

Understanding Flamboyancy of Globalization through Higher Educational Economics : Limkokwing Integrated Model on Economics (LIME)

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Abstract

'Globalization', a term that was denied in communist countries as they looked at it as destructing factor in economic development. It was considered as negative element to divert respective country's resources. Fact remains same when fellow citizens see globalization as outright selling of resources or buying resources from other nations to demolish their own production. Karl Marx in 18th century propaganded how future will be entangled in capitalism and his views cannot be abandoned by any modern economist or governments. The World has become small such that communication and trade has gone beyond borders. While the war between communism and capitalism being kept apart, today notion is about getting global. Present World has extended its boundaries. This requires attention and needs to be divulged to world at large. One can understand the best platform to communication a concept is through education. It is a strong and powerful medium to introduce agendas that can be implemented. A constructive model is submitted through this research paper. Limkokwing University of Malaysia has been taken as element to derive a model for this research study whereby it represents as one of the best institution to broadcast globalization through its visionary approach of having diversified cultures and nationalities in one institution. This University integrates students and their traditions from all corners of World. There are exemplary evidence to build the unity among people irrespective of races and ethnicities within their campuses. Based on this, a distinguished model has been framed and tested with sample of 52 economist from Banking sector, Economic Planning Commission, Ministry of Foreign Affairs, United Nations and Academia from Malaysia. They were surveyed and interviewed. This Mixed mode research is built upon Theory of Liberalism which illustrates globalization as market-led extension of modernization. This research paper focuses to

submit a deliberate model on Economics to vehicle the merits of Globalization. Measures has been taken to rise the flag of concept than the instrument. Severe emphasis is laid on promoting LIME model than other variants. SmartPLS 3.0 version software package was used to analyze the quantitative data and phenomenological analysis was used to analyze qualitative data.

Key words: *Globalization, Limkokwing University, LIME Model*

1.0 Prelude to Globalization

The state of being globalized can be defined as the expansion of an increasingly integrated global economy by the means of free flow of capital, free trade, and obtaining cheaper labor from foreign markets. Globalization implies the opening of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world with free transfer of capital, goods, and services across national frontiers. However, it does not include unhindered movement of labor and, as suggested by some economists, may hurt smaller or fragile economies if applied indiscriminately. After injection of globalization, majority of emerging countries has transformed and progressed their status in terms of growth and recognition. Malaysia is one among the manufacturing nation (Bank Negara Annual Report, 2017) among ASEAN countries. From agricultural economy, now it is more of production country where several multi national companies like Sony, Nissan, Coca Cola having their plants in Malaysia. It should not be misunderstood that agriculture economy is weak, but interpretation should be as such that

manufacturing sector provides more employment and strengthens currency value. In this context, Malaysia being in the mode of paradigm shift towards their outlook, globalization was evident and ultimately the growth has been tremendous since 1980s. A country with similar growth rate of its neighbor such as Philippines, Vietnam, Indonesia in mid 1970s, is now one of the top emerging economy competing first world countries. This impact is due to involvement of globalization in Malaysia. Power of globalization is discussed by many economist right from Adam Smith until Joseph Stiglitz. Its merits are well known.

As of 2018 there are only five communist countries in the world and they are China (People's Republic of China), Cuba (Republic of Cuba), Laos (Lao People's Democratic Republic), North Korea (DPRK, Democratic People's Republic of Korea), Vietnam (Socialist Republic of Vietnam). Researcher took measures to study the similarities of these five countries and it was understood that these country's government policies, per capita income, purchase behavior, education and spending has proportionate correspondence. Although except China, rest are developing nation however progress is limited when compared to capitalist countries. China has become developed economy because of its rich traditional practices, population and resources (Stiglitz, 2017). Thus only the remaining four countries has to be accounted in this list for comparison. These four countries has an average per capita income of USD \$ 6445 in 2015. This is one third of other emerging nation's per capital income.

Learning is, capitalist economy has an edge over communism-practicing economy. According to general understanding, Capitalism is an economic system in which capital goods are owned by private individuals or businesses. The production of goods and services is based on supply and demand in the general market (market economy), rather than through central planning (planned economy or command economy). The purest form of capitalism is free market or laissez-faire capitalism, in which private individuals are completely unrestrained in determining where to invest, what to produce or sell and at which prices to exchange goods and services, operating without checks or controls. Most modern countries practice a mixed capitalist system of some sort that includes government regulation of business and industry.

