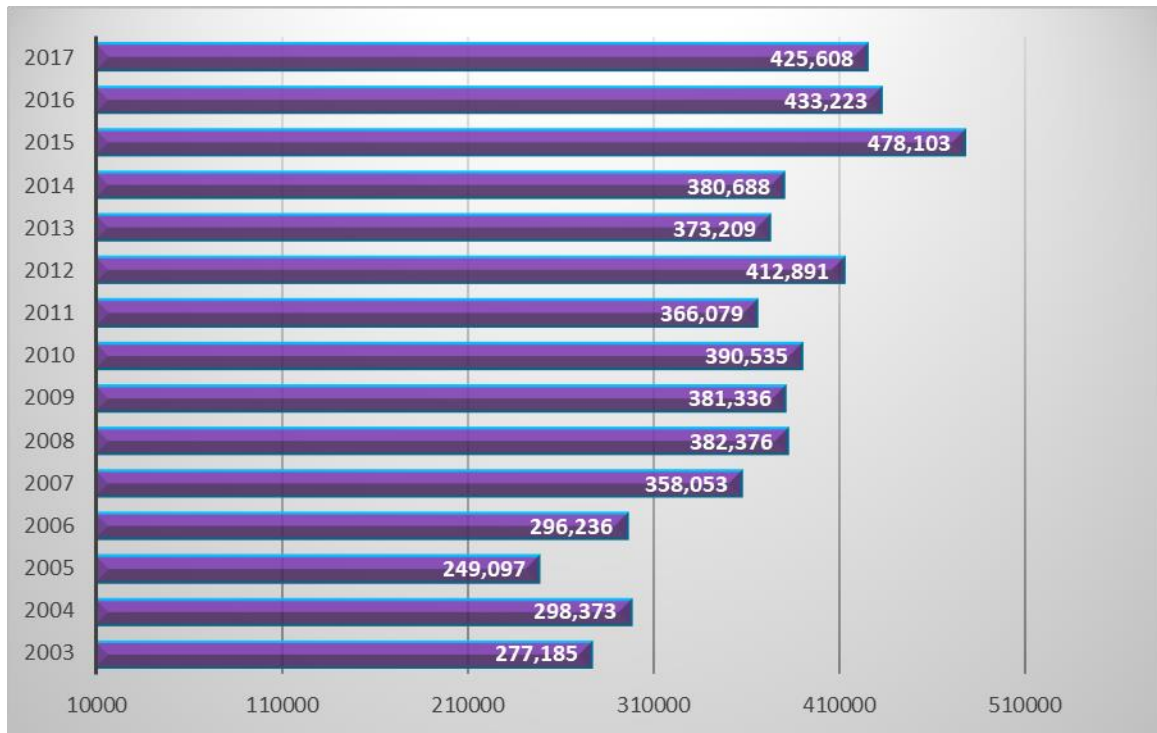


Figure 3: Students' Intake in HEI from the year 2003 till 2017 (*Ministry of Education Malaysia, 2003 - 2017*)

Tahun Year	('000)										
	Jumlah ² Total	UPSR/UPSRA atau yang setaraf UPSR/UPSRA or equivalent	PT3/PMR/SRP/ LCE/SRA atau yang setaraf PT3/PMR/SRP/LCE/ SRA or equivalent	SPM atau yang setaraf SPM or equivalent	STPM atau yang setaraf STPM or equivalent	Sijil ³ Certificate	Diploma Diploma	Ijazah Degree	Sijil agama ⁴ Religious certificate	Tiada sijil No certificate	Tidak berkorelasi Not applicable
1982	5,249.0	-	469.2	619.7	49.8	-	137.0	91.1	7.9	3,052.0	821.8
1983	5,457.0	-	496.8	698.3	57.4	-	135.3	86.6	10.7	3,165.2	806.7
1984	5,566.7	-	555.9	799.7	66.6	-	139.8	109.7	6.7	3,066.1	821.8
1985	5,653.4	-	532.0	826.9	70.7	-	150.8	120.2	9.5	3,156.9	785.7
1986	5,760.1	-	523.1	905.4	87.5	-	163.1	128.7	8.4	3,193.7	750.1
1987	5,983.9	-	578.2	968.4	105.6	-	165.0	139.1	7.1	3,277.1	743.3
1988	6,157.2	-	555.3	1,041.8	111.3	-	167.3	146.0	9.1	3,408.8	714.5
1989	6,390.9	-	570.6	1,187.5	141.7	-	188.4	148.8	4.1	3,443.2	706.4
1990	6,685.0	-	570.1	1,347.8	146.8	-	216.8	165.8	3.1	3,580.2	654.2
1992	7,047.8	-	918.6	1,610.6	229.2	-	242.9	210.2	-	3,190.6	645.3
1993	7,383.4	-	904.6	1,757.0	228.0	-	244.1	227.0	-	3,407.0	615.6
1995	7,845.0	-	1,067.9	1,968.4	267.5	-	306.4	256.7	-	3,106.3	666.0
1996	8,399.3	-	1,047.4	2,052.1	254.9	-	369.1	310.6	-	3,702.0	662.4
1997	8,569.2	-	1,113.1	2,223.5	277.2	-	417.6	341.7	-	3,573.9	621.9
1998	8,599.6	-	1,162.5	2,249.4	268.1	-	434.9	370.5	-	3,510.4	603.5
1999	8,837.8	-	1,201.7	2,493.7	271.2	-	446.2	407.4	-	3,432.1	584.9
2000	9,269.2	-	1,235.3	2,740.4	284.5	-	535.1	471.3	-	3,480.5	521.8
2001	9,357.0	-	1,256.5	2,847.9	283.5	-	564.5	533.9	-	3,382.2	484.4
2002	9,542.6	-	1,321.9	2,919.0	285.8	-	648.9	603.2	-	3,253.1	509.6
2003	9,869.7	-	1,353.5	3,117.5	298.0	-	717.0	655.2	-	3,251.9	474.8
2004	9,979.5	-	1,363.6	3,164.9	294.4	-	767.9	711.1	-	3,204.9	472.1
2005	10,045.4	-	1,415.8	3,348.9	290.1	-	840.7	733.5	-	2,949.4	466.8
2006	10,275.4	-	1,418.9	3,512.8	301.5	-	831.0	805.3	-	3,012.5	393.0
2007	10,538.1	-	1,453.1	3,655.3	323.9	241.6	743.3	784.9	-	2,888.9	447.0
2008	10,659.6	1,209.4	1,505.4	3,862.3	340.0	205.0	786.1	874.1	-	1,402.4	474.7
2009	10,897.3	1,366.4	1,509.2	3,970.6	354.8	234.4	908.8	1,003.8	-	1,123.5	426.0
2010	11,899.5	1,538.6	1,692.2	4,337.7	358.9	270.5	957.3	1,162.2	-	1,146.1	435.9
2011	12,351.5	1,594.1	1,765.8	4,541.7	373.2	299.6	1,059.9	1,219.0	-	1,097.4	400.7
2012	12,820.5	1,694.9	1,873.6	4,704.3	380.8	300.1	1,048.7	1,314.4	-	1,104.4	399.3
2013	13,545.4	1,868.8	1,943.1	5,003.0	391.6	286.9	1,187.0	1,351.9	-	1,096.7	416.4
2014	13,852.6	1,769.9	1,928.9	5,208.8	405.7	340.9	1,268.4	1,537.6	-	1,009.9	382.5
2015	14,067.7	1,844.9	1,936.7	5,157.1	410.0	353.1	1,376.2	1,679.5	-	879.6	430.7
2016	14,163.7	1,774.2	1,933.3	5,408.3	424.0	347.5	1,350.8	1,755.2	-	794.2	376.1
2017	14,476.8	1,684.4	1,959.6	5,708.7	419.7	351.6	1,394.6	1,874.4	-	704.7	379.1
2018	14,776.0	1,727.9	1,816.5	5,971.9	425.6	381.9	1,474.6	1,924.0	-	653.8	399.6
2019	15,073.4	1,673.6	1,805.8	6,195.1	455.5	370.8	1,520.2	2,033.5	-	579.9	439.1
2020	14,956.7	1,515.5	1,543.3	6,488.6	497.8	472.4	1,632.0	2,117.7	-	353.4	336.1

Table 1: Employed persons by highest certificate obtained, Malaysia, 1982–2020
(Department of Statistics Malaysia)

However, pursuing tertiary education, which is essentially post-secondary education, at both public or private HEIs come with financial burdens in terms of tuition fee, exam fee, facilities fees (i.e. laboratory access, library services, sports zones, etc.), stipend and potentially accommodation or rental charges for learners from out-of-state, among other expenditures related to the acquisition of a tertiary education.

While few students may have the luxury to be self-reliant on accumulated personal savings or inheritance, most face the challenges of financing their higher education endeavours through various financial assistance rendered especially to students seeking formal study at a HEI. Financial aid sometimes come in the form that requires repayment post-graduation (such as

from a variety of education loans), while other times students may opt to apply for scholarships (these can be full or partial coverage and sometimes include stipend; rarely insurance) which require no repayments.

Given that the topic of Education Loans will be covered from sub-sections 3-7 in Chapter 2, and Scholarships will be addressed in Chapter 3, the details to these aspects will not be explored in this Introduction. However, a brief overview of the key differences between a scholarship and education loan is provided in *Table 2*.

<i>No.</i>	<i>Description</i>	<i>Scholarship</i>	<i>Education Loan</i>
1	Repayment is required	No	Yes
2	Interest accumulated	No	Yes
3	Should maintain a satisfactory academic progress to continue receiving help each semester	Yes	Yes
4	Approval rate to receive financial assistance	Low	High
5	Number of financial assistances offered	Limited	Open
6	Available information	Limited	Open
7	Processing time duration	Slow	Fast

Table 2: Comparison between Scholarship and Education Loan (ASTI Analysis)

To clarify on the burden related to each option, scholarships tend to present heightened pressure to perform well academically as well as in extra-curricular involvement to secure and maintain the scholarship validity, while education loans include the strain of financing the monthly repayments post-graduation regardless of whether the candidate is employed, unemployed or underemployed although the requirements to excel at every interval throughout their course is not placed as highly compared to scholarships (commonly, a moderate CGPA 2.0 minimum is required for education loans).

It is understandable that given the rise in student intake for HEIs in recent years, both local and international scholarships for Malaysians have become highly competitive. It is here that the convenience of education loans by government and private agencies becomes apparent in alleviating the inadequate supply of scholarships for potential students of higher education.

Nevertheless, there are still issues with education loans that compel students to reconsider their decision, one being academic requirements. While education loans do not generally depend on academic requirements at the time of application, students are still required to maintain a certain academic threshold in order to continue receiving financial help throughout their higher education. Education loans also come with other disadvantages, such as repayment with interest (which can be progressive interest rates) - this is not the case with scholarships. Yet compared to scholarship applications, the number of students applying for education loans remain higher.

In this paper, we aim to discuss the rationale behind this, apart from addressing the purposes listed in the Objectives.

Chapter 2: Literature Review

1. Types of Higher Education Institutions (HEIs) in Malaysia

Prior to offering solutions to finance the tertiary learning experience, we will first explore the types of Higher Education Institutions (HEIs) that exist in Malaysia. The Ministry of Higher Education (MOHE) has worked aggressively to create a HEI ecosystem that produces first-class scholars and skilled manpower. In Malaysia, there are 2 groups of HEIs: Institut Pengajian Tinggi Awam (IPTA) and Institusi Pendidikan Tinggi Swasta (IPTS). IPTAs are made up of public universities, polytechnics and community colleges, while IPTSs include private universities, private university colleges and private colleges.

Presently, there are 20 public universities (refer to Supplementary document A1), 33 polytechnics (refer to Supplementary document A2), 92 community colleges, and 443 IPTSs (refer to Supplementary document B1) as of December 2019. The institutions are overseen by the Malaysian Qualification Agency (MQA) to ensure quality assurance. A HEI with MQA endorsement supports Malaysian education loan approvals.

Generally, IPTAs are more affordable as they are funded by the Malaysian government via taxation, while IPTSs are more expensive as they have a profit motive. Although IPTSs encourage high achievers to enroll, they usually demand lower academic requirements upon entry, which can be beneficial for the less academically-inclined students who want to pursue a higher education. *Table 3* displays a comparison between the IPTA and IPTS.

Description	IPTA	IPTS
Facilities	Most institutes have better facilities with a specific designated area.	* Not all institutes are well equipped, and there's no designated area for the campus.
Tuition Fees	Cheaper	Relatively expensive
Accommodation price	Cheaper, as mostly provided within the campus	Expensive, as mostly do not provide accommodation.
Application	Through an online system	Walk-in registrations

Safety	Tight security	
Extra charges	Lower	Very high
Entry requirement	High	* Relatively low
Government Assistance	Greater	Relatively lesser
Collaboration with companies and foreign institutes	Mainly for research and funding purposes	Mainly for research and accreditation purposes.
Courses offered	Diversified courses with many different faculties.	Focused and narrowed courses.
Students exposure	Variety of scopes, extending out to non-course related activities	Scopes are limited to the courses that are offered on campus
Practical attachment	IPTA students have more attachments and will be given priority	* High competition with IPTA students.
Job opportunities	Greater	* Relatively low, especially in government-linked companies (GLC)

Table 3: Comparison between IPTA and IPTS (ASTI Analysis)

* There are exceptions to this analysis, especially with some foreign universities that have their branch campuses here that maintain the standard of their main campuses and are better funded, although rather expensive.

