

# Rapidly Changing Globalized Economy and its Impact on Education in the Era of Globalization

Rehana Khatun

Research Scholar, Department of Education, Jadavpur University (India)

---

## ARTICLE DETAILS

### Article History

Published Online: 12 June 2019

### Keywords

Higher education, globalization, competition, global marketisation.

---

---

## ABSTRACT

Knowledge is the driving force in the rapidly changing globalized economy and society. Quantity and quality of specialized human resources determine their competence in the global market. Emergence of knowledge as driving factor results in both challenges and opportunities. It is well known that the growth of the global economy has increased opportunities for those countries with good levels of education. Globalization has a multidimensional impact on the system of education. In the near future, globalization will mean a more competitive and deregulate educational system modeled after free market but with more pressure on it to assure that the next generation of workers is prepared for some amorphous job market of 21st century. It has underlined the need for reforms in the educational system with particular reference to the wider utilization of information technology, giving productivity dimension to education and emphasis on its research and development activities. The benefits of globalization accrue to the countries with highly skilled human capital and it is a curse for the countries without such specialized human capital. Developing and transition countries are further challenged in a highly competitive world economy because their higher education systems are not adequately developed for the creation and use of knowledge. Converting the challenges into opportunities depends on the rapidity at which they adapt to the changing environment. This paper has tried to outline how global phenomena in higher education suddenly focus on marketisation, competition and management in higher education.

---

## 1. Introduction

Education is undergoing constant changes under the effects of globalization. The effects of globalization on education bring quick developments in technology and communications are foreseeing changes within school systems across the world as ideas, values and knowledge, changing the roles of students and teachers, and producing a change in society from industrialization towards an information-based society. It reflects the effect on culture and brings about a new form of cultural imperialism. The increase of a global society, motivated by information and communication technology developments are shaping children, the future citizens of the world into global citizens.

The introduction of technology into the classroom is changing the environment of delivering education to students and is slowly giving way to a new form of electronic literacy. More programs and education resources are made available in electronic form, teachers are preparing materials in electronic form and students are generating papers, assignments and projects in softcopies. LCD screens, books with storage device servers and CD-ROMs as well as the emergence of on-line digital libraries are now replacing blackboards. Even exams and grades are progressively becoming available through electronic means and notebooks are opening to give way to laptops. Also, students can be examined through online learning systems and do tutorial movements on a computer quite than in a classroom. Such developments in education represent that there has been a change from industrialization to information-based societies. Later, Information technology is

foreseeing a change in the educational background in term of the confidence on electronic sources to deliver material. With such changes and the availability of video conferencing and the Internet, the barriers of coldness are being wrecked down at a quick rate, due to the key aspect of globalization. Students can now learn in a diversified ways and no longer have to be physically present in an education institution in order to learn, a definite advantage of elastic delivery systems. It allows for searching of new areas of learning and thinking.

## 2. Globalization and Higher Education:

Globalization has a secure relation with education. As education has an important role in shaping a society, it has to be associated with globalization and the global activities have a profound influence on education. Higher education is fundamental to the social, economical and cultural health of the nation. It will not only help in academic development of students by equipping them for work, but also by toting up to the world's knowledge and understanding. Uniformly, part of its globalization will be to admit a duty of care for the well being of our democratic civilization, based on respect for the individual and respect by the individual for the conventions and laws which provide the basis of a civilized society.

Universities and institutions are not thought only for the young. They are estimated to become more open to people of all ages who wish to further continue their education. Universities and other institutions will be open to everyone who has acquired the inspiration to learn and the capability to distinguish issues through social experience or involvement in

volunteer and other activities. Besides this, to increase in the number of students, both part-time and full-time are expected and this is thought to lead the formation of an academic environment with greater strength. Graduate study is also likely to become more available to non-academic members of society. As higher education is a speculation in human progress and success, during quick social and economical change, it is particularly important that universities and other institutions of higher education think their contributions to society from a broad and long-term viewpoint.

