

**GLOBALIZATION, EDUCATION AND  
INEQUALITY: A REVIEW OF STRUCTURAL  
ADJUSTMENT PROGRAMME**

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**CERTIFICATE**

Certified that the dissertation entitled "**GLOBALIZATION, EDUCATION AND INEQUALITY: A REVIEW OF STRUCTURAL ADJUSTMENT PROGRAMME**" submitted by **SANDIP SHEKHAR PRIADARSHI** is in partial fulfilment of the **MASTER OF PHILOSOPHY** degree of the University. The work presented is original and has not been submitted in part or full for any other degree to this or any other University to the best of our knowledge.

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## **CONTENTS**

	<b>PAGE NOS.</b>
ACKNOWLEDGEMENT	
LIST OF TABLES	
INTRODUCTION	1-10
<b>CHAPTER I</b> : GLOBALIZATION: MEANING AND SCOPE IN GENERAL	11-55
<b>CHAPTER II</b> : EDUCATION AND INEQUALITY: THE THEORETICAL FRAMEWORK	56-69
<b>CHAPTER III</b> : GLOBALIZATION, EDUCATION AND INEQUALITY: THE GLOBAL EXPERIENCE	70-101
<b>CHAPTER IV</b> : GLOBALIZATION, EDUCATION AND INEQUALITY: THE INDIAN EXPERIENCE	102-122
CONCLUSION	123-129
BIBLIOGRAPHY	130-136

## LIST OF TABLES

	<b>Page No.</b>
Table 1.1 : Timings of globalisation	23
Table 1.2 : Evolution of globalisation	24
Table 1.3 : Sales and profits of MNCs between 1975-1990	48
Table 1.4 : A comparative analysis of growth rate of MNCs vis-a-vis other economic super powers (between 1975-90)	48
Table 3.1 : Sector wise jobs as a percentage of total jobs	98
Table 4.1 : Government expenditure on education and research and development as a percent of GNP	104
Table 4.2 : Government expenditure on education as a percent of total government expenditure	105
Table 4.3 : Percentage of expenditure on higher education to total expenditure on education	106
Table 4.4 : Higher education in Five-Year Plans	106
Table 4.5 : Government expenditure (Central + State) on higher education in India	107
Table 4.6 : Growth in enrolment in higher education institutions	109
Table 4.7 : Budget allocation to higher education	110
Table 4.8 : Central government (Department of Education) expenditure on scholarships in all levels of general education in India	114
Table 4.9 : Growth of employment by sectors (UPSS)	116
Table 4.10 : Enrolment of general and SC/ST students in general higher education	121
Table 4.11 : Enrolment of general and SC/ST students in professional/special higher education	122

## **LIST OF ABBREVIATIONS**

<b>AICTE</b>	:	All India Council for Technical Education
<b>GDP</b>	:	Gross Domestic Product
<b>GNP</b>	:	Gross National Product
<b>GOI</b>	:	Government of India
<b>IMF</b>	:	International Monetary Fund
<b>MHRD</b>	:	Ministry of Human Resource and Development
<b>MNC</b>	:	Multinational Corporation
<b>NEP</b>	:	New Economic Policy
<b>OECD</b>	:	Organisation for Economic Cooperation and Development
<b>R&amp;D</b>	:	Research & Development
<b>SAP</b>	:	Structural Adjustment Programme
<b>SC</b>	:	Scheduled Caste
<b>ST</b>	:	Scheduled Tribes
<b>UGC</b>	:	University Grants Commission
<b>UK</b>	:	United Kingdom
<b>USA</b>	:	United States of America
<b>WB</b>	:	World Bank

*Dedicated to*

*Baba*



# *Introduction*

## **INTRODUCTION**

### **Identification of the Problem**

Globalisation, today, has become an all-encompassing social reality pervading all aspects of social life across the globe. The process of globalisation is restructuring and redefining social institutions and relations between various social groups. There is no segment of society which is immuned from the forces of globalisation. Naturally, the process of globalisation has been a matter of great concern for the sociologists, economists and other social scientists. Various attempts have been made to gauge the extent to which the globalisation process has affected various social institutions and social groups. This study is one such attempt to examine as to what has been the impact of forces of globalisation on the educational system and the consequent implications for the issue of social justice and equity?

The origins, nature, and dynamics of the process of globalisation are ... a focus of concern for educational philosophers, sociologists, curriculum workers, teachers, policy makes, politicians, parents and many others involved with the educational endeavour (Burbules and Torres 2000:4). The question we face now is: to what extent is the educational endeavour affected by the processes of globalisation, that are threatening the autonomy of national educational system and the sovereignty of the nation-state as the ultimate ruler in democratic societies? (Santos: 1998).

More decisive implications of globalization and postFordism for education lie in three areas: (1) most fundamentally, the changed role of the state in the global, informational (that is, postfordist) economy in response to the failures of the previous welfare-state, Keynesian model of development; (2) neoliberal pressures to develop educational policies that

attempt to restructure post-secondary educational systems along entrepreneurial lines in order to provide flexible educational responses to the new model of industrial production; and (3) a related call for the reorganisation of primary and secondary education and teacher education along lines that correspond to the skills and competencies (hence educational qualifications) ostensibly required by workers in a globalizing world.

The implications of this process are very serious and a bit different for the developing countries. The most visible impact of globalization on education in developing societies stems from the imposition of structural adjustment programmes (SAPs). Structural adjustment programmes are directly linked to the imperatives of creating stability for foreign capital. In other words, given the insurmountable obstacles to raising sufficient capital internally, there is no other choice than adapting to policies that systematically undercut the capacity of governments to construct educational policies that enhance educational equality or seek to develop some degree of national autonomy in the context of research and development. In this context, bilateral and multilateral organizations (most importantly the role of the World Bank and UNESCO) have a strong presence in the formulation of educational policy more so under contexts of financial austerity and structural reforms of the economies.

A number of critical analyses of the international presence in educational policy emphasize that the presence of external donors may lead to a process of public policy planning through marketing, rather than rational public choice and planning (that is, selecting the kinds of projects more likely to be financed by external donors) and making them the central components of a given public policy. (Samoff and Sumra 1994: 134-72). Such critical studies examine how the presence of external agencies such as the World Bank or UNESCO condition, and in some cases determine, the way educational reform is conducted, priorities are

assigned; research is designed, implemented, and used in educational reform; and policy initiatives are selected, evaluated, or set forth. Certain public policy options have been granted such widespread legitimacy and financial support that they have become virtually hegemonic. (Carnoy and Torres 1994: 64-99).

This process of formulating educational policy under the pressure of external donor agencies, in total violation of national priorities and interests, has serious implications for developing countries especially from the view point of social justice and equity. **“Globalisation is a complex set of processes in which all the social, economic and cultural inequalities of nation states are refigured and in some ways intensified”** (Taylor 1997: 76). Thus there is a potential danger of increased inequality in the wake of globalisation of education system. The privatization and marketisation of education system as a response to the process of globalisation is leading to the exclusion of weaker sections from the domain of education (especially higher education) across the globe. The problem may be more serious in India as Indian society is marked by gross existing inequalities where majority of population is deprived even of the basic amenities of life.

Education has long been a weapon into the hands of the weaker sections for upward social mobility via job market. A good academic qualification provides upward social mobility to the members of weaker section through a decent job. Any restructuring of job market or educational system has profound implications for upward social mobility of such groups and thus the question of social justice and equity. Globalisation has resulted in a restructuring of both the educational system and the job market in the favour of the rich. Thus it becomes imperative to examine the changes brought about by the process of globalisation in the educational system and job market from the view-point of social equity and justice.

The Indian economy has been undergoing structural adjustment programme, dictated by the World Bank and IMF, since past decade in which most of its policies including education are being influenced by the World Bank and the IMF. Thus the need for a study to examine the changes in educational system in the wake of globalisation and its implications for social equity and justice across the globe with special reference to India increases manifold. This is why the present study has been under taken. *The study attempts to examine the marginalization of the weaker sections in the wake of restructuring of education system and job market brought about by the process of globalisation.*

*There are three core concepts which have been used in this study – **globalisation, educational inequality and weaker section.** These concepts are multidimensional with innumerable connotations. Thus it becomes imperative to explain as to in what context we will be referring to these concepts in the course of this study.*

**Globalisation** is perhaps the most debated yet the most confused term in academics. Different scholars have defined it in various ways depending upon their purpose of study. **Anthony Giddens**, perhaps, has given the most comprehensive definition of globalisation. According to Giddens (1994: 4), globalisation is really about the transformation of time and space. More precisely, Giddens defines globalisation as ‘action at a distance’, and suggests that its intensification over recent years owes much ‘to the emergence of means of instantaneous global communication and mass transportation’. ‘Action at a distance refers to the interconnectedness of economic, political and cultural activities across the globe. As Giddens notes, this results not only in ‘the creation of large scale systems, but also in the transformation of local and even personal contexts of social experience’. Waters’ definition is generally in line with this understanding. According to **Waters** globalisation ‘is a social process in which the constraints of geography on social and cultural arrangements

recede and in which people become increasingly aware that they are receding (1995: 3). Thus we see that it is a multidimensional concept with innumerable connotations. It cannot be grasped in its entirety. Thus, one has to be selective about it while analyzing its impact on various segments of the society. For this purpose, an '*ideal type of globalisation*' has been constructed. Weber had propounded the concept of ideal type as a methodological tool. It refers to "one sided accentuation of social reality" in order to analyze it from a particular view point. This method has been followed to construct an ideal type of globalisation for the purpose of this study. This 'ideal type' of globalisation has been formed by 'one sided accentuation' of globalisation from the view-point of this study by picking those feature of globalisation which are relevant for this study. Thus, in this ideal typical form, globalisation for this study, refers to the 'structural adjustment programmes'<sup>1</sup> and the information technology reevaluation and consequent connectivity between nations of the world. Further, this study takes the period from mid 1970s to till date as the period of globalisation for the purpose of analysis. The time frame for analysis in the Indian context has been taken from 1991-2001 as this is the period when Indian economy and society was truly globalized as a result of new economic policy announced in 1991 (Chapter – 4). A proper justification for this has been provided in the chapter 1. This study avoids the debate over difference between globalisation and liberalization and uses the two terms interchangeably. Globalisation, liberalization, structural adjustment programmes, privatization, neo-liberalism, new right, post modernism – all these terms have been used interchangeably in this study as their end result is the same i.e. subordination of economy, polity and culture to market forces. This argument has been further clarified and justified in chapter 1.

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<sup>1</sup> Initiated in UK and USA in mid 1970s and followed by most of the countries later on.

“We can talk about three interrelated dimensions of globalisation, namely: *economic*, relating to social arrangements for the production, exchange, distribution and consumption of goods and services; *political* to do with social arrangements for the distribution of power, of centres of policy development and of institutional practices of authority and control and *cultural*, relating to social arrangements for the production, exchange and expression of signs and symbols, meanings beliefs and preferences, tastes and values” (Waters 1995: 7-8). Much of the globalisation literature suggests that these dimensions are structurally independent. While we would agree that analytically the distinctions are useful, in practice the categories do not always work discretely (Taylor 1997: 56). In practice the economic, political and cultural dimensions of globalisation are interlinked which affect and reinforce each other. Thus any attempt to study globalisation by segregating its various dimensions into watertight compartments will fail to provide a complete picture. While analyzing globalisation and its impact on various segments of society, all these three dimensions should be considered. Thus in the present study the economic, political and cultural – all the three dimensions of globalisation will be taken into consideration while analyzing its impact on educational inequality across the globe in general and in India in particular.

The term **educational inequality** may be interpreted in two ways – (1) in terms of access i.e. some individuals have better chances of getting education than others and (2) in terms of attainment i.e. individuals differ in their educational performance due to different socio-economic background. This study takes educational inequality in both these senses with greater emphasis on educational inequality in terms of access. Further, education implies school education as well as higher (college) education. This study refers to educational inequality in terms of both the school education as well higher education with emphasis on the latter (especially professional and technical education).

The term **weaker section** is also very vague and includes various vulnerable groups of the society viz. women, workers, religious minorities, backward castes etc. However, in this study we refer to SCs and STs as weaker sections in the Indian context. Further, the term 'weaker sections' refers to the working class in the Western context and in the context of countries apart from India. Working class here refers to the lowest paid manual workers in factories and offices.

### **Scheme of Chapterisation**

#### **Chapter 1- Globalisation: Meaning and Scope in General**

This chapter attempts to provide a broad theoretical framework for the purpose of analysis of globalisation and its impact on education and inequality. Attempt has been made to highlight the complexity and multi dimensionality of the concept of globalisation. The views of various theorists on globalisation have been examined in order to get acquainted fully with the process of globalisation. A linkage between neo-liberalism, post-modernism, post-capitalism, post-Fordism etc. has been established and it has been tried to prove that globalisation is an essential outcome of these 'post'-prefixed phenomena.

The chapter identifies globalisation as a process which has been promoted and used by the western powers (especially USA) to maintain their hegemony over the developing countries of the Third World. Further, the linkage between globalisation and inequality has been examined and it has been perceived as a process which has reinforced existing inequality and created new forms of inequalities (inter and intra-regional) across the globe. This aspect of globalisation has been examined in the light of '*imperialism*', '*dependency*' and '*world systems theory*'.

For the analysis of any social phenomena, a time frame is required. For this purpose, an attempt has been made in this chapter to trace the origin and evolution of the process of globalisation.



The link between SAP and globalisation has been examined along with the relationship between market and the state in a globalised world. Further, it has been examined whether the state is losing its sovereignty and policy making authority under the pressure of forces of globalisation. In this context, the role of the World Bank, the IMF and other supernational organisations as international policy makers in the era of globalisation has been examined as to what extent these organisations are encroaching upon the policy making authority of the sovereign nation states? Further, the role of the MNCs as the vehicle of globalization has been looked into as they have assumed immense significance and economic and political power in globalised world. Last but not the least an 'ideal type of globalisation' has been constructed for the purpose of this study.

## **Chapter II – Education and Inequality: The Theoretical Framework**

This chapter tries to provide a theoretical framework for the analysis of educational inequality. An attempt has been made to give a brief review of sociology of education vis-a-vis inequality. The contribution of some of the theorists in the field has been reviewed in order to be better equipped with a theoretical framework to be able to analyze the impact of globalisation on educational inequality. The term 'educational inequality' has several connations and it has been used by different sociologists in various ways depending upon their specific purpose of analysis. An attempt has been made to examine all these views about educational inequality.

For this purpose Tyler's model of educational inequality has been used and the contribution of various sociologists has been examined within the framework of Tyler's model. Special emphasis has been put on examining the linkage between educational attainment and inequality vis à-vis job market as it is of crucial significance for our study.

### **Chapter 3 – Globalisation, Education and Inequality: The Global Experience**

This chapter along with chapter 4 forms the soul of this study. This chapter tries to examine various dimensions of the process of globalisation and its impact on education and inequality in a comprehensive manner. An attempt has been made to examine the educational policy making of various countries as a response to the process of globalisation. Further, the influence of the World Bank and the other supernational organisations (such as UNESCO, OECD etc.) on the educational policy making of sovereign nation states has also been reviewed. For this purpose, the case study of educational policies of Papua New Guinea, Malaysia and Australia has been undertaken to see as to how policy making in the field of education has been affected by the forces of globalisation.

The marketisation and privatization of education across the globe, has been examined with emphasis on its impact on social justice and equity. The emphasis on market principles under globalisation has led to the emphasis on efficiency, productivity, decentralization etc. in the educational policies of the countries undergoing structural adjustment programme. All these concepts have been examined in this chapter in the special context of their significance for the education of weaker sections and the issue of social justice and equity. Globalisation leads to a restructuring of job market also which has special significance for education as it is getting closely connected with the job market in a globalised world. The chapter tries to examine the shift in occupation structure in job market in the wake of globalisation and its significance for education and inequality. The emphasis is on examining the chances of weaker sections in a globalised labour market which requires acquisition of high skills which are beyond the reach of weaker sections due to high cost in a privatized education system. In short, this chapter examines the link between globalisation, education, job market and inequality.

## **Chapter 4 – Globalisation, Education and Inequality: The Indian Experience**

This chapter attempts to examine the link between globalisation, education, job market and inequality in the Indian context. An attempt has been made to assess the response of the Indian education system (especially higher education) to the forces of globalisation. A brief review of privatization and marketisation of Indian higher education system and its impact on weaker sections in the light of restructuring of job market has been made. The main argument in this chapter is that globalisation is restructuring the educational system and job market in India in such a way that caste based inequalities in India will get reinforced as the weaker sections (SCs and STs) will be thrown out of the domain of the higher education and consequently of job market also.

# *CHAPTER – I*

## *Globalization: Meaning and Scope in General*

## **GLOBALISATION : MEANING AND SCOPE IN GENERAL**

*“Globalisation refers to the economic, social and cultural interpenetration of nations” (Palmisano et al 2001 : 277)”*

Globalisation may be considered as one of the most complex concepts of the 20<sup>th</sup> century. It is also one of the most debated one. Perhaps no other concept in the known history of academics has drawn as much attention as Globalisation. The amount of intellectual energy spent on discussing, explaining, supporting and opposing globalisation is mind boggling and Unparalleled. Academicians of different shades have been attempting to understand and explain various dimensions of Globalisation and its impact on various segments of society vis a vis polity, economy and culture. “Globalisation appears to have become a key idea with which many social theorists are now attempting to understand the transition of human society into the third millennium” (Waters 1995 : 1).

As mentioned above, globalisation is one of the most complex concepts in the known history of mankind. Academicians and intellectuals across the globe have been grappling with the concept over the last three decades and we have yet to come across a universally accepted definition of globalisation. “As a conception upon which so much explanatory weight has been placed, it remains poorly understood and inadequately utilized in policy research generally” (Taylor et al. 1997 : 54). This reflects the complexity of the concept of globalisation. Different people have examined globalisation from different perspectives and thus have different understanding of globalisation. This lack of unanimity over meaning of globalisation adds up to its complexity making it very difficult for a common man to understand. What increases the problem of an ordinary person is the fact that globalisation has become one of the most common word in the day to day life. He is bombarded with the phrases like

globalisation of poverty, globalisation of terrorism, globalisation of culture and economy etc everyday. There is not a single politician or newspaper or a celebrity which does not uses the world globalisation at least once in a day. Thus the life of an ordinary person becomes pathetic as he comes across a word several times in a day without being able to understand it in its entirety due to the complexity of the concept and the *confusion among the scholars about the meaning objectives and consequences of globalisation.*

The complexity of the concept of globalisation may be attributed to numerous meanings attached to it. Globalisation has different meanings for different people. “the term ‘Globalisation’ has got wide connotations. In a very general sense it means a complex conditions in which patterns of human interaction, interconnectedness and awareness are reconstituting the world as a singly social space. It thus involves economic, political, social and cultural homogenization and integration of the world. Globalisation is a process through which events, activities, fashions, culture, drugs, beliefs etc. in one part of the globe comes to influence directly the others. These traits in fact float freely ignoring territorial boundaries” (Priyadarshini 1996 : 6).

Thus we see that globalisation has got a vast meaning and is all pervasive i.e., it affects almost every walk of social life – economy, polity and culture. It is this vastness which gives it several meanings and makes it amenable to various interpretations adding to its complexity. Due to its complexity and various possible meanings and interpretations, “the notion of globalisation should be approached cautiously” (Taylor et al 1997: 54).

As mentioned earlier various meanings and interpretations of the term globalisation have been offered depending upon the perspective of the scholar and purpose of the study. It becomes imperative to examine some important meanings and definitions of globalisation to have a better

insight and understanding of the concept in order to be better equipped for our analysis, of the impact of globalisation on inequality vis-à-vis education in Indian society.

According to **Stuart Hall and Anthony Mc Grew**, Globalisation can be defined as:

“the multiplicity of linkages and interconnectedness that transcend the nation states (and by implication the societies) which makes up the modern world system. It defines a process through which events, decisions, and activities in one part of the world can come to have significant consequences for individuals and communities in quite different parts of the globe” (as cited in Priyadarshini 1996 : 15).

“Globalisation could be described as a set of processes which in various ways – economic, cultural and political – make supernational connections” (Taylor etc 1997 : 55).

The committee on Global Governance observes, “the shortening of distance, the multiplying of links, the deepening of interdependence : all these factors and their interplay have been transforming the world into a neighbourhood”. (1995 : 42-3). It is these changes and the awareness of them to which the concept of globalisation refers (Taylor et al : Ibid : 56).

From this angle *globalisation becomes a synonym for interconnectedness and interdependence among nation states*. This view about globalisation originates from the fact that now a days goods, capital, people, knowledge, images, communications, crime, culture, pollutants, drugs, fashions and beliefs all readily flow across territorial boundaries. Further, this view reflects a fairly widespread perception that modern communication technology has shrunk the globe. Globalisation, in this form has been strongly influenced by three historical events:

- Western expansion
- The emergence and extension of capitalism and

- The rise and diffusion of modern science and technology

These three principal phenomena “have sewed to globalise the history, geography, economics, politics, culture, sociology, demography, ecology and psychology of the human condition”. World history is thus no longer a set of isolated and separate regional stories, rather they have entered a period where every event has a potential impact upon all corners of the globe – in effect a period of global history. The geographic distance of the world has thus been reduced. The world’s economy too are no longer independent but are quickly becoming part of a complex interdependent global economy. Politically, a single worldwide interstate system has emerged, manifesting itself in the United Nations, in over three hundred other international government organizations, and in increased bilateral activities. Individual cultures, long isolated against changes initiated from the outside, now find themselves part of the array of discrete micro cultures confronting the encroachment of a more comprehensive, westernized, technologically oriented ‘macro’ culture encompassing the entire globe. From a sociological perspective, the resultant impact has contributed to a globalised social structure.

However, **Giddens’** (1990: 14) vision of globalisation goes beyond simple interconnectedness. He considers globalisation to be one of the most visible consequences of modernity. This is because globalisation involves a profound recording of time and space in social life – what Giddens refers to as **‘time-space distanciation’**. Globalisation articulates, in a most dramatic manner, this conflation of ‘presence’ and ‘absence’ through its systematic interlocking of local and global. For Giddens, therefore, the concept of globalisation embraces much more than a notion of mere interconnectedness.....the context of globalisation is best understood as expressing fundamental aspects of time-space distanciation. Globalisation concerns the intersection of presence and



absence, the interlocking of social events and social relations at a distance with local contextuality.

**Harvey** too conceives of globalisation “as an expression of our changing experience of time and space” what he labels as “time space compression” (Harvey 1989 : 240). By using this term he highlights dramatically the sense in which, under the pressure of technological and economic change, space and time has been continually collapsed such that “...today we have to learn how to cope with an overwhelming sense of compression of our spatial and temporal worlds” (Harvey, Ibid).

Thus, social, political and economic activities are becoming stretched across the globe, such that events, decisions and activities in one part of the globe have tremendous impact on the others. Globalisation involves a growing interpenetration of the global human condition with the particularities of place and individuality (Giddens 1990: 91).