With lower academic requirements and a higher number of institutions, it is not surprising that there is usually a higher number of enrolment of students into IPTS which is much greater compared to IPTA. However, post-COVID-19 pandemic statistics state that as of 31 March 2021, a total of 1.32 million students pursued their tertiary education within Malaysia, with 52.1% registered in public universities while 47.9% were in PHEIs or IPTSs (Malaysian Investment Development Authority (MIDA), 2022). There are also issues such as student quotas which drives students to IPTS.

Pre-pandemic statistics-wise, the Ministry of Higher Education (MOHE)’s report ‘The Way Forward for Private Higher Education Institutions: Education as an Industry (2020-2025)’ stated that as of 30 September 2019, it was reported that a total of 1,325,699 students were pursuing their tertiary education in higher education institutions (HEIs) in Malaysia, consisting of 666,617 students (51.0 per cent) in over 400 private HEIs (PHEIs) and 659,082 students (49.0 per cent) in 20 public universities and branch campuses. In terms of enrollment rate of international students, over 70 per cent (92,415 students) are in PHEIs, and 30 per cent (39,099 students) were registered in public universities in Malaysia (Malaysian Investment Development Authority (MIDA), 2022). *Figure 4* displays the pre-pandemic Private Higher Education Landscape in Malaysia (Ministry of Education, 2018), while *Figure 5* presents a breakdown of students in HEIs by type of institution also pre-pandemic.

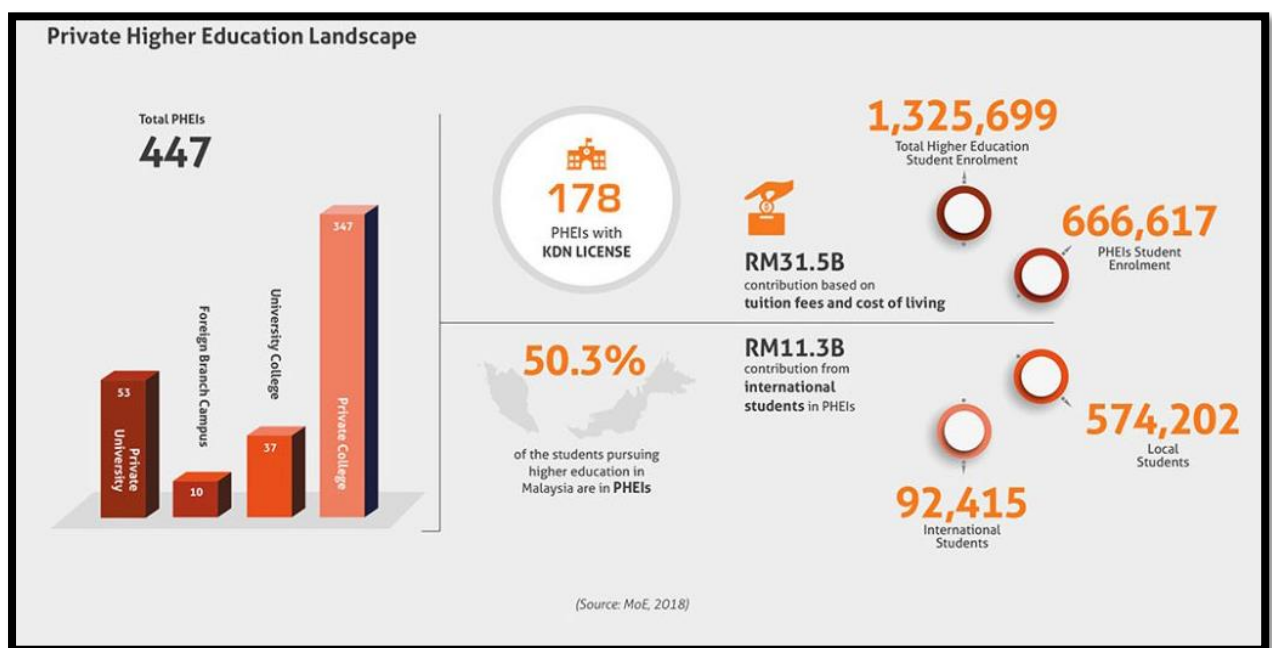


Figure 4: Private Higher Education Landscape (Ministry of Education, 2018)

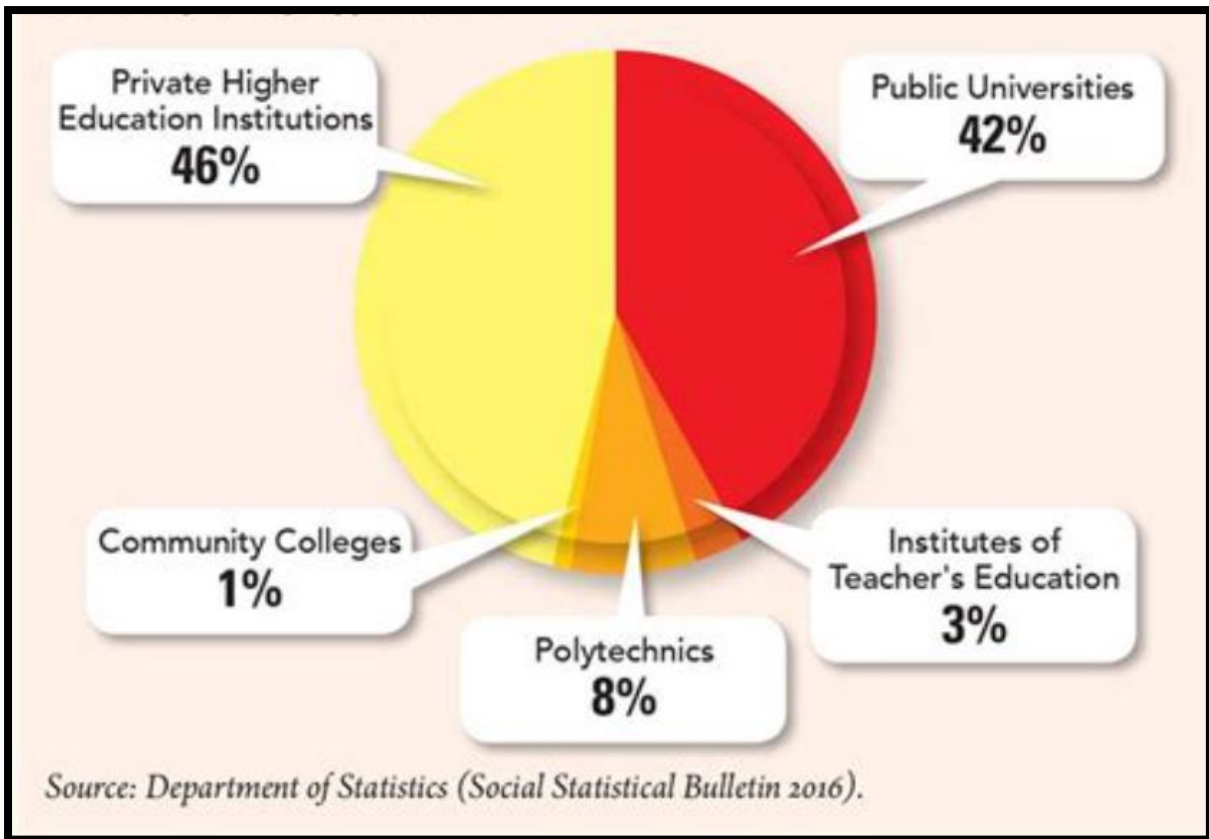


Figure 5: Percentage of Students in Higher Education Institution in Malaysia by Type (2015) (Social Statistical Bulletin, 2016)

According to the Malaysian Investment Development Authority (MIDA), the IPTS or private HEI industry which was worth RM31.5 billion in 2018, potentially encouraging an economic boost to RM65 billion by 2026 (Malaysian Investment Development Authority (MIDA), 2022). The effective marketing techniques employed by private HEIs continue to propel national and international enrollment rates.

Extracted from the Ministry of Higher Education (MOHE)'s report 'The Way Forward for Private Higher Education Institutions: Education as an Industry (2020-2025)': as of 30 September 2019, there were a total of 1,325,699 students pursuing their tertiary education in higher education institutions (HEIs) in Malaysia. This consists of 666,617 students (51.0 per cent) in over 400 private HEIs (PHEIs) and 659,082 students (49.0 per cent) in 20 public universities and branch campuses. As for the international students' enrollment, over 70 per cent (92,415 students) are in PHEIs, and 30 per cent (39,099 students) are registered in public

universities. IPTS has also attracted many foreign students and Foreign Direct Investments (FDI) into the country, which is not elaborated in this paper.

However, the total tuition fees in IPTSs or PHEIs can be quite daunting due to less subsidies given by the government. In regards to tuition fees, there is a huge variance when comparing IPTSs and IPTAs for the total enrolment period. *Table 4* displays the differences in tuition fees between the two types of HEIs.

Degree Courses	IPTA	IPTS
Engineering	UTM - RM13,080	Taylor's University - RM 60,650
Computer Science	UTM - RM12,760	Taylor's University - RM 60,628
Medicine	UM - RM 13, 710	International Medical University - RM 305,000
Nursing	UM - RM 8, 620	International Medical University - RM 84,000

Table 4: Tuition Fees comparison between IPTA and IPTS (ASTI Analysis)

Overall, the Malaysian higher education system (for both IPTA and IPTS) has improved and matured significantly and is currently experiencing a transformative stage in development especially post COVID-19 pandemic, which has contributed to the decision to include Open and Distance Learning (ODL), spelling the onset advancement of e-learning. As emphasised by Universiti Sains Malaysia (USM)'s Professor Dr. Abdul Karim Alias, Director of Centre for Development of Academic Excellence (CDAE), "The online learning and online education are no longer an option – it's a must." This essential tool to survive life in the new normal birthed the Malaysia Higher Education Framework 4.0 as depicted in *Figure 6*, which means that access to a computer (whether personal or from the HEI's IT lab) or laptop or tablet, along with internet connectivity are staple educational materials that must be included in the allowance budgeting of monthly or annual expenditures of each student in any HEI post-pandemic. Because the number of computers available in any HEI learning centre can be limited (usually far fewer than the total number of enrolled students), personal ownership of computing devices is encouraged when pursuing tertiary education in Malaysia.

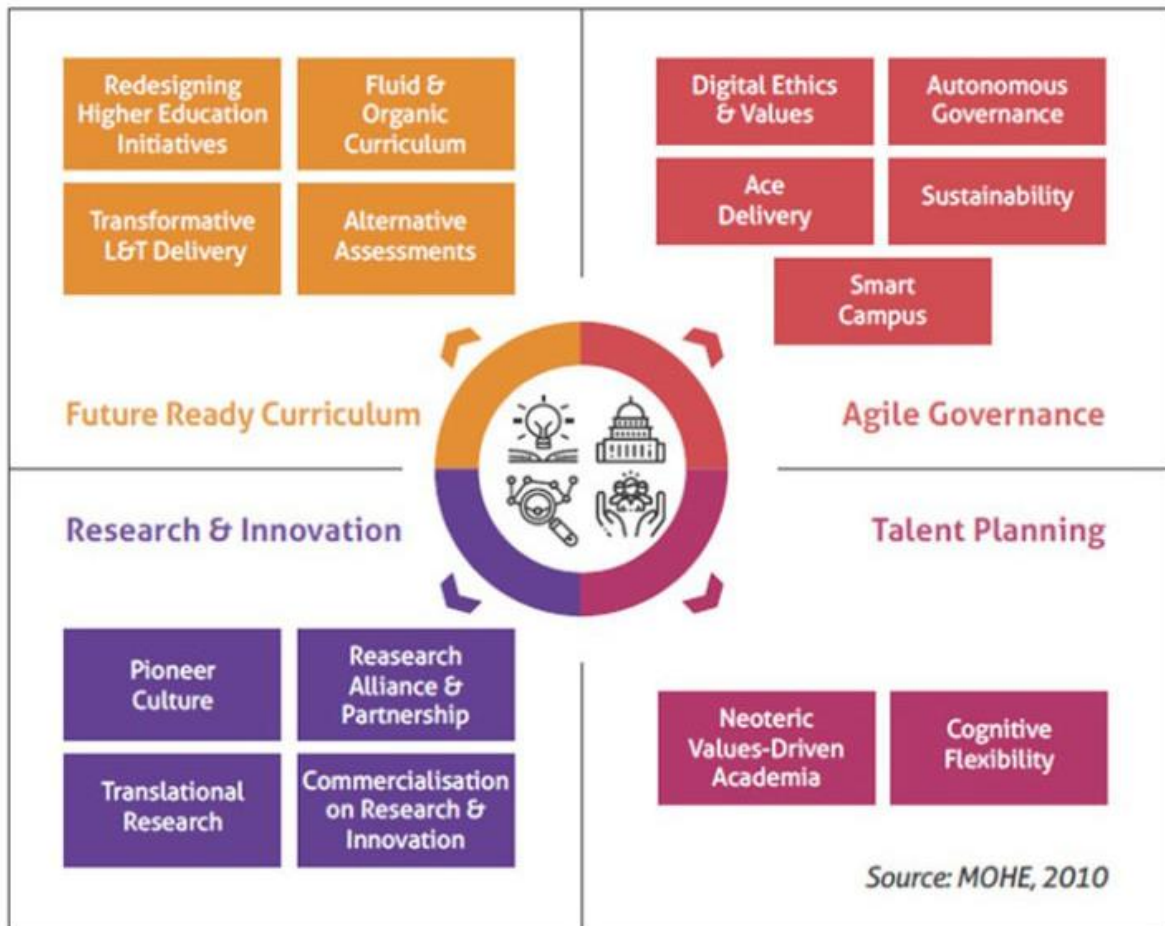


Figure 6: Malaysia Higher Education Framework 4.0 (Ministry of Higher Education, 2010)

2. Tertiary Education: Academic Qualification Levels

Tertiary education consists of 4 major types of academic qualifications, namely:

- A. graduate certificate;
- B. graduate diploma;
- C. undergraduate degree (Bachelor's and Associate's Degree), and;
- D. postgraduate degree (Masters, PhD, Postgraduate Diplomas & Certificates).