Higher education is swept up in global marketisation. It trains the executives and technicians of global businesses; the main student growth is in globally mobile degrees in business studies and computing; the sector is shaped by economic policies undergoing partial global convergence, and the first global university market has emerged. Even larger changes are happening on the cultural side. It is surprising to note how much the debate on global phenomena in higher education suddenly focuses on marketisation, competition and management in higher education. In nations throughout the world the responses of systems and institutions to globalisation have been conditioned by on-going reforms to national systems, and related reforms in the organisation and management of the institutions themselves, that draw on the techniques of the new public management (NPM).

Globalisation encompasses markets and competition between institutions and between nations, but it is also much more than that. Global higher education is more ontologically open than are national systems, with a bewildering range of opportunities for innovations, alliances and markets. To maximise effectiveness in the global environment, on one hand it is essential to retain a strong sense of identity and purpose; on the other hand it is essential to be open to and engaged with others. One reason why American higher education is so globally successful is its particular combination of decentralisation and centralisation. Its institutions are engaged in a plethora of unregulated exchanges with institutions throughout the world, maximising the scope for American initiative and influence, minimising the capacity of other nations to restrain them by inter-governmental negotiation.

### 3. The impact of Globalization on Education:

The process of globalization certainly has affected the human capability by affecting the education system of a country. Trade in goods and services; private cross border investment, migration has affected the schooling, vocational training or education, tertiary education and foreign education both from the supply side and demand side of education. Change in supply of education of a country implies change in total quantity and quality of education related goods and services in the country. Change in demand for education on the other hand means change in the quantity and quality demanded by the consumers of education of a country. These changes may be in macro level i.e. at wide spectrum or it may be in micro level i.e. at narrow spectrum.

### 4. Change in demand for education:

#### **Macro level changes**

There exist emerging literature on the relationship between demand for skilled worker and education. In many of the developing and developed countries there has been an increase in the quantity demanded of skilled workers. There are three factors which are usually suggested as possible reasons.

1. Unrestricted trade
2. Technical progress and the associated organizational change.
3. The presence of unions.

Unrestricted trade increases the demand for skilled workers which raises their wages relative to those of unskilled workers. It implies higher returns to human capital and education. These higher returns to education and skilled manpower provided higher incentives to invest in human capital thereby increases demand for education.

#### **Micro level changes**

The change in demand for education at micro level is manifested in two ways.

1. The returns to education are more in the export firms particularly for the skilled workers.
2. Unrestricted trade made import and export firms to become more productive and competitive. Competitiveness impelled investment in more skilled workers and in more training. Thus continued to demand more education and training.

### 5. Change in supply of education:

#### **Macro level changes**

Trade provides an incentive to increase the supply of skilled workers if the country specializes in more skill intensive sectors. It has a more direct macro effect on the supply of education. There are basically two channels.

1. Increased trade can lead to faster growth which should release more economical resources for the supply of education.
2. An increase in trade may increase the trade revenue that leads to increase in the amount of resources available for the provision of education.

#### **Micro level changes**

Trade in educational goods and services can replace existing education and increase in supply of education.

- a. *Effects of trade on schooling-* The effect of trade on schooling is more positive in countries already well endowed.
- b. *Effect of trade on vocational education-* There exist positive incentives to increase supply of vocational training to remain competitive in global market.
- c. *Effect of trade on tertiary education-* Globalization provides positive stimulus to tertiary indigenous education sector because tertiary education needs to move at par with export opportunities.
- d. *Effect of trade on foreign education-* The foreign education became most traded commodity from developed countries (US, UK, Australia) but developing countries are also emerging.

## 6. Educational development as a result of globalization

With the development in information and communication technology the barrier of national boundary has broken. As a result there has been considerable development in various fields like education. The development in education at global level resulted from globalization can be stated as follows-

1. Increased practice of international comparison of educational development.
2. Mobility of the students from one country to another.
3. Mobility of the scholars from one country to another.
4. Setting-up of educational arrangement from one country to another.
5. Marketing of education worldwide.
6. Liberalization, privatization and globalization in education.
7. Development of globalized educational framework through GATT (general agreement on tariff and trade) and GATS (general agreement on trade in services)
8. Trade in educational services in the form of cross border trade, consumption abroad, commercial presence and movement of natural person