Apart from the above contribution of Giddens and Harvey to the theorization of globalisation, following are some other significant contributions in this direction:-

**Wallerstein** has introduced the concept of the world systems into the social sciences and has stressed the centrality of capitalism to the process of globalisation (both past and present). In his pioneering studies of the emergence of ‘one world’, Wallerstein focuses primarily on the dynamics of historical capitalism “...that conflict, time bounded, space bounded integrated locale of productive activities within which the endless accumulation of capital has been the economic objective or ‘law’ that has governed or prevailed”. (Wallerstein 1983 : 18) For Wallerstein the logic of historical capitalism is necessary global in reach. From its origins in 16<sup>th</sup> century Europe, Capitalism has truly acquired a reach in as much as nowadays, “...the entire globe is operating within the framework of this

singular social division of labour we are calling the capitalist world economy”.

“The economy therefore embraces both processes of global integration and fragmentation, which produces instabilities and contradictions which I believe will eventually lead to its collapse” (Wallerstein 1991). *Embedded in this analysis is an ambiguous thesis, namely, that the driving force of globalisation is to be located in the logic of the capitalism world economy.*

Anthony Giddens approaches the phenomena of Globalisation by distinguishing between what he understands to be its constituent dimensions, Instead of a single causal logic, Giddens points to four discrete but nonetheless interesting dimensions of globalisation – (i) Capitalism (ii) the interstate system (iii) Militarism and (iv) industrialism (Giddens 1990 : 70) Each of these dimensions embodies a distinctive globalising imperative nurtured by quite different institutional forces and constituencies. Thus the logic and contradictions of the capitalist world economy influence the pace and pattern of economic globalisation whilst, within the inter-state system, it is the ‘Universalisation of the nation – state’ which is responsible for the creation of a single world. (Giddens 1987: 283) Similarly, “.....the globalising of military power....” (Ibid) is tied to the logic of militarism, whilst the changing global admission of labour is conditioned by the logic of industrialism. By theorizing these institutional dimensions of globalisation Giddens articulates an account of the global condition in which “....Connections between the emergence and spread of capitalism, industrialism and the nation–state system” are emphasized (Ibid: 288). Globalisation is therefore understood by Giddens as something “ more than a diffusion of western institutions across the world, in which other culture are crushed”, but rather embraces a complex, discontinuous and contingent process, which is driven by a

number of distinct but intersecting logics. It is “.....*a process of uneven development that fragments as it co-ordinates*” (Giddens 1990:175)

Within Giddens’ analytical framework, globalisation and “...the world system should be seen as influenced by several sets of primary processes associated with the nation-state system, coordinated through global networks of information exchange, the world capitalist economy and the world military order” (Giddens 1987, Op cit : 288). Whilst **Roland Robertson** disagrees with important aspects of Giddens’ analysis, he too is highly critical of the fact that “....in the present climate of ‘globality’ there is a strong temptation for some to insist that the single world of our day can be accounted for in terms of one particular process or factor” (Robertson 1990:22) Stressing that “....in the contemporary period a major task for sociological theory is to account for the trajectories of globalisation in a multidimensional fashion”. (Robertson and Lechner 1985: 113)

Robertson advocates a theoretical approach which goes “....beyond simple models of ‘world polity’ or a ‘world economy’ by pointing to the dynamics of global culture.... to cultural aspects of globalisation” (Ibid : 103) This requires a theory of globalisation which involves “....the analytical separation of the factors which have facilitated the shift towards a single world e.g. the spread of capitalism, western imperialism and the development of a global media-system-from the general and global agency – structure (and/or culture) theme” (Ibid).

Although he doesn’t fully develop a systematic account of the inter relationships between the political, economic and cultural dimensions of globalisation, it is abundantly evident from Robertson’s work that each is understood to have a distinctive logic.

Coming to the views of **John Tomlinson**, we find that globalisation replaces imperialism. “Globalisation now increasingly ‘displaces’ or

‘deteritorialises’ cultural practices and experiences” (Tomlinson 1995: 892). He further adds that though cultural production may remain concentrated and centred in the West, and though western cultural commodities may be globally ubiquitous, it does not follow, as it may have done in an earlier period, that these production and consumption practices serve to reinforce territorially based identities. Imperialism to Tomlinson characterized the modern period up to 1960 and thereafter globalisation has replaced imperialism<sup>1</sup>. He makes a systematic distinction between globalisation and imperialism. “Globalisation may be distinguished from imperialism in that it is a far less coherent or culturally erected process. For all that it is ambiguous between economic and political senses, the idea of imperialism contains, at least, the notion of a purposeful project : the intended spread of a social system from one center of power across the globe. The idea of globalisation suggests interconnections and interdependency of global areas which happens in a far less purposeful way. It happens as the result of economic and cultural practices which do not of themselves, aim at global integration but which nonetheless produce it. More importantly, the effects of globalisation are to weaken the cultural coherence of all individual nation-states, including the economically powerful ones – the ‘imperialist powers’ of a previous era” (Tomlinson 1991:175).

An important point about globalisation is that, globalisation as a process has been uneven and fragmented. The globalising of social relations has not proceeded evenly. From the beginning it has been associated with inequalities between (and within) different regions in the world. Especially important are the processes which created the third

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<sup>1</sup> However, some scholars have termed globalisation as new-imperialism where giant MNCs (Multi-National Corporations) are the empire builders. These MNCs exploit the resources of nation-states especially the poor and developing countries of Asia, Africa and Latin America. The consequences of this neo-imperialism are, at times, worse than the earlier form of imperialism when examined from the viewpoint of unequal distribution of power and wealth.

world countries. It, therefore, becomes essential to analyse the various theories of world development in order to assess the impact of globalisation on the third world countries. Three approaches have been proposed to try to explain why such marked global inequalities have developed over the past several centuries: '**Theory of Imperialism**', '**Dependency Theory**' and '**World System Theory**'.

*The Theory of Imperialism* was first advanced by English historian **J.A. Hobson** and taken up by the Soviet leader Lenin. This theory attributed global inequality to the long years of exploitation of third world countries by the colonial powers. The colonial powers extracted raw materials from their colonies and sold finished goods at very high prices and in the process shattered the domestic economies of the colonies. This resulted in affluence of the colonial powers and impoverishment of the rest of the world.

Neo-imperialist argue that the industrialized states still maintain control through their leading economic position in world trade, and through the influence of large corporations operating on a global basis. The western countries are able to perpetuate their privileged position by ensuring that they control the terms upon which trade is carried on.

**The dependency theory** is an extension of imperialist theory only. The Dependency theorists like **A.G. Frank** argue that the poverty of the developing countries of the third world is mainly due to their dependence on industrialized countries for trade and investment. They further argue that developed industrial countries have attained this entrenched position by virtue of the wealth and affluence bestowed upon them by colonial exploitation.

**The World System Theory**, pioneered by **Immanuel Wallerstein** has been discussed at length in this Chapter. This is the most sophisticated theory to interpret world patterns of inequality. This has

explained inequality in the world capitalist system in terms of core (industrialized) and periphery (third World) countries where core countries have exploited the resources of periphery countries and have become rich.

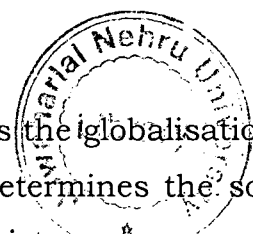
Apart from aforementioned theorists (on globalisation) there are theorists who have focused on global interdependence assigning key role to technology, important among them are **Rosenau and Gilpin**. Rosenau privileges technology and its transformative capacities. Rosenau has written exclusively on the growth and significance of global interdependence (Rosenau 1980, 1989, 1990). According to him:

***“It is technology.....that has so greatly diminished geographic and social distances through the jet-powered airliner, the computer, the orbiting satellite, and many other innovations that now move people, ideas and goods more rapidly and surely across space and time than ever before”.*** (Rosenau quoted in ‘A Global Society, ed. By Stuart Hall and Anthony Mc Grew)

Rosenau considers that an underlying shift from an industrial to a post industrial order is transforming the global human conditions.

Gilpin has associated globalisation with the hegemony of superpowers. He considers the presence of hegemonic power essential for the proper functioning of a global order. Thus he asserts.

***“My position is that hegemony is necessary to the existence of a liberal international economy. Historical experience suggests that in the absence of a dominant liberal power, international economic co-operation has been extremely difficult to attain or sustain and conflict has been the norm.....The Expansion and success of the market in integrating modern (global) economic life couldn’t have occurred without the favourable environment provided by the liberal hegemonic power.”*** (Gilpin, quoted in ‘A Global Society’ ed. By Stuart Hall and Anthony Mc Grew).



Another aspect which remains to be examined is the globalisation of the mass media. This is an aspect which directly determines the socio-cultural transformations in all societies. Most theorists converge upon the idea that it is basically the development in communication technology that has led to the globalisation of our social life. Mass media components (television, video, cinema etc.) have crossed geographical and cultural boundaries and are responsible for setting a new world order. If globalisation is viewed as interconnectedness among nation states, mass media has played the major role in promoting globalisation by ensuring that nation states remain connected. Especially the advent of satellite TV and telecommunications (supported with internet) have enhanced the connectivity among nations beyond imagination and have expedited the pace of globalisation by leaps and bounds by reducing the gap of home and space (between nations) to virtually zero.

However, the spread of mass media and its influence over mind of people has created a suspicion about the globalisation of mass-media. Concerns have been expressed regarding the negative impact on local culture as it is exposed to the culture of the super-power countries (especially US).

**Phillip Schlesinger** (1986 : 126) has noted that satellite broadcasting threatens to undermine the very basis of present policies for the policing of national space. Collins has pointed to the possibility of satellite television presaging the generalization of the Canadian experience of subservience to American Culture interests and has observed that satellite TV may indeed be seen to herald what he calls the Canadianisation of European Television. Thus these new technologies have worryingly negative consequences for established national (and indeed continental) identities and at the same time have potentially unpolicable and thus disturbing effects, not only in disaggregating established audiences/communities, but also in creating new ones across

national boundaries. *Thus loss of identity or the syndromes of identity crisis is seen as a negative effect of globalisation.*

### **1.1. Origin and Evolution of the Process of Globalisation**

Having analysed all the major theoretical contributions regarding globalisation it becomes imperative to trace the path of evolution the process of globalisation has gone through. ***Here the word 'process' must be emphasized and understood clearly. Globalisation is not a phenomena or event which happened at some particular date or during a particular period. Rather it is a process, as old as the history of mankind, which has been evolving along with the evolution of the human society across the globe and continues to do so. All the components of globalisation (cultural, economic and political interconnectedness among nations) have evolved in a 'process' – like manner and this continues till date.***

From our analysis of primary theorization of globalisation (in the previous section) it is reflected that *the opinion of most of the theorists about globalisation converges at a point where globalisation is understood as a process characterized by interconnectedness and interdependence among nations along with economic and cultural exchange.* Globalisation as a process, defined as interconnectedness and interdependence among nations along with economic and cultural exchange, has been occurring since ancient times. Globalisation, in this form, has accompanied human societies across the globe since the known history of mankind and evolved along with the evolution of human societies. Right from ancient times there have been cultural exchanges and trade-relations between various countries. Countries have been connected through traders, travellers, military expedition and religious missionaries. Thus all the societies have been exposed and subjected to the forces of globalisation at some or the other point of time in the known history of mankind. As long as globalisation is concerned, the difference between various societies has



been one of degree and not of kind. *A distinction between various nations or societies can be made as 'more' or 'less' globalised but not as globalised and non-globalised. At all points and during every phase of history, the world was globalised, only the degree of globalisation has been increasing along with the evolution of societies across the globe. Thus globalisation is a matter of degree which has been varying during various phases of history of mankind. The world today, therefore, is only more globalised as compared to the world several centuries before.*

Thus we see that it is very difficult to assign a particular date or phase when globalisation actually began. However, attempts have been made by some sociologists and scholars to trace the origin of globalisation and the underlying theme. It may be shown in a tabular form as given below:

**TABLE NO. 1.1**  
**TIMINGS OF GLOBALISATION**

<b>Author</b>	<b>Start</b>	<b>Theme</b>
Marx	1500's	Modern Capitalism
Wallerstein	1500's	Modern World System
Robertson	1500's, 1870-1920's	Multi dimensional
Giddens	1800's	Modernity
Tomlinson	1960's	Cultural Planaterization

Source: Nederveen Pieterse, J.P. 1995, 'Globalisation as Hybridization' in M. Featherstone et al, ed. "Global Modernities".

Thus we see that different scholars have different views about the origin of globalisation and difference between their views about the origin of globalisation is, significant (i.e., around 450 years – from 1500 A.D. to

1960). This reflects the prevailing confusion among sociologists about the origin of globalisation. It further reflects the futility of wasting away time exploring the origin of globalisation. It will be more appropriate to trace the path of evolution of globalisation by dividing the process of globalisation into various phases – on the basis of the means of connectivity among nations (or carriers of globalisation) and the underlying ideology associated with every phase. Accordingly, the process of globalisation may be divided into three broad phases as shown in the following table:

**TABLE NO. 1.2**

**EVOLUTION OF GLOBALISATION**

	<b>Period</b>	<b>Means of connectivity (Agents of Globalisation)</b>	<b>Underlying Ideology</b>
<b>Phase-I</b>	From earlier known history till industrial revolution	Migration, travellers, military expedition, trade relations, religious missionaries, students	None
<b>Phase-II</b>	From industrial revolution to post-industrial or post-modernist or post-Fordist era	Colonialism, International flow of capital, New Means of Communications and transport (telephone, radio, aviation etc.)	Liberalism, Laissez Faire, Survival of the fittest
<b>Phase-III</b>	From the beginning of post-industrial era till date	MNCs, Internet, Supernational organizations, Telecommunications, Mass Media and Satellite TV, International flow of financial capital	Neo-liberalism, Post-modernism

*The basis of this division of globalisation into various phases is the degree of connectivity, means of connectivity and the accompanying philosophy with every phase. The notable point here is the increasing connectivity from Phase-I to Phase-III as new and superior and stronger means (technologies and institutions) of globalisation came into existence Following is a brief detail of these phases:*

**Phase – I** : This was the phase when relations between various countries were established through trade, military expeditions, travellers and religious missionaries along with students. Cultural, economic and political exchanges took place through these agents of globalisation. However, the degree of connectivity and interdependence among nations was very low. There was no conscious attempt towards globalisation on the part of the rulers of various nations. **“Globalisation occurred by chance”** during this phase and thus this phase is considered to be insignificant from the view point of any serious discussion on globalisation.

**Phase – II** : This phase of globalisation began with industrial revolution and expedited by colonialism. Industrial revolution resulted in mass production of consumer goods and necessitated the need for new markets. This resulted in colonial expansion and subjugation of Afro-Asian countries. Thus there was a conscious effort towards globalisation in which colonial countries were forcefully exposed to the economy and culture of their masters (mainly European countries headed by U.K.). The ideology of liberalism, laissez-faire, survival of the fittest etc. formed the core of the process of globalisation during this period. Adam Smith (laissez-faire), Spencer (survival of the fittest) etc. were the main proponents of these ideologies. New inventions such as railways, telephone, airways etc. expedited and strengthened during this phase. Wallerstein’s ‘World Economy’ best reflects the process of globalisation during this phase.

**Phase – III** : The seeds of this phase were sown by the First Oil Crisis of 1970's. The oil crisis played havoc with the world economy and caused world wide unemployment and a dip in the growth rate of most of the economies including the two economic superpowers i.e. the USA and the UK. It prompted Thatcher (in UK) and Regan (in USA) to go for structural adjustment programmes (SAPs) to revive their respective economies. Globalisation, in its present 'avatara' is an offshoot of these policies. Thus the beginning of this phase may be linked with the reformist policies of Thatcher and Regan in the mid-1970's. "Since the late 1970's, American and Britain have followed a neo-Fordist route in response to economic globalisation which has been shaped by the New – Right's enthusiasm for market competition, privatisation and competitive individualism". (Brown and Lauder in Halsey et al 1997: 172) These policies were later followed by other countries (willingly or unwillingly) giving fresh impetus to the process of globalisation. These are the policies which shaped the course of globalisation during this period.

The information technology revolution has played an important role in connecting the world during this phase and accelerating the pace of globalisation. The communication technology revolution has connected the nations to such a great extent that globalisation during this phase has acquired a distinct identity. This 'informational economy' is distinct from the world economy that emerged in the 16<sup>th</sup> century. "It is only in the late twentieth century that the world was able to become truly global on the basis of the new infrastructure provided by information and communication technologies". (Castells 1996: 92). It is (truly) informational and global because under the new historical conditions, productivity is generated through and competition is played out in a global network of interaction (Ibid : 66)

In the extreme case a 'world economy comes into existence which actually has no specifiable territorial base or limits....sometimes in the

early 1970's such a transnational economy became an effective global force (Hobsbawm 1994: 277). Most of the discussion on globalisation is centered around this notion of globalisation. From this view point, globalisation refers to 'a global economy in which strategic core activities, industry, innovation, finance and corporate management, function on a planetary scale on real time. (Carnoy et al 1993; Castels 1997). And this globality became possible only recently because of the technical infrastructure provided by telecommunications, information systems, micro electronics, machinery and computer based transportation. Today, as even a generation ago, capital technology, management, information and core markets are globalised. (Carnoy in Stromquist et al, 2000: 43). Thus, it is evident that *the understanding of globalisation during this period is restricted to a fully connected and integrated world (in terms of economy, polity and culture) running on the wheels of information technology since mid 1970's*

The ideology of neo-liberalism and post-modernism and emergence of post-industrialist, post-capitalist and post – Fordist society formed the core of globalisation during this phase. All the major components of the process of globalisation emanate from one or the other of these phenomena. All these concepts convey more or less the same meaning and converge at and result in one inevitable phenomena, i.e., globalisation. The term globalisation has been used interchangeably with these concepts. Thus, it becomes inevitable to analyse the core philosophy behind all these concepts one by one

## **1.2. Globalisation and Neo-Liberalism**

Since the early 1980's, neoliberalism has become the hegemonic ideology. Increasingly it has come to dominate and shape politics, economy and public policy in general. Before its adoption as a guide to economic development and public policy in Thatcherite Britain or Reganite United States, neoliberalism became a part of the ruling ideology of

Pinochet's authoritarian regime in Chile. Its ascendancy expedited the process of globalization and gave it a powerful ideological edge. The *ideological affinity between globalists and neoliberals* has since become all but transparent. Both of these developments have proved to be powerful forces for structural transformations; starting first on both sides of the North Atlantic, they have now encompassed the whole globe. Neoliberalism in its Thatcherite and Reaganite forms rose and later was carried to the Third World countries by the International Monetary Fund (IMF) and the World Bank as embodied in structural adjustment and monetary and price stabilization policies. (Pannu in AJER 1996: 87).

Neo-liberals are .....guided by a vision of the weak state. Thus what is private is necessarily good and what is public is necessarily bad. For neoliberals, there is one form of rationality more powerful than any other: *economic rationality*. Efficiency and an ethic of cost benefit analysis are the dominant norms. All people are to act in ways that maximize their own personal benefits (Honderich, 1990).

The neo liberal paradigm is a relatively recent offshoot of the broader and older intellectual tradition of economic liberalism. Several paradigms coexist within this tradition, sharing common methodological foundations, but differing in their enforced assumption, derived results, and consequent policy prescriptions.... These differences bear on the status and significance accorded to states and markets in achieving economic development in the Third World .... Both the "trammelled markets" approach of earlier political economists as well as the weight given to market imperfections in neoclassical analysis permit considerable scope for state intervention in the development process. Neoliberal economists, on the other hand, favour the free market solution. They rest their case on empirical documentation of the high efficiency costs of bureaucratic intervention, including unproductive "rent-seeking" activities on the part of individuals, groups, and states (Kabeer & Humphrey 1991: 78)

It is clear that these economists advocate the *laissez faire* route to development in the third World. That is, they assign a central role to market forces despite the imperfections of the market. They see private property and free enterprise playing an indispensable role at every level of society, from the individual to the global economy. In contrast, they envision the state playing only a minimalist role. To grasp fully the logic of a neoliberal position and make an assessment of the free market as a mechanism for achieving the twin goals of equity and efficiency in the development process, it might be helpful to examine the key methodological assumptions of neoliberalism and its implications for maximizing the social good (Pannu , Ibid : 91).

Thus, Individualism, rationality, and self-interest are the three principal building blocks – the a priori assumptions – of the neoliberal paradigm. As we will see later on, as this chapter proceeds, how these components have helped in forming the core of globalisation in recent years. The role of neo-liberalism in exploitation of third world countries has been criticized by Pannu in following words:

“The rise to hegemony of neoliberalism in the West in general and its official adoption as the guide to policies of social and economic development as well as international trade seriously jeopardize the development prospects in Third World countries. The group of hegemonic industrialized countries (the G7), the most powerful international financial institutions (IFIs) such as the IMF and the World Bank have relentlessly pursued the institutionalization of neoliberalism in the state and economy since the early 1980s. This pursuit has already resulted in devastating the poor, women and children, and the subordinate classes in general, and has increased absolute poverty”. (Ibid : 91)

### **1.3. Globalisation and Post-Modernism**

*Globalisation and post-modernism are interrelated to a great extent and operate as simultaneous processes.* It, therefore, becomes necessary

to first analyse globalisation and post modernism and then we proceed directly to analyse their impact on educational inequality.

Post modernism is a multilayered concept. It in fact is a process of rethinking a cultural experience and a social milieu distinct from the modern. Post modernism, in fact, encompasses a number of concepts of the modern society with a 'post' prefix attached to it like '*Post Fordism*', '*Post Capitalism*' and '*Post Industrialism*' (Piore and Sabel, 1984; Harvey 1989; Bell, 1973). A theme associated with many of these 'Post' prefix concepts is that the social and economic structures reproduced since the industrial revolution are now fragmenting into diverse networks held together by the development of commodity production coupled with information technology and underpinned by what Lash and Urry (1987) call a *Post Modernist Sensibility*. In order to understand post modernism in its entirety, it therefore becomes imperative to analyse the other 'post' concepts, which it engulfs, as to what extent these 'post' prefixed concepts contributed to the post modern condition and ultimately their global dimensions.

**1.3.1. Globalisation and Post Industrial Society:** *Post Industrial society is an information based society.* **Daniel Bell's** 'Post Industrial Society' affirms this view about post industrial society. According to him, *post industrial society provided the social framework for the information society in which telecommunications and computers would become decisive for the way economic and social changes are conducted.* The most important feature of the so called information society is the role of information technology control and surveillance. In everyday life the most mundane relationships are mediated by computer (whether via Internet, e mail, bank cards, health cards, credit cards etc.). Thus post-industrial society signifies a greater concentration of operation in a global market.