- A. Graduate certificates are typically offered in community colleges and polytechnics. They are focused on classes and training in a specific scope or skill. This form of qualification can be beneficial for individuals who have already obtained their degree

and are looking to make a switch into a different career path. However, pursuing a graduate certificate alone may limit job opportunities due to its narrow scope.

- B. Diplomas are somewhat similar but they provide a more hands-on experience and a comprehensive curriculum. It is usually suited to individuals who are planning to enter a career field that does not require a degree. It can also be an entry document into the career which can be supplemented with professional qualifications.
- C. Undergraduate degrees have been recognised as the most well-rounded qualification, as the scope of study is larger and therefore more comprehensive. Students that embark on this journey will have the opportunity to obtain tangible skills, such as critical thinking and analysis. They are typically required to fulfil a number of general education courses, advanced major courses and a few electives; and in Malaysia, Compulsory Courses such as *Tamadun Islam dan Tamadun Asia*, *Hubungan Etnik*, and *Community Service* for (2 Credit Hours) each are also required. Moreover, career options are much more viable compared to the above types of qualifications. However, even with the help of financial aid, degrees remain one of the costliest forms of tertiary education.
- D. Postgraduate degrees cater to individuals who sometimes choose to perform a specialisation in a certain subject matter. Their reasons may include to explore academia and research or specialise in a specific career path. There are candidates who choose to complete a postgraduate degree to transform their study or career paths entirely by studying a different subject from their undergraduate degree, which is a common pre-requisite to entering postgraduate studies.

As seen in *Table 5*, a significant factor that sets each qualification apart is the total duration taken to complete them, which is why students will need to invest in a lot of time and effort if they are planning on pursuing an undergraduate or postgraduate degree.

Academic Qualifications	Preceding Qualifications	Duration of Study
Graduate Certificate	Secondary education	1 - 1.5 years
Graduate Diploma	Secondary education	2 - 3 years
Undergraduate Degree (Bachelor Degree)	Pre-tertiary education	3 - 5 years
Postgraduate Degree (Master's Degree, Doctors of Philosophy)	Tertiary education	Master's Degree (1 - 3 years); PhD (3 - 5 years)

Table 5: Duration of Completion between Different Academic Qualification Levels

In terms of entry requirements for each level of academic qualification, different levels have different prerequisites that are meant to be the foundation form which the learning experience builds upon.

- A. Graduate Certificates: A pass in secondary schooling at Fifth Form with SPM or IGCSE or equivalent level is acceptable. Occasionally, certain institutions will require a Credit minimum for certain subjects prior to acceptance.
- B. Graduate Diploma: Similar to prerequisite for Graduate Certificate.
- C. Undergraduate Degree: A pass in Upper Secondary Schooling at Sixth Form with STPM, A-Levels or pre-university foundation programmes. Occasionally, certain institutions will require a Credit minimum for certain subjects prior to acceptance.
- D. Postgraduate Degree: A satisfactory Bachelor's Degree is a common prerequisite for both a Masters or PhD – the same applies to postgraduate certificates and diplomas.

With regards to financing options for postgraduate studies, students tend to encounter more difficulty in securing an education loan although they are commonly compensated by scholarships, grants and research assistantships. Most learners embarking on postgraduate degrees also have working experience and are usually more self-reliant to financially sponsor their own education advancement through their income from a previous Bachelor's Degree level employment.

3. Types of Education Loans and Their Benefits or Limitations

Malaysian students may choose to finance their tertiary education through a variety of education loans ranging from those offered by a government body, political party organisations or banks. Currently, the National Higher Education Fund Corporation (Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN)) is the only governmental organisation that offers education loans. Other options include education loans from MARA, KOJADI and MIED, which are initiated by political parties such as UMNO, MCA and MIC respectively. Banks such as Maybank and OCBC are also active drivers in offering financial assistance to learners of higher education. The organisations chosen to be highlighted here are chosen only to give the reader an indication of the various options available. They are by no means comprehensive.

However, different financial aid agencies often differ in the following:-

- a) borrower requirements;
- b) interest rate;
- c) the amount of loan offered;
- d) time allocated before repayment term begins post-graduation, and;
- e) loan coverage.

In the subsequent sub-sections, we will explore in further detail the benefits and limitations of each organisation offering financial aid to Malaysians.

3.1 National Higher Education Fund Corporation (Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN))

PTPTN has become the most popular choice for Malaysians who are deciding to further their education, mainly due to its low interest rate per annum along with its seamless application process. Since its formation in 1997, a total of RM56 billion have been distributed to more than 3 million students (Azahar, 2020).

3.2 Loan Criteria

As detailed in *Table 6* (Permohonan Pinjaman, 2020), there are certain requirements that must be met for students to apply for PTPTN loans. Criteria range from basic requirements such as being a Malaysian citizen below the age of 45 years to more complex requirements, namely the level of study and the institution of learning.

PTPTN follows a strict policy of only accepting students who have been offered to study at accredited institutions, specifically institutions accredited by MQA.

<i>No.</i>	<i>Description</i>
1	A Malaysian Citizen
2	Aged 45 years and below
3	Possesses an offer of study
4	Pursuing course is approved and accredited by MQA
5	Not applicable for students with less than a year remaining of study
6	Not involved with other sponsors
7	Planning to pursue a diploma or a degree at either a public or private institution
8	Planning to pursue a professional course or a postgraduate degree at a public institution

Table 6: Criteria for PTPTN Education Loan

3.3 Monetary Factors

PTPTN follows a needs-driven system when deciding on the amount of loan available to students (Permohonan Pinjaman, 2020). The amount of loan attainable is dependent on three factors:

- i. household income;
- ii. type of learning institution and;
- iii. the course pursued.

To illustrate:

- i. students from families of lower household income margin will be prioritised to receive a larger amount of loan.
- ii. students who plan to study at private institutions will also be eligible for a higher amount of loan due to the higher course or tuition fees charged by private institutions.
- iii. subjects in the science field commonly require higher fees; hence, a larger amount of loan will be disbursed.

In terms of repayment, PTPTN charges a flat interest rate of 1% and most of it is primarily used to accommodate the basic expenses of PTPTN, such as administrative and management expenditures (PTPTN Loan Fact Sheet, 2020). Borrowers are required to return the amount in instalments beginning from the year after graduating. Failure to return the loan acquired can lead to serious repercussions, which will be further discussed in sub-section 3.5.

3.4 Academic Threshold

Students with PTPTN loans must ensure they maintain a minimum 2.0 GPA to continue securing funds in each semester during their period of learning (Permohonan Pinjaman, 2020). PTPTN loans remain particularly advantageous to high-achieving students in the B40 and M40 communities.

In 2003, PTPTN introduced a helpful exemption of loan repayment for students who were high achievers receiving first class honours – those who excelled academically were exempted from repaying their study loans as a form of conversion into a full scholarship upon the merit achieved. This was implemented as a motivation for students perform better and excel throughout their course of study, as part of the government's effort in generating high quality graduates (Malay Mail, 2017). Unfortunately, in January 2019, the policy was backtracked and many high-achieving loan borrowers who took an oath to the policy were left discouraged and demotivated to continue their academic excellence (Nair, 2020) since there was no incentive to excel beyond GPA 2.0 any longer.

3.5 Conclusion: Benefits and Limitations

It can be hypothesised that PTPTN may reduce the vicious cycle of poverty in Malaysia since the governmental body prioritise their loans based on a needs-driven system. Additionally, the low interest rate will encourage students from all household income ranges to pursue higher education with less financial burdens, in particularly assisting more B40 individuals from recycling back into series of unemployment or confined to low-paying jobs due to the lack of quality tertiary education.

One of the noticeable disadvantages in the PTPTN loan requirement is the age limit – their inability to financially aid middle-aged groups could mean decreased opportunities for older adults to gain higher education who may be wiser and more educated in loan repayment strategies given their longer experience with managing money.

Given that the application process for an education loan is typically hassle-free, the main predicament for PTPTN borrowers lies in the repayment phase from a year post-graduation. According to our former Prime Minister, Tun Dr Mahathir Mohamad, the amount of student loans owed to PTPTN is approximately equivalent to the total debts suffered by 1Malaysia Development Bhd (1MDB), which is about RM 39 billion (Tan, 2018). Nevertheless, the situation improved in 2019, with RM 2.7 billion repayments collected, which surmounted the RM2 billion target in that particular year (New Straits Times, 2019).

In the 2019 study by PTPTN, it was reported that a large majority of borrowers falling in the category of the B40 community (55% of the total percentage of PTPTN borrowers), were unable to repay their loans - 97% of them failed to contribute to repayments. Some of the reasons given by loan defaulters include:

- irregular income, or inconsistent employment;
- inadequate income and;
- the priority of other commitments before repayment (Azahar, 2020).

The Central Credit Reference Information System (CCRIS) plays a critical role in overseeing and monitoring the financial pattern of Malaysian borrowers. In context, the CCRIS is able to determine who has been superior or negligent in repaying their loans. Being listed in the CCRIS can lead to serious consequences, with those listed having to face rejection when applying for other types of loans in the future (i.e. personal and home loans) (Credit Information, 2020).

According to Datuk Dr Mary Yap, about 97% of HEI graduates in 2016 failed to repay their education loans, leading to them being listed in the Central Credit Reference Information System (CCRIS) (Fadzil, 2016). This was executed to encourage borrowers to be responsible and consistent in repaying their loans. In the earlier years, borrowers were offered 15% and 10% discounts if they made a full or partial settlement respectively. However, due to the high amount of debt, this offer is no longer available. Through this previously employed discount method, PTPTN had managed to collect loan repayments of RM 3.4 billion (Malay Mail, 2017).

Control of international mobility was also employed to reduce the number of defaulters. One of the more drastic actions taken by PTPTN to recover loans from borrowers was blacklisting loan defaulters from traveling out of Malaysia. Out of 1 million blacklisted loan defaulters, there were only about 655,000 who managed to repay RM 1.9 billion and subsequently reinstated by the Immigration Department (Annuar, 2018).

These serious consequences led to severe anxiety for PTPTN loan borrowers. Accordingly, Pakatan Harapan had promised in its manifesto in 2018 to postpone the repayment for graduates whose earnings fell below RM 4,000 monthly and to obliterate the blacklisting policy (Tan, 2018). According to the then PTPTN chairman, Wan Saiful Wan Jan, all 429,945 loan defaulters were removed from the travel blacklist as of June 26th 2018, but they are still obliged to continue servicing their education loans. (The Star, 2018).

According to PTPTN, a total of RM 5 billion is required to operate annually. Since repayment rates were low, the probability of new students receiving full financing was reduced by 43% (Hoh, 2015). To rectify this shortage of funds, the loan procedures were revised to overcome the funding constraints to sustain 200,000 borrowers per year.

The percentages of financing related to household income are displayed in Table 7.

Monthly Household Income	Percentage of Financing (%)
Less than RM 4000	90 - 100 %
Less than RM 5,000	75 %
More than RM 5,000	50 %

Table 7: Percentages of Financing Related to Household Income

Finally, after some interviews with former PTPTN students, some of the loan repayments are due to students not being able to get jobs that allow them to repay their loan with the higher cost of living which is not reflected with an increase in salary. The government and non-governmental organisations (NGOs) should advise students on longer term financial management before they take a loan.

4.1 Majlis Amanah Rakyat (MARA)

MARA was established in 1966 by the Ministry of Rural and Regional Development of Malaysia as an establishment that offers financial assistance especially to Bumiputra citizens in Malaysia, specifically to pursue higher education at selected local and overseas HEIs. This is done in accordance with their mission to promote social and economic development in rural areas. Education loans from MARA cater particularly to students from the B40 and M40 communities due to their stringent needs-based policy which prioritises loan recipients based on their family's Socio-Economic Status (SES). Academic results such as SPM grades along with co-curricular activities involvement and the MARA Student Assessment Program (MSAP) are factors for acceptance of loan application. Students pursuing courses under the field of Computing, Health Science, Medicine, Engineering, Arts and Design, or Social Science

will be given priority for MARA's Preparatory Level Loans. For MARA's post-graduate programme loan, the fields of study approved are decided based on the impact on the national employment needs.