2.0 Research Objectives

Following are the key objectives of this research paper,

1. To identify the importance of capitalism over communism with interference of globalization as key factor
2. To invent a model that integrates capitalism and communism for transforming emerging nations to developed nations
3. To spread Limkokwing University's model to be applied in all sectors to enable economic development in all nations
4. To promote the idea of trade practices, purchasing foreign labor & intelligence, offshore investments and enable peace
5. To influence communism practicing nations to adhere LIME model to expedite the transformation process on economic development

There are no specific number of objectives that a research should have, it is about what particular research deserves (Sekaran, 2012). For a research paper that submits an economic model, five objectives shall suffice it role. Though these all come under one primary objective of re-defining globalization and its practices, attempts are made to study more about Marxism. To battle it effectively and intelligently, there needs to be a theory of similar period. Thus Theory of Liberalism was taken as base to justify this research.

3.0 Marxism – Prejudiced Practice

Today majority of countries are practicing capitalism i.e. globalized economy. Productivity and standard of living is far better than 18th century where Marxism was highly practiced. Marxism is a social, political and economic philosophy that examines the effect of capitalism on labor, productivity and economic development. It meant that by eliminating the power from private houses, economy can grow. It was against of Globalization.

This becomes, the key area to research for this study. Karl Marx, a renowned scholar and economists flagged for anti-globalization in 18th century and presently in 21st century 80 percent of communist nations are under performing. This leads to a question whether Marxism theory is hypothetically wrong or practically impossible. It is obvious that economist like Karl Marx can never go wrong as it is beyond social science theory, it was practiced as 'way of living' during 1700s. But the interpretation of his theory was blindly followed by his successors under the influence of ceteris paribus i.e. all things remain same, which is never a state in any economic condition. Practices of 18th century need not be same for 21st century, nevertheless, philosophies can be same. This rationality became tough to accept by people of post 18th century. In present condition, globalization is the key factor that can determine the growth and living standards of an economy. In a world where everyone encounters 21 brands on an average per day, how it would create ease to follow Marxism theory? Marxism is a pre-requisite for olden days to protect the respective country from colonization of invaders. People then have to particular to reject foreign goods. Today after having several peace processing and developing bodies such as United Nations (UN), European Union (EU), ASEAN (Association of South East Asian Nations), SAARC (South Asian Association of Regional Countries), SADC (Southern African Development Countries) etc., there need not be a fear on colonization. World has become a global village because of advancement in technology, innovation, production, automation etc. So distances are no longer a problem. Globalization has made the World to get connect better.

4.0 Statement of Problem

Communism was widely practiced by people during 18th century with a hope to give importance and respect to domestic trade flows. However, presently in 21st century the economies are filled with capitalistic practices where by globalization is flagged highly by all emerging economies. The gap between communism and capitalism has been studied by various economist but practicing under present situation has to be researched as it is evident that globalized economy have larger impact compared to communism practicing nations such as Cuba , Laos , Vietnam etc. Globalization is indispensable in any growing economy. This research paper shall enumerate its merits and destruct the illusive notion of communism through the theory of liberalism. Measures have been taken to make the study as inductive i.e. to ponder upon Karl Marx and practically arguing the same with present economic condition. Using LIME (Limkokwing Integrated Model of Economics) model to bridge this gap has enabled the researcher to quantify the outcomes of data sets, where 52 respondents were surveyed

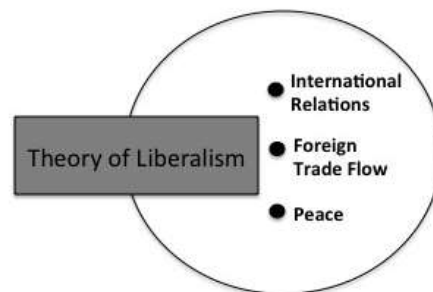


Figure 1: Representation of Theory of Liberalism
(Source – Researcher)

5.0 Theory of Liberalism

Before briefing about Theory of Liberalism, it is important to understand Liberalism. Liberalism is a mix of scholarly and philosophical thoughts. Earlier in 17th and 18th century the nations were separated by war. Leaders of countries kept attacking their counterparts to achieve wealth and pride. It is well know that Wars are naturally unpopular among fellow people as it costs life of innocent people. Liberalist people felt to unite

with all people for wealth and peace. This was a great leap in thoughts of people in those days. In a circumstance where war was confronted to win wealth, a similar thought was provoked to win wealth by international relations and uniting. This is the first step of Globalization.