Thus it is evident from the above analysis that *post-modernity is a product of communicative development.* As **Habermas** has rightly pointed



out – human sociality and solidarity are pursued with communicative rationality. This revolution in information technology in a post – industrial society has expedited the process of globalisation to a great extent.

**1.3.2. Globalisation and Post Capitalism:** The most significant propounder of post capitalism is **David Harvey**, in his book “The Condition of post Modernity’, David Harvey offers a synthesis between post modern and capitalism. According to him, in the contemporary world, capitalists have changed their way of accumulating capital, although they have not changed the process of capital accumulation itself. He maintains that capitalism is a process, not thing. It is a process of reproduction of social life through commodity production. The postcapitalist trend reflects that *consumption is more important than production*. In search of profit the capitalist seeks to turn over capital at an increasing speed in order to preserve their advantage in speculative markets. Since it is speculative, capitalists must wager on to the future and that is done by relying more on the ballooning instruments of fictitious capitals (futures, options, tax write offs, junk bonds etc.) The result is casino capitalism, where the real value of money is no longer known. Money comes to ride over other cultural and social values and it is precisely this attitude that gives capital its global power.

Theorists like Jameson vide his essay “Post Modernism and the Cultural Logic of Late Capitalism”, are of the view that *post modern culture logically corresponds to a stage in the development of capitalism*. Jameson distinguishes between three periods in the development of capitalism – market capitalism characterized by the growth of industrial capital in largely national markets, monopoly capitalism in the age of imperialism and *the phase of late capitalism of MNCs with global markets and mass consumption*. *Globalisation corresponds to this phase of Post-Modernism*.

**1.3.3. Globalisation and Post-Fordism:** Post Fordism represents a movement beyond Fordism. It signifies a qualitative shift in the

organization of production and consumption as well as break in the mode of regulation. The most important propounder of Post Fordism is **Robbin Murray**. Post Fordism in essence is a qualitatively new economic direction. It signals a new era, in much the same way that Castells spoke about an information age.

As **Hebdiges** has rightly mentioned in his article, one of the features of post-Fordists production process is the leading role enjoyed by market research, packaging and presentation. The new intensive but speculative forms of market research are designed to offer a social map of desire which can be used to determine where exactly which products should be '*pitched and niched*'. Another important feature of PostFordism is that emphasis has shifted from manufacturing to retailing.

Thus, it is evident from the above analysis that post modernism is a social condition fostered by a number of post-prefixed conditions. ***Post-Capitalism, PostIndustrialism, Post-Fordism, in fact, are important catalysts that enhance or force the Post Modern condition in different ways.*** What is important however is the universalizing trend it possess. Post Modernism doesn't stay confined to one particular place. In fact it knows no boundaries. It compresses both space and time. In other words, ***Post Modern conditions automatically leads to the phenomenon of globalisation.*** Post modernism is thus a significant movement beyond a one dimensional perspective. Globalisation is one of its important symptoms because as a movement and as a concept, post modernism doesn't admit of any frontiers. Its shenanigans are mass media which influence minds and operate from outer space. The impact of both post modernity and globalisation is immense. In the present study an attempt has been made to analyse its consequences on education vis a-vis inequality.

In the light of the above discussion, following are the main features of a post modern society:-

- It is information based society in which the world has immensely shrunk in terms of time and space by virtue of information technology revolution (internet, satellite communication, telecommunication etc.)
- The nature of capitalism has become highly speculative. Financial capital dominates all forms of capital and investment becomes akin to gambling due to speculative nature of capital
- Focus has shifted from production to consumption. Consumerism is the characteristic feature of post – modernism culture where everything is commodified and every actor is seen as a possible consumer. Especially the commodification of knowledge and culture is essential feature of post-modernist society. Moreover, Post – modernism and globalisation have worked hand in hand to universalize the process.
- MNCs with their global market operations have become new center of power which call the shots globally. They have significantly eroded the sovereignty of nation states and influence the policy making across the globe.
- The mode of production has changed from Fordist to post-Fordist model in which market research, packaging and presentation are emphasized. Further, focus shifts from manufacturing to retailing. Innovative ways of retailing are found resulting in a magnificent chunk of total expenditure by firms going to advertising. Advertising has become one of the most important part of post-modern societies.

All the above mentioned features of post-modernist societies are essential ingredients of globalisation (as it will be clear later on in this chapter). *Thus the conditions of post-modernist societies automatically lead to globalisation of economy, polity and culture of the nation states across the globe.*

**Phase three** of globalisation was marked by global economic restructuring. “the patterns of global economic restructuring which

emerged in the late seventies went hand in hand with the implementation of neoliberal policies in many nations” (Burbules and Torres 2000 : 5). This economic restructuring reflected a world trend characterised by at least the following elements.

- New International division of labour and economic integration of national economies (such as emerging common markets and trade agreements).
- Emergence of new exchange relations where information and services are becoming more important than manufacturing.
- The increasing internationalization of trade (currently 600 major MNCs control 25 per cent of the world economy and 80 per cent of world trade).
- The shift from a rigid Fordist model of production to a model based upon increased flexibility (neo-Fordist model).
- The rise of new forces of production, governed by the microchip, robotics and automatic, self-regulating machines which in turn has led to the emergence of a high-tech information society based on the computer.
- The increase in the size and importance of the service sector.
- Reduction in the Government expenditure on welfare activities and increased privatisation of social services (wealth, housing, education)
- Increasing preletarianisation and deskilling of jobs
- With the implementation of neo-liberal policies, the state has withdrawn from its responsibility to administer public resources to promote social justice. This is being replaced by a blind faith in the market (Burbules & Torres, *ibid*: 5-8).

As mentioned earlier, this phase of globalisation began with structural adjustment programme (SAP) in USA and UK and till date SAP remains the main feature of the countries trying to globalise their economy. The SAPs have resulted in erosion of power of the State, increased power of the market, privatization programmes and emergence of MNCs as new center of power across the globe. When we talk of globalisation we actually refer to all these phenomena and examine their impact on economy, polity and culture. Thus it becomes imperative to examine these phenomena separately before going for a detailed examination of the impact of globalisation on education inequality.

#### **1.4. Globalisation and Structural Adjustment Programme (SAP)**

Structural adjustment and reform seeks to shift resources :

(a) From the non-traded good sector to the traded good sector and within the latter from import competing activities to export activities; and  
(b) From the Government sector to the private sector. Apart from such allocation of resources, structural reform seeks to improve resource utilization by (i) increasing the degree of openness of the economy; and (ii) changing the structure of incentives and institutions in favour of private initiative and against state intervention. The general economic philosophy is to rely more on market forces, dismantle controls as far as possible by relying more on prices and wind down the public sector in the hope that the vacuum will be filled by the private sector. The underlying presumption is that industrialization based on state intervention leads to inefficient allocation and utilization of economic resources. (Nayyar & Bhaduri 1996 : 33)

Globalisation had a “John the Baptist” of its own: the SAPs. The process has involved a shift in aid programmes with accompanying macro economic conditionalities (Havenevik & Van Arkadie, 1996). It is also no

longer any secret that donors are steadily shifting their ground, pushing conditionality beyond the areas of narrowly defined economic policy into institutional arrangements, ownership, privatization, changes in public service delivery system and political practice. This latter especially brings into question the issue of the political sovereignty of African countries, “indirect rule” through aid, and a call for a second liberation in Africa. (Havenivik and van Arkadie, 1996; Mkandawire, 1996; Olukoshi, 1996; Fundunga, 1996). This analysis in the context of African countries is universally applicable to all other countries – wherever the SAPs are going on. In all such countries, the donor agencies (IMF, World Bank) are ruling indirectly through aid and the policies of the country undergoing SAP is subjected to various conditionalities of the lending agencies; at times even against the wishes of the policy makers in the country in question. Thus the donor agencies enjoy absolute authority over the policy making in borrowing countries (which are forced to follow SAP)

From this perspective of authority, various “cures” to the “common for all” ailments are prescribed en masse as has happened with the Structural Adjustment Programs (SAPs). In fact they are not only prescribed, but in no time at all they become disseminated as the official descriptors in the discourse of all bilateral donors, and thereafter as the legitimate basis for new conditionalities. At the level of governance, the universalizing of Western liberal democracy under the influential diatribe of “good governance” is quickly routinized, the hegemony of the market is endorsed and disseminated, and decentralization to the advantage of privatization is legitimized (Mohan, 1994).

The donor agencies say the recipient countries should “own” their agenda now, but almost all the donors along with their activities remain opaque and most inaccessible to scrutiny by national governments of recipient countries. They say “transparency” is the key to good governance, but continue to insulate themselves and the premise of their

diagnosis from any review by experts within the countries they support. (Hoppers in Stromquist, 2000 : 109)

Alongside calls for more democracy and transparency, critical decisions have been appropriated in the confidential milieu of donor recipient negotiations. In the meantime, both the projects of nation building and democratization are threatened by SAPs by weakening the capacity of the state to respond in a political way to the many demands on it and by riding roughshod over public opinion. It is the “anti-popular” content and political form – the foreign imposition and non-transparency of policymaking institutions – that have provoked the most negative response. (Ibid : 110)

An important development under SAP has been that “.....power in the recipient bureaucracies have shifted to the technocrats, recruited by external donors and placed in small units within key ministries with the responsibility for the coordination and promotion of SAPs.” (Hoppers 2000: 110) These technocrats wield enormous power and severely infringe upon the policy making by ministries.

A dramatic de-professionalisation of public administration is also taking place with the emergence of the technocratic elite aligned to the external constituencies. These insulated international technocracies, ensconced in key ministries, wield enormous power. This further aggravates the tension between the practice of generating this cadre and the pressure on Governments to become more transparent. The Professional arrogance of these elite is fanned further by the heaps of praise accorded to them as the national salvation, in sharp contrast to the denigration that the domestic politicians and interest groups suffer at the hands of the choices of the politicians by either being part of a transnational technocratic alliance or by identifying themselves with particular international models of crisis management, such as orthodox SAPs (Hoppers : Ibid : 10).

Politics is reduced to serving this technocratically defined “welfare function” instead of the technocrats devising the instruments necessary to meet a democratically specified “social welfare program”. **Mkandawire** (1996) argues that SAPs have introduced a truncated democracy whose area of competence is severely restricted. It is a choice-less democracy, on an inflexible take it or leave it basis in which the silent compulsions of market forces reign unchallenged by human will and collective action (Olukoshi, 1996).

### **1.5. Globalisation and the State**

The forces of globalisation have led to the restructuring of the state. Before examining the way the State has been restructured, it is essential to know what is the State? “the State refers to practices, processes and structures of governments at each of the political, legislative, judicial and administrative levels. It frames the relationship between the various activities of the government as it seeks to manage society and the conduct of its institutions and its citizens” (Taylor, Ibid : 78). In recent years the practices, processes and structures of State have undergone major changes everywhere affecting various aspects of policy making and practice. No Nation State has escaped these pressures to change (Ibid : 78)

*This restructuring of state under globalisation has resulted in the erosion of power and sovereignty of nation states.* Forces of globalisation transcend the geographical and political boundaries of nation states. Concepts like global economy, global citizenship, deterritorialisation etc. are threatening the very existence of nation states. The forces of globalisation have considerably eroded the power of nation states to control their economy and polity and to preserve their cultural identity. Under the process of globalisation, “in the extreme case, a world economy comes into existence which actually has no specifiable territorial base or limits, and which determines, or rather sets limits to, what even the



economies of very large and powerful states can do” (Hobsbawm 1994 : 227)

While global capitalism thrives and nationalist ideologies explode all over the world, the nation state, as historically created in the Modern Age, seems to be losing its power..... Indeed the growing challenge to state’s sovereignty around the world seems to originate from the inability of the modern nation – state to navigate the uncharted, stormy waters between the power of global networks and the challenge of singular identities. The instrumental capacity of nation-state is decisively undermined by globalisation of core economic activities, by globalisation of media and electronic communication, and by globalisation of crime. (Castells 1997: 243-44). Consequently, there is a standard view in the literature that the changes in the nature of the global economy since the early 1970 has led to a weakening of the powers of the nation state (Held, 1995).

It is, however, in the domain of ‘instantaneous’ and ‘stateless’ financial markets that Waters (1995) suggests globalisation is most advanced. Globalised financial markets are *very difficult for nation states to control and as such, impose considerable constraints on the policy options of national governments.*

In the political arena also the powers of nation states have been eroded and their policy options restricted due to the emergence of international organizations and super-national formations. “Increasingly since the second World War there has been a recognition that many political problems to do with, say, the environment, disease, economic growth, maintaining peace and containing conflict are beyond the capacity of single nations to address. Hence the establishment of large intergovernmental organizations such as United Nations, military Alliances such as the North Atlantic Treaty Organisations..... a rapidly increasing number and variety of international non-governmental

organisations, for example, Greenpeace, Amnesty International.....” (Taylor; Ibid : 57-58). These Waters suggests, collectively constitute “a complex and ungovernable web of relationships that extends beyond the nation state” (1995 : 113). There have also been other ideological and economic pressures upon the organization and administration of the nation state flowing from globalisation. Harvey puts it this way:

“the state is now in a more problematic position. It is called upon to regulate the activities of corporate capital in the national interest at the same time it is forced, also in the national interest, to ‘create a good business climate’ to act as an inducement to trans-national and global finance capital” (Harvey 1989:170).

In this context, **Stuart Hall** speaks of post national identity arguing that accelerating globalisation has destabilized ethnicity and that the dual process of de-territorialisation and greater transnational “connectedness” have profound implications for our understanding of the nation state. This cultural fragmentation carries significant implications for political organization, particularly in view of the concentration of economic power which seems to accompany globalisation (Torres, 1995)

In the name of globalisation the western countries have pushed their agenda through multilateral donor agencies (World Bank, IMF etc.) These agencies, in turn, have sought to achieve this through SAPs imposed on the borrowing countries of the third world. This has seriously eroded the credentials of the nation states as sovereign entities committed and able to preserve and protect the welfare of their citizens by pursuing independent policies in the arena of polity, economy and culture. Olukoshi (1996) argues that the collapse of the former Soviet bloc, it would appear, has coalesced into a neoliberal triumphalism to create the impression of an inexorable march by all humankind toward “free” market policies and ideas. State policies and agencies are treated as the primary obstacle to the economic development of the continent. The critique of the postcolonial state built into the structural adjustment

model opposes the public to the private, the rural to the urban, the formal to the informal, agriculture to industry in a one – sided manner. For its part, the World Bank and its allied political economists perfected a set of referents with regard to the state. Some of these include descriptors such as: prebendal, crony, neo-patrimonial, overextended, lame leviathan, kleptocratic, parasitical, predatory, weak, soft, and rentier. All of these are denigrating terms (Olukoshi, 1996)

In other words, from being the cornerstone of development in the pre-adjustment period, the state, which a priori is defined as deficient, is now seen as the milestone holding back a system of market-led development. Where the state is to be mercilessly retrenched and put in its rightful place, the market is to be unbound and allowed to flower unrestrained (Olukoshi, 1996). To reiterate, application of conditionality is the primary means by which the multilateral donors who designed the adjustment framework seek to ensure that... states adopt and implement their reform program. As... governments can only expect to receive donor funds and support if they agree to adopt and implement policy reforms prescribed by the Bretton Woods institutions the IMF and the World Bank are well positioned to compel adoption of their favored policy options. The effectiveness of the leverage exercised over borrowing countries is further reinforced by a system of cross-conditionality whereby bilateral donors agree to do business with governments only when they (the borrowing governments) have made their peace with the World Bank and can produce a clean bill of health from the IMF. (Hoppers, Ibid : 114)

Castells (1997) has a different approach towards the question whether the power of the national state diminished by globalisation? For him the answer is both 'Yes', and 'No'. Yes, because increasing global economic competition makes the nation state focus on economic policies that improve global competitiveness, at the expense of policies that stabilize the current configuration of the domestic economy or possibly

social cohesion. Yes because the nation state is compelled to make the national economy attractive for the mass of capital that moves globally in the “space of flows” and that may mean a reduction of monetary policy that favours financial interests rather than workers and consumers.

But no, because ultimately nation states still greatly influence the territorial and temporal space in which most people acquire their capacity to operate globally and where capital has to invest. Nation states are largely responsible for the political climate in which businesses conduct their activities and individuals organize their social lives. Some analysts have called this underlying context for social and economic interaction, “social capital”. (Coleman, 1988). National public policy has an enormous influence on social capital and trust, and it is difficult to imagine achieving greater social capital in most places without a well organized state. (Carnoy, Ibid : 46) Even the World Bank, supposedly a global institution, has “rediscovered” the national state as crucial to national economic and social development. (World Bank, 1997) *Thus inspite of its receding power and policy options, the nation state remains a vital force under globalisation.*

### **1.6. Globalisation and Supernational Organisations:**

The process of weakening of states has been further reinforced by the emergence of some supernational organizations (IMF, World Bank, WTO etc.) The weakening of nation-states in the wake of emergence of supernational organizations under globalisation has been summed up appropriately in the following words:-

“Here, from the economic perspective, we can observe the effective breakdown of the purely ‘national’ state and the formation of what might be called the ‘meta state’ in which the intersection of the largest transnational corporations and the international political directorates of many nations constitute a new governing class. Institutional forms of rule – multi lateral trade organizations.....proliferating international conferences on terrorism, technological change and new forms of international economic arrangements in which business leaders, diplomats, academics, and other ‘experts’ regularly consult and

increasingly frequent summits among government leaders of the key national states, usually flanked by trade representatives recruited from the international business establishments – are taking over”

(Aronowitz and Fazio in Halsey et al, 1997: 198-199)

Scholars across the globe have been critical of the role, supernational organizations have played in forcing the Structural Adjustments Programmes (SAPs) down the neck of developing countries in the name of globalisation. With the World Bank strongly leading the crew in establishing consensus for its ( and the West's) neoliberal agenda. Samoff's study reveal a new game of mind and policy control and manipulation, in which wealthy lender agencies set the research agenda and then base their policy discourses on this self-funded and “objective” research (Samoff, 1992). Loxley and Seddon add : “The Bank is undoubtedly selective, not only in the way in which it deploys its statistical evidence in support of its own analysis, but also in the choice of ‘successes’ and ‘failures’ as examples to support arguments about the effectiveness of structural adjustments programmes” (1994 : 489)

At another level, the requirements for meeting the demands of donor conditionality increasingly mean that public officials account more to the World Bank and the IMF than to the people. Public Officials, moreover, spend disproportionate amount of time preparing reports, one after another, for the Bank, the Fund, a host of bilateral donors, and the Paris and London Clubs. This is in addition to time spent with a variety of evaluation/monitoring missions and in undertaking missions to the Bretton Woods institutions, the Paris and London Clubs, and with other donors to negotiate/justify further financing. The sum total of all of this is that governmental effectiveness is severely impaired (Olukoshi, 1996).

The bureaucrats and economists in third world developing countries are ‘rewarded’ in terms of lucrative posts at IMF and World Bank if they help in pushing forward the agenda of fund-bank led SAP in their

countries. Even the role of journalists is doubtful in this regard. Thus, economists, bureaucrats, and journalists – all advocate vigorously the stabilization programme of IMF and World Bank with an eye on the reward system of these agencies (Nayyar and Bhaduri, 1996 : 63)

The World Bank and the IMF are the two main donor agencies which affect the domestic political and economic (and even cultural) policies of the borrowing countries ...through the “conditionalities” associated with the “aid” programmes. These “Conditionalities” force the borrowing countries to formulate policies in accordance with the free market principle. This brings us to a basic question as to what motivates leading multilateral financial institutions to behave as market fundamentalists? “Two obvious reasons play a part. First, intellectual inertia rules these hierarchical, bureaucratic institutions. By and large, endowed with a cadre of economists of rather mediocre abilities, they are handicapped further by their lack of knowledge, let alone understanding of the country they ‘advise’. In this situation, preconceived models, routine calculations and the standard economic recipes – which together characterize this intellectual inertia – are only to be expected. Second, as many honest officials of the IMF and the World Bank often make clear, these institutions are primarily banking institutions whose conditions for lending seek to ensure that borrowers can repay their debts. And the usual principles of banking need not always coincide with the objectives of developments (Nayyar and Bhaduri, 1996 : 65)

### **1.7. Globalisation and the Market**

The loss of ‘State’ (in terms of sovereignty and policy making power) has been gain for the ‘market’. Market has strengthened itself at the cost of state and has become all pervasive in a globalised world. Market has derived its power from the fact that the performance of economy has become the main concern of the policy makers across the globe under the pressure of globalisation. The forces of globalisation have ensured that

*“the tail that is the economy wags the dog that is the society”* (Michael Pussey 1991:10). Since the first oil shock in the early 1970s, Western societies have experienced a social, political and economic transformation that is yet to reach its conclusion. At its epicenter is the creation of a global economy that has led to an intensification of economic competition between firms, regions and nation states. (Dicken 1992; Michie and Smith, 1995). *Thus, the discussion on globalisation during its third phase has considered economy as the hub around which the process of globalisation revolves.* Economic aspects of globalisation, during this period, is highlighted and its impact on other segments (polity, culture) of society is examined. The economic policies, under globalisation, determine the course of all other policies in majority of the countries of the world. This has led to the further erosion of the power of the state. “The globalisation of the economy has, to some extent, reduced the capacity of individual states to consider their own distinctive policy options. All nation states are today encouraged to internationalise their economies with profound implications for the restructuring of the state. Market activities are now considered the core building blocks of the very formation of the state itself. The state is thus no longer expected to mediate the excesses of the market, but rather provide conditions that support its operations.... in this sense globalisation has become an ideology, proselytized by international organizations such as the OECD and the World Bank in assertions of the need for less interventionist and leaner government and for freer form of economic competition between nations” (Taylor, Ibid : 78-9).

This demand for smaller government is based on the assumption that the older bureaucratic structures and practices of the state were inefficient and expensive, that they inhibited market competition and were incapable of responding quickly to rapid change which had become endemic. For example, an OECD study (1995 : 7) of public sector reforms

has observed how old bureaucratic structure inhibited efficiency and effectiveness which necessitated a reform, based on 'corporate managerialism' a term borrowed from corporate sector which refers to new practices and structure in organization in private sector. Corporate managerialism has been defined by Sinclair as a 'rational, output oriented plan-based and management-led view of organizational reform' (1989 : 389) while Weller and Lewis claim that 'managing for results' best encapsulates the essence of such reforms (1989:1). Yetman suggests that corporate managerialism is about 'doing more with less' (efficiency), 'focusing on outcomes and results' (effectiveness) and 'managing change better' (1987:341).