There are currently three types of education loans available from MARA:

- A. YTP: Young Talent Development Program – for Malaysian Certificate of Education (SPM) leavers wishing to pursue First Degree Preparatory Programmes such as International Baccalaureate, A-Levels, Foundation, Pre-University and University Preparatory Programs for non-native English speaking countries;
- B. TESP: The Tertiary Education Loan Programme – for post-preparatory level scholars pursuing tertiary education for a Diploma or First Degree. Two categories exist under this loan; a full loan, which includes tuition fee and living allowance, and a partial loan, which is only applicable to tuition fees;
- C. GrEP: Graduate Excellence Programme – for students interested in pursuing post-graduate studies.

There is also The Professional Development Programme (Pro-P) which is another education loan by MARA for professional levels in local or overseas learning institutions. Students need to receive study offers from institutions recognized by JPA and the Professional Recognition bodies prior to application.

4.2 Loan Criteria

According to the 2020 MARA Loan Fact Sheet, the age limit for TESP and general age limit for GrEP applicants are depicted in *Table 8*.

Age limit and duration of study by program:			
LEVEL	AGE LIMIT	STUDY DURATION FULL TIME	STUDY DURATION PART TIME
Diploma	< 35 years	2.5 to 3 years	-
Bachelor's Degree	< 40 years	3 to 4 years	-
Masters Degree/ Professional	< 45 years	2 years	1 to 2 years
Expertise / Doctor of Philosophy	< 45 years	4 years	3 to 5 years

Note : Loans will only be considered for applications with a minimum of 1 year of study remaining.

Table 8: Age Limit and Duration of Study by Programme

Meanwhile, the age limit for GrEP applicants depends on the type of post-graduate studies learners wish to pursue:

- i. Master's degree at a local institution - < 40 years
- ii. Master's degree at an overseas institution - < 35 years
- iii. Doctoral degree at local institutions - < 45 years for applicants
- iv. Doctoral degree at overseas institutions - < 40 years for

Table 9 presents the education loan criteria for the two types of education loans available from MARA (TESP and GrEP).

<i>No.</i>	<i>Description</i>
1	The applicant and at least one parent is a Malaysian citizen of Bumiputera status.
2	Both parent and applicant must not be blacklisted by MARA.
3	Not involved with other sponsors.
4	Pursuing course or enrolled course is approved by the Malaysian government and the professional body of Malaysia.
	Possesses an offer of study.
5	Has a clean criminal record.

6	Does not suffer from illnesses that can affect learning period.
7	Not applicable for students with less than a year remaining of study.
8	Convertible Loan.
9	Minimum grades.

Table 9: Criteria for MARA Education Loan (TESP and GrEP)

It is a common practice for most organizations that offer education loans in Malaysia to not require a minimum grade average at the time of application. However, MARA maintains a policy that students are required to obtain a minimum CGPA of 3.00, or a First Class Honours, for the GrEP. Applicants can also opt for another type of MARA subsidy named the Student Advance Loan – this loan has several limitations, such as a maximum loan of RM2000 and no opportunities for a convertible loan (100% loan repayment in the event of unbeatable academic excellence).

An advantage of the TESP and GrEP education loans is the convertible nature of the repayment scheme offered by MARA – depending on the minimum CGPA (currently set at CGPA 3.90 and above) maintained for the same field or course of study, which must be attained as a graduate in the stated years of enrollment, the repayment may be partially withdrawn since the aforementioned academic criteria qualifies a MARA loan applicant for a discount off their total loan received.

As mentioned, education loan eligibility by MARA is based strictly on the family SES as shown in Table 10.

• Loan eligibility based on SES

CATEGORIES	TYPE OF FEES	MONTHLY INCOME	ANNUAL TAX INCOME
Full Loan	Study Fee and Living Allowance	RM8,000 and below	RM100,000 and below
		For those with no fixed income, the average monthly income is RM8,000 and below	
Partial Loan	Study Fee only	RM8,001 to RM15,000	RM100,001 to RM180,000
		For those with no fixed income, the average monthly income is RM8,001 to RM15,000.	

Table 10: MARA Loan Eligibility Based On SES

4.3 Monetary Factors

As mentioned, the applicant’s family SES is a major factor that determines the loan amount and loan acceptance. To be eligible, applicants should have a family household income (taxable income) that does not exceed RM80,000 per annum. Additionally, MARA has an interest fee of 0%, although graduates will be required to make a repayment that will commence on the 7th month after graduation.

The types of loans offered by MARA also differs according to family monthly income, which is shown in *Table 11* (MARA Loan Fact Sheet, 2020) (FAQ - e-Baki | MARA, 2020).

Family Monthly income	Types of Loan
Less or equal to RM8,000.00	Tuition and Living fee Allowance (ESH)
RM8,001.00 - RM15,000.00	Tuition Fee only
Larger or equal to RM15,000.01	MARA-Bank Scheme / PTPTN

Table 11: Types of Loans given according to family monthly income (Source: MARA)

4.4 Benefits and Limitations

The major advantage of education loans by MARA is that it remains interest-free for the total sum disbursed; the limitation, however, would be that repayment begins from the 7th month post-graduation regardless of whether meaningful employment has been secured by that time.

As an additional incentive to strive for perfection, MARA offers convertible plans for learners who perform exceedingly well in academics, converting an education loan into a full scholarship for high-achievers. This scholarship scheme dependant on academic merit acts as a powerful motivator for students to perform far better than the average.

MARA education loans also benefit B40 and M40 groups of individuals who endeavour to pursue tertiary education locally or overseas as a result of their family SES prioritisation – this in turn assist our nation to liberate those from the lowest income margin from unforgiving cycles of poverty as a result of the lack of access to quality tertiary education.

The other limitation of MARA education loans is that it is only applicable to Bumiputras in Malaysia.

5.1 Koperasi Jayadiri Malaysia Berhad (KOJADI)

Founded on 12th March, 1981, KOJADI is a co-operative society that extends their memberships to any Malaysians above the age of 18 years. The society's main objective is to gather resources from its members for the mutual benefit of providing education loans to needy students who wish to pursue studies at an approved HEI locally or abroad. Only members or nominated applicants will be allowed to apply for the education loan schemes. It can also be used in conjunction with a PTPTN loan.

The society offers a total of 13 loan schemes, all of which are varied and include opportunities for vocational and technical training, undergraduate degrees and postgraduate degrees. The total of 13 education loan schemes have been divided into 1 under 'KOJADI Education Loan

Scheme for MINOR (ELSM)' which is designed for students under the age of 18 for the pursuit of tertiary or vocational education, with another 1 under 'KOJADI Higher Education Loan Scheme (HELS)', and 11 under 'KOJADI Special Education Loan Scheme (SELS)' – the latter education loan scheme is an extension of HELS and has been set up for those member-students who are ineligible to obtain a loan under the HELS.

Since its inception, the society has managed to grant over RM 280 million in loans to 12,300 students (KOJADI Education Loan Schemes, 2021).

5.2 Loan Criteria

There are no minimum grades needed for application. The loan schemes are available for students to pursue any course, as long as they have officially gained admission and the courses and institutions are approved by the Board of KOJADI.

Unlike the other organisations, students with other sponsors (such as from PTPTN) are still eligible to apply for KOJADI's education loan schemes. The applicant should be a member of KOJADI or at least a child that is nominated by a member. If the applicants themselves are members, they are required to hold RM100 of initial shares. However, if the applicant is a nominee, requisite shares range from RM500 to RM1,000, depending on the applied loan amount (KOJADI Education Loan Schemes, 2020), as detailed in *Table 12*.

Requisite Shares/Payment For Education Loan Application			
Loan Amount Applied	RM10,000 To RM20,000	RM25,000 To RM35,000	RM40,000 To RM50,000
Co-applicant membership shares	RM100	RM100	RM100
Student membership shares	RM100	RM100	RM100
Membership entrance fees	RM20	RM20	RM20
Additional shares	RM500	RM500	RM1,000
Loan processing fees	RM200	RM200	RM200
Total payment	RM920	RM920	RM1,420
# Note: Payment of subscription for additional shares will be deducted from the approved loan.			

Table 12: KOJADI Requisite Shares/Payment For Education Loan Application

5.3 Monetary Factors

No collateral is required although a member entrance fee of RM20 along with a non-refundable initial processing fee of RM50 will be charged per applicant.

An amount of up to RM200,000 is available for KOJADI education loan applicants under Plan II for overseas studies, while amounts of up to RM100,000 is available under Plan I for HEIs based locally as shown in *Table 13*. For successful applicants, the education loans will be disbursed in two to four intervals over the enrolment period.

LOAN PACKAGE		
Scheme	Course of Study (Must be approved by MOHE or relevant authorities or Board of KOJADI)	Max. Loan *
PLAN I	All LOCAL courses including certificate, skill based, diploma, professional, postgraduate and all undergraduate courses	RM100,000
PLAN II	All OVERSEA courses, postgraduate / undergraduate medical related courses and LOCAL medical related courses	RM200,000
* Terms and conditions apply on loan amount Note: Information contained herein is subject to change without prior notice		

Table 13: KOJADI Loan Packages

Stepped repayment process is available starting with an interest rate from 6.8% and up for a KOJADI education loan applicant who is a new member, while an existing member who has been registered for a minimum of 5 years must repay the loan starting with an interest of 5.8%; both for the first year, as shown in *Table 14*. No repayment is necessary during the study period.

For existing member of KOJADI with minimum 5 years membership:	
1st year	2nd year onwards until full settlement
5.8%	6.8%
For new member:	
1st year	2nd year onwards until full settlement
6.8%	7.8%

Table 14: KOJADI Repayment Interest Rates

The repayment of the loan will begin three 3 months or 6 months after the completion of study, depending on the loan amount and loan scheme. Applicants will be given a period of 4 years to 10 years for repayment of the loan depending on loan amount offered by KOJADI.

Should an applicant become unable to complete the course of study as scheduled, then they must write to the Board of KOJADI to apply for deferment of repayment of loan. However, in the event that the applicant discontinues their studies, the loan borrower / must immediately repay the total outstanding loan plus interest in full, as stipulated in the Loan Agreement.

5.4 Benefits and Limitations

The main benefit of the education loan schemes from KOJADI is low academic condition with the minimum requirement being the admission or acceptance into an approved HEI at the point of application.

However, the noticeable limitations include relatively high interest rates compared to PTPTN and MARA education loans. The number of students who can apply are also limited to members of KOJADI only.

6.1 Maju Institute of Education Development (MIED)

Formed in 1984, MIED is a non-profit organisation that offers education loans to mostly needy and local Indian students with excellent academic and extracurricular records. MIED has allowed a large number of students to pursue their tertiary education in any recognised IPTA and IPTS, as well as overseas and foreign universities that are acknowledged by Jabatan Perkhidmatan Awam (JPA).

The study loan will only cover part of the full tuition fees – the education loan will be paid directly to the institutions of higher learning that the applicant has gained admission into for their studies. Education loans from MIED are unique in that it functions as a supplement to PTPTN funds, thus prior to MIED loan applications, individuals from local universities are required to apply for PTPTN loans in advance. Following the procedures of a loan, shortlisted applicants are also required to attend an interview to further their chances of being awarded the loan (MIED Terms and Conditions, 2020).

6.2 Loan Criteria

The loan criteria for application of an education loan from MIED is listed in *Table 15*. Prior to application, applicants should have already gained admission into a MIED-approved institution of higher learning and must obtain an offer letter from said HEI. Applicants who are active in co-curricular activities will be prioritised on the condition that their record is also accompanied with excellent grades at the time of application.

<i>No.</i>	<i>Description</i>
1	A Malaysian Citizen
2	Full Time Student
3	Possesses an offer of study
4	Good academic and extracurricular background
5	Two guarantors required

Table 15: MIED Education Loan Criteria

With regards to the two guarantors required by MIED, only one of the two guarantors is allowed to be a family member. The guarantors themselves have to meet certain requirements, such as being Malaysian citizens, having at least RM 1000/month of basic salary, being below the age of 50 years old and having never been blacklisted or declared bankrupt (MIED Terms and Conditions, 2020).

6.3 Monetary Factors

MIED will impose administrative charges of 4% per annum upon 6 months from time of completion of the applicant's course, until full repayment of the loan. Upon the commencement of the repayment term, MIED will charge a penalty of 2% for any late payments.

General structure of the MIED education loan repayment calculations are presented in *Table 16*. However, the actual monthly repayment amount is subject to change depending on the loan disbursement mode. Formal documentations informing the student of the amount due and date of commencement of the loan repayment upon the completion of studies will be sent by MIED to the applicant.

Total Loan Amount up to (in RM)	Minimum Instalment per month (in RM)	Maximum number of Instalments
5,000.00	230	24
10,000.00	245	48
15,000.00	300	60
20,000.00	310	84
50,000.00	770	84

Table 16: MIED Loan Repayment Calculations

6.4 Preferences of MIED

MIED prioritises certain applicants based on their preferences, such as applicants who have been accepted into selected universities, and the level of study which the applicants plan to pursue. A comprehensive list of MIED's preferences is listed below in *Table 17* (MIED Terms and Conditions, 2020).