## 7. GATS in educational services

1. This is a multilateral agreement as much as 144 countries have signed.
2. This agreement covers all services (19) including educational services.
3. All the members' country of WTO called most favored nation. There should be no discrimination between nations.
4. Member country has to make request to enter into the market of another member country or a country can give offer to another country to enter into the market.
5. When a member country provides services in a nation then other member country has to go with consultation of the host country if it wants to eliminate the rival country and enter into the market.
6. Each member country has to ensure judicial/ arbitral/ administrative provision in impartial manner.
7. GATS as of now includes following educational services-

- i) Cross border supply of services includes any type of educational courses through distance mode, internet testing service- course material etc.
- ii) Education of foreign students.
- iii) Presence of foreign investor in education to host country.
- iv) Mobility of scholars and students between countries.
- v) Service in primary, secondary and higher education is allowed in host country.
- vi) Privatization in education policy and planning.
- vii) Decentralization in educational administration.
- viii) Private finance is encouraged and FDI under GATS is allowed.

## 8. Conclusion

Education is kind of social investment which develops human resources and induces human capital formation. The economic basis of education rests upon the idea of education as goods and services and education as investment. In the advent of globalization the economic basis of education has changed. With the introduction of open economy, international trade in goods and services and the cross border capital movement the relationship between education and economic development has also changed. The effect of globalization on schooling, vocational education, adult education, tertiary education and foreign education demonstrated remarkable changes. Globalization is deeply controversial. Proponents of globalization argue that it allows poor countries and their citizens to develop economically and raise their standards of living, while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expense of local enterprises, local cultures, and common people. Resistance to globalization has therefore taken shape both at a popular and at a governmental level as people and governments try to manage the flow of capital, labour, goods, and ideas that constitute the current wave of globalization. To find the right balance between benefits and costs associated with globalization, citizens of all nations need to understand how globalization works and the policy choices facing them and their societies.

## References

1. Arulraj David, Solomon, Wildemeersch, Danny (2014). Impact of Globalization on Higher Education Curriculum Restructuring in India, *The Indian Journal of social Work* Volume 75. 553–572
2. Azad, L. J. (2003), *Globalisation: Its Impact on Education, Globalization and Challenges for Education*, NIEPA, Delhi.
3. Bonal, X. (2002). "The World Bank global education policy and the post- Washington consensus", *International Studies in Sociology of Education* 12 (1), pp3-22.
4. Dale, R. (2005). "Globalisation, knowledge economy and comparative education". *Comparative Education*, 41 (2), pp117-151.
5. Dash, N.K. (2003). *Education in a globalised world: Issues and concerns*, OSAC Journal of Open Schooling. Vol. III, No. 1, July 2003-12-04.
6. Das, S. (2007), *The Higher Education in India and the Challenge of Globalisation*, Social Scientist, Vol. 35, (3&4) (March-April), pp. 47-67.
7. Held, D. & McGrew, A. (2000). *The global transformation reader: An introduction to the globalization debate* (2nd Ed.), Cambridge, Polity Press.
8. Jones, P. W. (1998). "Globalization and internationalism: Democratic prospects for world education". *Comparative Education*, 34 (2), pp134-155.
9. Marginson, S. (1999). "After globalization: Emerging politics of education", *Journal of Education Policy*, 14(1), pp19-31.
10. Naik, P.K (2015). Globalization and its Impact on Higher Education in India, *IJHMS*, Vol 3.2320-4044
11. Pathy, M.K. (2003), *Globalisation: The Threat Perception to Equality of Educational Opportunities*, in NIEPA, Globalisation and Challenges for Education. Shipra Publication, New Delhi.
12. Piran, Fabio Antonio Sartori., Lacerda, Daniel Pacheco., Antunes Jr, José Antonio Valle., Viero, Carlos Frederico., Dresch, Aline (2016). *Modularization strategy: analysis of*

published articles on production and operations management (1999 to 2013). International Journal of Advanced Manufacturing Technology. 507–519.

13. Reddy, Maddi, Gurumurthy. (1997). *Higher Education in India*. APH Publishing Corporation.
14. Singh, S. (2016). Impact of Globalization on Higher Education in India: Issues, Challenges & Alternatives, The International Journal of India Psychology, Vol-3, issue 2, 2348-5396
15. Takwale, R. (2003). Challenges and Opportunities of Globalization for Higher Education in India- Alternative e-learning through e-education.