The subordination of state by the market has been further reinforced under SAP. "SAPs are not only about the liberalization of domestic markets, but also about submission to the logic of global markets. The effect of the exigencies of global financial liberalization has been to strengthen the structural predominance of the entrepreneurial class by making the threat of capital flight a sword of Damocles hanging over policymakers. In the process, "market" has become reified into a neutral, apolitical and a - historical institution" (Chaudhry in Mkandawire, 1996:36)

Above discussion shows as to how the autonomy and sovereignty of nation-states have been sacrificed on the altar of efficiency and productivity - the mantra of market economy promoted by the forces of globalisation. This belief in the efficiency and effectivity of the market forces has led the governments across the globe to leave the essential services (such as education, health, shelter and other welfare functions) at the disposal of the market. For every failure of the government, the state is held responsible and the solution is found in free play of market forces.

This dominance of and reliance on market under globalisation has drawn criticism of economists and sociologists as "market solutions are



often ruthless to the poor. Even more importantly, Government failure doesn't imply that a reliance on market will succeed. It is a simple fallacy in logic to claim that if something (state intervention) doesn't work, its opposite (the free market) must work" (Nayyar and Bhaduri 1996 : 13).

However, such criticisms have no effect on the proponents of 'free market' forces and they continue to campaign (successfully) for the replacement of the state by the market in most of the areas. The only role the proponents of the market assign to the state in a globalised world is that of facilitator of the market. This has resulted in the privatization programmes and withdrawal of the governments from most of the essential services (electricity, water, education, health etc.) This aspect of globalisation has a serious implication for our study as we will see in the later chapter.

### **1.8. Globalisation and MNCs**

The strengthening of market under globalisation (from mid 1970s onwards) is reflected in the rapid progress achieved by MNCs during this period. The emergence of transnational corporations with budgets larger than those of many nation-states, and with operations spread across the globe is an important component of economic globalisation". Currently 600 major MNCs control 25 per cent of the world economy and 80 per cent of the world trade (Burbules and Torres, 2000:58). Today MNCs have become a force to reckon with in world economy (and even in polity and culture). "The MNCs not only account for a growing proportion of cross-border trade, but are a major source of new investment in technology, jobs and skills. Since the mid-1970s the MNCs have grown more rapidly than the world economy. In 1975 the fifty largest industrial corporations world wide had sales of \$540 billion and received \$25 billion in profits. In 1990, sales figures for the top fifty had climbed to \$2.1 trillion and their profits had reached to \$70 billion. In real terms, whereas the US economy was growing at an annual rate of 2.8 per cent (the OECD

average was 2.9 per cent), the MNCs annual sales growth was in the region of 3.5 per cent during the period between 1975 and 1990” (Carnoy et al., 1993:49). This information may be presented in a tabular form for better comprehension:

**TABLE NO. 1.3**

**SALES AND PROFITS OF MNCs BETWEEN 1975-1990**

Year	Sales & Profits	Sales ( in US \$ Billion)	Profits (in US \$ billion)
1975		540	25
1990		2100	70

**TABLE NO. 1.4**

**A COMPARATIVE ANALYSIS OF GROWTH RATE OF MNCs VISÀ-VIS  
OTHER ECONOMIC SUPER POWERS (BETWEEN 1975-90)**

Countries/MNCs	Growth Rate
USA	2.8
OECD	2.9
MNCs	3.5

As reflected in these figures, MNCs have acquired immense economic power in the third phase of globalisation. This economic power is used by the MNCs to force the developing countries (looking desparately for foreign investment) to change their economic, political and cultural policies so as to suit the need and interests of the MNCs. Thus the MNCs have become biggest threat to the sovereignty of the nation states. The profitability of MNCs depends upon free operation of market forces. Thus they use their economic power to force the governments across the globe to make policies in accordance with strict market principles. This is why 'the market' has become so strong and pervasive under globalisation in the recent years. The policies which these MNCs want to be followed (and get it done through the World Bank and the IMF –as these agencies arm-twist the governments to follow the suit) are most of the times, detrimental to the welfare of the weaker section in the developing countries. These policy measures include reduction in public investment, privatization of public sector enterprises and essential services (education, health, housing etc.), charging 'user charges' on public services, reduction in government expenditure on subsidy (on agriculture, public distribution system, electricity etc.) and so on. Obviously, such policies will adversely affect the weaker sections. In the third chapter, the impact of such policies on education has been examined.

#### **1.10. Globalisation and Inequality**

***“There seems to be little doubt that economic globalisation is contributing to intensified inequalities between its beneficiaries and victims”*** (Taylor et al., Ibid:76). The necessity of state to counter such inequities has been felt by sociologists like Hobsbawm who argues “.....the state or some other form of public authority representing the public interest (would be) more indispensable than ever if the social and environmental inequities of the market economy were to be countered”. [1994:577]

***In terms of inequity “the most obvious evils of globalisation are structural unemployment, the erosion of organized labour as a political and economic force, social exclusion and an increase in the gap between rich and poor within nations and, especially, worldwide”*** (Burbules and Torres 2000:17). There is a significant number of sociologists who maintain that globalisation is only a means of perpetuating the western hegemony over the rest of the world which aggravates the problem of poverty and inequality. For the vast majority of the countries “... the international system continues to reaffirm and reproduce the inequities which are so necessary for that limited, and provincial version of progress and development not only to be writ larger, but to be thoroughly assimilated and routinised on a world scale. In most discourses surrounding global development, there is a total obfuscation of the fundamental elements of force and power and especially of the political and economic dominance of the European core (read western powers) over the rest of the world’ (Bergson, 1984). The West is attempting, and will continue to attempt to sustain its pre-eminent position and defend its interests by defining those interests as the interests of the “world community”. That phrase has become the euphemistic collective noun replacing the “Free World” to give global legitimacy to actions reflecting the interests of the United States and the other Western powers. The West is, for instance, attempting to integrate the economies of non-Western societies into a global economic system which it dominates. Through the IMF and other international economic institutions, the West promotes its economic interests and imposes on other nations the economic policies it thinks appropriate (Huntington 1996: 184)

Behind the imperative of globalisation stands the military, technological and economic power of the West. These powers have rights without qualifications, including:

- The right to *prop dictatorships* and undermine popular democracy if those democracies are not in step with the wishes of the Western powers;
- The right to *create a strong transnational state* that dictates economic policy including manufacturing, media and communications and institution, in which a participant takes place in a fairly rigid hierarchy of domination, implementing orders from above, transmitting them downwards;
- The right to *construct the parameters of meaning*, and
- The right to *intellectual property* – the misnomer for the rising tide of doctrines designed to ensure that the U.S. based corporations control the technology of the future, including biotechnology, which in turn will allow those state-subsidized private enterprises of the West to control health and agriculture as well as the means to life of all humanity (Chomsky, 1994)

The views of Chomsky about Western hegemony in the world economy and polity has been endorsed by South Commission as it observes that the core industrial powers have frequently resorted to a new form of colonialism, monopolizing control over the world economy, undermining the more democratic elements of United Nations; and, in general proceeding to institutionalize the South's second class status (The South Commission, 1990). Rather than strengthening the weaker countries, the industrialized countries (the North) used the plight of those developing countries to strengthen their dominance and influence over the development paths of the South, forcing the weak to reshape their economic policies to make them compatible with the North's design. The most powerful countries in the North have become de facto board of management for the world economy, protecting their interests and imposing their will in the South, where governments are

then left to face the wrath, even the violence, of their own people, whose standards of living are being depressed for the sake of preserving the present patterns of operation of the world economy – that is, the present structure of wealth and power (The South Commission, 1990).

Chomsky reminds us that a particularly valuable feature of the rising de facto governing institutions is their immunity from popular influence, even awareness. They operate in secret, creating a world subordinated to the needs of investors, with the public “put in its place”, and the threat of true democracy reduced. This reversal of the expansion of democracy over the past centuries is a matter of no slight significance as the former chairman of the Group of 77, Luis Fernando Jaramillo pointed out in his last address to that group:

“The strategy of the rich....is clearly directed at strengthening more and more the economic institutions and agencies that operate outside the UN system [which, with all its flaws remains] the only multilateral mechanism in which the developing countries can have some say....In contrast, the Bretton Woods Institutions that are being made the center of gravity for principal economic decisions that affect the developing countries are marked by their undemocratic character, their lack of transparency, their dogmatic principles, their lack of pluralism in the debate of ideas, and their impotence to influence the policies of the industrialised countries whose dominant sectors they serve in reality. It is this “New Institutional Trinity” which would have as its specific function.... to control and dominate the economic relations that commit the developing world.... while the industrialized countries will make their own deals outside normal channels.... in G—7 meetings and elsewhere (in Chomsky 1994: 179).

Globalisation (understood as a particular contemporary configuration in the relationship between capital and the nation state) is demonstrably creating increased inequalities both within and across

societies (Appadurai 2000:12). The single most forceful account of this process is to be found in Greider (1997), though his alarming prognostications have not gone unchallenged. (Krugman 1998; Rodrik 1997). Nevertheless, in implying that economic globalisation is today a runaway horse without a rider, Greider has many distinguished allies. (Garten 1997; Soros 1998).

It is evident from our analysis till now that globalisation during the third phase (mid 1975s onwards) has been understood in multiple of ways by different scholars. *“For some... the term refers to the emergence of supernational institutions whose decisions shape and constrain the policy options for any particular nation state; for others, it means the overwhelming impact of global economic processes, including processes of production, consumption, trade, capital flow, an monetary interdependence; for still others, it denotes the rise of neoliberalism as a hegemonic policy discourse; for some it primarily means the emergence of new global cultural forms, media, and technologies of communication, all of which shape the relations of affiliation, identity, and others, “globalisation” is primarily a perceived set of changes, a construction used by state policymakers to inspire support for and suppress opposition to changes because “greater forces” (global competition, responses to IMF or World Bank demands, obligations to regional alliances, and so on) leave the nationstate “no choice” but to play by a set of global rules not of its own making. Of course, each of the authors cites the complex interplay of these various factors with different weights and in different relations”* (Burbules and Torres 2002:1-2).

Thus we see that globalisation is a multidimensional concept with multitude of meanings. It is very difficult for an analyst to examine the impact of globalisation on various segments of the society with this multidimensional concept of globalisation. Hence we need to construct an ‘ideal type’ of globalisation by highlighting those dimensions of globalisation which are required for our study (i.e., globalisation vis-a-vis educational inequality). Based on the discussion in this chapter, and

requirement of our study, **an ideal type of globalisation** has been constructed. Following are the features of this ideal type of globalisation:-

- It mainly refers to the period from mid-1970s onwards
- It has resulted in almost complete connectivity among nations of the world. The connectivity has been extended to all segments of the society – economy, polity and culture
- This connectivity owes its origin to information and communication technology revolution during this period (Computer, satellite TV, mobile phone services etc.). Computer has become all pervasive in day-to-day life.
- This connectivity has been further facilitated by the international flow of capital through MNCs. They have become the new empire builders under globalisation with their immense control over the world economy and thus world polity. They severely encroach upon the sovereignty of nation states by influencing their policy making.
- SAP has been one of the main features and catalyst of globalisation during this period.
- SAP has been forced down the neck of majority of developing countries by the Western powers (especially US) with the help of supernational organizations such as IMF, world bank, WTO etc.
- SAPs and supernational organizations have eroded the sovereignty of the nation-states and limited their policy options.
- Globalisation has resulted in the weakening of the state and its submission to the market forces. Market forces are ruling the world under globalisation and market principles have become main guiding force for the policy makers across the globe.
- Excessive reliance on market has resulted in the commodification of knowledge and culture under globalisation.



- Under the SAP the developing countries are forced to reduce their expenditure on welfare activities and essential services. Further, they are forced to withdraw from production and reduce jobs. This has resulted in privatization in most of the areas.
- Globalisation has become synonymous with privatization and SAP across the globe. SAP along with increased connectivity (through information technology and telecommunication revolution) summarise the process of globalisation during this phase.
- Globalisation has resulted in worldwide poverty and inequality and reinforced existing socio-economic inequalities.
- Restructuring of job market from manufacturing to services sector and retailing has taken place.
- Economic aspect of globalisation has dominated its political and cultural aspects although these three are closely interlinked.

This is the 'ideal type' of globalisation which has been constructed for the purpose of this study and which will be used to analyse the impact of globalisation on the educational inequality. These features of globalisation have been at the core of most of the discussion on globalisation in the recent years and scholars have invariably referred to these features whatever be their definition or understanding of the globalisation.

## *CHAPTER – II*

# *Education and Inequality: The Theoretical Framework*

## **EDUCATION AND INEQUALITY: THE THEORETICAL FRAMEWORK**

Education aims at providing a person an ability and taste for pursuits which are worthwhile in themselves. This aim is achieved by introducing a student to a form of rational knowledge or a rational discipline such as natural science, mathematics, literature or history, and by initiating him into rational procedures such as inventing, developing and testing hypotheses, critically assessing arguments, and making deductions from hypotheses. Achieving a progressive mastery over a rational discipline and a gradual command over the rational procedures. He is introduced to activities which are worthwhile for their own sake, with internal criteria of success and excellence. He learn to care for the intrinsic quality of experiences and activities apart from instrumental value they may possess in making the life of the individual and the community more easy and comfortable (Shah 1978:7).

Therefore we see that education is of immense importance for the overall development of a person. But opportunities for the access to education and therefore such development is not equally available to all.

There are various social factors that help or hinder a person acquiring the education suited to his/her talent. For instance, a child born and brought up in an educated family will naturally acquire a strong motivation for education, certain moral qualities on which alone the learning process can be founded such as industry, perseverance, ability to attend to uninteresting matters will be inculcated in it by its elders, it will have social confidence which facilitates helpful contacts with teachers and co-learners which are powerful aid to education. Children coming from lower strata will be denied these and similar advantages (Rege 1978:119).

This thus leads us to our discussion on educational inequality. William Tyler in his book '**The sociology of educational inequality**' raises this question as to what is educational inequality? According to him there can be five different kinds of educational inequality – inequality due to achievement, inequality due to educational background, due to aptitude or ability, and inequality of school environment (Tyler 1962: 10).

The first one, that is inequality in terms of achievement refers to the fact that some children can read better than others of their age and are more likely to stay on at school and go on to the university. This educational inequality thus is in terms of **achievement**.

The second type of inequality is due to **educational background**. This means that some children come from families that give them certain advantages such as encyclopedias, visit to art galleries and museums and help with their homework. This refers to inequality in educational background, usually in the family, which in turn may be related to the neighbourhood, the occupational group of the father, the region or an ethnic group.

Third and the more unusual, meaning of educational inequality, in view of Tyler is, that some children are able to read at higher levels than others of the same age because they were born that way. In this case any advantage could be natural or innate one. This third type of inequality is that of **aptitude or ability**, that is potential for learning.

The fourth type of educational inequality is about the advantages that come from different experiences and stimulation that the school provides. Because of the 'better' or more academic educational climate of the school it's claimed that the child will learn faster, stay on longer and pick up credentials that will increase his lifetime earnings. On the non academic side it's believed that such a child may be more likely to make

friends who in later life could help him to obtain a high status and well paying occupation. Thus this fourth type of inequality is that of **school environment** – referring to the type of teaching, facilities or curriculum that school offers or non academic advantages –reflected in the manners, the accent and social standing of child’s friendship group.

Thus its very difficult to use the term educational inequality because it can refer to so many things at the same time. It’s for this reason that it becomes essential to discuss the causal structure of different models of educational inequality in order to see the full implications of a particular usage.

Tyler also mentioned about five models through which educational inequality can be understood. The first model is the **meritocratic model** proposed by Richard Herrnstein (1971). According to this model rich and intellectually competent parents would pass on all their advantages to their children, who would succeed in the school system and in later life and ultimately give their own children a similar head start. In such a model, biological inheritance of ability is the ‘engine’ of inequality since family, school and work simply reinforce genetic endowments.

The ‘*radical*’ or ‘*class conflict*’ model of educational inequality propose a different set of relationships, in which social and family background rather than inherited ability is the driving force. Family background is a more important determinant of educational success than is ability. Infact it claimed that inequalities of all kinds are simply reflections of existing patterns of privilege and power. Children from advantaged homes will, therefore be more likely to have a happier and more rewarding school life. Even while finding a job, what these children have learned at school will not be considered as important by employees as the attitudes, deportment and general manner that they will have acquired. Credentials then may be seen as devices for ‘screening’ out

applicants who do not have the 'right' background. Children from poorer backgrounds never have, in words of Newsom Report (1963), 'an equal opportunity for acquiring intelligence'. They are often labeled as 'ineducable' who are passed into school or 'streams' that do not provide them with positive learning environment and where the expectation is that they will leave early (as cited in H.M.S.O, 1967; paras 53-56).

The third model of educational inequality is the *conservative model* which believe that a system that restricts opportunity is not only inevitable but undesirable. It's in nature of things, that the children of privileged class are better endowed intellectually, go to 'better schools' and dominate the elite institutions of learning.

Adherents of both 'conservative' and the 'radical' models agree that intelligence is not a 'natural' talent but rather something conferred by society. They deny any claim that biological intelligence may be 'cultivated' by the elites, but believe that all 'natural' qualities have a social origin.

The *evolutionary liberal* model is similar to 'meritocratic' model but proposes a weak connection between intelligence and family background and it puts forward a strong relationship between individual inheritance and educational chances. For this perspective it seems that selection by measured ability promotes rather than denies educational and social opportunity. They refute the claim that there is a restricted 'pool of ability' which explains the different class rates of achievement and success.

The fifth approach is of *compensatory liberal* which resembles the class conflict model but proposes that school environment and credentials can significantly improve the life chances of working class children. Education is seen to offer a ladder of opportunity, however restricted, to the children of working and lower classes. Education gives everyone an equal opportunity for developing mental, physical, emotional and spiritual

talents to the full. Educational system is viewed as a means for compensating for the deprived environment of the home (Tyler: *ibid*: 13).

Thus the *liberal model* in general views that academic credentials are awarded on merit in a system of fair competition. In the same way, jobs are awarded on merit, and there is a strong relationship between educational qualifications and occupational status. Since school provides equality of opportunity for all members of society, regardless of their position in the stratification system, a more 'open' society and therefore a higher rate of social mobility will result. The expansion of education will also reduce inequality in society. In particular, as the educational attainment of members of the working class rises, their bargaining position in the market will improve and as a result their income will rise, resulting in an upward social mobility.

These five models gives us a good general map of approaches to policy and thinking in all western countries. Majority of educational policies in western countries (and even in developing countries including India) have been directly or indirectly influenced by some or the other of these 5 models.

Besides these approaches there are other sociologists who have discussed about educational inequality, and how attainment levels of different social groups vary. These are discussed in the following section.

The French Sociologist Emile Durkheim maintained that there were as many different kinds of education as there were social milieux in any given society. In ancient Rome the education of the plebian was very different from that of the patrician; in India, certainly until recent years, the education of the Brahmin was considerably different from that of a shudra, whilst in medieval England the education of a knight, or of his attendant squire, was far removed from that of a peasant (Durkheim

1922: 67). No one questions the difference of education according to caste or estate in the past, or even in relation to class in our own society. However in today's society when provision is made for each child to be educated according to his 'age, ability, and aptitude', Durkheim's statement can be tested for its validity.

The simple fact is that equality of opportunity cannot be provided merely through education acts. Each child in our society has certain social positions by ascription: its born into a particular family, in a particular place, as a male or female and in a relative position with regard to others.

Inequalities in educational development may arise out of any of these particular factors – familial, economic, class or regional studies by Dr. J.W.B. Douglas, J.E. Floud, A.H. Halsey, F.M. Martin, J.Barron Mays et al., all demonstrate the effect of environmental factors upon children.

Herbert H. Hyman in an article entitled, *The value system of different classes*, was the first to spelt out in detail the fact that class and ethnic stratification are directly related to educational attainment. He argues that value system of the lower classes creates 'a self imposed barrier to an improved position'. He outlines various differences between working and middle class value system. Firstly, members of the working class place a lower value on education, and place less emphasis on formal education as a means to personal advancement. Secondly, they place a lower value on achieving high occupational status. They emphasize 'stability, security, and immediate economic benefits' while evaluating jobs and tend to reject the risks and investments involved in aiming for high status occupations. Thirdly, compared to their middle class counterparts, members of the working class believe that there is less opportunity for personal advancement. This probably is the basis for the lower value placed on education and high occupational status. He concludes that, 'the



lower class individual doesn't want as much success, know he couldn't get it even if he wanted to, and doesn't want what might help him get success.' *Thus the motivation to achieve, whether in school or in job, will generally be lower for members of the working class* (Hyman 1967: 8).

Another important longitudinal study was conducted by J.W.B. Douglas and his associates. The study was based partly on questionnaire data and utilized the concept of social class subculture. According to him danger of perpetuation of inequalities is increased – by '*self fertilizing*' nature of education. Well educated parents wish their own children to benefit as they have done from their education, and will provide the necessary ethos, as well as sometimes the necessary *cash*, in order that this may be accomplished. He related educational attainment to a variety of factors including students health, size of his family and quality of school. The most important factor appeared to be the degree of parent's interest in their children's education. He also attached importance to the child's early year since, in many cases, performance during the first years of schooling is reflected throughout the secondary school (Douglas 1964: 75).

He also mentions that a particular class, or occupational groups within a class will build up a tradition of valuing education as of functional importance in society. In the Crowther report, 1959, it was indicated that the chances of the children of professional and managerial parents continuing their education to 17 or beyond were 25 times as many as those of the children of unskilled workers (Crowther Report 1959: 118). Similarly, the Robbins report registered that 15% of boys from non manual classes entered university degree courses as against 3% from manual classes (Robbins Reports 1963: 50).

If the Crowther Report indicates the close association between a Father's level of occupation and his children's educational achievement at

school, the Robbins report confirms that 'the association with parental occupation is, if anything still closer where higher education is concerned. For example, the proportion of young people who enter full-time higher education is 45% for those whose fathers are in the "higher professional" group, compared with only 4% for those whose fathers are in skilled manual occupations. The underlying reasons for this are complex, but differences of income and of the parent's educational level and attitudes are certainly among them. The link is even more marked for girls than for boys.

The Newsom and Plowden Reports in particular have emphasized that potential ability among the children of the lower classes has been 'masked by inadequate powers of speech (Plowden Report 1967: paras 53-64 & 302). Linguistic adequacy is closely associated with home and social background, and this in turn affects the eliciting of intellectual potential. Professor Basil Bernstein has done a considerable amount of research into this problem. According to him, we understand or apprehend our world through our perceptions, and through the organization of our perceptions by means of language. We frame our concepts according to our vocabulary, our understanding of the meanings of words, and our competence in syntactical expression. In this respect it becomes clear that working class child is at a disadvantage compared with the middle class child. In the process of learning, the spoken language has a central role to play, and its therefore not surprising that children are handicapped or helped in this respect long before they reach the age of compulsory schooling.