<i>No.</i>	<i>Description</i>
1	Official admissions into TAFE college and AIMST University
2	Students in low SES households
3	Pursuing a first-degree programme
4	Active in extracurricular activities

Table 17: MIED Education Loan Preferences

6.5 Benefits and Limitations

In spite of MIED’s preferences of selected HEIs, the inclusivity of their education loan to include IPTAs, IPTSs and JPA-approved overseas institutions undeniably makes MIED a prominent education loan organisation.

However, compared to KOJADI’s education loan requirements, MIED’s application criteria are extremely academically-inclined, with a strong preference towards extracurricular activities involvement – this can be a limitation to certain students.

7.1 Banks: Terms and Conditions

Due to unpaid education loans, PTPTN had decided to reduce the amount of loan a student is permitted to apply for to overcome funding constraints experienced from previous borrowers/debtors starting from the 1st November, 2014. This decision has encouraged learners and their parents to consider other financial aid options available to students of higher learning to cushion the financial strain of tertiary education inclusive of allowances.

Some banks in Malaysia offer attractive student loans to finance learning at various HEIs locally as well as abroad. Each bank has their respective terms and conditions, including the loan amount, number of guarantors, age limit and repayment terms, which are seen in *Table 18*. Bank loans are provided to students whose programmes or courses are approved by the MOHE, MQA, JPA or the National Vocational Training Council (NVTC). Some banks such

as UOB, CIMB and RHB cover both tuition fees and living expenses or allowances, while other banks focus on tuition fees alone. Generally, banks do require student applicants to have a guarantor; however, there are certain banks that requires parents or a relative to borrow loans on the student's behalf instead.

Compared to governmental organisations and establishments such as MARA, KOJADI or MIED which have been set up by political parties like UMNO, MCA and MIC respectively, banks in Malaysia offering education loans have a considerably higher interest rate, with UOB imposing the highest rate per annum (Max 11.99% /pa). On the plus side, this is compensated by the fact that the banks have a flexible repayment rate, as borrowers are allowed to appeal in the event of financial difficulties or other negotiable personal issues.

<i>Banks</i>	<i>Age</i>	<i>Amount</i>	<i>Interest rate</i>	<i>Guarantor</i>	<i>Repayment</i>
<i>Maybank</i>	18-35	Max. RM150,000	BR* + 2.85% - 3.85% *NOTE: Base Rate (BR)	21-60 years old. An income earner. Debt Service Ratio (DSR) not more than 75%.	6 months after the completion of studies or upon employment, whichever earlier.
<i>UOB</i>	18-26	Rm15,000 to Rm150,000	9.99% - 11.99% per annum	Age 55 below. Earning a minimum of RM36,000 per annum.	between 3 - 12 years.
<i>Standard Chartered</i>	18-45	Rm20,000 to Rm200,000	2.5% + BLR	Age 55 below. Earning a minimum of RM 3,500 per month.	Starts after graduation.
<i>CIMB</i>	18 and above	RM10,000 - RM100,000.			

<i>Bank Rakyat</i>	18-50	RM 30,000 - RM 55 830	0		Tenure: 1 - 20 years
<i>RHB</i>		RM20,000 to Rm 500,000	1.5% + BLR		Tenure: up to 7 years
<i>OCBC</i>	21-60	Max. RM 250,000			Tenure: up to 7 years

Table 18: Comparison of Education Loans Offered by Banks in Malaysia (ASTI Analysis)

Chapter 3: Scholarships in Malaysia

1. Types of Scholarships for Malaysians

There are various types of scholarships made available to Malaysian students – most if not all require academic excellence coupled with active extra-curricular involvement. Some scholarships priorities those who are underprivileged on top of the first two requirements stated. The 5 main types of scholarships are:

- a) Full Scholarship – Full tuition fee coverage;
- b) Partial Scholarship – Partial tuition fee coverage;
- c) Scholarship with Employment Bond – Full/Partial tuition fee coverage with a bond to serve or be employed by the provider of the scholarship upon completion of the course for a stipulated number of years such as 2-5 years commonly;
- d) Scholarship with Stipend – Full tuition fee and allowances/educational expenses coverage for a stipulated amount such as RM300/month of stipend.
- e) Scholarships and Financial Aid for Person-with-Disability or *Orang Kurang/Kelainan Upaya (OKU)* – Bantuan Kewangan OKU (BKOKU) for the disabled community to gain higher education at a locally-approved HEI.

Two of the most popular portals that publish updated scholarship information for Malaysians can be found at:

Education Malaysia: <https://educationmalaysia.gov.my/scholarship/>

Study Malaysia: <https://studymalaysia.com/scholarships/>

2. Categories of Scholarship Providers

The categories for the above type of scholarships can be provided by 4 key categories of scholarship providers, namely:

A. Government Scholarships

The most popular and the most competitive scholarships are often provided by the government. Both full and partial scholarships are available for students to study either locally or overseas.

In Malaysia, government scholarships usually come with a bond that ties you to the government and requires you to serve them for a definite number of years upon course completion or graduation. Government scholarships are highly competitive because of its high academic qualification requirements - they must also maintain a high CGPA throughout their course of study.

B. Institution Scholarships

University or college scholarships fall under the category of “Institution Scholarships”. They are often merit-based and are made available by the institution of higher learning to the student is currently enrolled in. There exist institutions that collaborate with corporations, government bodies and other organisations to offer scholarships for students who will need to adhere to strict procedures and terms or conditions.

Scholarships from a university or college commonly expect the receiver to maintain excellent academic results along with active participation in extracurricular activities throughout the course of study.

C. Charity Scholarships

A track record of impressive academic results, good ethical behaviour, and heavy involvement in extracurricular activities along with a dedication to serve the community are favourite candidates of scholarships from charities that offer such opportunities to further education in Malaysia. Sometimes, these scholarships are funded by donors while at other times they pay tribute to a deceased loved one in memory of him or her.

Scholars may be bonded to the charity organisation once they graduate; oftentimes required to work within Malaysia upon completion.

D. Corporate scholarships

As part of the corporate social responsibilities (CSR), some corporations provide scholarships to further tertiary education. There are scholarships that require the applicant to be bonded to

the company for a stipulated number of years upon graduation, or perhaps only study within the field that the company employs candidates in. For example, Petronas scholarship holders might be required to study courses related to oil and gas industry.

2.1 Local Scholarships

Some local scholarships available to Malaysians:

- i. The Yang di-Pertuan Agong Scholarship:-
 - Excellent Student Program
 - Sponsorship Program to Prime University
 - Undergraduate Degree Program
 - Engineering Programs In Non-English Countries
 - Polytechnic Scholarship Program
- ii. Kuok Foundation Scholarships Malaysian Public Universities
- iii. The Star Education Fund Scholarship Awards
- iv. IJM Scholarship
- v. PIDM UNDERGRADUATE SCHOLARSHIP PROGRAM

2.2 International Scholarships

Some international scholarships available to Malaysians:

- i. Malaysia International Scholarship
- ii. Commonwealth Scholarship and Fellowship Plan
- iii. Queen Elizabeth Commonwealth Scholarship (UK)
- iv. Malaysian Technical and Cooperation Programme
- v. Chevening Scholarship (UK)
- vi. Fulbright Scholarship (USA)
- vii. Japanese Government (Monbukagakusho: MEXT) Scholarship for Undergraduate Studies
- viii. Honjo International Scholarship Foundation (Japan)
- ix. TG Foundation Scholarship (Taiwan)

- x. The Deutschlandstipendium At German Universities (Germany)

2.3 Scholarships and Financial Aid for Person-with-Disability or Orang Kurang/Kelainan Upaya (OKU)

Apart from certain HEIs like Open University Malaysia that offers OKU candidate an immediate 50% discount on total tuition fee, the Financial Assistance for Students with Disabilities (OKU) in Institutions of Higher Learning (IPT) or *Bantuan Kewangan Pelajar Orang Kurang Upaya (OKU) Di Institusi Pengajian Tinggi (IPT)* is a privilege given to students with disabilities that still permit them to further their tertiary education. Any OKU student receiving other sponsorship are eligible to be considered for this Bantuan Kewangan OKU (BKOKU). This special allowance by the BKOKU does not take into account the income status as a condition of eligibility.

A. Financial Allowance Scope or Coverage

The spectrum of funding for the disabled is focused on institutions under the management and control of the Ministry of Higher Education (MOHE), namely all IPTA, IPTS, Polytechnics and Community Colleges pursuing a level of study at Diploma level or above only. However, long-term certificate level courses at polytechnics and community colleges under the responsibility of the MOHE may be considered for financial assistance for the disabled candidate.

B. Financing Period by the BKOKU

The sponsorship period is subject to the original offer letter of the educational institution of higher learning and does not exceed the maximum sponsorship period as stated:

- (i) Certificate - 2 Years (Community College and Polytechnic Only (Financing Limit RM5,000.00 to RM10,000.00))
- (ii) Diploma - 3 Years (Financing Limit RM5,000.00 to RM15,000.00)

- (iii) Bachelor - 4 Years (Financing Limit RM5,000.00 to RM20,000.00)
- (iv) Postgraduate Diploma - 2 Years (Financing Limit RM5,000.00 to RM10,000.00)
- (v) Master - 2 Years (Financing Limit RM5,000.00 to RM10,000.00)
- (v) Ph.D - 4 Years (Financing Limit RM5,000.00 to RM20,000.00)

C. Criteria For Disabled Students

Candidates must be Malaysian students who are registered with the Social Welfare Department (JKM) and already possess an OKU card. Courses taken must be recognised by the Malaysian Qualifications Agency (MQA) or the Public Service Department (JPA).

Students with disabilities who receive a study loan or self -financing are eligible to receive the tuition fees along with the allowance coverage. However, scholarship recipients are eligible for pocket money of RM300/month only.

Apart from that, students must be pursuing their studies at any public university or IPTS (under the supervision of MOHE) or Community Colleges and Polytechnics, either on a full-time, part-time or distance learning basis.

Unfortunately, students with disabilities on paid study leave (full/partial) are not eligible to apply. Students who wish to apply for an extension of the study period are also not eligible for assistance in the extension process.

3. Benefits and Limitations

Overall, the key benefit of a scholarship is that repayment of the full or partial tuition fee with stipend repayment is not required at all.

Unfortunately, the main limitation is the heightened pressure to excel academically as well as in extra-curricular activities at every interval throughout the scholarship period and even during the bonded employment phase of the scholarship. Scholarship applications are also time-consuming and are often highly competitive compared to education loans approval rates.

Chapter 4: Interview Analysis

An online survey was launched by the Association of Science, Technology & Innovation (ASTI) in August 2022 to further investigate the types of financial assistance secured by students to fund their tertiary education in Malaysia along with their employability status post-graduation.

There were 5 categories of interviewees which were divided into:

Category A: Employed with Education Loan

Category B: Employed with Scholarship

Category C: Self-finance for Education

Category D: Unemployed with Education Loan

Category E: Unemployed with Scholarship

For each category, the online interview conducted consisted of:

1. Socio-demographic Background of Respondent
2. Employability
3. Education Background
4. Financial Aid (where applicable)
5. Scholarships for Malaysians (where applicable)
6. Education Loans for Malaysians (where applicable)
7. Loan Repayment (where applicable)
8. Suggestions to Improve Education Loans & Scholarships Policies in Malaysia

The outcome of the online interview will be discussed in-depth below.

4.1 Socio-demographic Background of Participants

Out of 23 responses received in total, 22 participants were from Malaysian Citizens while 1 was a Malaysian PR holder – all respondents were able-bodied in ability. The age group ranged from 18 to 50 years old. In terms of ethnicity, 10 respondents were Indian, 8 were Malay, 3 were Chinese while 2 belongs to other ethnicities. Female participants consisted of 13 persons while 10 were male in gender. A majority of 14 participants were single in their marital status, whereas 9 others were married respondents. In respect of social status, 9 persons surveyed were from B40, 9 from M40 and 5 from T20.

4.2 Employability

With regard to employability:

- Category A: Employed with Education Loan – 7 participants.
- Category B: Employed with Scholarship – 4 participants.
- Category C: Self-finance for Education - 1 was unemployed, 1 employed while 1 was still studying.
- Category D: Unemployed with Education Loan – 3 participants.
- Category E: Unemployed with Scholarship – 6 participants

4.3 Education Background

The highest education level of the total number of 23 participants surveyed were: 4 with Upper Secondary qualification, 2 Diploma, 11 Undergraduate, 1 Postgraduate Certificate, 4 Masters. 1 PhD.

4.4 Financial Aid (where applicable)

Up to 20 participants surveyed received some financial aid in the forms of education loans or scholarships.

4.5 Scholarships for Malaysians (where applicable)

A total number of 10 persons surveyed were given scholarships to pursue their tertiary education.

4.6 Education Loans for Malaysians (where applicable)

Financial Aid in terms of education loan were received by 10 respondents.

4.7 Loan Repayment (where applicable)

- Category A: Employed with Education Loan – 3 out of 7 have completed their education loan repayment, 1 has partially paid, 1 is in the early stages of loan repayment whereas for another the repayment term has not yet begun.
- Category D: Unemployed with Education Loan – the repayment term has not yet started for all 3 out of 3 participants in this category.

The following narrative is based on the online interview forms.