Conflicts arose such as leaders felt war was the solution, whereby the scholars felt uniting as solution. Though this is philosophical, there is an amplified substance for economic-intelligence in this thought. To put it in more simple terms, it was between war and friendship. It was between separation and re-unity. Which won? Concept of War was winning obviously in older days, is it practical now with so abundance of knowledge of politics and economics? This was well argued in Theory of Liberalism. In fact Liberals argue that prosperity of a nation come through political democracy and Marxist claim that only through economic democracy a nation can attain development. Leaving this debate as it is, as shown in Figure 2, this research paper will emphasis on edge of liberalism over Marxism in economic point of view i.e. solely on importance of capitalism in present globalized economy.

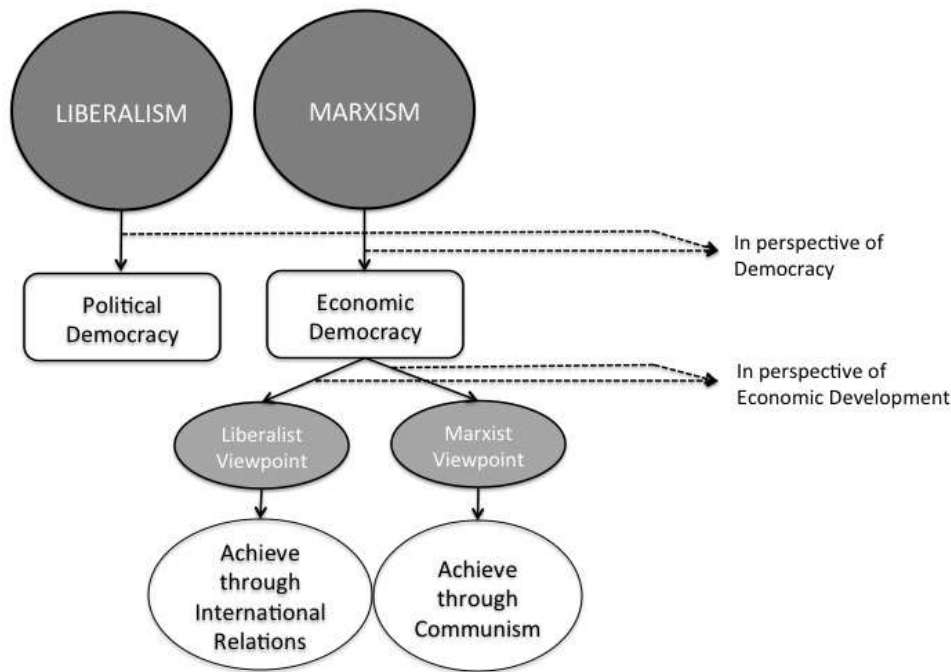


Figure 2: Role of Liberalism in Marxism (Source – Researcher)

Liberals have developed several other principles important to the construction of their philosophical structure, such as equality, pluralism and toleration. These are the variables that was used in this research to construct LIME model.

6.0 Limkokwing Integrated Model of Economics(LIME)

A distinct model is been submitted there with to analyze how globalization can impact on economy. For this purpose an higher education institution based in Malaysia is taken as an instrument. Limkokwing University of Creative Technology, profoundly called as Limkokwing University promoted by a visionary Lim Kok Wing is a globalized institution boasting students from 160 countries and having its establishment in 13 countries. There are very few institutions similar to Limkokwing University to practice unity in diversity. It can also be said as a miniature of United Nations(UN). This university integrates culture, tradition, custom, belief, religion, races, ethnicity irrespective of geography, colour and language. Without exhibiting its roots this institution is producing the leaves of globalization. It is an ardent economic model which needs