The middle class child is much more likely to be brought up in an ethos of formal language, or in what Bernstein term an '**elaborated code**'. While the language of the working class child is limited to use of '**restricted codes.**' Restricted codes are characterized by 'short,

grammatically simple, often unfinished sentences'. There is a limited use of adjectives and adjectival clauses, of adverbs and adverbial clauses. Meanings and intentions are conveyed more by gestures, voice intonation and context in which communication takes place. In contrast, elaborated code explicitly verbalizes many of the meanings which are taken for granted in restricted code. The child brought up in the atmosphere of 'elaborated code will have available to him a language structure capable of articulating and structuring his perceptions of the world and society around him, as well as his rapidly accumulating knowledge of an increasing variety of areas of learning. Socialization involves the ability to live in society in an understanding way: the child brought up with an 'elaborated code' will be able more competently to express the meanings of his world. Thus differences in speech codes also account in part for differences in educational attainment. Firstly, formal education is conducted in terms of an elaborated code and secondly, the restricted code, by its very nature, reduces the chances of the working class pupils to successfully acquire some of the skills demanded by the educational system (Bernstein 1961: 55).

In this *Social class, language and Education*, D. Lawton discusses that the problem for education is deliberately to intervene in the language habits of the working class family in order that those individuals who have higher intellectual ability may be facilitated through the media of communication to realize their potential (Lawton 1968: 12). However education cannot really compensate for society in this way. The whole environment of the working class child militates against any formal sort of education, for the school demands responses which, on the whole, are very different from those to which the child is accustomed in the home. The child finds himself faced by a teacher who belongs to a different class from himself and to whose speech patterns and mental concepts he is not 'cued in'. The working class child will react strongly against any attempts

to improve his speech and expression, and because of this he will find manipulation of abstractions difficult, if not impossible. He is already disadvantaged – disjointed and naïve description of concrete events will come much more easily to him than abstract analysis of ideas and concepts.

Another important point argued by various theorist is that the subculture of low income groups is deprived or deficient in important respects and this accounts for the low educational attainment of members of these groups. This theory places the blame for educational failure on the child, his family, his neighbourhood and the subculture of his social group. The so called ‘culturally deprived child’ is deficient or lacking in important skills, attitudes and values which are essential to high educational attainment. His environment is not only poverty stricken in economic term but also in cultural terms. The deficiencies of culturally deprived child ‘includes linguistic deprivation, experiential, cognitive and personality deficiencies, and a wide range of ‘substandard’ attitudes, norms and values. From this viewpoint, equality of opportunity can become a reality by compensating for the deprivations and deficiencies of low income group. Professor Robin Pedley in his discussion of ‘A New Society’ states that the first need is a culturally rich environment of the neighbourhood, the home and the school within which children can both learn and grow (Pedley 1963: 31).

Raymond Boudon a French Sociologists, presented a different perspective on the relationship between social class and educational attainment in a publication entitled *Education, opportunity and social inequality*. He argues that inequality of educational opportunity is produced by a ‘two component process’. The first component, he refers to as the ‘primary effects of stratification’. It involves subcultural differences between social classes which are produced by the stratification system.

The 'secondary effects of stratification', he argued, are more important. These stems simply from a persons actual position in the class structure. He maintains that even if there were no subcultural differences between classes, the very fact that people start at different positions in the class system will produce inequality of educational opportunity. (He uses the term 'positional theory' to describe this). For example the costs involved and the benefits to be gained for a working class boy and an upper middle class boy in choosing the same educational course are very different simply because their starting positions in the class system are different. Thus if the upper middle class boy chose a vocational course like catering or building, his choice would probably lead to social demotion. However if a working class boy selected a similar course – it wil lead to 'social promotion'. Thus there are greater pressures on the upper middle class boy to select a higher level educational course, if only to maintain his present social position (Boudon 1974: 75).

Boudon also tried to link the cost and benefits of course selection to family and peer group solidarity. If a working class boy chose to become a Barrister and followed the required courses, this would weaken his attachment to his family and peer group. He would move in different circles, live a different life style and continue his education when most or all of his friends had started work. Thus for him the opportunity cost of choosing such profession on is high. However in case of an upper middle class boy, a similar choice would reinforce family and peer group solidarity. Thus position in the class system directly affects the individual's educational career. Thus he maintains that secondary effects of stratification are more important in accounting for differential educational attainment. Thus even if all subcultural differences were removed, there would still be considerable differences in educational attainment between social classes and high level of inequality of educational opportunity.

Pierre Bourdieu, Michael F.D. Young, D. Lawton, Jane Torrey form another group of sociologists who argue that dominant groups in society have the power to define *what counts as knowledge* in the educational system. And if classroom knowledge is based largely upon the knowledge of dominant groups then schooling will automatically favour the children of powerful and discriminate against those from lower social strata.

Bourdieu (1973:3) argues that the major role of the educational system is '**cultural reproduction**'. This means that there is reproduction of culture of the 'dominant classes'. These groups have the power to 'impose meanings and to impose them as legitimate'. They are able to define their own culture as 'worthy of being sought and possessed' and to establish it as the basis of knowledge in the educational system.

Bourdieu refers to this dominant culture as the '**cultural capital**' because, it's via the educational system that it can be translated into wealth and power. The class differences in educational attainment is largely because of this uneven distribution of cultural capital. Children belonging to upper class are socialized into the dominant culture. The success of all school education depends fundamentally on the education previously accomplished in the early years of life-education in school builds on this basis. Children from dominant classes internalize most of the skills and knowledge during their preschool years and therefore have a higher rate of success than working class students.

Bourdieu also argues that teachers are influenced by 'intangible nuances of manners and style'. The closer is the student's style to that of dominant classes, the more likely the student is to succeed. He claims that educational system plays the role of 'elimination'. It eliminates members of working class from higher level of education, either by examination failure or by self elimination. Thus it filters in students of dominant class and filters out students of working class.

This way concludes that the major role of education in society is social reproduction-social inequality is reproduced in educational system and as a result it is legitimated. The privileged position of dominant classes is justified by educational success, the under privileged position of lower class is legitimated by educational failure. Thus education is concerned with **'reproduction of established order'**.

Michael F.D. Young also argued on the same line that those in positions of power will attempt to define what is taken as knowledge. They try to maintain the established order and also ensure that power and privilege remain within the same social groups (Young 1971).

An important relationship that has been highlighted in various approaches has been the relationship between education and occupation. This also is one of the main concerns of the study being undertaken. Sociologists have argued that educational attainment in advanced industrial societies is increasingly linked to occupational status. There is a move from ascribed to achieved status and education plays an important part in this process. Education qualifications play a very important role in the allocation of individuals to occupations. Thus there is a **'tightening bond'** between education and occupation (Tyler: Ibid: 20).

A.H. Halsey is also supportive of this view. He used data from the Oxford mobility study and found that there is a direct effect of education on an individual's first job and even on individual's present job. He concluded that occupational status is dependent on educational attainment, which in turn is dependent on Father's occupational status. A father in a high occupation give his children all the benefits or advantage that money can buy which in turn enables the child to go to good school and receive stimulating experiences and in turn receive 'better life chances' than children of poorer parents. Thus social background has an increasing effect on educational attainment and at the same time bond

between education and occupation are also strengthening. Thus Halsey concludes that **'education is increasingly the mediator of the transmission of status between generations'** (Halsey, 1964:). Its' only through educational system that Privilege is passed on from father to son. Therefore this viewpoint of Halsey is opposed to meritocratic model and views education as a mechanism for the maintenance of privilege rather than as means of role allocation.



## *CHAPTER – III*

### *Globalization, Education and Inequality: The Global Experience*

## **GLOBALISATION, EDUCATION AND INEQUALITY: THE GLOBAL EXPERIENCE**

### **3.1. Globalisation, Market and Educational Policy**

As we have been discussing till now, the World Bank has become the universal policy maker for most of the countries (especially developing countries undergoing a forced SAP) in a globalised world. The World Bank gives its 'advice' to its member countries regarding various socioeconomic policies. However these 'advices' are like God's word for the countries which they have to follow. The word 'advice' is actually a euphemism for the World Bank's high handedness in interfering with the domestic policy making of the sovereign nation states.

The education policies of most of the countries in the recent years have been greatly influenced by the bank's vision on education policy. The Bank has its own education policy which it expects every country to follow (and makes them follow it by virtue of its financial control over the world). In fact the education policy of most of the countries undergoing SAP is merely a reproduction of the education policy of the World Bank. In a study by Lewin et al. (1982) examining twenty-nine national education plans for the twenty-year period from 1966 to 1985, all these plans were uniformly found to express the major role of education in development, and all of them emphasized the role of education in labor force development and nation-building – all of which are consistent with "world cultural values" represented by UNESCO and World Bank education policies. The two organizations have also been primal technical agencies that have "assisted" in the drafting those plans, emphasizing the dissemination and the modalities for disseminating "world accounts" (McNeely, 1995). Thus it becomes imperative to have a bird's eye view of the education policy of the World Bank before going for an analysis of

education policy of various countries under globalisation. The latest World Bank Educational Sector Paper (1995), which traditionally summarizes the Bank's recommendations for educational strategies in donor countries, focuses attention on the need to expand education and increase its quality, but in the context of limited public resources for education. Among other strategies, the Bank paper recommends (1) the shift of public funding for education from higher to lower levels of education; (2) the expansion of secondary and higher education through increased privatization; (3) the reduction of public spending per pupil in countries with "high" teacher-pupil ratios in primary and secondary education (less than 1:40) through increasing class size and (4) the increase of the quality of education through relatively costless "efficiency" reforms, such as decentralization.

As this chapter proceeds, we will realize how much this policy agenda of the World Bank has dominated the education policy of majority of the countries.

Normally education policy analysis takes nation-states or sub-national political units as the basis of analysis. However in our previous chapter we viewed nation states as 'unstable entity' as the forces of globalisation impinge on its sovereignty and autonomy. "Viewing the nation state as an unstable entity has implications for education policy analysis. For if educational policy analysis describes how nation states arrange and deliver their educational priorities, then such analysis must be informed by a recognition of the global factors now impacting upon the constitution of the nation state and its policy preferences. That is, a consideration of globalising factors needs to be incorporated into any policy analysis of national developments (Taylor: Ibid). some of the relevant issues to consider then, might include the way and extent to which:

- Globalization processes are taken into account in the policy priorities at nation state level;

- Ideological discourses which frame education policies at the national level might already be globalised;
- Political structures operating beyond nations are framing national policy options;
- A global policy community may be emerging; and
- Globalisation processes are affecting the cultural field within which education operates.

(Taylor, Ibid: 61)

The process of restructuring of the state under globalisation (as discussed in Chapter – I) has been universal across the globe. Ofcourse, the form restructuring takes, is not the same in all nations but varies according to the specific political strategies, structures, cultures and histories of particular nations. Yet everywhere the objective of restructuring has been the same i.e. delivery of more efficient and effective services across the board.

The restructuring of state has led to the restructuring of education policy also across the globe. The emphasis on efficiency, outcome and productivity in the restructuring of state has been a hallmark of restructuring of education policy also. This has led to formulation of market-friendly education policies with greater role for private corporate sector and the application of the theory of **corporate managerialism**<sup>1</sup> to the field of education. Whereas economic outcomes were once considered to be the only an aspect of educational policy, they have now become central. The obvious outcome of this process is that efficiency and outcome have become parameters of an educational policies. Efficiency refers to reduced cost and outcome refers to results of examination.

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<sup>1</sup> Discussed at length in Chapter-I.

Apart from efficiency and productivity (i.e. outcome) other common features of educational policies under globalisation are accountability, devolution, community participation, conformity to market fundamentals, privatization, withdrawal of government (i.e. reduced expenditure) from education especially higher education etc. All these features have strong connections to the process of globalisation and they owe their origin to the restructuring of education policy as a result of 'restructuring of the state'<sup>2</sup> which in turn has taken place as a response to the forces of globalisation. All these features are epitomised in the concept of *corporate managerialism*. *This chapter intends to analyse its impact on the educational inequality in terms of differing educational attainment and its consequences on opportunities in the job market*. But, before doing that, it would be worthwhile to examine the main components of corporate managerialism with regard to education. These are: efficiency, outcome and devolution.

The term **efficiency** in educational policies has been borrowed from economics. It implies maximum production with minimum costs. Thus proponents of globalisation have emphasized on reducing cost in educational system. This has resulted in the reduced government expenditure on education across the globe. The flow of funds to the government educational institutions (especially higher education) have dried up. It has further resulted in the increased participation of private sector in the field of educational. The obvious consequence of this process has been commercialization and commodification of education. This process is intensifying as more and more countries go for structural adjustment programme due to their loan compulsion from the IMF, the World Bank and the other multilateral donor agencies. The emphasis on efficiency in education system assumes that education is one of the many commodities to be sold in the market. The students are perceived as

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<sup>2</sup> Discussed in Chapter-I.

potential consumers, the teachers as factor of production and the school or college as factories to produce certificates and degrees at the minimum cost possible. Here education becomes a means of earning profit and all other objectives of education are forgotten. *Social justice and equity, obviously, are sacrificed on the altar of efficiency* in such education systems. Market principles govern the educational system with the mantra of “less intervention” by the government and “survival of the fittest”.

**‘Outcome’** is the second important feature of the ‘market – oriented’ educational policy under globalisation. Emphasis on outcome is an attempt to introduce ‘accountability’ in the education system. ‘Outcome’ is measured in terms of results of the educational institutions with respect to various examinations. The educational institutions which fail to perform in terms of examination results or value of their degrees in the job market are threatened to be closed (and in most of the cases are closed actually) or privatized. Its most obvious example in India is the threat of the Delhi government (under Sheila Dixit) to privatize the non-performing schools, the criteria of performance being the CBSE examination results for class X and XII. This brute emphasis on outcome or performance has serious implications for our study which we will see later on.

**‘Devolution’** is another important feature of the educational policy under globalisation. It may be considered as ‘steering at a distance’ model of public administration extended to the field of education. The concept of devolution refers to providing more autonomy to the teachers and management so that they can perform their task ‘efficiently’. Commenting upon the need for devolution system the Karmel Report (Australia) asserted that ‘responsibility should be devolved as far as possible upon the people involved in the actual task of schooling, in consultation with the parents of pupils they teach and, at a senior level, with students themselves’ (School Commission 1973:41). Thus ‘devolution’ seeks to give some power to those who are entrusted with the task of teaching in order

to ensure more accountability. It further seeks to ensure democratic participation of various groups involved in teaching learning process (i.e. the teachers, the students and the local community or the parents) in the operation of the educational system. However, the Australian experience of devolution shows that very little of these objectives have been achieved and still a heavy top-down bureaucratic system exists with very little autonomy for educational institutions in spite of the rhetoric of devolution. The main objectives and policies regarding education are formulated at the top in a centralistic manner, without any consultation with the teachers, students or the local communities, and the educational institutions are asked to implement it. The limited autonomy which these institutions are granted is only at this implementation level. This is summarized beautifully by Max Angus, a former senior official with the Western Australian Department of Education, in the following words:

In the education context, the government was not intent upon devolving to schools the authority to determine what the ends should be. Quite the opposite... what is being devolved to schools is the authority (and the capacity) to determine the way in which the school will achieve the agreed outcomes (Angus 1990: 5).

Laurie Angus (1993) has suggested that such a managerialist construction of devolution is more about efficient site management... than about democratic participation for educative ends. However, this limited autonomy is further limited by overall cut in government expenditure on education and thus restricted flow of funds to the educational institutions. This has been the trend, regarding devolution, all over the world, apart from Australia.

Another aspect of devolution has been to pressurise the government educational institutions to 'generate' resources and meet a substantial part of their expenditure on their own. This has resulted in a flurry of commercial or professional courses, with exorbitant tuition and admission

fees, by the government educational institution. No institution is an exception – either in the world or in India. Even an institution like Jawaharlal Nehru University, known for its commitment to social justice and equity, has been forced to open up commercialized centers in information technology in order to ‘generate’ resources so as to be able to cope up the constant pressure of the government, in the form of reduced flow of funds. The pressure to generate resources has also resulted in fee hike by the government institutions. Market protagonists have been advocating for ‘user charges’ in education also. High tuition fees are its result. Again, this trend has serious implications for equity in the field of education, to be analysed in this chapter.

It is clear from our discussion till now that the forces of globalisation have influenced the policy making of nation-states at many levels, education being one such important area. In assessing globalisation’s true relationship to educational change, we need to know how globalisation and its ideological packaging affect the overall delivery of education. Carnoy (Ibid: 44) maintains that globalisation is having a major impact on education policy in following ways:

- **In financial terms**, most governments are under pressure to reduce the growth of public spending on education and to find other sources of funding for the expected expansion of their educational systems (a natural outcome of the SAP across the globe).
- **In labour market terms**, the payoff to higher education is rising worldwide as a result of the shifts of economic production to knowledge intensive products and processes (i.e. information technology revolution and expansion of software industry along with use of computers). Governments are also under increased pressure to attract foreign capital and this means a ready supply of highly skilled labour. This, in turn, places increased pressure on governments to expand their higher education.



This situation becomes somewhat paradoxical as on the one hand the government is asked to expand the higher education and on the other hand it is supposed to reduce expenditure on education. Naturally the governments across the globe look towards the market for solution of this paradox and the obvious outcome is gross privatization of the education system. These are the issues which this chapter intends to discuss with relation to its consequences for the weaker section and the issue of social justice and equity.

The education policies of Papua New Guinea (PNG), Malaysia and Australia may be taken as case study to examine, as to how the forces of globalisation have affected the policy making of various countries in the field of education.

#### **Papua New Guinea:**

**Kulwaum's** (1995) research on educational reforms as a response to the process of globalisation in Papua New Guinea (PNG) emphasises on the way PNG has been forced to restructure its policy options under the conditionalities of the World Bank and the IMF. What is particularly pertinent from the point of view of our interest in globalisation is the question of the extent to which PNG's educational policy options are constrained by factors external to the nation. Kulwaum's thesis suggests that *as a poor country, PNG's dependency on overseas loans and aid may have already limited the way PNG is able to construct its own definition of educational development.*

**Nick Fraclas** (1993) has examined the ways in which globalisation has impacted on PNG's capacity to develop its own educational policies. Fraclas is highly suspicious of the 'gleaming ideas of globalism', preferring to view its impact on PNG as a global wave of recolonisation; though he maintains that it is not only one nation that is seeking to subjugate the people of PNG, but a conglomeration of international organisations, such

as the World Bank and the International Monetary Fund. These organizations are seeking to expropriate the rights of the indigenous people by insisting upon a set of conditions which define the policy parameters within which the government of PNG must define any programme of reform in education. He further mentions the conditions (PNG's failure to service loans) under which PNG had to accept the SAP resulting in reduced expenditure on welfare, health and education programmes.

### **Malaysia:**

Alexander and Rizvi (1993) have examined the internationalization of education system in Malaysia under the forces of globalisation and its implications. The twinning arrangement of education (between Malaysia and Australia where the student completes some part of education in Malaysia and rest in some Australian University) has been examined by these two. The major players in the twinning system are private institutions in Malaysia. Alexander and Rizvi maintain that twin features of the Malaysian educational system i.e. twinning system and proliferation of higher education under private sector, are a direct response to the changing needs of the job market in the wake of globalisation. They argue that the overseas Malaysian students (under twinning system) are more suitable to the needs of the corporate sector in Malaysia that is why demand for overseas studies are increasing in Malaysia.

In the recent years, globalisation of Malaysian economy has taken place on a large scale and it has become a major player in the world economy. Malaysia has attracted massive amounts of investment from international corporations so much so that its continued economic success has become inextricably tied to its ability to remain a key player in the global economy. This has required an increasingly educated workforce which can confidently engage on the international economic stage. Indeed, most of the new jobs in Malaysia are now either in the

service sector or in private sector management, and in particular with those transnational corporations which are engaged in the business of exports or imports. This has required particular kinds of skills which the corporations feel that overseas universities are better able to provide. In the Malaysian job market these overseas graduates have a distinct advantage over the graduates from local universities.

Alexander and Rizvi's research indicates that this perception is at least partly responsible for Malaysian students preferring an overseas education to the local one even at the cost of the huge financial sacrifices made by their parents. What is clear from Alexander and Rizvi's research is that Malaysia's higher education policies are being constructed in reference to the process of globalisation. The five new Education Acts passed by the Malaysian parliament in January 1996 may then be viewed as its response to the dilemmas created for it by globalisation (Taylor, *Ibid*: 67).

The policies encapsulated by these Acts have two main focuses: human resource development for Malaysia's integration into the global economy and liberalization of post-secondary education providing new opportunities for the private sector in education. The most striking feature of these acts is the importance given to English as a medium of instruction to provide a 'globally oriented' workforce for the Malaysian economy (Samuel, 1996). This is how global forces have influenced the educational policy in Malaysia.

### **Australia:**

Australian education policy was restructured as a response to the call of OECD to make education system responsive to the forces of globalisation. Rizvi et al (1995-7) tried to explore the relationship between the OECD and education policy in Australian. The OECD's policy agenda in education is framed by its formed charter of a 'commitment to a market

economy' and a pluralistic democracy (OECD undated: 1) and its priority of fostering a 'post-industrial age in which ...OECD economies (can be woven) into a yet more prosperous and increasingly service-oriented world economy' (OECD Undated: 6). In 1988, an intergovernmental conference of OECD, 'Education and Economy in a Changing Society', saw the relationship between economic and social purposes of education as quite explicitly interlinked. In the words of the conference chairperson John Dawkins (then Minister for Employment, Education and Training in Australia).

.... a society which does not respond to the needs of its disadvantaged groups will incur the heavy social and economic costs of underdeveloped and underutilized human resources. From this view point.....I see the goals of equity and efficiency in our education and labour market arrangements as fundamentally compatible rather than conflicting.

(OECD 1989 a: 13)

However, in spite of the rhetoric of social equity, economic efficiency remained the main target of OECD education policy. The significance of the conference lay not so much in the details of the discussion as "in the overall orientation of its analysis and its linguistic strategies in creating a rhetoric of justification for a tighter connection between educational systems and the world economy" (Apple 1992: 127). While some attention was paid to more general purpose of education, they were, Apple suggests, almost always seen against the backdrop of a crisis in productivity and competition. From then on, the OECD's general stance on education policy, strongly conditioned by the organisation's ideological commitment to globalisation, served to further reinforce that commitment in its conceptualization of the relationship between education and the economy.

Under Dawkins, Australia played an active part in both shaping and refracting the OECD policy agenda in education. "... Dawkins implemented the most extensive programme of reconstruction that has ever been imposed in Australia's higher education sector" (Vickers, 1994: 26).

These reform programmes led to a vigorous privatization and decentralisation of Australian education system.

From a brief analysis of education policy of these countries it becomes clear that privatization, marketisation, thrust on efficiency and accountability, decentralization and coercive role of the World Bank and the IMF are some of the main features of educational policies under globalisation. We will examine these aspects of education policy with relation to inequality in the coming sectors.