4.8 Suggestions to Improve Education Loans & Scholarships Policies in Malaysia

4.8.1 Suggestions to Improve Education Loans

A 26-year-old Indian female participant from the B40 income margin who is currently employed after securing an education loan for her studies suggested that the relevant financial aid authorities should provide education loan(s) for those who desperately requires aid in order to assist them to gain tertiary education. Meanwhile, another 24-year-old Chinese female participants from the B40 category who is also a recipient of an education loan and is currently employed recommended that we should make the educational loans more accessible to all groups of people from those with high to those with low income; however, that applicants from the higher income margin (T20) could receive a lower rate of financial aid as compared to those from B40 or M40.

Concerning the Jabatan Perkhidmatan Awam (JPA), an employed scholarship recipient who is a 24-year old female Chinese from the M40 category highly recommends that they continue the scholarship because it definitely motivated her to work towards nation building, without which, she could not have contributed towards, having come from a small town, in a family with lower middle income. She further suggests that to ensure all scholars come back to Malaysia and serve their bond, we should have a special development programme to train and keep talent, such as the Yayasan YTAR programme – this respondent ends on the note that scholars play a significant role in nation building, especially within the government sectors, and that it is very crucial to minimise the effect of racial discrimination at work or during employment as that would lead to deep dissatisfaction and disappointment, “which means people will leave, and not stay,” she stresses, leading to a brain drain in Malaysia.

4.8.2 Suggestions to Improve Scholarships Policies in Malaysia

One of the 40-year-old Masters Degree scholarship holder who is a single male Chinese of the B40 social status, currently employed, suggested that graduates who are offered a scholarship and education loan should give their service to the government or private sectors in Malaysia for a period of time, possibly to reduce brain drain within the country. It is interesting to note another proposal from an unemployed 32-year-old female Indian scholarship holder from the B40 category: to eliminate the need for the race criteria when approving a scholarship but instead focus on whether the applicant hails from the B40 or M40 income margins, possibly to even out the wealth distribution to tertiary education recipient ratio while not just minimising but eradicating racial discrimination.

Yet another unemployed respondent with a scholarship recommended that to reduce the level of unemployment, scholarship holders should have more opportunities to bond with a company after graduation – she was a 24-year-old female Indian from the M40 category.

Chapter 5: Employment and Livelihood

The COVID-19 pandemic saw worldwide economies plummet in 2020 onwards, and many nations inclusive of Malaysia, are just beginning to witness a rise above the disastrous economic crash from 2022 forwards although oil prices and food shortage have risen since the unfortunate war in Ukraine started in early 2022.

Because our nation is still in the recovery phase from the post-pandemic economic meltdown where many businesses have had to shut, many graduates are left stricken with unemployment or underemployment, leaving a large volume of fresh graduates in a highly competitive field competing with more experienced graduates who had been retrenched during the pandemic. For many of these graduates, a steady income remains the only solution to settling their education loan repayments. As such, it is crucial that meaningful employment is promptly acquired to avoid late repayments or accrued interest.

According to the Michael Page Job Applicant Confidence Index for 2020, which measures how optimistic Malaysian job applicants are about the job market, 62% are positive about the job market in 2020 as compared to 72% in 2019, prior to the COVID-19 pandemic. Only 63% foresee themselves having better career progression in 2020, which is a 4% decline from the percentage in 2019 (The Michael Page Salary Benchmark, 2020).

1. Employment and Average Wages

Based on the popular job site, Indeed.com.my, the average amount of time taken to secure a job was approximately 9 weeks. This timeframe incorporates the process of submitting job applications, attending interviews and awaiting feedbacks. However, the time allocated is simply an indication and will vary between different job seekers and the jobs they are seeking. Many factors influence the amount of time taken to search for a job, including the number of experiences, and demand in the job market. Submitting applications on a regular basis and upskilling are recommended ways to speed up the job-seeking process (Indeed, 2020).

According to the Department of Statistics Malaysia in 2019, higher education graduates below the age of 24 years earned an average salary of RM2378/month. On the other hand, graduates between the age of 25 and 34 years received an average salary of RM3983/ month (The Edge Malaysia, 2020). As of 2022, salaries tend to range from the lowest average at RM1,670 to the highest average at RM29,400 (Salary Explorer, 2022).

In 2016, Bank Negara Malaysia reported an estimation of the living wage in Kuala Lumpur to be RM2700/ month. This value represented a single adult, specifically those that could afford to spend beyond the basic needs (Chong and Khong, 2020). Considering this estimation, RM2378/month for fresh graduates is barely sufficient to supply their basic needs, let alone other commitments in the form of loan repayments, rent and utility bills. The cost of living in Malaysia has also made a staggering increase in recent years, with the B40 community being impacted the most in metropolitan states (Raj, 2020).

2. Unemployment and Underemployment in Malaysia

To be unemployed is to be jobless with literally zero income, while to be considered underemployed is to have one's abilities exceed the skills and wages offered by the job (Zainul, 2020). Both situations affect the Malaysian economy from a collective perspective as well as the recipient of an education loan from an individual level in that repayments become an impossible challenge to overcome given the inadequate amount of monthly income. According to Arthur Okun's Law, for every 1% decrease in employment, there is a corresponding 2% decrease in GDP growth – this is essentially linked to traditional economic theory's "output gap." This situation has been further aggravated by the COVID-19 pandemic due to retrenchments (Azahar, 2020). To illustrate, an engineering graduate working as a delivery driver full time is considered extremely underemployed.

Since the onset of the pandemic, the unemployment rate in Malaysia reached its peak in May 2020, reaching 5.3%. Fortunately, with employment-related measures initiated by the government, this percentage was reduced to 4.7% in August 2020 (Key Statistics of Labour Force in Malaysia, 2020) and 3.9% by April 2022 (Key Statistics of Labour Force in Malaysia, 2022). This issue is especially concerning for self-employed or freelance workers which

accounts for up to 39.2% of Malaysia's total workforce because they have no insurance coverage from their employers (Ghani, 2020).

To ameliorate these issues, the Malaysian government had initiated a series of measures that benefit the vulnerable communities. Two types of aid were generated, one of them being the *Prihatin Rakyat Economic Stimulus Package (Prihatin)* and the other being the *National Economic Recovery Plan (Penjana)*. Both packages offer financial assistance and economic relief to the labor market. Some of the measures enacted include employment protection, upskilling schemes, cash incentives and wage subsidies (Medina, 2020) (The World Bank, 2020). However, these types of initiative, although needed has to be carefully monitored to ensure no leakages or corruptions, in order to ensure their effectiveness.

3. The Future of Jobs: IR 4.0

The future of the job market is also dependent on the progression into the current industry termed as the *Industrial Revolution 4.0 (IR 4.0)*. Historically, the first industrial revolution commenced in the late 1700s and ended during the early 1800s - it incorporated manual labour by humans and animal helpers, with the use of engines powered by steam and water. In the early 20th century, the second industrial revolution was introduced and workers during this period used electricity to increase efficiency and productivity in manufacturing products. The third revolution began in the late 1950s where emphasis was put on digital technology, electronics, I.T. systems and automation software. Presently, we are in the transitioning period to IR 4.0, which allows corporations to leverage their data exchange in order to improve efficiency, boost productivity and increase growth through the adoption of interlinked cyber-physical networks – it is a shift towards enhancing the cyber connectivity of the physical plane to the digitalised and sometimes augmented reality (Moreira, 2019).

With factories becoming more dependent on smart machines, there are bound to be concerns about human labour eventually becoming obsolete. Certain job sectors will render some workers redundant, replacing them with competitors that are better equipped with the needed skills or with artificial intelligence (A.I.) that cost less in the long run. With this underlying problem, fresh graduates and those in the workforce are encouraged to go through upskilling

of current skills. According to author and educator, Graham-Brown Martin, there are three formidable skills that humans attempt better than machines: creativity, emotional intelligence and physical mobility. These skills cannot be executed by machines (Study Malaysia, 2020).

The PwC accounting and consulting firm estimated that the machines will replace about 38% of U.S. jobs by 2030. Predictably, some types of jobs will less likely be out-performed or taken over by A.I., and a few of these are:

- i. Fashion Designers and Tailors
- ii. Psychologists
- iii. Doctors
- iv. Musicians
- v. Police Officers
- vi. Judges
- vii. Art Teachers
- viii. Pro Athletes
- ix. Clergy

Meanwhile, some of the types of jobs which may become obsolete and taken over by AI-enabled automatons are:

- i. Data Entry Clerks
- ii. Couriers/Delivery People
- iii. Accountants
- iv. Certain Salespeople
- v. Proof-readers
- vi. Receptionists
- vii. Security Guards
- viii. Taxi and Bus Drivers
- ix. Analysts in Market Research

4. Rewarding Non-degree Career Options for Malaysians

TVET stands for *‘Technical and Vocational Education and Training’*, which is fast becoming an alternative educational route for many Malaysians post-secondary studies. For those who are deciding to become a technician or be employed to perform skilled craft, vocational education is the right path for them. Vocational training and certification can provide rewarding non-degree career options for plenty of learners finishing secondary school.

The actual definition of ‘vocational education and training’ according to the Merriam-Webster dictionary is: *“training for a specific occupation in agriculture, trade, or industry through a combination of theoretical teaching and practical experience provided by many high schools in their commercial and technical divisions, and by special institutions of collegiate standing (as a college of agriculture, a school of engineering, or a technical institute)”*.

There exists a high local and international demand for those who can fulfil vocational careers, which typically spans between trade skills, artisan skills, healthcare and emergency services among other avenues of work. Some of the possible vocational jobs include:

- ✓ Civil Engineer Technician
- ✓ Network Administration
- ✓ Computer-aided Drafting
- ✓ Construction Management
- ✓ Electrician
- ✓ Plumbing
- ✓ Welding
- ✓ Mechanic
- ✓ General Automotive
- ✓ Web Designer
- ✓ Sous Chef
- ✓ Prep Cook
- ✓ Line Cook
- ✓ Pastry Chef
- ✓ CPR and First Aid Instructors

- ✓ Firefighters
- ✓ Paramedics
- ✓ Laboratory Technician
- ✓ Radiologist
- ✓ Dental Assistant
- ✓ Medical Technicians
- ✓ Pharmacy Technician
- ✓ Vocational Nurse
- ✓ Registered Nurse
- ✓ Certified Nursing Assistant
- ✓ Licensed Practical Nurse
- ✓ Photographer
- ✓ Videographer
- ✓ Audio Engineer
- ✓ Fitness Coach
- ✓ Childcare
- ✓ Project Manager

As the globalised economy is expanding, the demand for highly specialised skilled workers of most trades continues to soar. Apart from degree courses, gaining a vocational college education is another solid way to secure a career with earning power in the future. TVET programmes grant learners hands-on skill application and expertise in their field of choice, while developing essential skills necessary to support growing economies and developing nations to prosper. It is also undeniable that TVET programmes play a critical role in the job market especially because it provides highly specific trainings for different aspects of trade that cannot be licensed or gained by other forms of higher education.

Some of the benefits of vocational education and training include but are not limited to the following:

- **For employers:** Candidates will be equipped with the necessary skill sets for a particular vocational job; and employers are able to fill specific roles in their

organisations with candidates who possess the required licensing requirements for the position.

➤ **For employees:**

- ✓ **Increased Employability:** Graduates will discover that it is easier to gain and maintain employment through a TVET programme. Vocational training is commonly viewed as an asset to most employers worldwide, thereby improving your chances of securing employment.
- ✓ **Earning Power:** Graduates from TVET programmes generally earn higher income than those without TVET certification, granting them higher earning power whether they are starting their first job or switching employers - their vocational training remains an asset for them throughout their entire life.
- ✓ **Specialised Training in Small Groups:** TVET students will often experience more personalised study groups compared to larger universities of higher education. They will also be gaining highly specialised trainings in environments equipped with the specific tools fit for their vocational trainings such as automotive gear.
- ✓ **Intra-personal and Social Competencies Development:** Attending a TVET programme increases the chances of intrapersonal lessons and a development in social competencies especially from engaging in team work during their course, leading to greater growth of their abilities as they cope and challenge themselves with learning new vocational skills and social skills at a TVET college. Expect skills like resilience, goal setting, and self-confidence to be at the forefront of development in TVET settings.
- ✓ **TVET Courses and cheaper:** TVET students will be less burdened with high loans, and jobs are readily available in some sectors after completion.

Chapter 6: Recommendations

1. Preparation for Tertiary Education in Malaysia

It is crucial to ensure adequate preparation has been made prior to gaining a higher education locally or abroad to avoid financial or academic disappointments. An excellent way to avoid the greatest academic or financial pitfall is to “know thyself” or one’s own strengths and weaknesses when viewing options for further studies – for example, a student from a science background may be better suited to pursue pre-university and university subjects related to the sciences as compared to one from the arts stream, while financial capability should also be considered when choosing to fund one’s education between a costlier IPTS and the more affordable IPTA; on the other hand, a high achiever from a B40 background might opt to apply for a full scholarship with stipend since organisations offering scholarships often prioritise applicants with phenomenal academic achievements more than those from needy backgrounds.