to be studied and spread. Through this research the researcher attempts to devise this as a model which can be implemented to achieve significant globalization. When the world is been pre occupied with foreign flows of investment and manpower there could be no need to probagand furthermore globalization, nevertheless, for an inductive research to be conducted researcher has to define the Marxism theory by adopting rightful element from present economic situation. This is were Limkokwing University's model viz. LIME model is been introduced here. It is illustrated in Figure 3. Variables such as Equality, Pluralism, Tolerance is derived from Theory of Liberalism and Growth is added to substantiate this model for economic component. All elements are integrated herewith through the platform of higher education which constitutes Globalization.

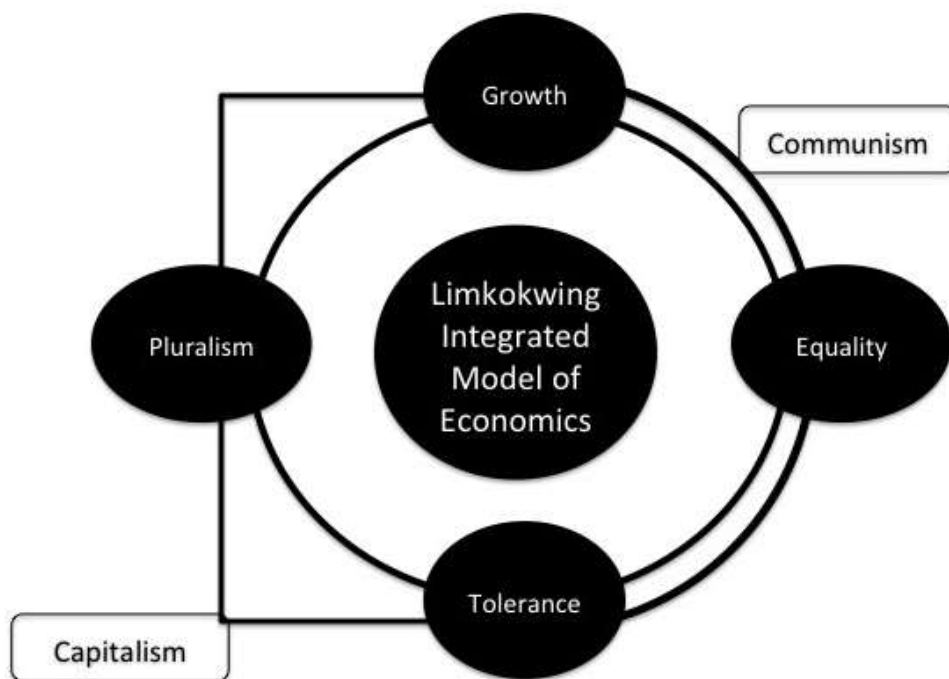


Figure 3: Limkokwing Integrated Model of Economics (LIME)

Following constructs are used to frame this model. These constructs were obtained from theory of liberalism within Marxism theory.

1. Equality
2. Pluralism
3. Tolerance
4. Growth

7.0 Illustration of Model:

As demonstrated in Figure 3, there are two layers in this model viz. inner circle that constitutes growth, equality, tolerance, pluralism and outer ring which describes to claim the variable i.e. a) growth, equality and tolerance speaks on behalf of communism practices; b) growth, pluralism and tolerance that flags capitalist process. Outer ring has another significant meaning by the representation of semi-circle at one side and semi-square at one side. Communism is all about sharing-economy for the flexibility of citizens, thus a semi-circle is laid here to mean that growth, equality and tolerance are kept flexible for benefit of

people. Capitalism is all about rigid ownership for developing the economy, thus a semi-square is laid here to mean that growth, pluralism and tolerance are placed with strong edges to have sharp inclination in economy. Capitalism is not flexible, it is sheer instructive-growth. However, two variables are common in this model for both communism and capitalism i.e. growth & tolerance. These are determining factors that help this model to escalate the economy.