### **3.2. Globalisation, Market and Education**

*The cornerstone of New-Right education policy has been the introduction of market competition into all the education sectors (Lauder 1994: 25; Brown 1995: 26).* It involves the introduction of concepts like devolution, competition, efficiency etc. in educational policy. The introduction of market competition involves a devolution of financial, staffing and policy issues to individual educational institutions. In effect schools, colleges and universities become self-managing on the lines of small to medium size businesses. Here the assumption is that once the market context has been established with the appropriate incentives and market disciplines, competition between educational institutions will serve to raise standards or they will simply go out of business because they can't attract customers.

According to the Neo-liberals, the route to national salvation in the context of "*global knowledge wars*" (as termed by Toffler) is through the 'survival of the fittest' based on the extension of parental choice in a

market of competing schools, colleges and universities (Ball, 1993). In the case of education, where funding, at least during the compulsory school years will come from the public purse, the idea is to create a quasi-market within which schools will compete,

Such notion about effectivity of market principles in educational field is based on the assumption that educational institutes could compete successfully irrespective of the nature of the school intake. This argument made in the work of Chubb and Moe (1990) is particularly attractive to the Neo-liberals because it assumes that raising educational standards for all is simply a question of school management and quality-teaching. They assume that well managed schools coupled with pupil self-motivation will make inroads into the eradication of poverty as individuals bettered themselves through education. However, such simplistic assumptions fail to address the question about family and child poverty and their impact on educational performance. Our discussion in chapter-2 shows that socio-economic background of a child is a very important variable in his/her educational attainment. Thus this issue assumes special significance in recent times as the government is removing its protective umbrella to the weaker sections in the name of globalization as the nation-state succumbs to the market pressure. Marketisation of education and thus the introduction of choice and competition provides a mechanism by which the middle classes can more securely gain an advantage in the competition for credentials (Brown, 1995).

This is because not all social groups come to an educational market as equals (Collins, 1979), cultural and material capital are distributed unequally between classes and ethnic groups. In particular it is the middle classes which are more likely to have the cultural capital to make educational choices which best advantage their children (Brown, 1990; Brown and Lauder, 1992). Further, parental choice will result in the

polarization of school system with upper class and middle class children in well equipped, and poor children in ill-equipped schools.

The evidence so far suggests that choice and competition tend to lead to social class and ethnic polarization in schools (Willms and Echols, 1992; Lauder et al., 1994).

The net result of this process will be a massive wastage of talent as able working-class students once more find themselves trapped in schools which do not give them the opportunity of going to university (Halsey et. al, 1980). In the context of 'global auction\*', the market reforms in education are likely to leave a large majority of the future working population (poor section of the society) without the human resources to flourish in the global economy (Lauder and Brown, 1996). Market reforms in education and the economy have ensured conditions in which highly paid middle class professional and elite groups are able to give their children an 'excellent' education in preparation for their bid to join the ranks of Reich's 'symbolic analysts' (Ibid).

Marketisation has been the most distinct feature of educational policy under globalisation. In educational policy, the idea of marketisation takes two distinct forms. One of these may involve attempts by educational institutions to market their academic wares in the commercial world, while the other form implies the restructuring of educational institutions so that business principles are applied to its administration. Buchbinder and Newson call these two aspects of marketisation 'inside out' and 'outside-in'. In relation to higher education they argue that university workers have been asked to become entrepreneurial and to convert their research into marketable products.

The marketisation of education is ofcourse part of the broader processes of restructuring taking place around the globe which have

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\* A term developed by Lauder and Brown which refers to globalisation of job, investment and technology via operation of MNCs across the globe.

impacted upon the state. In the process, clear-cut public-private divisions between state activities and those of the market have been blurred. Indeed a number of private sector practices have been incorporated within state practices. The major aim of these changes have been creation of smaller government. This has in a sense reconstituted the relationship of people to the state from one of citizens to that of consumers of state services.

It is perhaps the higher education sector which has been most affected by marketisation. The World Bank frowns upon the government expenditure in higher education and seeks to promote basic education. This view has been supported by many economists and sociologists. Important among them is Noble laureate economist Prof. Amartya Sen.

Sen along with Drez (1998) has discussed at length the virtues of basic and primary education in enabling a country to reap the benefits of globalisation fully. He has further emphasized on the futility of investment in higher education in a developing country like India as we think that higher education in India is over expanded (Ibid: ). Under the influence of such thinking and the pressure of the World Bank, most of the countries (especially third world countries in dire need of loans from the world bank) have restructured their educational policies in which government expenditure on higher education has been reduced and the universities have been asked to look for alternative source of funds from the private sector.

Universities have responded by seeking alternative private sources of funding through a number of strategies, including the selling of university consultancy services, research capacities and research findings, and the introduction of some full fee-paying short course, as well as degrees, particularly at the postgraduate level. Institutions also have to compete with each other for publicly funded research with limited success rates for applications.



Full fee-paying overseas students have also become important in this new scenario, with some institutions becoming very heavily dependent upon this funding source. In a deregulatory climate, most universities have viewed the 'export of educational services' as an important way of overcoming some of the fiscal problems they confront (Taylor, Ibid: 90).

It is estimated that overseas students now bring some two billion dollars into the Australian economy annually (Taylor, Ibid: 90). Australian education system is a classic example as to how the higher education system may respond to the pressure of market forces. Universities in Australia compete with each-other to attract the students (especially the overseas students) and funds. Universities have thus been forced into elaborate advertising campaigns (Symes and Hopkins, 1994), with a much higher percentage of university budgets now consumed by marketing activity than was the case in the past. The changes in the educational policy in Australia in the wake of marketisation of education has been summed up by Kenway et al in the following words

"the market metaphor heads up a new policy and administration lexicon in education which includes such terms as *educational property, educational enterprise, entrepreneurial approaches to education, educational services, products, packages, sponsors, commodities and consumers, value-added education, user-pays, choice, competition* and so on. These and other terms both reflect and are helping to bring into effect, a relatively new and different era in public education in Australia, one in which educational purposes, language and practices are being subsumed by marketing purposes, languages and practices" (Kenway et. al. 1993: 4).

This trend in the education system in Australia may very soon be visible in the educational system of all the countries (especially the Third World developing countries) as market fundamentals are becoming the guiding force of policy making in majority of the countries undergoing the process of globalisation (or under the forced SAP, to be more precise) under the aegis of the World Bank. What we may now be witnessing is a major cultural change, with education conceptualized as simply another commodity for sale in the market place. As Hinkson (1991) has argued

that there is now emerging a new nexus between the discourses of marketing, information technology and education.

The schooling system has also responded to and changed (according to) the market forces. It is perhaps the schooling system of England and Wales which have been subjected to the most thoroughgoing marketisation, following the Education Reform Act of 1988 and subsequent legislation. Gewirtz et al demonstrate how this marketisation of schooling has been presented as a solution to the “problems” of cost, control and performance in the public sector and that such a solution is linked to new right ideologies of smaller government, competitive individualism and self-interest as the basis for the ‘good society’ (1995:2). They show how ideas of parental choice of schools, open enrolment practices, developed budgets and ‘self managed schools’ have become important structural elements of the marketisation of schooling.

Conceptually, then, the ideas of self-interest and choice are central to the changes taking place in the UK. Self-interest operates in two ways: in parents pursuing the best education possible for their children, and in head teachers ensuring the continuing viability of their schools in the market place. Gewirtz et al. sum up the findings of their research into the marketisation of schooling in England by noting that the outcome is the ‘decomprehensivisation of schooling’ as it becomes increasingly oriented ‘to meeting the perceived demands of middle class parents’ (1995: 181). In the process some government schools enter into competition with private schools, attendance at which is assumed to provide positional advantage in terms of access to higher education and to life chances.

This emphasis on choice and self-interest illustrates the extent to which market ideologies saturate the educational policy vocabulary. The ideology of choice is linked to the consumerist notion of ‘the right of individuals to be able to choose in an unconstrained market’. However, the ideology of choice, as it relates to its professed commitment to

improvement, is deeply contradictory, and certainly does not function by itself to produce the social benefits it frequently claims. Glenn (1993) has shown, for example, how the choice programme in Boston, USA, has in fact served to reduce the resources available to improve schools that most poor and minority children attend. The theoretical notion of 'choice' itself has not been problematised. The view of choice that is celebrated is derived from the notion of preference in neo-classical economics and a pluralist politics. But this view of choice is highly individualistic, overlooking its essential social character. It obscures the fact that choices are culturally constructed, and that institutions such as schools have a major role in fostering those capacities that enable people to choose intelligently and thereby secure some measure of control over their lives. This view also fails to acknowledge that people's capacity to make certain choices is often dependent upon their cultural and material resources and their social locations, which are frequently defined in class, race and gender terms. What these developments have done is to change the very focus of educational practices away from social and cultural concerns to those of individuals and the economies in which they participate.

This unhindered marketisation and privatization of education leads to the exclusion of the children of weaker section and aggravates the problem of poverty and inequality. There is increasing empirical evidence around the world that the development of "quasi-markets" in education has led to the exacerbation of existing social divisions surrounding class and race (Whitty et al 1998).

As mentioned earlier, the logic of privatization and marketisation of education system is based on providing a range of choice to the parents. It further assumes an increased efficiency in the educational system as various institutes will compete among themselves to attract fund and students.

However this optimism has been rejected by Whitty. In his own review of evidence from the United States, England, New Zealand and Australian experiences, he argues that, while advocates of choice assume that competition will enhance the efficiency and responsiveness of schools as well as give disadvantaged children opportunities they currently do not have, this may be a false hope. These hopes are not being realized now and are unlikely to be realized in the future in the context of broader policies that do nothing to challenge deeper social and cultural inequalities (Whitty in Apple, 1997: 17).

The claims of increased 'cost-efficiency' of schooling system through privatization has been questioned by many analysts. A major argument for privatization is its positive effect on interschool competition and school accountability, hence school quality (West, 1997). Although World Bank analysts claim that private schools are much more cost-effective than public (Jimener et al. 1988; Lockheld and Jimener, 1996), the evidence supporting them is controversial. The empirical evidence in Chile suggests that the cost-effectiveness of private schools is only slightly better than government schools when socio-economic background of students is taken into account (Carnoy and McEwan 1997). *Thus the claims of efficiency as well as equity through privatization of education become doubtful when examined in the light of empirical evidence.*

An important aspect of Markehmohan of education is the entry of MNCs into the education sector. As discussed in Chapter 1, MNCs have become immensely powerful under globalisation process. They have become so powerful that many are creating their own postsecondary and vocational education programmes. Burger king has opened "academies" in fourteen US cities and IBM and Apple are contemplating the idea of opening schools for profit. Whittle Communications (a corporation largely owned by Time Warner and the British Associated Newspapers) not only provides satellite dishes and TV sets in exchange for advertisement to

more than ten thousand schools (the channel one project) but also it is planning to open one thousand profit making schools serving two million children within the next ten years (Apple, 1993). Moreover, U.S. Corporations are spending nearly \$40 billion each year, approaching the total annual expenditures of all US four-year and graduate colleges and universities, to train and educate their current employees. Even as early as mid-eighties, Bell and Hovell had thirty thousand students in its post secondary network and IIT had 25 post secondary proprietary institutions (Levy, 1986). It has been reported that AT&T alone performs more education and training functions than any university in the world (Torres and Schugurensky 1995: 143-58).

This overwhelming presence of the MNCs has expedited the process of marketisation of education and has raised several questions regarding social justice and equality which will be discussed in another section.

### **3.3. Education, Market and Inequality**

The marketisation of education and the consequent emphasis on devolution, efficiency and accountability (or outcome) pose serious problems of inequality as they negatively affect the educational attainment of weaker sections. Devolution has become one of the central features of the education policies under globalisation. However, the kind of 'devolution' which is being promoted by market protagonists is strongly linked to corporate managerialism. This corporate managerialist view of devolution more recently has been ambiguously linked with what Rizvi (1994) calls market conception. The market conception of devolution is just one element of broader philosophy of market individualism which is about the enhancement of consumer choice within a less restrained market. Here the students and parents are perceived as consumers and it is intended to provide them with a wide range of 'choice' regarding education. Obviously education is regarded as commodity and market principles are sought to be applied in the 'production' and 'sale' of

education as a commodity. This idea of devolution has been rearticulated away from a social democratic construction to an individualistic one of self-interest and the right to make choices. The philosophical justification of such a view derives from the works of theorists such as Adam Smith, who argued that the collective wellbeing or common good is more likely to be realized when all individuals pursue their own goals with minimal interference from the state. This model reconstitutes citizens as consumers and supports a weakened role for the state as simply enforcing general rules to protect the rights of individuals to choose.

In education, such a model has potentially dire consequences for equality. Taylor (1997) has observed how local control of schooling in the US results in very unequal provision. Gewritz et al (1995) have also demonstrated the negative impact upon equality of the marketisation of schooling in England. Clearly not all parents have the same capacities to make choices; choices are constrained by a complex range of material, cultural and social factors. In contrast, the market view assumes that choice is simply a matter of individual preference, unaffected by cultural learning and social and material conditions. A large body of research within the sociology of education has demonstrated how the culture of schooling works to the advantage of students from particular backgrounds. The implementation of a market definition of devolution will only intensify this situation and exacerbate the gap between the educational opportunities of the better-off and those of the poor. As Watt (1989) has argued, the differential curricular and pedagogical experiences which will result from a market conception of devolution will inescapably disadvantage poor students. In the English context this has led Ball (1994a) to observe that markets in education work as a class strategy mobilized by the middle classes to reassert their advantages in schooling in a political climate conducive to such mobilization.

Social justice policies under markets are left to individual schools and can be ignored depending on market demands “thus financially driven decentralization on market principles is likely to reduce access and quality of education in those regions with the least resources” (Carnoy, Ibid: 50).

As well as these market conceptions of devolution are concerned, a broader marketisation of education has occurred which is discussed in the next section.

Emphasis on efficiency and productivity has been the main feature in almost all the educational policies across the globe, framed under the influence of IMF, World Bank and other donor agencies, under the process of globalisation. *This thrust on, and obsession with, efficiency and productivity has opened the possibility of educational institutions following such policies which may result in the exclusion of students from weaker sections and thus may aggravate the problem of inequality.*

Efficiency in education is measured in terms of reduced costs and productivity, in terms of school and college results. Reduced government expenditure on education means entry of more private institutions. These private institutions charge very high tuition and examination fees which are beyond the affordability of poor students. Thus they remain outside the domain of quality education and are forced to stick to comparatively cheaper schools and colleges which are ill-equipped and which provide the education which has little or no value in the job market. Thus the poor students remain stuck to vicious circle of poverty.

Emphasis on performance or productivity makes the schools very conscious about their results. Thus they become very selective about their input (the students). Students from very sound background (in terms of financial capacity and educational qualification of parents) are selected whereas students from weaker sections are denied admission. Emphasis shifts to picking the bright students so that better results can be

produced. Students from weaker section lag far behind their rich counterparts in terms of parental background and certain behavioural traits (such as language, common etiquets etc.) and may find the doors of quality education being shut for them. Once again they will be forced to go to the schools where education is a formality. After coming out of such schools, they will again be trapped into the vicious circle of poverty as job markets will have very little to offer to such students.

The view that globalisation may lead to educational inequality due to this 'dualisation' of educational system (high quality costly education for the rich and low quality cheaper one for the poor) has been endorsed by Pannu as he observes:

Two distinct directions in which neoliberal policies for educational provision might move are discernible. The *dualization* of the public educational system is one. This refers to two parallel educational segments that are created in either a single publicly funded and controlled system or a combination of a public and a publicly subsidized private system. Of these, one would be poorly funded, offering education of marginal merit to the majority. The other would be well funded, offering superior quality education to the privileged minority. The *privatization of education* is the other possible direction, and this can take different forms, introducing cost-recovery policies but in a single public system; or combining cost-recovery with a policy that encourages the growth of private educational institutions alongside the public system. Ostensibly, the latter may be preferable because it permits "choice" (Pannu, Ibid: 99).

Longstanding fiscal resource constraints on the states in most of the countries, made worse by SAP's conditions in recent years, have generated new pressures for the full-blown adoption of these measures. The net effect of these policies, minimally, will probably be to annul whatever distributional potential education can have under conditions of equal access to all students, regardless of their class origins or family resources (Colclough, 1991; Samoff, 1992). Cost-recovery commodifies educational goods, thereby making access and use heavily dependent on the ability to pay. As a consequence, equity in educational provision is likely to decline sharply (Colclough, 1991). The world bank has been for decades the



preeminent international player in shaping educational policies at all levels of the educational system in Third World societies. It actively promotes these policy options (World Bank, 1994), using the obvious leverage it enjoys. Privatization, commodification, and unequal access to education – features that already mar the educational system in question – will probably accelerate. They now enjoy a neoliberal ideological sanction and technocratic seal of approval from the intellectual-financial complex that the World Bank has helped to spawn and nurture.

The neoliberal project of globalization, it seems, will close off equal access to education not only for the growing ranks of the extremely poor, but also for a substantial segment of the middle class who are involuntary victims of the income squeeze. The neoliberal logic and policy agenda, rhetorically at least, is not indifferent to the issue of educational equity. But the available evidence offers little assurance that equity will be realized.

Under the right conditions markets may be selectively used to open up and pluralise ossified public educational systems. This possibility is particularly attractive in societies with weak, unstable democratic institutions incapable of initiating effective public sector reforms. But the chronic danger of such strategies is that they simply reinforce educational inequalities by encouraging the wealthy sectors of society to create a private educational system, thus eroding commitments of the dominant elites to the public system (Torres and Morrow in Burbules and Torres, 2000: 39).

### **3.4. Globalization, Job Market, Education and Inequality**

A very stanalysis of the linkage between the globalisation, job market, educational attainment and inequality has been provided by Reich (1991). He argues that the real competitive position of a person in a world economy depends upon the function he performs in it. Herein lies

the reason why incomes are diverging. He further argues that in a global economy it is no longer possible for countries to protect domestic workers from the full force of international competition (as globalisation tends to weaken the power of nation states to control the outcome of economic competition). Thus the development of human capital is the main weapon that individuals and governments now have in the fight for economic prosperity. Reich explains 'why the rich are getting richer and the poor poorer'. He explains the income polarization which has occurred in countries including the United States, Britain and Australia as a reflection of the relative ability of workers to sell their skills, knowledge and insights in the global labour market. The global labour market offers far greater rewards to '**symbolic analysts**' precisely because the market for their services has grown, whereas those workers who remain locked into national or local markets have experienced stagnation or decline in income. Reich explain the increased income of top 20 percent of earners in terms of their ability to break free from the constraints of local and national labour markets. The 'symbolic analyst' of Reich are the design engineers, research scientists, engineers, public relations executives, investment brokers, management consultants etc. Software professionals may be added to the list of symbolic analysts as the most powerful newcomer.

Here the power of higher education (technical and professional) is too obvious in determining a person's location in social strata. A person can become a '*symbolic analyst*' (and thus acquire a high social status in terms of wealth and prestige) only through investment in higher education. If he fails to attain higher qualifications he will remain stuck to low paid domestic labour market and will be pushed to the lowest rung of social strata.

Now the most pertinent question rises as to how many people have the capability to become '*symbolic analysts*' in a globalised world where

the skills to become 'symbolic analysts' are being sold in the open market and the governments across the globe are withdrawing from its responsibility of providing the necessary skills to everyone so that every member of the society gets an equal opportunity to become '*symbolic analyst*'. Only the rich, with adequate purchasing power in the 'market' for higher education, can become a symbolic analyst in the globalization era where the market rules the roost. Thus a "polarization of skills" takes place which may be the result of "scientific-technical revolution" of our time. This revolution is transforming the nature of managerial and professional work, leading to mass proletarianisation and mass unemployment. Only a small occupational elite benefits from this process (Aronowitz and De Fazio, 1994).

There are several factors which act as an obstacle for weaker sections in their way towards acquiring necessary skills to become symbolic analysts. There is a plethora of research and theoretical contribution showing that social deprivation negatively affects the educational attainment (discussed in chapter 2). Moreover, under the market economy, the cost of training for the acquisition of skills becomes prohibitively high thus excluding the weaker sections from the domain of high skills. Further, the technologies and thus the needs of the job market are changing very fastly in the wake of globalisation. Thus, the skills become redundant very soon and further upgraded skills are required to stay in the job market. It means that by the time a poor student some how completes a costly training programme, he finds that there is no job in the market as needs of the job market have changed and some added skills are required. This feature of the globalised job market acts as a demotivating factor for the students from weaker sections as long as the question of acquisition of skills is concerned.

Due to this changing nature of job market there has been a mad rush for acquiring as much professional degrees as possible because it

increases the opportunities of getting a job and staying in the globalised job market. Today it is very common to find a student with an engineering degree, pursuing a management course after he has completed his software professional course! This is done to cope with the insecurity in the job market. This phenomena has been given the term **credential inflation**'.

This phenomena has serious implications for poor students. When getting one professional degree is a herculean task for them, three or four professional degrees will be like asking for the moon. Thus they will fail to compete in the job market in a globalised world.

The process of globalization has resulted in the restructuring of job market across the globe. The most important change that has taken place in the job market (in the wake of globalisation) is that it has become global instead of remaining local. The new global economy requires workers with the capacity to learn quickly and to work in teams in reliable and creative ways (Wilms, 1996). The most productive workers in a global economy are those **Robert Reich** calls '*symbolic analysts*' who will make up the most productive and dynamic segments of the labour force.

Globalisation has resulted in the fragmentation of labour markets into skilled and non-skilled segments where skilled segment has an obvious edge over the non-skilled segment in terms of power, prestige and wealth. Another segmentation has been in terms of workers engaged in manufacturing sector and those engaged in services sector where the distribution of power, prestige and wealth is the same as in the case of skilled and non-skilled workers. In fact most of the skilled workers are in the services sector.

Along with segmentation of labour markets, globalisation implies that full-time workers have been replaced with part-time workers (with a substantial reduction in the cost of labour due to fewer employer

contribution to health, education and social security). The restructuring in the job market, which has taken place in the wake of globalisation, has been summarized by Castells in the following words(1996: 204):

- The steady decline of traditional manufacturing employment;
- The rise of both producer services and social services, with the emphasis on business services in the first category and health services in the second category;
- The increasing diversification of service industries as a source of jobs;
- The rapid rise of managerial, professional, and technical jobs;
- The formation of a “white-collar” proletariat, made up of clerical and sales workers;
- The relative stability of a substantial share of employment in retail trade;
- The simultaneous increase of the upper and lower levels of the occupational structure; and
- The relative upgrading of the occupational structure over time, with an increasing share of those occupations that require higher skills and advanced education proportionately higher than the increase of the lower-level categories.

Castles argues that this occupational shift is a result of the establishment of informational societies i.e. societies based on information technologies. In other words the revolution in information technology and telecommunications has mainly catalysed the shift in the job market under the process of globalisation. While discussing this occupational shift, Castells warns that this “somewhat upgraded” occupational structure has no necessary relationship to “upgrading” society as a whole or increasing income or equality rather it may increase inequality as argued by Reich.