The final decision of where and what to study at a higher institution is naturally relative to one’s academic and financial capabilities, and oftentimes, also relative to the time, duration or period of study one can afford to spend pursuing the course since some may choose to perform part-time studies while working to fully finance their education. Below are some recommended steps of action for those considering tertiary education in Malaysia:

- **Step 1:** Perform thorough research on acquiring tertiary education in Malaysia and review specific options of various accredited HEIs that offer the course/programme of interest to gain some perspective on selecting the most suitable institution to apply for.
- **Step 2:** Perform job market research on the specific career prospects based on the course of interest to gauge future employability within the framework of the nation’s need for that sector. Study the average salary of the chosen sector and compare it with the amount needed to be allocated each month to pay back the loan.
- **Step 3:** Improve financial literacy on how to fund studies with stipend, and view options most suitable to the social and academic background of the applicant.
- **Step 4:** Confirm MQA endorsement of the particular HEI of choice to ensure accreditation is approved by the ministry and valued by future employers prior to application.

- **Step 5:** Once the Letter of Acceptance has been received along with the Invoice for the course's semester(s), submit the required documentation to the appropriate financial institution offering aid to fund studies to gain financial assistance.

When it comes to researching as recommended in “Step 1”, the internet is a great place to start. Many university websites and online education guides give a comprehensive view of the courses available and display many options for academic institutions respectively. However, public institutions in Malaysia may require a pin number from students in order for them to gain course information in each of the public institutions. Other platforms where students can conduct research include education fairs, professional advisors and school counsellors. Also seek out alumni of these institutions, if possible, from your networks of friend/ family or via social media like Facebook or LinKedIn.

Financial planners and advisors are also a great resource for any student deciding to become more financially literate, as recommended in “Step 3”. Again, the internet is a host to financial updates regarding the job market and financial aid available to students for tertiary education. Banks often have additional customer care officers to consult regarding financing options for one's study at a HEI.

2. Repayment of Education Loans in Malaysia

Sound financial management of repayments for the total sum loaned to a student is needed to avoid late repayments or the inability to finance any repayments at all for long periods, oftentimes due to unemployment. As an example, an accountancy course at UTM cost RM52,000 - with a loan of RM52,000 and an interest rate of 1% for a PTPTN loan, it would take approximately 10 years to repay the total sum if the monthly instalment is RM500, so it is wise to explore some strategies to overcome this potentially decade-long financial burden.

One of the best ways to manage repayments without the hassle of setting monthly reminders, is to perform auto-debit from the banking account of choice after securing fruitful employment with a steady income. Deductions from one's EPF is also a great option to repay education

loans. Should one be capable when in need of extra funds to settle a repayment, they could also opt to perform additional work on a part-time basis – this is especially true for fresh graduates who find themselves underemployed. Students might also wish to perform job seeking prior to the completion of their formal tertiary education to ensure the employment process will not be delayed but instead, expedited to reduce the stress of returning their loan when repayment term commences some time post-graduation.

3. Suggested Changes in Policies to Improve Outcomes for Borrowers and Lenders for the Betterment of Malaysia

Thorough checking of the financial capability for repayment of each education loan borrower must be made to ensure successful monthly repayment of the funds received for their tertiary education payment. Repayment counselling should also be provided as and when required and this service must be freely accessible to all lenders. Financial institutions offering education loans could make more effort in regularly preparing the graduates with opportunities for employment post-graduation to ensure applicants received a stable meaningful income, enough to sustain themselves while repaying their education loans.

Chapter 7: Conclusion

1. Scholarships

It is irrefutable to acknowledge the provision of scholarships to be the greatest financial boon to a student of higher learning, especially since the coverage for some scholarships include stipend or living allowances; some even secure the scholarship recipient with employment with an established corporation post-graduation, leaving learners in a less strenuous position in terms of job seeking prospects. With the absence of repayments and interest rates charged to the student, it is no wonder scholarships remain the most preferred form of financial aid for students pursuing tertiary education.

However, the competitive nature of actually gaining a scholarship along with its limited availability and high merit-based requirements restrict the number of students who are eligible to apply and leave many students with no other option but to consider a study or education loan.

2. Education Loans

Although certain similarities are present in the criteria for education loans when compared to scholarships, the regulations are usually more relaxed when securing and maintaining an education loan, especially in terms of academic requirements. All loan organisations have their own specific requirements at the time of application, as detailed in the earlier chapters, such as the Bumiputra requirement for MARA loans and a members-only offer for the KOJADI society loans. The greatest struggle for a student applying for an education loan is the heavy consequences that will befall them should they fail to repay their loan. Loan organisations have implemented many strategies to penalise borrowers for not repaying their loans, such as (previously) enacting the international travel blacklist to (currently) listing loan defaulters on the CCRIS.

However, securing an education loan remains the most promising option to secure tertiary education given that its availability covers a larger majority of society than scholarship accessibility, which is highly limited to high achievers.

3. Final words

To paraphrase Nelson Mandela, education remains the most powerful weapon we can utilise to change the world for the better. To reiterate, statistics from the introduction illustrate the nature by which tertiary education propels us toward greater employability with meaningful earning power, thereby reducing not just illiteracy but also poverty and crime rates within Malaysia. Financing higher education locally or abroad can clearly become more manageable with the availability of sufficient information regarding the requirements, coverage and repayment financial planning options. Through this research paper, we endeavour to make this information more accessible to Malaysian students in an attempt to aid them in planning and securing the best quality tertiary education they can afford for our individual and collective future as well-educated Malaysians.

4. The Next Step

Another option young people may want to consider is exploring professional qualification, which can be secured while working. This may allow the person to avoid taking loans. The next paper will explore this option.

5. Recommended Further Precautions Against Financial Scammers

REMINDER: Remember to stay vigilant and sceptical of any unsolicited communications or requests for personal or financial information, as scammers often use social engineering tactics to deceive their victims. Additionally, regularly updating software, using strong, unique passwords, and enabling two-factor authentication can further enhance your cybersecurity defences.

Recommended listing of free cybersecurity courses that Malaysians can take to protect themselves against financial scammers:

1. Cybersecurity Essentials by Cisco: This course provides an introduction to the cybersecurity landscape and covers fundamental concepts such as cyber threats, cryptography, and network security. It's available for free on the Cisco Networking Academy website.

- **Direct Link: [Cybersecurity Essentials]**
(<https://www.netacad.com/courses/cybersecurity/cybersecurity-essentials>)

2. Cybersecurity for Everyone by CISCO: This course is designed for individuals with no prior cybersecurity knowledge and covers topics such as basic cybersecurity hygiene, protecting personal information, and staying safe online. It's also available on the Cisco Networking Academy platform.

- **Direct Link: [Cybersecurity for Everyone]**
(<https://www.netacad.com/courses/cybersecurity/cybersecurity-for-everyone>)

3. Introduction to Cyber Security by FutureLearn: Offered by the Open University, this course provides an introduction to cybersecurity principles, threats, and best practices. It covers topics such as malware, network security, and cryptography. While the course is free to access, there might be a fee if you want to receive a certificate.

- **Direct Link: [Introduction to Cyber Security]**
(<https://www.futurelearn.com/courses/introduction-to-cyber-security>)

4. Stay Smart Online: This is an Australian government initiative that offers various resources, including online courses, to help individuals stay safe and secure online. While it's not a formal course, the resources provided cover a range of cybersecurity topics relevant to individuals, including protecting against financial scams.

- **Direct Link: [Stay Smart Online]** (<https://www.staysmartonline.gov.au/>)

5. Cybrary: Cybrary offers a wide range of free cybersecurity courses, including topics such as ethical hacking, incident response, and digital forensics. While some courses require a paid subscription for full access, there are many free courses available that cover essential cybersecurity concepts.

- **Direct Link: [Cybrary Free Courses]** (<https://www.cybrary.it/catalog/free/>)

6. Google Digital Garage: While not specifically focused on cybersecurity, Google Digital Garage offers courses on online safety and security, which can be helpful in protecting against financial scams. Topics include data protection, online security best practices, and spotting phishing attempts.

- **Direct Link: [Google Digital Garage - Online Safety and Security]**
(<https://learndigital.withgoogle.com/digitalgarage/topic/6>)

7. Kaspersky Free Cybersecurity Training: Kaspersky offers free cybersecurity training courses covering various topics such as cybersecurity basics, threat hunting, and cybersecurity for small businesses. These courses can help individuals improve their cybersecurity awareness and protect themselves against scams.

- **Direct Link: [Kaspersky Free Cybersecurity Training]**
(<https://www.kaspersky.com/free-cybersecurity-training>)

❖ *Learners with a minimum Intermediate command of the English language can visit the above links to access the respective courses and start learning about cybersecurity for free.*

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Supplementary

- A. **Malaysian Education Loans: Websites, podcasts, webpages.**
- B. **Scholarships: Local, international – applicable to Malaysians.**
- C. **Disabled Community Educational Scholarships and Aid: For Person-with-Disability (PWD) or *Orang Kelainan/Kurang Upaya* (OKU) in Malaysia.**

A. Malaysian Education Loans: Websites, podcasts, webpages.

The website, podcast and webpage links provided below contain more detailed and specific information regarding educational loans for Higher Educational Institutions (HEIs) in Malaysia.

Links to supplementary internet resources related to obtaining and securing educational loans for HEIs within Malaysia are as follows:

1. *Websites:*

- **PTPTN (Perbadanan Tabung Pendidikan Tinggi Nasional):**
 - Website: [PTPTN Official Website] (<https://www.ptptn.gov.my>)
- **Malaysia Student Loan Fund (SL1M):**
 - Website: [SL1M Official Website] (<https://www.sl1m.moe.gov.my>)

2. *Podcasts:*

- While specific podcasts focused solely on educational loans for Malaysian HEIs might be limited, consider exploring a more general personal finance or education-related financial podcasts such as:
 - [Ringgit and Sense by BFM 89.9] (<https://www.bfm.my/ringgit-and-sense>)

3. *Webpages:*

- **Education Ministry Malaysia (Kementerian Pendidikan Malaysia):**
 - Website: [Ministry of Education Malaysia] (<https://www.mohe.gov.my>)
 - Webpage: <https://www.mohe.gov.my/en/services/scholarships>
- **Bank Negara Malaysia:**
 - Website: [Bank Negara Malaysia] (<https://www.bnm.gov.my>)

- **Education Malaysia Global Services (EMGS):**
 - Website: educationmalaysia.gov.my
 - EMGS facilitates international student applications to study in Malaysia and may provide information on available financial aid options.

- **Scholarship Malaysia:**
 - Website: scholarshipsmalaysia.com
 - Scholarship Malaysia offers information on various scholarships, grants, and financial aid available to Malaysian students pursuing higher education.

- **StudyMalaysia.com:**
 - Website: studymalaysia.com
 - StudyMalaysia.com offers comprehensive information on higher education institutions, courses, scholarships, and study options in Malaysia.

- **Malaysia Scholarship Information Center (biasiswa.com):**
 - Website: biasiswa.com
 - biasiswa.com provides a database of scholarships, grants, and financial aid opportunities for Malaysian students, including those studying locally and abroad.

- **MyAid Malaysia:**
 - Website: myaidmalaysia.com
 - MyAid Malaysia is a platform offering information on financial aid options, scholarships, and study loans available to Malaysian students pursuing higher education.

- **Scholarships2u.com:**
 - Website: scholarships2u.com
 - Scholarships2u.com provides a platform for students to search for scholarships and financial aid opportunities in Malaysia, covering various fields of study and levels of education.

- **StudyMalaysia Scholarships & Loans Portal:**
 - Website: scholarships.studymalaysia.com
 - This portal offers information on scholarships, grants, and study loans available to Malaysian students, as well as tips and advice on financing higher education.

- **Malaysian Ministry of Higher Education (MOHE):**
 - Website: mohe.gov.my
 - The Ministry of Higher Education Malaysia provides updates on higher education policies, initiatives, and financial aid programs available to Malaysian students.

- **Malaysia Scholarships & Financial Aid Facebook Group:**
 - Group Link: [Malaysia Scholarships & Financial Aid Facebook Group](#)
 - This Facebook group serves as a platform for sharing information on scholarships, grants, and financial aid opportunities for Malaysian students.

- **GradMalaysia:**
 - Website: gradmalaysia.com
 - GradMalaysia offers resources and information on higher education, career planning, and scholarships for students in Malaysia.