8.0 Intersection of Limkokwing University and Economy

United Nations (UN) is World's leading apex body to integrate nations. Though European Union (EU), ASEAN (Association of South East Asian Nations), SAARC (South Asian Association of Regional Countries), SADC (Southern African Development Countries) etc. are prevailing one can witness that UN is more stronger. It is because it proclaims to have peace as first priority, secondly, about their sustainable development growths (SDG). Researcher was undergoing a study that how UN stands apart from all these other bodies. And it is found that UN has given space for all 196 countries to become member, a soft of open invitation to unite. This was not the same with other international bodies. Similar to this vision, there can possibly be many organization with involvement of foreign forces as internal customers. Pertaining to this, a similar architecture is followed at Limkokwing University. There are almost all nation's students are bought under one institution and process of molding commences right from day one of student's enrollment. Truly globalized institution. A quick look on Table 1 can explain about globalized companies in the world.

Having a mix of internal and external customers from more than 160 countries, this institution brings out equality, pluralism, tolerance and growth under one roof. Needless to admit, this is rare. World leading institutions like Harvard, Stanford, MIT, Oxford, Cambridge (QS Rating, 2017) has similar integrity of nationalities in their institutions, however, their vision is neither not specifically on globalization nor to improve unity among nationalities. Limkokwing University, is unique in this stream by having a vision to unite all nationalities and at same time has a forceful aim to improve the economy through globalization. Having said this, presently the University is gearing to establish branches in all parts of World, as recorded as roadmap for upcoming years. This research paper is not just about commending this University, it is to spread the type of prototypical motive which abets both institution and economy. When the bottom-line of an organization can yield returns to respective organization and also to the nation, it is a socio-concerned entity. And if an organization can cascade to the nation and world development, it is an economic body. Limkokwing University is about it. It integrates equality among people, encourages pluralism among nationalities, practices tolerance for peace and exhibits growth for the economy through foreign currency inflows. This becomes a discrete model with no linear approach, all variables here are directly tested through with the outcome. While this is explained in Research Methodology part, Table 1 is important to see the leading companies that are known for having international culture in their operations. No comparison is done here, it's a secondary data obtained from NASDAQ 2017 report, Fortune October 2017 issue, Federal Reserve Bank report 2017.

Leading Globalized Companies

Ranking No. (Source: Fortune Oct 2017)	Name of Organization	Number of Employees (Source: Fortune, Oct 2017)	Nature of Business	Type of Organization	Number of Nationalities (Source: NASDAQ, Fed Bank, Portals - 2018)	Head Quarters
1	Google	56300	Information Technology	Public	192	United States
2	SAS Institute	13741	Information Technology	Private	33	United States
3	W.L. Associates	10428	Textile Production	Private	16	United States
4	Dell EMC	70000	Information Technology	Public	153	United States
5	Daimler Financial Services	8388	Insurance	Public	113	Germany
6	NetApp	12774	Information Technology	Public	29	United States
7	Adecco	35000	Human Resources	Public	137	Switzerland
8	Autodesk Inc.	8376	Information Technology	Public	98	United States
9	Belcorp	8558	Retail	Private	19	Peru
10	Falabella	103000	Retail	Public	23	Chile
11	Hyatt	96627	Hospitality	Public	103	United States
12	Mars Inc.	74568	Manufacturing	Private	66	United States
13	Accor	143004	Hospitality	Public	40	France
14	Cisco	70000	Information Technology	Public	127	United States
15	Cadence Design Systems	6167	Information Technology	Public	12	United States
16	Atento	150000	Business Process Outsourcing	Public	73	Spain
17	Hilton	148397	Hospitality	Public	117	United States
18	Scotiabank	86665	Finance & Banking	Public	82	Canada
19	Diageo	33000	Beverages	Public	45	United Kingdom
20	S.C. Johnson	13000	Manufacturing	Private	57	United Kingdom
21	EY	205627	Human Resources	Private	143	United Kingdom
22	Adobe	12914	Information Technology	Public	109	United States
23	Mosanto	21072	Manufacturing	Public	36	United States

24	3M	89753	Manufacturing	Public	141	United States
25	American Express	52412	Banking	Public	150	United States

Table 1: Leading Globalized Companies; Source: NASDAQ Report 2017, Fortune Oct 2017 issue

9.0 Research Methodology

Mixed Mode approach was adhered in this research to substantiate the results with better analysis. Had it been only with Quantitative, the philosophical notion couldn't have been interpreted and at same time if it is only Qualitative, the measurement evaluation would have failed. To strike a balance between this, researcher took mixed more research. Here the respondents were given a questionnaire which had 20 questions based on research objectives. Similarly set of questions were asked to focus group of audience like an interview. It took one week for the researcher to collect the data. As this study is inductive study, historical theories were reviewed with priority. Primarily, Marxism theory was alone argued because the relevancy was high when compared to other theories.

