

## **A Summary of Education at Globalization Privatization**

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**ABSTRACT:** *Globalization became possible only recently because of the technological infrastructure provided by improved telecommunication networks, information systems, including the Internet, microelectronics machinery, and computerized transportation systems. The two main bases of globalization are information and innovation and they, in turn, are highly knowledge intensive. Internationalized and fast-growing information industries produce knowledge goods and services. Globalization has been a historical process. During the pre-World War I period of 1870 to 1914, there was rapid integration of the economies in terms of trade flows, movement of capital and migration of people. The Soviet bloc countries were also shielded from the process of global economic integration. However, times have changed. In the last two decades, the process of globalization has proceeded with greater vigour. Globalization has a multidimensional impact on the system of education. It promotes new tools and techniques in this area like E-learning, Flexible learning, Distance Education Programmes and Overseas training. 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. As part of Globalisation, the economic reform packages were introduced in India in the beginning of 1991. These reform packages imposed a heavy compression on the public budgets on education sector, more specifically so on higher education. This has trickled down to public expenditure on education in general, and higher education in particular. Privatization is denationalization. Denationalization refers to sale of assets or shares of a publicly owned enterprise to the private sector. According to this definition, when a small part of shares/assets are sold to the private sector, it can be called as "denationalization". Denationalization is only one form of privatization. In broad meaning, privatization refers to the transfer of functions previously performed exclusively by the public sector to the private sector including governmental functions like revenue collection and law enforcement. Greater Efficiency: Privatization fastens competition and thereby results in efficiency and effectiveness within sectors. Competition is very important to obtain more efficient and effective public services. Promotion of Technological Advancement: Competition as a result of privatization forces entrepreneurs to introduce new methods of production which will generate additional output with the same amount of inputs. India is a democratic country today. Adult franchise has been granted to every citizen irrespective of caste, creed, religion and sex. Unless the people of India grow in enlightened judgment and character, the democratic ideal cannot be made a living reality. Here, indeed, is a "race between education and catastrophe". India has been a land of learning throughout the ages, not in the sense that education has been universal, but in the sense that learning has always been very highly valued. "Education in India", remarks Howell, "under the British government was first ignored, then violently and successfully opposed, then conducted in a system now universally admitted to be erroneous and finally placed on its present footing".*

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### **I. INTRODUCTION**

Historic changes are transforming the lives of people in the developed and developing countries. National economies and even national cultures are globalizing. Globalization means more competition, not just with other companies in the same city or the same region. Globalization also means that national borders do not limit a nation's investment, production, and innovation. Companies in Europe, the United States, and Japan can produce chip in Singapore, keypunch data in India or the Peoples Republic of China, and sell worldwide, barely concerned about the long distances or the variety of cultures involved.

Globalization became possible only recently because of the technological infrastructure provided by improved telecommunication networks, information systems, including the Internet, microelectronics machinery, and computerized transportation systems. Globalization together with new information technology and the innovative processes they foment are driving a revolution in the organization of work, the production of goods and services, relations among nations, and even local culture. No community is immune from the effects of this revolution. It is changing the very fundamentals of human relations and social life. The two main bases of globalization are information and innovation and they, in turn, are highly knowledge intensive. Internationalized

and fast-growing information industries produce knowledge goods and services. If knowledge is fundamental to globalization, globalization should also have a profound impact on the transmission of knowledge. Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.

Globalization is a process of global economic, political and cultural integration and unification. The main consequence of this are a global distribution of labour, migration of capital and human and industrial resources on a global scale; standardization of legislation and of economic and technological process; and greater contact between different cultures. This is an objective, natural historic process that is systematic. In other words, it encompasses all areas of social life. Globalization is the process of a continuously growing influence of various international factors (such as close economic and political connections, exchange of cultures and information) on the social reality of separate countries.

Globalization has been a historical process. During the pre-World War I period of 1870 to 1914, there was rapid integration of the economies in terms of trade flows, movement of capital and migration of people. The growth of globalization was mainly led by the technological forces in the fields of transport and communication. Indeed there were no passport and visa requirements and very few non-tariff barriers and restriction on fund flows. Globalization, process was slow between the First and the second World War. After World War II, all the leading countries resolved not to repeat the mistakes they had committed previously by opting for isolation. Although after 1945, there was a drive to increase integration, it took a long time to reach the pre-World War I level. In terms of percentage of exports and imports to total output, the US could reach the pre-World War level of 11 per cent only around 1970. Most of the developing countries like India, Pakistan, Bangladesh, and Srilanka which gained Independence from the colonial rule in the immediate post-World War-II period followed an import substitution industrialization regime. The Soviet bloc countries were also shielded from the process of global economic integration. However, times have changed. In the last two decades, the process of globalization has processed with greater vigour.