The main shift in job markets under globalisation has resulted from the fact that societies are increasingly becoming knowledge based in a globalised world, “Knowledge, learning, information, and technical competence are the new raw materials of international commerce (Brown and Lauder, 1996). Knowledge itself, therefore, turns out to be not only the source of the highest quality power, but also the most important ingredient of force and wealth... This is the key to the power shift that lies ahead and it explains why the battle for control of knowledge and the means of communication is heating up all over the world (Toffler, 1990: 8). The National Commission on Education (Britain) has also assumed that the knowledge and skill will be central to the prosperity and success of Britain in international competition in the wake of Globalisation (1993: 33).

This thrust on knowledge and skills has caused an immense expansion in the tertiary sector. The increased demand for educated labour has been inseparably associated with the shift in employment from manufacturing to service industries. The figures for USA and UK support this:

**TABLE NO. 3.1:**  
**SECTOR WISE JOBS AS A PER CENTAGE OF TOTAL JOBS**

<b>Year</b>	<b>Sector</b>	<b>USA</b>	<b>UK</b>
<b>1950</b>	Manufacturing	33	46.5
	Services	53	48
<b>1987</b>	Manufacturing	27	30
	Services	70	68

Source: (Maddison, 1991)

This table shows how significantly the composition of labour market has changed in the favour of service sector. This expansion of services sector has increased the importance of 'symbolic analysts' in the labour market in the globalised economy.

There has been an interesting development in the job market in the wake of globalisation – the rate of growth of low-paid, low-skill jobs are many times greater than that of high-tech related jobs. Michael Apple has identified this trend in American job market. He argues that even with the proportional growth in proportion of high-tech related jobs, the kinds of work that are and will be increasingly available to a large portion of the American population will not be highly skilled and technically elegant positions. The paid labour market will increasingly be dominated by low paying, repetitive work in the retail, trade and service sector...eight of the top ten individual occupations that will account for the most job growth in the next ten years include the following: retail salespersons, cashiers, office clerks, truck drivers, waitresses/waiters, food preparation workers etc. It is obvious that majority of these positions do not require high levels of education. Many of them are dramatically linked to, and often exacerbate, the existing, race, gender and class-divisions of labour, nationally and globally (Apple 1996: 68-90).

This may be a global trend subject to empirical verification. But what is significant from viewpoint of our study is that in a globalised labour market, inequality is bound to arise even if technical education is provided to all because the high-paid jobs are very few as compared to the low paid jobs. Thus majority will stick to low paid jobs and will remain poor whereas a few privileged will get the high paid jobs.

A very important feature of globalisation with relation to the job market is that only the upper layers of professional labour is globalised. The lower layer of labour force is still limited to its domestic market. Thus only the professional and technical workers will be benefited by the

globalisation process. In practice, segmentation across borders means that globalised finance and investment create a worldwide demand for certain kind of skills (namely language, mathematics, reasoning, scientific logic, programming) associated with higher levels of education (Carnoy: Ibid).

This globalised demand for specific higher-level skills puts upward pressure on the payoffs to the higher educated around the world, particularly in those economies which are more closely tied into the globalisation process. This process has a serious implication for the issue of equity and social justice. *If high reward jobs are closely linked to higher (technical and professional) education and if a vast majority of population in a country is deprived of such education, then the inequality is bound to rise in such countries. This is the condition in most of the developing countries, India being the most typical example.* Further, the privatization of higher education has made it prohibitively costly for the poor making it almost their fate to remain stuck in the vicious circle of poverty.

However, one thing should always be kept in mind that globalisation doesn't necessarily lead to increased wage inequality between the more and less educated. But the pressure on governments to put their economy's financial houses in order to compete in the global economy produces policies that tend to hurt the less educated more than the highly educated. For example, the policies like downsizing in firms or voluntary retirement schemes strike the lowest rung of labour force in the most adverse way. The top rung is either left unhurt or manages to find a job somewhere else. Thus only the basic and primary education is of no use to protect the weaker sections from the vagaries of the market forces left unleashed under the process of globalisation. They have to be equipped with technical and professional education.



Between the rising demand for higher skills resulting from technological change and the increasing income inequality resulting from government policies associated with anti-labor, pro-high private profits, globalization inexorably pushes up rates of return to higher education and increases the demand for schooling. The good side of this trend is that it accelerates the increase in nations human capital and may increase labour productivity. The bad side is that when accompanied by greater inequality in access to high-quality education, children from lower income families with less educated parents are even less likely to get access to social mobility than in the past.

## *CHAPTER – IV*

### *Globalization, Education and Inequality: The Indian Experience*

## **GLOBALIZATION, EDUCATION AND INEQUALITY: THE INDIAN EXPERIENCE**

Globalization, as it has been understood for the purpose of this study, began in India with the beginning of 1990s. Although the process of liberalizing the economy had started as early as in the mid-1980s, it gained momentum and became distinct only in the last decade of the 20<sup>th</sup> century when Mr. Manmohan Singh (the then Finance Minister of India) announced his New Economic Policy (NEP) in 1991. There was nothing “New” in this policy as it was merely a copy of the structural adjustment programme of the World Bank, which was already in operation in around hundred developing countries. Like all other countries undergoing SAP, India too was forced to accept this adjustment policy of the World Bank due to its poor financial condition and the consequent loan obligations. Under the NEP, the Indian economy embarked vigorously on the path of liberalization. The thrust was on opening up the economy, culture and society and integrating them to the rest of the world. This process accelerated the pace of the globalization of Indian economy, polity, culture and society.

Thus in India globalization has become synonymous, for all practical purposes, with the SAP under the NEP which formed the core of this policy. This is why the period 1991-01 has been taken for the purpose of analysis. Some theorists object to it and argue that globalization is an old age process in India. However the degree of connectivity of Indian culture, polity and economy- by virtue of information technology, telecommunication and satellite TV –was far greater in this (1991-01) period as compared to any other period in the known history of India. Further, the Nehruvian model of development with emphasis on protection (of economy as well as of weaker sections) was discarded during this period. The collapse of the USSR was another shot in the arm for the proponents of globalization in India.

All these reasons provide ample justification to assume that the real globalization of Indian economy, polity, culture and society took place in the 1990s and the process of globalization took off with the announcement of the NEP. Thus we will analyze the impact of globalization on educational inequality in India with regard to this time frame. Further, we will be referring actually to the SAP and NEP while talking of globalization, as in the Indian context (and in most of the cases across the globe) these concepts have become synonymous. Chapter-1 of this study provides ample justification for this statement.

The Indian experience with the SAP is almost one decade old. This period is sufficiently long to identify its effects on education in India (especially on higher education) – at least some broad trends emerging from Indian experiment with SAP can be identified.

Although both primary and higher education have been affected by the globalization of Indian economy, the higher education has suffered the most. Therefore, we will concentrate in our analysis mainly on the higher education.

The continuous budget cuts for higher education, in the union government's annual budgets, and also of the budgets of the state governments, the Supreme Court's de facto reversal of its own judgement against capitation fee for colleges in India (Tilak 1992:129-36; 1994), the objectives of the government in constituting committees with a request to recommend methods of mobilizing private funds for higher education (e.g. UGC, 1993; AICTE 1994) and the efforts to introduce bills in Parliament in favour of opening of private universities –all can be viewed as short term responses to the SAP in India vis a vis higher education, with serious long term implications especially in terms of deprivation of weaker sections from higher education and consequent aggravation of inequality problem in India. The consequent trends in (i) budget cuts, (ii) shifts in policies and (iii) other trends that highlight the increasing neglect of higher education are have been discussed in this chapter.

#### **4.1. Decline in Budget allocations**

'Fiscal discipline' formed the core of the SAP in India. The central government was expected (rather directed from the World Bank) to control its fiscal deficit. The obsession with reducing fiscal deficit resulted in a reduced budget allocation to social sector including education (especially higher education). Since 1991, the education sector has witnessed reduced flow of funds from the central and the state governments. Here one point must be emphasized that due to the unavailability of required data, some phenomena are explained with the help of specific data on higher education, and some with the data on the whole education sector. It can, however be expected that such trends observed in the case of total education sector would hold good in the case of higher education as well.

**TABLE 4.1**  
**GOVERNMENT EXPENDITURE ON EDUCATION AND RESEARCH**  
**ON DEVELOPMENT AS A PERCENT OF GNP**

<b>Year</b>	<b>Education</b>	<b>Higher Education</b>	<b>Research and Development</b>
1989-90	3.8	0.43	0.93
1990-91	3.6	0.39	0.85
1991-92	3.4	0.37	0.84
1992-93	4.1	0.43	0.83
1993-94R	4.1	0.42	...
1994-95B	3.9	0.39	....

Source: Based on Ministry of Human Resource Development (MHRD) (a) and Research and Development (R & D), Department of Science and Technology (DST) [1993b]

Note: R and B denote revised estimates and budget estimate, respectively.

From the data shown in table 4.1 it is clear that the SAP has adversely affected the budget allocation on education, especially the higher education. Share of public expenditure on education in GNP is one of the most standard indicators of the priority a nation accords to education. It is clear from Table 4.1 that expenditure on education (with only 3.91% of GNP) and especially higher education (.39% of GNP) comes on the bottom line of the government policy agenda. What is more important is the fact that the expenditure on higher education has been falling since 1990-91 till date, both in term of a percentage of GNP and a percentage of total expenditure of the government. Table 4.1 shows that the government expenditure on higher education (as a percentage of GNP) has fallen from .43 percent in 1989-90 to .39 percent in 1994-95. "These trends are consistent with the experience of other adjusting countries i.e., countries going for SAP" (Noss, 1991; UNESCO, 1993).

**TABLE 4. 2**  
**GOVERNMENT EXPENDITURE ON EDUCATION AS A PERCENT OF**  
**TOTAL GOVERNMENT EXPENDITURE**

(Revenue Accounts)

<b>Year</b>	<b>Centre</b>	<b>State</b>	<b>Total</b>
1989-90	3.5	25.4	14.2
1990-91	3.3	24.7	14.0
1991-92	3.0	22.6	13.1
1992-93	3.1	22.7	13.2
1993-94R	3.2	23.1	13.2
1994-95B	3.3	23.0	13.4

Source: MHRD (a)

**TABLE 4.3**  
**PERCENTAGE OF EXPENDITURE ON HIGHER EDUCATION TO**  
**TOTAL EXPENDITURE ON EDUCATION**

(Revenue Accounts)

Year	Centre	State & UTs	Total
1989-90	32.16	12.74	14.69
1990-91	28.94	11.81	13.44
1991-92	28.92	11.43	13.03
1992-93	28.09	11.45	10.80
1993-94R	24.61	11.30	12.41
1994-95B	24.04	10.79	9.91
1999-2000	–	–	9.00
2000-2001	–	–	9.00

Source: MHRD (a), (d) and (e)

Table 4.3 shows that the percentage of expenditure on higher education to total expenditure on education has fallen from 14.69 percent in 1989-90 to 9.00 percent in 2000-01. Similarly the government expenditure on education as a percentage of total government expenditure has fallen from 14.2 percent in 1989-90 to 13.4 percent in 1994-95 (table 4.2).

**TABLE 4. 4**  
**HIGHER EDUCATION IN FIVE YEAR PLAN**

(Rupees In Crore)

	In Current Prices	In 1980-81 Prices	Percent to Total Education Expenditure
Sixth Five Year Plan(1980-85)	530	449.5	18
Seventh Five Year Plan(1985-90)	1201	501.4	14
Annual Plans(1990-92)	595	239.7	11
Eighth Five Year Plan(1992-97)	1516	593.1	7

Source: Based on Tilak (1995c)

Even during the Five Year Plans the share of higher education in total expenditure has declined (Table 4.4). The share of higher education in total expenditure on education declined from 18 percent during the Sixth Plan (1980-85) to 7 percent during the Eighth Plan (1992-97). Notice should be taken of the fact that the expenditure on higher education in absolute terms is increasing in terms of current prices but falling in terms of constant prices (Table 4.5).

**TABLE NO. 4. 5**  
**GOVERNMENT EXPENDITURE (CENTRAL + STATE) ON HIGHER**  
**EDUCATION IN INDIA**

(Revenue Account)  
(Rs. Crore)

Year	In Current Prices			In 1980- 81 Prices			Percent to Total Plan/ Non Plan Education Expenditure
	Centre	States	Total	Centre	States	Total	
Plan Expenditure							
1989-90	150.1	141.0	291.1	74.0	69.5	143.5	12.1
1990-91	128.6	116.4	245.0	57.1	51.7	108.8	11.5
1991-92	160.7	103.7	264.5	62.2	40.2	102.4	11.2
1992-93	149.6	117.8	267.4	53.2	41.9	95.2	6.7
1993-94R	159.5	172.8	332.3	51.8	56.1	107.9	5.9
1994-95B	218.4	201.0	419.4	63.9	58.8	122.7	6.0
Non Plan Expenditure							
1989-90	336.2	1582.6	1918.8	165.7	780.2	945.9	15.2
1990-91	346.9	1720.0	2066.9	154.1	764.0	918.1	13.7
1991-92	334.5	1844.4	2178.9	129.5	714.2	843.8	13.3
1992-93	355.3	2077.3	2432.6	126.5	739.3	865.8	11.5
1993-94R	379.3	2324.4	2703.7	123.2	754.9	878.1	11.4
1994-95B	363.5	2470.7	2834.2	106.3	722.8	829.2	11.0
Total Expenditure							
1989-90	486.3	1723.6	2209.9	239.7	849.7	1089.4	14.7
1990-91	475.5	1836.4	2311.9	211.2	815.7	1026.9	13.4
1991-92	495.2	1948.1	2443.4	191.8	754.4	946.2	13.0
1992-93	504.9	2195.1	2700.0	179.7	781.3	961.0	10.8
1993-94R	538.8	2497.2	3036.0	175.0	811.0	986.0	10.4
1994-95B	581.9	2671.7	3253.6	170.2	781.6	951.9	9.9

Source: MHRD (a)



Moreover, when measured in constant prices, the table shows a declining trend in expenditure on higher education in both absolute and percentage terms (Table 4.5). This implies that with the given expenditure the educational institutions will be buying less infrastructural commodities, although the government may be claiming that it is spending more on higher education. *All this reflects that higher education is losing its importance for the government of India and this is happening due to the policy constraints imposed on it by the forces of globalization (to be more precise, due to the conditionalities of the World Bank in the form of SAP).*

Another important aspect of this issue is that the budget allocation to the research and development (R&D) is also being curtailed. The government expenditure on R&D as a percentage of total expenditure on education fell from .93 percent in 1989-90 (refer Table 4.1) to .83 percent 1992-93. Further, the expenditure on education and specially higher education has been reduced by both the Central and the State governments (refer Table 4.2 and 4.3). The state governments have been forced to reduce the allocation to higher education as the union government has reduced allocation to the states under this head (as a part of the SAP). If we consider the increase in enrolment in higher education in India it implies a sharper decline in per-student expenditure on higher education. From table 4.6 it is clear that enrolment in higher education increased from 38.37 lakh (1988-89) to 46.05 lakh (1993-94).

**TABLE NO. 4. 6****GROWTH IN ENROLMENT IN HIGHER EDUCATION INSTITUTIONS**

<b>Years</b>	<b>1988-89</b>	<b>1989-90</b>	<b>1990-91</b>	<b>1991-92</b>	<b>1992-93</b>	<b>1993-94</b>
Enrolment in Thousands						
Ph.D etc.	31.4	27.8	32.5	31.2	30.7	30.7
M.A/MS.C/M. COM/B.A/B.S C/B.COM	3429.1	..	3640.0	3893.7	3944.7	4115.1
B.E/B.Arch./ B.Sc.	205.3	..	241.4	230.5	263.1	270.0
M.B..B.S	80.2	84.3	84.4	83.2	79.6	88.2
B.Ed/B.T	91.0	92.7	92.2	97.3	100.0	101.9
Total	3837	..	4090.5	4335.9	4418.1	4605.9

Source: MHRD ( c )

The declining budget expenditure on higher education implies that the government is withdrawing from the higher education in order to create space for private institutions especially the corporate houses in the field of higher education. This is leading towards privatization and commercialization of education especially higher education in India. The trend will be further intensified in future as the World Bank is pressurising India to go for further radical reforms. The dependence of India on the World Bank due to its loan compulsions will ensure that the Indian government falls in line with the World Bank. This has serious implications for the issue of social justice and equity in India, which we will discuss at the end of this chapter.

**TABLE 4.7**  
**BUDGET ALLOCATION TO HIGHER EDUCATION**

Year	In Current Prices			In 1980- 81 Prices		
	Plan	Non Plan	Total	Plan	Non Plan	Total
Central Government Allocation to UGC						
1990-91	112.5	244.2	356.7	50.0	108.5	158.4
1991-92	141.7	260.0	401.7	54.9	100.7	155.6
1992-93	124.9	306.5	431.4	44.5	109.1	153.5
1993-94R	141.5	337.0	478.5	46.0	109.4	155.4
1994-95R	169.0	343.2	512.2	49.4	100.4	149.8
1995-96R	189.3	450.8	640.1	..	..	..
Central Government Allocation to Institutes of Higher Learning						
1989-90	0.64	1.38	2.00	0.32	0.68	1.00
1990-91	0.34	1.77	2.11	0.15	0.79	0.94
1991-92	0.97	1.60	2.57	0.38	0.62	1.00
1992-93R	0.78	1.94	2.72	0.28	0.69	0.97
1993-94 B	0.78	2.16	2.94	0.25	0.70	0.95

Source: MHRD (b and c) and Ministry of Finance (MOF)[1995, 1996]

Reduced government assistance to the UGC and the Universities (Table 4.7) are some other reflections of withdrawal of the government from the higher education. Another important feature of the falling government expenditure on higher education is that both plan and non-plan expenditure have fallen during the reform period as shown in Table 4.5. It implies that quality of education will fall as the plan expenditure on education includes expenditure on books, teaching-aid, buildings, laboratories etc. Quality of education may deteriorate with increased number of students per teacher and reduced number of books in libraries etc. For example, only 67 percent of number of journals subscribed to by the University of

Delhi could be renewed in 1991; and in 1992 only 55 percent of the journals subscribed to in 1991 could be continued. That is in a short span of two years of reform period the number of journals subscribed to came down to 39 percent from 2327 in 1990 to 863 in 1992 in the university (Ghosh 1993; 1562). Thus, internal efficiency of the education system declines contrary to claims to improved efficiency, because of budget restructuring and other adjustment.

#### **4. 2. Shifts in Higher Education Policy**

The profile of the government expenditure on education in India shows a clear-cut shift in government's higher education policy. The basic education gets somewhat protected from the SAP as the World Bank seeks to promote basic education at the cost of higher education in the developing countries. The higher education suffer badly under SAP. The suffering of higher education increases further with the adoption of policies that involve reduction of public subsidies and increase in the role of private sector in higher education as a response to the forces of globalization. The adjustment policies directly and indirectly contribute to the restoration of market mechanism in general, and privatization of education in particular..... as public budgets for education got shrunk, privatization will be on an increase with all its ill-effects (Tilak 1991: 227-39).

The higher education policy in India has shifted along the same line (as mentioned above) as a response to the process of globalization. Marketisation, privatisation, thrust on reduced government subsidy to higher education, fee hikes and pressure on the universities to generate resources on their own have been some of the main features of the higher education policy in India under SAP.

There have been strong voices for the reduction of subsidies in higher education in India. For instance, Rao argued for withdrawal of

government subsidies in higher education to the extent of about 50 percent (1992:211-22). Dandekar has strongly pleaded for a model according to which students would be required to bear the full costs of higher education and the role of government is minimized to provide only minimum physical facilities (1991: 631-37). Though the UGC (1993) and the AICTE (1994) argued for committed state support for higher and technical education in the country, their suggestions for increase in fees, and other methods of mobilisation of private resources received more attention. Recently, the government constituted a special subject group on 'Policy Framework' for private investment in Education, Health and Rural Development. The special group submitted its report "A Policy Framework for Reforms in Education" in April 2000. The report is popularly known as **Birla-Ambani Report** and it advocates full cost recovery from students and immediate privatisation of entire higher education. Worse, the report considers education as a "profitable market". All these find a reflection in the education policy in India during the period of economic reforms.

Increase in tuition fees in higher education has been the main agenda of NEP. An important outcome of the adjustment policies is introduction of increased measures of cost recovery. Given the tendencies of increased cost recovery, equity will also be affected. As cost recovery measures are introduced, and direct and indirect subsidies in education are subject to cuts, access to education among weaker sections may be seriously restricted and inequities may increase in terms of lower enrolment rates of women and other socio-economic weaker sections.

✓ The government of India (1994) indicated that subsidisation of higher and technical education has to be reduced. Reduction in state subsidies also necessitates mobilization of resources through fees, and other channels. Increase in student fees has been one of the

most frequently made strong arguments in this context. The World Bank (1986, 1994) has been strong and consistent in arguing the same. Very few people paid attention to the fact that fee revenue in higher education in India constitutes about 15 percent of the recurring costs of higher education, a proportion favourably comparable with other developing and developed countries, including the USA, and that it would be neither desirable nor feasible to aim at increasing this proportion significantly, unless equity considerations were to be sacrificed (Tilak 1993b: 7-35; 1995b). However, the UGC (1993) and also the AICTE (1994) have also strongly advocated increase in tuition fees and other charges.

Quite a few universities and institutes of technology and management have already enhanced their user charges steeply for admission, entrance examination, tuition, examination, hostel, and miscellaneous services, like application forms, brochures, etc. Application/registration fees for admission in many public, not to speak of private institutions, has been fixed at above Rs. 50, which used to be available earlier for 1/50<sup>th</sup> to 1/10<sup>th</sup> of the same price, if not free of cost. It is feared that this itself would prevent many to seek admission in higher education. Dual pricing mechanism in private institutions (e.g., capitation fee colleges) allows charging of exorbitantly high fees (nearly equivalent to full cost pricing) from about half the students and reasonably high charges from the remaining half (Tilak 1994: 348-350). All these regressive policies will have a deterring effect on social demand for higher education, as these policies aim at squeezing as much money as possible from students, irrespective of other considerations.

While all those who advocate increase in fees also argue for sufficient protective measures for weaker sections, any increased efforts being made in the form of scholarships to weaker sections etc.

are yet to be seen. Rather quite opposite has happened. For example, table 4.8 clearly shows that the budgetary allocations to scholarships have drastically declined in India during the reform period. The table shows that the budgetary allocations to educational scholarships declined from Rs. 3.07 crore (1989-90) to 67.3 lakhs (1994-95) at constant prices. Further, both plan and non-plan expenditure on scholarships showed a declining trend during the reform period in India.