4. Financial Institutions' Websites:

- *Explore the official websites of major banks and financial institutions in Malaysia such as:*
 - **[Maybank Education Loan]**
(<https://www.maybank2u.com.my/maybank2u/malaysia/en/personal/loans/education-loan/index.page>)
 - **[CIMB Education Financing]**
(<https://www.cimb.com.my/en/personal/support/help-and-support/loans-and-financing/education-financing.html>)
 - **[Public Bank Education Loan]**
(https://www.pbebank.com/en/en_content/personal/loans/education-loan.html)
 - **[RHB Bank Education Loan]**
(<https://www.rhbgroup.com/products-and-services/personal/loans/education-loan.html>)

5. Higher Educational Institutions' Financial Aid Offices:

- *Contact the financial aid offices of specific universities and colleges directly for information on available assistance programs. Here are examples of some universities:*

Examples of Educational Institutions' Financial Aid Offices in Malaysia, along with their links:

1) Universiti Malaya (UM):

- a. Financial Aid Office: [UM Financial Aid Office]
(<https://www.um.edu.my/about-um/corporate-information/management/office-of-deputy-vice-chancellor-academic-and-international/faculty-of-education/financial-aid-office>)

2) Universiti Teknologi Malaysia (UTM):

- a. Financial Aid Office: [UTM Financial Aid Office] (<https://www.utm.my/staff-office/bendahari/funding-financial-aid/>)

3) Universiti Kebangsaan Malaysia (UKM):

- a. Financial Aid Office: [UKM Financial Aid Office]
(<http://www.ukm.my/bendahari/en/financial-assistance/>)

4) Universiti Putra Malaysia (UPM):

- a. Financial Aid Office: [UPM Financial Aid Office]
(https://www.bendahari.upm.edu.my/tuntutan_bayaran_kontrak_web/bantuan_kewangan-35606)

5) Universiti Sains Malaysia (USM):

- a. Financial Aid Office: [USM Financial Aid Office] (<https://biasiswa.usm.my/>)

6) Universiti Teknologi MARA (UiTM):

- a. Financial Aid Office: [UiTM Financial Aid Office]
(<http://www.pusatpermatainsan.uitm.edu.my/v1/>)

7) Universiti Malaysia Sarawak (UNIMAS):

- a. Financial Aid Office: [UNIMAS Financial Aid Office]
(<https://www.unimas.my/>)

8) Universiti Malaysia Sabah (UMS):

- a. Financial Aid Office: [UMS Financial Aid Office]
(<https://www.ums.edu.my/kewangan/pusat-perkhidmatan-kewangan>)

9) Universiti Sultan Zainal Abidin (UniSZA):

- a. Financial Aid Office: [UniSZA Financial Aid Office]
(<http://bendahari.unisza.edu.my/>)

10) Universiti Malaysia Pahang (UMP):

- a. Financial Aid Office: [UMP Financial Aid Office]
(<https://bendahari.ump.edu.my/index.php/en/kemudahan/perkhidmatan-kaedah-perhubungan/pejabat-bantuan-kebajikan-bpkp>)

11) Universiti Malaysia Terengganu (UMT):

- a. Financial Aid Office: [UMT Financial Aid Office]
(<https://bendahari.umt.edu.my/>)

12) Universiti Tun Hussein Onn Malaysia (UTHM):

- a. Financial Aid Office: [UTHM Financial Aid Office]
(<https://www.uthm.edu.my/index.php/pusat-pembangunan-pelajar>)

13) Universiti Malaysia Perlis (UniMAP):

- a. Financial Aid Office: [UniMAP Financial Aid Office]
(<https://biasiswa.unimap.edu.my/>)

14) Universiti Malaysia Kelantan (UMK):

- a. Financial Aid Office: [UMK Financial Aid Office]
(<https://bendahari.umk.edu.my/index.php/kemudahan/pejabat-bantuan-kebajikan>)

15) Universiti Malaysia Labuan (UML):

- a. Financial Aid Office: [UML Financial Aid Office]
(<https://www.labuan.edu.my/>)

16) Multimedia University (MMU):

- a. Financial Aid Office: [MMU Financial Aid Office]
(<https://www.mmu.edu.my/financial-assistance/>)

17) Taylor's University:

- a. Financial Aid Office: [Taylor's University Financial Aid Office]
(<https://college.taylors.edu.my/en/admissions/financial-assistance.html>)

18) Sunway University:

- a. Financial Aid Office: [Sunway University Financial Aid Office]
(<https://university.sunway.edu.my/scholarship-loans-awards/financial-assistance>)

19) HELP University:

- a. Financial Aid Office: [HELP University Financial Aid Office]
(<https://www.help.edu.my/financial-aid/>)

20) INTI International University:

- a. Financial Aid Office: [INTI International University Financial Aid Office]
(<https://newinti.edu.my/financial-aid-scholarship/>)

The above links should lead you to the respective financial aid offices of the listed educational institutions in Malaysia, where you can find more information about scholarships, grants, and educational loans.

6. Online Forums and Communities:

- **Lowyat Forum** (<https://forum.lowyat.net/>) - You can navigate to the education section or search for discussions related to educational loans and financial aid at your own discretion.

❖ PRECAUTION: Remember to verify the information from official sources and consult with financial advisors or professionals for personalised guidance regarding authentic educational loans and financial planning.

B. Scholarships: Local, international – applicable to Malaysians.

The List of Supplementary Resources related to obtaining and securing both local scholarships within Malaysia and international scholarships applicable to Malaysians are as follows:

LOCAL Scholarships within Malaysia:

1. Yayasan Khazanah Scholarship Programme:

- Website: [Yayasan Khazanah] (<https://www.yayasankhazanah.com.my/>)

2. Yayasan Tenaga Nasional Scholarships:

- Website: [Yayasan Tenaga Nasional] (<https://www.ytnscholarship.com/>)

3. Yayasan Sime Darby Scholarship Programme:

- Website: [Yayasan Sime Darby] (<https://www.yayasansimedarby.com/>)

4. Yayasan TM Scholarship Programme:

- Website: [Yayasan TM] (<https://www.yayasantm.org.my/>)

5. Maybank Scholarship Programme:

- Website: [Maybank Foundation] (<https://www.maybankfoundation.com/scholarship/>)

6. Shell Malaysia Scholarship Programme:

- Website: [Shell Malaysia] (<https://www.shell.com.my/about-us/scholarship.html>)

7. Petronas Education Sponsorship Programme:

- Website: [Petronas Education Sponsorship Programme] (<https://www.petronas.com/education-sponsorship-programme>)

8. Bank Negara Malaysia Scholarship Programme:

- Website: [Bank Negara Malaysia] (<https://www.bnm.gov.my/career/scholarship>)

INTERNATIONAL Scholarships Applicable to Malaysians:

1. Chevening Scholarships (United Kingdom):

- Website: [Chevening Scholarships] (<https://www.chevening.org/>)

2. Fulbright Malaysian Scholar Program (United States):

- Website: [Fulbright Malaysia] (<https://www.macee.org.my/>)

3. Australian Government Scholarships (Australia):

- Website: [Australia Awards] (<https://www.dfat.gov.au/geo/malaysia/development-assistance/Pages/development-assistance-in-malaysia>)

4. Japan Government Scholarships (Monbukagakusho Scholarship):

- Website: [Embassy of Japan in Malaysia] (https://www.my.emb-japan.go.jp/itpr_en/mext_scholarship.html)

5. Taiwan Government Scholarships:

- Website: [Taiwan Scholarship Program] (https://www.roc-taiwan.org/my_en/post/22.html)

6. Korean Government Scholarship Program (Global Korea Scholarship):

- Website: [Embassy of the Republic of Korea in Malaysia] (http://overseas.mofa.go.kr/my-en/brd/m_4528/view.do?seq=760496)

7. New Zealand Scholarships:

- Website: [New Zealand Scholarships] (<https://www.mfat.govt.nz/en/aid-and-development/new-zealand-government-scholarships/>)

8. Singapore Government Scholarships:

- Website: [Singapore Scholarship] (<https://www.moe.gov.sg/education/scholarships/>)

❖ *Remember to check the eligibility criteria, application deadlines, and required documents for each scholarship programme. Additionally, it is essential to prepare well for scholarship applications, including writing strong essays and obtaining necessary recommendations from previous educational institutions and/or prior work experience(s).*

C. Disabled Community Educational Scholarships and Aid: For Person-with-Disability (PWD) or Orang Kelainan/Kurang Upaya (OKU) in Malaysia.

1. Program Basiswa OKU (PBO) - Scholarships for Persons with Disabilities:

- Description: Scholarships offered to disabled individuals registered with the JKM to support their educational pursuits, including tuition fees, living expenses, and other related costs.
- **Bantuan Kewangan Pelajar Orang Kurang Upaya (OKU) Di Institusi Pengajian Tinggi (IPT)** (https://basiswa.mohe.gov.my/bk_oku/)
- Website: Jabatan Kebajikan Masyarakat (JKM) (<https://www.jkm.gov.my/jkm/index.php?r=portal/index>)

2. **Program Pemberian Bantuan Kewangan Pendidikan (PPBKP) - Financial Assistance for Education:**

- Description: Financial assistance provided to disabled individuals registered with the JKM to support their education, including funding for school fees, books, transportation, and other educational expenses.
- **Bantuan Kewangan Pelajar Orang Kurang Upaya (OKU) Di Institusi Pengajian Tinggi (IPT)** (https://biasiswa.mohe.gov.my/bk_oku/)
- Website: [Jabatan Kebajikan Masyarakat \(JKM\)](https://www.jkm.gov.my/jkm/index.php?r=portal/index) (<https://www.jkm.gov.my/jkm/index.php?r=portal/index>)

3. **Program Peluang Pekerjaan OKU - Employment Opportunities for Persons with Disabilities:**

- Description: Assistance programs aimed at helping disabled individuals registered with the JKM secure employment opportunities, including vocational training, job placement services, and support for entrepreneurship initiatives.
- Website: [Jabatan Kebajikan Masyarakat \(JKM\)](https://www.jkm.gov.my/jkm/index.php?r=portal/submenu&id=QWFkTUtU2s0T0tKWDhUcHd3YmdVZz09) (<https://www.jkm.gov.my/jkm/index.php?r=portal/submenu&id=QWFkTUtU2s0T0tKWDhUcHd3YmdVZz09>)

4. **Program Pembangunan Kemahiran OKU - Skills Development Program for Persons with Disabilities:**

- Description: Training and skill development programs designed to enhance the employability of disabled individuals registered with the JKM by equipping them with relevant (vocational) skills and knowledge.
- **Disability Equality Training (DET)** (<https://www.jkm.gov.my/jkm/index.php?r=portal/full&id=L3FvZEdoRHBXeThFejB1Y3hYakdZQT09>)
- Website: [Jabatan Kebajikan Masyarakat \(JKM\)](https://www.jkm.gov.my/jkm/index.php?r=portal/index) (<https://www.jkm.gov.my/jkm/index.php?r=portal/index>)

❖ *The above resources obtained from the Jabatan Kebajikan Masyarakat (JKM) aim to support disabled Malaysians in various aspects of their lives, including financial assistance and educational opportunities. Interested individuals should visit the official website of JKM for detailed information on eligibility criteria, application procedures, and available services.*

Abbreviations

List of abbreviations and their associations / meaning as mentioned in the 2024 ASTI Educational Loan manuscript: *'Benefits and Limitations of Scholarships and Education Loans for Malaysian Learners with Policy Recommendations to Improve Outcomes'* arranged in alphabetical order from A-Z:

1. A.I. - Artificial Intelligence
2. A-Levels - Advanced Level qualifications (UK)
3. ASTI – Association of Science, Technology & Innovation (Malaysian NGO)
4. BKOKU - Bantuan Kewangan OKU (Financial Aid for *Orang Kelainan/Kurang Upaya* [OKUs] or Persons-with-Disabilities [PWDs])
5. B40 - Below 40% income group
6. CCRIS - Central Credit Reference Information System
7. CDAE - Centre for Development of Academic Excellence
8. CGPA - Cumulative Grade Point Average
9. CPR - Cardiopulmonary Resuscitation
10. CSR - Corporate Social Responsibility
11. ELSM - Education Loan Scheme for MINOR
12. EPF - Employees Provident Fund
13. GDP - Gross Domestic Product
14. GrEP - Graduate Education Program
15. HEI - Higher Education Institution
16. HEIs - Higher Education Institutions
17. HELS - Higher Education Loan Scheme
18. IPTA - Institut Pengajian Tinggi Awam (Public Higher Education Institutions)
19. IPTS - Institusi Pendidikan Tinggi Swasta (Private Higher Education Institutions)
20. IR 4.0 - Fourth Industrial Revolution
21. I.T. - Information Technology
22. JPA - Jabatan Perkhidmatan Awam (Public Service Department)
23. KOJADI - Koperasi Jayadiri Malaysia Berhad (Malaysian Co-operative Credit Union Limited)
24. M40 - Middle 40% income group

25. MARA - Majlis Amanah Rakyat (People's Trust Council)
26. MIDA - Malaysian Investment Development Authority
27. MIED - Maju Institute of Education Development
28. MOHE - Ministry of Higher Education
29. MQA - Malaysian Qualification Agency
30. NVTC - National Vocational Training Council
31. OKU - Orang Kurang/Kelainan Upaya (Person-with-Disabilities: PWDs)
32. ODL - Open and Distance Learning
33. PhD - Doctor of Philosophy
34. PR - Permanent Resident
35. PTPTN - Perbadanan Tabung Pendidikan Tinggi Nasional (National Higher Education Fund Corporation)
36. RM - Ringgit Malaysia (Malaysian currency)
37. SES - Socioeconomic Status
38. SELS - Special Education Loan Scheme
39. STPM - Sijil Tinggi Persekolahan Malaysia (Malaysian Higher School Certificate)
40. STEM - Science, Technology, Engineering, and Mathematics
41. T20 - Top 20% Income Group
42. TESP - Tertiary Education Sponsorship Program
43. TVET - Technical and Vocational Education and Training
44. U20 - Upper 20% income group
45. UTM - Universiti Teknologi Malaysia
46. USM - Universiti Sains Malaysia (University of Science Malaysia)