## **II. CONCEPT OF GLOBALIZATION**

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. It promotes new tools and techniques in this area like E-learning, Flexible learning, Distance Education Programmes and Overseas training. Globalization will mean many different things for education. In the near future, "it will mean a more competitive and deregulated educational system modelled after free market but with more pressure on it to assure that the next generation of workers are prepared for some amorphous 'job market of 21st century'". Since "Lifelong jobs have been converted in to yearly contracts there is still possibility of even short duration jobs. Our education system should deliver such education and training so that professionals can adjust themselves as per market expectations. 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. India is also following the global phenomenon. As part of Globalisation, the economic reform packages were introduced in India in the beginning of 1991. These reform packages imposed a heavy compression on the public budgets on education sector, more specifically so on higher education. This has trickled down to public expenditure on education in general, and higher education in particular.

Indian government and Indian corporate sector has recognized the importance of management education in the changing global scenario. Today under the reforming economic conditions, integration of the Indian economy with world economy presupposes efficiency and competitiveness on the domestic front as well

as in the international arena. As the process of globalization is technology-driven, and knowledge-driven, the very success of economic reform policies critically depends upon the competence of human capital.

### **III. CONCEPT OF PRIVATIZATION**

Narrow meaning of privatization is denationalization. Denationalization refers to sale of assets or shares of a publicly owned enterprise to the private sector. According to this definition, when a small part of shares/assets are sold to the private sector, It can be called as "denationalization". However, it is more appropriate to define denationalization as transferring at least 51 percent shares of a publicly owned enterprises (POE) to the private sector. In this case, transfer of ownership (sale of shares) results in transfer of management and operation as well. However, full denationalization requires that all shares and assets of a POE must be sold to the private sector. The following problems may be faced during denationalization process:

- Timing and planning problems
- Priority problems
- Political instability and uncertainty
- Economic instability and uncertainty
- Weak and underdeveloped capital markets

**Broad Meaning of Privatization:** Denationalization is only one form of privatization. In broad meaning, privatization refers to the transfer of functions previously performed exclusively by the public sector to the private sector including governmental functions like revenue collection and law enforcement. In other words, privatization is an umbrella term, which encompasses all methods or policies implemented to increase the role of market forces within the national economy.

### **IV. OBJECTIVES**

**Greater Efficiency:** Privatization fastens competition and thereby results in efficiency and effectiveness within sectors. Competition is very important to obtain more efficient and effective public services.

**Revealing the True and Full Cost of the Service Provided:** Publicly provided goods and services are under-priced because of some political and economic reasons. Politicians want to maximize their votes and people would like to get services free of charges. So public pricing of goods and services tends to be below the cost of production of these services.

**Promotion of Technological Advancement:** Competition as a result of privatization forces entrepreneurs to introduce new methods of production which will generate additional output with the same amount of inputs.

**Development of Capital Markets:** The main purpose of establishing a capital market is to withdraw some of the savings of individuals and private firms and to lead them toward productive investment fields. **Broadening the Wealth and Achieve Widespread Private Ownership in Society:** Privatization can broaden the wealth and achieve widespread private ownership in India. **Curbing Inflation:** In many countries public economic enterprises do not work efficiently and effectively; they are usually in need of supplementary funds from general account budget. So they cause cost-push inflation. Privatization can be considered a disinflationary tool. **Raising Extra Revenues for the Government:** One of the objectives of privatization would be to raise revenues for the government. This strategy would be important when the government encounter financial crises. **Eliminating Hidden Unemployment and Reducing the Power of Public Employee Unions:** By privatization cost of hidden unemployment can be eliminated. :

### **V. CONCLUSION**

India is a democratic country today. Adult franchise has been granted to every citizen irrespective of caste, creed, religion and sex. Unless the people of India grow in enlightened judgment and character, the democratic ideal cannot be made a living reality. In that case, the new-found power is going to prove, ultimately, a menace to themselves and to the larger human interests, since no government can rise higher than its source. Here, indeed, is a "race between education and catastrophe". India has been a land of learning throughout the ages, not in the sense that education has been universal, but in the sense that learning has always been very highly valued. It is interesting to watch the pageant of Indian education move from ancient forest schools to the modern and fully equipped schools of today. "Education in India", remarks Howell, "under the British government was first ignored, then violently and successfully opposed, then conducted in a system now universally admitted to be erroneous and finally placed on its present footing". It is against this background that every problem of education primary, secondary or higher education-must be studied.

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