

**Global Management Education:  
A Perspective from the Dean of Lancaster University Management School**

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**Abstract:** Higher education is a sector on which globalisation has a strong impact. This paper discusses the many ways in which globalisation influences management education. These include the content of management education, the threat of competition from both UK and international competitors, the role of world-class research, reputation- and capacity-building, and the formation of collaborations with like-minded institutions around the world. The paper illustrates the ways in which Lancaster University Management School (LUMS), as a leading global business school, has faced these challenges.

**The Diaspora and Development**

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**Abstract:** The migration of skilled labour from developing countries such as India, Korea and in recent years from several African countries has been of concern to these countries. During the decade of the seventies there was much discussion on the pros and cons of imposing a "brains tax" on the skilled migrants, the proceeds from which would be transferred to the developing countries in the form of aid. In the recent past though opinion has shifted from the view that migration of skilled people imposes unrecoverable costs on the developing countries to one which sees the skilled migrants - the diaspora - as a positive force in the development efforts of their countries of origin. This paper subscribes to the view that the diaspora makes a sizeable contribution to the developing countries and argues that the social rate of return to a unit of diaspora investment in developing countries exceeds that due to a unit of conventional foreign direct investment (FDI) from the multinationals.

## **Asian Values and Western Finance: International Capital Flows and Malaysia's Future Development**

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**Abstract:** Malaysia's foreign exchange reserves currently represent approximately 150 per cent of her total external debts. These substantial foreign currency holdings reflect a pattern in the region that has been interpreted as an attempt by countries to insure against a recurrence of the external financial crises of the late 1990s. The amounts involved are excessive for this purpose, however, and it is argued below that they are more indicative of a fundamental difficulty confronting the country's development aspirations. With reference to the exceptional period leading up to the crisis of 1997-98, it appears that the foreign currency accumulations reflect a growing inability to find productive domestic use for Malaysia's growing pool of savings. While it is certainly possible to save 'too much' the approach adopted here emphasises that the country should re-orientate her external investments (including some of the reserve holdings) with a view to enhancing the potential return on subsequent domestic capital formation.

## **Islamic Banking: Doing Things Right and Doing Right Things**

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**Abstract.** To do the right thing, the contract (*'aqad*) method is usually employed to define Syariah legitimacy of Islamic banks. Equally important, the Islamic banking business is expected to operate on the moral principles of risk-taking (*ghorm*), work (*kasb*) and responsibility (*daman*). By doing so, the ethico-legal dimension of Islamic banking can be made evident. While claiming Syariah legitimacy, doing things right is critical where Islamic banks must compete on the basis of efficiency. In this way, factors affecting bank performance such as size of capital, scale economies and adverse selection must not be discounted in determining the success of the Islamic banking business.

## **Openness and Efficiency of Malaysia, India and China Relative to the World Economy: A Comparative Study**

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**Abstract:** This paper adopts a dynamic approach to investigate the impact of openness on efficiency improvement of the world economy and compares the linkages between openness and performance in Malaysia, India and China. Based on a panel of data covering 126 countries over the period 1970-98, a world production frontier was established using stochastic frontier techniques. The economic efficiency of an economy relative to the world production frontier was identified and its determinants examined. The results indicate that openness, as measured by international trade, foreign direct investment (FDI) and its interaction with human capital plays a positive role in improving efficiency, although the impact of trade is not as robust as that of FDI. Given its highest degree of openness, Malaysia enjoyed the highest relative economic performance among the three economies. Contrary to the conventional perception, India performed better than China in raising efficiency until the mid-1990s. However, China has experienced a higher degree of openness and therefore a faster rate of catching-up with the world's best efficiency practices than India.

## **New Debates Over Service Outsourcing to China and India**

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**Abstract.** This paper surveys recent literature on service outsourcing from developed to less developed countries, focusing on the debate initiated by Paul Samuelson's 2004 *Journal of Economic Perspectives*' paper, and exploring both the theoretical literature and empirical evidence. We find that, while the theoretical literature and the public discourse are fraught with controversy, the empirical evidence is very clear: service outsourcing is (still) not a very large part of any country's economy, and appears to yield net gains to those countries that participate in it.