9.1 Instrument

Questionnaire is one the best instrument for Quantitative approach (Sanders, 2013) and interview observations is one among the best instrument for Qualitative approach (Kumar, 2014) . Likert Scale rating of 5 was applied in the questionnaire. Respondents were confined to answer within strongly agree, agree, neutral, disagree and strongly disagree. To give more exposure to the questionnaire, an open ended questions was also asked. Respondents was showing interest on respond these questions. Similarly, interview questions were pre-formed and asked to respondents. Each interview went nearly up to 30 minutes.

9.2 Demographics of Respondents

Among 52 respondents 18 were academia from economics background, 10 economists, 4 from Malaysian Ministry of Home Affairs, 10 from banking sector, 7 from National Economic Planning Unit and 3 personnel from United Nations Malaysia. Majority of respondents were male with ratio as 83:17 i.e. male vs. female respectively.

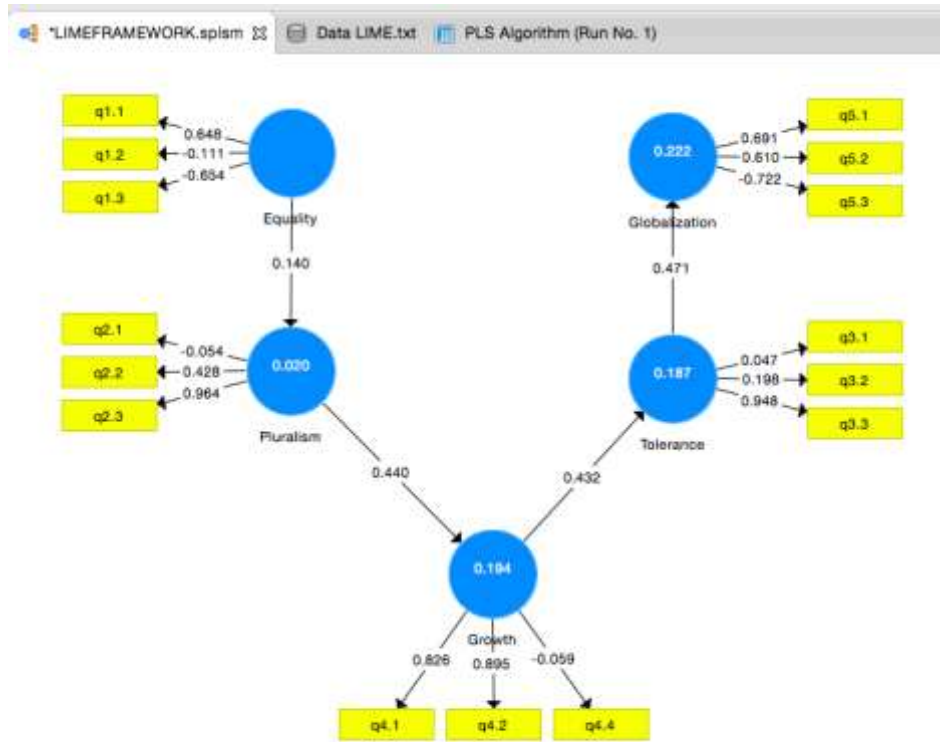
9.3 Sampling Technique

Snow Ball Sampling was executed in this research. This technique emphasis that any one person from each strata can represent their community (Creswell, 2015). Out of several economists in MIER (Malaysian Institute of Economic Research) 10 of them were involved. Right people to comment about this model would be Ministry of Home Affairs thus 4 of them were made to involved. Rest of people were considered based on knowledge towards economy and Limkokwing University. This technique comes under Simple Random Sampling. Size of 52 was determined by G-factor formula.