**TABLE 4.8**  
**CENTRAL GOVERNMENT (DEPARTMENT OF EDUCATION)**  
**EXPENDITURE ON SCHOLARSHIPS IN ALL LEVELS OF GENERAL**  
**EDUCATION IN INDIA**

(Rs. Ten Lakh)

Year	In Current Prices			In 1980- 81 Prices		
	Plan	Non Plan	Total	Plan	Non Plan	Total
1989-90	23.56 (4.0)	38.72 (8.8)	62.27 (6.1)	11.61	19.09	30.70
1990-91	5.18 (0.9)	20.77 (6.2)	31.05 (2.9)	2.30	9.23	13.79
1991-92	17.80 (2.8)	18.19 (8.8)	35.99 (4.3)	6.89	7.04	13.94
1992-93	19.50 (.)	21.70 (7.1)	41.20 (.)	6.94	7.72	14.66
1993- 94R	5.20 (3.6)	21.80 (8.1)	27.00 (6.5)	1.69	7.08	8.77
1994-95B	1.2 (0.6)	21.8 (8.1)	23.00 (5.0)	0.35	6.38	6.73

Note: Figures in ( ) are percentages to total expenditure on general education.

(.) not estimated due to errors in print in totals.

Source: MHRD (a)

Thus the process of exclusion of students belonging to weaker sections from higher education, initiated by the privatisation and fee hikes, gets completed with the withdrawal of the state protection to them, as scholarships are reduced. Obviously, the withdrawal of scholarship will hit the students from the weaker sections the most.

All this will drastically affect the demand for higher education at a time when the demand for higher educated labour force is likely to increase significantly in the wake of globalization of labour market (Chapter-3) and, more importantly, the composition of students in universities will change in favour of the rich.

Student loans in higher education have been suggested as a policy tool to protect the weaker sections from the privatization and the consequent fee hikes. The World Bank (1986, 1994) has been arguing for development of credit market in higher education for this purpose. The 1994-95 budget of the Government of India, responded to this by providing concessions to educational loans. The AICTE (1994) recommended setting up of an Educational Development Bank of India to float student loans to the needy students and also to the institutions. Many commercial banks have already started offering loans to students. However the assumption that such loan programmes will help students from weaker sections, is too simplistic. As Easton (1995) observed in the case of USA, since borrowing and saving are easier for the more affluent, we can expect the 'education mortgage' approach to further undermine any commitment to access for low-income and some minority students'. Obviously, this would be irresponsible not to emphasize the real danger that the prospect of high debt may discourage vulnerable population groups from participating in higher education' (Baum 1996: 35; Tilak, 1995b).

This prospect requires a cautious approach regarding education loans as a means to provide protection to weaker section students in India from the vagaries of market forces under globalization. The high interest rates and the insecurity in job market in India in the wake of falling employment (Table 4.9) discourages the weaker section students to go for such loans.



**TABLE 4.9**  
**GROWTH OF EMPLOYMENT BY SECTORS (UPSS)**

	Employed Workers			Annual Growth Rate	
	1983	1993-94	1999-00	1983-94	1994-00
	(Million)			(Percentage)	
Agriculture	207.23	242.46	237.56	1.51	-0.34
Mining and Quarrying	1.76	2.70	2.27	4.16	-2.85
Manufacturing	34.03	42.50	48.01	2.14	2.05
Electricity, Gas	0.85	1.35	1.28	4.50	-0.88
Construction	6.78	11.68	17.62	5.32	7.09
Trade	19.22	27.78	37.32	3.57	5.04
Transport, Storage and Communication	7.39	10.33	14.69	3.24	6.04
Financial Services	1.70	3.52	5.05	7.18	6.20
Community, Social and Per. Services	23.80	35.13	33.20	2.90	0.55
Total Employment	302.76	374.45	397.00	2.04	0.98

Source: Report of the task force on Employment Opportunities.  
(Planning Commission, GOI, 2001)

The table clearly shows a drastic decline in the growth rate of employment during the reform period as the annual rate of growth of employment declined from 2.04 percent (1983-94) to .98 percent (1994-00). This is really a very discouraging fact for any job seeker in India. The recession in the world economy and consequently in Indian economy has further worsened the situation and in all probability the problem will be aggravated in future. Thus, it is highly improbable that SC or ST student, from a very poor economic background will approach the bank for education loan when he is not sure of a job. Only a job in the future will enable such students to repay the loans. Insecurity of job will stop him to go for such loans. Further, the bank staff in India is dominated by upper caste officers.

Thus the possibility of caste based discrimination with SC/ST students in granting the education loan, can't be denied.

The backwardness and low level of awareness of SC/ST students is also an obstacle in their way, to be benefited by such loans. They may not even be aware of such loans. When majority of them don't even have a bank account, approaching the bank for students loans seems to be a far cry for such students.

Privatisation of higher education is the most probable outcome of the policies adopted under SAP and Indian experience with SAP is no exception. In the case of higher education in India, privatization takes several forms (Tilak 1991: 227-39).

*Inter alia*, two forms are important : (a) privatisation of the institutions through increased private financing, such as fees, and (b) privatisation of the system through increased number of private institutions and stagnant number of declining proportion of public institutions in the total. Both types of privatisation seem to take place rapidly in India. The Government of India observed, 'higher education needs to be extended in an equitable and cost effective manner mainly by large scale expansion of distance education and increased involvement of voluntary and private agencies (1993: 204).

The governments and the private enterprise feel that this is the best time to sell any argument in favour of privatisation. As a result even ethically and constitutionally illegal institutions, e.g., the capitation fee colleges, receive approval and support (Tilak 1992a: 129-136; 1994: 348-350).

The **Birla-Ambani Report** (ibid) has also highlighted the need for privatization and commercialization of education. All this has resulted in the unhindered proliferation of private educational institutions (especially technical and higher) in India. There is no need to add here that weaker sections are virtually excluded from

these institutions due to the prohibitive tuition fees of private institutions.

Our discussion till now clearly suggests a shift in the education policy of India in favour of marketisation and privatisation which helps the rich (mainly the upper caste people) to have access to higher education which is relevant for the globalized labour market in India. The weaker sections are supposed to stick to the primary education as the government is gradually withdrawing from higher (and even higher secondary) education as a response to the process of globalization, and private sector education is beyond their reach due to its prohibitive cost. Now the question rises as to what does this imply for the issue of social justice and equity?

Our discussion till now makes it amply clear that the changes in the educational policy (especially higher education) in India, in the name of globalization, will adversely affect the educational attainment of weaker sections in India. The successive governments at the centre have been following such policies which have led to privatisation and marketisation of education, pushing it beyond the reach of the weaker sections. Acquisition of professional and technical education have further become prohibitively costly for weaker sections.

Thus mainly the upper caste rich people will have access to technical and professional higher education whereas poor SC and ST student will stick to basic and, at best, secondary education in third grade government schools. Thus in all probability, the forces of globalization have promoted and reinforced the already existing caste based inequalities in terms of educational attainment, and access to education.

Now the question arises as to what does this inequality in terms of educational achievement mean for social mobility of weaker sections through education. Education has been the most powerful weapon for the upward mobility of the weaker section via its

linkages with the job market. However a restructuring of job market has taken place in India in the wake of globalization. This restructuring is in line with the experiences of other countries undergoing SAP. In the light of this restructuring of job market, the educational qualifications to get a job have dramatically changed and only those will get a job who possess required qualifications. Whether weaker sections will be able to compete in the job market and move up the ladder of social strata remains a moot point. Before pondering over this issue, it is imperative to examine the changes which have taken place in the job market in India in the wake of globalization.

#### **4.3. Globalization and restructuring of Indian job market**

The demand for skilled man-power increases rapidly with the opening up of the economy and entry of multinational firms, as the experience of East Asian countries (World Bank 1993) and the short Indian experience shows. In other words, globalization and adjustment programmes reward countries, that have the highly skilled human capital to exploit, and penalize those that do not have it (Stewart 1995). This demand for skilled man-power emerges from the shift of job market in the favour of tertiary (services) sector. We have discussed this phenomena at length in our previous chapter.

The Indian experience is the same as compared to the global experience. The services sector in India has expanded immensely both in terms of employment generation and contribution to India's GDP. It has been shown in Table 4.9. This table clearly shows that trade, transport, storage, communication and financial services have registered highest rate of growth of employment during the reform period.

This expansion of services sector coupled with information technology revolution and arrival of MNCs has increased the demand for "*symbolic analysts*" in India. Now the question rises as to who will be the "*symbolic analysts*" in India. Given the socio-economic reality of

the Indian society, it is too obvious that mainly the upper caste students in India have the economic capability to acquire the necessary skills to become the “*symbolic analysts*”. In the context of Indian job market, management professionals, chartered accountants, software professionals, engineers, doctors and lawyers may be put into the category of “*symbolic analysts*”. But the fees to get degrees to adopt any of such professions are exorbitantly high in private institutions. The worst part is that most of the institutions imparting training to acquire such skills are in private sector and the government is increasingly withdrawing from higher education and technical education. The situation for weaker sections become grim as they can't afford the cost of education in such institutions and there is no provision of reservation for them in such private educational institutions. Further, even a good secondary education is not available to weaker-section students, what to talk of higher secondary and tertiary (higher) education. Thus it seems improbable that the students from weaker section stand any chance of becoming “*symbolic analyst*” and reaping the benefits of globalization in India. In all probability, they will stick to low-paid jobs and remain poor. Since the majority of poor in India belong to SC/ST category, it is this class which will suffer the most and the globalization process in India will reinforce the caste based inequality.

The pious dream of the Indian Government and the World Bank along with the economists like Amartya Sen to empower the weaker section in India through universal primary and secondary education may remain a pipe dream in the absence of provision of a strong complementary higher education system for the weaker section. “Universal primary and secondary education is a worthy goal in its own right but alone it doesn't provide the wherewithal to compete in the international market” (Singh 1994:180). What kind of job the students from poorly equipped third grade government schools will get in a globalized labour market in India is anybody's guess. Thus it seems very illogical to expect that the weaker sections will be

empowered through an expansion of basic and secondary education while depriving them of higher (technical and professional) education. This will prevent them from becoming “*symbolic analysts*” and compete in globalized labour market in India. They will be locked into low paid domestic job markets and will remain poor. This is how globalization will reinforce caste-based inequality in India.

Here are some data which show why the weaker section (mainly SC/ST) can't become symbolic analysts.

**TABLE: 4.10**

**ENROLMENT OF GENERAL AND SC/ST STUDENTS IN GENERAL  
HIGHER EDUCATION**

<b>Year</b>	<b>General</b>	<b>SC/ST</b>	<b>Ratio</b>
1947	N.A.	N.A.	N.A.
1957	570885 (86.24%)	91090 (13.76)	6.27 : 1
1967	N.A.	N.A.	N.A.
1977	N.A.	N.A.	N.A.
1987	2950610 (92.79%)	229115 (7.21%)	12.88 : 1
1996	4372820 (87.75%)	610509 (12.25%)	7.16 : 1

- Sources: 1. Government of India (1953), *Progress of Education in India* (1947-1952). Quinquennial Review, Ministry of Education, New Delhi.  
 2. Government of India, *Education in India* (1957-58). Ministry of Education.  
 3. Government of India. *Selected Educational Statistics 1986-87 and 1995-96*. New Delhi: Ministry of Human Resource Development (Planning, Monitoring and Statistics Division). New Delhi.

**TABLE: 4.11**

**ENROLMENT OF GENERAL AND SC/ST STUDENTS IN GENERAL  
HIGHER EDUCATION**

<b>Year</b>	<b>General</b>	<b>SC/ST</b>	<b>Ratio</b>
1947	N.A.	N.A.	N.A.
1957	184236 (92.07%)	15864 (7.93%)	11.61 : 1
1967	N.A.	N.A.	N.A.
1977	N.A.	N.A.	N.A.
1987	526250 (95.88%)	22632 (4.12%)	23.25 : 1
1996	493068 (89.70%)	56601 (10.30%)	8.71 : 1

Sources: Same as those of table - 4.10.

Tables 4.10 and 4.11 clearly show that the SC/ST students don't stand anywhere as compared to general student in terms of enrolment in higher education, especially technical and professional education. Thus at present the majority of beneficiaries from the globalization of Indian labour market must be the upper caste people, the SC/ST will be left behind in the race for a decent job. They stand relatively poor chances of becoming "*symbolic analysts*". In future also the chances for an improvement in their situation is grim due to privatisation and higher cost of technical and professional education. Worse this trend will only be intensified in future as the World Bank is pressurizing the government of India to go for *further* and *radical* reforms. That means more privatization of education and further deprivation of weaker sections. Moreover, their deprivation will become more painful as reservation will lose its relevance in a privatized education system and job market. Thus globalization will reinforce the caste-based subjugation of the weaker sections by the upper caste people in India.

# *Conclusion*



## **CONCLUSION**

In light of the discussion of the previous chapters we see that globalisation is a complex, all encompassing social reality, pervading all aspects of social life across the globe including India. The process of globalisation has forced a restructuring of all the social institutions and relations between various social groups.

This process of globalisation actually gained momentum with the beginning of SAP in USA and UK in the mid-1970s. The neoliberal post-modernist ideas shaped the course of globalisation during this period. Consequently SAP, privatization and marketisation have become synonymous with globalization during this period. Connectivity and interdependence among nations have increased to the level beyond imagination and the concept of global village seems to have become a reality now.

The traditional notion of nation-state has become questionable now as the forces of globalisation seriously encroach upon the sovereignty and policy-making authority of the nation-states. The World Bank, the IMF, the OECD and other supernational organization have become international policy makers. Such organisations have limited the policy options of the nation-states, especially of the developing countries, which are forced to follow and implement the policies formulated by these super national organizations. The loan compulsions of the developing countries force them to follow such 'one-size-fits-all'– policies which, in most of the cases, are against their domestic interest and which results in widespread poverty and inequality. Needless to mention here, these policies are based on strong market fundamentals which in turn follows the ideology of the 'survival of the fittest'. The educational policy, too, has been subjected to

such external pressures under the globalisation process in India as well as in the rest of the world.

The structural adjustment programme (SAPs) has resulted in restructuring of the education system with far reaching consequences across the globe including India. As our study has shown, SAP leads to severe budget cuts or significant reduction in rates of growth in budget expenditure on education especially in higher education. Under SAP such educational policies are framed in which emphasis is put on efficiency, accountability and devolution. The essential outcome of such policies is the withdrawal of the government from education (reflected in falling budgetary allocation to education) and gross privatization and marketisation of education. Higher education is hit the hardest because the cut in budgetary allocation to higher education is sharper as compared to primary education.

The ultimate result of privatization of education is prohibitively high cost of quality education and exclusion of weaker section from the education system as they cannot afford the cost of private education due to their poverty. This process is universal to both school as well as college education.

At the college level a total exclusion of weaker sections take place as they cannot afford the cost of education provided by private institutions. This is all the more applicable in case of professional and technical education, as the new institutions providing such education are being opened up mainly in private sector.

At the school level, dualisation of education occurs where 'elite' schools (in private sector) serve the rich people and poorly equipped third grade government schools serve the students from weaker section. These schools are so sub-standard that the doors of higher education gets automatically closed for anyone studying in such schools.

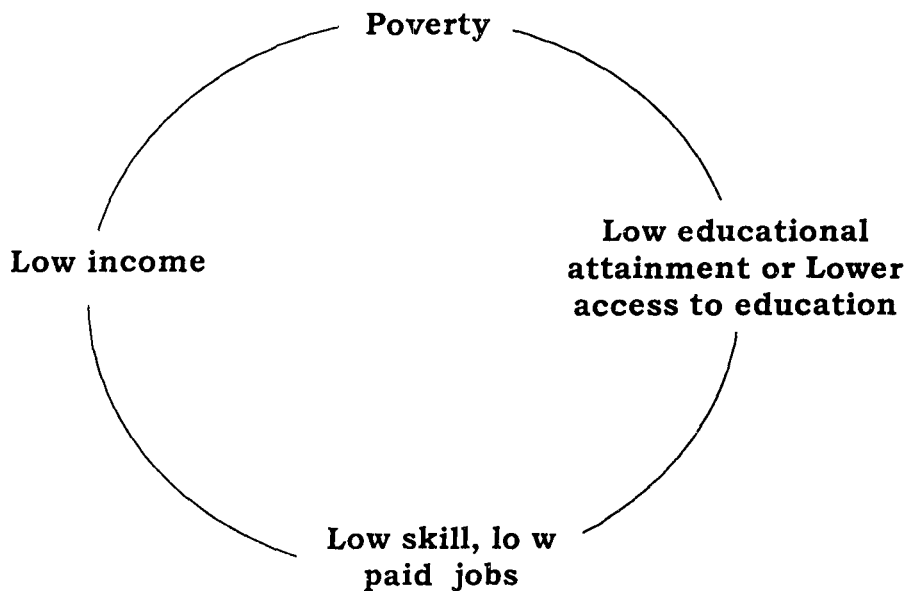
This is how the restructuring of education system on the basis of market principles under globalisation, restricts the access to education to the children belonging to the weaker sections. Education has long been an important means of upward social mobility for the weaker sections across the globe. A limited access to education will reduce the chances of upward social mobility of such people. Thus globalisation may result in reinforcement of existing inequality and creation of new forms of inequalities.

The problem of inequality in terms of access to education is aggravated further when viewed in the light of restructuring of the job market in the wake of globalisation. The occupational structure of job market has shifted in the favour of tertiary sectors as a response to the process of globalization. The growth of information technology, telecommunications and satellite T.V. has created innumerable jobs of software professionals, multimedia analysts, graphic designer, finance experts, Journalist, cameraman, telecom engineers, call centre employees etc. Very high rewards are associated with these jobs and people occupying these jobs hold prestige, power and wealth in a society based on knowledge in a globalised world. Such people have been termed as '*symbolic analysts*'. However, such jobs require technical and professional skills which are very costly to acquire.

Most of the educational institution providing these skills are in private hands, which charge exorbitantly high fees whereas the government is withdrawing from this area. The natural outcome of this process is exclusion of weaker sections from technical and professional education.

Thus it is quite obvious that the poor students will fail to compete in a globalised labour market and will remain stuck to the domestic labour market which offers low paid manual job. This is how restructuring of job market reinforces the inequality caused by unequal access to education in

the wake of globalisation. A vicious circle of poverty is formed which can be shown through the following diagram:-



The Indian experience is not different from the experience of other countries as long as the issue of globalisation and its impact on educational policy, job market and inequality is concerned. India has been undergoing SAP since 1991 with the announcement of New Economic Policy. The adjustment programme in India has resulted in reduced budgetary allocation to education mainly the higher education. The government is gradually withdrawing from the higher (especially technical and professional) education. This has resulted in privatisation and commercialization of higher education. The capitation fee colleges, NRI quota in educational institution, private management and software institutions – all these have come into existence only to mop up money from the rich students. The high tuition fee in such colleges keeps the weaker section (SC/ST) students away from such institutions. Thus inequality in terms of acquisition of professional and technical knowledge is created.

This, inequality is further reinforced by the restructuring of job market in India in favour of services sector. Jobs in services sector require skills which are not accessible to the weaker section student but easily available to the rich students who generally belong to the upper caste. The problem will only be intensified in the future as the government is planning to go for further reforms in the future which means more privatisation in the field of higher education. Thus it seems that caste based inequalities will be reinforced in India due to the changes in education system and job market brought about by the forces of globalization.

The problems becomes more serious as reservation loses its significance in a privatized education system and job market. The other means of protection such as scholarships and educational loans are not very effective as their benefits go mainly to the rich people.

The argument till now should not give the impression that the study is aimed at opposing globalization process or supporting the public sector. The main argument here is that globalization brings about such changes in educational system and job market which create different rewards for different sections depending upon their skills. Thus a person must be properly equipped to reap the benefits of globalisation. Further, globalisation leads to a market based society in which traditional means of protection such as reservation become irrelevant. Thus the task of equipping weaker sections to compete in a globalised world cannot be left into the private hands. This task must be undertaken by the state. Markets are concerned only about profit not about welfare. This is the task of the state. Thus what we need is an expansion of higher education and that too in the government sector. We need to manipulate forces of globalization according to our own needs so that the vast poor population of India can be protected from the vagaries of the market. This is the central message of this study.

## **LIMITATION**

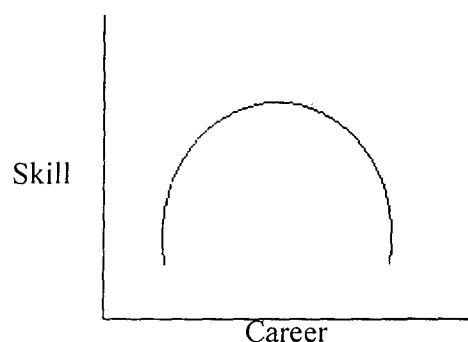
The conclusions are based on very scarce data. Moreover, data used here are not updated. Thus conclusions based on such data may not be claimed to be very precise. Most of the statements made in the conclusion are of speculative nature without any empirical base. More research and collection of primary data is required to validate such statements. Moreover, we have concentrated on an '*ideal type*' of globalisation in this study, ignoring many dimensions of globalisation which are important and which may affect the weaker sections in a very different way. Thus the conclusions made in this study are of tentative nature, subject to further research and empirical investigation.

## **SUGGESTIONS**

Following are some suggestions in the light of this study to ensure a safeguard for the weaker sections in the wake of globalization.

- The government expenditure on education, especially higher education must increase at least to 8% of GDP.
- The primary and higher education must be made complementary instead of substitutes. There is no meaning of only primary education to the weaker sections as it will not provide them with necessary skills to compete in globalised labour market.
- There should be a provision of reservation for SCs and STs at all levels of education and in all types of educational institutions – whether private or public. The '*diversity principle*' as applied in USA and followed by the Madhya Pradesh Government in India may work as a model for this purpose.
- There should be a fee concession for SC/ST students upto the tune of 75%.
- The SC/ST student should be provided interest free loans from the banks with a job guarantee from the government. These loans will be repaid only when the borrowers get a job.

- Globalization is all about competition and efficiency. Thus SC/ST student should be provided with necessary skills right from childhood to enable them to compete in the global labour market. This would instill self-respect among them as they will be competing with the general category students.
- Providing free coaching to SC/ST students in the entrance examination to various institutions of higher, technical and professional education like IIT, IIM, JNU etc. JNU is already following this policy of providing free guidance for the entrance test to SC/ST students.
- A flexible career structure for SC and ST students should be promoted as shown in the diagram given below<sup>1</sup>:



- ❖ Special emphasis should be on improving the English of SC, ST students as it has become the international language and prime requisite to get and stay in global labour market.

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<sup>1</sup> Such career structure means low skill in the early years of career. Such skill can be provided at the school itself (such as making candles, running low skill machines, binding etc.). Further skills can be upgraded at the college level and during the job also through on the job. Training programme. The highest skill can be taught at the middle of the career and the person can be brought back to the low level skills again as he approaches the end of his career. This ensures that a weaker section student sticks to training programme because normally they avoid high skills training programme due to long duration and cost involved with it. Here duration is short and they can bear the cost as training is imparted while they are still earning.

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