10.0 Data Analysis

Following are the analysis performed at SmartPLS 3.0 to analyze the data sets. The interpretation of these data are highlighted in Ordinance of LIME Model in upcoming sections.

10.1 Path Model



10.2 Standard Deviation

Software interface showing analysis settings and a table of indicator statistics.

Settings: Delimiter: Comma, Encoding: UTF-8, Value Quote Character: None, Sample size: 52, Number Format: US (e.g. 1,000.23), Indicators: 16, Missing Value Marker: None, Missing Values: 0.

Indicators:	Indicator Correlations	Raw File	Copy to Clipboard						
	No.	Missing	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	
id	1	0	26.500	27.000	1.000	52.000	15.008	-1.200	
q1.1	2	0	4.404	4.000	4.000	5.000	0.491	-1.912	
q1.2	3	0	4.404	4.000	3.000	5.000	0.528	-1.162	
q1.3	4	0	4.365	4.000	3.000	5.000	0.589	-0.638	
q2.1	5	0	4.365	4.000	3.000	5.000	0.651	-0.629	
q2.2	6	0	4.404	5.000	3.000	5.000	0.658	-0.553	
q2.3	7	0	4.365	5.000	3.000	5.000	0.708	-0.744	
q3.1	8	0	4.462	5.000	3.000	5.000	0.634	-0.366	
q3.2	9	0	4.462	5.000	3.000	5.000	0.664	-0.339	
q3.3	10	0	4.404	4.000	3.000	5.000	0.628	-0.554	
q4.1	11	0	4.558	5.000	3.000	5.000	0.534	-0.819	
q4.2	12	0	4.538	5.000	3.000	5.000	0.603	-0.025	
q4.4	13	0	4.308	4.000	3.000	5.000	0.722	-0.909	
q5.1	14	0	4.288	4.000	3.000	5.000	0.689	-0.820	
q5.2	15	0	4.577	5.000	3.000	5.000	0.567	-0.017	
q5.3	16	0	4.596	5.000	3.000	5.000	0.564	0.180	

10.3 Effects of Variables

*LIMEFRAMEWORK.splsm Data LIME.txt PLS Algorithm (Run No. 1) ☒

Total Effects

Matrix Copy to Clipboard:

	Equality	Globalization	Growth	Pluralism	Tolerance
Equality		0.013	0.062	0.140	0.027
Globalization					
Growth		0.204			0.432
Pluralism		0.090	0.440		0.190
Tolerance		0.471			

11.0 Ordinance of LIME Model

Limkokwing Integrated Model of Economics (LIME) was applied to vet economic development through the application of equality, pluralism, tolerance and growth. Respondents were positively supporting all the variables in relation to Communism and Capitalism. Following were the model's outcome,

1. To furthermore improve an emerging economy into developed nation, PLURALISM is mandatory. This will help to extend international relations
2. To furthermore enhance economic development, EQUALITY is indispensable because every nation thrives to have fair and legitimate trade practices.
3. To furthermore insist democracy, TOLERANCE has to be practiced by every nation so that acceptance and willingness to transform shall occur.
4. To furthermore advance the standard of living, GROWTH factor should be evident as all economic conditions depend upon this variable.

All these are outcomes from Data Analysis of LIME Model as discussed earlier.

12.0 Conclusion

This research paper intended to argue between communism and capitalism, by using an phenomenal model of Limkokwing University to integrate both. Though no comparison is done, the illusion behind these theories is destructed by inventing LIME Model. Ultimately, four variables were used to construct LIME Model viz. equality, pluralism, tolerance and growth. Fortunately, all these components were widely used in Limkokwing University which is denoted as globalized University. An economic model was found. Before submitting this model, researcher took an effort to testify this with 52 respondents in Malaysia. Mix of qualified people were engaged in this study and snowball sampling technique was used. Both measurement and observation of respondents were doing using mixed method mode. Analysis of data was done using SmartPLS 3.0 to determine the validity and regression of data. All were proved positive and Pearson regression was above 1, thus the variables' validity was also proved. Overall, this LIME model is submitted humbly by the researcher as an economic model which would enable all organizations to subscribe it's merit.

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